



A member of Prudential plc (UK) 

EASTSPRING INVESTMENTS ASIA PACIFIC EX-JAPAN TARGET RETURN FUND

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 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 30 June 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 Chee Kin', written in a cursive style.

Raymond Tang Chee Kin

Non-Independent, Executive Director and Chief Executive Officer

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FUND INFORMATION

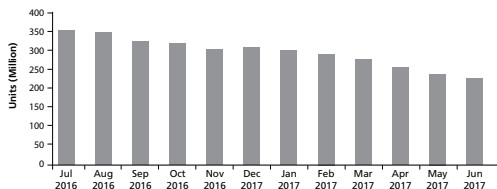
Name of Fund	Eastspring Investments Asia Pacific ex-Japan Target Return Fund (the "Fund")
Fund Category/ Type	Equity/growth
Fund Objective	<p>The Fund seeks to provide capital appreciation by investing in securities in the Asia Pacific ex-Japan region.</p> <p>ANY MATERIAL CHANGES TO THE FUND'S OBJECTIVE WOULD REQUIRE UNIT HOLDERS' APPROVAL.</p>
Performance Benchmark	<p>The performance benchmark of the Fund is 8% growth of NAV per annum over the medium to long-term.</p> <p>Note: This is not a guaranteed return and is only a measurement of the Fund's performance. The Fund may not achieve a targeted return of 8% growth of NAV per annum in any particular financial year but strives to achieve this return over the medium to long-term.</p>
Fund Income Distribution Policy	At least once a year, subject to the availability of income.

FUND INFORMATION (CONTINUED)

Breakdown of Unit Holdings by Size

As at 30 June 2017, the size of Eastspring Investments Asia Pacific ex-Japan Target Return Fund stood at 228.507 million units.

Fund Size



Breakdown of Unit Holdings

Unit Holdings	No. of Unit Holders	%	No of Units* ('000)	%
5,000 units and below	268	22.56	744	0.33
5,001 to 10,000 units	167	14.06	1,274	0.56
10,001 to 50,000 units	459	38.64	11,335	4.96
50,001 to 500,000 units	255	21.46	35,156	15.38
500,001 units and above	39	3.28	179,996	78.77
Total	1,188	100.00	228,505	100.00

* excludes units held by the Manager.

KEY PERFORMANCE DATA

FOR THE FINANCIAL YEAR ENDED

Category	30.6.2017	30.6.2016	Since commencement 3.11.2014 to 30.6.2015
	(%)	(%)	(%)
Quoted Securities			
Consumer	1.68	-	-
Consumer Discretionary	11.87	14.57	5.36
Consumer Staple	1.01	11.82	1.26
ETF	-	-	2.89
Financial	23.24	14.05	23.35
Health Care	3.32	5.13	5.02
Industrial	12.07	10.84	17.53
Information technology	27.59	11.75	14.65
Material	2.27	-	-
Real Estate	1.98	-	-
Telecommunication	4.96	6.16	3.08
Utilities	4.54	9.29	3.16
Total quoted securities	94.53	83.61	76.30
Cash and other assets	5.47	16.39	23.70
Total	100.00	100.00	100.00

KEY PERFORMANCE DATA (CONTINUED)

Category	30.6.2017	30.6.2016	Since commencement 3.11.2014 to 30.6.2015
Net Asset Value (NAV) (RM'000)	123,929	175,321	177,645
Units In Circulation (Units '000)	228,507	358,403	330,260
Net Asset Value Per Unit (RM)	0.5423	0.4892	0.5379
Highest Net Asset Value Per Unit (RM) [#]	0.5455	0.5214	0.5514
Lowest Net Asset Value Per Unit (RM) [#]	0.4900	0.4629	0.4968
Total Return (%)			
- Capital Growth	10.85	(9.05)	7.58
- Income Distribution	2.33	4.21	-
Total Return (%)	13.43	(5.22)	7.58
Gross Distribution Per Unit (RM)	0.0114	0.0219	-
Net Distribution Per Unit (RM)	0.0114	0.0219	-
Management Expense Ratio (MER) (%) [*]	2.07	2.08	1.40
Portfolio Turnover Ratio (PTR) (times) [^]	1.81	1.22	0.99

[#] Figures shown as ex-distribution.

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

[^] There were no significant changes to the PTR during the period under review.

KEY PERFORMANCE DATA (CONTINUED)

	1 year 1.7.2016 to 30.6.2017	Since commencement 3.11.2014 to 30.6.2017
	(%)	(%)
Average total return	13.43	5.61

Year ended	1.7.2016 to 30.6.2017	1.7.2015 to 30.6.2016	Since commencement 3.11.2014 to 30.6.2015
	(%)	(%)	(%)
Annual total return	13.43	(5.22)	7.58

The unit prices of the Fund may go down as well as up and the past performance figures shown are not indicative of future performance.

Source: The above total return of the Fund was sourced from Lipper for Investment Management.

Bases of calculation and assumptions made in calculating returns:

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

NAV_t = NAV at the end of the period

NAV_0 = NAV at the beginning of the period

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

Adjusted for unit split and distribution paid out for the period

n = Number of years

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

MANAGER'S REPORT

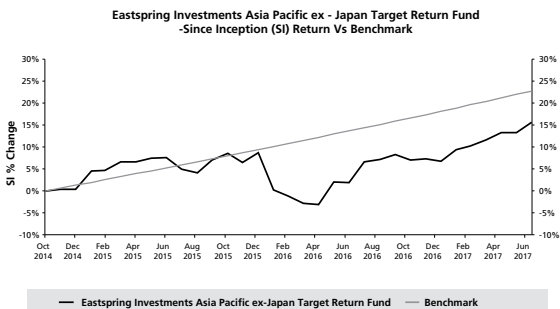
Fund Performance

For the period under review, the Fund registered a return of 13.43%, outperforming the benchmark return of 8.00% by 5.43%.

The outperformance was very much helped by the broad base positive returns generated by the regional markets and the weaker Ringgit against our neighbours.

However since inception the Fund continues to lagged the benchmark registering a return of 15.66% against the benchmark return of 22.78%.

The Fund met its objective to provide capital appreciation for the period under review.



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

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

Source: Lipper for Investment Management as at 30 June 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 30 June 2017:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
2.33	10.85	13.43	8.00

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

Distribution/
Unit Split

Ex-date	27-Dec-16
Distribution Per Unit	(RM)
Gross	0.0114
Net	0.0114

Impact on NAV arising from distribution for the financial year ended 30 June 2017.

Ex-date	27-Dec-16
	(RM per Unit)
Net Asset Value before distribution	0.5014
Less: distribution	<u>(0.0114)</u>
Net Asset Value after distribution	<u>0.4900</u>

No unit split were declared for the financial year ended 30 June 2017.

MANAGER'S REPORT (CONTINUED)

Investment Strategy During The Period Under Review

The Fund Manager continues to look for new stock ideas and took gains on profitable positions and exit positions which have seen unfavorable changes to the company dynamics. The Fund Manager favours companies with sustainable earnings growth with healthy cash flow and backed by healthy balance sheet.

With confidence rising of a sustainable global growth, the Fund accelerated their repositioning from the more defensive consumer and yield plays to the more cyclical banking and technology sector. The Fund also increased their exposure to the infrastructure space in anticipation of more fiscal spending by governments in the region.

Asset Allocation

Asset Allocation	30-Jun 2017 (%)	30-Jun 2016 (%)	Changes (%)
Quoted securities	94.53	83.61	10.92
Cash and other assets	5.47	16.39	(10.92)

Asset Allocation as at 30 June 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 Second Supplementary Master Prospectus dated 15 March 2017, the information in relation to the income reinvestment policy has been revised as set out in (a) below:

a. Income Reinvestment Policy

Income distributed to a Unit Holder will automatically be reinvested into additional Units in the Fund at the Net Asset Value ("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.

While in the Eastspring Investments Master Prospectus dated 15 July 2017, the information in relation to the 1st sentence in 4th paragraph of the investment strategy, security risk, currency risk and minimum holdings of units have been revised as set out in (b) to (e) below. The revision in the 1st sentence in 4th paragraph of the investment strategy was due to addition of explanation to "good".

MANAGER'S REPORT (CONTINUED)

State of Affairs of the Fund (continued)

b. Investment Strategy – 1st sentence in 4th paragraph

The Manager seeks to invest in companies which have a sustainable business model with good** management and corporate governance, and trading at prices below the Manager's estimate of fair value.

** good generally refers to a more effective management companies as compared to market average.

c. Security Risk

Adverse price movements of a particular security or Shariah-compliant security invested by the Fund may adversely affect the Fund's NAV. The Manager strives to mitigate the impact of a particular security or Shariah-compliant security risk through portfolio diversification.

Meanwhile investing in equity-related securities such as American Depository Receipts ("ADRs"), rights and warrants or Shariah-compliant equity-related securities such as Shariah-compliant warrants, where price movement is dependent on the price movement of the underlying of the equity-related securities or Shariah-compliant equity-related securities, the risk is generally higher than their equities or Shariah-compliant equities as these equity-related securities or Shariah-compliant equity-related securities are leveraged form of investment. The price of equity-related securities or Shariah-compliant equity-related securities generally fluctuates more than the equities or Shariah-compliant equities and consequently may affect the volatility of the Fund's NAV. To mitigate this risk, the Manager will conduct rigorous fundamental analysis of the equities and equity-related securities or Shariah-compliant equities and equity-related securities.

Warrants or Shariah-compliant warrants are financial instruments that give the buyer the right but not the obligation to purchase or sell equities or Shariah-compliant equities at a pre-determined price before the expiry date. Such investments may experience time decay, and the erosion of value accelerates as the instrument advances to its expiry date.

MANAGER'S REPORT (CONTINUED)

State of Affairs of the Fund (continued)

d. Currency Risk

As the investments of the Fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between the base currency and the currencies in which the investments are denominated may have an impact on the value of these investments. Investors should be aware that if the currencies in which the investments are denominated depreciate against the base currency, this will have an adverse effect on the NAV of the Fund in the base currency and vice versa. Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.

The impact of the exchange rate movement between the base currency of the Fund and the currency of the underlying investments may result in a depreciation of the value of the investments as expressed in the base currency of the Fund.

The Fund does not intend to engage in any currency hedging to mitigate currency risk.

e. Minimum Holdings of Units

There is no limit on the frequency of redemption. In the case of a partial redemption, instructions will be carried out only if the minimum holding of Units (being 1,000 Units* or such other number of Units as the Manager may determine from time to time) remains in the Fund after the redemption. If the Units in a Unit Holder's account are less than the minimum holding of Units for the Fund after a redemption application is made, all Units that the Unit Holders holds in the Fund will be redeemed automatically. The same applies for partial switching out.

* should we increase the minimum holdings of Units in future, Unit Holder will be informed via post mail at least 14 days prior to the implementation been made effective.

MARKET REVIEW

For the period under review, all markets in the region rose as evidence of a more synchronized global growth takes hold and corporate earnings growing again. With Asia ex-Japan (MSCI AxJ) trading at a lower price-to-book multiple than other regions, with abundant liquidity and hopes for fiscal stimulus led to strong buying of Asian equities. MSCI AxJ outperformed the rest of the World (MSCI World).

Within Asia, the best performing markets were Taiwan, Korea and Hong Kong/China. Taiwan and Korea outperformance was led by a resilient technology sector. Chip sales have started to recover since the third quarter of last year and the recovery is expected to gain further momentum. The World Semiconductor Trade Statistic has estimated semiconductor sales growth to be 11.5% by end-2017. In Korea, normalcy seems to have returned following the impeachment of President Park and the subsequent election of President Moon and the easing of geopolitical tension between China and Korea.

Hong Kong/Chinese stocks did well on the back of a broad based recovery of macroeconomic indicators, easing credit risk and improving asset quality in the banking sector and a better corporate earnings outlook. Risk appetite increased and housing sales volume jumped despite cooling measures imposed in some Chinese cities. The announcement of the Shenzhen-Hong Kong Stock Connect also helped boost sentiment. Moody's downgrade of China's sovereign credit rating in May 2017 did not dampen the market. Gains were led by Macau casinos and property developers. Hong Kong banks were also beneficiaries of more positive views on increasing US interest rates.

Market participants were generally positive on India, premised on steady policy reform and favorable structural growth profile. The Sensex Index was up 15.9% on the back of a relatively benign impact from Modi's demonetization exercise and a credible FY18e Union Budget. Headwinds remain as the market focused on impending GST implementation as well as the central bank's crackdown on corporate defaulters.

Over in ASEAN, Indonesia was the best performing market with the Jakarta Composite Index gaining +18.45% buoyed by the passage of the tax amnesty law in late June 2016 with better-than-expected trade data and auto sales boosting domestic demand oriented sectors. The banking sector also boosted the market as loan growth accelerated and credit quality concerns eased.

Philippine was the weakest market with the Philippines Composite Index gaining only 2.27%. Currency weakness against USD and neighbouring countries, rising inflation, political concerns and a fall in remittances from Filipinos working overseas dampened sentiment. Offsetting these was improving trade and Chinese direct investment.

On the home front, the Malaysia market as represented by the FBM100 Index managed to gain a respectable 12.15% buoyed by fund inflows into the region, impending restructuring of Permodalan Nasional Berhad (PNB) stable of companies and news-flow on Chinese investment. Better than expected macroeconomic numbers which saw GDP being revised upwards also lend support to the market. Headwinds against the market include a weak Ringgit and commodity price, and continuing controversy over 1 Malaysia Development Berhad (1MDB).

REBATES AND SOFT COMMISSIONS

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

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

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EASTSPRING INVESTMENTS ASIA PACIFIC EX-JAPAN TARGET RETURN FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

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

We have acted as Trustee for Eastspring Investments Asia Pacific ex-Japan Target Return Fund (the "Fund") for financial year ended 30 June 2017. To the best of our knowledge, for the financial 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 under the Deed(s), the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- b. valuation and pricing for the Fund has been carried out in accordance with the Deed(s) 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(s) of the Fund and applicable regulatory requirements.

We are of the view that the distribution made during this financial year ended 30 June 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: 21 August 2017

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Eastspring Investments Asia Pacific ex-Japan Target Return Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 30 June 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 30 June 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 21 to 75.

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 holders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS

(No. AF: 1146)

Chartered Accountants

Kuala Lumpur

Date: 21 August 2017

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		RM	RM
INVESTMENT INCOME/(LOSS)			
Gross dividend income		3,755,265	3,575,507
Interest income from deposits with licensed financial institutions		99,018	794,975
Net gain on foreign currency exchange		997,820	1,773,177
Net gain/(loss) on financial assets at fair value through profit or loss	7	20,333,780	(10,215,592)
		<u>25,185,883</u>	<u>(4,071,933)</u>
EXPENSES			
Management fee	3	(2,804,825)	(3,241,022)
Trustee fee	4	(124,659)	(144,045)
Audit fee		(7,500)	(10,000)
Tax agent fee		(14,949)	(17,349)
Transaction costs		(1,651,231)	(1,271,491)
GST charges		(176,731)	(203,284)
Other expenses		(99,331)	(129,214)
		<u>(4,879,226)</u>	<u>(5,016,405)</u>
PROFIT/(LOSS) BEFORE TAXATION		20,306,657	(9,088,338)
TAXATION	5	(216,860)	(243,242)
PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS)		<u>20,089,797</u>	<u>(9,331,580)</u>
Profit/(loss) after taxation is made up of the following:			
Realised amount		16,369,537	(7,304,765)
Unrealised amount		3,720,260	(2,026,815)
		<u>20,089,797</u>	<u>(9,331,580)</u>

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Note	2017	2016
		RM	RM
ASSETS			
Cash and cash equivalents	8	7,835,719	31,094,089
Amount due from Manager		16,020	140,197
Amount due from brokers		6,593,233	-
Dividends receivable		259,155	508,667
Financial assets at fair value through profit or loss	7	117,172,875	146,582,533
TOTAL ASSETS		131,877,002	178,325,486
LIABILITIES			
Amount due to Manager		201,964	910,203
Accrued management fee		186,316	259,074
Amount due to brokers		7,506,202	1,776,677
Amount due to Trustee		8,281	11,514
GST charges payable		15,591	16,235
Other payables and accruals		29,731	30,540
TOTAL LIABILITIES		7,948,085	3,004,243
NET ASSET VALUE OF THE FUND		123,928,917	175,321,243
EQUITY			
Unit holders' capital		113,785,016	181,810,721
Retained earnings/(accumulated losses)		10,143,901	(6,489,478)
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		123,928,917	175,321,243
NUMBER OF UNITS IN CIRCULATION	9	228,506,910	358,403,037
NET ASSET VALUE PER UNIT EX-DISTRIBUTION (RM)		0.5423	0.4892

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	Unit holders' capital RM	Retained earnings/ (accumulated losses) RM	Total RM
Balance as at 1 July 2016		181,810,721	(6,489,478)	175,321,243
Movement in unit holders' contribution:				
Creation of units from applications		12,261,355	-	12,261,355
Creation of units from distribution		3,422,346	-	3,422,346
Cancellation of units		(83,709,406)	-	(83,709,406)
Distribution (Gross: 1.14 sen/Net: 1.14 sen)	6	-	(3,456,418)	(3,456,418)
Total comprehensive income for the financial year		-	20,089,797	20,089,797
Balance as at 30 June 2017		113,785,016	10,143,901	123,928,917
Balance as at 1 July 2015		170,422,093	7,223,080	177,645,173
Movement in unit holders' contribution:				
Creation of units from applications		49,835,460	-	49,835,460
Creation of units from distribution		7,556,591	-	7,556,591
Cancellation of units		(42,815,089)	-	(42,815,089)
Distribution (Gross: 2.19 sen/Net: 2.19 sen)	6	(3,188,334)	(4,380,978)	(7,569,312)
Total comprehensive loss for the financial year		-	(9,331,580)	(9,331,580)
Balance as at 30 June 2016		181,810,721	(6,489,478)	175,321,243

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		298,666,409	207,813,599
Purchase of investments		(251,437,910)	(228,573,525)
Dividend received		3,787,917	3,603,288
Interest received		99,018	794,975
Management fee paid		(3,050,237)	(3,432,113)
Trustee's fee paid		(135,566)	(152,539)
Payment for other fees and expenses		(119,636)	(145,123)
Net foreign currency exchange gain		997,820	1,773,177
Net cash generated from/(used in) operating activities		48,807,815	(18,318,261)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		12,385,532	52,188,616
Payments for cancellation of units		(84,417,645)	(42,517,847)
Distribution paid		(34,072)	(12,721)
Net cash (used in)/generated from financing activities		(72,066,185)	9,658,048
NET DECREASE IN CASH AND CASH EQUIVALENTS		(23,258,370)	(8,660,213)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		31,094,089	39,754,302
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	8	7,835,719	31,094,089

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 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 in accordance with the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”) under the historical cost convention, as modified by financial assets at fair value through profit or loss.

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

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note L to the financial statements.

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

- Amendments to MFRS 101 “Presentation of financial statements” - Disclosure initiative
- 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 July 2017

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

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

(b) Financial year beginning on/after 1 July 2018

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

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

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

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

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

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

- IC Interpretation 22 “Foreign Currency Transactions and Advance Consideration” (effective from 1 January 2018) applies when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. MFRS 121 requires an entity to use the exchange rate at the ‘date of the transaction’ to record foreign currency transactions.

IC Interpretation 22 provides guidance how to determine ‘the date of transaction’ when a single payment/receipt is made, as well as for situations where multiple payments/receipts are made.

The date of transaction is the date when the payment or receipt of advance consideration gives rise to the non-monetary asset or non-monetary liability when the entity is no longer exposed to foreign exchange risk.

If there are multiple payments or receipts in advance, the entity should determine the date of the transaction for each payment or receipt.

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 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.

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.

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

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

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

Realised gain or loss on disposal of investments is accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

C. TAXATION

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

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

D. PRESENTATION AND FUNCTIONAL CURRENCY

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

E. FOREIGN CURRENCY TRANSLATION

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

F. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

i. Classification

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

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

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

The Fund’s loans and receivables comprise amount due from Manager, amount due from brokers, dividends receivable and cash and cash equivalents.

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

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

ii. Recognition and measurement

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

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

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

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

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

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

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

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

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

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

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

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

iii. Impairment for assets carried at amortised costs

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

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

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

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

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

G. CASH AND CASH EQUIVALENTS

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

H. AMOUNT DUE FROM/(TO) BROKERS

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

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense

over the relevant period. The effective interest 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 interest 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 interest rate, transaction costs and all other premiums or discounts.

I. UNIT HOLDERS' CAPITAL

The unit holders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the holder to a proportionate share of the Fund's net assets value;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's net asset value per unit at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

J. SEGMENTAL INFORMATION

Operating segments are reported in a manner consistent with the internal reporting used by chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Investment Committee of the Fund's Manager that undertakes strategic decisions for the Fund.

K. DISTRIBUTION

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

L. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

1. INFORMATION ON THE FUND

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

The Fund was launched on 10 October 2014 and will continue its operations until terminated by the Trustee or the Manager as provided under Part 12 of the Deed.

The Fund seeks to provide capital appreciation by investing in securities in the Asia Pacific ex-Japan region.

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

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

The Manager is a company incorporated in Malaysia and is related to Prudential Plc., a public listed company in the United Kingdom. The principal activity of the Manager is the establishment and management of unit trust funds and asset management.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks, which include market risk (inclusive of price risk, interest rate risk and foreign exchange/currency risk), liquidity risk, credit/default risk, fund management risk, non-compliance risk and capital risk.

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

Financial instruments of the Fund are as follows:

	Note	Loans and receivables	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
2017				
Quoted securities	7	-	117,172,875	117,172,875
Amount due from Manager		16,020	-	16,020
Amount due from brokers		6,593,233	-	6,593,233
Dividends receivable		259,155	-	259,155
Cash and cash equivalents	8	7,835,719	-	7,835,719
		<u>14,704,127</u>	<u>117,172,875</u>	<u>131,877,002</u>
2016				
Quoted securities	7	-	146,582,533	146,582,533
Amount due from Manager		140,197	-	140,197
Dividends receivable		508,667	-	508,667
Cash and cash equivalents	8	31,094,089	-	31,094,089
		<u>31,742,953</u>	<u>146,582,533</u>	<u>178,325,486</u>

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

Market risk

i. Price risk

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

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

	2017	2016
	RM	RM
Quoted securities designated at fair value through profit or loss	117,172,875	146,582,533

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

% Change in price of financial assets at fair value through profit or loss	Market value	Increase/ (decrease) in profit/(loss) after tax and net asset value
	RM	RM
<u>2017</u>		
+5%	123,031,519	5,858,644
-5%	111,314,231	(5,858,644)
<hr/>		
<u>2016</u>		
+5%	153,911,660	7,329,127
-5%	139,253,406	(7,329,127)

ii. Interest rate risk

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

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

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

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

iii. Foreign exchange/currency risk

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

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

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

	Financial asset at fair value through profit or loss	Cash and cash equivalents	Dividends receivable	Amount due from brokers	Total
	RM	RM	RM	RM	RM
<u>2017</u>					
AUD	6,388,454	-	113,545	-	6,501,999
HKD	24,388,507	-	28,974	5,360,477	29,777,958
INR	7,407,263	-	-	-	7,407,263
IDR	8,049,900	-	-	-	8,049,900
KRW	6,518,814	-	-	-	6,518,814
PHP	10,474,968	-	4,779	-	10,479,747
SGD	11,793,865	-	-	1,232,756	13,026,621
THB	10,483,722	-	-	-	10,483,722
TWD	13,599,610	2,514,190	111,857	-	16,225,657
USD	6,334,640	5,239,184	-	-	11,573,824
	<u>105,439,743</u>	<u>7,753,374</u>	<u>259,155</u>	<u>6,593,233</u>	<u>120,045,505</u>

	Financial asset at fair value through profit or loss	Cash and cash equivalents	Dividends receivable	Total
	RM	RM	RM	RM
<u>2016</u>				
AUD	7,399,504	-	46,317	7,445,821
HKD	32,938,449	-	204,049	33,142,498
INR	17,230,981	-	45,657	17,276,638
IDR	10,333,351	-	-	10,333,351
KRW	14,595,538	-	-	14,595,538
PHP	11,957,907	-	-	11,957,907
SGD	13,979,649	-	-	13,979,649
THB	9,423,552	-	-	9,423,552
TWD	13,165,528	-	179,541	13,345,069
USD	-	19,609,184	-	19,609,184
	<u>131,024,459</u>	<u>19,609,184</u>	<u>475,564</u>	<u>151,109,207</u>

Financial liability	Amount due to brokers	Total
	RM	RM
<u>2017</u>		
HKD	2,456,783	2,456,783
SGD	2,539,379	2,539,379
TWD	2,510,040	2,510,040
	<u>7,506,202</u>	<u>7,506,202</u>
<u>2016</u>		
HKD	1,776,677	1,776,677
	<u>1,776,677</u>	<u>1,776,677</u>

The following table summarises the sensitivity of the Fund's financial assets fair value to changes in foreign exchange movements at the end of the reporting year. The analysis is based on the assumption that the foreign exchange rate changes by 5% with all variables remain constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate having regard to historical volatility of this rate.

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

	Change in exchange rate	Impact on profit after tax	Impact on net asset value
	%	RM	RM
<u>2017</u>			
AUD	5	325,100	325,100
HKD	5	1,366,059	1,366,059
INR	5	370,363	370,363
IDR	5	402,495	402,495
KRW	5	325,941	325,941
PHP	5	523,987	523,987
SGD	5	524,362	522,362
THB	5	524,186	524,186
TWD	5	685,781	685,781
USD	5	578,691	578,691

	Change in exchange rate	Impact on loss after tax	Impact on net asset value
	%	RM	RM
<u>2016</u>			
AUD	5	372,291	372,291
HKD	5	1,568,291	1,568,291
INR	5	863,832	863,832
IDR	5	516,668	516,668
KRW	5	729,777	729,777
PHP	5	597,895	597,895
SGD	5	698,982	698,982
THB	5	471,178	471,178
TWD	5	667,253	667,253
USD	5	980,459	980,459

Liquidity risk

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

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

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

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
2017			
Amount due to Manager	201,964	-	201,964
Accrued management fee	186,316	-	186,316
Amount due to brokers	7,506,202	-	7,506,202
Amount due to Trustee	8,281	-	8,281
Other payables and accruals	-	29,731	29,731
GST charges payable	15,591	-	15,591
Contractual cash outflows	<u>7,918,354</u>	<u>29,731</u>	<u>7,948,085</u>

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

Credit/default risk

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

For amount due from brokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective stock exchange. The credit/default risk is minimal as all transactions in quoted securities are settled/paid upon delivery using approved brokers.

The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

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

	Cash and cash equivalents	Dividends receivable	Amount due from Manager	Amount due from brokers	Total
	RM	RM	RM	RM	RM
2017					
Financial					
- AA1	7,835,719	-	-	-	7,835,719
- NR	-	81,085	-	-	81,085
Health Care					
- NR	-	28,974	-	-	28,974
Industrial					
- NR	-	42,185	-	-	42,185
Information Technology					
- NR	-	69,672	-	-	69,672
Utilities					
- NR	-	37,239	-	-	37,239
Other					
- NR	-	-	16,020	6,593,233	6,609,253
	<u>7,835,719</u>	<u>259,155</u>	<u>16,020</u>	<u>6,593,233</u>	<u>14,704,127</u>

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

None of these assets are past due or impaired.

Fund management risk

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

Non-compliance risk

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

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

Capital risk

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

Fair value estimation

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

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

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

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

Fair value hierarchy

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
<u>2017</u>				
Financial assets at fair value through profit or loss:				
- Quoted securities	117,172,875	-	-	117,172,875
<u>2016</u>				
Financial assets at fair value through profit or loss				
- Quoted securities	146,582,533	-	-	146,582,533

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

- ii. The carrying value of amount due from Manager, amount due from brokers, dividends receivable, cash and cash equivalents 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 2.00% per annum on the net asset value of the Fund accrued on a daily basis for the financial year.

For the financial year ended 30 June 2017, the management fee is recognised at a rate of 1.80% (2016: 1.80%) per annum on the net asset value of the Fund, calculated on daily basis.

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

4. TRUSTEE FEE

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

For the financial year ended 30 June 2017, the Trustee fee is recognised at a rate of 0.08% (2016: 0.08%) per annum on the net asset value of the Fund excluding of foreign custodian fees and charges, calculated on daily basis.

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

5. TAXATION

	2017	2016
	RM	RM
Tax charged for the financial year:		
Current taxation – local	20,334	6,124
Current taxation – foreign	196,526	237,118
	<u>216,860</u>	<u>243,242</u>

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

	2017	2016
	RM	RM
Profit/(loss) before taxation	<u>20,306,657</u>	<u>(9,088,338)</u>
Tax at Malaysian statutory rate of 24% (2016: 24%)	4,873,598	(2,181,201)
Tax effects of:		
Investment (income exempt)/loss not deductible from tax	(5,995,811)	991,961
Expenses not deductible for tax purpose	496,056	421,292
Restriction on tax deductible expenses for Unit Trust Funds	674,958	782,645
Investment income subject to different tax rate	<u>168,059</u>	<u>228,545</u>
Taxation	<u>216,860</u>	<u>243,242</u>

6. DISTRIBUTION

	2017	2016
	RM	RM
Distribution to unit holders is from the following sources:		
Current financial year's realised income:		
Dividend income	2,064,506	1,549,511
Interest income	61,398	459,716
Net realised gain on sale of investments	3,012,789	4,013,148
Prior financial year's realised income	-	169,933
Distribution equalisation	-	3,188,334
Gross realised income	5,138,693	9,380,642
Less: Expenses	(1,682,275)	(1,811,330)
Less: Taxation	-	-
	<u>3,456,418</u>	<u>7,569,312</u>
Gross distribution per unit (RM)	<u>0.0114</u>	<u>0.0219</u>
Net distribution per unit (RM)	<u>0.0114</u>	<u>0.0219</u>
Ex-date	<u>27 Dec 2016</u>	<u>29 Dec 2015</u>

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

During the financial year ended 30 June 2016, the Fund incurred unrealised losses of RM2,026,815.

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 securities	117,172,875	146,582,533
Net gain/(loss) on financial assets at fair value through profit or loss:		
Realised gain/(loss) on disposals	16,613,520	(7,858,642)
Change in unrealised fair value gain/(loss)	3,720,260	(2,356,950)
	<u>20,333,780</u>	<u>(10,215,592)</u>

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2017	Percentage of net
				asset value of the Fund
	Units	RM	RM	%

Local**Malaysia Securities**Financial

Malayan Banking Berhad	296,501	2,560,007	2,855,305	2.30
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Industrial

Sime Darby Berhad	297,100	2,710,265	2,822,450	2.28
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Information Technology

MY E.G. Services Berhad	1,226,300	2,695,040	2,685,597	2.17
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Telecommunication Services

Time Dotcom Berhad	347,400	2,972,695	3,369,780	2.72
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Total Malaysia Securities	2,167,301	10,938,007	11,733,132	9.47
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Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 30.6.2017	of net asset value of the Fund
	Units	RM	RM	%
Foreign				
Australia Securities				
<u>Health Care</u>				
CSL Limited	3,557	1,135,366	1,615,889	1.30
<u>Material</u>				
Rio Tinto Limited	13,522	3,100,248	2,815,743	2.27
<u>Utilities</u>				
Transurban Group	50,174	1,759,549	1,956,822	1.58
Total Australia Securities	67,253	5,995,163	6,388,454	5.15
China Securities (Listed in Hong Kong)				
<u>Information Technology</u>				
AAC Technologies Holdings Inc	46,500	2,778,450	2,496,507	2.01
Sunny Optical Technology (Group) Company Limited	73,000	1,795,770	2,810,936	2.27
Tencent Holdings Limited	21,600	2,313,606	3,317,410	2.68
Travelsky Technology Limited	196,000	2,452,830	2,479,784	2.00
	337,100	9,340,656	11,104,637	8.96
Total China Securities (Listed In Hong Kong)	337,100	9,340,656	11,104,637	8.96

Name of counter	Quantity	Aggregate cost	Fair value	Percentage of net asset value of the Fund
			as at 30.6.2017	
	Units	RM	RM	%
Foreign (continued)				
China Securities (Listed in United States)				
<u>Consumer Discretionary</u>				
JD.Com Inc	18,600	2,525,330	3,130,250	2.53
<u>Information Technology</u>				
Alibaba Group Holding Limited	5,300	2,219,339	3,204,390	2.59
Total China Securities (Listed In United States)	23,900	4,744,669	6,334,640	5.12
Hong Kong Securities				
<u>Consumer Discretionary</u>				
Brilliance China Automotive Holdings Limited	374,000	2,751,713	2,925,507	2.36
<u>Financial</u>				
AIA Group Limited	117,800	3,581,494	3,696,844	2.98
Cheung Kong Property Holdings Limited	82,500	2,606,223	2,775,111	2.24
	200,300	6,187,717	6,471,955	5.22
<u>Health Care</u>				
CSPC Pharmaceutical Group Limited	400,000	2,054,903	2,508,389	2.02
<u>Utilities</u>				
China Resources Gas Group Limited	94,000	1,378,320	1,378,019	1.11
Total Hong Kong Securities	1,068,300	12,372,653	13,283,870	10.71

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2017	Percentage of net asset value of the Fund
				Units
Foreign (continued)				
India Securities				
<u>Consumer Discretionary</u>				
Maruti Suzuki India Limited	6,423	2,219,596	3,077,658	2.48
<u>Consumer Staple</u>				
Godrej Consumer Products Limited	19,496	1,218,823	1,253,012	1.01
<u>Financial</u>				
Housing Development Finance Corporation Limited	28,696	2,491,218	3,076,593	2.48
Total India Securities	54,615	5,929,637	7,407,263	5.97
Indonesia Securities				
<u>Consumer Discretionary</u>				
Astra International PT TBK	960,700	2,767,935	2,760,050	2.23
<u>Financial</u>				
Bank CIMB Niaga PT TBK	6,674,400	2,810,826	2,513,733	2.03
<u>Telecommunication Services</u>				
Perusahaan Perseroan (Persero) Telekomunikasi Indonesia PT TBK	1,908,000	2,515,231	2,776,117	2.24
Total Indonesia Securities	9,543,100	8,093,992	8,049,900	6.50

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2017	Percentage of net asset value of the Fund
				Units
Foreign (continued)				
Philippines Securities				
<u>Consumer Discretionary</u>				
Jollibee Foods Corporation	162,090	3,281,364	2,812,791	2.27
<u>Financial</u>				
BDO Unibank, Inc.	264,660	2,804,072	2,791,650	2.25
<u>Industrial</u>				
DMCI Holdings Inc.	2,144,200	2,617,531	2,571,788	2.08
<u>Utilities</u>				
Metro Pacific Investments Corporation	4,229,000	2,570,932	2,298,739	1.85
Total Philippines Securities	6,799,950	11,273,899	10,474,968	8.45
Republic of Korea Securities				
<u>Information Technology</u>				
Samsung Electronics Co Ltd	413	2,557,576	3,676,568	2.97
SK Hynix Inc.	11,260	2,531,863	2,842,246	2.29
	11,673	5,089,439	6,518,814	5.26
Total Republic of Korea Securities	11,673	5,089,439	6,518,814	5.26

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2017	Percentage of net asset value of the Fund
				Units
Foreign (continued)				
Singapore Securities				
<u>Financial</u>				
Ascendas Real Estate Investment Trust	345,200	2,749,105	2,806,978	2.26
DBS Group Holdings Ltd	40,200	2,605,910	2,597,542	2.10
	385,400	5,355,015	5,404,520	4.36
<u>Industrial</u>				
Singapore Technologies Engineering Ltd	235,100	2,770,566	2,695,431	2.17
Venture Corporation Limited	32,900	1,103,931	1,235,124	1.00
	268,000	3,874,497	3,930,555	3.17
<u>Real Estate</u>				
UOL Group Limited	103,300	2,536,799	2,458,790	1.98
Total Singapore Securities	756,700	11,766,311	11,793,865	9.51
Taiwan Securities				
<u>Financial</u>				
Cathay Financial Holding Company Limited	405,000	3,004,938	2,863,842	2.31
<u>Industrial</u>				
Airtac International Group	56,000	2,755,130	2,841,471	2.29

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 30.6.2017	of net asset value of the Fund
	Units	RM	RM	%
Foreign (continued)				
Taiwan Securities (continued)				
<u>Information Technology</u>				
Chipbond Technology Corporation	382,000	2,503,406	2,523,280	2.04
Taiwan Semiconductor Manufacturing Company Limited	88,000	2,173,674	2,589,673	2.09
Win Semiconductors Corporation	118,000	2,546,480	2,781,344	2.24
	588,000	7,223,560	7,894,297	6.37
Total Taiwan Securities	1,049,000	12,983,628	13,599,610	10.97
Thailand Securities				
<u>Consumer</u>				
GFPT Public Company Limited	850,000	1,975,766	2,084,814	1.68
<u>Financial</u>				
Tisco Financial Group Public Company Limited	294,800	2,809,674	2,832,616	2.29
<u>Industrial</u>				
Airports of Thailand Public Company Limited	466,100	2,610,483	2,784,374	2.25

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 30.6.2017	of net asset value of the Fund
	Units	RM	RM	%
Foreign (continued)				
Thailand Securities (continued)				
<i>Information Technology</i>				
KCE Electronics Public Company Limited	202,800	2,838,042	2,781,918	2.24
Total Thailand Securities	1,813,700	10,233,965	10,483,722	8.46
Total Foreign Securities	21,525,291	97,824,012	105,439,743	85.06
TOTAL QUOTED SECURITIES	23,692,592	108,762,019	117,172,875	94.53
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>8,410,856</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>117,172,875</u>		

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
Local				
Malaysia Securities				
<u>Consumer Discretionary</u>				
Berjaya Auto Berhad	736,400	1,620,080	1,708,448	0.97
<u>Financial</u>				
Hong Leong Financial Group Berhad	104,313	1,706,298	1,531,315	0.87
IGB Real Estate Investment Trust	1,133,600	1,713,049	1,825,096	1.04
Pavilion Real Estate Investment Trust	1,015,500	1,767,180	1,756,815	1.00
Sunway Real Estate Investment Trust	1,090,900	1,739,599	1,810,894	1.03
	3,344,313	6,926,126	6,924,120	3.94
<u>Industrial</u>				
IJM Corporation Berhad	472,900	1,663,095	1,650,421	0.94
Kimlun Corporation Berhad	996,500	1,775,587	1,803,665	1.03
	1,469,400	3,438,682	3,454,086	1.97
<u>Utilities</u>				
Tenaga Nasional Bhd	246,200	3,437,263	3,471,420	1.98
Total Malaysia Securities	5,796,313	15,422,151	15,558,074	8.86

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
Foreign				
Australia Securities				
<u>Consumer Discretionary</u>				
Domino's Pizza Enterprises Limited	5,657	870,925	1,155,695	0.66
Harvey Norman Holdings Ltd	118,445	1,745,236	1,637,330	0.93
	124,102	2,616,161	2,793,025	1.59
<u>Financial</u>				
Commonwealth Bank Of Australia	3,984	970,361	888,455	0.51
<u>Health Care</u>				
CSL Limited	2,830	780,882	951,964	0.54
<u>Utilities</u>				
Transurban Group	76,935	2,429,510	2,766,060	1.57
Total Australia Securities	207,851	6,796,914	7,399,504	4.21

Name of counter	Quantity	Aggregate cost	Fair value as at	Percentage of net asset
			30.6.2016	value of the Fund
	Units	RM	RM	%
Foreign (continued)				
China Securities (Listed in Hong Kong)				
<u>Consumer Discretionary</u>				
Minth Group Limited	72,000	877,288	936,935	0.53
<u>Industrial</u>				
Sunny Optical Technology (Group) Company Limited	188,000	2,492,056	2,651,532	1.51
<u>Information Technology</u>				
AAC Technologies Holdings Inc.	70,000	2,190,121	2,394,545	1.37
Tencent Holdings Limited	38,300	3,248,269	3,503,704	2.00
	108,300	5,438,390	5,898,249	3.37
<u>Utilities</u>				
CT Environmental Group Limited	1,372,000	1,678,316	1,596,509	0.91
Total China Securities (Listed In Hong Kong)	1,740,300	10,486,050	11,083,225	6.32
Hong Kong Securities				
<u>Consumer Discretionary</u>				
Techtronic Industries Company Limited	229,000	3,760,404	3,836,493	2.18
<u>Consumer Staple</u>				
Vitasoy International Holdings Limited	454,000	3,959,202	3,320,686	1.89

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

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

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

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

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

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
Foreign (continued)				
Taiwan Securities (continued)				
<u>Information Technology</u>				
Pchome Online Inc	57,949	2,784,025	2,562,192	1.46
Taiwan Semiconductor Manufacturing Company Limited	175,000	3,296,051	3,551,844	2.03
	<u>232,949</u>	<u>6,080,076</u>	<u>6,114,036</u>	<u>3.49</u>
<u>Telecommunication</u>				
Chunghwa Telecom Company Limited	127,000	1,693,534	1,847,958	1.05
Taiwan Mobile Company Limited	132,000	1,706,341	1,854,765	1.06
	<u>259,000</u>	<u>3,399,875</u>	<u>3,702,723</u>	<u>2.11</u>
Total Taiwan Securities	877,949	13,121,809	13,165,528	7.51
Thailand Securities				
<u>Consumer Discretionary</u>				
Minor International Public Company Limited	382,000	1,746,699	1,750,691	1.00
<u>Consumer Staple</u>				
Thai Beverage Public Company Limited	1,011,100	2,221,122	2,751,838	1.57
<u>Health Care</u>				
Bangkok Dusit Medical Services Public Company Limited	541,700	1,168,555	1,483,347	0.85

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
Foreign (continued)				
Thailand Securities (continued)				
<u>Industrial</u>				
The Siam Cement Public Company Limited	31,500	1,720,749	1,717,923	0.98
<u>Information Technology</u>				
KCE Electronics Public Company Limited	180,300	1,712,833	1,719,753	0.98
Total Thailand Securities	2,146,600	8,569,958	9,423,552	5.38
Total Foreign Securities	24,625,836	126,469,786	131,024,459	74.75
TOTAL QUOTED SECURITIES	30,422,149	141,891,937	146,582,533	83.61
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		4,690,596		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		146,582,533		

8. CASH AND CASH EQUIVALENTS

	2017	2016
	RM	RM
Bank balances with a licensed bank	7,835,719	19,623,021
Deposit with a licensed financial institution	-	11,471,068
	<u>7,835,719</u>	<u>31,094,089</u>

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

	2017	2016
	RM	RM
MYR	82,345	11,484,905
TWD	2,514,190	-
USD	5,239,184	19,609,184
	<u>7,835,719</u>	<u>31,094,089</u>

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

	2017	2016
	%	%
Deposit with a licensed financial institution	-	3.40

The deposit has an average maturity of nil day (2016: 1 day).

9. UNITS IN CIRCULATION

	2017	2016
	No. of units	No. of units
At the beginning of the financial year	358,403,037	330,259,948
Creation of units during the financial year:		
Arising from applications	23,734,520	95,772,422
Arising from distribution	6,984,380	14,526,319
Cancellation of units during the financial year	(160,615,027)	(82,155,652)
At the end of the financial year	<u>228,506,910</u>	<u>358,403,037</u>

10. TRANSACTION WITH BROKERS

Name of brokers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2017</u>				
Morgan Stanley & Co Inc	99,188,041	17.62	181,632	11.00
UBS Securities Pte Ltd	86,207,937	15.32	293,542	17.78
Credit Suisse Hong Kong Limited	80,337,500	14.27	205,348	12.44
Merrill Lynch International Ltd	54,480,113	9.68	113,091	6.85
CLSA Ltd	48,265,111	8.57	142,389	8.62
Macquarie Securities Ltd	35,520,273	6.31	115,365	6.99
Citigroup Global	32,184,136	5.73	123,804	7.50
Deutsche Securities Asia Limited	28,773,102	5.11	118,127	7.15
Goldman Sachs and Co	21,554,775	3.83	100,802	6.10
CIMB Investment Bank	17,901,757	3.18	57,533	3.48
Others	58,452,291	10.38	199,598	12.09
	<u>562,865,036</u>	<u>100.00</u>	<u>1,651,231</u>	<u>100.00</u>

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

All brokers highlighted above are not related to the Manager.

11. MANAGEMENT EXPENSE RATIO (“MER”)

	2017	2016
	%	%
MER	2.07	2.08

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 of 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 RM155,815,116 (2016: RM180,046,951).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	2017	2016
PTR (times)	1.81	1.22

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 = RM256,575,049 (2016: RM229,809,903)

total disposals for the financial year = RM306,289,987 (2016: RM207,813,599)

13. 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	2,133	1,157	2,084	1,020

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

14. SEGMENTAL INFORMATION

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

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

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

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 21 August 2017.

CORPORATE DIRECTORY

MANAGER

NAME

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