

EASTSPRING INVESTMENTS GLOBAL LEADERS MY 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

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FUND INFORMATION

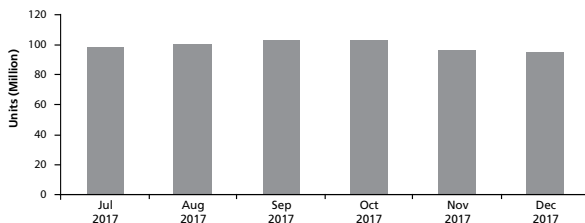
Name of Fund	Eastspring Investments Global Leaders MY Fund (the "Fund")
Fund Category/ Type	Feeder fund (global equity)/growth
Fund Objective	<p>The Fund seeks to maximise long-term total returns (the combination of income* and growth of capital) by investing in the M&G Global Leaders Fund, which in turn invests in a wide range of global equities that are considered to be leading in their field. (If the Manager considers that the M&G Global Leaders Fund is no longer viable, the Manager reserves the right to invest in some other collective investment scheme which the Manager considers is similar to or has the same objective as the M&G Global Leaders Fund.)</p> <p>SHOULD THE MANAGER DECIDE TO INVEST IN ANOTHER COLLECTIVE INVESTMENT SCHEME OTHER THAN M&G GLOBAL LEADERS FUND FOR ANY REASON WHATSOEVER, UNIT HOLDERS' APPROVAL IS REQUIRED.</p> <p>* Income distributed to a Unit Holder will be reinvested into additional Units unless Unit Holder opts for the distribution to be paid out.</p>
Performance Benchmark	<p>The performance benchmark of the Fund is MSCI World Index.</p> <p>Source: www.msci.com</p> <p>Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.</p>
Fund Income Distribution Policy	Incidental

FUND INFORMATION (CONTINUED)

Breakdown of Unit Holdings by Size

As at 31 December 2017, the size of Eastspring Investments Global Leaders MY Fund stood at 94.400 million units.

Fund Size



Breakdown of Unit Holdings

Unit Holdings	No. of Unit Holders	%	No of Unit* ('000)	%
5,000 units and below	207	11.44	561	0.59
5,001 to 10,000 units	333	18.41	2,842	3.01
10,001 to 50,000 units	1,063	58.77	23,222	24.60
50,001 to 500,000 units	192	10.61	19,767	20.95
500,001 units and above	14	0.77	48,007	50.85
Total	1,809	100.00	94,399	100.00

* excludes units held by the Manager.

KEY PERFORMANCE DATA

FOR THE FINANCIAL PERIOD 31 DECEMBER

Category	2017	2016	2015
	(%)	(%)	(%)
Collective investment scheme-Foreign	96.49	94.96	96.57
Cash and other assets	3.51	5.04	3.43
Total	100.00	100.00	100.00
Net Asset Value (NAV) (RM'000)	70,531	57,111	56,602
Units In Circulation (Units '000)	94,400	83,618	92,326
Net Asset Value Per Unit (RM)	0.7471	0.6830	0.6131
Highest Net Asset Value Per Unit (RM)	0.7580	0.6851	0.6380
Lowest Net Asset Value Per Unit (RM)	0.7027	0.5547	0.4918
Total Return (%)			
- Capital Growth	5.52	24.09	9.11
- Income Distribution	-	-	-
Total Return (%)	5.52	24.09	9.11
Gross Distribution Per Unit (RM)	-	-	-
Net Distribution Per Unit (RM)	-	-	-
Management Expense Ratio (MER) (%)*	0.10	0.08	0.08
Portfolio Turnover Ratio (PTR) (times) ^	0.17	0.07	0.11

* 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	9.40	13.88	15.10
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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	28.65	(2.05)	11.05	19.34	20.49
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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

$$n = \text{Number of years}$$

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

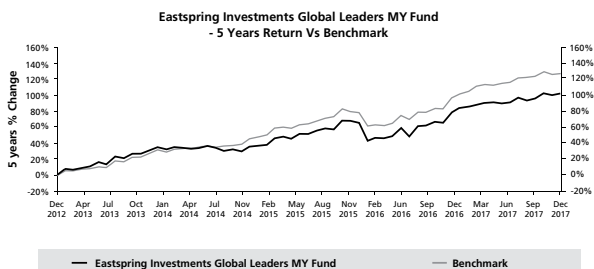
MANAGER'S REPORT

Fund Performance

Over the 5-year period, the Fund recorded a return of 102.11%, underperforming the benchmark return of 126.91% by 24.80%.

During the period under review, the Fund registered a return of 5.52%, outperforming the benchmark return of 5.04% by 0.48%.

The Fund met its investment objective and outperformed the benchmark for the period under review due to positive contribution from stock selection.



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

Benchmark: MSCI World Index

Source: Lipper for Investment Management and www.msci.com, as at 31 December 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 period ended 31 December 2017:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
0.00	5.52	5.52	5.04

* 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.

Investment Strategy During The Period Under Review

The Target Fund Manager continue to be overweight Japan and the consumer discretionary and technology sectors. The Target Fund Manager's long-term base case is that the forces of global excess capacity and technology are here to stay, and in their opinion, inflation is likely to continue to be weak. They continue to focus on companies undergoing change and, in particular, on business models that will win in an increasingly digital world.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	31-Dec 2017 (%)	30-Jun 2017 (%)	Changes (%)
Collective investment scheme-Foreign	96.49	94.92	1.57
Cash and other assets	3.51	5.08	(1.57)

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 temporary defensive positions and the 2nd paragraph of the errors in calculation of the net asset value of the target fund's risk as set out in (b) and (c) below have been deleted, and the currency risk, counterparty risk, investment strategy of the target fund, dilution adjustment table of the target fund and minimum holdings of units have been revised as set out in (d) to (h) below.

MANAGER'S REPORT (CONTINUED)

State of Affairs of the Fund (continued)

b. Temporary Defensive Positions

Deleted:

The Manager may not adopt temporary defensive positions.

c. Errors in Calculation of the net asset value of the M&G Global Leaders Fund ("Target Fund")'s risk – 2nd paragraph

Deleted:

In view of the foregoing, Unit Holders must be aware that there are circumstances where neither the Target Fund nor the Manager will be bound to compensate final beneficial owners.

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.

In the normal course of investment, the Fund does not engage any currency hedging strategy in mitigating the currency risk. The 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.

MANAGER'S REPORT (CONTINUED)

State of Affairs of the Fund (continued)

e. Counterparty Risk

Applicable only to Eastspring Global Leaders MY

The investment manager will place transactions, hold positions (including derivatives transactions) and deposit cash on deposit with a range of counterparties, there is a risk that a counterparty may default on its obligations or become insolvent, which may put the Target Fund's capital at risk.

f. Investment Strategy of the Target Fund

The fund manager selects shares in companies that he believes to be leading in their field, or have the potential to be leading in their field, in terms of improving shareholder value. Importantly, their prospects are not fully reflected in their share prices.

The approach has three core beliefs: i. management can make a big difference to returns shareholder receive; ii. where management decide to allocate resources and capital is key - companies must concentrate resources on those business activities where they have an advantage relative to other companies and can create value; iii. the above factors are only attractive from an investment perspective if they are not yet reflected in the share price.

Stocks are selected on a bottom-up basis; that is the fund manager focuses on company fundamentals. He tends to avoid imposing top-down views, that is sector, country or currency selections do not drive stockpicking, but they will be taken into account where they impact on a particular stock or the risk profile of the broader portfolio. The fund usually holds between 50 and 80 stocks, with a typical holding period of three to five years.

MANAGER'S REPORT (CONTINUED)

State of Affairs of the Fund (continued)

g. Target Fund's dilution adjustment table

Typical dilution adjustment for the following Target Fund would be:

M&G Global Leaders Fund	+ 0.15% / -0.12%
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Positive dilution adjustment figures indicate a typical increase from mid price when the Target Fund is experiencing net issues. Negative dilution adjustment figures indicate a typical decrease from mid price when the Target Fund is experiencing net redemptions. Figures are based on the historic costs of dealing in the underlying investments of the Target Fund for twelve months to 31 May 2016, including any spreads, commissions and transfer taxes.

h. 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.

MANAGER'S REPORT (CONTINUED)

State of Affairs of the Fund (continued)

While in the Eastspring Investments First Supplementary Master Prospectus dated 2 February 2018, the performance benchmark of the fund has been revised as set out in (i) below:

i) Performance Benchmark

The performance benchmark of the Fund is MSCI All Countries World Index.

Source: www.msci.com

Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.

MARKET REVIEW

The Target fund lagged the MSCI AC World Index over the quarter, with relative performance held back by stock selection in technology and healthcare. Conversely, shares in Canadian oil sands company MEG Energy, rallied on the back of a sharp rise in the oil price. Global stock markets were generally firmer over the third quarter, with Latin American markets and China and Russia featuring particularly strongly. The S&P 500 Index ended the quarter at a record high despite increased tensions between North Korea and the US. Activity within the US healthcare space was driven by our current framework for investing in the sector. The Target Fund Manager initiated holdings in innovative companies that are well-placed to benefit from the new realities of the US healthcare system, such as GW Pharmaceutical, Mesoblast, Horizon Discovery and Kite Pharma (which was bid for in August).

The fund was ahead of the MSCI AC World Index over the quarter, with relative returns aided by stock selection in financials and healthcare. Conversely, stock picking in technology and energy detracted. The fourth quarter was positive for most stock markets, many of which rose to all-time highs, while others reached their highest levels for several years. Many of the best-performing markets were in the Far East; by contrast, shares in mainland Europe and Latin America lagged. During the quarter we initiated new positions in Rumbleon and Collectis.

REBATES AND SOFT COMMISSIONS

During the period under review, the Manager and its delegates (if any) did not receive any soft commissions from stockbrokers.

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EASTSPRING INVESTMENTS GLOBAL LEADERS MY 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 18 to 47 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 GLOBAL LEADERS MY FUND

We have acted as Trustee for Eastspring Investments Global Leaders MY 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			
Interest from deposits			
with licensed financial institutions		47,749	17,997
Net gain on financial assets at fair value through profit or loss	6	4,056,534	11,213,610
Net foreign currency exchange (loss)/gain		(27,497)	8,404
		<u>4,076,786</u>	<u>11,240,011</u>
EXPENSES			
Management fee	3	(27,179)	(12,248)
Trustee fee	4	(25,350)	(18,341)
Audit fee		(3,428)	(3,428)
Tax agent fee		(1,715)	(1,715)
GST charges		(4,155)	(2,264)
Other expenses		(13,013)	(3,360)
		<u>(74,840)</u>	<u>(41,356)</u>
PROFIT BEFORE TAXATION		4,001,946	11,198,655
TAXATION	5	-	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		<u>4,001,946</u>	<u>11,198,655</u>
Profit after taxation is made up of the following:			
Realised amount		3,048,626	1,252,950
Unrealised amount		953,320	9,945,705
		<u>4,001,946</u>	<u>11,198,655</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	2,268,893	2,494,860
Amount due from Manager		460,730	749,298
Financial assets at fair value through profit or loss	6	68,055,961	54,230,266
TOTAL ASSETS		<u>70,785,584</u>	<u>57,474,424</u>
LIABILITIES			
Amount due to Manager		227,799	331,249
Accrued management fee		3,234	3,224
Amount due to Trustee		4,164	3,352
GST charges payable		444	395
Other payables and accruals		18,634	25,435
TOTAL LIABILITIES		<u>254,275</u>	<u>363,655</u>
NET ASSET VALUE OF THE FUND		<u>70,531,309</u>	<u>57,110,769</u>
EQUITY			
Unit holders' capital		35,052,724	27,800,549
Retained earnings		35,478,585	29,310,220
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>70,531,309</u>	<u>57,110,769</u>
NUMBER OF UNITS IN CIRCULATION	8	<u>94,400,486</u>	<u>83,617,518</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.7471</u>	<u>0.6830</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	37,267,448	31,476,639	68,744,087
Movement in unit holders' contribution:			
Creation of units from applications	17,413,079	-	17,413,079
Cancellation of units	(19,627,803)	-	(19,627,803)
Total comprehensive income for the financial period	-	4,001,946	4,001,946
Balance as at 31 December 2017	<u>35,052,724</u>	<u>35,478,585</u>	<u>70,531,309</u>
Balance as at 1 July 2016	29,911,648	18,111,565	48,023,213
Movement in unit holders' contribution:			
Creation of units from applications	13,384,628	-	13,384,628
Cancellation of units	(15,495,727)	-	(15,495,727)
Total comprehensive income for the financial period	-	11,198,655	11,198,655
Balance as at 31 December 2016	<u>27,800,549</u>	<u>29,310,220</u>	<u>57,110,769</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

	6-months financial period ended	6-months financial period ended
Note	31.12.2017	31.12.2016
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	12,491,015	5,479,316
Purchase of investments	(11,977,776)	(1,720,695)
Interest received	47,749	17,997
Management fee paid net of rebates	(29,054)	(10,185)
Trustee fee paid	(25,059)	(17,901)
Payment for other fees and expenses	(26,654)	(17,400)
Net foreign exchange (loss)/gain	(27,497)	8,404
Net cash generated from operating activities	<u>452,724</u>	<u>3,739,536</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	18,122,805	13,448,017
Payments for cancellation of units	(19,580,143)	(15,368,387)
Net cash used in financing activities	<u>(1,457,338)</u>	<u>(1,920,370)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,004,614)	1,819,166
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>3,273,507</u>	<u>675,694</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	7 <u>2,268,893</u>	<u>2,494,860</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 judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed 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.

- 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.

B. INCOME RECOGNITION

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

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

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. 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 collective investment scheme as financial assets at fair value through profit or loss at inception.

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

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

The Fund’s loans and receivables comprise cash and cash equivalents and amount due from Manager.

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

The Fund’s financial liabilities which include amount due to Manager, accrued management fee, amount due to Trustee, 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 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.

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

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.

G. CASH AND CASH EQUIVALENTS

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

H. UNIT HOLDERS' CAPITAL

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

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

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

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

I. SEGMENTAL INFORMATION

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

J. 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 on the statement of financial position date.

K. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

1. INFORMATION ON THE FUND

Eastspring Investments Global Leaders MY Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 6 March 2006 (the “Deed”), Master Supplemental Deed dated 12 July 2007, Second Supplemental Master Deed dated 30 November 2009 entered into between Eastspring Investments Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (“HSBC Trustee”). The Fund replaced HSBC Trustee with Deutsche Trustees Malaysia Berhad (the “Trustee”) effective 1 October 2010. A Supplemental Master Deed was entered into between Eastspring Investments Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”) on 30 July 2010 to effect the change of trustee from HSBC Trustee to the Trustee, followed by Second Supplemental Master Deed dated 28 January 2011, Third Supplemental Master Deed dated 9 March 2011, Fourth Supplemental Master Deed dated 20 January 2012, Fifth Supplemental Master Deed dated 26 March 2014, Sixth Supplemental Master Deed dated 2 January 2015, 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 commenced operations on 23 March 2006 and will continue its operations until terminated by the Manager or the Trustee as provided under Part 12 of the Deed.

The main objective of the Fund seeks to maximise long-term total returns (the combination of income and growth of capital) by investing in the M&G Global Leaders Fund, which in turn invests in a wide range of global equities that are considered to be leading in their field. All investments will be subjected to the Securities Commission’s (the “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 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 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
<u>2017</u>				
Cash and cash equivalents	7	2,268,893	-	2,268,893
Amount due from Manager		460,730	-	460,730
Collective investment scheme	6	-	68,055,961	68,055,961
		<u>2,729,623</u>	<u>68,055,961</u>	<u>70,785,584</u>
<u>2016</u>				
Cash and cash equivalents	7	2,494,860	-	2,494,860
Amount due from Manager		749,298	-	749,298
Collective investment scheme	6	-	54,230,266	54,230,266
		<u>3,244,158</u>	<u>54,230,266</u>	<u>57,474,424</u>

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

Market risk

i. Price risk

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

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

	2017	2016
	RM	RM
Collective investment scheme designated at fair value through profit or loss	68,055,961	54,230,266

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

%Change in price of financial assets at fair value through profit or loss	2017		2016	
	Market value	Increase/ (decrease) in profit after tax and net asset value	Market value	Increase/ (decrease) in profit after tax and net asset value
	RM	RM	RM	RM
+5%	71,458,759	3,402,798	56,941,779	2,711,513
-5%	64,653,163	(3,402,798)	51,518,753	(2,711,513)

ii. Interest rate risk

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

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

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

iii. Foreign exchange/currency risk

As the Fund may invest its assets in collective investment schemes 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 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 assets at fair value through profit and loss	Total
	RM	RM
<u>2017</u>		
EURO	68,055,961	68,055,961
<u>2016</u>		
EURO	54,230,266	54,230,266

The table below summarises the sensitivity of the Fund's financial assets fair value to changes in foreign exchange movements at the end of the reporting period. The analysis is based on the assumption that the foreign exchange rate changes by 5% with all variables remain 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 price	Impact on profit after tax	Impact on net asset value
	%	RM	RM
<u>2017</u>			
EURO	5	3,402,798	3,402,798
<u>2016</u>			
EURO	5	2,711,513	2,711,513

Liquidity risk

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

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

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

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
<u>2017</u>			
Amount due to Manager	227,799	-	227,799
Accrued management fee	3,234	-	3,234
Amount due to Trustee	4,164	-	4,164
GST charges payable	444	-	444
Other payables and accruals	-	18,634	18,634
Contractual cash outflows	<u>235,641</u>	<u>18,634</u>	<u>254,275</u>
<u>2016</u>			
Amount due to Manager	331,249	-	331,249
Accrued management fee	3,224	-	3,224
Amount due to Trustee	3,352	-	3,352
GST charges payable	395	-	395
Other payables and accruals	-	25,435	25,435
Contractual cash outflows	<u>338,220</u>	<u>25,435</u>	<u>363,655</u>

Credit risk

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

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

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

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

	Financial assets at fair value through profit or loss	Cash and cash equivalents	Amount due from Manager	Total
	RM	RM	RM	RM
<u>2017</u>				
Collective investment scheme				
-NR	68,055,961	-	-	68,055,961
Finance				
-AA1	-	28,286	-	28,286
-AAA	-	2,240,607	-	2,240,607
Other				
-NR	-	-	460,730	460,730
	<u>68,055,961</u>	<u>2,268,893</u>	<u>460,730</u>	<u>70,785,584</u>
<u>2016</u>				
Collective investment scheme				
-NR	54,230,266	-	-	54,230,266
Finance				
-AA1	-	1,914,733	-	1,914,733
-AAA	-	580,127	-	580,127
Other				
-NR	-	-	749,298	749,298
	<u>54,230,266</u>	<u>2,494,860</u>	<u>749,298</u>	<u>57,474,424</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 interest of unit holders.

Non-compliance risk

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

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

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM35,052,724 (2016: RM27,800,549) and retained earnings of RM35,478,585 (2016:RM29,310,220).The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

Fair value estimation

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

The fair value of financial assets traded in active market (such as trading securities) are based on quoted market prices at the close of trading on the period end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the 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:				
Collective investment scheme	68,055,961	-	-	68,055,961
<u>2016</u>				
Financial assets at fair value through profit or loss:				
Collective investment scheme	54,230,266	-	-	54,230,266

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

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

3. MANAGEMENT FEE

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

For the financial period ended 31 December 2017, management fee is recognised at a rate of 1.75% (2016: 1.75%) per annum on the net asset value of the Fund, calculated on daily basis. As the Fund invests in collective investment scheme, any management fee charged by M&G Global Leaders Fund to the Fund will be fully refunded. The rebate of management fee is 1.75% per annum or RM606,576 (2016: 1.75% or RM446,287) calculated on net asset value of M&G Global Leaders Fund on a daily basis. In accordance with the SC Guidelines in Unit Trust Funds, there is no double charging of management fee to the Fund.

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

4. TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to 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 and a maximum fee of RM350,000 per annum.

For the financial period ended 31 December 2017, Trustee fee is recognised at a rate of 0.07% (2016: 0.07%) per annum on the net asset value of the Fund, subject to a minimum fee of RM18,000 per annum and a maximum fee of RM350,000 per annum (excluding foreign custodian fees and charges) calculated on a daily basis.

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

5. TAXATION

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

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	4,001,946	11,198,655
Tax at Malaysian statutory rate of 24%	3,207,618	2,687,677
Tax effects of:		
Investment income exempt from tax	(3,231,513)	(2,697,602)
Restriction on tax deductible expenses for Unit Trust Funds	9,987	3,762
Expenses not deductible for tax purposes	13,908	6,163
Taxation	-	-

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017	2016
	RM	RM
Designated at fair value through profit or loss:		
Collective investment scheme	<u>68,055,961</u>	<u>54,230,266</u>
Net gain on financial assets at fair value through profit or loss:		
Realised gain on disposal	3,103,214	1,267,905
Change in unrealised fair value gain	953,320	9,945,705
	<u>4,056,534</u>	<u>11,213,610</u>

	Quantity	Aggregate cost	Fair value as at 31.12.2017	Percentage of net asset value of the Fund
	Units	RM	RM	%

Foreign

M&G Global Leaders Fund Class A Euro	<u>662,800</u>	51,139,541	<u>68,055,961</u>	96.49
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ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

16,916,420

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

68,055,961

	Quantity	Aggregate cost	Fair value as at 31.12.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%

Foreign

M&G Global Leaders Fund Class A Euro	<u>581,572</u>	39,001,214	<u>54,230,266</u>	94.96
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**ACCUMULATED
UNREALISED GAIN ON
FINANCIAL ASSETS AT
FAIR VALUE THROUGH
PROFIT OR LOSS**

15,229,052

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

54,230,266

The M&G Global Leaders Fund is a global equity fund which invests in select stocks from across the global equities universe that are undergoing positive internal change leading to improvements in return on capital. The aim of the M&G Global Leaders Fund is to maximise long-term total return (the combination of income and growth of capital) by investing in a wide range of global equities issued by companies that the Fund Manager considers to be, or have the potential to be, leading in their field in terms of improving shareholder value.

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

7. CASH AND CASH EQUIVALENTS

	2017	2016
	RM	RM
Bank balances with a licensed bank	28,286	1,914,733
Deposit with a licensed financial institution	2,240,607	580,127
	<u>2,268,893</u>	<u>2,494,860</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: 3 days).

8. UNITS IN CIRCULATION

	2017	2016
	No. of units	No. of units
At the beginning of the financial period	97,078,575	87,247,935
Creation of units arising from applications during the financial period	23,904,352	20,749,712
Cancellation of units during the financial period	(26,582,441)	(24,380,129)
At the end of the financial period	<u>94,400,486</u>	<u>83,617,518</u>

9. TRANSACTIONS WITH ISSUER

Details of transactions with the issuer are as follow:

Name of issuer	Value of trades	Percentage of total trades
	RM	%
<u>2017</u>		
M&G Investment Management Limited	23,730,069	100.00
<u>2016</u>		
M&G Investment Management Limited	7,200,011	100.00

M&G Investment Management Limited is part of the Prudential Group whose ultimate holding company, Prudential Plc is listed on both the London and New York Stock Exchange. The Manager is of the opinion that all transactions with the related company have been entered into in the normal course of business at agreed terms between the related party.

There are no brokerage fees charged by the issuer.

10. UNITS HELD BY THE MANAGER

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

Related party	Relationship			
Eastspring Investments Berhad	The Manager			
	2017		2016	
	No. of units	RM	No. of units	RM
Eastspring Investments Berhad	1,000	747	1,000	683

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	0.10	0.08

MER is derived from the following calculation:

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

- A = Management fee net of rebates of 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 RM71,838,391 (2016: RM51,976,531).

12. PORTFOLIO TURNOVER RATIO ("PTR")

	2017	2016
PTR (times)	0.17	0.07

PTR is derived from the following calculation:

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

where:

total acquisitions for the financial period = RM11,239,054 (2016: RM1,720,695)

total disposals for the financial period = RM12,491,015 (2016: RM5,479,316)

13. SEGMENTAL INFORMATION

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

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

There were no changes in the reportable operating segments 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

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NAME

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COMPANY NO.

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