

EASTSPRING INVESTMENTS DINASTI EQUITY 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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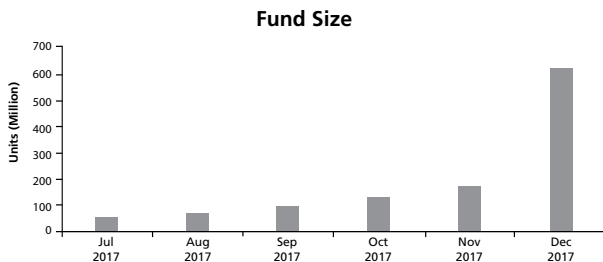
FUND INFORMATION

Name of Fund	Eastspring Investments Dinasti Equity Fund (the “Fund”)
Fund Category/ Type	Shariah equity/growth
Fund Objective	<p>The Fund aims to provide investors with long-term capital appreciation by investing in Shariah- compliant investments with exposure to the Greater China region.</p> <p>ANY MATERIAL CHANGES TO THE FUND’S OBJECTIVE WOULD REQUIRE UNIT HOLDERS’ APPROVAL.</p>
Performance Benchmark	<p>The performance benchmark of the Fund is DJIM Greater China Index.</p> <p>Source: www.djindexes.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 Dinasti Equity Fund stood at 616.714 million units.



Breakdown of Unit Holdings

Unit Holdings	No. of Unit Holders	%	No. of Units* ('000)	%
5,000 units and below	1,192	16.51	3,539	0.57
5,001 to 10,000 units	1,132	15.68	8,428	1.37
10,001 to 50,000 units	3,109	43.05	75,110	12.18
50,001 to 500,000 units	1,717	23.78	232,212	37.65
500,001 units and above	71	0.98	297,422	48.23
Total	7,221	100.00	616,711	100.00

* excludes units held by the Manager.

KEY PERFORMANCE DATA

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER

Category	2017	2016	2015
	(%)	(%)	(%)
Quoted Shariah-compliant securities			
Basic Material	3.70	4.18	1.03
Consumer Discretionary	-	2.94	1.12
Consumer Goods	10.15	9.01	9.14
Consumer Services	5.12	0.98	5.82
Consumer Staples	-	1.46	-
Financial	2.04	4.25	5.48
Health Care	4.69	5.19	2.13
Industrial	9.15	4.14	10.52
Oil & Gas	2.60	-	-
Technology	42.85	37.51	42.29
Telecommunication	7.37	12.68	1.36
Utilities	4.63	2.47	1.91
	92.30	84.81	80.80
Cash and other assets	7.70	15.19	19.20
Total	100.00	100.00	100.00

KEY PERFORMANCE DATA (CONTINUED)

Category	2017	2016	2015
Net Asset Value (NAV) (RM'000)	393,965	56,551	57,812
Units In Circulation (Units '000)	616,714	38,075	41,096
Net Asset Value Per Unit (RM)	0.6388	1.4852	1.4068
Highest Net Asset Value Per Unit (RM)	0.6395	1.5305	1.4908
Lowest Net Asset Value Per Unit (RM)	0.6299	1.2842	1.1814
Total Return (%)			
- Capital Growth	13.08	15.19	1.12
- Income Distribution	-	-	-
Total Return (%)	13.08	15.19	1.12
Gross Distribution Per Unit (RM)	-	-	-
Net Distribution Per Unit (RM)	-	-	-
Management Expense Ratio (MER) (%)*	1.04	1.07	0.99
Portfolio Turnover Ratio (PTR) (times)^	0.76	0.48	0.22

* 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	34.25	20.60	15.06

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	36.76	(3.57)	23.88	13.85	5.13

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

NAV₀ = 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

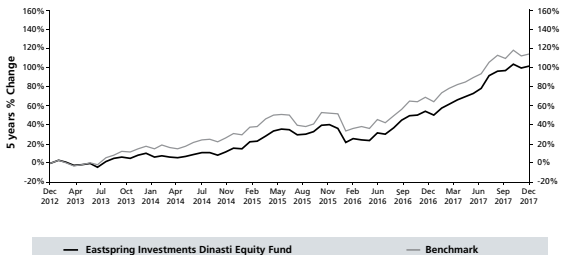
Over the 5-year period, the Fund recorded a return of 101.75%, underperforming the benchmark return of 114.43% by 12.68%.

During the period under review, the Fund registered a return of 13.08%, outperforming the benchmark return of 10.48% by 2.60%.

The outperformance can be attributed to the fund's Shariah-compliant stock selection within the information technology, consumer discretionary and industrial sectors.

The Fund met its investment objective to provide investors with long-term capital appreciation.

Eastspring Investments Dinasti Equity Fund
- 5 Years Return Vs Benchmark



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

Benchmark: DJIM Greater China Index

Source: Lipper for Investment Management and www.djindexes.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	13.08	13.08	10.48

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

Distribution/ Unit Split

Ex-Split	20-Dec-17
	(Ratio)

Unit Split 2 : 1

Impact on NAV arising from unit split for the financial period ended 31 December 2017.

Ex-Split	20-Dec-17
	(RM per Unit)

Net Asset Value before unit split 1.8931

Net Asset Value after unit split 0.6299

The effect of unit split does not affect the value of a unit holder's investment.

MANAGER'S REPORT (CONTINUED)

Investment Strategy During The Period Under Review

The fund raised its Shariah-compliant equity exposure and switched focus to overweight the HK/China countries while also increasing allocation to the technology sectors on the back of positive trends in global semiconductor sales. The Fund continues to focus on Shariah-compliant stock selection, and favor companies with healthy balance sheets, good market positioning, decent earnings growth and are trading at attractive valuations

Asset Allocation

Asset Allocation	31-Dec 2017 (%)	30-Jun 2017 (%)	Changes (%)
Quoted Shariah-compliant securities	92.30	95.63	(3.33)
Cash and other assets	7.70	4.37	3.33

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, a new paragraph has been added into the investment strategy of the Fund as set out in (a) below, while the information in relation to the income reinvestment policy has been revised as set out in (b) below:

a. Investment Strategy

Currently, EPF Members Investment Scheme does not allow investment in derivatives and structured products. Hence, the Fund is not allow to invest in Shariah-compliant derivatives, derivatives-related instruments and Islamic structured product. However, the Fund may invest in Shariah-compliant derivatives, derivatives-related instruments and Islamic structured product if there is a change in (i) the restrictions imposed on the EPF Members Investment Scheme on investment in derivatives and structured products, and/or (ii) the eligibility of the Fund under EPF Members Investment Scheme.

b. 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.

MANAGER'S REPORT (CONTINUED)

State of Affairs of the Fund (continued)

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, a new paragraph has been added into the investment strategy of the Fund as set out in (c) below, and the information in relation to the 1st paragraph, 1st sentence in 3rd paragraph and 4th paragraph of the investment strategy, security risk, currency risk, Shariah-compliant derivatives risk, counterparty risk, reclassification of Shariah status risk and minimum holdings of units have been revised as set out in (c) to (i) below. The revision of the 1st paragraph of the investment strategy was due to addition of explanation to "attractive".

c. Investment Strategy

(i) New paragraph:

The Fund will only invest in Shariah-compliant derivatives that are issued by counterparties with a strong credit rating. A Malaysian counterparty must have a credit rating of at least AA3 or P2 by RAM Rating Services Berhad ("RAM"), or its equivalent rating by any other domestic rating agencies. A foreign counterparty, on the other hand, must have a credit rating of at least A as rated by Standard & Poor's, or its equivalent rating by any other global rating agencies. Should the credit rating of the counterparty be downgraded by the rating agencies to below the minimum credit rating, the Manager will unwind the affected invested Shariah-compliant derivative instrument or hold the Shariah-compliant derivative instrument to maturity if its period to maturity is less than six (6) months.

MANAGER'S REPORT (CONTINUED)

State of Affairs of the Fund (continued)

(ii) 1st paragraph:

The Fund seeks to achieve its objective by investing primarily in Shariah-compliant equities and equity-related securities of companies based in the Greater China region which potentially offer attractive* long-term value. The Fund will invest in markets where the regulatory authority is an ordinary member of International Organization of Securities Commissions ("IOSCO"). The markets where the Fund will invest in include China, Hong Kong and Taiwan. The Fund will also invest in Shariah-compliant shares of companies listed in Malaysia, Singapore and the United States of America, where such companies have exposure to the Greater China region. The Fund will adopt a bottom up Shariah-compliant investment approach with no benchmark constraint (i.e. the weightage of the stocks of the fund is not constrained by the weightage of the stocks in the benchmark).

* attractive generally refers to companies with a good balance of healthy earnings growth trading at reasonable valuations. Valuation can be measured by various measures, such as but not limited to, price/ earnings, price/book and discounted cash flows.

(iii) 1st sentence in 3rd paragraph:

The Fund shall invest in domestic sukuk with a minimum credit rating of AA3 or P2 by RAM, or its equivalent rating by any other domestic rating agencies whilst foreign sukuk shall carry a minimum credit rating of BB3 or A-3 by Standard & Poor's or its equivalent rating by any other global rating agencies. Should the credit rating of the sukuk be downgraded by the rating agencies to below the minimum credit rating, the Manager may dispose of the affected sukuk in the market.

MANAGER'S REPORT (CONTINUED)

State of Affairs of the Fund (continued)

(iv) 4th paragraph:

The Manager may also employ Shariah-compliant derivatives and derivative-related instruments (over-the-counter (OTC)) such as Islamic products based on Arboon contracts, murabahah and mudharabah contracts as well as Islamic structured products for efficient portfolio management and hedging purposes only. Net short positions and leverage are not allowed.

d. Security Risk

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

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

MANAGER'S REPORT (CONTINUED)

State of Affairs of the Fund (continued)

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.

e. Currency Risk

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

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

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

f. Shariah-compliant Derivatives Risk

The Manager may invest in Shariah-compliant derivatives for hedging and efficient portfolio management purposes. Shariah-compliant derivatives' market values may be subject to wide fluctuations and expose the Fund to potential gains or losses due to mark-to-market value.

MANAGER'S REPORT (CONTINUED)

**State of Affairs of
the Fund
(continued)**

g. Counterparty Risk

The Fund will be exposed to credit risk on the counterparties with whom the Fund trades with. The Fund may enter into Shariah-compliant derivative contracts. In the event that the counterparty is not able to fulfil its obligations especially in the event of bankruptcy, this may lead to a loss to the Fund. This risk is mitigated by conducting credit evaluation on the counterparty to ascertain the creditworthiness of the counterparty.

h. Reclassification of Shariah Status Risk

This is the risk that Shariah-compliant equities in the Fund may be reclassified to be Shariah non-compliant upon periodic review of the equities by the Shariah adviser or the Shariah boards of the relevant Islamic indices. If this occurs, the Manager will adopt the necessary steps to dispose such equities. There may be opportunity loss to the Fund due to the Fund not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant equities. The value of the Fund may also be adversely affected in the event of a disposal of Shariah non-compliant equities at a price lower than the investment cost.

i. 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

Greater China markets continued to march higher in the second half of the year. The MSCI China Index was up 22.3% during the period, while the Hang Seng Index and Taiwan Stock Exchange Index rose by 16.1% and 2.4% respectively. The fund's benchmark index, the Dow Jones Greater China Islamic Index similarly rose 17.2% during the period. The strong gains in the index were largely driven by Chinese internet titans such as Alibaba, Tencent, JD.com and Baidu. Within sectors, there was notable strength in the information technology sectors across the Greater China markets. The MSCI China Information Technology Index was up 33.5% during the period.

The strength seen in the Greater China internet and technology companies was in some way reflective of the broader Chinese economy. GDP growth through the second and third quarters in China stood at 6.9% and 6.8% respectively, coming in a tad above expectations. The GDP strength was led by strong domestic consumption where retail sales for the second half of the year continues to see above 10% growth. The strength of the economy also led to higher disposable incomes and continued lifestyle upgrades that benefitted internet and technology stocks in the greater china markets.

Meanwhile, China's President Xi Jinping also solidified his position during the communist party's 19th congress by naming his top ranking officers but not his successor. President Xi vowed to continue China's push for further reform in the financial and environmental sectors, as well as greater push of advancement in the technology and healthcare sectors. Against this backdrop of stability and strong economic growth, both the Chinese Renminbi ("RMB") and Taiwanese Dollar ("TWD") strengthened versus the United States Dollar ("USD").

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 DINASTI EQUITY 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 21 to 70 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 DINASTI EQUITY FUND

We have acted as Trustee for Eastspring Investments Dinasti Equity 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

SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS DINASTI EQUITY FUND

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

In our opinion, Eastspring Investments Berhad has managed and administered Eastspring Investments Dinasti Equity Fund in accordance with Shariah principles and complied with applicable guidelines, rulings and decisions issued by the Securities Commission pertaining to Shariah matters for the financial period ended 31 December 2017.

In addition, we also confirm that the investment portfolio of Eastspring Investments Dinasti Equity Fund comprises securities which have been classified as Shariah-compliant by the Shariah Supervisory Board of Dow Jones Islamic Market Greater China Index. As for the securities which are not certified by the Shariah Advisory Board of Dow Jones Islamic Market Greater China Index, we have reviewed the said securities and opine that these securities are designated as Shariah-compliant.

For and on behalf of the Shariah Adviser

IBFIM

MOHD ASYRAF SHARUNUDIN

Consultant (Shariah)/Designated Person Responsible for Shariah Advisory

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		1,330,909	434,821
Other income		-	1,155
Profit income from Islamic deposits with licensed financial institutions		66,732	32,266
Net gain on financial assets at fair value through profit or loss	6	14,388,361	7,782,078
Net foreign currency exchange (loss)/gain		(1,004,876)	860,633
		<u>14,781,126</u>	<u>9,110,953</u>
EXPENSES			
Management fee	3	(1,888,406)	(520,606)
Custodian fee		(28,644)	(9,479)
Trustee fee	4	(83,929)	(23,138)
Audit fee		(3,781)	(3,781)
Tax agent fee		(1,715)	(1,715)
Transaction cost		(597,121)	(125,907)
GST charges		(119,607)	(33,097)
Other expenses		(46,568)	(21,402)
		<u>(2,769,771)</u>	<u>(739,125)</u>
PROFIT BEFORE TAXATION		12,011,355	8,371,828
TAXATION	5	<u>(136,766)</u>	<u>(32,987)</u>
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		<u>11,874,589</u>	<u>8,338,841</u>

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

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
Profit after taxation is made up of the following:		
Realised amount	(580,532)	5,707,197
Unrealised amount	12,455,121	2,631,644
	<u>11,874,589</u>	<u>8,338,841</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	8	24,801,175	9,265,473
Dividends receivable		-	36,609
Amount due from Manager		19,601,837	442,755
Financial assets at fair value through profit or loss	6	363,780,306	47,945,544
TOTAL ASSETS		<u>408,183,318</u>	<u>57,690,381</u>
LIABILITIES			
Amount due to brokers		13,140,471	1,007,071
Amount due to Manager		440,975	8,607
Amount due to custodian		16,071	1,199
Accrued management fee		548,627	85,522
Amount due to Trustee		24,383	3,801
GST charges payable		34,381	5,360
Other payables and accruals		13,102	28,121
TOTAL LIABILITIES		<u>14,218,010</u>	<u>1,139,681</u>
NET ASSET VALUE OF THE FUND		<u>393,965,308</u>	<u>56,550,700</u>
EQUITY			
Unit holders' capital		354,609,780	36,861,518
Retained earnings		39,355,528	19,689,182
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>393,965,308</u>	<u>56,550,700</u>
NUMBER OF UNITS IN CIRCULATION	9	<u>616,713,869</u>	<u>38,074,985</u>
NET ASSET VALUE PER UNIT EX-SPLIT (RM)		<u>0.6388</u>	<u>1.4852</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	51,886,498	27,480,939	79,367,437
Movement in unit holders' contribution:			
Creation of units from applications	344,924,277	-	344,924,277
Cancellation of units	(42,200,995)	-	(42,200,995)
Total comprehensive income for the financial period	-	11,874,589	11,874,589
Balance as at 31 December 2017	<u>354,609,780</u>	<u>39,355,528</u>	<u>393,965,308</u>
Balance as at 1 July 2016	43,948,226	11,350,341	55,298,567
Movement in unit holders' contribution:			
Creation of units from applications	9,003,693	-	9,003,693
Cancellation of units	(16,090,401)	-	(16,090,401)
Total comprehensive income for the financial period	-	8,338,841	8,338,841
Balance as at 31 December 2016	<u>36,861,518</u>	<u>19,689,182</u>	<u>56,550,700</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 31.12.2017	6-months financial period ended 31.12.2016
Note	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of Shariah-compliant investments	22,694,198	31,195,710
Purchase of Shariah-compliant investments	(282,603,579)	(26,525,283)
Dividends received	1,517,856	770,953
Other income received	-	1,155
Profit income received from Islamic deposits with licensed financial institutions	66,732	32,266
Management fee paid	(1,456,058)	(517,777)
Trustee and custodian fee paid	(81,008)	(29,643)
Payment for other fees and expenses	(761,799)	(61,578)
Net foreign currency exchange (loss)/gain	(1,004,876)	860,633
Net cash (used in)/generated from operating activities	<u>(261,628,534)</u>	<u>5,726,436</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	326,245,092	8,934,355
Payments for cancellation of units	(42,143,163)	(16,083,734)
Distribution paid	(1,573,786)	(977,495)
Net cash generated from/(used in) financing activities	<u>282,528,143</u>	<u>(8,126,874)</u>

UNAUDITED STATEMENT OF CASH FLOWS (CONTINUED)

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
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		20,899,609	(2,400,438)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		<u>3,901,566</u>	<u>11,665,911</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	8	<u>24,801,175</u>	<u>9,265,473</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 M 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:

(a) 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 instruments¹ are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instruments² is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest³.

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

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

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

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

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

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

- 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

Profit income from short-term Islamic deposits is recognised on an accrual basis using the effective profit method.

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

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

C. TAXATION

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

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

D. PRESENTATION AND FUNCTIONAL CURRENCY

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

E. FOREIGN CURRENCY TRANSLATION

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

F. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

i. Classification

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

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

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been included in current assets. The Fund’s receivables comprise 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 include amount due to Manager, amount due to brokers, amount due to custodian, 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. Shariah-compliant investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

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

Financial 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. Gain and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, and through the amortisation process.

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

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

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

Quoted Shariah-compliant securities outside Malaysia are valued at the last traded market price quoted on the respective foreign stock exchanges at the close of the business day.

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

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

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

iii. Impairment for assets carried at amortised costs

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

The amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective profit rate. The carrying amount of the asset is reduced and

the amount of the loss is recognised in statement of comprehensive income. If 'receivables' have a variable profit rate, the discount rate for measuring any impairment loss is the current effective profit rate determined under the contract.

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

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

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

G. CASH AND CASH EQUIVALENTS

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

H. TRANSACTION COSTS

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to brokers and dealers. Transaction costs, when incurred, are immediately recognised in profit or loss as an expense.

I. UNIT HOLDERS' CAPITAL

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

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

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

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

J. SEGMENTAL INFORMATION

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

K. AMOUNT DUE FROM/(TO) BROKERS

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective profit method, less provision for impairment for 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, profit income is recognised using the rate of profit used to discount the future cash flows for the purpose of measuring the impairment loss.

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

L. FAIR VALUE OF FINANCIAL INSTRUMENTS

Islamic 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.

M. 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

The Unit Trust Fund (the "Fund") was constituted under the name Eastspring Investments Dinasti Equity Fund pursuant to the execution of a Deed dated 28 August 2009 (the "Deed") entered into between Eastspring Investments Berhad (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee"), followed by Supplemental Deed dated 20 January 2012, Second Supplemental Deed dated 26 March 2014, Third Supplemental Deed dated 2 January 2015 and Fourth Supplemental Deed dated 11 December 2017 (collectively referred to as the "Deed").

The Fund was launched on 26 October 2009 and will continue its operations until terminated by the Trustee or the Manager as provided under Part 12 of the Deed.

The Fund invests primarily in Shariah-compliant equities and equity-related securities of companies based in the Greater China region which potentially offer attractive long-term value. These include Shariah-compliant securities of Greater China-based companies listed or to be listed on recognised exchanges of the People's Republic of China, Hong Kong and Taiwan as well as other recognised exchanges such as in Malaysia, Singapore and United States of America where the regulatory authority is a member of the International Organization of Securities Commissions ("IOSCO"). 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 Fund aims to provide investors with long-term capital appreciation by investing in Shariah-compliant investments with exposure to the Greater China Region.

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, exposure to interest rate risk and foreign exchange/currency risk), fund management risk, capital risk, credit/default risk, liquidity risk and reclassification of Shariah status risk.

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

Financial instruments of the Fund are as follows:

	Note	Receivables	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
<u>2017</u>				
Cash and cash equivalents	8	24,801,175	-	24,801,175
Amount due from Manager		19,601,837	-	19,601,837
Quoted Shariah-compliant securities	6	-	363,780,306	363,780,306
		<u>44,403,012</u>	<u>363,780,306</u>	<u>408,183,318</u>
<u>2016</u>				
Cash and cash equivalents	8	9,265,473	-	9,265,473
Amount due from Manager		442,755	-	442,755
Dividends receivable		36,609	-	36,609
Quoted Shariah-compliant securities	6	-	47,945,544	47,945,544
		<u>9,744,837</u>	<u>47,945,544</u>	<u>57,690,381</u>

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

Market risk

i. Price risk

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

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

	2017	2016
	RM	RM
Quoted Shariah-compliant securities designated at fair value through profit or loss	<u>363,780,306</u>	<u>47,945,544</u>

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

% Change in price of financial assets at fair value through profit or loss	Market value	Increase/(decrease) in profit after tax and net asset value
	RM	RM
<u>2017</u>		
+5%	381,969,321	18,189,015
-5%	345,591,291	(18,189,015)
<hr/>		
<u>2016</u>		
+5%	50,342,821	2,397,277
-5%	45,548,267	(2,397,277)
<hr/>		

ii. Exposure to interest rate risk

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

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

As at the date of the statement of financial position, all the financial assets and financial liabilities have no exposure to interest rate movement except for Islamic deposits with licensed financial institution of RM3,550,875 (2016: RM3,335,158) which have maturities of less than one year.

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

The Fund is not exposed to cash flow interest rate risk as the Fund does not hold any financial instruments at variable interest rate.

iii. Foreign exchange/currency risk

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

In the normal course of investment, the Fund Manager will usually not hedge foreign currency exposure. The Fund Manager may however, depending on prevailing market circumstances at a particular point in time, choose to use Islamic forward or Islamic 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 or loss	Cash and cash equivalents	Total
	RM	RM	RM
<u>2017</u>			
HKD	186,202,355	-	186,202,355
USD	76,457,376	16,155,319	92,612,695
TWD	101,120,575	5,073,399	106,193,974
	<u>363,780,306</u>	<u>21,228,718</u>	<u>385,009,024</u>

Financial liability	Amount due to brokers	Total
	RM	RM
<u>2017</u>		
HKD	3,198,039	3,198,039
TWD	9,942,432	9,942,432
	<u>13,140,471</u>	<u>13,140,471</u>

	Financial assets at fair value through profit or loss	Cash and cash equivalents	Dividends receivable	Total
	RM	RM	RM	RM
<u>2016</u>				
HKD	26,071,772	-	36,609	26,108,381
USD	8,416,599	5,907,344	-	14,323,943
TWD	13,457,173	-	-	13,457,173
	<u>47,945,544</u>	<u>5,907,344</u>	<u>36,609</u>	<u>53,889,497</u>

Financial liability	Amount due to brokers	Total
	RM	RM
<u>2016</u>		
HKD	273,363	273,363
USD	733,708	733,708
	<u>1,007,071</u>	<u>1,007,071</u>

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>			
HKD	5	9,150,216	9,150,216
USD	5	4,630,635	4,630,635
TWD	5	4,812,577	4,812,577
<hr/>			
<u>2016</u>			
HKD	5	1,291,751	1,291,751
USD	5	679,512	679,512
TWD	5	672,859	672,859
<hr/>			

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 profit of unit holders.

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM354,609,780 (2016: RM36,861,518) and retained earnings of RM39,355,528 (2016: RM19,689,182). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the Shariah-compliant investment activities of the Fund.

Credit/default risk

Credit risk refers to the ability of an issuer or a counter party to make timely payments of profit, principals and proceeds from realisation of Shariah-compliant investments. 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 Islamic deposits in licensed financial institutions is managed by ensuring that the Fund will only place Islamic 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/default risk is minimal as all transactions in quoted Shariah-compliant securities are settled/paid upon delivery using approved brokers.

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

	Cash and cash equivalents	Amount due from Manager	Total
	RM	RM	RM
<u>2017</u>			
Finance			
- AAA	3,550,875	-	3,550,875
- AA1	21,250,300	-	21,250,300
Other			
- NR	-	19,601,837	19,601,837
	<u>24,801,175</u>	<u>19,601,837</u>	<u>44,403,012</u>

	Cash and cash equivalents	Amount due from Manager	Dividends receivable	Total
	RM	RM	RM	RM
<u>2016</u>				
Consumer Goods				
- NR	-	-	36,609	36,609
Finance				
- AAA	1,330,226	-	-	1,330,226
- AA1	5,930,315	-	-	5,930,315
- AA2	2,004,932	-	-	2,004,932
Other				
- NR	-	442,755	-	442,755
	<u>9,265,473</u>	<u>442,755</u>	<u>36,609</u>	<u>9,744,837</u>

None of these assets are past due or impaired.

Liquidity risk

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

The Fund maintains sufficient level of Islamic liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Islamic liquid assets comprise cash, Islamic 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 brokers	13,140,471	-	13,140,471
Amount due to Manager	440,975	-	440,975
Accrued management fee	548,627	-	548,627
Amount due to Trustee	24,383	-	24,383
Amount due to custodian	16,071	-	16,071
GST charges payable	34,381	-	34,381
Other payables and accruals	-	13,102	13,102
Contractual cash outflows	<u>14,204,908</u>	<u>13,102</u>	<u>14,218,010</u>

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
<u>2016</u>			
Amount due to brokers	1,007,071	-	1,007,071
Amount due to Manager	8,607	-	8,607
Accrued management fee	85,522	-	85,522
Amount due to Trustee	3,801	-	3,801
Amount due to custodian	1,199	-	1,199
GST charges payable	5,360	-	5,360
Other payables and accruals	-	28,121	28,121
Contractual cash outflows	1,111,560	28,121	1,139,681

Reclassification of Shariah status risk

This risk refers to the risk that the currently held Shariah-compliant securities in the portfolio of Shariah-compliant Fund may be reclassified to be Shariah non-compliant in the periodic review of the securities by the Shariah Adviser or the Shariah Boards of the relevant Islamic indices. If this occurs, the Manager will take the necessary steps to dispose of such securities.

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

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 Shariah-compliant 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 judgement, 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				
Shariah-compliant securities	363,780,306	-	-	363,780,306
<u>2016</u>				
Financial assets at fair value through profit or loss:				
Quoted				
Shariah-compliant securities	47,945,544	-	-	47,945,544

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

- ii. The carrying value of 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 daily basis.

For the financial period ended 31 December 2017, the management fee is recognised at a rate of 1.80% (2016: 1.80%) 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 (excluding foreign custodian fees and charges).

For the financial period ended 31 December 2017, the Trustee fee is recognised at a rate of 0.08% (2016: 0.08%) per annum of the net asset value of the Fund, inclusive of local custodian fee, calculated on daily basis.

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

5. TAXATION

	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 – foreign	136,766	32,987

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	12,011,355	8,371,828
Tax at Malaysian statutory rate of 24%	2,882,725	2,009,239
Tax effects of:		
Investment income exempt from tax	(3,547,470)	(2,186,629)
Expenses not deductible for tax purposes	210,620	51,537
Restriction on the tax deductible expenses for Unit Trust Funds	454,125	125,853
Foreign income subject to different tax rate	136,766	32,987
Taxation	136,766	32,987

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017	2016
	RM	RM
Designated at fair value through profit or loss:		
Quoted Shariah-compliant securities	363,780,306	47,945,544
Net gain on financial assets at fair value through profit or loss:		
Realised gain on disposals	1,958,243	5,153,049
Change in unrealised fair value gain	12,430,118	2,629,029
	<u>14,388,361</u>	<u>7,782,078</u>

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 31.12.2017	of net asset value of the Fund
	Units	RM	RM	%
Hong Kong Securities				
<u>Basic Material</u>				
Real Gold Mining Ltd [Note 7 (a) (i)]	210,000	984,690	-	-
<u>Consumer Goods</u>				
Brilliance China Automotive Holdings Limited	184,000	1,747,450	1,992,436	0.51
Hengan International Group Company Limited	84,500	3,250,543	3,797,925	0.96
Minth Group Limited	370,000	7,763,469	9,038,651	2.29
Nexteer Automotive Group Limited	862,000	6,342,008	8,315,859	2.11
Shenzhou International Group Holdings Limited	122,000	4,148,510	4,702,761	1.19
Techtronic Industries Company Limited	308,000	6,800,854	8,130,460	2.06
	<u>1,930,500</u>	<u>30,052,834</u>	<u>35,978,092</u>	<u>9.12</u>

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at	of net asset
	Units	RM	31.12.2017	value of the Fund
			RM	%
Hong Kong Securities				
(continued)				
<u>Financial</u>				
The Link Real Estate Investment Trust	214,000	7,020,087	8,032,900	2.04
<u>Health Care</u>				
CSPC Pharmaceutical Group Limited	930,000	6,352,890	7,603,440	1.93
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	418,500	7,631,606	10,873,931	2.76
	1,348,500	13,984,496	18,477,371	4.69
<u>Industrial</u>				
Sunny Optical Technology (Group) Company Limited	184,000	8,945,806	9,523,652	2.42
Zhuzhou CSR Times Electric Company Limited	318,000	7,626,513	8,377,960	2.13
	502,000	16,572,319	17,901,612	4.55
<u>Oil & Gas</u>				
China Petroleum & Chemical Corporation	3,452,000	10,739,115	10,248,153	2.60

Name of counter	Quantity	Aggregate cost	Fair value as at	Percentage of net asset value of the Fund
	Units	RM	31.12.2017 RM	%
Hong Kong Securities				
(continued)				
<u>Technology</u>				
ASM Pacific Technology Limited	184,600	11,317,404	10,415,491	2.64
Tencent Holdings Limited	170,200	26,072,146	35,801,875	9.09
Travelsky Technology Limited	705,000	7,931,813	8,565,489	2.17
	<u>1,059,800</u>	<u>45,321,363</u>	<u>54,782,855</u>	<u>13.90</u>
<u>Telecommunication</u>				
China Mobile Limited	549,000	23,940,682	22,541,967	5.72
<u>Utilities</u>				
Cheung Kong Infrastructure Holdings Limited	262,500	9,564,227	9,132,623	2.32
China Resources Gas Group Limited	620,000	9,210,156	9,106,782	2.31
	<u>882,500</u>	<u>18,774,383</u>	<u>18,239,405</u>	<u>4.63</u>
Total Hong Kong Securities	10,148,300	167,389,969	186,202,355	47.25

Name of counter	Quantity	Aggregate cost	Fair value as at	Percentage of net asset value of the Fund
			31.12.2017	
	Units	RM	RM	%
Taiwan Securities				
<u>Basic Material</u>				
Formosa Plastics Corporation Ltd	1,084,280	13,560,433	14,584,044	3.70
<u>Consumer Goods</u>				
Eclat Textile Co., Ltd.	6,120	264,007	248,118	0.06
Largan Precision Co., Ltd	7,000	5,254,510	3,834,807	0.97
	13,120	5,518,517	4,082,925	1.03
<u>Industrial</u>				
Airtac International Group	125,564	7,112,985	9,154,577	2.32
Chin-Poon Industrial Co., Ltd.	442,000	3,580,513	3,499,595	0.89
Delta Electronics, Inc.	280,000	5,565,941	5,475,570	1.39
	847,564	16,259,439	18,129,742	4.60
<u>Technology</u>				
Accton Technology Corporation	538,000	7,768,791	7,771,548	1.97
Advantech Co., Ltd.	138,000	4,130,149	3,958,681	1.00
Chipbond Technology Corporation	930,000	6,957,036	7,147,949	1.81
Taiwan Semiconductor Manufacturing Co., Ltd.	1,224,000	34,563,480	38,281,019	9.72
Win Semiconductors Corporation	17,248	285,158	665,188	0.17
	2,847,248	53,704,614	57,824,385	14.67

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at	of net asset
	Units	RM	31.12.2017	value of
			RM	the Fund
				%
Taiwan Securities				
(continued)				
<u>Telecommunication</u>				
Far Eastone				
Telecommunications Company Limited	371,000	3,633,846	3,716,042	0.94
Taiwan Mobile Company Limited	190,000	2,833,143	2,783,437	0.71
	561,000	6,466,989	6,499,479	1.65
Total Taiwan Securities	5,353,212	95,509,992	101,120,575	25.65
China Securities				
(Listed in United States)				
<u>Consumer Services</u>				
JD.Com, Inc.	64,600	9,978,186	10,820,660	2.75
New Oriental Education & Technology Group Inc.	24,600	8,887,890	9,351,345	2.37
	89,200	18,866,076	20,172,005	5.12
<u>Technology</u>				
Alibaba Group Holding Limited	50,700	31,521,232	35,353,461	8.97
Baidu, Inc.	22,100	20,972,957	20,931,910	5.31
	72,800	52,494,189	56,285,371	14.28
Total China Securities	162,000	71,360,265	76,457,376	19.40
(Listed in United States)				

Name of counter	Quantity	Aggregate cost	Fair value as at 31.12.2017	Percentage of net asset value of the Fund
	Units	RM	RM	%
TOTAL QUOTED SHARIAH-COMPLIANT SECURITIES	<u>15,663,512</u>	334,260,226	<u>363,780,306</u>	92.30
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>29,520,080</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>363,780,306</u>		

Name of counter	Quantity	Aggregate cost	Fair value as at	Percentage of net asset value of the Fund
	Units	RM	31.12.2016 RM	%
China Securities				
(Listed in Hong Kong)				
<u>Basic Material</u>				
Real Gold Mining Ltd [Note 7 (a) (i)]	210,000	984,690	-	-
<u>Consumer Goods</u>				
Minth Group Limited	52,000	719,638	726,904	1.29
Shenzhou International Group Holdings Limited	21,000	565,477	596,232	1.05
	73,000	1,285,115	1,323,136	2.34
<u>Consumer Staples</u>				
Hengan International Group Company Limited	25,000	859,519	824,120	1.46
<u>Health Care</u>				
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	60,500	599,984	831,717	1.47
<u>Industrial</u>				
China Lesso Group Holdings Limited	538,000	1,238,307	1,566,416	2.77
Sunny Optical Technology (Group) Company Limited	11,000	190,587	216,167	0.38
Zhuzhou CSR Times Electric Co., Ltd.	24,500	540,452	558,043	0.99
	573,500	1,969,346	2,340,626	4.14

Name of counter	Quantity	Aggregate cost	Fair value as at	Percentage of net asset value of the Fund
	Units	RM	31.12.2016 RM	%
China Securities				
(Listed in Hong Kong)				
(continued)				
<u>Technology</u>				
AAC Acoustic Technology Holdings Inc	7,000	146,604	285,454	0.50
Tencent Holdings Limited	46,500	2,387,480	5,105,956	9.03
Travelsky Technology Limited	121,000	1,116,039	1,141,642	2.02
	174,500	3,650,123	6,533,052	11.55
<u>Utilities</u>				
CT Environmental Group Limited	712,000	845,902	642,927	1.14
Total China Securities	1,828,500	10,194,679	12,495,578	22.10
(Listed in Hong Kong)				

Name of counter	Quantity	Aggregate cost	Fair value as at 31.12.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
China Securities				
(Listed in United States)				
<u>Consumer Discretionary</u>				
JD.Com, Inc.	12,100	1,422,593	1,380,437	2.44
<u>Technology</u>				
Alibaba Group Holding Ltd	13,000	4,091,987	5,119,191	9.05
Baidu.Com	2,600	1,908,552	1,916,971	3.39
	15,600	6,000,539	7,036,162	12.44
Total China Securities				
(Listed in United States)				
	27,700	7,423,132	8,416,599	14.88
Hong Kong Securities				
<u>Basic Material</u>				
Sinopec Shanghai Petrochemical Co., Ltd.	260,000	545,209	632,091	1.12
<u>Consumer Goods</u>				
Pacific Textiles Holdings Ltd	212,000	1,113,485	1,033,248	1.83
Techtronic Industries Company Limited	87,000	1,451,184	1,399,977	2.48
	299,000	2,564,669	2,433,225	4.31
<u>Consumer Services</u>				
MTR Corp Ltd	25,290	351,776	551,883	0.98

Name of counter	Quantity	Aggregate cost	Fair value as at 31.12.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
Hong Kong Securities				
(continued)				
<u>Financial</u>				
Cheung Kong Property Holdings Limited	28,000	839,150	770,664	1.36
The Link Real Estate Investment Trust	56,000	1,423,563	1,633,712	2.89
	<u>84,000</u>	<u>2,262,713</u>	<u>2,404,376</u>	<u>4.25</u>
<u>Health Care</u>				
Sino Biopharmaceutical Limited	271,000	833,689	856,483	1.51
<u>Telecommunication</u>				
China Mobile Limited	108,000	4,860,430	5,138,689	9.09
<u>Utilities</u>				
Cheung Kong Infrastructure Holdings Limited	21,000	770,210	750,000	1.33
Total Hong Kong Securities	<u>1,068,290</u>	<u>12,188,696</u>	<u>12,766,747</u>	<u>22.59</u>

Name of counter	Quantity	Aggregate cost	Fair value as at	Percentage of net asset
			31.12.2016	value of the Fund
	Units	RM	RM	%
Taiwan Securities				
<u>Basic Material</u>				
Formosa Plastics Corporation Ltd	140,280	1,358,078	1,732,922	3.06
<u>Consumer Discretionary</u>				
Eclat Textile Co., Ltd	6,000	263,309	280,442	0.50
<u>Consumer Goods</u>				
Largan Precision Co., Ltd	1,000	476,619	524,877	0.93
<u>Health Care</u>				
Ginko International Co., Ltd	27,000	1,250,920	1,247,033	2.21
<u>Technology</u>				
Chicony Electronics Co., Ltd	118,000	1,202,003	1,225,636	2.17
Taiwan Semiconductor Manufacturing Co., Ltd.	206,000	2,267,783	5,178,003	9.16
Win Semiconductors Corp	98,248	1,118,174	1,236,819	2.19
	422,248	4,587,960	7,640,458	13.52
<u>Telecommunication</u>				
Far Eastone Telecommunications Co., Ltd	89,000	576,195	893,607	1.58
Taiwan Mobile Co., Ltd	79,000	1,127,023	1,137,834	2.01
	168,000	1,703,218	2,031,441	3.59
Total Taiwan Securities	764,528	9,640,104	13,457,173	23.81

Name of counter	Quantity	Aggregate cost	Fair value as at 31.12.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
United States Security (Listed in Hong Kong)				
<i>Consumer Goods</i>				
Nexteer Automotive Group Limited	152,000	837,030	809,447	1.43
Total United States Security (Listed in Hong Kong)	152,000	837,030	809,447	1.43
TOTAL QUOTED SHARIAH-COMPLIANT SECURITIES				
	<u>3,841,018</u>	40,283,641	<u>47,945,544</u>	84.81
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>7,661,903</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>47,945,544</u>		

* Real Gold Mining Limited has been suspended from trading on the Stock Exchange of Hong Kong Limited since 27 May 2011.

7. SHARIAH INFORMATION OF THE FUND

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

- a. Equity securities in foreign markets which have been classified as Shariah-compliant either by the Shariah Supervisory Board of Dow Jones Islamic Market Greater China Index and duly verified by the Shariah Adviser and/or those securities which have been reviewed and classified as Shariah-compliant by the Shariah Adviser EXCEPT for:
 - i. Real Gold Mining Ltd was removed from Dow Jones Islamic Market Greater China Index on 31 July 2011. As advised by the Shariah Adviser, this security will be disposed soonest practical, once the total amount of dividends received and the market value held equal the original investment costs.
- b. Liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

8. CASH AND CASH EQUIVALENTS

	2017	2016
	RM	RM
Bank balances with a licensed bank	21,250,300	5,930,315
Islamic deposit with a licensed financial institution	3,550,875	3,335,158
	<u>24,801,175</u>	<u>9,265,473</u>

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

	2017	2016
	RM	RM
MYR	3,572,457	3,358,129
TWD	5,073,399	-
USD	16,155,319	5,907,344
	<u>24,801,175</u>	<u>9,265,473</u>

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

	2017	2016
	%	%
Islamic deposit with a licensed financial institution	3.00	3.40

The Islamic deposit has an average maturity of 2 days (2016: 7 days).

9. UNITS IN CIRCULATION

	2017	2016
	No. of units	No. of units
At the beginning of the financial period	46,823,200	42,887,597
Creation of units arising from applications during the financial period	593,322,160	6,220,158
Cancellation of units during the financial period	(23,431,491)	(11,032,770)
At the end of the financial period	616,713,869	38,074,985

10. TRANSACTIONS WITH BROKERS

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

Name of brokers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2017</u>				
Credit Lyonnais Securities Asia Ltd	40,446,837	12.79	101,117	26.83
Merrill Lynch International Limited	39,875,928	12.61	62,806	16.66
Macquarie Bank Limited	33,042,661	10.45	31,357	8.32
Citigroup Global Markets Limited	32,774,099	10.36	31,356	8.32
Morgan Stanley & Co Inc	31,798,474	10.06	28,672	7.61
Deutsche Securities Asia Ltd	27,059,050	8.56	27,622	7.33
Bank of America Corporation	26,703,953	8.44	5,791	1.54
UBS Securities Pte Ltd	26,134,149	8.26	22,452	5.96
Credit Suisse (Hong Kong) Limited	19,557,780	6.18	15,068	4.00
CLSA Ltd	16,402,662	5.19	27,061	7.18
Others	22,423,406	7.10	23,588	6.25
	<u>316,218,999</u>	<u>100.00</u>	<u>376,890</u>	<u>100.00</u>

Name of brokers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2016</u>				
Morgan Stanley & Co Inc	12,413,329	22.29	23,058	18.31
Merrill Lynch International Limited	11,096,975	19.93	20,027	15.91
Macquarie Bank Limited	7,549,315	13.56	16,914	13.43
Credit Suisse (Hong Kong) Limited	7,330,118	13.16	21,836	17.34
CLSA Ltd	6,904,404	12.40	18,816	14.94
UBS Securities Pte Ltd	5,786,346	10.40	13,271	10.54
Citigroup Global Markets Limited	2,929,846	5.26	8,422	6.69
Deutsche Securities Asia Ltd	489,606	0.88	1,568	1.25
JP Morgan Securities (Asia Pacific) Ltd	275,113	0.50	1,555	1.24
Goldman, Sachs And Co	272,923	0.49	440	0.35
Others	630,366	1.13	-	-
	<u>55,678,341</u>	<u>100.00</u>	<u>125,907</u>	<u>100.00</u>

All brokers highlighted above are not related to the Manager.

11. 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	3,247	2,074	1,040	1,545

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.

12. MANAGEMENT EXPENSE RATIO ("MER")

	2017	2016
	%	%
MER	1.04	1.07

MER is derived from the following calculation:

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

A = Management fee

B = Trustee and custodian fees

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 RM208,100,995 (2016: RM57,370,475).

13. PORTFOLIO TURNOVER RATIO ("PTR")

	2017	2016
PTR (times)	0.76	0.48

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 = RM294,889,847 (2016: RM25,082,344)

total disposals for the financial period = RM21,395,537 (2016: RM30,519,619)

14. SEGMENTAL INFORMATION

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

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

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

15. 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

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SHARIAH ADVISER

NAME

IBFIM

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