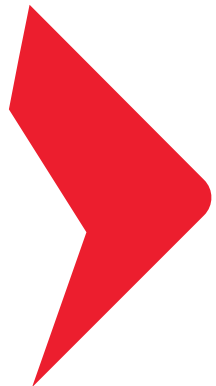


EASTSPRING INVESTMENTS DANA AL-ILHAM

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017



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 31 March 2017.

You may also download these reports from our website at www.eastspringinvestments.com.my

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

Yours sincerely,

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

Raymond Tang Chee Kin

Non-Independent, Executive Director and Chief Executive Officer

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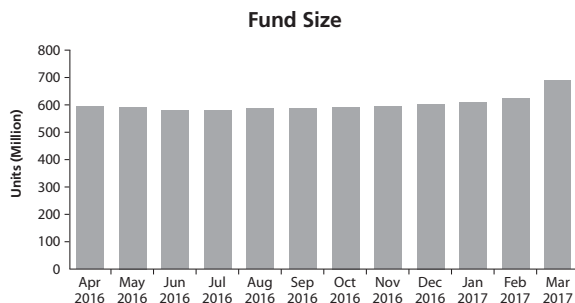
FUND INFORMATION

Name of Fund	Eastspring Investments Dana al-Ilham (the "Fund")
Fund Category/ Type	Shariah equity/growth
Fund Objective	<p>The Fund seeks to provide investors with high capital appreciation* from Shariah-compliant investments which have the potential of substantial value appreciation.</p> <p>* High returns are generally associated with high investment risks.</p>
Performance Benchmark	<p>FTSE Bursa Malaysia EMAS Shariah Index</p> <p>Source: www.bursamalaysia.com</p> <p>Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.</p>
Fund Income Distribution Policy	Incidental

FUND INFORMATION (CONTINUED)

Breakdown of Unit Holdings by Size

As at 31 March 2017, the size of Eastspring Investments Dana al-Ilham stood at 690.080 million units.



Breakdown of Unit Holdings

Unit Holdings	No. of Unit Holders	%	No of Units* ('000)	%
5,000 units and below	3,627	23.73	9,799	1.42
5,001 to 10,000 units	2,993	19.59	21,883	3.17
10,001 to 50,000 units	6,676	43.69	154,154	22.34
50,001 to 500,000 units	1,934	12.65	207,187	30.02
500,001 units and above	52	0.34	297,054	43.05
Total	15,282	100.00	690,077	100.00

* excludes units held by the Manager.

KEY PERFORMANCE DATA

FOR THE FINANCIAL YEAR ENDED

Category	31.3.2017	31.3.2016	31.3.2015
	(%)	(%)	(%)
Quoted Shariah-compliant securities			
Conglomerate	-	0.95	-
Construction	5.13	10.82	8.10
Consumer	0.52	-	-
Consumer Product	3.75	-	1.97
Finance	3.55	3.88	4.36
Health Care	13.18	11.52	-
Industrial Product	4.50	4.54	4.58
Infrastructure Project Company	4.18	2.47	5.00
i-REITS	2.01	0.18	0.19
Manufacturing	0.57	0.61	-
Plantation	9.88	4.21	3.95
Power/Utilities	1.49	2.24	-
Properties	3.29	5.01	5.40
Technology	2.76	8.23	7.08
Trading/Services	34.12	26.55	35.83
Special Purpose Acquisition Company	-	-	0.21
	88.93	81.21	76.67
Cash and other assets	11.07	18.79	23.33
Total	100.00	100.00	100.00

KEY PERFORMANCE DATA (CONTINUED)

Category	31.3.2017	31.3.2016	31.3.2015
Net Asset Value (NAV) (RM'000)	472,456	416,699	434,743
Units In Circulation (Units '000)	690,080	585,573	586,385
Net Asset Value Per Unit (RM)	0.6846	0.7116	0.7414
Highest Net Asset Value Per Unit (RM)#	0.6870	0.7116	0.7414
Lowest Net Asset Value Per Unit (RM)#	0.6841	0.7070	0.7368
Total Return (%)			
- Capital Growth	(3.79)	(4.02)	2.56
- Income Distribution	5.22	5.14	5.67
Total Return (%)	1.23	0.91	8.38
Gross Distribution Per Unit (RM)	0.0357	0.0364	0.0418
Net Distribution Per Unit (RM)	0.0356	0.0362	0.0416
Management Expense Ratio (MER) (%)*	1.68	1.68	1.59
Portfolio Turnover Ratio (PTR) (times)^	0.36	0.49	0.82

Figures shown as ex-distribution.

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

^ The PTR was lower due to the defensive view during the period under review.

KEY PERFORMANCE DATA (CONTINUED)

	1 year 1.4.2016 to 31.3.2017	3 years 1.4.2014 to 31.3.2017	5 years 1.4.2012 to 31.3.2017
	(%)	(%)	(%)
Average total return	1.23	3.44	10.31

Year ended	1.4.2016 to 31.3.2017	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
	(%)	(%)	(%)	(%)	(%)
Annual total return	1.23	0.91	8.38	32.54	11.36

Source: Lipper for Investment Management, as at 31 March 2017.

Bases of calculation and assumptions made in calculating returns:

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

NAV_t = NAV at the end of the period

NAV_0 = NAV at the beginning of the period

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

n = Number of years

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

MANAGER'S REPORT

Fund Performance

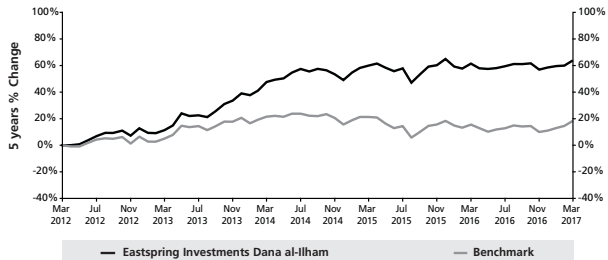
Over the 5-year period, the Fund recorded a return of 63.39%, outperforming the benchmark return of 18.45% by 44.94%.

For the period under review, the Fund registered a return of 1.23%, underperforming the benchmark return of 2.50% by 1.27%.

The underperformance was due to Shariah-compliant stock selection coupled with negative cash drag.

The Fund met its investment objective to provide investors with capital appreciation from Shariah-compliant investments.

**Eastspring Investments Dana al-Ilham -
5 Years Return Vs Benchmark**



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

Benchmark: FTSE Bursa Malaysia EMAS Shariah Index

Source: Lipper for Investment Management and www.bursamalaysia.com, as at 31 March 2017.

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

MANAGER'S REPORT (CONTINUED)

Analysis of Fund Performance

For the financial year ended 31 March 2017:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
5.22	(3.79)	1.23	2.50

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

Distribution/ Unit Split

Ex-date	24-Mar -17
Distribution Per Unit	(RM)
Gross	0.0357
Net	0.0356

Impact on NAV arising from distribution for the financial year ended 31 March 2017.

Ex-date	24-Mar-17
	(RM per Unit)
Net Asset Value before distribution	0.7197
Less: distribution	(0.0356)
Net Asset Value after distribution	0.6841

No unit split were declared for the financial year ended 31 March 2017.

Investment Strategy During Period Under Review

The Fund's relative higher exposure in healthcare sector was a drag in terms of performance whilst Shariah-compliant stock selection in manufacturing, construction and oil and gas sectors also led to underperformance in the period. The Fund also suffered from negative cash drag especially towards the latter part of the period under review.

We continue to look for new stock ideas and may take gains on profitable positions and/or exiting positions which have seen unfavourable changes to the company dynamics. We like well

MANAGER'S REPORT (CONTINUED)

Investment Strategy During Period Under Review (continued)

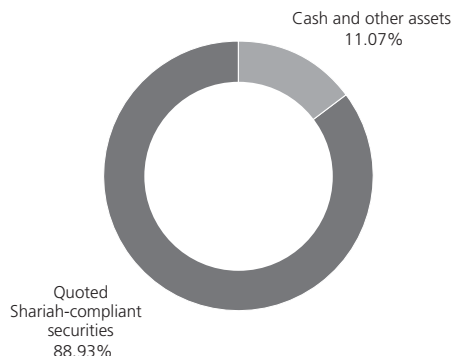
managed companies preferably in positive industry dynamics, with decent, sustainable earnings growth and good cash flow generation, preferably trading at attractive valuations.

We believe the Fund will outperform the Index in the long run.

Asset Allocation

Asset Allocation	31-Mar 2017	31-Mar 2016	Changes
	(%)	(%)	(%)
Quoted Shariah-compliant securities	88.93	81.21	7.72
Cash and other assets	11.07	18.79	(7.72)

Asset Allocation as at 31 March 2017



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

MANAGER'S REPORT (CONTINUED)

State of Affairs of the Fund

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

However, in the Eastspring Investments First Supplementary Master Prospectus dated 24 November 2016, the information in relation to the auto reinvestment policy has been revised as set out in (a) below, while in the Eastspring Investments Second Supplementary Master Prospectus dated 15 March 2017, the information in relation to the income reinvestment policy has been revised as disclosed in (b) below:

a. Auto Reinvestment Policy

Any moneys payable to Unit Holder as a result of income distribution which remains unclaimed after six (6) months from the date of payment shall automatically be reinvested into additional Units of the Fund at the Net Asset Value ("NAV") per Unit on the closing of the fifteenth (15th) day after the said six (6) months period at no cost. In the event the fifteenth (15th) day falls on a non-Business Day, reinvestment will be made on the following Business Day.

b. Income Reinvestment Policy

Income distributed to a Unit Holder will automatically be reinvested into additional Units in the Fund at the NAV per Unit at the end of the Business Day of the income distribution date at no cost if the Unit Holder did not elect the mode of distribution in the master account opening form or provide any written instruction to the Manager.

Should a Unit Holder elect the mode of distribution in the master account opening form or provide any written instruction to the Manager, the income distribution proceeds will either be paid by cheque or credited into the bank account located in Malaysia via telegraphic or online transfer at the cost and expense of the Unit Holder.

The Manager reserves the right to reinvest income distribution without providing any reason if the instruction in the master account opening form or written instruction is incomplete.

MANAGER'S REPORT (CONTINUED)

State of Affairs of the Fund (continued)

Effective 17 April 2017, the management function of the Fund has been delegated to the external investment manager, Eastspring Al-Wara' Investments Berhad. Hence, in the Eastspring Investments Third Supplementary Master Prospectus dated 17 April 2017, information in relation to Eastspring Al-Wara' Investments Berhad and the designated fund manager has been added as set out below:

- **EXTERNAL INVESTMENT MANAGER FOR THE EASTSPRING INVESTMENTS DANA AL-ILHAM AND EASTSPRING INVESTMENTS DANA DINAMIK**

Background of Eastspring Al-Wara' Investments Berhad

Eastspring Al-Wara' Investments Berhad ("Eastspring Al-Wara'") was incorporated in June 2009 and is part of the Prudential Group. The ultimate parent company of the Prudential Group is Prudential plc whose shares are listed on the London, New York, Hong Kong and Singapore stock exchanges.

Eastspring Al-Wara' business is to manage funds on behalf of institutional clients and as at 31 January 2017, it manages more than RM451 million of Shariah compliant asset. Eastspring Al-Wara' is also part of the Malaysian International Islamic Financial Centre community, which focuses on supporting the development of the Malaysian Islamic capital market and positioning Malaysia as one of the leading global hub for Islamic finance.

Roles and Duties of the External Investment Manager

The Manager has appointed Eastspring Al-Wara' as the external investment manager for Eastspring Investments Dana al-Ilham and Eastspring Investments Dana Dinamik. The External Investment Manager is to invest the investments of the Funds in accordance with the Funds' objective and its deeds, and subject to the Capital Markets and Services Act 2007 ("Act"), the Guidelines on Unit Trust Funds ("Guidelines") and any practice notes issued by the Securities Commission Malaysia ("SC") from time to time, as well as the internal policies and procedures of the Manager. The External Investment Manager reports to the investment committee of the

MANAGER'S REPORT (CONTINUED)

State of Affairs of the Fund (continued)

Funds on a regular basis on the status of the portfolio, proposed investment strategy and other matters relating to the portfolio of the Funds. The designated fund manager for the Funds is Mohd Najman bin Md Isa.

Mohd Najman bin Md Isa

Mohd Najman bin Md Isa (Najman) joined Eastspring Al-Wara' in April 2016 as a fund manager. He previously worked for one of the foreign asset management houses in Malaysia for five (5) years as a fund manager where he assisted in managing the Malaysian and ASEAN equity portfolios. Prior to that, he worked in the corporate finance and performance department of the UEM Group Berhad and was part of the private equity team at CIMB Investment Bank.

MARKET REVIEW

Markets consolidated early in 2Q2016 amidst steadily higher crude oil prices and volatility in currencies against the United States Dollar ("USD"). After months of uncertainty regarding the changing risk probability of a British Exit ("BREXIT"), United States ("US") interest rate hike and slower economic data from China, global markets corrected sharply towards the end of the 2Q2016 as the unexpected happened: on the 23 June 2016, United Kingdom ("UK") voted to leave the European Union ("EU"). Panic selling ensued but markets quickly rebounded thereafter as UK's Prime Minister stepped down following the result, and investors digest the mechanics of how UK will leave the European Union, and how it will be a long drawn out affair. The demand for safe haven currencies took hold, and the Japanese Yen strengthened below Yen100/USD intraday near the end of June (strengthening about 16% year to date), whilst the British Pound depreciated by 10% YTD. Domestically, Malaysia trended down during the 2Q2016 despite the stronger crude oil prices which bounced back from USD40/bbl to USD50/bbl during the quarter. Investor sentiment was weak following the concerns over the technical default on the 1Malaysia Development Berhad ("1MDB") bond which missed a payment given the dispute between the issuer (1MDB) and the guarantor (International Petroleum Investment Company ("IPIC")), which led to speculation over potential cross defaults and putting sovereign ratings at risk. Even the announcement of Datuk Muhammad Ibrahim, who was the Bank Negara Malaysia ("BNM") deputy governor, as the new governor of BNM failed to excite the market. 1Q2016 results season was once again a disappointment, and consensus has cut 2016 earnings by 4.5%, and now expects 2016 earnings to still grow by 1.3%. However, despite the weak earnings growth outlook, the Malaysian economy remained fairly resilient in light of the external volatilities such as BREXIT.

In 3Q2016 global markets enjoyed a decent rally on the back of expected continued global efforts to ensure accommodative monetary policy is still on the agenda. European markets stabilised somewhat as there was a quick resolution to the UK Prime Minister's position that was vacated by David Cameron due to the BREXIT outcome. Towards the end of the 3Q2016, the launch of Apple's iPhone 7 was well received with stock of the new model all out within a couple of days post launch. Samsung Electronics were badly affected by the recall of their latest Galaxy Note 7 due to the incidences of exploding batteries. The US Presidential debate was also in focus as the race between the two candidates remained tight with just five weeks before the elections. Crude oil prices rebounded as Organization of the Petroleum Exporting Countries ("OPEC")'s meeting in Algiers saw an agreement of sorts to freeze production. Malaysian equities corrected early 3Q2016 on the back of negative news flow from the announcement by the US Department of Justice filing a civil suit to seize assets tied to 1MDB, under the Kleptocracy Asset Recovery Initiative. Fitch Ratings downgraded Petronas' Long term Foreign and Local Currency Issuer Default Ratings (IDRs) to A- from A, but affirmed their short term foreign currency IDR at F1. The outlook on the Long Term IDRs is Stable. The 2Q2016 results season delivered yet another round of lower than expected

earnings, resulting in consensus downgrade of Malaysian earnings growth for 2016 to approximately -2% yoy, the third year of negative growth. The 3Q ended with more focus on the upcoming 2017 Budget, and concerns over whether Malaysia's fiscal deficit target of 3.1% for 2016 would be met.

4Q2016 was a volatile one for global markets. UK's parliament debated on their exit from the EU, as the Sterling fell to a low against the US dollar and Euro. In November, the surprise win by Mr. Trump in the US Presidential Elections gave rise to global uncertainties, which saw the Asia Pacific regional markets correct sharply, in anticipation potential negative trade policies to be enacted. The US equity market, after a brief but sharp decline post elections, rallied to all-time highs as investors are hopeful that talks of a corporate tax cut and increased fiscal spending will stimulate the economy. In December, the US Federal Reserve raised the target range for the Federal Funds Rate at 0.5-0.75% as expected, and the Federal Open Market Committee ("FOMC") gave indications of more interest rate hikes to come. Oil prices rallied as non-OPEC members agreed to reduce output, on top of the output cut agreed by OPEC members. Malaysian equities started 4Q2016 off well with concerns over meeting fiscal deficit targets allayed somewhat leading up to the Budget 2017 announcement. Foreign investors' concerns were heightened when BNM reiterated that onshore banks are not to facilitate offshore banks with non-deliverable forwards (NDFs) which they attributed speculation on the ringgit and the highly volatile movements in the exchange rate of late. The Malaysian ringgit continued its downwards trend ending the 4Q2016 at RM4.4862/USD, prompting BNM to come out with measures early in the month to restrict exporters from apparent hoarding of US Dollars.

1Q2017 saw global markets start the year on a positive note, on the expectations that Trump's policies for the US will be reflationary in nature, focused on tax cuts and corporate tax overhaul, infrastructure spending in the US, and increased protectionism. US corporates reporting 4Q2016 results in February generally surprised the market with a higher percentage of companies beating consensus earnings expectations for their 4Q results, in particular the Technology related companies and Health care. China surprised the market by raising their Medium-term Lending Facility 6-month and 1-year rates by 10bps, the first in nearly 6 years. This was followed by China's raising of its overnight rates for the standing lending facility loans to 3.1% post the Lunar New Year break, which saw the Chinese Yuan firmer against the US Dollar. The US markets took a breather towards the end of the quarter, as oil prices corrected with rising inventory levels and higher rig counts in the US. US President Trump failed to push through his election promise of getting rid of Obama-care, and in the U.K. Prime Minister Theresa May triggered Article 50 to exit the European Union. Malaysian equities rallied in tandem with global markets, supported by a firmer ringgit given BNM's efforts to clamp down on currency speculation. Announcements by Permodalan Nasional Berhad ("PNB") related companies to restructure the UMW Holdings and UMW Oil

and Gas, and Sime Darby's intentions to spin-off various divisions brought some excitement to the market. M&A news dominated news in the 1Q as Saudi Aramco announced their JV with Petronas in RAPID during the Saudi Arabia King's visit to Malaysia, the media speculated the potential merger between Telekom Malaysia and Axiata, and Alibaba's Jack Ma's announcement of establishing an e-commerce hub in the new Digital Free Trade Zone in Sepang.

The FBM KLCI closed the year under review at 1,740.09 points, up 1.31%. The broader FBM Emas (FBMEmas) Index closed the period under review higher by 3.7%. The MSCI Asia Pacific ex-Japan Index gained by 14.92% in USD terms.¹

REBATES AND SOFT COMMISSIONS

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

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

¹ **Source:** Bloomberg; World indices

EASTSPRING INVESTMENTS DANA AL-ILHAM

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS DANA AL-ILHAM

We have acted as Trustee for Eastspring Investments Dana al-Ilham (the "Fund") for financial year ended 31 March 2017. To the best of our knowledge, for the year under review, Eastspring Investments Berhad (the "Manager") has operated and managed the Fund in accordance with the following:

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

We are of the view that the distribution made during this financial year ended 31 March 2017 by the Manager is not inconsistent with the objectives of the Fund.

For Deutsche Trustees Malaysia Berhad

Soon Lai Ching

Senior Manager, Trustee Operations

Richard Lim Hock Seng

Chief Executive Officer

Kuala Lumpur

Date: 12 May 2017

SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS DANA AL-ILHAM

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

In our opinion, Eastspring Investments Berhad has managed and administered Eastspring Investments Dana al-Ilham in accordance with Shariah principles and complied with applicable guidelines, rulings and decisions issued by the Securities Commission pertaining to Shariah matters for the financial year ended 31 March 2017.

In addition, we also confirm that the investment portfolio of Eastspring Investments Dana al-Ilham comprises securities which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission ("SACSC"). As for the securities which are not certified by the SACSC, we have reviewed the said securities and opine that these securities are designated as Shariah-compliant.

For and on behalf of the Shariah Adviser

IBFIM

AHMAD ZAKIRULLAH BIN MOHAMED SHAARANI

Managing Advisor (Shariah)/Designated Person Responsible for Shariah Advisory

Kuala Lumpur

Date: 12 May 2017

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS DANA AL-ILHAM

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Eastspring Investments Dana al-Ilham ("the Fund") give a true and fair view of the financial position of the Fund as at 31 March 2017, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 22 to 65.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises Manager's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determine is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intend to liquidate the Fund or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level

of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- d. Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER MATTERS

This report is made solely to the unit holder of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS

(No. AF: 1146)

Chartered Accountants

Kuala Lumpur

Date: 12 May 2017

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	2017	2016
		RM	RM
INVESTMENT INCOME			
Gross dividend income		9,237,506	10,048,906
Profit income from Islamic deposits with licensed financial institutions		2,182,047	2,564,521
Net gain/(loss) on financial assets at fair value through profit or loss	7	2,122,006	(1,086,530)
		<u>13,541,559</u>	<u>11,526,897</u>
EXPENSES			
Management fee	3	(6,311,341)	(5,863,782)
Trustee fee	4	(294,529)	(273,643)
Audit fee		(7,000)	(7,000)
Tax agent fee		(3,400)	(3,400)
Other expenses		(47,703)	(42,364)
GST charges		(397,691)	(369,768)
Transaction costs		(921,013)	(1,257,287)
		<u>(7,982,677)</u>	<u>(7,817,244)</u>
PROFIT BEFORE TAXATION		5,558,882	3,709,653
TAXATION	5	<u>(23,873)</u>	<u>(3,696)</u>
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		<u>5,535,009</u>	<u>3,705,957</u>
Profit after taxation is made up of the following:			
Realised amount		7,525,583	23,701,312
Unrealised amount		(1,990,574)	(19,995,355)
		<u>5,535,009</u>	<u>3,705,957</u>

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

	Note	2017	2016
		RM	RM
ASSETS			
Cash and cash equivalents	8	50,847,591	68,695,893
Amount due from brokers		-	4,640,008
Amount due from Manager		7,777,029	6,401,495
Dividends receivable		229,911	567,430
Tax recoverable		28,879	28,879
Financial assets at fair value through profit or loss	7	419,938,924	338,383,027
TOTAL ASSETS		<u>478,822,334</u>	<u>418,716,732</u>
LIABILITIES			
Amount due to brokers		3,157,938	1,034,186
Amount due to Manager		2,464,046	335,550
Accrued management fee		582,379	511,241
Amount due to Trustee		27,178	23,858
Distribution payable		71,484	53,625
Other payables and accruals		26,857	27,055
GST charges payable		36,573	32,105
TOTAL LIABILITIES		<u>6,366,455</u>	<u>2,017,620</u>
NET ASSET VALUE OF THE FUND		<u>472,455,879</u>	<u>416,699,112</u>
EQUITY			
Unit holders' capital		435,370,410	377,233,246
Retained earnings		37,085,469	39,465,866
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>472,455,879</u>	<u>416,699,112</u>
NUMBER OF UNITS IN CIRCULATION	10	<u>690,080,034</u>	<u>585,572,625</u>
NET ASSET VALUE PER UNIT (RM) (EX-DISTRIBUTION)		<u>0.6846</u>	<u>0.7116</u>

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
Balance as at 1 April 2016	377,233,246	39,465,866	416,699,112
Movement in unit holders' contribution:			
Creation of units from applications	176,333,832	-	176,333,832
Creation of units from distribution	23,004,345	-	23,004,345
Cancellation of units	(126,040,590)	-	(126,040,590)
Total comprehensive income for the financial year	-	5,535,009	5,535,009
Distribution (Gross: 3.57 sen per unit/ Net: 3.56 sen per unit)	6 (15,160,423)	(7,915,406)	(23,075,829)
Balance as at 31 March 2017	<u>435,370,410</u>	<u>37,085,469</u>	<u>472,455,879</u>
Balance as at 1 April 2015	379,005,645	55,737,807	434,743,452
Movement in unit holders' contribution:			
Creation of units from applications	193,519,819	-	193,519,819
Creation of units from distribution	19,924,273	-	19,924,273
Cancellation of units	(215,216,491)	-	(215,216,491)
Total comprehensive income for the financial year	-	3,705,957	3,705,957
Distribution (Gross: 3.64 sen per unit/ Net: 3.62 sen per unit)	6 -	(19,977,898)	(19,977,898)
Balance as at 31 March 2016	<u>377,233,246</u>	<u>39,465,866</u>	<u>416,699,112</u>

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	2017	2016
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of Shariah-compliant investments		117,260,354	183,062,522
Purchase of Shariah-compliant investments		(190,851,499)	(215,071,105)
Dividends received		9,551,152	9,968,035
Profit income received from Islamic deposits with licensed financial institutions		2,182,047	2,564,521
Management fee paid		(6,240,203)	(5,856,013)
Trustee fee paid		(291,209)	(273,280)
Payment for other fees and expenses		(451,523)	(398,330)
Net cash used in operating activities		<u>(68,840,881)</u>	<u>(26,003,650)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		174,958,298	240,995,227
Payments for cancellation of units		(123,912,094)	(217,676,146)
Distribution paid		(53,625)	(69,116)
Net cash generated from financing activities		<u>50,992,579</u>	<u>23,249,965</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(17,848,302)	(2,753,685)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		68,695,893	71,449,578
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	8	<u>50,847,591</u>	<u>68,695,893</u>

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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 requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires the Manager to exercise their judgment in the process of applying the Fund’s accounting policies. Although these estimates and judgment are based on the Manager’s best knowledge of current events and actions, actual results may differ.

The Fund has applied the following amendments for the first time for the financial year beginning 1 April 2016:

- Amendments to MFRS 101 “Presentation of financial statements” – Disclosure initiative
- Amendments to MFRS 10,12 & 128 “Investment entities – Applying the consolidation exception”
- Annual improvements to MFRSs 2012 – 2014 Cycle

There were no significant impact to other accounting policies of the Fund as a result of the above mentioned.

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:

- a. 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.

b. 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 contractual cash flow characteristics of the financial asset. Investments in equity instruments¹ are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument² is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest³.

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

MFRS 9 introduces an expected credit 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.

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

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

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

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.

A new five-step process is applied before revenue can be recognised:

- Identify contracts with customers;
- Identify the separate performance obligations;
- Determine the transactions price of the contract;
- Allocate the transaction price to each of the separate performance obligations; and
- Recognise the revenue as each performance obligation is satisfied.

Key provisions of the new standard are as follows:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- If the consideration varies (such as incentives, rebates, performance fees, royalties, success of an outcome etc), minimum amounts of revenue must be recognised if they are not at significant risk of reversal.
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.

- There are new specific rules on licenses, warranties, non-refundable upfront fees, and consignment arrangements, to name a few.
- As with any new standard, there are also increased disclosures.

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

Profit income earned from Islamic deposits is recognised on the accrual basis, using the effective profit method.

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

Realised gain or loss on disposal of Shariah-compliant securities are accounted for as the difference between the net disposal proceeds and the carrying amount of Shariah-compliant securities, which is 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 year.

D. PRESENTATION AND FUNCTIONAL CURRENCY

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

E. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

i. Classification

The Fund designates its Shariah-compliant investments in quoted Shariah-compliant securities as financial assets at fair value through profit or loss at inception.

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

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

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

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

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

ii. Recognition and measurement

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

Financial assets are derecognised when the rights to receive cash flows from the Shariah-compliant investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liability, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

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

Unrealised gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” 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.

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

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

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

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

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

iii. Impairment for assets carried at amortised costs

For assets carried at amortised cost, the Fund assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a

result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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

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

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

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

F. CASH AND CASH EQUIVALENTS

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

G. UNIT HOLDERS' CAPITAL

The unitholders' 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.

H. AMOUNT DUE FROM/ (TO) BROKERS

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

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

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

I. DISTRIBUTION

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

J. 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.

K. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

1. INFORMATION ON THE FUND

Eastspring Investments Dana al-Ilham (the “Fund”) was constituted pursuant to the execution of a Master Deed dated 25 July 2002 as amended by a Supplemental Master Deed dated 22 June 2004 and a Second Supplemental Master Deed dated 25 January 2005, followed by Master Supplemental Deed dated 12 July 2007 and Second Supplemental Master Deed dated 30 November 2009 between HSBC (Malaysia) Trustee Berhad (“HSBC Trustee”) and Eastspring Investments Berhad (the “Manager”). The Fund replaced HSBC Trustee with Deutsche Trustees Malaysia Berhad (the “Trustee”) effective 1 October 2010. A Supplemental Master Deed was entered into between the Manager and the Trustee on 30 July 2010 to effect the change of trustee from HSBC Trustee to the Trustee, followed by a Second Supplemental Master Deed dated 28 January 2011, a Third Supplemental Master Deed dated 9 March 2011, 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, a Seventh Supplemental Master Deed dated 11 July 2016 and an Eighth Supplemental Master Deed dated 25 January 2017 (collectively referred to as the “Deed”).

The Fund was launched on 14 August 2002 and will continue its operations until terminated as provided under Part 12 of the Deed.

The Fund invests principally in a diversified portfolio of Shariah-compliant equities and equity-related securities that are undervalued and have good growth potential. All Shariah-compliant investments will be subjected to the Securities Commission’s (“SC”) Guidelines on Unit Trust Funds, the Deed and the objective of the Fund.

The Fund seeks to provide investors with high capital appreciation from Shariah-compliant investments which have the potential of substantial value appreciation.

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 price risk and exposure to interest rate risk), liquidity risk, stock/issuer risk, fund management risk, non-compliance risk, capital risk, reclassification of Shariah status risk and credit/default risk.

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

Financial instruments of the Fund are as follows:

	Note	Receivables	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
<u>2017</u>				
Cash and cash equivalents	8	50,847,591	-	50,847,591
Amount due from Manager		7,777,029	-	7,777,029
Dividends receivable		229,911	-	229,911
Quoted Shariah-compliant securities	7	-	419,938,924	419,938,924
		<u>58,854,531</u>	<u>419,938,924</u>	<u>478,793,455</u>
<u>2016</u>				
Cash and cash equivalents	8	68,695,893	-	68,695,893
Amount due from brokers		4,640,008	-	4,640,008
Amount due from Manager		6,401,495	-	6,401,495
Dividends receivable		567,430	-	567,430
Quoted Shariah-compliant securities	7	-	338,383,027	338,383,027
		<u>80,304,826</u>	<u>338,383,027</u>	<u>418,687,853</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 Shariah-compliant Unit Trust Fund, however, helps mitigate this risk because a Fund would generally hold a well-diversified portfolio of Shariah-compliant securities from different market sectors so that the collapse of any one of the Shariah-compliant security or any one market sector would not impact too greatly on the value of the Fund.

The table below shows assets of the Fund as at 31 March which are exposed to price risk:

	2017	2016
	RM	RM
Quoted Shariah-compliant securities designated at fair value through profit or loss	419,938,924	338,383,027

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

% Change in price of financial assets at fair value through profit or loss	Market value	Increase/(decrease) in profit after tax and net asset value
	RM	RM
<u>2017</u>		
+5%	440,935,870	20,996,946
-5%	398,941,978	(20,996,946)
<hr/>		
<u>2016</u>		
+5%	355,302,178	16,919,151
-5%	321,463,876	(16,919,151)
<hr/>		

ii. Exposure to interest rate risk

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

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

Interest rate risk refers to interest rate movements, which will affect the returns on the Shariah-compliant investments held by the Fund.

The above interest rate is a general economic indicator that will have an impact on the management of the Fund regardless whether it is a Shariah-compliant Unit Trust Fund or otherwise. It does not in any way suggest that the Fund will invest in conventional financial instruments. All the investments are carried out for the Fund are in accordance with Shariah requirements.

As at the date of the statement of financial position, all the financial assets and financial liabilities no exposure to interest rate movement except for Islamic deposits with licensed financial institutions of RM50,586,452 (2016: RM68,676,346) which have maturities of less than one year.

The Fund's investments in Islamic 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 Islamic liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Islamic liquid assets comprise bank balances, Islamic deposits with licensed financial institutions and other Shariah-compliant 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>2017</u>			
Amount due to brokers	3,157,938	-	3,157,938
Amount due to Manager	2,464,046	-	2,464,046
Accrued management fee	582,379	-	582,379
Amount due to Trustee	27,178	-	27,178
Distribution payable	71,484	-	71,484
Other payables and accruals	-	26,857	26,857
GST charges payable	36,573	-	36,573
Contractual cash outflows	6,339,598	26,857	6,366,455
<u>2016</u>			
Amount due to brokers	1,034,186	-	1,034,186
Amount due to Manager	335,550	-	335,550
Accrued management fee	511,241	-	511,241
Amount due to Trustee	23,858	-	23,858
Distribution payable	53,625	-	53,625
Other payables and accruals	-	27,055	27,055
GST charges payable	32,105	-	32,105
Contractual cash outflows	1,990,565	27,055	2,017,620

Stock/issuer risk

The Fund is restricted to investment in Shariah-compliant securities issued by and Shariah-compliant securities relating to any issuer of not more than fifteen percent (15%) of its net asset value. Furthermore, the Fund is restricted to invest in Shariah-compliant securities issued by and Shariah-compliant securities relating to any group of companies of not more than twenty percent (20%) of its net asset value. Under such restrictions, the exposure risk to the Shariah-compliant securities of any single issuer or any one group of companies is minimised.

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 have an oversight function over management of the Fund by the management company to safeguard the interests of unit holder.

Non-compliance risk

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

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

Capital risk

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

Reclassification of Shariah status risk

The risk that the currently held Shariah-compliant securities in the portfolio of Shariah-compliant funds may be reclassified to be Shariah non-compliant upon review of the securities by the Shariah Advisory Council of the Securities Commission performed twice yearly. If this occurs, the value of the fund may be adversely affected where the Manager will take the necessary steps to dispose of such securities.

There may be opportunity loss to the Fund due to the Fund not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant securities. The value of the Fund may also be adversely affected in the event of a disposal of Shariah non-compliant securities at a price lower than the investment cost.

Credit/default risk

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

The credit risk arising from placements of Islamic deposits with licensed financial institutions is managed by ensuring that the Fund will only place Islamic deposits with reputable licensed financial institutions. For amount due from brokers, the settlement terms are governed by the relevant rules and regulations as prescribed by Bursa Securities. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC Guidelines on Unit Trust Funds.

The credit/default risk is minimal as all transactions in quoted Shariah-compliant securities are settled/paid upon delivery using approved brokers.

The following table sets out the credit risk concentrations and counterparties of the Fund, as at financial year ended 31 March 2017 and 31 March 2016:

	Cash and cash equivalents	Amount due from Manager	Dividends receivable	Total
	RM	RM	RM	RM
<u>2017</u>				
Finance				
- AA1	261,139	-	-	261,139
- AA3	30,074,794	-	-	30,074,794
- AAA	20,511,658	-	-	20,511,658
Properties				
- NR	-	-	114,684	114,684
Technology				
- NR	-	-	115,227	115,227
Other				
- NR	-	7,777,029	-	7,777,029
	50,847,591	7,777,029	229,911	58,854,531

	Cash and cash equivalents	Amount due from brokers	Amount due from Manager	Dividends receivable	Total
	RM	RM	RM	RM	RM
<u>2016</u>					
Conglomerate					
- NR	-	-	-	57,795	57,795
Construction					
- NR	-	-	-	9,891	9,891
Finance					
- AA1	19,547	-	-	-	19,547
- AAA	68,676,346	-	-	-	68,676,346
Health Care					
- NR	-	-	-	48,960	48,960
Manufacturing					
- NR	-	-	-	14,958	14,958
Plantation					
- NR	-	4,640,008	-	-	4,640,008
Properties					
- NR	-	-	-	189,586	189,586
Technology					
- NR	-	-	-	144,966	144,966
Trading/Services					
- NR	-	-	-	101,274	101,274
Other					
- NR	-	-	6,401,495	-	6,401,495
	<u>68,695,893</u>	<u>4,640,008</u>	<u>6,401,495</u>	<u>567,430</u>	<u>80,304,826</u>

None of these financial 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 publicly trading Shariah-compliant securities) are based on quoted market prices at the close of trading on the year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Fund Manager will determine the point within the bid-ask spread that is representative of the fair value.

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

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

Fair value hierarchy

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is 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 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>2017</u>				
Financial assets at fair value through profit or loss:				
Quoted Shariah-compliant securities	419,938,924	-	-	419,938,924
<u>2016</u>				
Financial assets at fair value through profit or loss:				
Quoted Shariah-compliant securities	338,383,027	-	-	338,383,027

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

- ii. The carrying value of cash and cash equivalents, amount due from brokers, amount due from Manager, dividends receivable 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 not exceeding 3.00% per annum on the net asset value of the Fund calculated on daily basis.

For the financial year ended 31 March 2017, the management fee is recognised at a rate of 1.50% (2016: 1.50%) per annum on the net asset value of the Fund, calculated on daily basis.

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

4. TRUSTEE'S FEE

In accordance with the Deed, the Trustee is entitled to an annual fee, inclusive of custodian fee, at a rate not exceeding 0.20% per annum on the net asset value of the Fund, subject to a minimum fee of RM18,000 per annum.

For the financial year ended 31 March 2017, the Trustee fee is recognised at a rate of 0.07% (2016: 0.07%) per annum on the net asset value of the Fund, inclusive of local custodian fee, 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

	2017	2016
	RM	RM
Tax charged for the financial year:		
Current taxation – local	23,873	3,696

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

	2017	2016
	RM	RM
Profit before taxation	5,558,882	3,709,653
Tax at Malaysian statutory rate of 24% (2016: 24%)	1,334,132	890,317
Tax effects of:		
Investment income exempt from tax	(3,192,678)	(2,757,586)
Expenses not deductible for tax purposes	308,273	382,712
Restriction on the tax deductible expenses for Unit Trust Funds	1,607,569	1,493,426
Income subject to different tax rate	(33,423)	(5,173)
Taxation	23,873	3,696

6. DISTRIBUTION

	2017	2016
	RM	RM
Distribution to unit holders is from the following sources:		
Prior years' income:		
Dividend income	3,642,056	3,004,946
Profit income earned from Islamic deposits	726,227	564,892
Net realised gain on sale of Shariah-compliant investments	6,004,688	6,452,319
Distribution equalisation (Memorandum account)	15,160,423	11,926,512
Gross realised income	<u>25,533,394</u>	<u>21,948,669</u>
Less: Expenses	(2,383,753)	(1,882,957)
Less: Taxation	(73,812)	(87,814)
	<u>23,075,829</u>	<u>19,977,898</u>
Gross distribution per unit (RM)	<u>0.0357</u>	<u>0.0364</u>
Net distribution per unit (RM)	<u>0.0356</u>	<u>0.0362</u>
Ex-date	<u>24 March 2017</u>	<u>24 March 2016</u>

Gross distribution is derived using total income less total expenses. The distribution is made from prior year's realised income.

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

Distribution equalisation represents the average amount of distributable income included in the creation and cancellation prices of units. It is computed as at each date of creation and cancellation of units. For the purposes of determining amount available for distribution, distribution equalisation is included in the computation of realised gain or income available for distribution.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017	2016
	RM	RM
Designated at fair value through profit or loss:		
Quoted Shariah-compliant securities	419,938,924	338,383,027
Net gain/(loss) on financial assets at fair value through profit or loss:		
Realised gain on disposals	4,112,580	18,908,825
Change in unrealised fair value loss	(1,990,574)	(19,995,355)
	2,122,006	(1,086,530)

Quoted Shariah-compliant securities

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2017	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Construction</u>				
Econpile Holdings Berhad	1,403,400	1,969,753	3,143,616	0.67
IJM Corporation Berhad	4,971,000	16,507,856	16,901,400	3.58
Pintaras Jaya Berhad	1,187,800	4,696,547	4,181,056	0.88
	7,562,200	23,174,156	24,226,072	5.13
<u>Consumer</u>				
Salutica Berhad	1,475,900	1,180,720	2,449,994	0.52
<u>Consumer Product</u>				
Nestle (Malaysia) Berhad	157,200	12,264,649	12,478,536	2.64
NTPM Holdings Berhad	6,148,200	5,176,367	5,225,970	1.11
	6,305,400	17,441,016	17,704,506	3.75

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2017	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Finance</u>				
BIMB Holdings Berhad	1,269,500	5,076,161	5,649,275	1.20
Syarikat Takaful Malaysia Berhad	2,790,800	6,717,499	11,079,476	2.35
	4,060,300	11,793,660	16,728,751	3.55
<u>Health Care</u>				
Hartalega Holdings Berhad	1,368,600	6,572,206	6,788,256	1.44
IHH Healthcare Berhad	4,511,600	25,983,896	27,069,600	5.73
Kossan Rubber Industries Berhad	1,751,600	11,670,199	10,912,468	2.31
KPJ Healthcare Berhad	2,797,700	9,864,840	11,330,685	2.40
Top Glove Corporation Bhd	1,249,900	4,432,149	6,149,508	1.30
	11,679,400	58,523,290	62,250,517	13.18
<u>Industrial Product</u>				
Lafarge Malaysia Berhad	1,577,600	11,299,893	10,569,920	2.24
Petronas Gas Berhad	541,200	11,819,493	10,694,112	2.26
	2,118,800	23,119,386	21,264,032	4.50
<u>Infrastructure Project Company</u>				
Digi.Com Berhad	2,998,400	14,715,862	15,381,792	3.26
Time Dotcom Berhad	500,000	3,868,000	4,350,000	0.92
	3,498,400	18,583,862	19,731,792	4.18
<u>Manufacturing</u>				
Evergreen Fibreboards Berhad	1,495,800	2,065,929	1,271,430	0.27
Pecca Group Berhad	890,100	1,263,942	1,397,457	0.30
	2,385,900	3,329,871	2,668,887	0.57

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2017	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Plantation</u>				
Batu Kawan Berhad	132,000	2,017,955	2,558,160	0.54
IOI Corporation Berhad	2,903,300	13,143,555	13,500,345	2.86
Kuala Lumpur Kepong Berhad	626,800	13,949,028	15,469,424	3.27
TSH Resources Berhad	3,137,550	6,976,034	5,867,219	1.24
United Plantations Berhad	326,800	7,870,401	9,313,800	1.97
	7,126,450	43,956,973	46,708,948	9.88
<u>Power/Utilities</u>				
Malakoff Corporation Berhad	5,826,700	10,599,233	7,050,307	1.49
<u>Properties</u>				
IOI Properties Group Berhad	3,425,187	8,162,420	7,090,137	1.50
Matrix Concepts Holdings Berhad	3,276,683	6,870,585	8,322,775	1.76
S P Setia Berhad	134,777	131,702	150,950	0.03
	6,836,647	15,164,707	15,563,862	3.29
<u>i-REITS</u>				
Axis Real Estate Investment Trust	3,834,347	6,446,722	6,326,673	1.34
KLCC Property Holdings Berhad	400,000	2,976,000	3,172,000	0.67
	4,234,347	9,422,722	9,498,673	2.01

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2017	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Technology</u>				
Inari Amertron Berhad	6,401,500	5,682,238	13,059,059	2.76
<u>Trading/Services</u>				
Axiata Group Berhad	6,464,348	34,452,490	32,709,601	6.93
Bermaz Auto Berhad	4,710,440	6,825,516	9,420,880	2.00
Bumi Armada Berhad [Note 9 (a)]	5,679,300	6,106,192	4,259,475	0.90
Dialog Group Berhad	5,541,600	8,522,799	9,808,632	2.08
Gas Malaysia Berhad	2,469,300	6,266,458	7,407,900	1.57
Petra Energy Berhad	882,700	1,130,806	953,316	0.20
Sapura Energy Berhad	4,282,400	6,536,656	7,793,968	1.65
Scicom (MSC) Berhad	3,270,600	7,406,626	7,849,440	1.66
Sime Darby Berhad	4,307,734	38,273,674	39,975,772	8.47
Tenaga Nasional Berhad	2,100,000	28,078,563	28,812,000	6.11
Uzma Berhad	2,571,900	4,444,587	4,629,420	0.98
Westports Holdings Berhad	1,830,400	6,702,916	7,413,120	1.57
	44,110,722	154,747,283	161,033,524	34.12

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2017	Percentage of net asset value of the Fund
	Units	RM	RM	%
TOTAL QUOTED SHARIAH-COMPLIANT SECURITIES	<u>113,622,666</u>	<u>396,719,117</u>	<u>419,938,924</u>	<u>88.93</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>23,219,807</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>419,938,924</u>	

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Conglomerate</u>				
Taliworks Corporation Berhad	2,889,750	3,698,880	3,785,572	0.91
Taliworks Corporation Berhad-Warrant	577,950	-	179,165	0.04
	<u>3,467,700</u>	<u>3,698,880</u>	<u>3,964,737</u>	<u>0.95</u>
<u>Construction</u>				
Gamuda Berhad	2,546,787	11,868,328	12,530,192	3.01
Gamuda Berhad-Warrant	424,464	106,116	466,910	0.11
IJM Corporation Berhad	2,905,800	9,476,461	10,257,474	2.46
Ikhmas Jaya Group Berhad	4,157,200	2,369,604	2,951,612	0.71
Malaysian Resources Corporation Berhad	7,916,900	11,117,424	9,896,125	2.37
Mitrajaya Holdings Berhad	3,262,200	3,963,858	4,012,506	0.96
Mitrajaya Holdings Berhad -Warrant	434,960	-	219,655	0.05
Pintaras Jaya Berhad	1,187,800	4,696,547	4,371,104	1.05
Sunway Construction Group Berhad	247,270	-	400,577	0.10
	<u>23,083,381</u>	<u>43,598,338</u>	<u>45,106,155</u>	<u>10.82</u>
<u>Finance</u>				
BIMB Holdings Berhad	1,227,000	4,927,725	4,723,950	1.13
BIMB Holdings Berhad-Warrant	313,400	-	104,989	0.03
Syarikat Takaful Malaysia Berhad	2,790,800	6,711,900	11,330,648	2.72
	<u>4,331,200</u>	<u>11,639,625</u>	<u>16,159,587</u>	<u>3.88</u>

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Health Care</u>				
IHH Healthcare Berhad	3,421,600	19,225,350	22,445,696	5.39
Kossan Rubber Industries Berhad	72,000	431,007	435,600	0.10
KPJ Healthcare Berhad	2,797,700	9,860,461	11,946,179	2.87
Top Glove Corporation Bhd	2,619,000	9,255,569	13,147,380	3.16
	8,910,300	38,772,387	47,974,855	11.52
<u>Industrial Product</u>				
CB Industrial Product Holding Berhad	1,543,900	3,566,847	3,504,653	0.84
CB Industrial Product Holding Berhad-Warrant	330,733	-	162,059	0.04
Coastal Contracts Bhd	681,300	2,867,355	1,117,332	0.27
KNM Group Berhad	4,518,000	2,259,000	2,191,230	0.53
Petronas Gas Berhad	541,200	11,807,199	11,906,400	2.86
	7,615,133	20,500,401	18,881,674	4.54
<u>Infrastructure Project Company</u>				
Digi.Com Berhad	2,082,900	10,314,258	10,289,526	2.47
<u>Manufacturing</u>				
Evergreen Fibreboards Berhad	1,495,800	2,044,260	1,510,758	0.36
Pecca Group Berhad	728,300	1,034,186	1,034,186	0.25
	2,224,100	3,078,446	2,544,944	0.61

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Plantation</u>				
Batu Kawan Berhad	38,800	358,224	710,040	0.17
Kuala Lumpur Kepong Berhad	357,900	7,729,288	8,589,600	2.06
TSH Resources Berhad	3,137,550	6,976,034	6,714,357	1.61
United Plantations Berhad	56,500	638,994	1,523,240	0.37
	3,590,750	15,702,540	17,537,237	4.21
<u>Power/Utilities</u>				
Malakoff Corporation Berhad	5,826,700	10,463,702	9,322,720	2.24
<u>Properties</u>				
IOI Properties Group Berhad	2,740,150	7,217,069	6,329,746	1.52
KSL Holdings Berhad	1,620,028	2,816,853	2,138,437	0.51
Matrix Concepts Holdings Berhad	4,438,983	9,301,671	11,008,678	2.64
Matrix Concepts Holdings Berhad-Warrant	504,583	-	219,494	0.05
Sunway Berhad	385,400	1,217,213	1,210,156	0.29
	9,689,144	20,552,806	20,906,511	5.01
<u>i-REITS</u>				
Axis Real Estate Investment Trust	460,783	700,152	741,861	0.18

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Technology</u>				
Globetronics Technology Berhad	2,583,300	11,580,900	13,975,653	3.35
Inari Amertron Berhad	6,040,250	10,716,261	19,449,605	4.67
Inari Amertron Berhad-Warrant	529,500	-	873,675	0.21
	9,153,050	22,297,161	34,298,933	8.23
<u>Trading/Services</u>				
Alam Maritim Resources Berhad	4,354,600	2,959,426	1,589,429	0.38
Axiata Group Berhad	926,105	6,016,692	5,454,758	1.31
Berjaya Auto Berhad	4,710,440	6,825,516	10,221,655	2.45
Bumi Armada Berhad [Note 9 (a)]	4,186,600	4,997,660	3,307,414	0.79
Malaysia Marine and Heavy Engineering Holdings Berhad	350,000	411,530	367,500	0.09
Maxis Berhad	1,122,700	7,851,196	7,129,145	1.71
Petra Energy Berhad	888,900	1,134,548	1,120,014	0.27
Sime Darby Berhad	2,714,478	23,848,883	21,580,100	5.18
Telekom Malaysia Berhad	2,466,853	16,193,105	16,281,230	3.91
Tenaga Nasional Berhad	2,500,000	33,290,175	34,850,000	8.36
Uzma Berhad	670,500	1,626,281	1,193,490	0.29
Westports Holdings Berhad	1,830,400	6,698,938	7,559,552	1.81
	26,721,576	111,853,950	110,654,287	26.55

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
TOTAL QUOTED SHARIAH-COMPLIANT SECURITIES	<u>107,156,717</u>	313,172,646	<u>338,383,027</u>	81.21
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>25,210,381</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>338,383,027</u>		

8. CASH AND CASH EQUIVALENTS

	2017	2016
	RM	RM
Bank balance with a licensed bank	261,139	19,547
Islamic deposits with licensed financial institutions	50,586,452	68,676,346
	<u>50,847,591</u>	<u>68,695,893</u>

The effective weighted average rate of return of Islamic deposits with licensed financial institutions per annum as at the date of the statement of financial position are as follows:

	2017	2016
	%	%
Islamic deposits with licensed financial institutions	<u>3.28</u>	<u>3.67</u>

The Islamic deposits have an average maturity of 4 days (2016: 13 days).

9. SHARIAH INFORMATION OF THE FUND

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

- Equity securities listed in Bursa Malaysia which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission; EXCEPT for Bumi Armada Berhad. This security was reclassified as Shariah non-compliant on 27 May 2016 by the Shariah Advisory Council of the Securities Commission. The said security will be disposed soonest practical, once the total amount of dividends received and the market value of this security equal the original investment cost.
- Investment in collective investment scheme was verified as Shariah-compliant by the Shariah; and
- Liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

10. UNITS IN CIRCULATION

	2017	2016
	No. of units	No. of units
At the beginning of the financial year	585,572,625	586,385,059
Creation of units during the financial year:		
Arising from applications	249,990,296	263,298,660
Arising from distribution	33,627,167	28,109,866
Cancellation of units during the financial year	(179,110,054)	(292,220,960)
At the end of the financial year	<u>690,080,034</u>	<u>585,572,625</u>

11. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for the financial year ended 31 March are as follows:

Name of brokers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2017</u>				
Maybank Investment Bank Berhad	62,217,978	20.45	179,519	19.49
KAF Seagroatt & Campbell Securities Sdn Bhd	42,417,518	13.94	129,668	14.08
UOB Kay Hian Securities (M) Sdn Bhd	36,237,194	11.91	106,192	11.53
RHB Investment Bank Berhad	29,288,125	9.63	98,026	10.64
J.P. Morgan Securities (Malaysia) Sdn Bhd	20,513,330	6.74	59,868	6.50
Credit Suisse Securities (Malaysia) Sdn. Bhd.	18,484,492	6.07	57,527	6.25
Nomura Securities Malaysia Sdn Bhd	17,887,201	5.88	56,151	6.10
CIMB Investment Bank Berhad	15,565,682	5.12	47,640	5.17
Affin Hwang Investment Bank Berhad	13,357,075	4.39	42,321	4.60
Citigroup Global Markets (M) Sdn Bhd	13,131,488	4.32	40,300	4.37
Others	35,174,863	11.55	103,799	11.27
	304,274,946	100.00	921,011	100.00

Name of brokers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2016</u>				
RHB Investment Bank Berhad	61,757,686	16.14	177,612	14.13
CIMB Investment Bank Berhad	48,411,579	12.65	169,799	13.51
Nomura Securities Malaysia Sdn Bhd	38,948,578	10.18	110,688	8.80
Maybank Investment Bank Berhad	36,523,947	9.55	108,253	8.61
Credit Suisse Securities (Malaysia) Sdn. Bhd.	35,660,789	9.32	101,816	8.10
KAF Seagroatt & Campbell Securities Sdn Bhd	33,669,648	8.80	98,593	7.84
Affin Hwang Investment Bank Berhad	22,355,623	5.84	64,108	5.10
AmlInvestment Bank Berhad	21,551,429	5.63	68,582	5.45
J.P. Morgan Securities (Malaysia) Sdn Bhd	18,596,085	4.86	153,406	12.20
Kenanga Investment Bank Berhad	17,521,918	4.58	70,892	5.64
Others	47,567,773	12.45	133,538	10.62
	382,565,055	100.00	1,257,287	100.00

Details of transactions, primarily cash placements with financial institutions for the financial year ended 31 March 2017 are as follows:

Financial institutions	Value of placements	Percentage of total placements
	RM	%
<u>2017</u>		
CIMB Islamic Bank Berhad	6,424,720,000	81.91
Maybank Islamic Berhad	701,230,000	8.94
Hong Leong Islamic Bank Berhad	515,360,000	6.57
RHB Islamic Bank Berhad	130,000,000	1.66
Malayan Banking Berhad (Islamic Banking)	42,000,000	0.54
Amslamic Bank Berhad	30,000,000	0.38
	<u>7,843,310,000</u>	<u>100.00</u>
<u>2016</u>		
Bank Islam Malaysia Berhad	6,615,070,000	76.21
CIMB Islamic Bank Berhad	1,756,740,000	20.24
Malayan Banking Berhad (Islamic Banking)	179,000,000	2.06
Alliance Islamic Bank Berhad	68,000,000	0.78
Hong Leong Islamic Bank Berhad	43,790,000	0.51
RHB Islamic Bank Berhad	17,000,000	0.20
	<u>8,679,600,000</u>	<u>100.00</u>

All brokers highlighted above are not related to the Manager.

12. MANAGEMENT EXPENSE RATIO (“MER”)

	2017	2016
	%	%
MER	1.68	1.68

MER is derived from the following calculation:

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

A = Management fee

B = Trustee fee

C = Audit fee

D = Tax agent fee

E = Other expenses (inclusive GST charges)

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

The average net asset value of the Fund for the financial year calculated on a daily basis is RM420,736,874 (2016: RM390,544,854).

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	2017	2016
PTR (times)	0.36	0.49

PTR is derived from the following calculation:

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

where:

total acquisitions for the financial year = RM191,314,354 (2016: RM194,416,759)

total disposals for the financial year = RM112,960,592 (2016: RM187,702,530)

14. UNITS HELD BY THE MANAGER

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

Related party	Relationship			
Eastspring Investments Berhad	The Manager			
	2017		2016	
	No. of units	RM	No. of units	RM
Eastspring Investments Berhad	2,762	1,891	2,625	1,868

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 SC Guidelines on Unit Trust Funds. Other than the above, there were no units held by the Directors or parties related to the Manager.

15. SEGMENTAL INFORMATION

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

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

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

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 12 May 2017.

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CORPORATE DIRECTORY

THE MANAGER

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

531241-U

REGISTERED OFFICE

16th Floor, Wisma Sime Darby

Jalan Raja Laut

50350 Kuala Lumpur

BUSINESS OFFICE

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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)

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)

MANAGER'S DELEGATE - FUND VALUER

NAME

DEUTSCHE BANK (MALAYSIA) BERHAD

COMPANY NO.

312552-W

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FAX NO.

603-2031 8710

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

NAME

KARVY COMPUTERSHARE
(MALAYSIA) SDN BHD

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1178655-U

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**COMPANY SECRETARY OF
THE MANAGER**

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TRUSTEE

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BERHAD

COMPANY NO.

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TRUSTEE'S DELEGATE - CUSTODIAN

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NAME
IBFIM

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ACCOUNTANT OF THE FUND**

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NAME

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NAME

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CLIENT SERVICES

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