

EASTSPRING INVESTMENTS DYNAMIC FUND

INTERIM REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD
ENDED 31 DECEMBER 2017



Dear Valued Investor,

Greetings from Eastspring Investments Berhad!

First and foremost, we would like to take this opportunity to thank you for choosing to invest with Eastspring Investments Berhad.

We are pleased to enclose a copy of the Annual/Interim/Quarterly Fund Reports of Eastspring Investments Berhad's fund(s) for the reporting period ended 31 December 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

TABLE OF CONTENTS

Fund Information	1
Key Performance Data	4
Manager's Report	7
Market Review	13
Rebates and Soft Commissions	16
Statement of the Manager	18
Trustee's Report to the Unit Holders of Eastspring Investments Dynamic Fund	19
Unaudited Statement of Comprehensive Income	20
Unaudited Statement of Financial Position	21
Unaudited Statement of Changes in Equity	22
Unaudited Statement of Cash Flows	23
Summary of Significant Accounting Policies	24
Notes to the Unaudited Financial Statements	33
Corporate Directory	62

FUND INFORMATION

Name of FundEastspring Investments Dynamic Fund (the "Fund")

**Fund Category/
Type**Mixed asset/growth

Fund Objective

The Fund seeks to provide investors with capital appreciation by actively investing in equity and equity-related securities. For defensive consideration, the Fund may invest in debentures and money market instruments.

Note: The Fund's focus is on growth.

**ANY MATERIAL CHANGES TO THE FUND'S OBJECTIVE
WOULD REQUIRE UNIT HOLDERS' APPROVAL.**

FUND INFORMATION (CONTINUED)

Performance Benchmark

-
- (a) If 100% of the Fund's NAV invested in equities and equity-related securities:
FBM100
- (b) If 100% of the Fund's NAV invested in debentures and liquid assets:
Maybank 12-month fixed deposit rate
- (c) If invested in a mix of equities and equity-related securities, debentures and liquid assets:
50% FBM100 + 50% Maybank 12-month fixed deposit rate

The composite benchmark index is a reflection of the Fund's average asset allocation over the long-term of 50% of the Fund's NAV in equities and equity-related securities, and 50% of the Fund's NAV in debentures and liquid assets.

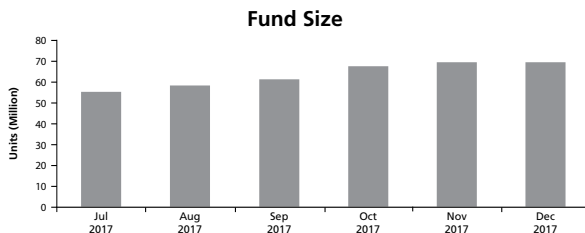
Fund Income Distribution Policy

At least once a year, subject to the availability of income.

FUND INFORMATION (CONTINUED)

Breakdown of Unit Holdings by Size

As at 31 December 2017, the size of Eastspring Investments Dynamic Fund stood at 70.468 million units.



Breakdown of Unit Holdings

Unit Holdings	No. of Unit Holders	%	No. of Unit* ('000)	%
5,000 units and below	802	29.43	2,037	2.89
5,001 to 10,000 units	651	23.89	4,568	6.48
10,001 to 50,000 units	1,093	40.11	23,124	32.82
50,001 to 500,000 units	173	6.35	15,449	21.92
500,001 units and above	6	0.22	25,289	35.89
Total	2,725	100.00	70,467	100.00

* excludes units held by the Manager.

KEY PERFORMANCE DATA

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER

Category	2017	2016	2015
	(%)	(%)	(%)
Quoted securities			
Construction	7.19	5.56	4.14
Consumer	0.70	2.97	3.82
Consumer Product	-	0.27	6.16
Finance	3.06	2.90	5.44
Health Care	17.76	25.95	-
Hotel	-	-	0.82
Industrial Product	2.94	3.47	9.36
Manufacturing	1.03	1.67	-
Plantation	-	-	-
Power/Utilities	-	-	2.64
Properties	9.85	9.81	7.89
REITS	1.06	-	-
Technology	19.07	16.36	13.09
Trading/Services	23.21	26.42	33.13
	85.87	95.38	86.49
Unquoted fixed income securities	4.08	2.16	2.16
Cash and other assets	10.05	2.46	11.35
Total	100.00	100.00	100.00

KEY PERFORMANCE DATA (CONTINUED)

Category	2017	2016	2015
Net Asset Value (NAV) (RM'000)	74,529	46,907	46,701
Units In Circulation (Units '000)	70,468	49,619	47,186
Net Asset Value Per Unit (RM)	1.0576	0.9454	0.9897
Highest Net Asset Value Per Unit (RM)	1.0577	0.9692	0.9905
Lowest Net Asset Value Per Unit (RM)	0.9735	0.9084	0.8287
Total Return (%)			
- Capital Growth	5.64	3.53	4.50
- Income Distribution	-	-	-
Total Return (%)	5.64	3.53	4.50
Gross Distribution Per Unit (RM)	-	-	-
Net Distribution Per Unit (RM)	-	-	-
Management Expense Ratio (MER) (%)*	0.73	0.72	0.70
Portfolio Turnover Ratio (PTR) (times)^	0.24	0.22	0.16

* 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 1.1.2017 to 31.12.2017	3 years 1.1.2015 to 31.12.2017	5 years 1.1.2013 to 31.12.2017
	(%)	(%)	(%)

Average total return	17.30	14.10	13.72
----------------------	-------	-------	-------

Year ended	1.7.2016 to 30.6.2017	1.7.2015 to 30.6.2016	1.7.2014 to 30.6.2015	1.7.2013 to 30.6.2014	1.7.2012 to 30.6.2013
	(%)	(%)	(%)	(%)	(%)

Annual total return	14.95	1.00	17.71	21.92	18.12
---------------------	-------	------	-------	-------	-------

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

Bases of calculation and assumptions made in calculating returns:

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

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.

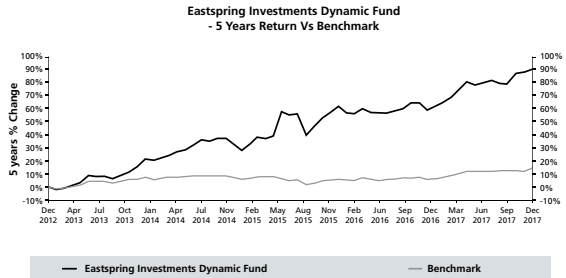
MANAGER'S REPORT

Fund Performance

Over the 5-year period, the Fund recorded a return of 90.28%, outperforming the benchmark return of 14.71% by 75.57%.

During the period under review, the Fund registered a return of 5.64%, outperforming the benchmark return of 2.34% by 3.30%.

The outperformance was mainly due to good stock picks like gloves and tech stocks which has done very well during the period. The Fund achieved its objective which is provide investors with capital appreciation by actively investing in equity and equity-related securities.



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

MANAGER'S REPORT (CONTINUED)

Fund Performance (continued)

Benchmark:

a) If 100% of the Fund's NAV invested in equities and equity-related securities:
FBMS

b) If 100% of the Fund's NAV invested in debentures and liquid assets:
Maybank 12-month fixed deposit rate

c) If invested in a mix of equities and equity-related securities, debentures and liquid assets:
50% FBM100 + 50% Maybank 12-month fixed deposit rate

Source: Lipper for Investment Management, www.bursamalaysia.com and www.maybank2u.com.my as at 31 December 2017.

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

Analysis of Fund Performance

For the financial period ended 31 December 2017:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
0.00	5.64	5.64	2.34

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

Distribution/ Unit Split

No distribution or unit split were declared for the financial period ended 31 December 2017.

MANAGER'S REPORT (CONTINUED)

Investment Strategy During The Period Under Review

Equity Strategy

The Fund will focus on stocks which has good capital appreciation potential with strong fundamental.

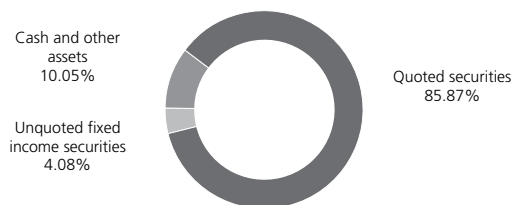
Bond Strategy

The Fund participated in selected quality issuances for yield pick-up, and traded on market volatility, subject to liquidity constraints.

Asset Allocation

Asset Allocation	31-Dec 2017 (%)	30-Jun 2017 (%)	Changes (%)
Quoted securities	85.87	87.18	(1.31)
Unquoted fixed income securities	4.08	1.88	2.20
Cash and other assets	10.05	10.94	(0.89)

Asset Allocation as at 31 December 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 security risk and minimum holdings of units have been revised as set out in (b) and (c) below:

MANAGER'S REPORT (CONTINUED)

State of Affairs of the Fund (continued)

b. 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 or Shariah-compliant equity-related securities such as rights and warrants or 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)**

c. 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

Equity

The Malaysian equity market started the 3Q2017 on a volatile note, sparked by the lack luster response for the biggest Initial Public Offering (“IPO”) deal in Malaysia since 2012, as confidence in the IPO waned culminated by the disastrous results reported on the last day of the month. The annual Invest Malaysia conference did not provide much catalyst for the market, although the Prime Minister’s positive message on the state of economy and outlook provided investors with comfort. Malaysia’s lackluster 2Q2017 reported corporate earnings did nothing to help the direction of the market, in light of growing uncertainty regarding geopolitical tensions concerning North Korea, and the impact from United States (“US”) Hurricane Harvey which was the first major hurricane to make landfall in the United States since 2005. Malaysia’s Gross Domestic Product (“GDP”) growth for 2Q of 5.8% y-o-y surprised on the upside but was not enough of a catalyst to drive investor interest. Equity markets in Malaysia ended the quarter lower, succumbing to selling pressure, when the Federal Reserve signaled one more rate hike towards the year end. The launch of Apple’s Iphone X and Iphone 8 in the US was a little disappointing given the minimal obvious differences between the Iphone 7 and Iphone 8, and the high price point of the Iphone X.

The Malaysian equity market started the 4Q2017 in a correction mode, as the big cap stocks succumbed to some sell down, despite the rising Brent crude oil prices and the tabling of Budget 2018. The Budget 2018 announcement on the 27th October was as expected, focused on implementing measures to increase households’ disposable income, in particular the bottom 40% (“B40”) income group, with special cash payments to be made to the 1.6 million civil servants and civil servant retirees. Equity markets in Malaysia remained weak despite the stronger than expected 3Q2017 GDP growth data reported in November, and growing expectations of Bank Negara potentially hiking Overnight Policy Rate in 2018. Organization of the Petroleum Exporting Countries (“OPEC”) also announced their decision to extend its production cutting deal for another nine-months, providing support for oil prices. By the end of the 4Q2017, Brent crude oil hit USD66.8 per barrel (“/bbl”), levels not seen since May 2015, on the back of extended production cuts by OPEC and improving demand outlook as global growth recovery continues to be underway. Being one of the few net beneficiaries in the regions of higher oil prices, the Malaysian ringgit appreciated sharply towards the end of the 4Q to close at RM4.046/USD. The FBM KLCI saw some changes to its constituents with the addition of Nestle, Press Metal, Sime Darby Plantations, whilst Westport, Sime Darby Property, IJM and BAT were removed. KLCI ended the 4Q on a new high due to window dressing activities.

The FBM KLCI closed the year under review at 1,796.81 points, higher by 1.88%. The FBM Emas Index closed the period under review higher by 2.73% while the MSCI Asia Pacific ex-Japan Index gained by 12.81% in USD terms¹.

Bond

During the period under review, Bank Negara Malaysia (“BNM”) adopted an accommodative monetary policy by keeping the Overnight Policy Rate (“OPR”) at 3.00%, to ensure that the domestic economy continues on a steady growth path amid stable core inflation. However, BNM’s tone turned more hawkish in the latest Monetary Policy Committee (“MPC”) meeting on 9 November, citing that they may consider reviewing the current degree of monetary policy accommodation given the strength of the global and domestic macroeconomic conditions.

On the economic front, Malaysia’s economy grew at a faster pace of 6.2% year-on-year (“y-o-y”) (consensus: 5.7%) in third quarter of 2017, is on track to beat government’s forecast of 5.2-5.7%. Meanwhile, headline inflation inched higher this year though is still within BNM’s expected range of 3-4%. Notably, the increase was mainly driven by rise in transportation costs and food and non-alcoholic beverages while core inflation (2.2% y-o-y in November) remained stable. For 2018, headline inflation is projected to moderate on expectations of a smaller effect from global cost factors. Nevertheless, the trend of headline inflation will be dependent on future global oil prices which remain highly uncertain.

On 27 October, the Federal Government unveiled its 2018 national budget with the theme “Prospering an Inclusive Economy, Balancing between Worldly and Hereafter, For The Wellbeing of Rakyat, Towards TN50 Aspirations”. Overall, fiscal consolidation remains on track as the Government remains committed to a budget deficit at 3.0% of GDP in 2017 and expects it to improve further to 2.8% of GDP in 2018. Meanwhile, the Federal Government’s debt to GDP has dropped to 50.9% as at end-June 2017 (2016: 53.2%) in line with continued efforts to embrace prudent debt management efforts.

¹ **Source:** Bloomberg; World indices

In the US, the Federal Reserve (“Fed”) continued to normalize its monetary policy by making the third hike of the year in December, bringing its key interest rates to between 1.25-1.50% (from 1.00-1.25%) despite subdued inflation, on robust growth and a strong labor market. Meanwhile, the Fed raised their forecast for US economic growth in 2018 to 2.5% from 2.1%, as the Fed expects economic boost from potential tax cuts. Fed policymakers also maintained its forecast of three rate hikes in 2018.

Separately, the Fed confirmed that it will wind down its balance sheet as the central bank is expected to start reducing its balance sheet in October 2017. The gradual unwinding of its massive USD4.5 trillion balance sheet will be the first policy shift since the central bank started its stimulus program after the economy entered a severe recession nearly a decade ago. The Fed indicated that it will start reducing its balance sheet by trimming reinvestments by USD10 billion in October and raising that amount gradually to USD50 billion in the months to come.

For the period under review, the 3-, 5- and 15-year Malaysian Government Securities (“MGS”) yields decreased by 7bps, 9bps and 6bps to close at 3.32%, 3.53% and 4.39% respectively², while the 10-year MGS yield remained at 3.91%. MGS managed to withstand the higher US interest rate environment on the back of improving investor sentiment as Ringgit recovered towards the end of the year.

Corporate bond yields generally moved in tandem with sovereign bond yields, albeit at a lag. Activities in the corporate bond market were supported by ample liquidity and a stable credit environment.

On the supply front, total corporate bond issuances as at end December 2017 stood around RM102 billion of which approximately 30% was conventional and 70% was Islamic. Major primary issuances during the year were mainly government guaranteed bonds, corporates bonds and bank debts. Notable issuances include RM10.1 billion from Danainfra, RM6.75 billion from LPPSA, RM8.7 billion from Cagamas, RM6.0 billion from Prasarana, RM4.0 billion from PTPTN, RM4.2 billion from GovCo Holdings Berhad, RM4.5 billion from CIMB Bank Berhad and RM3.7 billion from Southern Power Generation.

² **Source:** Bloomberg

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.

EASTSPRING INVESTMENTS DYNAMIC FUND

UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD
ENDED 31 DECEMBER 2017

STATEMENT BY THE MANAGER

We, Tang Chee Kin and Khoo Chuan Keat, being two of the Directors of Eastspring Investments Berhad, do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 20 to 61 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 31 December 2017 and of its financial performance, changes in equity and cash flows for the six months financial period ended on that date in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,

EASTSPRING INVESTMENTS BERHAD

TANG CHEE KIN

Executive Director/Chief Executive Officer

KHOO CHUAN KEAT

Director

Kuala Lumpur

Date: 14 February 2018

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS DYNAMIC FUND

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

- a. limitations imposed on the investment powers of the Manager 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.

For Deutsche Trustees Malaysia Berhad

Soon Lai Ching

Senior Manager, Trustee Operations

Richard Lim Hock Seng

Chief Executive Officer

Kuala Lumpur

Date: 14 February 2018

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2017

	Note	6-months financial period ended 31.12.2017	6-months financial period ended 31.12.2016
		RM	RM
INVESTMENT INCOME			
Gross dividend income		567,862	486,569
Interest income from deposits with licensed financial institutions		119,015	82,427
Interest income from unquoted fixed income securities		48,123	25,305
Net gain on financial assets at fair value through profit or loss	6	3,618,901	1,464,482
		<u>4,353,901</u>	<u>2,058,783</u>
EXPENSES			
Management fee	3	(396,288)	(299,729)
Trustee fee	4	(22,192)	(16,785)
Audit fee		(3,529)	(3,529)
Tax agent fee		(1,715)	(1,715)
Other expenses		(7,293)	(3,534)
GST charges		(26,151)	(19,457)
Transaction costs		(102,624)	(68,040)
		<u>(559,792)</u>	<u>(412,789)</u>
PROFIT BEFORE TAXATION		3,794,109	1,645,994
TAXATION	5	<u>(3,023)</u>	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		<u>3,791,086</u>	<u>1,645,994</u>
Profit after taxation is made up of the following:			
Realised amount		374,620	444,184
Unrealised amount		3,416,466	1,201,810
		<u>3,791,086</u>	<u>1,645,994</u>

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

UNAUDITED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	2017	2016
		RM	RM
ASSETS			
Cash and cash equivalents	7	7,377,198	1,086,058
Amount due from Manager		152,137	24,330
Dividends receivable		113,900	141,761
Financial assets at fair value through profit or loss	6	67,043,183	45,747,106
TOTAL ASSETS		<u>74,686,418</u>	<u>46,999,255</u>
LIABILITIES			
Amount due to Manager		52,497	9,136
Accrued management fee		77,410	49,331
Amount due to Trustee		4,335	2,763
GST charges payable		4,905	3,126
Other payables and accruals		16,349	25,768
Tax payable		2,110	2,110
TOTAL LIABILITIES		<u>157,606</u>	<u>92,234</u>
NET ASSET VALUE OF THE FUND		<u>74,528,812</u>	<u>46,907,021</u>
EQUITY			
Unit holders' capital		32,298,582	11,129,519
Retained earnings		42,230,230	35,777,502
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>74,528,812</u>	<u>46,907,021</u>
NUMBER OF UNITS IN CIRCULATION	8	<u>70,468,330</u>	<u>49,618,558</u>
NET ASSET VALUE PER UNIT (RM)		<u>1.0576</u>	<u>0.9454</u>

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

UNAUDITED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2017

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
Balance as at 1 July 2017	15,567,511	38,439,144	54,006,655
Movement in unit holders' contribution:			
Creation of units from applications	20,699,458	-	20,699,458
Cancellation of units	(3,968,387)	-	(3,968,387)
Total comprehensive income for the financial period	-	3,791,086	3,791,086
Balance as at 31 December 2017	<u>32,298,582</u>	<u>42,230,230</u>	<u>74,528,812</u>
Balance as at 1 July 2016	12,944,481	34,131,508	47,075,989
Movement in unit holders' contribution:			
Creation of units from applications	1,061,921	-	1,061,921
Cancellation of units	(2,876,883)	-	(2,876,883)
Total comprehensive income for the financial period	-	1,645,994	1,645,994
Balance as at 31 December 2016	<u>11,129,519</u>	<u>35,777,502</u>	<u>46,907,021</u>

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

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2017

Note	6-months financial period ended 31.12.2017	6-months financial period ended 31.12.2016
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	7,300,941	5,731,069
Purchase of investments	(22,599,366)	(18,840,290)
Dividends received	525,064	416,164
Interest received from deposits with licensed financial institutions	119,015	82,427
Interest received from unquoted fixed income securities	25,990	26,129
Management fee paid	(374,484)	(298,454)
Trustee fee paid	(20,971)	(16,713)
Payment for other fees and expenses	(145,972)	(35,578)
Net cash used in operating activities	<u>(15,169,783)</u>	<u>(12,935,246)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	20,697,431	1,196,341
Payments for cancellation of units	(3,915,890)	(2,872,679)
Distributions paid	(69,586)	(57,676)
Net cash generated from/(used in) financing activities	<u>16,711,955</u>	<u>(1,734,014)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,542,172	(14,669,260)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>5,835,026</u>	<u>15,755,318</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	7 <u>7,377,198</u>	<u>1,086,058</u>

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 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 period. It also requires the Manager to exercise their judgment in the process of applying the Fund's accounting policies. Although these estimates and judgment are based on the Manager's best knowledge of current events and actions, actual results may differ.

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

The Fund has applied the following amendments for the first time for the financial year beginning 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.

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

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

i. Financial year beginning on/after 1 July 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.

B. INCOME RECOGNITION

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

Interest income from unquoted fixed income securities including amortisation of premium and accretion of discount are recognised 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 quoted securities are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

Realised gain or loss on disposal of unquoted fixed income securities is accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, determined on cost adjusted for accretion of discount or amortisation of premium.

C. TAXATION

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

D. PRESENTATION AND FUNCTIONAL CURRENCY

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

E. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

i. Classification

The Fund designates its investment in quoted securities and unquoted fixed income 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.

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

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

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

ii. Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value 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' category are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit and loss' in the period in which they arise. Any unrealised gains however are not distributable.

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

Quoted 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.

Unquoted fixed income securities are revalued on a daily basis based on fair value prices quoted by a bond pricing agency ("BPA") registered with the Securities Commission as per the Securities Commission's ("SC") Guidelines on Unit Trust Funds. Refer to Note K for further explanation.

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.

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 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.

F. CASH AND CASH EQUIVALENTS

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

G. 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.

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. SEGMENTAL INFORMATION

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

J. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities. 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 information presented herein represents the estimates of fair values as at the date of the statement of financial position.

K. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

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

i. Estimate of fair value of unquoted fixed income securities

The Fund uses significant judgment in determining whether an investment is impaired. The Fund evaluates, among other factors, the duration and extent to which the fair value of the investment is less than cost, and the financial health and near-term business outlook for the investee, including factors such as industry and sector performance, macroeconomic factors and speculation.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value.

Unquoted fixed income securities are valued using fair value prices quoted by a bond pricing agency ("BPA"). Where the Manager is of the view that the price quoted by BPA for a specific bond differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager records its basis for using a non-BPA price, obtains necessary internal approvals to use the non-BPA price, and keeps an audit trail of all decisions and basis for adopting the use of non-BPA price.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2017

1. INFORMATION ON THE FUND

Eastspring Investments Dynamic Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 5 November 2003, Master Supplemental Deed dated 12 July 2007 and Second Supplemental Master Deed dated 30 November 2009 between HSBC (Malaysia) Trustee Berhad ("HSBC Trustee") and Eastspring Investments Berhad (the "Manager"). The Fund replaced HSBC Trustee with Deutsche Trustees Malaysia Berhad (the "Trustee") effective 1 October 2010. A Supplemental Master Deed was entered into between Eastspring Investments Berhad (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee") on 30 July 2010 to effect the change of trustee from HSBC Trustee to the Trustee, followed by Second Supplemental Master Deed dated 28 January 2011, Third Supplemental Master Deed dated 9 March 2011, Fourth Supplemental Master Deed dated 20 January 2012, Fifth Supplemental Master Deed dated 26 March 2014, Sixth Supplemental Master Deed dated 2 January 2015, Seventh Supplemental Master Deed dated 11 July 2016, Eighth Supplemental Master Deed dated 25 January 2017 and Ninth Supplemental Master Deed dated 11 December 2017 (collectively referred to as the "Deed").

The Fund was launched on 6 November 2003 and will continue its operations until terminated by the Trustee or the Manager as provided under Part 12 of the Deed.

The main objective of the Fund is to seek to provide investors with capital appreciation by actively investing in equity and equity-related securities. For defensive considerations, the Fund may invest in debentures and money market instruments.

The Fund seeks to achieve its objective by adopting a flexible asset allocation strategy between the different asset classes of equities and equity-related securities, debentures and liquid assets, depending on the investment market outlook. All investments will be subjected to the Securities Commission's ("SC") Guidelines on Unit Trust Funds, the Deed and the objective of the Fund.

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

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Financial instruments of the Fund are as follows:

	Note	Loans and receivables	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
<u>2017</u>				
Cash and cash equivalents	7	7,377,198	-	7,377,198
Amount due from Manager		152,137	-	152,137
Dividends receivable		113,900	-	113,900
Quoted securities	6	-	63,997,291	63,997,291
Unquoted fixed income securities	6	-	3,045,892	3,045,892
		<u>7,643,235</u>	<u>67,043,183</u>	<u>74,686,418</u>
<u>2016</u>				
Cash and cash equivalents	7	1,086,058	-	1,086,058
Amount due from Manager		24,330	-	24,330
Dividends receivable		141,761	-	141,761
Quoted securities	6	-	44,736,084	44,736,084
Unquoted fixed income securities	6	-	1,011,022	1,011,022
		<u>1,252,149</u>	<u>45,747,106</u>	<u>46,999,255</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 that the collapse of any one security or any one market sector would not impact too greatly on the value of the Fund.

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

	2017	2016
	RM	RM
Quoted securities designated at fair value through profit or loss	<u>63,997,291</u>	<u>44,736,084</u>
*Unquoted fixed income securities designated at fair value through profit or loss	<u>3,045,892</u>	<u>1,011,022</u>

* Includes interest receivable of RM37,512 (2016: RM14,532).

The following table summarises the sensitivity of the Fund's net asset value and profit after tax to movements in prices of quoted securities and unquoted fixed income securities at the end of the reporting period. The analysis is based on the assumptions that the market price of the quoted securities and unquoted fixed income 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 and unquoted fixed income securities, having regard to the historical volatility of the prices.

% Change in price of financial assets at fair value through profit or loss	Market value	Increase/(decrease) in profit after tax and net asset value
	RM	RM
<u>2017</u>		
+5%	70,395,342	3,352,159
-5%	63,691,024	(3,352,159)
		<hr/>
<u>2016</u>		
+5%	48,034,461	2,287,355
-5%	43,459,751	(2,287,355)
		<hr/>

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.

In general, when interest rates rise, unquoted fixed income securities prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund holds an unquoted fixed income securities till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

Investors should note that the movement in prices of unquoted fixed income securities and money market instruments are benchmarked against interest rates. As such, the investments are exposed to the movement of the interest rates.

This risk is crucial since unquoted fixed income securities portfolio management depends on forecasting interest rate movements. Prices of unquoted fixed income securities move inversely to interest rate movements, therefore as interest rates rise, the prices of unquoted fixed income securities decrease and vice versa. Furthermore, unquoted fixed income securities with longer maturity and lower yield coupon rates are more susceptible to interest rate movements.

Such investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuers to make payments of interest income and principal, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.

The table below summarises the sensitivity of the Fund's profit after tax and NAV to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changed by 1% (2016: 1%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the interest rate, having regard to the historical volatility of the interest rate.

	2017	2016
% Change in interest rate of unquoted fixed income securities	Impact on profit after tax/ net asset value	Impact on profit after tax/ net asset value
	RM	RM
+1% (2016: +1%)	(7,846)	(2,038)
- 1% (2016: - 1%)	7,877	2,043

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

Stock/issuer risk

This risk refers to the individual risk of the respective companies issuing the securities. Specific risk includes but is not limited to changes in consumer tastes and demand, legal suits, competitive operating environments, changing industry conditions and management omissions and errors. However, this risk is minimised through investing in a wide range of companies in different sectors and thus function independently from one another.

Liquidity risk

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

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

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

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
<u>2017</u>			
Amount due to Manager	52,497	-	52,497
Accrued management fee	77,410	-	77,410
Amount due to Trustee	4,335	-	4,335
GST charges payable	4,905	-	4,905
Other payables and accruals	-	16,349	16,349
Contractual cash outflows	<u>139,147</u>	<u>16,349</u>	<u>155,496</u>
<u>2016</u>			
Amount due to Manager	9,136	-	9,136
Accrued management fee	49,331	-	49,331
Amount due to Trustee	2,763	-	2,763
GST charges payable	3,126	-	3,126
Other payables and accruals	-	25,768	25,768
Contractual cash outflows	<u>64,356</u>	<u>25,768</u>	<u>90,124</u>

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.

Fund management risk

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

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM32,298,582 (2016: RM11,129,519) and retained earnings of RM42,230,230 (2016:RM35,777,502). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

Credit/default risk

Credit risk refers to the ability of an issuer or a counter party to make timely payments of interest, principals and proceeds from realisation of investments. In the case of the Fund, both the Manager and the External Fund Manager regularly review the ratings assigned to the Issuer so that the necessary steps can be taken if the ratings fall below those prescribed by the SC.

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

The Fund seeks to mitigate credit/default risk by investing in high quality fixed income securities.

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

	Financial assets at fair value through profit or loss		Cash and cash equivalents		Dividends receivable		Amount due from Manager		Total	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
2017										
Finance										
- AA1	-	55,213	-	-	-	-	-	-	55,213	
- AAA	-	7,321,985	-	-	-	-	-	-	7,321,985	
Health Care										
- NR	-	-	-	18,990	-	-	-	-	18,990	
Technology										
- NR	-	-	-	59,750	-	-	-	-	59,750	
Trading/Services										
- NR	-	-	-	35,160	-	-	-	-	35,160	
Unquoted Fixed Income Securities										
- AA-IS	1,008,576	-	-	-	-	-	-	-	1,008,576	
- A1	1,020,585	-	-	-	-	-	-	-	1,020,585	
- AAA	1,016,731	-	-	-	-	-	-	-	1,016,731	
Other										
- NR	-	-	-	-	-	-	-	152,137	152,137	
	3,045,892	7,377,198	113,900	152,137	10,689,127					

	Financial assets at	Cash	Dividends	Amount	Total
	fair value through	and cash	receivable	due from	
	profit or loss	equivalents		Manager	RM
	RM	RM	RM	RM	RM
<u>2016</u>					
Finance					
- AA1	-	25,826	-	-	25,826
- AAA	-	1,060,232	-	-	1,060,232
Consumer					
- NR	-	-	35,160	-	35,160
Health Care					
- NR	-	-	13,012	-	13,012
Technology					
- NR	-	-	66,032	-	66,032
Trading/Services					
- NR	-	-	27,557	-	27,557
Unquoted Fixed					
Income Securities	1,011,022	-	-	-	1,011,022
- AAA					
Other					
- NR	-	-	-	-	-
	<u>1,011,022</u>	<u>1,086,058</u>	<u>141,761</u>	<u>24,330</u>	<u>2,263,171</u>

None of these assets are past due or impaired.

Fair value estimation

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

The fair value of financial assets traded in active market (such as trading securities) are based on quoted market prices at the close of trading on the period end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the 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	63,997,291	-	-	63,997,291
Unquoted fixed				
income securities	-	3,045,892	-	3,045,892
<u>2016</u>				
Financial assets				
at fair value through				
profit or loss:				
Quoted securities	44,736,084	-	-	44,736,084
Unquoted fixed				
income securities	-	1,011,022	-	1,011,022

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 E to the financial statements.

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2 these include unquoted fixed income securities. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note E to the financial statements.

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

3. MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 3.00% per annum of the net asset value of the Fund accrued and calculated on daily basis.

For the financial period ended 31 December 2017, the management fee is recognised at a rate of 1.25% (2016: 1.25%) per annum of 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 an annual fee at a rate not exceeding 0.20% per annum of the net asset value of the Fund, subject to a minimum fee of RM18,000 per annum.

For the financial period ended 31 December 2017, the Trustee's fee is recognised at a rate of 0.07% (2016: 0.07%) per annum of the net asset value of the Fund, subject to a minimum fee of RM18,000 per annum.

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

5. TAXATION

	6-months financial period ended 31.12.2017	6-months financial period ended 31.12.2016
	RM	RM
Tax charged for the financial period:		
Current taxation–local	3,023	-

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

	6-months financial period ended 31.12.2017	6-months financial period ended 31.12.2016
	RM	RM
Profit before taxation	3,794,109	1,645,994
Tax at Malaysian statutory rate of 24%	910,586	395,039
Tax effects of:		
Investment income exempt from tax	(1,037,681)	(494,108)
Expenses not deductible for tax purposes	38,394	26,287
Restriction on tax deductible expenses for Unit Trust Funds	95,956	72,782
Income subject to different tax rate	(4,232)	-
Taxation	3,023	-

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017	2016
	RM	RM
Designated at fair value through profit or loss:		
Quoted securities (Note 6(i))	63,997,291	44,736,084
Unquoted fixed income securities (Note 6 (ii))	3,045,892	1,011,022
	<u>67,043,183</u>	<u>45,747,106</u>
Net gain on financial assets at fair value through profit or loss:		
Realised gain on disposals	202,435	262,672
Change in unrealised fair value gain	3,416,466	1,201,810
	<u>3,618,901</u>	<u>1,464,482</u>

i. Quoted securities

Name of counter	Quantity	Aggregate cost	Fair value	Percentage of net asset value of the Fund
			as at 31.12.2017	
	Units	RM	RM	%
<u>Construction</u>				
ML Global Berhad	1,800,000	1,350,000	3,186,000	4.27
Malaysian Resources Corporation Berhad - Warrant	70,001	-	26,950	0.04
Malaysian Resources Corporation Berhad	809,800	834,436	906,976	1.22
Gabungan AQRS Berhad	642,800	1,267,602	1,240,604	1.66
	<u>3,322,601</u>	<u>3,452,038</u>	<u>5,360,530</u>	<u>7.19</u>
<u>Consumer</u>				
Salutica Berhad	358,900	308,497	523,994	0.70

i. Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value	Percentage of net asset value of the Fund
			as at 31.12.2017	
	Units	RM	RM	%
<u>Finance</u>				
Syarikat Takaful Malaysia Berhad	322,300	1,314,829	1,211,848	1.63
AMMB Holdings Berhad	241,900	1,056,073	1,066,779	1.43
	564,200	2,370,902	2,278,627	3.06
<u>Health Care</u>				
IHH Healthcare Berhad	419,400	2,005,085	2,457,684	3.30
Karex Berhad	2,226,337	3,747,636	2,894,238	3.88
Kossan Rubber Industries Berhad	379,800	2,565,573	3,080,178	4.13
KPJ Healthcare Berhad	465,200	410,603	451,244	0.61
Top Glove Corporation Bhd	544,600	2,568,227	4,351,354	5.84
	4,035,337	11,297,124	13,234,698	17.76
<u>Industrial Product</u>				
Cahaya Mata Sarawak Berhad	561,100	2,401,878	2,188,290	2.94
<u>Manufacturing</u>				
Pecca Group Berhad	493,200	785,491	764,460	1.03

i. Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at	Percentage of net
			31.12.2017	asset value of the Fund
	Units	RM	RM	%
<u>Properties</u>				
Eastern & Oriental Berhad	370,720	780,975	530,130	0.71
IOI Properties Group Berhad	619,625	1,384,083	1,146,306	1.54
LBS Bina Group Berhad	1,404,900	2,159,055	3,301,515	4.43
LBS Bina Group Berhad (Preference Share)	238,520	262,372	274,298	0.37
Sentoria Group Berhad	1,148,290	992,426	798,062	1.07
Sentoria Group Berhad - Warrant	417,560	104,390	104,390	0.14
UEM Sunrise Berhad	1,137,400	1,301,419	1,182,896	1.59
	<u>5,337,015</u>	<u>6,984,720</u>	<u>7,337,597</u>	<u>9.85</u>
<u>REITS</u>				
KIP Real Estate Investment Trust	916,600	918,543	792,859	1.06
<u>Technology</u>				
Inari Amertron Berhad	1,191,436	1,487,448	4,050,882	5.44
Inari Amertron Berhad - Warrant	184,186	-	484,409	0.65
N2N Connect Berhad	1,506,800	1,355,638	1,386,256	1.86
Unisem (M) Berhad	670,900	1,375,984	2,448,785	3.29
Vitrox Corporation Berhad	591,000	853,659	3,670,110	4.92
Globetronics Technology Berhad	328,200	2,100,259	2,166,120	2.91
	<u>4,472,522</u>	<u>7,172,988</u>	<u>14,206,562</u>	<u>19.07</u>

i. Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.12.2017	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Trading/Services</u>				
Axiata Group Berhad	238,989	1,165,594	1,312,050	1.76
Dialog Group Berhad	1,094,400	2,268,249	2,746,944	3.69
Serba Dinamik Holdings Berhad	898,700	2,201,235	2,911,788	3.91
Sime Darby Berhad	701,100	1,521,387	1,549,431	2.08
MY E.G. Services Berhad	1,288,800	1,359,900	2,874,024	3.86
Pos Malaysia Berhad	377,800	1,994,523	1,983,450	2.66
Sapura Energy Berhad	2,409,300	3,636,287	1,710,603	2.30
Telekom Malaysia Berhad	153,300	957,033	965,790	1.29
Texchem Resources Berhad	351,600	568,179	328,746	0.43
Uzma Berhad	724,100	1,288,829	926,848	1.23
	<u>8,238,089</u>	<u>16,961,216</u>	<u>17,309,674</u>	<u>23.21</u>
TOTAL QUOTED SECURITIES	<u>28,299,564</u>	<u>52,653,397</u>	<u>63,997,291</u>	<u>85.87</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>11,343,894</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>63,997,291</u>	

i. Quoted securities

Name of counter	Quantity	Aggregate cost	Fair value as at	Percentage of net asset value of the Fund
			31.12.2016	
	Units	RM	RM	%
<u>Construction</u>				
Gamuda Berhad	44,133	11,033	53,401	0.11
Malaysian Resources Corporation Berhad	350,000	441,000	465,500	0.99
ML Global Berhad	1,800,000	1,350,000	1,503,000	3.20
Protasco Berhad	522,625	716,234	590,566	1.26
	<u>2,716,758</u>	<u>2,518,267</u>	<u>2,612,467</u>	<u>5.56</u>
<u>Consumer</u>				
Salutica Berhad	693,400	596,020	880,618	1.88
Texchem Resources Bhd	351,600	567,280	513,336	1.09
	<u>1,045,000</u>	<u>1,163,300</u>	<u>1,393,954</u>	<u>2.97</u>
<u>Consumer Product</u>				
Heineken Malaysia Berhad	7,600	103,292	124,488	0.27
<u>Finance</u>				
Syarikat Takaful Malaysia Berhad	328,900	1,341,754	1,361,646	2.90
<u>Health Care</u>				
IHH Healthcare Berhad	348,800	1,535,290	2,214,880	4.72
Karex Berhad	1,500,137	2,598,109	3,540,323	7.55
Kossan Rubber Industries Berhad	211,100	1,329,701	1,391,149	2.97
KPJ Healthcare Berhad	163,800	578,304	684,684	1.46
Top Glove Corporation Bhd	810,900	3,817,521	4,338,315	9.25
	<u>3,034,737</u>	<u>9,858,925</u>	<u>12,169,351</u>	<u>25.95</u>

i. Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value	Percentage of net asset value of the Fund
			as at 31.12.2016	
	Units	RM	RM	%
<u>Industrial Product</u>				
Cahaya Mata Sarawak Bhd	339,600	1,497,855	1,358,400	2.90
Coastal Contracts Bhd	192,500	593,852	267,575	0.57
	532,100	2,091,707	1,625,975	3.47
<u>Manufacturing</u>				
Pecca Group Berhad	493,200	785,491	784,188	1.67
<u>Properties</u>				
Eastern & Oriental Berhad	484,420	1,060,790	702,409	1.50
Eastern & Oriental Berhad – Warrant	71,640	-	9,313	0.02
IOI Properties Group Berhad	495,700	1,211,458	1,040,970	2.22
LBS Bina Group Berhad	1,192,600	1,773,173	1,991,642	4.25
Matrix Concepts Holdings Berhad	46,050	-	17,960	0.04
Sentoria Group Berhad	1,043,900	992,426	835,120	1.78
	3,334,310	5,037,847	4,597,414	9.81
<u>Technology</u>				
Inari Amertron Berhad	1,000,918	2,496,117	3,323,048	7.08
Inari Amertron Berhad – Warrant	92,093	-	152,874	0.33
N2N Connect Berhad	1,506,800	1,354,312	1,137,634	2.43
Unisem (M) Berhad	806,900	1,498,308	1,904,284	4.06
Vitrox Corporation Berhad	310,500	896,992	1,151,955	2.46
	3,717,211	6,245,729	7,669,795	16.36

i. Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value	Percentage of net asset value of the Fund
			as at 31.12.2016	
	Units	RM	RM	%
<u>Trading/Services</u>				
Barakah Offshore				
Petroleum Berhad	386,600	338,294	259,022	0.55
Datasonic Group Berhad	643,500	1,047,445	778,635	1.66
Genting Bhd	119,000	944,349	952,000	2.03
MY E.G. Services Berhad	2,437,200	2,567,289	3,680,172	7.85
Sapurakencana Petroleum Berhad	2,621,600	4,009,298	4,246,992	9.05
UMW Oil & Gas Corporation Berhad				
Corporation Berhad	1,905,000	2,892,054	1,666,875	3.55
Uzma Berhad	478,300	915,020	813,110	1.73
	<u>8,591,200</u>	<u>12,713,749</u>	<u>12,396,806</u>	<u>26.42</u>
TOTAL QUOTED SECURITIES				
	<u>23,801,016</u>	41,860,061	<u>44,736,084</u>	95.38
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>2,876,023</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>44,736,084</u>		

ii. Unquoted fixed income securities

Name of counter	Nominal Value	Aggregate cost	Fair value as at 31.12.2017	Percentage of net asset value of the Fund
	RM	RM	RM	%
5.10% Gulf Investment Corporation G.S.C 16.03.2021 (AAA)	1,000,000	1,017,622	1,016,731	1.36
5.09% Southern Power Generation Sdn Bhd 30.04.2029 (AA-IS)	1,000,000	1,008,646	1,008,576	1.35
5.03% Affin Bank Berhad 20.09.2027 (A1)	1,000,000	1,014,194	1,020,585	1.37
TOTAL UNQUOTED FIXED INCOME SECURITIES	<u>3,000,000</u>	3,040,462	<u>3,045,892</u>	4.08
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>5,430</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>3,045,892</u>		

ii. Unquoted fixed income securities (continued)

Name of counter	Nominal Value	Aggregate cost	Fair value as at 31.12.2016	Percentage of net asset value of the Fund
	RM	RM	RM	%
5.10% Gulf Investment Corporation G.S.C 16.03.2021 (AAA)	1,000,000	1,018,333	1,011,022	2.16
TOTAL UNQUOTED FIXED INCOME SECURITIES	<u>1,000,000</u>	1,018,333	<u>1,011,022</u>	2.16
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(7,311)</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>1,011,022</u>	

The effective weighted average interest rate of unquoted fixed income securities per annum as at the date of the statement of financial position are as follows:

	2017	2016
	%	%
Unquoted fixed income securities	<u>5.03</u>	<u>5.19</u>

7. CASH AND CASH EQUIVALENTS

	2017	2016
	RM	RM
Bank balance with a licensed bank	55,213	25,826
Deposit with a licensed financial institution	7,321,985	1,060,232
	<u>7,377,198</u>	<u>1,086,058</u>

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

	2017	2016
	%	%
Deposit with a licensed financial institution	<u>3.30</u>	<u>4.00</u>

The deposit has an average maturity of 2 days (2016: 4 days).

8. UNITS IN CIRCULATION

	2017	2016
	No. of Units	No. of Units
At the beginning of the financial period	53,943,237	51,549,480
Creation of units from applications	20,436,241	1,129,388
Cancellation of units	(3,911,148)	(3,060,310)
At the end of the financial period	<u>70,468,330</u>	<u>49,618,558</u>

9. TRANSACTIONS WITH BROKERS/DEALERS

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

Name of brokers/ dealers	Value	Percentage	Brokerage fees	Percentage
	of trades	of total		of total
	RM	%	RM	%
<u>2017</u>				
Affin Hwang Investment Bank Berhad	5,724,972	19.57	14,312	18.52
Credit Suisse Securities (Malaysia) Sdn Bhd	4,589,354	15.69	11,473	14.85
UOB Kay Hian Securities (M) Sdn Bhd	3,909,735	13.36	9,774	12.64
CIMB Investment Bank Berhad	3,698,318	12.64	9,246	11.97
Maybank Investment Bank Berhad	3,380,934	11.56	17,609	22.79
RHB Investment Bank Berhad	3,065,633	10.48	7,664	9.92
Ambank (M) Berhad	1,000,000	3.42	-	-
CIMB Bank Berhad	1,000,000	3.42	-	-
CLSA Securities Malaysia Sdn Bhd	871,236	2.98	2,178	2.82
Kenanga Investment Bank Berhad	519,280	1.77	1,298	1.68
Others	1,497,584	5.11	3,721	4.81
	29,257,046	100.00	77,275	100.00

Name of brokers/ dealers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2016</u>				
RHB Investment Bank Berhad	3,975,921	18.86	13,629	20.03
CIMB Investment Bank Berhad	3,647,471	17.30	13,087	19.23
Affin Hwang Investment Bank Berhad	2,575,838	12.22	8,089	11.89
AmInvestment Bank Berhad	2,294,348	10.88	3,003	4.41
Citigroup Global Markets (M) Sdn Bhd	1,340,671	6.36	4,742	6.97
Nomura Securities Malaysia Sdn Bhd	1,308,491	6.21	4,526	6.65
Maybank Investment Bank Berhad	1,056,650	5.01	3,336	4.90
Public Investment Bank Berhad	945,013	4.48	3,405	5.01
UOB Kay Hian Securities (M) Sdn Bhd	866,180	4.11	3,016	4.43
J.P. Morgan Securities (Malaysia) Sdn Bhd	802,395	3.81	2,582	3.80
Others	2,267,351	10.76	8,625	12.68
	21,080,329	100.00	68,040	100.00

All brokers and dealers highlighted above are not related to the Manager.

10. UNITS HELD BY THE MANAGER

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

Related party	Relationship			
Eastspring Investments Berhad	The Manager			

	2017		2016	
	No. of units	RM	No. of units	RM
Eastspring Investments Berhad	1,328	1,404	1,270	1,201

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.

11. MANAGEMENT EXPENSE RATIO ("MER")

	2017	2016
	%	%
MER	0.73	0.72

MER is derived from the following calculation:

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

A = Management fee

B = Trustee fee

C = Audit fee

D = Tax agent fee

E = Other expenses (inclusive GST charges)

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

The average net asset value of the Fund for the financial period calculated on a daily basis is RM62,886,724 (2016: RM47,563,856).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	2017	2016
PTR (times)	0.24	0.22

PTR is derived from the following calculation:

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

where:

total acquisitions for the financial period = RM22,599,366 (2016:RM15,392,773)

total disposals for the financial period = RM7,300,941 (2016:RM5,667,877)

13. SEGMENTAL INFORMATION

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

The reportable operating segments derives its income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within each portfolio. These returns consist of interest income, dividends income and gains on the appreciation in the value of investments.

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

14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 14 February 2018.

CORPORATE DIRECTORY

THE MANAGER

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

531241-U

REGISTERED OFFICE

16th Floor, Wisma Sime Darby

Jalan Raja Laut

50350 Kuala Lumpur

BUSINESS OFFICE

Level 12, Menara Prudential

No. 10, Jalan Sultan Ismail

50250 Kuala Lumpur

TELEPHONE NO.

603-2052 3388

FAX NO.

603-2070 6129

EMAIL

cs.my@eastspring.com

WEBSITE

www.eastspringinvestments.com.my

TRUSTEE

NAME

DEUTSCHE TRUSTEES MALAYSIA BERHAD

COMPANY NO.

763590-H

REGISTERED OFFICE &

BUSINESS OFFICE

Level 20, Menara IMC

No. 8, Jalan Sultan Ismail

50250 Kuala Lumpur

TELEPHONE NO.

603-2053 7522

FAX NO.

603-2053 7526

SALE & PURCHASE OF UNITS

Eastspring Investments Berhad

Level 12, Menara Prudential

No. 10, Jalan Sultan Ismail

50250 Kuala Lumpur

TELEPHONE NO.

603-2332 1000

FAX NO.

603-2052 3366

BRANCHES

Petaling Jaya

Eastspring Investments Berhad
A-17-P1 & M
Block A, Jaya One
72A, Jalan Universiti
46200 Petaling Jaya, Selangor

TELEPHONE NO.

603-7948 1288

Kota Kinabalu

Eastspring Investments Berhad
Suite E3, 9th Floor
CPS Tower, Centre Point Sabah
No. 1, Jalan Centre Point
88000 Kota Kinabalu, Sabah

TELEPHONE NO.

6088-238 613

ENQUIRIES

CLIENT SERVICES

603-2332 1000

This page is intentionally left blank.

This page is intentionally left blank.

This page is intentionally left blank.

This page is intentionally left blank.

Eastspring Investments Berhad (531241-U)
Level 12, Menara Prudential
No. 10, Jalan Sultan Ismail, 50250 Kuala Lumpur
T: (603) 2052 3388 F: (603) 2070 6129
eastspringinvestments.com.my

Client Services
T: (603) 2332 1000 F: (603) 2052 3366
cs.my@eastspring.com