



A member of Prudential plc (UK) 

EASTSPRING INVESTMENTS ASIA PACIFIC EX-JAPAN TARGET RETURN 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,

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

Raymond Tang Chee Kin

Non-Independent, Executive Director and Chief Executive Officer

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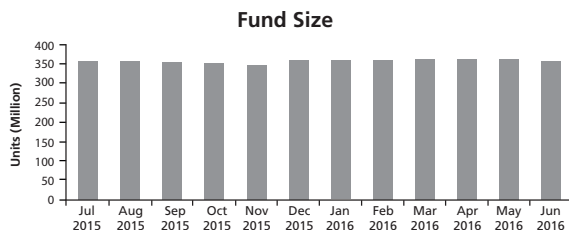
FUND INFORMATION

Name of Fund	Eastspring Investments Asia Pacific ex-Japan Target Return Fund ("the Fund")
Fund Category/ Type	Equity/growth
Fund Objective	The Fund seeks to provide capital appreciation by investing in securities in the Asia Pacific ex-Japan region.
Performance Benchmark	<p>The performance benchmark of the Fund is 8% growth of NAV per annum over the medium to long-term.</p> <p>Note: This is not a guaranteed return and is only a measurement of the Fund's performance. The Fund may not achieve the targeted return of 8% growth of NAV per annum in any particular financial year but strives to achieve this return over the medium to long-term.</p>
Fund Income Distribution Policy	Annual, 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 Asia Pacific ex-Japan Target Return Fund stood at 358.403 million units.



Breakdown of Unit Holdings

Unit Holdings	No. of Unit Holders	%	No of Units* ('000)	%
5,000 units and below	319	21.08	843	0.24
5,001 to 10,000 units	231	15.27	1,826	0.51
10,001 to 50,000 units	535	35.36	13,725	3.83
50,001 to 500,000 units	361	23.86	52,363	14.61
500,001 units and above	67	4.43	289,644	80.81
Total	1,513	100.00	358,401	100.00

* excludes units held by the Manager.

KEY PERFORMANCE DATA

FOR THE FINANCIAL YEAR ENDED

Category	30.6.2016	Since commencement
	(%)	3.11.2014 to 30.6.2015 (%)
Quoted Securities		
Consumer Discretionary	14.57	5.36
Consumer Staple	11.82	1.26
ETF	-	2.89
Financial	14.05	23.35
Health Care	5.13	5.02
Industrial	10.84	17.53
Information Technology	11.75	14.65
Technology	-	-
Telecommunication	6.16	3.08
Utilities	9.29	3.16
Total quoted securities	83.61	76.30
Cash and other assets	16.39	23.70
Total	100.00	100.00

KEY PERFORMANCE DATA (CONTINUED)

Category	30.6.2016	Since commencement 3.11.2014 to 30.6.2015
Net Asset Value (NAV) (RM'000)	175,321	177,645
Units In Circulation (Units '000)	358,403	330,260
Net Asset Value Per Unit (RM)	0.4892	0.5379
Highest Net Asset Value Per Unit (RM)#	0.5214	0.5514
Lowest Net Asset Value Per Unit (RM)#	0.4629	0.4968
Total Return (%)		
Capital Growth	(9.05)	7.58
Income Distribution	4.21	-
Total Return (%)	(5.22)	7.58
Gross Distribution Per Unit (RM)	0.0219	-
Net Distribution Per Unit (RM)	0.0219	-
Management Expense Ratio (MER) (%)*	2.08	1.40
Portfolio Turnover Ratio (PTR) (times)^	1.22	0.99

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 3.11.2014 to 30.6.2015
	(%)	(%)

Average total return	(5.22)	1.17
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Year ended	1.7.2015 to 30.6.2016	Since commencement 3.11.2014 to 30.6.2015
	(%)	(%)

Annual total return	(5.22)	7.58
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Source: Lipper for Investment Management, as at 30 June 2016.

Bases of calculation and assumptions made in calculating returns:

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

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

MANAGER'S REPORT

Fund Performance

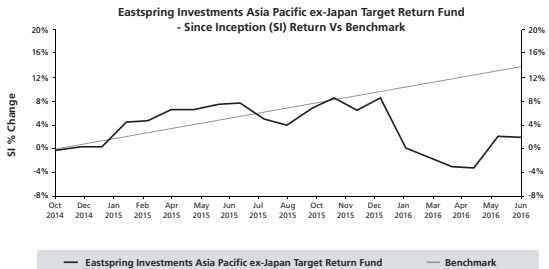
Since inception, the Fund registered a return of 1.96%, underperforming the benchmark return of 13.69% by 11.73%.

For the period under review, the Fund registered a negative return of -5.22%, underperforming the benchmark return of 8.00% by 13.22%. The markets as represented by the Morgan Stanley Capital International All Country (MSCI AC) Asia Pacific ex-Japan Index fell by -4.12% (in MYR).

The Fund kept pace with the 8% per annum benchmark return in the first half of the fiscal year. Going into the third quarter of the fiscal year the Fund fell sharply as investors rush to exit the China market after the newly introduced market circuit breaker was triggered. This technical event coupled with growing fear of a slowing global economy caused most regional markets to fall in tandem. The Fund performance started to stabilise going into the fourth quarter of the fiscal year.

The Fund non-Ringgit investments and USD cash holding also contributed to the negative return in the second half of the fiscal year. The Ringgit appreciated by 7.8% against the USD and most regional currencies during this period.

The Fund did not meet its investment objective of 8% target return per annum for the period under review.



MANAGER'S REPORT (CONTINUED)

Analysis of Fund Performance

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

Benchmark: The performance benchmark of the Fund is 8% growth of NAV per annum over the medium to long-term.

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

Note: This is not a guaranteed return and is only a measurement of the Fund's performance. The Fund may not achieve the targeted return of 8% growth of NAV per annum in any particular financial year but strives to achieve this return over the medium to long-term.

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

For the financial year ended 30 June 2016:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
4.21	(9.05)	(5.22)	8.00

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

1. Quoted securities
2. Cash and other assets

MANAGER'S REPORT (CONTINUED)

**Distribution/
Unit Split**

Ex-date	29-Dec-15
Distribution Per Unit	(RM)
Gross	0.0219
Net	0.0219

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

Ex-date	29-Dec-15
	(RM per Unit)
Net Asset Value before distribution	0.5421
Less: distribution	(0.0219)
Net Asset Value after distribution	<u>0.5202</u>

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

**Investment
Strategy During
Period Under
Review**

The Fund adopted a bottom-up stock picking approach across the region looking for companies that can grow their earnings and share price at least 8% per annum on a sustainable basis with limited downside risk.

In the first half of the fiscal year, the Fund deployed more funds in the North Asia markets of Hong Kong & China (via H-shares), Taiwan and Korea, as they were trading on a relatively cheaper valuation multiples and expected to benefit more from the nascent recovery in the developed markets.

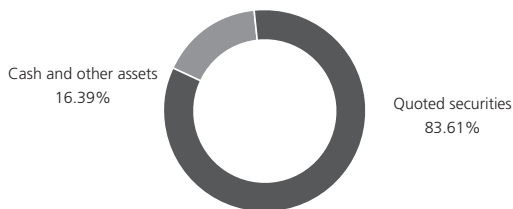
In the second half of the fiscal year, as recovery in the developed markets were less certain and uneven coupled with a still slowing Chinese economy, the Fund took the decision to be more evenly diversified across the region.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	30-Jun 2016	30-Jun 2015	Changes
	(%)	(%)	(%)
Quoted securities	83.61	76.30	7.31
Cash and other assets	16.39	23.70	(7.31)

Asset Allocation as at 30 June 2016



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

State of Affairs of the Fund

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

MARKET REVIEW

The worst performing market during this period is the Chinese market with concern over slowing economic growth and deterioration of credit quality in sectors with overcapacity. Compounding this were unclear policy communication, concerns of major shareholder's share disposal restrictions and introduction of circuit breakers.

The People's Bank of China was cutting interest rates and required reserve ratio in an attempt to revive flagging growth and reassure equity markets. The 12th Annual National People's Congress meeting held in March 2016 revealed plans to aid the economy for the coming 5 years. The economic growth target was set at 6.5% to 7.0%.

While these measures helped, the market as represented by HKSE Hang Seng China Enterprises Index fell by 25.4% (in MYR). Hong Kong as represented by the Hang Seng Index also fared poorly falling by 12.19% (in MYR) as shadow of China's slowing economy hangs over it. Other North Asia markets fared slightly better. Taiwan's Stock Exchange Weighted Index was down 0.91% (in MYR) and Korea Stock Exchange KOSPI Index was down 0.15% (in MYR). More open economy like Singapore who is more trade reliant also fared poorly. The Strait Times Index gave up 5.45% (in MYR).

The remaining ASEAN countries fared better with Malaysia FTSE BM Top 100 Index putting on 1.09% (in MYR), Philippine PCOMP Index up 7.11% (in MYR), Indonesia's Jakarta Stock Exchange Composite Index up 12.48% (in MYR) and Stock Exchange of Thailand (SET) Index up 1.87% (in MYR).

On the whole, markets in the region started to trend upwards again by late February initially led by the oil & gas and basic material stocks and latterly by more defensive sectors like consumer and higher yielding sectors such as Real Estate Investment Trust (REIT)s. Some rotations out of North Asia markets into ASEAN markets were noted.

The biggest difference between January and June this year is undoubtedly the price of oil. After diving from US\$100 per barrel in 2014 to as low as US\$28 in January this year, oil bounced back to breach the US\$50 per barrel threshold in June. Along with this rebound, the Ringgit also strengthened from RM4.30 at the beginning of the year to below RM4.10 per USD by June 10.

REBATES AND SOFT COMMISSIONS

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

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EASTSPRING INVESTMENTS ASIA PACIFIC EX-JAPAN TARGET RETURN FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS ASIA PACIFIC EX-JAPAN TARGET RETURN FUND

We have acted as Trustee for Eastspring Investments Asia Pacific Ex-Japan Target Return 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

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS ASIA PACIFIC EX-JAPAN TARGET RETURN FUND

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Eastspring Investments Asia Pacific ex-Japan Target Return Fund (the "Fund") on pages 17 to 68, 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 Note 1 to 15 to the financial statements.

Manager's Responsibility for the Financial Statements

The Manager of the Fund is responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines 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 period 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	Financial period from 10.10.2014 (launch date) to 30.6.2015
		RM	RM
INVESTMENT (LOSS)/INCOME			
Gross dividend income		3,575,507	1,688,654
Interest income from deposits with licensed financial institutions		794,975	724,443
Net gain on foreign currency exchange		1,773,177	210,487
Net (loss)/gain on financial assets at fair value through profit or loss	7	(10,215,592)	6,782,947
		<u>(4,071,933)</u>	<u>9,406,531</u>
EXPENSES			
Management fee	3	(3,241,022)	(1,313,750)
Trustee fee	4	(144,045)	(58,389)
Audit fee		(10,000)	(6,000)
Tax agent fee		(17,349)	(14,575)
Transaction costs		(1,271,491)	(577,818)
GST charges		(203,284)	(48,211)
Other expenses		(129,214)	(27,758)
		<u>(5,016,405)</u>	<u>(2,046,501)</u>
(LOSS)/PROFIT BEFORE TAXATION		(9,088,338)	7,360,030
TAXATION	5	<u>(243,242)</u>	<u>(136,950)</u>
(LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME		<u>(9,331,580)</u>	<u>7,223,080</u>
(Loss)/profit after taxation is made up of the following:			
Realised amount		(7,304,765)	169,933
Unrealised amount		<u>(2,026,815)</u>	<u>7,053,147</u>
		<u>(9,331,580)</u>	<u>7,223,080</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	8	31,094,089	39,754,302
Amount due from Manager		140,197	2,493,353
Dividends receivable		508,667	779,689
Financial assets at fair value through profit or loss	7	146,582,533	135,533,012
TOTAL ASSETS		<u>178,325,486</u>	<u>178,560,356</u>
LIABILITIES			
CURRENT LIABILITIES			
Amount due to Manager		910,203	612,960
Accrued management fee		259,074	255,704
Amount due to brokers		1,776,677	-
Amount due to Trustee		11,514	11,365
GST charges payable		16,235	16,024
Other payables and accruals		30,540	19,130
TOTAL LIABILITIES		<u>3,004,243</u>	<u>915,183</u>
NET ASSET VALUE OF THE FUND		<u>175,321,243</u>	<u>177,645,173</u>
EQUITY			
Unit holders' capital		181,810,721	170,422,093
(Accumulated loss)/Retained earnings		(6,489,478)	7,223,080
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>175,321,243</u>	<u>177,645,173</u>
NUMBER OF UNITS IN CIRCULATION	9	<u>358,403,037</u>	<u>330,259,948</u>
NET ASSET VALUE PER UNIT EX-DISTRIBUTION (RM)		<u>0.4892</u>	<u>0.5379</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	(Accumulated loss)/ Retained earnings	Total
		RM	RM	RM
Balance as at 1 July 2015		170,422,093	7,223,080	177,645,173
Movement in unit holders' contribution:				
Creation of units from applications		49,835,460	-	49,835,460
Creation of units from distribution		7,556,591	-	7,556,591
Cancellation of units		(42,815,089)	-	(42,815,089)
Distribution (Gross: 2.19 sen per unit/ Net: 2.19 sen per unit)	6	(3,188,334)	(4,380,978)	(7,569,312)
Total comprehensive loss for the financial year		-	(9,331,580)	(9,331,580)
Balance as at 30 June 2016		<u>181,810,721</u>	<u>(6,489,478)</u>	<u>175,321,243</u>
Balance as at 10 October 2014 (launch date)		-	-	-
Movement in unit holders' contribution:				
Creation of units from applications		213,140,775	-	213,140,775
Cancellation of units		(42,718,682)	-	(42,718,682)
Total comprehensive income for the financial period		-	7,223,080	7,223,080
Balance as at 30 June 2015		<u>170,422,093</u>	<u>7,223,080</u>	<u>177,645,173</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	Financial period from 10.10.2014 (launch date) to 30.6.2015
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		207,813,599	35,865,452
Purchase of investments		(228,573,525)	(165,193,335)
Dividend received		3,603,288	772,015
Interest received		794,975	724,443
Management fee paid		(3,432,113)	(1,058,045)
Trustee's fee paid		(152,539)	(47,024)
Payment for other fees and expenses		(145,123)	(61,390)
Net foreign currency exchange gain		1,773,177	210,487
Net cash used in operating activities		<u>(18,318,261)</u>	<u>(128,787,397)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		52,188,616	210,647,421
Payments for cancellation of units		(42,517,847)	(42,105,722)
Distribution paid		(12,721)	-
Net cash generated from financing activities		<u>9,658,048</u>	<u>168,541,699</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(8,660,213)	39,754,302
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR/LAUNCH DATE		<u>39,754,302</u>	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/PERIOD	8	<u>31,094,089</u>	<u>39,754,302</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 the 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/period. 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
 - 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 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.

B. INCOME RECOGNITION

Interest income earned from short term deposits is recognised on the accrual basis using the effective interest 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 investments is accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

C. TAXATION

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

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

D. PRESENTATION AND FUNCTIONAL CURRENCY

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Fund's presentation and functional currency.

E. FOREIGN CURRENCY TRANSLATION

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

F. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

i. Classification

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

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

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

The Fund's loans and receivables comprise 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 which include amount due to Manager, accrued management fee, amount due to brokers, 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 including the effects of currency translation from changes in the fair value of the 'financial assets at fair value through profit or loss' are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit and loss' in the period in which they arise. Any unrealised gains however are not distributable.

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

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

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

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

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

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.

Loans and receivables and other financial liabilities are subsequently carried at amortised cost using the effective interest rate method.

iii. Impairment for assets carried at amortised costs

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

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

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

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

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

G. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank 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. 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. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Funds' results and financial position are tested for sensitivity to changes in the underlying parameters.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

1. INFORMATION ON THE FUND

Eastspring Investments Asia Pacific ex-Japan Target Return Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 24 April 2014 as modified by a Supplemental Deed dated 21 July 2014 and the Second Supplemental Deed dated 2 January 2015 entered into between Eastspring Investments Berhad (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee") (collectively referred to as the "Deed").

The Fund was launched on 10 October 2014 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 provide capital appreciation by investing in securities in the Asia Pacific ex-Japan region.

The Fund seeks to achieve its objective by investing in equities and equity-related securities, such as rights and warrants, which are listed on the Asia Pacific ex-Japan exchanges. The Fund's investments may also include liquid assets. The Fund will invest in markets where the regulatory authority is a member of IOSCO. The markets where the Fund will invest in include but not limited to Australia, Hong Kong, India, Indonesia, Malaysia, New Zealand, South Korea, Chinese Taipei, Vietnam, Singapore, Philippines and Thailand.

All investments will be subjected to the SC Guidelines on Unit Trust Funds, the Deed except where exemptions or variations have been approved by the Securities Commission, internal policies and procedures and the Fund's objective.

The 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/default risk, fund management risk, non-compliance risk and capital risk.

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

Financial instruments of the Fund are as follows:

	Note	Loan and receivables	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
<u>2016</u>				
Quoted securities	7	-	146,582,533	146,582,533
Amount due from Manager		140,197	-	140,197
Dividends receivable		508,667	-	508,667
Cash and cash equivalents	8	31,094,089	-	31,094,089
		<u>31,742,953</u>	<u>146,582,533</u>	<u>178,325,486</u>
<u>2015</u>				
Quoted securities	7	-	135,533,012	135,533,012
Amount due from Manager		2,493,353	-	2,493,353
Dividends receivable		779,689	-	779,689
Cash and cash equivalents	8	39,754,302	-	39,754,302
		<u>43,027,344</u>	<u>135,533,012</u>	<u>178,560,356</u>

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

Market risk

i. Price risk

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

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

	2016	2015
	RM	RM
Quoted securities designated at fair value through profit or loss	146,582,533	135,533,012

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

% Change in price of financial assets at fair value through profit or loss	Market value	Increase/(decrease) in (loss)/profit after tax and net asset value
	RM	RM
<u>2016</u>		
+5%	153,911,660	7,329,127
-5%	139,253,406	(7,329,127)
<u>2015</u>		
+5%	142,309,663	6,776,651
-5%	128,756,361	(6,776,651)

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.

Interest rate is a general economic indicator that will have an impact on the management of the Fund. The Fund's exposure to the interest risk is mainly confined to short term placements with financial institutions. The Manager overcomes the exposure by way of maintaining deposits on short-term basis.

The Fund's investments in deposit with a licensed financial institution are 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 securities denominated in a wide range of currencies other than Ringgit Malaysia, the net asset value of the fund expressed in Ringgit Malaysia may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between Ringgit Malaysia and such other currencies. The risk is minimised through investing in a wide range of foreign currencies denominated assets and thus, diversifying the risk of single currency exposure.

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

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

	Financial assets at fair value through profit or loss	Cash and cash equivalents	Dividends receivable	Total
	RM	RM	RM	RM
<u>2016</u>				
AUD	7,399,504	-	46,317	7,445,821
HKD	32,938,449	-	204,049	33,142,498
INR	17,230,981	-	45,657	17,276,638
IDR	10,333,351	-	-	10,333,351
KRW	14,595,538	-	-	14,595,538
PHP	11,957,907	-	-	11,957,907
SGD	13,979,649	-	-	13,979,649
THB	9,423,552	-	-	9,423,552
TWD	13,165,528	-	179,541	13,345,069
USD	-	19,609,184	-	19,609,184
	<u>131,024,459</u>	<u>19,609,184</u>	<u>475,564</u>	<u>151,109,207</u>
<u>2015</u>				
HKD	37,186,095	-	457,616	37,643,711
INR	2,591,356	-	-	2,591,356
IDR	1,365,714	-	-	1,365,714
KRW	13,672,497	-	-	13,672,497
PHP	1,747,765	-	3,945	1,751,710
SGD	22,501,266	-	-	22,501,266
THB	5,439,049	-	-	5,439,049
TWD	27,092,879	-	256,192	27,349,071
USD	-	7,848,176	-	7,848,176
	<u>111,596,621</u>	<u>7,848,176</u>	<u>717,753</u>	<u>120,162,550</u>

The following table summarises the sensitivity of the Fund's financial assets fair value to changes in foreign exchange movements at the end of the reporting year period. The analysis is based on the assumption that the foreign exchange rate changes by 5% with all variables remain constant. This represents management's

best estimate of a reasonable possible shift in the foreign exchange rate having regard to historical volatility of this rate.

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

	Change in exchange rate	Impact on loss after tax	Impact on net asset value
	%	RM	RM
<u>2016</u>			
AUD	5	372,291	372,291
HKD	5	1,657,125	1,657,125
INR	5	863,832	863,832
IDR	5	516,668	516,668
KRW	5	729,777	729,777
PHP	5	597,895	597,895
SGD	5	698,982	698,982
THB	5	471,178	471,178
TWD	5	667,253	667,253
USD	5	980,459	980,459

	Change in exchange rate	Impact on profit after tax	Impact on net asset value
	%	RM	RM
<u>2015</u>			
HKD	5	1,882,186	1,882,186
INR	5	129,568	129,568
IDR	5	68,286	68,286
KRW	5	683,625	683,625
PHP	5	87,586	87,586
SGD	5	1,125,063	1,125,063
THB	5	271,952	271,952
TWD	5	1,367,454	1,367,454
USD	5	392,409	392,409

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the Fund Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

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

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

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
<u>2016</u>			
Amount due to Manager	910,203	-	910,203
Accrued management fee	259,074	-	259,074
Amount due to brokers	1,776,677	-	1,776,677
Amount due to Trustee	11,514	-	11,514
Other payables and accruals	-	30,540	30,540
GST charges payable	16,235	-	16,235
Contractual cash outflows	<u>2,973,703</u>	<u>30,540</u>	<u>3,004,243</u>
<u>2015</u>			
Amount due to Manager	612,960	-	612,960
Accrued management fee	255,704	-	255,704
Amount due to Trustee	11,365	-	11,365
Other payables and accruals	-	19,130	19,130
GST charges payable	16,024	-	16,024
Contractual cash outflows	<u>896,053</u>	<u>19,130</u>	<u>915,183</u>

Credit/default risk

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

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

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

	Cash and cash equivalent	Dividends receivable	Amount due from Manager	Total
	RM	RM	RM	RM
<u>2016</u>				
Financial				
- AA1	19,623,021	-	-	19,623,021
- AAA	11,471,068	-	-	11,471,068
- NR	-	99,683	-	99,683
Consumer Discretionary				
- NR	-	3,372	-	3,372
Consumer Staple				
- NR	-	5,797	-	5,797
Industrial				
- NR	-	173,957	-	173,957
Information Technology				
- NR	-	105,680	-	105,680
Telecommunication				
- NR	-	46,317	-	46,317
Utilities				
- NR	-	73,861	-	73,861
Other				
- NR	-	-	140,197	140,197
	<u>31,094,089</u>	<u>508,667</u>	<u>140,197</u>	<u>31,742,953</u>

	Cash and cash equivalent	Dividends receivable	Amount due from Manager	Total
	RM	RM	RM	RM
<u>2015</u>				
Financial				
- AA1	7,860,982	-	-	7,860,982
- AAA	31,893,320	-	-	31,893,320
- NR	-	367,091	-	367,091
Consumer Services				
- NR	-	48,101	-	48,101
Consumer Staple				
- NR	-	780	-	780
Utilities				
- NR	-	131,570	-	131,570
Industrial				
- NR	-	105,558	-	105,558
Information Technology				
- NR	-	126,589	-	126,589
Other				
- NR	-	-	2,493,353	2,493,353
	<u>39,754,302</u>	<u>779,689</u>	<u>2,493,353</u>	<u>43,027,344</u>

None of these assets are past due or impaired.

Fund management risk

There is the risk that the management company may not adhere to the investment mandate of the respective Fund. With close monitoring by the investment committee, back office system being incorporated with limits and controls, and regular reporting to the senior management team, the management company is able to manage such risk. The Trustee has an oversight function over management of the Fund by the management company to safeguard the interests of unit holder.

Non-compliance risk

Non-compliance risk arises when the Manager and others associated with the Fund are not compliant to the rules set out in the Fund's constitution or the law that governs the Fund or applicable internal control procedures, or act fraudulently or dishonestly.

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

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital and retained earnings. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

Fair value estimation

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

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

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

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

Fair value hierarchy

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
<u>2016</u>				
Financial assets at fair value through profit or loss:				
Quoted securities	<u>146,582,533</u>	-	-	<u>146,582,533</u>
<u>2015</u>				
Financial assets at fair value through profit or loss at inception:				
Quoted securities	<u>135,533,012</u>	-	-	<u>135,533,012</u>

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

- ii. The carrying value of amount due from Manager, dividends receivable, 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 on the net asset value of the Fund accrued on a daily basis for the financial year.

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

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

4. TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to a fee at a rate not exceeding 0.20% per annum on the net asset value of the Fund, accrued on a daily basis for the financial period subject to a minimum fee of RM18,000 per annum excluding foreign custodian fees and charges.

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 excluding of foreign custodian fees and charges, calculated on daily basis.

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

5. TAXATION

	2016	2015
	RM	RM
Tax charged for the financial year/period:		
Current taxation – local	6,124	1,806
Current taxation – foreign	237,118	135,144
	<u>243,242</u>	<u>136,950</u>

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

	2016	2015
	RM	RM
(Loss)/Profit before taxation	<u>(9,088,338)</u>	<u>7,360,030</u>
Tax at Malaysian statutory rate of 24% (2015:25%)	(2,181,201)	1,840,008
Tax effects of:		
Investment income exempt from tax	991,961	(2,347,118)
Expenses not deductible for tax purposes	421,292	177,938
Restriction on tax deductible expenses for Unit Trust Funds	782,645	333,687
Investment income subject to different tax rate	<u>228,545</u>	<u>132,435</u>
Taxation	<u>243,242</u>	<u>136,950</u>

6. DISTRIBUTION

	2016
	RM
Distribution to unit holders is from the following sources:	
Current and prior year realised income:	
Dividend income	3,101,215
Interest income	1,184,159
Net realised gain on sale of investments	4,013,148
Distribution equalisation	<u>3,188,334</u>
Gross realised income	11,486,856
Less: Expenses	(3,917,544)
Less: Taxation	-
	<u>7,569,312</u>
Gross distribution per unit (RM)	<u>0.0219</u>
Net distribution per unit (RM)	<u>0.0219</u>
Ex-date	<u>29 December 2015</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.

There was no distribution made in the previous financial period.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016	2015
	RM	RM
Designated at fair value through profit or loss:		
Quoted securities	146,582,533	135,533,012
Net (loss)/gain on financial assets at fair value through profit or loss:		
Realised loss on disposals	(7,858,642)	(264,599)
Change in unrealised fair value (loss)/gain	(2,356,950)	7,047,546
	(10,215,592)	6,782,947

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

2016

Local

Malaysia Securities

Consumer Discretionary

Berjaya Auto Berhad	736,400	1,620,080	1,708,448	0.97
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Financial

Hong Leong Financial Group Berhad	104,313	1,706,298	1,531,315	0.87
IGB Real Estate Investment Trust	1,133,600	1,713,049	1,825,096	1.04
Pavilion Real Estate Investment Trust	1,015,500	1,767,180	1,756,815	1.00
Sunway Real Estate Investment Trust	1,090,900	1,739,599	1,810,894	1.03
	3,344,313	6,926,126	6,924,120	3.94

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 30.6.2016	of net asset value of the Fund
	Units	RM	RM	%
Malaysia Securities				
(continued)				
<u>Industrial</u>				
IJM Corporation Berhad	472,900	1,663,095	1,650,421	0.94
Kimlun Corporation Berhad	996,500	1,775,587	1,803,665	1.03
	<u>1,469,400</u>	<u>3,438,682</u>	<u>3,454,086</u>	<u>1.97</u>
<u>Utilities</u>				
Tenaga Nasional Bhd	246,200	3,437,263	3,471,420	1.98
Total Malaysia Securities	5,796,313	15,422,151	15,558,074	8.86
Foreign				
Australia Securities				
<u>Consumer Discretionary</u>				
Domino's Pizza Enterprises Limited	5,657	870,925	1,155,695	0.66
Harvey Norman Holdings Ltd	118,445	1,745,236	1,637,330	0.93
	<u>124,102</u>	<u>2,616,161</u>	<u>2,793,025</u>	<u>1.59</u>
<u>Financial</u>				
Commonwealth Bank Of Australia	3,984	970,361	888,455	0.51
<u>Health Care</u>				
CSL Limited	2,830	780,882	951,964	0.54
<u>Utilities</u>				
Transurban Group	76,935	2,429,510	2,766,060	1.57
Total Australia Securities	207,851	6,796,914	7,399,504	4.21

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 30.6.2016	of net asset value of the Fund
	Units	RM	RM	%
Foreign (continued)				
China Securities (Listed in Hong Kong)				
<u>Consumer Discretionary</u>				
Minth Group Limited	72,000	877,288	936,935	0.53
<u>Industrial</u>				
Sunny Optical Technology (Group) Company Limited	188,000	2,492,056	2,651,532	1.51
<u>Information Technology</u>				
AAC Technologies Holdings Inc.	70,000	2,190,121	2,394,545	1.37
Tencent Holdings Limited	38,300	3,248,269	3,503,704	2.00
	108,300	5,438,390	5,898,249	3.37
<u>Utilities</u>				
CT Environmental Group Limited	1,372,000	1,678,316	1,596,509	0.91
Total China Securities (Listed In Hong Kong)	1,740,300	10,486,050	11,083,225	6.32

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 30.6.2016	of net asset value of the Fund
	Units	RM	RM	%
Foreign (continued)				
Hong Kong Securities				
<u>Consumer Discretionary</u>				
Techtronic Industries Company Limited	229,000	3,760,404	3,836,493	2.18
<u>Consumer Staple</u>				
Vitasoy International Holdings Limited	454,000	3,959,202	3,320,686	1.89
<u>Financial</u>				
AIA Group Limited	72,800	1,498,003	1,752,873	1.00
China Life Insurance Company Limited	89,000	890,805	768,405	0.44
Ping An Insurance (Group) Company Of China Limited	45,000	866,800	798,312	0.46
The Link Real Estate Investment Trust	76,000	1,956,940	2,084,571	1.19
	282,800	5,212,548	5,404,161	3.09
<u>Industrial</u>				
MTR Corporation Limited	89,000	1,485,258	1,812,364	1.03
<u>Telecommunication</u>				
China Mobile Limited	38,500	1,773,818	1,773,000	1.01
HKT Trust	440,000	2,577,465	2,555,429	1.46
	478,500	4,351,283	4,328,429	2.47
<u>Utilities</u>				
Cheung Kong Infrastructure Holdings Limited	91,000	3,367,069	3,153,091	1.80
Total Hong Kong Securities	1,624,300	22,135,764	21,855,224	12.46

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
Foreign (continued)				
India Securities				
<u>Consumer Discretionary</u>				
Bosch Limited	1,337	1,741,867	1,804,558	1.03
Maruti Suzuki India Limited	14,018	3,275,213	3,497,881	2.00
	15,355	5,017,080	5,302,439	3.03
<u>Consumer Staple</u>				
Dabur India Limited	96,923	1,736,579	1,782,742	1.02
Godrej Consumer Products Limited	22,592	1,749,857	2,163,881	1.23
	119,515	3,486,436	3,946,623	2.25
<u>Financial</u>				
ICICI Bank Limited	120,033	1,684,668	1,720,685	0.98
<u>Health Care</u>				
Divis Laboratories Limited	15,039	1,094,410	994,490	0.57
Dr.Reddy's Laboratories Ltd	9,436	2,153,566	1,901,596	1.08
	24,475	3,247,976	2,896,086	1.65
<u>Information Technology</u>				
Infosys Limited	48,231	3,504,130	3,365,148	1.92
Total India Securities	327,609	16,940,290	17,230,981	9.83

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 30.6.2016	of net asset value of the Fund
	Units	RM	RM	%
Foreign (continued)				
Indonesia Securities				
<u>Consumer Staple</u>				
Indofood CBP Sukses Makmur PT TBK	359,900	1,719,177	1,888,300	1.08
<u>Financial</u>				
Bumi Serpong Damai PT TBK	6,354,000	3,467,098	4,083,754	2.33
<u>Industrial</u>				
Semen Indonesia (Persero) PT TBK	556,100	1,989,968	1,583,778	0.90
<u>Telecommunication</u>				
Telekomunikasi Indonesia PT TBK	2,291,100	1,906,836	2,777,519	1.58
Total Indonesia Securities	9,561,100	9,083,079	10,333,351	5.89
Philippines Securities				
<u>Consumer Discretionary</u>				
Jollibee Foods Corporation	128,040	2,392,606	2,647,633	1.51
<u>Consumer Staple</u>				
Universal Robina Corporation	96,240	1,697,785	1,710,471	0.98
<u>Financial</u>				
Ayala Land Inc	556,200	1,749,479	1,843,994	1.05
GT Capital Holdings Inc	6,960	870,781	856,384	0.49
SM Prime Holdings Inc	1,250,900	2,404,663	2,917,978	1.66
	1,814,060	5,024,923	5,618,356	3.20

Name of counter	Quantity	Aggregate cost	Fair value	Percentage of net asset value of the Fund
			as at 30.6.2016	
	Units	RM	RM	%
Foreign (continued)				
Philippines Securities				
(continued)				
<u>Utilities</u>				
Metro Pacific Investments Corporation	3,327,000	1,754,102	1,981,447	1.13
Total Philippines Securities	5,365,340	10,869,416	11,957,907	6.82
Republic of Korea Securities				
<u>Consumer Discretionary</u>				
Amorepacific Corporation	1,768	2,457,298	2,658,068	1.52
CJ CGV Company Limited	6,501	2,725,924	2,344,356	1.34
	8,269	5,183,222	5,002,424	2.86
<u>Consumer Staple</u>				
LG Household & Health Care Ltd	716	2,649,220	2,786,566	1.59
<u>Information Technology</u>				
Samsung Electronics Co Ltd	701	3,525,475	3,480,454	1.99
<u>Utilities</u>				
Korea Electric Power Corporation	15,805	3,205,861	3,326,094	1.90
Total Republic of Korea Securities	25,491	14,563,778	14,595,538	8.34

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2016	Percentage of net asset value of the Fund
				Units
Foreign (continued)				
Singapore Securities				
<u>Consumer Staple</u>				
First Real Estate Investment Trust	607,974	2,325,470	2,272,911	1.30
Sheng Siong Group Ltd.	765,800	1,765,298	2,026,964	1.16
	<u>1,373,774</u>	<u>4,090,768</u>	<u>4,299,875</u>	<u>2.46</u>
<u>Health Care</u>				
Raffles Medical Group Ltd	399,822	1,737,762	1,805,639	1.03
Religare Health Trust	629,300	1,925,608	1,853,879	1.06
	<u>1,029,122</u>	<u>3,663,370</u>	<u>3,659,518</u>	<u>2.09</u>
<u>Industrial</u>				
SATS Limited	205,100	2,549,967	2,521,128	1.44
Venture Corporation Limited	141,300	3,598,623	3,499,128	2.00
	<u>346,400</u>	<u>6,148,590</u>	<u>6,020,256</u>	<u>3.44</u>
Total Singapore Securities	2,749,296	13,902,728	13,979,649	7.99
Taiwan Securities				
<u>Consumer Discretionary</u>				
Pou Chen Corporation	292,000	1,902,166	1,570,068	0.90
<u>Industrial</u>				
Sunny Friend Environmental Technology Company Limited	94,000	1,739,692	1,778,701	1.01
<u>Information Technology</u>				
Pchome Online Inc	57,949	2,784,025	2,562,192	1.46
Taiwan Semiconductor Manufacturing Company Limited	175,000	3,296,051	3,551,844	2.03
	<u>232,949</u>	<u>6,080,076</u>	<u>6,114,036</u>	<u>3.49</u>

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
Foreign (continued)				
Taiwan Securities				
(continued)				
<u>Telecommunication</u>				
Chunghwa Telecom Company Limited	127,000	1,693,534	1,847,958	1.05
Taiwan Mobile Company Limited	132,000	1,706,341	1,854,765	1.06
	259,000	3,399,875	3,702,723	2.11
Total Taiwan Securities	877,949	13,121,809	13,165,528	7.51
Thailand Securities				
<u>Consumer Discretionary</u>				
Minor International Public Company Limited	382,000	1,746,699	1,750,691	1.00
<u>Consumer Staple</u>				
Thai Beverage Public Company Limited	1,011,100	2,221,122	2,751,838	1.57
<u>Health Care</u>				
Bangkok Dusit Medical Services Public Company Limited	541,700	1,168,555	1,483,347	0.85
<u>Industrial</u>				
The Siam Cement Public Company Limited	31,500	1,720,749	1,717,923	0.98

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 30.6.2016	of net asset value of the Fund
	Units	RM	RM	%
Foreign (continued)				
Thailand Securities				
(continued)				
<i>Information Technology</i>				
KCE Electronics Public Company Limited	180,300	1,712,833	1,719,753	0.98
Total Thailand Securities	2,146,600	8,569,958	9,423,552	5.38
Total Foreign Securities	24,625,836	126,469,786	131,024,459	74.75
TOTAL QUOTED SECURITIES	<u>30,422,149</u>	141,891,937	<u>146,582,533</u>	83.61
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>4,690,596</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>146,582,533</u>	

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 30.6.2015	of net asset value of the Fund
	Units	RM	RM	%
2015				
Local				
Malaysia Securities				
<u>Financial</u>				
Axis Real Estate Investment Trust	357,600	1,260,107	1,233,720	0.69
Hong Leong Financial Group Bhd	95,700	1,606,387	1,450,812	0.82
Sunway Berhad	520,200	1,880,913	1,789,488	1.01
	<u>973,500</u>	<u>4,747,407</u>	<u>4,474,020</u>	<u>2.52</u>
<u>Industrial</u>				
Cahaya Mata Sarawak Berhad	602,900	3,064,220	3,104,935	1.75
Sunway Construction Group Berhad	52,020	-	57,222	0.03
IJM Corporation Bhd	312,800	2,138,371	2,039,456	1.15
Gamuda Bhd	438,400	2,244,970	2,047,328	1.15
Karex Berhad	622,200	1,821,220	1,910,154	1.08
	<u>2,028,320</u>	<u>9,268,781</u>	<u>9,159,095</u>	<u>5.16</u>
<u>Health Care</u>				
Hartalega Holdings Berhad	223,700	1,845,061	1,903,687	1.07
Kossan Rubber Industries Bhd	340,000	1,910,500	2,210,000	1.24
	<u>563,700</u>	<u>3,755,561</u>	<u>4,113,687</u>	<u>2.31</u>
<u>Information Technology</u>				
Globetronics Technology Bhd	308,300	1,826,907	1,834,385	1.03
Inari Amertron Bhd	752,400	2,576,362	2,445,300	1.38
	<u>1,060,700</u>	<u>4,403,269</u>	<u>4,279,685</u>	<u>2.41</u>
<u>Utilities</u>				
Tenaga Nasional Bhd	151,100	2,080,701	1,909,904	1.08
Total Malaysia Securities	4,777,320	24,255,719	23,936,391	13.48

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 30.6.2015	of net asset value of the Fund
	Units	RM	RM	%
Foreign (continued)				
India Securities				
<u>Telecommunication</u>				
Bharti Infratel Ltd	97,690	2,611,044	2,591,356	1.46
Total India Securities	97,690	2,611,044	2,591,356	1.46
China Securities (Listed in Hong Kong)				
<u>Information Technology</u>				
Tencent Holdings Limited	44,300	2,592,025	3,339,445	1.88
Travelsky Technology Ltd	402,000	2,017,871	2,237,033	1.26
	446,300	4,609,896	5,576,478	3.14
Total China Securities (Listed in Hong Kong)	446,300	4,609,896	5,576,478	3.14
Hong Kong Securities				
<u>Industrial</u>				
MTR Corp Ltd	130,000	2,169,478	2,286,814	1.29
<u>Financial</u>				
AIA Group Ltd	132,200	2,720,275	3,269,248	1.84
China Life Insurance Co	180,000	2,973,038	2,960,238	1.67
China Construction Bank Corp Ltd	447,000	1,642,228	1,542,130	0.87
Ping An Insurance (Group) Co of China Ltd	61,000	2,817,264	3,112,124	1.75
Hong Kong Exchanges & Clearing Limited	17,105	1,703,046	2,280,444	1.28
Industrial and Commercial Bank of China Ltd	532,000	1,707,462	1,596,881	0.90

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 30.6.2015	of net asset value of the Fund
	Units	RM	RM	%
Foreign (continued)				
Hong Kong Securities				
(continued)				
<u>Financial</u> (continued)				
Cheung Kong Property Holdings Ltd	78,500	1,219,670	2,459,580	1.38
China Resources Land Ltd	272,000	3,065,214	3,333,398	1.88
	<u>1,719,805</u>	<u>17,848,197</u>	<u>20,554,043</u>	<u>11.57</u>
<u>Industrial</u>				
Cheung Kong (Holdings) Ltd	62,500	4,203,445	3,468,838	1.95
Zhuzhou CSR Times Electric Co Ltd	57,000	1,538,978	1,613,732	0.91
	<u>119,500</u>	<u>5,742,423</u>	<u>5,082,570</u>	<u>2.86</u>
<u>Utilities</u>				
China Power International Development Limited	1,280,000	2,436,847	3,686,190	2.08
Total Hong Kong Securities	<u>3,249,305</u>	<u>28,196,945</u>	<u>31,609,617</u>	<u>17.80</u>
Indonesia Securities				
<u>Consumer Staple</u>				
Gudang Garam PT TBK	27,200	442,964	347,162	0.20
<u>Financial</u>				
Ciputra Development PT TBK	890,700	313,651	318,866	0.18
<u>Health Care</u>				
Kalbe Farma PT TBK	723,000	351,227	342,720	0.19

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 30.6.2015	of net asset value of the Fund
	Units	RM	RM	%
Foreign (continued)				
Indonesia Securities				
(continued)				
<u>Telecommunication</u>				
Telekomunikasi Indonesia PT TBK	430,500	346,901	356,966	0.20
Total Indonesia Securities	2,071,400	1,454,743	1,365,714	0.77
Phillippines Securities				
<u>Industrial</u>				
JG Summit Holdings Inc	61,010	305,079	365,780	0.21
<u>Financial</u>				
GT Capital Holdings Inc	3,055	257,206	348,949	0.20
BDO Unibank Inc	38,090	309,175	345,255	0.19
Ayala Land Inc	106,800	277,990	333,104	0.19
Megaworld Corporation	891,100	371,380	354,677	0.20
	1,039,045	1,215,751	1,381,985	0.78
Total Philippines Securities	1,100,055	1,520,830	1,747,765	0.99
Republic of Korea Securities				
<u>Consumer Discretionary</u>				
Amorepacific Corp	2,649	3,600,747	3,736,302	2.10
CJ CGV Co Ltd	8,834	3,714,085	3,815,496	2.15
	11,483	7,314,832	7,551,798	4.25
<u>Industrial</u>				
LG Corp	14,476	3,299,995	3,018,705	1.70

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 30.6.2015	of net asset value of the Fund
	Units	RM	RM	%
Foreign (continued)				
Republic of Korea				
Securities (continued)				
<u>Information Technology</u>				
Samsung Electronics Co Ltd	324	1,547,726	1,386,270	0.78
Naver Corp Ltd	802	1,778,819	1,715,724	0.97
	1,126	3,326,545	3,101,994	1.75
Total Republic of Korea Securities	27,085	13,941,372	13,672,497	7.70
Singapore Securities				
<u>Industrial</u>				
Comfortdelgro Corporation Ltd	405,100	3,154,810	3,552,452	2.00
<u>Consumer Staple</u>				
Sheng Siong Group	811,600	1,654,315	1,887,304	1.06
<u>ETF</u>				
iShares Msci India 100	181,700	5,240,393	5,142,473	2.89
<u>Financial</u>				
DBS Group Holdings Ltd	33,472	1,713,982	1,940,277	1.09
Oversea-Chinese Banking Corporation Limited	81,987	2,281,946	2,338,376	1.32
Singapore Exchange Limited	81,600	1,809,267	1,790,085	1.01
First Real Estate Investment Trust	588,316	2,251,138	2,291,116	1.29
	785,375	8,056,333	8,359,854	4.71
<u>Health Care</u>				
Raffles Medical Group Ltd	137,511	1,423,715	1,772,217	1.00

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 30.6.2015	of net asset value of the Fund
	Units	RM	RM	%
Foreign (continued)				
Singapore Securities				
(continued)				
<u>Telecommunication</u>				
Singapore				
Telecommunications Ltd	151,500	1,721,260	1,786,966	1.01
Total Singapore Securities	2,472,786	21,250,826	22,501,266	12.67
Taiwan Securities				
<u>Consumer Discretionary</u>				
Eclat Textile Co Ltd	32,000	1,684,977	1,979,148	1.11
<u>Industrial</u>				
Largan Precision Co Ltd	9,000	3,007,542	3,877,747	2.18
Merida Industry Co Ltd	73,000	1,983,377	1,784,558	1.00
	82,000	4,990,919	5,662,305	3.18
<u>Financial</u>				
Cathay Financial Holding Co Ltd	499,000	3,240,547	3,287,510	1.85
Fubon Financial Holding Co Ltd	413,000	3,162,010	3,099,533	1.74
	912,000	6,402,557	6,387,043	3.59
<u>Information Technology</u>				
Pchome Online Inc	30,000	1,783,400	1,870,119	1.05
Delta Electronic Inc	81,000	1,722,918	1,564,300	0.88
Taiwan Semiconductor Manufacturing Co., Ltd	186,000	3,087,946	3,194,237	1.80
Catcher Technology Co Ltd	78,000	3,334,136	3,680,101	2.07
Chipbond Technology Corp	338,000	2,660,774	2,755,626	1.55
	713,000	12,589,174	13,064,383	7.35
Total Taiwan Securities	1,739,000	25,667,627	27,092,879	15.23

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 30.6.2015	of net asset value of the Fund
	Units	RM	RM	%
Foreign (continued)				
Thailand Securities				
<u>Health Care</u>				
Bangkok Dusit Medical Centre	541,700	1,168,555	1,191,066	0.67
Bumrungrad Hospital PCL	72,300	1,171,025	1,509,006	0.85
	<u>614,000</u>	<u>2,339,580</u>	<u>2,700,072</u>	<u>1.52</u>
<u>Industrial</u>				
The Siam Cement PCL	21,200	1,116,483	1,225,679	0.69
Sino-Thai Engineering & Construction PCL	303,800	805,556	790,051	0.44
	<u>325,000</u>	<u>1,922,039</u>	<u>2,015,730</u>	<u>1.13</u>
<u>Telecommunication</u>				
Advanced Info Service Public Company Limited	27,000	714,845	723,247	0.41
Total Thailand Securities	966,000	4,976,464	5,439,049	3.06
Total Foreign Securities	12,169,621	104,229,747	111,596,621	62.82
TOTAL QUOTED SECURITIES	<u>16,946,941</u>	<u>128,485,466</u>	<u>135,533,012</u>	<u>76.30</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>7,047,546</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>135,533,012</u>		

8. CASH AND CASH EQUIVALENTS

	2016	2015
	RM	RM
Bank balance with a licensed bank	19,623,021	7,860,982
Deposit with a licensed financial institution	11,471,068	31,893,320
	<u>31,094,089</u>	<u>39,754,302</u>

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

	2016	2015
	RM	RM
MYR	11,484,905	31,906,126
USD	19,609,184	7,848,176
	<u>31,094,089</u>	<u>39,754,302</u>

The effective weighted average interest rate of short term deposit per annum as at the date of the 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).

9. UNITS IN CIRCULATION

	2016	2015
	No. of units	No. of units
At the beginning of the financial year/launch date	330,259,948	-
Creation of units during the financial year/period:		
Arising from applications	95,772,422	410,215,200
Arising from distribution	14,526,319	-
Cancellation of units during the financial year/period	<u>(82,155,652)</u>	<u>(79,955,252)</u>
At the end of the financial year/period	<u>358,403,037</u>	<u>330,259,948</u>

10. TRANSACTIONS WITH BROKERS

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

Name of brokers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2016</u>				
Malayan Banking Berhad	3,066,876,171	49.52	67,070	8.28
CIMB Investment Bank Berhad	2,666,224,574	43.05	69,506	8.58
Morgan Stanley & Co Inc	101,593,533	1.64	96,717	11.94
Public Bank Berhad	77,290,000	1.25	-	-
Merrill Lynch International Ltd	49,918,390	0.81	54,776	6.76
UBS Securities Pte Ltd	45,745,910	0.74	88,871	10.97
Macquarie Securities Ltd	33,796,809	0.55	54,155	6.69
Citigroup Global	31,538,945	0.51	81,597	10.07
Credit Suisse Hong Kong Limited	31,069,482	0.50	83,846	10.35
CLSA Ltd	26,978,279	0.43	73,016	9.01
Others	62,062,646	1.00	140,500	17.35
	<u>6,193,094,739</u>	<u>100.00</u>	<u>810,054</u>	<u>100.00</u>

Name of brokers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2015</u>				
Morgan Stanley & Co Inc	47,510,192	20.41	82,818	14.33
CIMB Investment Bank Berhad	46,939,311	20.17	48,504	8.39
CLSA Ltd	31,453,903	13.52	108,587	18.79
Macquarie Securities Ltd	18,463,729	7.93	51,467	8.91
UBS Securities Pte Ltd	16,789,818	7.21	51,920	9.01
Merrill Lynch International Ltd	14,311,998	6.15	50,702	8.77
Deutsche Securities Asia Ltd	11,380,376	4.89	30,700	5.31
Credit Suisse Hong Kong Limited	11,215,421	4.82	55,975	9.69
Malayan Banking Berhad	9,206,407	3.96	29,755	5.15
Goldman Sachs & Co	8,011,744	3.44	16,332	2.83
Others	17,441,480	7.50	51,057	8.82
	<u>232,724,379</u>	<u>100.00</u>	<u>577,817</u>	<u>100.00</u>

All brokers highlighted above are not related to the Manager.

11. MANAGEMENT EXPENSE RATIO ("MER")

	2016	2015
	%	%
MER	2.08	1.40

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/period calculated on a daily basis is RM180,046,951 (2015:RM101,742,533).

12. PORTFOLIO TURNOVER RATIO ("PTR")

	2016	2015
PTR (times)	1.22	0.99

PTR is derived from the following calculation:

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

where:

total acquisitions for the financial year/period = RM229,809,903 (2015:RM164,795,484)

total disposals for the financial year/period = RM207,813,599 (2015:RM35,865,452)

13. 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	2,084	1,020	2,000	1,076

The above units were transacted at the prevailing market price.

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

14. SEGMENTAL INFORMATION

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

The reportable operating segments derive their income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within each portfolio. These returns consist of dividend income earned from investments, foreign exchange gains/losses and gains/losses on the appreciation in the value of investments.

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

15. 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

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531241-U

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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)

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