

# EASTSPRING INVESTMENTS GLOBAL BASICS MY FUND

## INTERIM REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD  
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](http://www.eastspringinvestments.com.my)

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

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Raymond Tang Chee Kin'. The signature is fluid and cursive, with the first name 'Raymond' being the most prominent part.

**Raymond Tang Chee Kin**

Non-Independent, Executive Director and Chief Executive Officer

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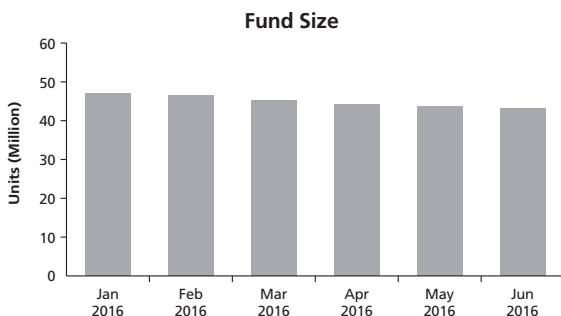
## FUND INFORMATION

<b>Name of Fund</b>	Eastspring Investments Global Basics MY Fund (“the Fund”)
<b>Fund Category/ Type</b>	Feeder fund (global equity)/growth
<b>Fund Objective</b>	<p>The Fund seeks to maximise long-term capital appreciation by investing in another collective investment scheme primarily the M&amp;G Global Basics Fund, which invests wholly or mainly in companies operating in basic industries [‘primary’ industries (extracting raw materials) and ‘secondary’ industries (products and services)] and also in companies that service these industries.</p> <p><b>Should the Manager decide to invest in another collective investment scheme other than the M&amp;G Global Basics Fund for any reason whatsoever, Unit Holders’ approval is required.</b></p>
<b>Performance Benchmark</b>	<p>Financial Times Stock Exchange (FTSE) Global Basics Composite Index</p> <p><b>Source:</b> <a href="http://www.mandg.co.uk">www.mandg.co.uk</a></p> <p><b>Note:</b> The risk profile of the Fund is different from the risk profile of the performance benchmark.</p>
<b>Fund Income Distribution Policy</b>	Incidental

## FUND INFORMATION (CONTINUED)

### Breakdown of Unit Holdings by Size

As at 30 June 2016 the size of Eastspring Investments Global Basics MY Fund stood at 43.112 million units.



### Breakdown of Unit Holdings

Unit Holdings	No. of Unit Holders	%	No of Units* ('000)	%
5,000 units and below	252	24.14	601	1.39
5,001 to 10,000 units	265	25.38	2,118	4.91
10,001 to 50,000 units	427	40.90	9,409	21.82
50,001 to 500,000 units	90	8.62	10,126	23.50
500,001 units and above	10	0.96	20,857	48.38
<b>Total</b>	<b>1,044</b>	<b>100.00</b>	<b>43,111</b>	<b>100.00</b>

\* excludes units held by the Manager.

## KEY PERFORMANCE DATA

FOR THE FINANCIAL PERIOD ENDED

Category	30.6.2016	30.6.2015	30.6.2014
	(%)	(%)	(%)
Collective investment scheme-Foreign	98.24	97.86	98.66
Cash and other assets	1.76	2.14	1.34
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Net Asset Value (NAV) (RM'000)	22,716	28,046	38,747
Units In Circulation (Units '000)	43,112	53,917	79,949
Net Asset Value Per Unit (RM)	0.5269	0.5202	0.4847
Highest Net Asset Value Per Unit (RM)	0.5608	0.5394	0.4892
Lowest Net Asset Value Per Unit (RM)	0.4691	0.4706	0.4610
Total Return (%)			
Capital Growth	(1.94)	9.06	1.06
Income Distribution	-	-	-
Total Return (%)	(1.94)	9.06	1.06
Gross Distribution Per Unit (RM)	-	-	-
Net Distribution Per Unit (RM)	-	-	-
Management Expense Ratio (MER) (%) <sup>*</sup>	0.12	0.15	0.12
Portfolio Turnover Ratio (PTR) (times) <sup>^</sup>	0.05	0.09	0.09

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

<sup>^</sup> There were no significant changes to the PTR during the period under review.

## KEY PERFORMANCE DATA (CONTINUED)

	1 year 1.7.2015 to 30.6.2016	3 years 1.7.2013 to 30.6.2016	5 years 1.7.2011 to 30.6.2016
	(%)	(%)	(%)
Average total return	1.29	6.92	2.34

Year ended	1.1.2015 to 31.12.2015	1.1.2014 to 31.12.2014	1.1.2013 to 31.12.2013	1.1.2012 to 31.12.2012	1.1.2011 to 31.12.2011
	(%)	(%)	(%)	(%)	(%)
Annual total return	12.64	(0.54)	12.50	0.78	(10.67)

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

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

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

$\text{NAV}_t$  = NAV at the end of the period

$\text{NAV}_0$  = 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

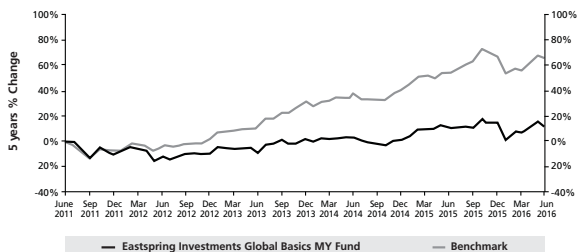
### Fund Performance

For the 5-year period, the Fund recorded a return of 12.25%, underperforming the benchmark return of 65.45% by 53.20%.

During the period under review, the Fund registered a return of -1.94%, underperforming the benchmark return of -0.94% by 1.00%.

The underperformance was due to the underweight in oil and gas and stock selection in healthcare.

**Eastspring Investments Global Basics MY Fund -  
5 Years Return Vs Benchmark**



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

**Benchmark:** FTSE Global Basics Composite Index

**Source:** Lipper for Investment Management and [www.mandg.co.uk](http://www.mandg.co.uk), as at 30 June 2016.

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



## MANAGER'S REPORT (CONTINUED)

**Analysis of Fund Performance**

For the financial period ended 30 June 2016:

<b>Income Return</b>	<b>Capital Return*</b>	<b>Total Return</b>	<b>Total Return of Benchmark</b>
<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>
0.00	(1.94)	(1.94)	(0.94)

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

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

**Distribution/ Unit Split**

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

**Investment Strategy During Period Under Review**

The Target Fund continued to invest globally in companies considered to be the “building blocks” of the world’s economy, with the aim of generating long term capital growth. Central to the stock selection process is identifying those companies that are positioned to benefit from the most compelling global economic trends, driven predominantly by emerging markets. The approach is summed up by the Target Fund’s “curve of economic development” concept, and positioning of the Fund on the curve is based on where the Target Fund Manager thinks valuation levels are the most attractive.

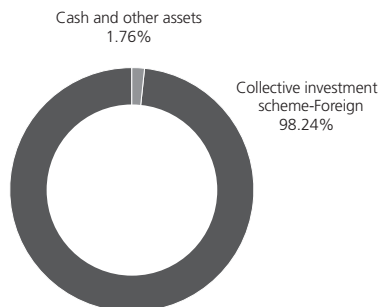
The introduction of Jamie Horvat as the lead manager of the Target Fund as at 18 December 2015, who will be working with Randeep Somel, will widen themes within the fund by identifying companies that exploit new and emerging trends arising from structural shifts in the global economy. Themes such as the implications of ageing populations for the healthcare industry, water and waste management, clean energy and cyber security, can be relevant for developed as for emerging markets.

## MANAGER'S REPORT (CONTINUED)

## Asset Allocation

Asset Allocation	30-Jun 2016 (%)	31-Dec 2015 (%)	Changes (%)
Collective investment scheme-Foreign	98.24	98.15	0.09
Cash and other assets	1.76	1.85	(0.09)

## 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.

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

### a. Counterparty risk

The Investment Manager will place transactions, hold positions and place cash on deposit with a range of counterparties (institutions). There is a risk that counterparties may default on their obligations or become insolvent which could adversely affect the Net Asset Value ("NAV") of the M&G Global Basics Fund ("Target Fund").

### b. PRICING ADJUSTMENT POLICY AND DILUTION POLICY

#### Eastspring Investments Global Basics MY Fund

The Target Fund relating to Eastspring Investments Global Basics MY Fund namely M&G Global Basics Fund, has a dilution policy in place.

When the policy is adopted, it will affect the NAV of the Target Fund, which in turn affects the NAV of Eastspring Investments Global Basics MY Fund.

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

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

## MARKET REVIEW

Investors entered the new year with the same 'risk-off' mind-set that characterised markets in the tail-end of 2015. Fears over further deterioration of growth in China, declining oil prices and mixed economic data in the US and Europe saw equity markets pull back during January and much of February. From this point, however, better US data and a rally in oil prices allowed equities to regain much of their losses, eventually ending the quarter in positive territory. The share price of gold miners hit a 12-month high during February, as the price of gold continued to rally. It is unsurprising, therefore, to find a number of recently added gold miners among the Target Fund's best performers – Hochschild Mining, Barrick Gold and Franco Nevada all added significant value. Five new investments entered the portfolio during 1Q2016 and there were four sales during the quarter.

Commodity prices, global growth rates and the timing of a further rise in US interest rates – once again delayed – also moved markets over the 2Q2016. It was, however, the UK referendum on membership of the EU that dominated investors' thoughts as the quarter came to an end. Although stock markets fell in the immediate aftermath of the 'Brexit' vote, share prices rallied after Bank of England Governor Mark Carney moved to reassure investors. During the second quarter, the Target Fund underperformed against the composite index, although this was primarily due to a significant upward movement by the market on the last day of June after the Fund's midday pricing point. Technology giant Microsoft was the Target Fund's biggest detractor during the period. The technology giant enjoyed a positive start to 2016, but has experienced profit-taking since then. Reported sales fell short of expectations, but we are confident that the company's transition to a 'cloud-' and subscription-based service will be a success in the long term, despite some short term transitional issues. Relative performance was also adversely affected by not holding large index components, Amazon and Exxon Mobil.

## 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 GLOBAL BASICS MY FUND

UNAUDITED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2016

## STATEMENT BY THE MANAGER

We, Tang Chee Kin and Iskander Bin Ismail Mohamed Ali, being two of the Directors of Eastspring Investments Berhad, do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 14 to 43 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 30 June 2016 and of its financial performance, changes in equity and cash flows for the six months financial period ended on that date in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,  
**EASTSPRING INVESTMENTS BERHAD**

**TANG CHEE KIN**  
Chief Executive Officer/Executive Director

**ISKANDER BIN ISMAIL MOHAMED ALI**  
Director

Kuala Lumpur  
Date: 16 August 2016

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

We have acted as Trustee for Eastspring Investments Global Basics MY Fund (the "Fund") for financial period ended 30 June 2016. To the best of our knowledge, for the period under review, Eastspring Investments Berhad (the "Manager") has operated and managed the Fund in accordance with the following:

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

For Deutsche Trustees Malaysia Berhad

**Soon Lai Ching**

Senior Manager, Trustee Operations

**Mahesh Anchan**

Head, Trustee Operations

Kuala Lumpur

Date: 16 August 2016



## UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2016

	Note	6-months financial period ended 30.6.2016	6-months financial period ended 30.6.2015
		RM	RM
<b>INVESTMENT (LOSS)/INCOME</b>			
Interest income from deposits with licensed financial institutions		6,313	7,810
Net (loss)/gain on financial assets at fair value through profit or loss	6	(532,892)	2,743,294
Net foreign currency exchange loss		(8,594)	-
		<u>(535,173)</u>	<u>2,751,104</u>
<b>EXPENSES</b>			
Management fee	3	(9,248)	(12,084)
Trustee fee	4	(8,951)	(10,548)
Audit fee		(3,232)	(3,070)
Tax agent fee		(1,691)	(1,687)
Other expenses		(3,074)	(16,826)
GST charges		(1,092)	-
		<u>(27,288)</u>	<u>(44,215)</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(562,461)	2,706,889
<b>TAXATION</b>	5	-	-
<b>(LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME</b>		<u>(562,461)</u>	<u>2,706,889</u>
(Loss)/profit after taxation is made up of the following:			
Realised amount		293,185	702,749
Unrealised amount		(855,646)	2,004,140
		<u>(562,461)</u>	<u>2,706,889</u>

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

# UNAUDITED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Note	2016	2015
		RM	RM
<b>ASSETS</b>			
Cash and cash equivalents	7	388,499	732,249
Amount due from Manager		75,673	6,087
Financial assets at fair value through profit or loss	6	22,315,626	27,444,434
<b>TOTAL ASSETS</b>		<u>22,779,798</u>	<u>28,182,770</u>
<b>LIABILITIES</b>			
Amount due to Manager		31,184	107,228
Accrued management fee		1,481	2,033
Amount due to Trustee		1,476	1,656
Other payables and accruals		29,382	25,892
GST charges payable		177	-
<b>TOTAL LIABILITIES</b>		<u>63,700</u>	<u>136,809</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>22,716,098</u>	<u>28,045,961</u>
<b>EQUITY</b>			
Unit holders' capital		14,848,445	20,462,455
Retained earnings		7,867,653	7,583,506
<b>NET ASSET ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>22,716,098</u>	<u>28,045,961</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	8	<u>43,112,017</u>	<u>53,916,794</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.5269</u>	<u>0.5202</u>

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

## UNAUDITED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2016

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
Balance as at 1 January 2016	17,344,547	8,430,114	25,774,661
Movement in unit holders' contribution:			
Creation of units from applications	506,361	-	506,361
Cancellation of units	(3,002,463)	-	(3,002,463)
Total comprehensive loss for the financial period	-	(562,461)	(562,461)
Balance as at 30 June 2016	14,848,445	7,867,653	22,716,098
Balance as at 1 January 2015	25,944,728	4,876,617	30,821,345
Movement in unit holders' contribution:			
Creation of units from applications	342,455	-	342,455
Cancellation of units	(5,824,728)	-	(5,824,728)
Total comprehensive income for the financial period	-	2,706,889	2,706,889
Balance as at 30 June 2015	20,462,455	7,583,506	28,045,961

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

# UNAUDITED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2016

	6-months financial period ended 30.6.2016	6-months financial period ended 30.6.2015
Note	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sale of investments	2,813,583	5,572,885
Interest income received	6,313	7,810
Management fee paid net of rebates	(9,790)	(12,268)
Trustee fee paid	(9,024)	(10,749)
Payment for other fees and expenses	(16,190)	(21,746)
Net realised foreign exchange loss	(8,594)	(5,013)
Net cash generated from operating activities	2,776,298	5,530,919
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from units created	442,005	381,859
Payments for cancellation of units	(3,051,663)	(5,920,130)
Net cash used in financing activities	(2,609,658)	(5,538,271)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	166,640	(7,352)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	221,859	739,601
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	7 388,499	732,249

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

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2016

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

### **A. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS"), 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 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 J to the financial statements.

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

The following amendment has been adopted by the Fund for the first time for the financial year beginning on or after 1 January 2016.

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

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

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

i. Financial year beginning on/after 1 January 2017

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

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

ii. Financial year beginning on/after 1 January 2018

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

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

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

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the

entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

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

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

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

## **B. INCOME RECOGNITION**

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

Realised gain or loss on sale 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 earned during the financial period.

Tax on dividend income from foreign collective investment scheme is based on the tax regime of the respective country that the Fund invests 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, which is the Fund’s presentation and functional currency.

### **E. FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

#### **i. Classification**

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

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

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 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 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.

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 liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Unrealised gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit and loss' in the period in which they arise. Any unrealised gains however are not distributable.

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

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.

Deposit with a licensed financial institution 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 method.

iii. Impairment for assets carried at amortised costs

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

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

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

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

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

## **F. 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.

## **G. 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.

## **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. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES**

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

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

# NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2016

## 1. INFORMATION ON THE FUND

Eastspring Investments Global Basics MY Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 19 April 2006 (the "Deed"), Master Supplemental Deed dated 12 July 2007, Second Supplemental Master Deed dated 30 November 2009 entered into between Eastspring Investments Berhad (the "Manager") and HSBC (Malaysia) Trustee Berhad ("HSBC Trustee"). The Fund replaced HSBC Trustee with Deutsche Trustees Malaysia Berhad (the "Trustee") effective 1 October 2010. A Supplemental Master Deed was entered into between Eastspring Investments Berhad (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee") on 30 July 2010 to effect the change of trustee from HSBC Trustee to the Trustee, followed by Second Supplemental Master Deed dated 28 January 2011, Third Supplemental Master Deed dated 9 March 2011, Fourth Supplemental Master Deed dated 20 January 2012, Fifth Supplemental Master Deed dated 26 March 2014, Sixth Supplemental Master Deed dated 2 January 2015 and Seventh Supplemental Master Deed dated 11 July 2016 (collectively referred to as the "Deed").

The Fund commenced operations on 17 January 2007 and will continue its operations until terminated by the Trustee as provided under Part 12 of the Deed.

The main objective of the Fund seeks to maximise long-term capital appreciation by investing in another collective investment scheme primarily the M&G Global Basics Fund (the "Underlying Fund), which invests wholly or mainly in companies operating in basic industries ['primary' industries (extracting raw materials) and 'secondary' industries (products and services)] and also in companies that service these industries.

All investments will be subject to the SC Guidelines, the SC requirements, the Deed, except where exemptions or variations have been approved by the SC, 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), single security risk, liquidity risk, fund management risk, non-compliance risk, capital risk and credit 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	Loans and receivables	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
<u>2016</u>				
Collective investment scheme	6	-	22,315,626	22,315,626
Amount due from Manager		75,673	-	75,673
Cash and cash equivalents	7	388,499	-	388,499
		<u>464,172</u>	<u>22,315,626</u>	<u>22,779,798</u>
<u>2015</u>				
Collective investment scheme	6	-	27,444,434	27,444,434
Amount due from Manager		6,087	-	6,087
Cash and cash equivalents	7	732,249	-	732,249
		<u>738,336</u>	<u>27,444,434</u>	<u>28,182,770</u>

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

## Market risk

### i. Price risk

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

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

	2016	2015
	RM	RM
Collective investment scheme designated at fair value through profit or loss	22,315,626	27,444,434

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

% Change in price of financial assets at fair value through profit or loss	2016		2015	
	Market value	Increase/ (decrease) in loss after tax and net asset value	Market value	Increase/ (decrease) in profit after tax and net asset value
	RM	RM	RM	RM
+5%	23,431,407	1,115,781	28,816,656	1,372,222
-5%	21,199,845	(1,115,781)	26,072,212	(1,372,222)

ii. Interest rate risk

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

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

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

iii. Foreign exchange/currency risk

As the Underlying Fund, M&G Global Basics Fund may invest its assets in securities denominated in a wide range of currencies other than Ringgit Malaysia, therefore 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. This risk is minimised through investing in a wide range of foreign currencies denominated assets and thus, diversifying the risk of single currency exposure.

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

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

	<b>Financial assets at fair value through profit or loss</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>
<u>2016</u>		
Euro	22,315,626	22,315,626
<u>2015</u>		
Euro	27,444,434	27,444,434



The table summarises the sensitivity of the Fund's investments fair value to changes in foreign exchange movements at the end of the reporting period. 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. An increase/(decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in net asset attributable to unit holders by approximately 5%.

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

	Change in price	Impact on (loss)/profit after tax	Impact on net asset value
	%	RM	RM
<u>2016</u>			
Euro	5	1,115,781	1,115,781
<u>2015</u>			
Euro	5	1,372,222	1,372,222

### Single security risk

The Fund essentially invests in a single security, which is the M&G Global Basics Fund. The feeder fund mitigates single securities risk by investing in a diversified portfolio of equities.

This risk is associated with a feeder fund that essentially invests in a single security, which is the M&G Global Basics Fund in this case. The M&G Global Basics Fund, by investing in a diversified portfolio of equities helps to mitigate this single security risk.

### Liquidity risk

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 cash, deposit with a licensed financial institution 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
<b>2016</b>			
Amount due to Manager	31,184	-	31,184
Accrued management fee	1,481	-	1,481
Amount due to Trustee	1,476	-	1,476
Other payables and accruals	-	29,382	29,382
GST charges payable	177	-	177
Contractual cash outflows	<u>34,318</u>	<u>29,382</u>	<u>63,700</u>
<b>2015</b>			
Amount due to Manager	107,228	-	107,228
Accrued management fee	2,033	-	2,033
Amount due to Trustee	1,656	-	1,656
Other payables and accruals	-	25,892	25,892
Contractual cash outflows	<u>110,917</u>	<u>25,892</u>	<u>136,809</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 interest of unit holders.

### **Non-compliance risk**

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

The non-compliance may expose the Fund to higher risks which may result in a fall in the value of the Fund which in turn may affect its investment goals. However, the risk can be mitigated by the internal controls and compliance monitoring undertaken by the Manager. For the Fund, foreign market risk is managed through portfolio diversification by the collective investment scheme which invests among markets/countries and in companies which are well researched.

### **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 risk**

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

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

The credit/default risk is minimal as all transactions in collective investment scheme are settled/paid upon delivery using approved brokers.

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

	Cash and cash equivalents	Amount due from Manager	Total
	RM	RM	RM
<u>2016</u>			
Finance			
- AAA	210,020	-	210,020
- AA1	178,479	-	178,479
Other			
- NR	-	75,673	75,673
	<u>388,499</u>	<u>75,673</u>	<u>464,172</u>
<u>2015</u>			
Finance			
- AAA	720,075	-	720,075
- AA1	12,174	-	12,174
Other			
- NR	-	6,087	6,087
	<u>732,249</u>	<u>6,087</u>	<u>738,336</u>

None of these assets are past due or impaired.

## Fair value estimation

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

The fair value of financial assets traded in active market (such as trading securities) are based on quoted market prices at the close of trading on the 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:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>

#### 2016

Financial assets at fair value through profit or loss:

Collective investment scheme	22,315,626	-	-	22,315,626
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#### 2015

Financial assets at fair value through profit or loss:

Collective investment scheme	27,444,434	-	-	27,444,434
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Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include collective investment scheme. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note E to the financial statements.

- ii. The carrying value of amount due from Manager, cash and cash equivalents and all current liabilities are a reasonable approximation of their fair values due to their short term nature.

### **3. MANAGEMENT FEE**

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 2.00% (2015: 2.00%) per annum on the net asset value of the Fund accrued on a daily basis for the financial period.

For the financial period ended 30 June 2016, 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 a daily basis. As the Fund invests in collective investment scheme, any management fee charged by M&G Global Basics Fund to the Fund will be fully refunded. The rebate of management fee is 1.75% per annum or RM200,552 (2015: 1.75% per annum or RM259,161) calculated on net asset value of M&G Global Basics Fund on a daily basis. In accordance with the SC Guidelines in Unit Trust Funds, there is no double charging of management fee to the Fund.

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

### **4. TRUSTEE FEE**

In accordance with the Deed, the Trustee is entitled to a fee 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 period ended 30 June 2016, Trustee fee is recognised at a rate of 0.07% (2015: 0.07%) per annum on the net asset value of the Fund, subject to a minimum fee of RM18,000 per annum, 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

	6-months financial period ended 30.6.2016	6-months financial period ended 30.6.2015
	RM	RM

Tax charged for the financial period:

Current taxation-local

- -

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

	6-months financial period ended 30.6.2016	6-months financial period ended 30.6.2015
	RM	RM
(Loss)/Profit before taxation	(562,461)	2,706,889
Tax at Malaysian statutory rate of 24% (2015: 25%)	(134,991)	676,722
Tax effects of:		
Investment income exempt from tax	128,442	(687,776)
Expenses not deductible for tax purposes	3,554	7,265
Restriction on tax deductible expenses for Unit Trust Funds	2,995	3,789
Taxation	-	-



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

	2016	2015
	RM	RM
Designated at fair value through profit or loss:		
Collective investment scheme	<u>22,315,626</u>	<u>27,444,434</u>
Net (loss)/gain on financial assets at fair value through profit or loss:		
Realised gain on disposals	323,734	739,154
Change in unrealised fair value (loss)/gain	<u>(856,626)</u>	<u>2,004,140</u>
	<u>(532,892)</u>	<u>2,743,294</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	%

M&G Global Basics Fund Class A (Euro)	<u>186,383</u>	18,828,255	<u>22,315,626</u>	98.24
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### UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

3,487,371

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

22,315,626

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 30.6.2015	of net asset value of the Fund
	Units	RM	RM	%
M&G Global Basics Fund Class A (Euro)	<u>232,733</u>	23,510,497	<u>27,444,434</u>	97.86
<b>UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>			<u>3,933,937</u>	
<b>FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>			<u>27,444,434</u>	

The M&G Global Basics Fund is a global equity fund which invests wholly or mainly in companies operating in basic industries ('primary' or 'secondary' industries) and also in companies that service these industries. The fund may also invest in other global equities. The aim of the M&G Global Basics Fund is to maximise long term total return (the combination of income and growth of capital) by investing in wide range of global equities that the fund manager considers to be leading in their field.

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

**7. CASH AND CASH EQUIVALENTS**

	<b>2016</b>	<b>2015</b>
	<b>RM</b>	<b>RM</b>
Bank balance	178,479	12,174
Deposit with a licensed financial institution	210,020	720,075
	<u>388,499</u>	<u>732,249</u>

The effective weighted average interest rate of deposit with a licensed financial institution per annum as at the date of the financial position are as follow:

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

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

**8. UNITS IN CIRCULATION**

	<b>2016</b>	<b>2015</b>
	<b>No. of units</b>	<b>No. of units</b>
At the beginning of the financial period	47,968,617	64,620,883
Creation of units arising from applications during the financial period	946,463	660,677
Cancellation of units during the financial period	(5,803,063)	(11,364,766)
	<u>43,112,017</u>	<u>53,916,794</u>
At the end of the financial period	<u>43,112,017</u>	<u>53,916,794</u>

## 9. TRANSACTIONS WITH ISSUER

Details of transactions with the issuer are as follows:

Name of issuer	Value of trades	Percentage of total trades
	RM	%
<u>2016</u>		
M&G Investment Management Limited	2,450,189	100.00
<u>2015</u>		
M&G Investment Management Limited	5,572,885	100.00

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

There are no brokerage fees charged by the issuer.

## 10. UNITS HELD BY THE MANAGER

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

Related party	Relationship			
Eastspring Investments Berhad	The Manager			
	2016		2015	
	No. of units	RM	No. of units	RM
Eastspring Investments Berhad	1,000	527	1,000	520

The above units were transacted at the prevailing market price.

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

**11. MANAGEMENT EXPENSE RATIO (“MER”)**

	<b>2016</b>	<b>2015</b>
	%	%
MER	0.12	0.15

MER is derived from the following calculation:

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

- A = Management fee net of rebates on 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 period calculated on a daily basis is RM23,439,122 (2015: RM30,388,024).

**12. PORTFOLIO TURNOVER RATIO (“PTR”)**

	<b>2016</b>	<b>2015</b>
PTR (times)	0.05	0.09

PTR is derived from the following calculation:

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

where:

total acquisitions for the financial period = RM Nil (2015: RM Nil)

total disposals for the financial period = RM2,450,189 (2015: RM5,572,885)

### **13. SEGMENTAL INFORMATION**

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

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

There were no changes in reportable operating segment during the financial period.

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

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

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# CORPORATE DIRECTORY

## **THE MANAGER**

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

531241-U

REGISTERED OFFICE

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

Jalan Raja Laut

50350 Kuala Lumpur

BUSINESS OFFICE

Level 12, Menara Prudential

No. 10, Jalan Sultan Ismail

50250 Kuala Lumpur

TELEPHONE NO.

603-2052 3388

FAX NO.

603-2070 6129

EMAIL

cs.my@eastspring.com

WEBSITE

www.eastspringinvestments.com.my

## **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**

NAME

DEUTSCHE BANK (MALAYSIA) BERHAD

COMPANY NO.

312552-W



REGISTERED OFFICE

Level 18, Menara IMC  
No. 8, Jalan Sultan Ismail  
50250 Kuala Lumpur

BUSINESS OFFICE

Level 18-20, Menara IMC  
No. 8, Jalan Sultan Ismail  
50250 Kuala Lumpur

TELEPHONE NO.

603-2053 6788

FAX NO.

603-2031 8710

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

NAME

KARVY COMPUTERSHARE  
(MALAYSIA) SDN BHD

COMPANY NO.

1178655-U

REGISTERED OFFICE

16<sup>th</sup> Floor, Wisma Sime Darby  
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50350 Kuala Lumpur

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TELEPHONE NO.

603-2022 4900

FAX NO.

603-2022 4099

**COMPANY SECRETARY OF  
THE MANAGER**

NAME

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