

# EASTSPRING INVESTMENTS DANA DINAMIK

## INTERIM REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD  
ENDED 31 MARCH 2018



**Dear Valued Investor,**

Greetings from Eastspring Investments Berhad!

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

**We are pleased to enclose a copy of the Annual/Interim/Quarterly Fund Reports of Eastspring Investments Berhad's fund(s) for the reporting period ended 31 March 2018.**

You may also download these reports from our website at [www.eastspringinvestments.com.my](http://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'. The signature is fluid and cursive, with the first name 'Raymond' being the most prominent part.

**Raymond Tang Chee Kin**

Non-Independent, Executive Director and Chief Executive Officer

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## FUND INFORMATION

**Name of Fund**

Eastspring Investments Dana Dinamik (the "Fund")

**Fund Category/  
Type**

Mixed asset (Shariah)/growth

**Fund Objective**

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

**Note:** The Fund's focus is on growth.

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

\* Shariah approved debentures refer to sukuk.

## FUND INFORMATION (CONTINUED)

### Performance Benchmark

- 
- (a) If 100% of the Fund's NAV invested in Shariah-compliant equities and equity-related securities:  
FBMS
- (b) If 100% of the Fund's NAV invested in sukuk and Islamic liquid assets:  
Maybank 12-month GIA Tier II rate
- (c) If the Fund is investing in a mixture of Shariah-compliant equities and equity-related securities, sukuk and Islamic liquid assets:  
50% FBMS + 50% Maybank 12-month GIA Tier II rate

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

#### Source:

FBMS ([www.bursamalaysia.com](http://www.bursamalaysia.com))  
Maybank 12-month GIA Tier II rate ([www.maybank2u.com.my](http://www.maybank2u.com.my))

The performance of the Fund against the benchmark is published in the Manager's monthly factsheet and is available from the Manager's website at [www.eastspringinvestments.com.my](http://www.eastspringinvestments.com.my).

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

### Fund Income Distribution Policy

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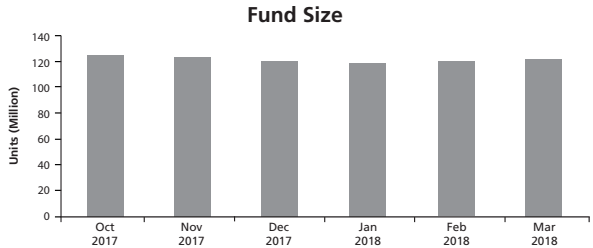
At least once a year, subject to the availability of income.

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## FUND INFORMATION (CONTINUED)

### Breakdown of Unit Holdings by Size

As at 31 March 2018, the size of Eastspring Investments Dana Dinamik stood at 121.344 million units.



### Breakdown of Unit Holdings

Unit Holdings	No. of Unit Holders	%	No. of Units* ('000)	%
5,000 units and below	1,375	31.01	3,852	3.19
5,001 to 10,000 units	1,014	22.87	7,286	6.00
10,001 to 50,000 units	1,766	39.83	37,367	30.79
50,001 to 500,000 units	268	6.04	23,606	19.45
500,001 units and above	11	0.25	49,232	40.57
<b>Total</b>	<b>4,434</b>	<b>100.00</b>	<b>121,343</b>	<b>100.00</b>

\* excludes units held by the Manager.

## KEY PERFORMANCE DATA FOR THE FINANCIAL PERIOD ENDED

Category	31.3.2018	31.3.2017	31.3.2016
	(%)	(%)	(%)
<b>Quoted Shariah-compliant securities</b>			
Construction	7.30	3.26	10.49
Consumer	0.75	4.09	-
Consumer Product	9.48	5.01	2.21
Finance	3.52	3.74	3.34
Health Care	7.20	6.83	4.88
Industrial Product	14.60	4.77	4.54
Infrastructure Project Company	2.24	7.67	1.86
i-REITS	-	1.94	1.57
Manufacturing	-	1.36	2.21
Plantation	4.59	6.09	2.82
Properties	3.21	5.60	8.52
Power/Utilities	-	-	1.79
Technology	6.40	5.52	11.18
Trading/Services	27.66	22.67	22.68
Transportation	-	-	0.25
	86.95	78.55	78.34
Sukuk	2.04	19.42	1.95
Cash and other assets	11.01	2.03	19.71
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## KEY PERFORMANCE DATA (CONTINUED)

Category	31.3.2018	31.3.2017	31.3.2016
Net Asset Value (NAV) (RM'000)	124,460	85,849	78,304
Units In Circulation (Units '000)	121,344	88,591	80,549
Net Asset Value Per Unit (RM)	1.0257	0.9690	0.9721
Highest Net Asset Value Per Unit (RM)	1.0706	0.9703	0.9931
Lowest Net Asset Value Per Unit (RM)	0.9530	0.9034	0.9271
Total Return (%)			
- Capital Growth	7.53	3.96	5.18
- Income Distribution	-	-	-
Total Return (%)	7.53	3.96	5.18
Gross Distribution Per Unit (RM)	-	-	-
Net Distribution Per Unit (RM)	-	-	-
Management Expense Ratio (MER) (%)*	0.72	0.72	0.72
Portfolio Turnover Ratio (PTR) (times)^	0.37	0.22	0.08

\* 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 1.4.2017 to 31.3.2018	3 years 1.4.2015 to 31.3.2018	5 years 1.4.2013 to 31.3.2018
	(%)	(%)	(%)

Average total return	10.83	6.20	9.71
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Year ended	1.10.2016 to 30.9.2017	1.10.2015 to 30.9.2016	1.10.2014 to 30.9.2015	1.10.2013 to 30.9.2014	1.10.2012 to 30.9.2013
	(%)	(%)	(%)	(%)	(%)

Annual total return	7.15	5.55	(0.57)	20.44	11.61
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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:

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

NAV<sub>t</sub> = NAV at the end of the period

NAV<sub>0</sub> = 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

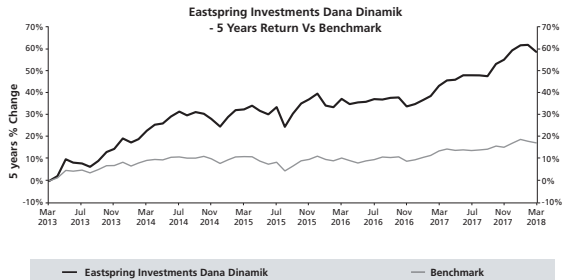
## Fund Performance

Over the 5-year period, the Fund recorded a return of 58.97%, outperforming the benchmark return of 17.43% by 41.54%.

During the period under review, the Fund registered a return of 7.53%, outperforming the benchmark return of 2.52% by 5.01%.

The outperformance of the Fund was due to Shariah-compliant stock selection and positive asset allocation.

The Fund met its investment objective of providing investors with capital appreciation by actively investing in Shariah-compliant equities and sukuk instruments.



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

## MANAGER'S REPORT (CONTINUED)

### Fund Performance (continued)

#### Benchmark:

- a) If 100% of the Fund's NAV invested in Shariah-compliant equities and equity-related securities:  
FBMS
- b) If 100% of the Fund's NAV invested in sukuk and Islamic liquid assets:  
Maybank 12-month (GIA) Tier II rate
- c) If the Fund is investing in a mixture of Shariah-compliant equities and equity-related securities, sukuk and Islamic liquid assets:  
50% FBMS + 50% Maybank 12-month GIA Tier II rate

**Source:** Lipper for Investment Management, [www.bursamalaysia.com](http://www.bursamalaysia.com) and [www.maybank2u.com.my](http://www.maybank2u.com.my) as at 31 March 2018.

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

### Analysis of Fund Performance

For the financial period ended 31 March 2018:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
0.00	7.53	7.53	2.52

\* 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 March 2018.

## MANAGER'S REPORT (CONTINUED)

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### **Investment Strategy During The Period Under Review**

For the Shariah-compliant equity portion, the Fund gradually reduced exposure in construction and building material Shariah-compliant stocks as contract awards slow down. The Fund stayed overweight in tech and glove Shariah-compliant stocks but added exposure in selective downstream oil & gas Shariah-compliant stocks that have good growth prospects and strong earnings visibility. The Fund also raised exposure in selective consumer Shariah-compliant stocks given positive earnings outlook supported by the improvement in consumer sentiment.

We continue to look for new Shariah-compliant stock ideas and may take gains on profitable positions and/or exit positions that have seen unfavourable changes to the company or industry dynamics. We like well managed companies backed by healthy balance sheets and strong cash flow with decent and sustainable earnings growth, preferably trading at attractive valuations.

## MANAGER'S REPORT (CONTINUED)

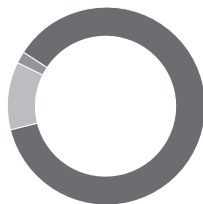
## Asset Allocation

Asset Allocation	31-Mar 2018 (%)	30-Sept 2017 (%)	Changes (%)
Quoted Shariah-compliant securities	86.95	77.21	9.74
Sukuk	2.04	2.19	(0.15)
Cash and other assets	11.01	20.60	(9.59)

## Asset Allocation as at 31 March 2018

Cash and other  
assets  
11.01%

Sukuk  
2.04%



Quoted Shariah-  
compliant  
securities  
86.95%

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.

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

#### i. Performance Benchmark

- a) If 100% of the Fund's NAV invested in Shariah-compliant equities and equity-related securities:  
FTSE Bursa Malaysia EMAS Shariah Index ("FBMS")
- b) If 100% of the Fund's NAV invested in sukuk and Islamic liquid assets:  
Maybank 12-months Islamic Fixed Deposit-i
- c) If the Fund is investing in a mixture of Shariah-compliant equities and equity-related securities, sukuk and Islamic liquid assets:  
50% FBMS+ 50% Maybank 12-months Islamic Fixed Deposit-i

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

## MANAGER'S REPORT (CONTINUED)

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

#### Source:

FBMS  
[www.bursamalaysia.com](http://www.bursamalaysia.com)

Maybank 12-months Islamic Fixed Deposit-i  
[www.maybank2u.com.my](http://www.maybank2u.com.my)

The performance of the Fund against the benchmark is published in the Manager's monthly factsheet and is available from the Manager's website at [www.eastspringinvestments.com.my](http://www.eastspringinvestments.com.my).

#### Note:

1. *The risk profile of the Fund is different from the risk profile of the performance benchmark.*
2. *The composite benchmark of the Fund was previously benchmarked against the Maybank 12-month GIA Tier II rate, however it will be replaced with the Maybank 12-months Islamic Fixed Deposit-i, which is more reflective of the Islamic fixed deposit rate in Malaysia as compared to the Maybank 12-month GIA Tier II rate, where it is deemed to be an investment account. The change will be made effective 2 February 2018.*

## MANAGER'S REPORT (CONTINUED)

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

#### ii. EXTERNAL INVESTMENT MANAGER FOR THE EASTSPRING INVESTMENTS DANA AL-ILHAM AND EASTSPRING INVESTMENTS DANA DINAMIK

##### **Roles and Duties of the External Investment Manager**

The Manager has appointed Eastspring Al-Wara' as the external investment manager for Eastspring Investments Dana al-Ilham and Eastspring Investments Dana Dinamik. The External Investment Manager is to invest the investments of the Funds in accordance with the Funds' objective and its Deeds, and subject to the Act, the Guidelines and any practice notes issued by the SC from time to time, as well as the internal policies and procedures of the Manager. The External Investment Manager reports to the investment committee of the Funds on a regular basis on the status of the portfolio, proposed investment strategy and other matters relating to the portfolio of the Funds.



## MANAGER'S REPORT (CONTINUED)

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

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The designated fund manager for the Funds is Juliana Binti Ramli.

#### **Juliana Binti Ramli**

Juliana joined Eastspring Al-Wara' in July 2017 as a senior fund manager. Juliana brings with her more than thirteen (13) years of experience in the financial services industry having started off in an insurance company after her graduation. Juliana then joined the fund management industry as an investment analyst with various companies before moving on to be a fund manager with Great Eastern Life and subsequently with Eastspring Al-Wara'. During her employment with Eastspring Al-Wara', Juliana was the fund manager for two (2) Shariah-compliant unit trust funds which won the best performing fund in 3-year, 5-year and 10-year categories from The Edge Thomson Reuters Lipper Malaysia Fund Awards 2015. Prior to rejoining Eastspring Al-Wara', Juliana was with Nomura Islamic Asset Management. Juliana graduated with a bachelor's degree in Information Technology ("IT") from the Multimedia University of Malaysia and holds a Master in Business Administration ("MBA") from HEC Montreal, Canada majoring in finance and investment.

## MARKET REVIEW

### Equity

The Malaysian equity market started the 4Q2017 on a volatile note, as the big cap stocks succumbed to some sell down, despite the rising Brent crude oil prices and the tabling of Budget 2018. The Budget 2018 announcement on the 27 October was as expected, focused on implementing measures to increase households' disposable income, in particular the bottom 40% ("B40") income group, with special cash payments to be made to the 1.6m civil servants and civil servant retirees. Equity markets in Malaysia remained weak despite the stronger than expected 3Q2017 Gross Domestic Product ("GDP") growth data reported in November, and growing expectations of Bank Negara potentially hiking Overnight Policy Rate ("OPR") in 2018. During the middle of the 4Q2017 investors took note of United States ("US") President Trump's visit to China which ended on a positive note with the usual trade deals lined up between the two countries, although most of the deals were still very preliminary. Organization of the Petroleum Exporting Countries ("OPEC") also announced their decision to extend its production cutting deal for another nine-months, providing support for oil prices. By the end of the 4Q2017, Brent crude oil hit USD66.8 per barrel ("bbl"), levels not seen since May 2015, on the back of extended production cuts by OPEC and improving demand outlook as global growth recovery continues to be underway. Being one of the few net beneficiaries in the regions of higher oil prices, the Malaysian ringgit appreciated sharply towards the end of the 4Q to close at RM4.046/USD.

As with the beginning of each New Year, 1Q2018 saw a good start for global markets and Malaysia, driven by improving economic prospect and positive investor sentiment despite the distraction of a three-day US government shutdown. Expectation of the ringgit to remain strong and continue to appreciate, amidst an environment of higher oil prices, Bank Negara Malaysia hiking OPR by 25bps, and inflow of foreign funds into Malaysia. However this rally was short lived as come February global markets corrected sharply, ironically spooked by the stronger job and wage data in the US, stoking fears of higher than expected inflation which may result in the US Federal Reserve being more hawkish, triggering a sell-off in the US bond market. The Malaysian equity market corrected as foreign investors reduced their exposure in Malaysia with Rm1.2bn net outflow in February. Global market correction continued in the third month of the 1Q2018 as investors sold down US stocks on concerns regarding global growth given US President Trump's escalating protectionist stance. US imposed tariffs on steel and aluminum imports from China, Canada and the European Union ("EU"), resulting retaliating measures from the affected countries. Malaysian equity

markets similarly was volatile in tandem with global markets, given the openness of the Malaysian economy. However, the Malaysian ringgit during the period managed to maintain its strength against the USD, appreciating 3.02% quarter on quarter (“q-o-q”), supported by firmer oil prices.

The FBM KLCI closed the period under review at 1,863.46 points, gaining 6.14%. In tandem with the FBM KLCI, the FBM Emas (“FBMEmas”) Index closed the period under review up by 4.1% while the MSCI Asia Pacific ex-Japan Index rose by 6.46% in USD terms.<sup>1</sup>

## REBATES AND SOFT COMMISSIONS

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

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

<sup>1</sup> Source: Bloomberg: World indices

# EASTSPRING INVESTMENTS DANA DINAMIK

## UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2018

## 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 68 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 March 2018 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: 16 May 2018

## TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS DANA DINAMIK

We have acted as Trustee for Eastspring Investments Dana Dinamik (the "Fund") for the financial period ended 31 March 2018. 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: 16 May 2018

## SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS DANA DINAMIK

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

In our opinion, Eastspring Investments Berhad has managed and administered Eastspring Investments Dana Dinamik in accordance with Shariah principles and complied with applicable guidelines, rulings and decisions issued by the Securities Commission pertaining to Shariah matters for the six months financial period ended 31 March 2018.

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

For and on behalf of the Shariah Adviser

**IBFIM**

**MUHAMMAD KHAIRULNIZAM BIN ALIAS**

Consultant (Shariah)/Designated Person Responsible for Shariah Advisory

Kuala Lumpur

Date: 16 May 2018

# UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2018

	Note	6-months financial period ended 31.3.2018	6-months financial period ended 31.3.2017
		RM	RM
<b>INVESTMENT INCOME</b>			
Gross dividend income		1,420,905	851,475
Profit income from Islamic deposits		173,505	51,210
Profit income from sukuk		51,920	346,651
Net gain on financial assets at fair value through profit or loss	6	8,351,532	2,650,749
		<u>9,997,862</u>	<u>3,900,085</u>
<b>EXPENSES</b>			
Management fee	3	(767,419)	(498,350)
Trustee fee	4	(42,975)	(27,908)
Audit fee		(3,391)	(3,391)
Tax agent fee		(1,696)	(1,696)
Other expenses		(17,034)	(11,812)
GST charges		(49,827)	(32,150)
Transaction cost		(302,227)	(103,482)
		<u>(1,184,569)</u>	<u>(678,789)</u>
<b>PROFIT BEFORE TAXATION</b>		8,813,293	3,221,296
<b>TAXATION</b>	5	<u>(2,078)</u>	<u>(3,592)</u>
<b>PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME</b>		<u>8,811,215</u>	<u>3,217,704</u>
Profit after taxation is made up of the following:			
Realised amount		1,835,961	1,592,846
Unrealised amount		6,975,254	1,624,858
		<u>8,811,215</u>	<u>3,217,704</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 MARCH 2018

	Note	2018	2017
		RM	RM
<b>ASSETS</b>			
Cash and cash equivalents	7	12,135,110	1,737,404
Amount due from brokers		1,184,010	-
Amount due from Manager		672,113	437,453
Dividends receivable		107,388	19,649
Tax recoverable		1,730	1,730
Financial assets at fair value through profit or loss	6	110,767,075	84,114,435
<b>TOTAL ASSETS</b>		<u>124,867,426</u>	<u>86,310,671</u>
<b>LIABILITIES</b>			
Amount due to Manager		232,017	133,078
Amount due to brokers		-	191,926
Accrued management fee		131,581	89,047
Amount due to Trustee		7,369	4,987
Other payables and accruals		28,373	37,133
GST charges payable		8,337	5,642
<b>TOTAL LIABILITIES</b>		<u>407,677</u>	<u>461,813</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>124,459,749</u>	<u>85,848,858</u>
<b>EQUITY</b>			
Unit holders' capital		85,334,644	53,630,601
Retained earnings		39,125,105	32,218,257
<b>NET ASSET ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>124,459,749</u>	<u>85,848,858</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	9	<u>121,344,123</u>	<u>88,590,748</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>1.0257</u>	<u>0.9690</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 MARCH 2018

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
Balance as at 1 October 2017	85,951,233	30,313,890	116,265,123
Movement in unit holders' contribution:			
Creation of units from applications	27,213,877	-	27,213,877
Cancellation of units	(27,830,466)	-	(27,830,466)
Total comprehensive income for the financial period	-	8,811,215	8,811,215
Balance as at 31 March 2018	<u>85,334,644</u>	<u>39,125,105</u>	<u>124,459,749</u>
Balance as at 1 October 2016	50,544,435	29,000,553	79,544,988
Movement in unit holders' contribution:			
Creation of units from applications	13,305,456	-	13,305,456
Cancellation of units	(10,219,290)	-	(10,219,290)
Total comprehensive income for the financial period	-	3,217,704	3,217,704
Balance as at 31 March 2017	<u>53,630,601</u>	<u>32,218,257</u>	<u>85,848,858</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 MARCH 2018

	6-months financial period ended 31.3.2018	6-months financial period ended 31.3.2017
Note	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sale of Shariah-compliant investments	39,998,483	12,876,468
Purchase of Shariah-compliant investments	(57,187,802)	(22,375,696)
Dividends received	1,395,202	971,625
Profit income received from Islamic deposits	173,505	51,210
Profit income received from sukuk	53,259	309,721
Management fee paid	(737,182)	(490,381)
Trustee fee paid	(41,282)	(27,461)
Payment for other fees and expenses	(379,721)	(51,075)
Tax refund	-	21,362
Net cash used in operating activities	<u>(16,725,538)</u>	<u>(8,714,227)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from units created	41,786,405	13,183,588
Payments for cancellation of units	(27,701,768)	(10,181,732)
Distribution paid	(26,358)	(27,926)
Net cash generated from financing activities	<u>14,058,279</u>	<u>2,973,930</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,667,259)</b>	<b>(5,740,297)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<u>14,802,369</u>	<u>7,477,701</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>7</b> <u>12,135,110</u>	<u>1,737,404</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 MARCH 2018

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 I to the financial statements.

The Fund has applied the following amendments for the first time for the financial period beginning on 1 October 2017:

- Amendments to MFRS 107 'Statement of Cash Flows – Disclosure Initiative'
- Annual improvements to MFRSs 2014 – 2016 Cycle: MFRS 12 'Disclosure of Interests in Other Entities'

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

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

i. Financial year beginning on/after 1 October 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<sup>1</sup> 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<sup>2</sup> 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<sup>3</sup>.

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<sup>1</sup>. The main changes are:

- For financial liabilities classified as FVTPL, the fair value changes due to own credit risk should be recognised directly to OCI. There is no subsequent recycling to profit or loss.
- When a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss, being the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate<sup>4</sup>, should be recognised immediately in profit or loss.

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

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

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

<sup>4</sup> For the purposes of this Fund, the method used is the original effective profit rate.

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

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

## **B. INCOME RECOGNITION**

Profit income from short-term Islamic deposits and sukuk are 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 disposal of quoted Shariah-compliant securities is accounted for as the difference between the net disposal proceeds and the carrying amount of Shariah-compliant investments, determined on a weighted average cost basis.

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

## **C. 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.

## **D. 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.

## **E. 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.

## **F. FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

### **i. Classification**

The Fund designates its investment in quoted Shariah-compliant securities and unquoted sukuk 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, amount due from brokers, amount due from Manager and dividends receivable.

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

The Fund’s financial liabilities which include amount due to Manager, amount due to brokers, 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 and transaction costs are expensed in the statement of comprehensive income.

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

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

Financial liability is derecognised when the obligation under the liability is extinguished. 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' category are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit and loss' in the period in which they arise. Any unrealised gains however are not distributable.

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

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

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



Sukuk are carried at cost and adjusted for any amortisation of premium or accretion of discount from acquisition date to maturity date. The carrying cost is revalued to reflect its fair value on a daily basis using the net present value method based on fair value prices quoted by a bond pricing agency ("BPA") registered with the Securities Commission as per the Securities Commission's Guidelines on Unit Trust Funds. Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted sukuk differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

- (i) records its basis for using a non-BPA price;
- (ii) obtains necessary internal approvals to use the non-BPA price; and
- (iii) keeps an audit trail of all decisions and basis for adopting the market yield.

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 bank balance and Islamic deposit with a licensed financial institution that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **H. 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. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES**

The preparation of financial statements in conformity with the Malaysian Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on the Manager's best knowledge of current events and actions, actual results could differ from those estimates.

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

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

i. Estimate of fair value of sukuk

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

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

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

# NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2018

## 1. INFORMATION ON THE FUND

Eastspring Investments Dana Dinamik (the “Fund”) was constituted pursuant to the execution of a Deed dated 19 February 2004 as amended by a Master Supplemental Deed dated 12 July 2007 and a Second Supplemental Master Deed dated 30 November 2009 between HSBC (Malaysia) Trustee Bhd (“HSBC Trustee”) and Eastspring Investments Berhad (the “Manager”). The Fund replaced HSBC Trustee with Deutsche Trustees Malaysia Berhad (the “Trustee”) effective 1 October 2010. A Supplemental Master Deed was entered into between the Manager and the Trustee on 30 July 2010 to effect the change of trustee from HSBC Trustee to the Trustee followed by a Second Supplemental Master Deed dated 28 January 2011, a Third Supplemental Master Deed dated 9 March 2011, a Fourth Supplemental Master Deed dated 20 January 2012, a Fifth Supplemental Master Deed dated 26 March 2014, a Sixth Supplemental Master Deed dated 2 January 2015, a Seventh Supplemental Master Deed dated 11 July 2016 and an Eighth Supplemental Master Deed dated 25 January 2017 (collectively referred to as the “Deed”).

The Fund was launched on 25 February 2004 and will continue its operations until terminated by the Trustee or the Manager as provided under Part 12 of the Deed.

The Fund may invest in Shariah-compliant securities traded on Bursa Malaysia and other market considered as eligible market, sukuk, Islamic futures contracts and any other Shariah-compliant investments approved by the SC from time to time. All Shariah-compliant investments will be subjected to the Securities Commission’s (“SC”) Guidelines on Unit Trust Funds, the Deed and the objective of the Fund.

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

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

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

Financial instruments of the Fund are as follows:

	Note	Receivables	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
<u>2018</u>				
Cash and cash equivalents	7	12,135,110	-	12,135,110
Amount due from brokers		1,184,010	-	1,184,010
Amount due from Manager		672,113	-	672,113
Dividends receivable		107,388	-	107,388
Quoted Shariah-compliant securities	6	-	108,229,859	108,229,859
Sukuk	6	-	2,537,216	2,537,216
		<u>14,098,621</u>	<u>110,767,075</u>	<u>124,865,696</u>
<u>2017</u>				
Cash and cash equivalents	7	1,737,404	-	1,737,404
Amount due from Manager		437,453	-	437,453
Dividends receivable		19,649	-	19,649
Quoted Shariah-compliant securities	6	-	67,442,461	67,442,461
Sukuk	6	-	16,671,974	16,671,974
		<u>2,194,506</u>	<u>84,114,435</u>	<u>86,308,941</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 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 March which are exposed to price risk:

	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
Quoted Shariah-compliant securities designated at fair value through profit or loss	<u>108,229,859</u>	<u>67,442,461</u>
Sukuk designated at fair value through profit or loss	<u>2,537,216</u>	<u>16,671,974</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 and sukuk at the end of the reporting period. The analysis is based on the assumptions that the market price of the quoted Shariah-compliant securities and sukuk 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 and sukuk, having regard to the historical volatility of the prices.

% Change in price of financial assets at fair value through profit or loss	2018		2017	
	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%	116,305,429	5,538,354	88,320,157	4,205,723
-5%	105,228,721	(5,538,354)	79,908,713	(4,205,723)

ii. Exposure to interest rate risk

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

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

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



Investors should note that the movement in valuation of sukuk and Islamic money market instruments are benchmarked against interest rates. As such, the investments are exposed to the movement of the interest rates.

This risk is crucial since sukuk portfolio management depends on forecasting interest rate movements. Valuation of sukuk move inversely to interest rate movements, therefore as interest rates rise, the valuation of sukuk decrease and vice versa. Furthermore, sukuk with longer maturity and lower profit rates are more susceptible to interest rate movements.

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

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

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.

The table below summarises the sensitivity of the Fund's profit after tax and NAV to movements in valuation of sukuk held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changed by 1% (2017: 1%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the interest rate, having regard to the historical volatility of the interest rate.

	2018	2017
% Movement in interest rate	Impact on profit after tax/ change in net asset value	Impact on profit after tax/ change in net asset value
	RM	RM
<u>Sukuk</u>		
+1% (2017: +1%)	(1,189)	(11,322)
-1% (2017: -1%)	1,190	11,339
	<hr/>	<hr/>

### Non-compliance risk

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

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

### **Reclassification of Shariah status risk**

This risk refers to the risk that the currently held Shariah-compliant securities in the portfolio of Shariah-compliant funds may be reclassified to be Shariah non-compliant upon review of the securities by the Shariah Advisory Council of the Securities Commission performed twice yearly. If this occurs, the 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.

### **Fund management risk**

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

### **Liquidity risk**

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

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

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

	<b>Less than 1 month</b>	<b>Between 1 month to 1 year</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<u>2018</u>			
Amount due to Manager	232,017	-	232,017
Accrued management fee	131,581	-	131,581
Amount due to Trustee	7,369	-	7,369
Other payables and accruals	-	28,373	28,373
GST charges payable	8,337	-	8,337
Contractual cash outflows	<u>379,304</u>	<u>28,373</u>	<u>407,677</u>
<u>2017</u>			
Amount due to Manager	133,078	-	133,078
Amount due to brokers	191,926	-	191,926
Accrued management fee	89,047	-	89,047
Amount due to Trustee	4,987	-	4,987
Other payables and accruals	-	37,133	37,133
GST charges payable	5,642	-	5,642
Contractual cash outflows	<u>424,680</u>	<u>37,133</u>	<u>461,813</u>

### Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM85,334,644 (2017: RM53,630,601) and retained earnings of RM39,125,105 (2017: RM32,218,257). 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 with licensed financial institutions is managed by ensuring that the Fund will only place Islamic deposits with 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 Fund seeks to mitigate credit/default risk by investing in high quality sukuk.

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

	Financial assets at fair value through profit or loss	Cash and cash equivalents	Dividends receivable	Amount due from brokers	Amount due from Manager	Total
	RM	RM	RM	RM	RM	RM
<u>2018</u>						
Finance						
- AA1	-	103,034	-	-	-	103,034
- AAA	-	12,032,076	-	-	-	12,032,076
Consumer						
- NR	-	-	13,265	-	-	13,265
Industrial Product						
- NR	-	-	5,565	-	-	5,565
Integrated Telecommunication						
Services						
- NR	-	-	47,263	-	-	47,263
Properties						
- NR	-	-	2	-	-	2
Technology						
- NR	-	-	41,293	-	-	41,293
Sukuk						
- AA1	1,019,536	-	-	-	-	1,019,536
- NR	1,517,680	-	-	-	-	1,517,680
Other						
- NR	-	-	-	1,184,010	672,113	1,856,123
	<u>2,537,216</u>	<u>12,135,110</u>	<u>107,388</u>	<u>1,184,010</u>	<u>672,113</u>	<u>16,635,837</u>

	Financial assets at fair value through profit or loss		Cash and cash equivalents		Dividends receivable		Amount due from Manager		Total	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<u>2017</u>										
Finance										
- AA1	-	87,271	-	-	-	-	-	-	87,271	-
- AAA	-	1,650,133	-	-	-	-	-	-	1,650,133	-
Consumer Product										
- NR	-	-	-	10,855	-	-	-	-	10,855	-
Technology										
- NR	-	-	-	8,794	-	-	-	-	8,794	-
Sukuk										
- AAA	3,009,587	-	-	-	-	-	-	-	3,009,587	-
- AA2	8,583,791	-	-	-	-	-	-	-	8,583,791	-
- AA3	3,560,943	-	-	-	-	-	-	-	3,560,943	-
- NR	1,517,653	-	-	-	-	-	-	-	1,517,653	-
Other										
- NR	-	-	-	-	-	-	-	437,453	437,453	-
	<u>16,671,974</u>	<u>1,737,404</u>	<u>19,649</u>	<u>437,453</u>	<u>18,866,480</u>					

## 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 or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

## Fair value hierarchy

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



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

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

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

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

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
<u>2018</u>				
Financial assets				
at fair value through				
profit or loss:				
Quoted Shariah-				
compliant securities	108,229,859	-	-	108,229,859
Sukuk	-	2,537,216	-	2,537,216
				<hr/>
<u>2017</u>				
Financial assets				
at fair value through				
profit or loss:				
Quoted Shariah-				
compliant securities	67,442,461	-	-	67,442,461
Sukuk	-	16,671,974	-	16,671,974
				<hr/>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed 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 E to the financial statements.

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

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

### **3. MANAGEMENT FEE**

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

For the financial period ended 31 March 2018, the management fee is recognised at a rate of 1.25% (2017: 1.25%) per annum on the net asset value of the Fund, calculated on daily basis.

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

#### 4. TRUSTEE FEE

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

For the financial period ended 31 March 2018, the Trustee fee is recognised at a rate of 0.07% (2017: 0.07%) subject to a minimum of RM18,000 per annum on the net asset value of the Fund, 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 31.3.2018	6-months financial period ended 31.3.2017
	RM	RM
Tax charged for the financial period:		
Current taxation – local	2,078	3,592

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

	<b>6-months financial period ended 31.3.2018</b>	<b>6-months financial period ended 31.3.2017</b>
	<b>RM</b>	<b>RM</b>
Profit before taxation	<u>8,813,293</u>	<u>3,221,296</u>
Tax at Malaysian statutory rate of 24% (2017: 24%)	2,115,190	773,111
Tax effects of:		
Investment income exempt from tax	(2,394,499)	(927,400)
Expenses not deductible for tax purposes	99,302	155,398
Restriction on tax deductible expenses for Unit Trust Funds	184,995	7,512
Income subject to different tax rate	<u>(2,910)</u>	<u>(5,029)</u>
Taxation	<u>2,078</u>	<u>3,592</u>

**6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	2018	2017
	RM	RM
Designated at fair value through profit or loss:		
Quoted Shariah-compliant securities (Note 6 (i))	108,229,859	67,442,461
Sukuk (Note 6 (ii))	2,537,216	16,671,974
	<u>110,767,075</u>	<u>84,114,435</u>
Net gain on financial assets at fair value through profit or loss:		
Realised gain on disposals	1,376,278	1,025,891
Change in unrealised fair value gain	6,975,254	1,624,858
	<u>8,351,532</u>	<u>2,650,749</u>

i. Quoted Shariah-compliant securities

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 31.3.2018	of net asset value of the Fund
	Units	RM	RM	%
<u>Construction</u>				
Advancecon Holdings Berhad	2,751,800	2,950,377	1,788,670	1.44
Gabungan AQRS Berhad	1,822,300	3,119,900	2,915,680	2.34
Kerjaya Prospek Group Berhad	1,768,580	3,040,807	2,635,184	2.12
Kerjaya Prospek Group Berhad - Warrant	241,170	-	60,293	0.05
MGB Berhad	1,358,000	1,765,979	1,683,920	1.35
	<u>7,941,850</u>	<u>10,877,063</u>	<u>9,083,747</u>	<u>7.30</u>
<u>Consumer</u>				
Magni-Tech Industries Berhad	189,500	1,382,029	938,025	0.75

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2018	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Consumer Product</u>				
Fraser & Neave Holdings Berhad	38,100	1,273,192	1,271,778	1.02
Nestle (Malaysia) Berhad	52,700	4,250,094	8,142,150	6.54
QL Resources Berhad	470,379	928,703	2,394,229	1.92
	<u>561,179</u>	<u>6,451,989</u>	<u>11,808,157</u>	<u>9.48</u>
<u>Finance</u>				
BIMB Holdings Berhad	437,700	1,758,464	1,720,161	1.38
Syarikat Takaful Malaysia Berhad	802,700	2,205,501	2,664,964	2.14
	<u>1,240,400</u>	<u>3,963,965</u>	<u>4,385,125</u>	<u>3.52</u>
<u>Health Care</u>				
Hartalega Holdings Berhad	443,800	1,771,259	2,684,990	2.16
Kossan Rubber Industries Berhad	290,700	1,840,465	2,238,390	1.80
Top Glove Corporation Bhd	418,100	2,952,234	4,030,484	3.24
	<u>1,152,600</u>	<u>6,563,958</u>	<u>8,953,864</u>	<u>7.20</u>

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at	Percentage of net
			31.3.2018	asset value of the Fund
	Units	RM	RM	%
<u>Industrial Product</u>				
Cahaya Mata Sarawak Berhad	439,500	1,847,815	1,736,025	1.39
Denko Industrial Corporation Berhad	363,600	563,580	581,760	0.47
DRB-Hicom Berhad	360,900	629,807	880,596	0.71
Lotte Chemical Titan Holding Berhad	360,400	2,012,018	2,194,836	1.76
Petronas Chemicals Group Berhad	618,300	4,995,623	5,107,158	4.10
Press Metal Aluminium Holdings Berhad	371,000	1,929,237	1,602,720	1.29
Prestar Resources Berhad	1,764,800	2,276,777	1,544,200	1.24
Scientex Berhad	254,200	1,133,776	2,147,990	1.73
Uchi Technologies Berhad	651,600	1,587,320	1,739,772	1.40
Wah Seong Corporation Berhad	434,300	576,837	629,735	0.51
	<u>5,618,600</u>	<u>17,552,790</u>	<u>18,164,792</u>	<u>14.60</u>
<u>Infrastructure Project Company</u>				
Time DotCom Berhad	333,800	2,761,021	2,790,568	2.24
<u>Plantation</u>				
IOI Corporation Berhad	370,900	1,647,643	1,776,611	1.43
Kuala Lumpur Kepong Berhad	23,400	553,199	598,572	0.48
Sime Darby Plantation Berhad	603,465	3,391,323	3,331,127	2.68
	<u>997,765</u>	<u>5,592,165</u>	<u>5,706,310</u>	<u>4.59</u>

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at	Percentage of net
			31.3.2018	asset value of the Fund
	Units	RM	RM	%
<u>Properties</u>				
LBS Bina Group Berhad	1,122,000	772,586	987,360	0.79
LBS Bina Group Berhad – Preference Share	102,000	112,200	105,060	0.08
S P Setia Berhad	403,935	1,235,778	1,207,766	0.97
Sime Darby Property Berhad	1,200,765	1,795,233	1,705,086	1.37
	<u>2,828,700</u>	<u>3,915,797</u>	<u>4,005,272</u>	<u>3.21</u>
<u>Technology</u>				
Inari Amertron Berhad	1,651,736	3,612,338	4,542,274	3.65
Pentamaster Corporation Berhad	268,900	577,812	588,891	0.47
Vitrox Corporation Berhad	530,400	939,608	2,837,640	2.28
	<u>2,451,036</u>	<u>5,129,758</u>	<u>7,968,805</u>	<u>6.40</u>
<u>Trading/Services</u>				
Bermaz Auto Berhad	1,205,640	2,314,607	2,604,182	2.09
Dialog Group Berhad	1,935,000	3,987,202	5,940,450	4.77
MMC Corporation Berhad	202,400	353,606	342,056	0.27
MY E.G. Services Berhad	878,300	1,878,817	2,547,070	2.05
Pestech International Berhad	1,171,400	1,504,926	1,862,526	1.50
Petronas Dagangan Berhad	50,200	1,219,207	1,248,976	1.00
Serba Dinamik Holdings Berhad	1,378,300	2,964,973	4,713,786	3.79
Sime Darby Berhad	627,000	1,768,015	1,655,280	1.33
Telekom Malaysia Berhad	390,600	2,453,374	2,038,932	1.64
Tenaga Nasional Berhad	706,400	9,803,334	11,471,936	9.22
	<u>8,545,240</u>	<u>28,248,061</u>	<u>34,425,194</u>	<u>27.66</u>



i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2018	Percentage of net asset value of the Fund
	Units	RM	RM	%
<b>TOTAL QUOTED SHARIAH-COMPLIANT SECURITIES</b>	<u>31,860,670</u>	92,438,596	<u>108,229,859</u>	86.95
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>15,791,263</u>		
<b>FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>108,229,859</u>		

i. Quoted Shariah-compliant securities

Name of counter	Quantity	Aggregate cost	Fair value as at	Percentage of net
			31.3.2017	asset value of the Fund
	Units	RM	RM	%
<u>Construction</u>				
IJM Corporation Berhad	524,600	1,599,054	1,783,640	2.08
ML Global Berhad	1,000,000	820,000	1,010,000	1.18
	1,524,600	2,419,054	2,793,640	3.26
<u>Consumer</u>				
Hong Leong Industries Berhad	217,600	2,063,037	2,038,912	2.38
IQ Group Holdings Berhad	420,200	1,216,483	1,470,700	1.71
	637,800	3,279,520	3,509,612	4.09
<u>Consumer Product</u>				
Nestle (Malaysia) Berhad	33,400	2,605,185	2,651,292	3.09
QL Resources Berhad	361,830	928,703	1,649,945	1.92
	395,230	3,533,888	4,301,237	5.01
<u>Finance</u>				
BIMB Holdings Berhad	261,300	989,871	1,162,785	1.35
Syarikat Takaful Malaysia Berhad	515,900	1,164,907	2,048,123	2.39
	777,200	2,154,778	3,210,908	3.74
<u>Health Care</u>				
IHH Healthcare Berhad	496,400	3,202,141	2,978,400	3.47
Kossan Rubber Industries Berhad	290,700	1,839,420	1,811,061	2.11
Top Glove Corporation Bhd	217,800	1,172,187	1,071,576	1.25
	1,004,900	6,213,748	5,861,037	6.83
<u>Industrial Product</u>				
Lafarge Malaysia Berhad	192,400	1,408,887	1,289,080	1.50
Petronas Gas Berhad	70,800	1,556,387	1,399,008	1.63
Scientex Berhad	191,300	595,010	1,411,794	1.64
	454,500	3,560,284	4,099,882	4.77

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at	Percentage of net asset value of the Fund
			31.3.2017	
	Units	RM	RM	%
<u>Infrastructure Project</u>				
<u>Company</u>				
Digi.Com Berhad	549,300	2,670,248	2,817,909	3.28
Lingkarans Trans Kota Holdings Berhad	341,000	1,504,998	2,052,820	2.39
Time Dotcom Berhad	197,300	1,515,574	1,716,510	2.00
	1,087,600	5,690,820	6,587,239	7.67
<u>Manufacturing</u>				
Pecca Group Berhad	744,300	1,149,822	1,168,551	1.36
<u>Plantation</u>				
Batu Kawan Berhad	65,600	1,184,588	1,271,328	1.48
IOI Corporation Berhad	370,900	1,647,643	1,724,685	2.01
Kuala Lumpur Kepong Berhad	23,400	553,199	577,512	0.67
United Plantations Bhd	58,100	1,557,692	1,655,850	1.93
	518,000	4,943,122	5,229,375	6.09
<u>Properties</u>				
IOI Properties Group Berhad	1,020,832	2,429,301	2,113,122	2.46
LBS Bina Group Berhad	510,000	772,586	1,035,300	1.21
Malton Berhad	1,221,000	826,495	1,660,560	1.93
	2,751,832	4,028,382	4,808,982	5.60
<u>i-REITS</u>				
Axis Real Estate Investment Trust	769,732	1,461,049	1,270,058	1.48
KLCC Property Holdings Berhad	50,000	368,791	396,500	0.46
	819,732	1,829,840	1,666,558	1.94

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at	Percentage of net
			31.3.2017	asset value of the Fund
	Units	RM	RM	%
<u>Technology</u>				
Inari Amertron Berhad	488,536	452,307	996,613	1.16
Pentamaster Corporation Berhad	559,400	1,274,313	1,555,132	1.81
Unisem (M) Berhad	317,700	627,075	997,578	1.16
Vitrox Corporation Berhad	252,100	831,401	1,194,954	1.39
	1,617,736	3,185,096	4,744,277	5.52
<u>Trading/Services</u>				
Axiata Group Berhad	880,709	4,578,675	4,456,388	5.19
Bermaz Auto Berhad	857,740	1,572,418	1,715,480	2.00
Bumi Armada Berhad	737,700	839,958	553,275	0.64
Dialog Group Berhad	699,200	1,084,881	1,237,584	1.44
Pestech International Berhad	987,500	1,208,847	1,629,375	1.90
Petra Energy Berhad	1,237,900	1,706,832	1,336,932	1.56
Sapura Energy Bhd	539,300	823,188	981,526	1.14
Scicom (MSC) Berhad	400,000	856,000	960,000	1.12
Sime Darby Berhad	444,665	3,920,612	4,126,491	4.81
Tenaga Nasional Bhd	179,600	2,139,563	2,464,112	2.87
	6,964,314	18,730,974	19,461,163	22.67

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2017	Percentage of net asset value of the Fund
	Units	RM	RM	%
<b>TOTAL QUOTED SHARIAH-COMPLIANT SECURITIES</b>	<u>19,297,744</u>	60,719,328	<u>67,442,461</u>	<u>78.55</u>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>6,723,133</u>		
<b>FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>			<u>67,442,461</u>	

ii. Sukuk

Name of counter	Nominal value	Aggregate cost	Fair value as at 31.3.2018	Percentage of net asset value of the Fund
	RM	RM	RM	%
3.91% Government of Malaysia 13.8.2019 (NR)	1,500,000	1,506,456	1,517,680	1.22
4.80% Hong Leong Islamic Bank Berhad 17.6.2024 (AA1)	1,000,000	1,017,483	1,019,536	0.82
<b>TOTAL SUKUK</b>	<u>2,500,000</u>	<u>2,523,939</u>	<u>2,537,216</u>	<u>2.04</u>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>13,277</u>		
<b>FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>2,537,216</u>		

ii. Sukuk (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 31.3.2017	Percentage of net asset value of the Fund
	RM	RM	RM	%
4.45% First Resources Limited 31.7.2017 (AA2)	7,500,000	7,563,957	7,565,496	8.81
4.60% Perbadanan Kemajuan Negeri Selangor 25.5.2018 (AA3)	1,000,000	1,016,243	1,016,970	1.18
4.60% Perbadanan Kemajuan Negeri Selangor 26.10.2018 (AA3)	2,500,000	2,551,539	2,543,973	2.96
4.80% Hong Leong Islamic Bank Berhad 17.6.2024 (AA2)	1,000,000	1,020,387	1,018,295	1.19
3.91% Government of Malaysia 13.8.2019 (NR)	1,500,000	1,505,646	1,517,653	1.77
5.10% Gulf Investment Corporation G.S.C 16.3.2021 (AAA)	3,000,000	3,025,542	3,009,587	3.51
<b>TOTAL SUKUK</b>	<u>16,500,000</u>	<u>16,683,314</u>	<u>16,671,974</u>	<u>19.42</u>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>(11,340)</u>		
<b>FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>16,671,974</u>		

ii. Sukuk (continued)

The effective weighted average rate of return of sukuk per annum as at the date of the statement of financial position are as follows:

	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Sukuk	3.73	4.62

**7. CASH AND CASH EQUIVALENTS**

	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
Bank balance with a licensed bank	103,034	87,271
Islamic deposit with a licensed financial institution	12,032,076	1,650,133
	<u>12,135,110</u>	<u>1,737,404</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:

	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Islamic deposit with a licensed financial institution	3.15	2.95

The Islamic deposit has an average maturity of 2 days (2017: 3 days).



## 8. SHARIAH INFORMATION OF THE FUND

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

- a. Equity securities listed in Bursa Malaysia which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission;
- b. The investments in sukuk are in order and as per the list of sukuk available at Bond Info Hub and Fully Automated System For Issuing/Tendering of Bank Negara Malaysia; and
- c. Liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

## 9. UNITS IN CIRCULATION

	2018	2017
	No. of units	No. of units
At the beginning of the financial period	121,881,294	85,340,595
Creation of units during the financial period:		
Arising from applications	24,890,428	14,257,208
Arising from distribution	2,176,047	-
Cancellation of units during the financial period	<u>(27,603,646)</u>	<u>(11,007,055)</u>
At the end of the financial period	<u>121,344,123</u>	<u>88,590,748</u>

**10. MANAGEMENT EXPENSE RATIO ("MER")**

	<b>2018</b>	<b>2017</b>
	%	%
MER	0.72	0.72

MER is derived from the following calculation:

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

A = Management fee

B = Trustee fee

C = Audit fee

D = Tax agent fee

E = Other expenses (inclusive GST charges)

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

The average net asset value of the Fund for the financial period calculated on a daily basis is RM123,119,583 (2017: RM79,951,931).

## 11. PORTFOLIO TURNOVER RATIO (“PTR”)

	2018	2017
PTR (times)	0.37	0.22

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 = RM51,095,442 (2017: RM22,223,884)

total disposals for the financial period = RM40,974,790 (2017: RM12,397,627)

## 12. TRANSACTIONS WITH BROKERS/DEALERS

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

Name of brokers/ dealers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2018</u>				
RHB Investment Bank Berhad	14,054,914	15.27	37,246	15.02
Maybank Investment Bank Berhad	11,912,720	12.94	31,322	12.63
Affin Hwang Investment Bank Berhad	10,162,149	11.04	26,930	10.86
CIMB Investment Bank Berhad	9,929,185	10.78	29,411	11.86
UOB Kay Hian Securities (M) Sdn Bhd	8,731,443	9.48	24,632	9.93
Kenanga Investment Bank Berhad	7,528,855	8.18	19,951	8.05
Hong Leong Investment Bank Berhad	6,762,886	7.35	17,922	7.23
Credit Suisse Securities (Malaysia) Sdn Bhd	5,543,973	6.02	14,692	5.93
CLSA Securities Malaysia Sdn Bhd	4,788,253	5.20	12,689	5.12
AmlInvestment Bank Berhad	2,863,801	3.11	7,589	3.06
Others	9,792,052	10.63	25,568	10.31
	<u>92,070,231</u>	<u>100.00</u>	<u>247,952</u>	<u>100.00</u>

Name of brokers/ dealers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2017</u>				
KAF Seagroatt & Campbell Securities Sdn Bhd	4,450,134	12.84	14,697	14.20
Maybank Investment Bank Berhad	4,244,041	12.24	13,928	13.46
Affin Hwang Investment Bank Berhad	3,769,854	10.87	12,389	11.97
Ambank (M) Berhad	3,514,380	10.14	-	-
Hong Leong Investment Bank Berhad	2,761,390	7.96	9,669	9.35
UOB Kay Hian Securities (M) Sdn Bhd	2,425,121	7.00	7,954	7.69
CIMB Investment Bank Berhad	1,796,311	5.18	6,070	5.87
Nomura Securities Malaysia Sdn Bhd	1,721,412	4.97	6,137	5.93
J.P. Morgan Securities (Malaysia) Sdn Bhd	1,656,376	4.78	5,716	5.52
RHB Investment Bank Berhad	1,655,967	4.78	5,515	5.33
Others	6,668,017	19.24	21,405	20.68
	<b>34,663,003</b>	<b>100.00</b>	<b>103,480</b>	<b>100.00</b>

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

### 13. UNITS HELD BY THE MANAGER

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

<b>Related party</b>	<b>Relationship</b>			
Eastspring Investments Berhad	The Manager			

	<b>2018</b>		<b>2017</b>	
	<b>No. of units</b>	<b>RM</b>	<b>No. of units</b>	<b>RM</b>
Eastspring Investments Berhad	1,364	1,399	1,309	1,268

The above units were transacted at the prevailing market price.

The units are held legally by the Manager and are within the prescribed limit allowed by SC's Guidelines on Unit Trust Funds. Other than the above, there were no units held by the Directors or parties related to the Manager.

#### **14. SEGMENTAL INFORMATION**

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

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

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

#### **15. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved for issue by the Manager on 16 May 2018.

# CORPORATE DIRECTORY

## **THE MANAGER**

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

531241-U

REGISTERED OFFICE

16<sup>th</sup> Floor, Wisma Sime Darby

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BUSINESS OFFICE

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TELEPHONE NO.

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FAX NO.

603-2070 6129

EMAIL

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WEBSITE

www.eastspringinvestments.com.my

## **TRUSTEE**

NAME

DEUTSCHE TRUSTEES MALAYSIA BERHAD

COMPANY NO.

763590-H

REGISTERED OFFICE & BUSINESS OFFICE

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FAX NO.

603-2053 7526

## **SHARIAH ADVISER**

NAME

IBFIM

COMPANY NO.

763075-W

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No. 149A, 149B, 151B

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Selangor Darul Ehsan

BUSINESS ADDRESS

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**SALE & PURCHASE OF UNITS**

**Eastspring Investments Berhad**

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FAX NO.

603-2052 3366

**BRANCHES**

**Petaling Jaya**

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**ENQUIRIES**

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