

# EASTSPRING INVESTMENTS INDONESIA EQUITY MY FUND

## INTERIM REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD  
ENDED 30 SEPTEMBER 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 September 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', written in a cursive style.

**Raymond Tang Chee Kin**

Non-Independent, Executive Director and Chief Executive Officer

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## FUND INFORMATION

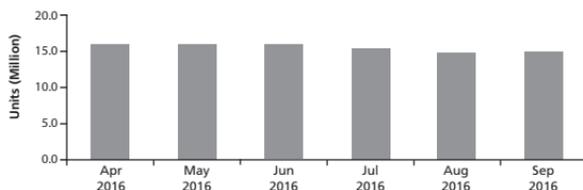
<b>Name of Fund</b>	Eastspring Investments Indonesia Equity MY Fund (the "Fund")
<b>Fund Category/ Type</b>	Feeder fund (single-country)/growth
<b>Fund Objective</b>	<p>The Fund seeks to maximise long-term total return via the Eastspring Investments – Indonesia Equity Fund that invests primarily in equities and equity-related securities of companies, which are incorporated, listed in or have their area of primary activity, in Indonesia.</p> <p><b>Should the Manager decide to invest in another collective investment scheme other than the Eastspring Investments – Indonesia Equity Fund for any reason whatsoever, Unit Holders' approval is required.</b></p>
<b>Performance Benchmark</b>	<p>Morgan Stanley Capital International ("MSCI") Indonesia 10/40 Index</p> <p><b>Source:</b> <a href="http://www.msci.com">www.msci.com</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>	<p>Consistent with the Target Fund's distribution policy, the Fund does not intend to distribute any income.</p>

## FUND INFORMATION (CONTINUED)

### Breakdown of Unit Holdings by Size

As at 30 September 2016, the size of Eastspring Investments Indonesia Equity MY Fund stood at 14.946 million units.

#### Fund Size



#### Breakdown of Unit Holdings

Unit Holdings	No. of Unit Holders	%	No of Units* ('000)	%
5,000 units and below	61	36.09	150	1.00
5,001 to 10,000 units	37	21.89	287	1.92
10,001 to 50,000 units	51	30.18	1,189	7.96
50,001 to 500,000 units	16	9.47	1,917	12.83
500,001 units and above	4	2.37	11,402	76.29
<b>Total</b>	<b>169</b>	<b>100.00</b>	<b>14,945</b>	<b>100.00</b>

\* excludes units held by the Manager.

## KEY PERFORMANCE DATA

FOR THE FINANCIAL PERIOD ENDED

Category	30.9.2016	30.9.2015	30.9.2014
	(%)	(%)	(%)
Collective investment scheme-Foreign	100.40	94.80	89.94
Cash and other assets	(0.40)	5.20	10.06
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Net Asset Value (NAV) (RM'000)	8,823	7,879	15,550
Units In Circulation (Units '000)	14,946	18,618	32,176
Net Asset Value Per Unit (RM)	0.5903	0.4232	0.4833
Highest Net Asset Value Per Unit (RM)	0.6004	0.5509	0.5078
Lowest Net Asset Value Per Unit (RM)	0.4766	0.4135	0.4544
Total Return (%)			
Capital Growth	19.45	(23.57)	(0.60)
Income Distribution	-	-	-
Total Return (%)	19.45	(23.57)	(0.60)
Gross Distribution Per Unit (RM)	-	-	-
Net Distribution Per Unit (RM)	-	-	-
Management Expense Ratio (MER) (%)*	1.23	1.12	1.08
Portfolio Turnover Ratio (PTR) (times)^	0.12	0.12	0.20

\* 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 1.10.2015 to 30.9.2016	3 years 1.10.2013 to 30.9.2016	5 years 1.10.2011 to 30.9.2016
	(%)	(%)	(%)
Average total return	39.48	11.44	5.07

Year ended	1.4.2015 to 31.3.2016	1.4.2014 to 31.3.2015	1.4.2013 to 31.3.2014	1.4.2012 to 31.3.2013	Since launch date 27.4.2011 to 31.3.2012
	(%)	(%)	(%)	(%)	(%)
Annual total return	(10.75)	13.88	(12.66)	12.03	11.23

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

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

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

NAV<sub>t</sub> = NAV at the end of the period

NAV<sub>0</sub> = 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

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### Fund Performance

Over the 5-year period, the Fund recorded a return of 28.10%, underperforming the benchmark return of 30.50% by 2.40%.

During the period under review, the Fund registered a return of 19.45%, outperforming the benchmark return of 16.56% by 2.89%.

An underweight position in PT XL Axiata and exposure to off-benchmark stocks Gajah Tunggal and Indo Tambangraya Megah contributed to the Fund's relative performance during the period under review. Meanwhile, underweights in Indofood CBP Sukses Makmur, Kalbe Farma and Bank Central Asia detracted from the Fund's relative performance.

Axiata is one of Indonesia's top 3 telecommunication operators. On the back of intense competition and falling traditional voice revenues, the company posted weaker-than-expected 2Q2016 results.

Gajah Tunggal's shares sky-rocketed in July, rising approximately 65% helped by strong export sales growth in 1H2016 and improved margins on lower rubber cost. The stock tripled in the first 7 months of 2016, prompting the portfolio manager to exit the remnant position.

Bank Central Asia outperformed over the period, hurting relative performance. The Fund prefers attractively valued Bank Rakyat Indonesia and Bank Negara Indonesia, both of which contributed to relative performance. Kalbe Pharma produces and sells pharmaceutical and consumer health products. The stock is expensively valued in our opinion.

## MANAGER'S REPORT (CONTINUED)

### Fund Performance (continued)



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

**Benchmark:** MSCI Indonesia 10/40 Index

**Source:** Lipper for Investment Management and [www.msci.com](http://www.msci.com), as at 30 September 2016.

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

### Analysis of Fund Performance

For the financial period ended 30 September 2016:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
0.00	19.45	19.45	16.56

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

### Distribution/ Unit Split

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

## MANAGER'S REPORT (CONTINUED)

### Investment Strategy During Period Under Review

We remain constructive on Indonesia's long-term outlook, in view of its favorable demographics and healthy macro fundamentals. Benign inflation and high real interest rates will enable Bank Indonesia to continue its accommodative monetary policy stance to support economic growth without impacting currency stability.

The government's reduction of fuel subsidies has also freed-up public funding for infrastructure projects, which will boost longer-term economic growth.

We are mindful of currency volatility during periods of risk aversion due to Indonesia's current account deficit and reliance on external funding. We view any sharp market correction as an opportunity to accumulate fundamentally strong companies at more attractive valuations. Among sectors, select banks' and real estate companies' valuations remain attractive, while consumer staples are expensive.

### Asset Allocation

Asset Allocation	30-Sep 2016	31-Mar 2016	Changes
	(%)	(%)	(%)
Collective investment scheme-Foreign	100.40	97.25	3.15
Cash and other assets	(0.40)	2.75	(3.15)

#### Asset Allocation as at 30 September 2016



During the period under review, the holding in cash and other assets has dropped to -0.40% due to time lag in selling the holding in the collective investment scheme to meet the redemption received.

## MANAGER'S REPORT (CONTINUED)

### State of Affairs of the Fund

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

However, in the Eastspring Investments Supplementary Master Prospectus dated 13 May 2016, inclusion of information in relation to the pricing adjustment policy and dilution policy for the Fund has been made in place as set out below:

### **PRICING ADJUSTMENT POLICY AND DILUTION POLICY**

#### **Eastspring Investments Indonesia Equity MY Fund**

The target fund relating to Eastspring Investments Indonesia Equity MY Fund namely Eastspring Investments – Indonesia Equity Fund (“Target Fund”), has a pricing adjustment policy in place.

When the policy is adopted, it will affect the Net Asset Value (“NAV”) of the Target Fund, which in turn affects the NAV of Eastspring Investments Indonesia Equity MY Fund.

The pricing adjustment 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 pricing adjustment 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

Indonesian equities edged up over the period under review, supported by key regulatory developments, including the passing of the Tax Amnesty Bill in late June, a second Cabinet reshuffle and looser monetary policies. The Morgan Stanley Capital International (“MSCI”) Indonesia 10/40 Index gained approximately 12% in United States Dollar (“USD”) terms over the period.

The newly appointed Finance Minister in August announced the Budget 2017, with a thrust on infrastructure spend. Budget deficit is set at 2.4% from 2.5% in 2016 while revenue growth ex Amnesty is budgeted to grow at 28% year-on-year (“y-o-y”) on better tax compliance and a higher base. Infrastructure spending is budgeted to grow 9% y-o-y to 17% of total expenditure. Gross Domestic Product is expected to grow 5.3% in 2017. In 2Q2016, the economy grew ahead of expectations, at 5.2% y-o-y.

Indonesia’s tax amnesty scheme has received an overwhelming response, with total assets declared and penalties at end-September reaching 90% and 59% of the government’s total target respectively. Subsequently, the budgeted public spending in selected areas is being increased from INR300 trillion (“tn”) to INR400 tn, said the Public Works and Housing minister in August. This will benefit public works and housing, transportation, agriculture and energy spending.

Meanwhile, Bank Indonesia reduced the policy rate (7-day repo) by 25 basis points (“bps”) in September and October, bringing the cumulative year-to-date easing to 150bps. Continued macro stability allowed room to strengthen efforts to boost domestic demand.

## 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 INDONESIA EQUITY MY FUND

## UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

## STATEMENT BY THE MANAGER

We, Tang Chee Kin and Khoo Chuan Keat, 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 46 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 September 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**  
Executive Director/Chief Executive Officer

**KHOO CHUAN KEAT**  
Director

Kuala Lumpur  
Date: 18 November 2016

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

We have acted as Trustee for Eastspring Investments Indonesia Equity MY Fund (the "Fund") for the financial period ended 30 September 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

**Maresh Anchan**

Head, Trustee Operations

Kuala Lumpur

Date: 18 November 2016

## UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

	Note	6-months financial period ended 30.9.2016	6-months financial period ended 30.9.2015
		RM	RM
<b>INVESTMENT INCOME/(LOSS)</b>			
Interest income from deposits with licensed financial institutions		2,774	2,813
Net foreign currency exchange gain		6,951	12,861
Net gain/(loss) on financial assets at fair value through profit or loss	6	1,598,705	(2,573,521)
		<u>1,608,430</u>	<u>(2,557,847)</u>
<b>EXPENSES</b>			
Management fee	3	(75,292)	(90,318)
Trustee fee	4	(9,026)	(9,000)
Audit fee		(3,008)	(3,002)
Tax agent fee		(1,706)	(1,702)
GST charges		(5,437)	(5,959)
Other expenses		(7,965)	(8,553)
		<u>(102,434)</u>	<u>(118,534)</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		1,505,996	(2,676,381)
<b>TAXATION</b>	5	<u>-</u>	<u>-</u>
<b>PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS)</b>		<u>1,505,996</u>	<u>(2,676,381)</u>
Profit/(loss) after taxation is made up of the following:			
Realised amount		151,468	22,291
Unrealised amount		1,354,528	(2,698,672)
		<u>1,505,996</u>	<u>(2,676,381)</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 SEPTEMBER 2016

	Note	2016	2015
		RM	RM
<b>ASSETS</b>			
Cash and cash equivalents	7	222,678	267,529
Financial assets at fair value through profit or loss	6	8,858,183	7,469,393
Amount due from Manager		69,270	178,441
<b>TOTAL ASSETS</b>		<u>9,150,131</u>	<u>7,915,363</u>
<b>LIABILITIES</b>			
Amount due to Manager		288,351	2,817
Accrued management fee		12,995	11,891
Amount due to Trustee		1,480	1,475
GST charges payable		868	802
Other payables and accruals		23,465	19,314
<b>TOTAL LIABILITIES</b>		<u>327,159</u>	<u>36,299</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>8,822,972</u>	<u>7,879,064</u>
<b>EQUITY</b>			
Unit holders' capital		4,742,668	6,587,410
Retained earnings		4,080,304	1,291,654
<b>NET ASSET ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>8,822,972</u>	<u>7,879,064</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	8	<u>14,945,589</u>	<u>18,618,374</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.5903</u>	<u>0.4232</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 SEPTEMBER 2016

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
Balance as at 1 April 2016	5,533,981	2,574,308	8,108,289
Movement in unit holders' contribution:			
Creation of units from applications	2,206,800	-	2,206,800
Cancellation of units	(2,998,113)	-	(2,998,113)
Total comprehensive income for the financial period	-	1,505,996	1,505,996
Balance as at 30 September 2016	4,742,668	4,080,304	8,822,972
Balance as at 1 April 2015	8,763,709	3,968,035	12,731,744
Movement in unit holders' contribution:			
Creation of units from applications	978,590	-	978,590
Cancellation of units	(3,154,889)	-	(3,154,889)
Total comprehensive loss for the financial period	-	(2,676,381)	(2,676,381)
Balance as at 30 September 2015	6,587,410	1,291,654	7,879,064

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 SEPTEMBER 2016

	6-months financial period ended 30.9.2016	6-months financial period ended 30.9.2015
Note	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sale of investments	1,328,235	2,429,867
Purchase of investments	(702,048)	-
Interest received	2,774	2,813
Management fee paid	(74,929)	(97,968)
Trustee fee paid	(9,071)	(9,520)
Payment for other fees and expenses	(17,797)	(21,339)
Net foreign exchange gain	6,951	13,713
Net cash generated from operating activities	<u>534,115</u>	<u>2,317,566</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from units created	2,342,242	805,546
Payments for cancellation of units	(2,879,019)	(3,225,184)
Net cash used in financing activities	<u>(536,777)</u>	<u>(2,419,638)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(2,662)	(102,072)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<u>225,340</u>	<u>369,601</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	7 <u>222,678</u>	<u>267,529</u>

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 SEPTEMBER 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 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 judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note J.

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

- i. Financial year beginning on/after 1 April 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 April 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.

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 for collective investment scheme.

Dividend income from the underlying fund is recognised on the ex-dividend date.

## **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 ("RM"), 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 as 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.

The Fund's loans and receivables comprise cash and cash equivalents and amount due from Manager which are all due within 12 months.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The Fund's financial liabilities include amount due to Manager, accrued management fee, amount due to Trustee, GST charges payable and other payables and accruals.

### ii. Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value.

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 the obligation under the liability is extinguished; i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Unrealised gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit and loss' in the period in which they arise. Any unrealised gains 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.

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), where the published NAV or price per unit falls within the bid-ask spread. In circumstances where published NAV or price per unit is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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 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. 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.

## **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 the 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 SEPTEMBER 2016

## 1. INFORMATION ON THE FUND

Eastspring Investments Indonesia Equity MY Fund (the “Fund”) was constituted pursuant to the execution of a Supplemental Master Deed dated 30 July 2010 as modified by Second Supplemental Master Deed dated 28 January 2011, Third Supplemental Master Deed dated 9 March 2011 as amended by a Fourth Supplemental Master Deed dated 20 January 2012, a Fifth Supplemental Master Deed dated 26 March 2014, a Sixth Supplemental Master Deed dated 2 January 2015 and a Seventh Supplemental Master Deed dated 11 July 2016 between Deutsche Trustees Malaysia Berhad (the “Trustee”) and Eastspring Investments Berhad (the “Manager”) (collectively referred to as the “Deed”).

The Fund was launched on 27 April 2011 and will continue its operations until terminated by the Trustee or the Manager as provided under Part 12 of the Deed.

The Fund invests in the Eastspring Investments-Indonesia Equity Fund (“Target Fund”) which is a collective investment scheme registered in Luxembourg.

All investments will be subject to the Securities Commissions (“SC”) Guidelines on Unit Trust Funds, the Deed and the objective of the Fund.

The Fund seeks to maximise long-term total return via the Eastspring Investments-Indonesia Equity Fund (Target Fund) that invests primarily in equities and equity-related securities of companies, which are incorporated, listed in or have their area of primary activity, in Indonesia.

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 fund management services.

## 2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk, currency risk and interest rate risk), liquidity risk, single security risk, fund management risk, credit 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	Loans and receivables	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
<u>2016</u>				
Collective investment scheme	6	-	8,858,183	8,858,183
Cash and cash equivalents	7	222,678	-	222,678
Amount due from Manager		69,270	-	69,270
		<u>291,948</u>	<u>8,858,183</u>	<u>9,150,131</u>
<u>2015</u>				
Collective investment scheme	6	-	7,469,393	7,469,393
Cash and cash equivalents	7	267,529	-	267,529
Amount due from Manager		178,441	-	178,441
		<u>445,970</u>	<u>7,469,393</u>	<u>7,915,363</u>

All 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 Eastspring Investments-Indonesia Equity 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 Eastspring Investments-Indonesia Equity Fund.

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

	2016	2015
	RM	RM
Collective investment scheme designated at fair value through profit or loss	<u>8,858,183</u>	<u>7,469,393</u>

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

	2016	
% Change in price of financial assets at fair value through profit or loss	Market value	Impact on profit after tax/ net asset value
	RM	RM
+5%	9,301,092	442,909
-5%	<u>8,415,274</u>	<u>(442,909)</u>

	2015	
% Change in price of financial assets at fair value through profit or loss	Market value	Impact on loss after tax/ net asset value
	RM	RM
+5%	7,842,863	373,470
-5%	<u>7,095,923</u>	<u>(373,470)</u>

ii. Currency risk

While the Underlying Fund, Eastspring Investments-Indonesia Equity Fund is denominated in United States Dollar (“USD”), it may be invested in whole or in part in securities quoted in other currencies. The performance of the Underlying Fund will therefore be affected by movements in the exchange rate between the currencies in which its assets are held and its base currency (if foreign currency positions have not been hedged).

In addition, as the Fund is denominated in Ringgit Malaysia, whereas the Underlying Fund is denominated in USD, the performance the Fund will be affected by movements in the exchange rate between Ringgit Malaysia and USD. Changes in the exchange rate between currencies may cause the value of the Fund’s investment in the Underlying Fund to decrease or increase which in turn will affect the value of the unit holders’ investments.

The following table sets out the 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>		
USD	8,858,183	8,858,183
<u>2015</u>		
USD	7,469,393	7,469,393

The table below summarises the sensitivity of the Fund’s financial assets 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 other 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 impact could be positive or negative.

	<b>Change in foreign exchange rate</b>	<b>Impact on profit/(loss) after tax</b>	<b>Impact on net asset value</b>
	<b>%</b>	<b>RM</b>	<b>RM</b>
<u>2016</u>			
USD	5	442,909	442,909
<u>2015</u>			
USD	5	373,470	373,470

iii. 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 deposits with licensed financial institutions are short term in nature. Therefore, exposure to interest rate fluctuations is minimal.

## 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 cash, deposits with licensed financial institutions and other instruments which are capable of being converted into cash within 7 days.

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

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
<u>2016</u>			
Amount due to Manager	288,351	-	288,351
Accrued management fee	12,995	-	12,995
Amount due to Trustee	1,480	-	1,480
GST charges payable	868	-	868
Other payables and accruals	-	23,465	23,465
Contractual cash outflows	<u>303,694</u>	<u>23,465</u>	<u>327,159</u>

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
<u>2015</u>			
Amount due to Manager	2,817	-	2,817
Accrued management fee	11,891	-	11,891
Amount due to Trustee	1,475	-	1,475
GST charges payable	802	-	802
Other payables and accruals	-	19,314	19,314
Contractual cash outflows	16,985	19,314	36,299

### Single security risk

The Fund essentially invests in a single security, which is the Eastspring Investments-Indonesia Equity Fund. The feeder fund mitigates single security risk by investing in a diversified portfolio of equities.

### Fund management risk

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

### 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 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 credit 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:

	<b>Cash and cash equivalents</b>	<b>Amount due from Manager</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<u>2016</u>			
Finance			
- AAA	200,017	-	200,017
- AA1	22,661	-	22,661
Other			
- NR	-	69,270	69,270
	<u>222,678</u>	<u>69,270</u>	<u>291,948</u>
<u>2015</u>			
Finance			
- AAA	250,027	-	250,027
- AA1	17,502	-	17,502
Other			
- NR	-	178,441	178,441
	<u>267,529</u>	<u>178,441</u>	<u>445,970</u>

None of these assets are past due or impaired.

### **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.

### **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 judgement, considering factors specific to the asset or liability.

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

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

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
<u>2016</u>				
Financial assets at fair value through profit or loss:				
Collective investment scheme	8,858,183	-	-	8,858,183
<u>2015</u>				
Financial assets at fair value through profit or loss:				
Collective investment scheme	7,469,393	-	-	7,469,393

Investment in collective investment scheme, i.e. unit trust funds whose values are based on published prices in active markets is classified within Level 1. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note E to the financial statements.

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

### **3. MANAGEMENT FEE**

In accordance with the Deed, the Manager is entitled to a management fee at a rate of not exceeding 2.00% per annum of the net asset value of the Fund accrued and calculated on daily basis.

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

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

### **4. TRUSTEE FEE**

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

For the financial period ended 30 September 2016, the Trustee fee is recognised at a minimum fee of RM18,000 per annum instead of at a rate of 0.08% (2015:0.08%) per annum on the net asset value of the Fund, calculated on a daily basis (excluding foreign custodian fees and charges).

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

**5. TAXATION**

	<b>6-months financial period ended 30.9.2016</b>	<b>6-months financial period ended 30.9.2015</b>
	<b>RM</b>	<b>RM</b>

Tax charged for the financial period:

Current taxation - local

-

-

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

	<b>6-months financial period ended 30.9.2016</b>	<b>6-months financial period ended 30.9.2015</b>
	<b>RM</b>	<b>RM</b>
Profit/(loss) before taxation	1,505,996	(2,676,381)
Tax at Malaysian statutory rate of 24%	361,439	(642,332)
Tax effect of:		
Investment income exempt from tax	(386,023)	613,883
Restriction on tax deductible expenses for Unit Trust Funds	18,792	22,397
Expenses not deductible for tax purposes	5,792	6,052
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	8,858,183	7,469,393
Net gain on financial assets at fair value through profit or loss:		
Realised gain/(loss) on disposals	244,177	(125,151)
Change in unrealised fair value gain	1,354,528	2,698,672
	<u>1,598,705</u>	<u>2,573,521</u>

	Quantity	Aggregate cost	Fair value as at 30.9.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%

Unit Trust Fund

Eastspring Investments-  
Indonesia Equity Fund  
(Class D)

221,444	6,810,938	8,858,183	100.40
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**ACCUMULATED  
UNREALISED GAIN  
ON FINANCIAL ASSETS  
AT FAIR VALUE  
THROUGH PROFIT  
OR LOSS**

2,047,245

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

8,858,183

	Quantity	Aggregate cost	Fair value as at 30.9.2015	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Unit Trust Fund</u>				
Eastspring Investments-Indonesia Equity Fund (Class D)	268,548	7,986,962	7,469,393	94.80
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		(517,569)		
<b>FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
			7,469,393	

The Fund primarily invests in the Eastspring Investments-Indonesia Equity Fund, which is one of the sub-funds of the Eastspring Investments which is a SICAV (the "SICAV", an abbreviation Société d' Investissement à Capital Variable) domiciled in Luxembourg. The SICAV is an open-ended investment company with variable capital registered in the Grand Duchy of Luxembourg on the official list of collective investment undertakings pursuant to Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment (the "2010 Law") and the Directive 2009/65/EC of the European Union Parliament and of the Council of 13 July 2009 (the "UCITS Directive"). The investment manager of the Target fund is Eastspring Investments (Singapore) Limited. Eastspring Investments (Singapore) Limited is an ultimately wholly-owned subsidiary of Prudential Plc, a company incorporated and with its principal place of business in England.

The investment objective of Eastspring Investments-Indonesia Equity Fund aims to maximise long-term total return by investing primarily in equities and equity-related securities of companies, which are incorporated, listed in or have their area of primary activity, in Indonesia. The Target Fund may also invest in depository receipts including ADRs and GDRs, debt securities convertible into common shares, preference shares and warrants.

## 7. CASH AND CASH EQUIVALENTS

	<b>2016</b>	<b>2015</b>
	<b>RM</b>	<b>RM</b>
Bank balance with a licensed bank	22,661	17,502
Deposit with a licensed financial institution	200,017	250,027
	<u>222,678</u>	<u>267,529</u>

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

	<b>2016</b>	<b>2015</b>
	<b>%</b>	<b>%</b>
Deposit with a licensed financial institution	<u>3.10</u>	<u>4.00</u>

The deposit has an average maturity of 4 days (2015: 1 day).

## 8. UNITS IN CIRCULATION

	2016	2015
	No. of units	No. of units
At the beginning of the financial period	16,408,104	22,995,683
Creation of units arising from applications during the financial period	3,925,718	2,038,542
Cancellation of units during the financial period	(5,388,233)	(6,415,851)
At the end of the financial period	<u>14,945,589</u>	<u>18,618,374</u>

## 9. TRANSACTIONS WITH ISSUER

Details of transactions with the Issuer of Eastspring Investments-Indonesia Equity Fund are as follows:

	Value of trades	Percentage of total trades
	RM	%
<u>2016</u>		
Eastspring Investments (Singapore) Limited <sup>#</sup>	<u>2,030,283</u>	<u>100.00</u>

Details of transactions, primarily cash placements with financial institutions for the financial period ended 30 September 2016 are as follows:

Financial institutions	Value of placements	Percentage of total placements
	RM	%
CIMB Bank Berhad	<u>20,660,000</u>	<u>100.00</u>

Details of transactions with the Issuer of Eastspring Investments-Indonesia Equity Fund are as follows:

	Value of trades	Percentage of total trades
	RM	%
<u>2015</u>		
Eastspring Investments (Singapore) Limited <sup>#</sup>	2,360,538	100.00

Details of transactions, primarily cash placements with financial institutions for the financial period ended 30 September 2015 are as follows:

Financial institutions	Value of placements	Percentage of total placements
	RM	%
CIMB Bank Berhad	43,050,000	57.35
Malayan Banking Berhad	17,550,000	23.38
Public Bank Berhad	13,170,000	17.54
Hong Leong Bank Berhad	1,300,000	1.73
	<u>75,070,000</u>	<u>100.00</u>

<sup>#</sup> Included in transactions by the Fund are trades conducted on normal terms in the investment management and stockbroking industry with Eastspring Investments (Singapore) Limited.

## 10. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The related parties of and their relationship with the Fund are as follows:

<b>Related parties</b>	<b>Relationship</b>
Eastspring Investments Berhad	The Manager
Eastspring Investments (Singapore) Limited	Related company of the Manager
Eastspring Investments-Indonesia Equity Fund - Class D	Collective investment scheme managed by Eastspring Investments (Singapore) Limited

	<b>2016</b>		<b>2015</b>	
	<b>No. of units</b>	<b>RM</b>	<b>No. of units</b>	<b>RM</b>
Eastspring Investments Berhad	1,000	590	1,000	423

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.

Significant related party transactions

	6-months financial period ended 30.9.2016	6-months financial period ended 30.9.2015
	RM	RM
Purchase of collective investment scheme managed by Eastspring Investments (Singapore) Limited	702,048	-
Sales of collective investment scheme managed by Eastspring Investments (Singapore) Limited	1,328,235	2,360,538

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

	2016	2015
	%	%
MER	1.23	1.12

MER is derived from the following calculation:

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

A = Management fee

B = Trustee fee

C = Audit fee

D = Tax agent fee

E = Other expenses (inclusive GST charges)

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

The average net asset value of the Fund for the financial period calculated on a daily basis is RM8,342,412 (2015: RM10,026,435).

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

	2016	2015
PTR (times)	0.12	0.12

PTR is derived from the following calculation:

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

where:

total acquisitions for the financial period = RM702,048 (2015: RM Nil)

total disposals for the financial period = RM1,328,235 (2015: RM2,360,538)

## 13. SEGMENTAL INFORMATION

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

The reportable operating segment derives its income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within the portfolio. These returns consist of interest income 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 18 November 2016.

# 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

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603-2052 3388

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603-2070 6129

EMAIL

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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)*

Michele Mi Kyung Bang

*(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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