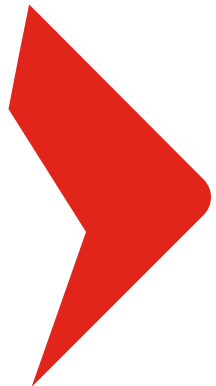


EASTSPRING INVESTMENTS TARGET INCOME FUND 6

INTERIM REPORT

FOR THE FINANCIAL PERIOD
FROM 28 MARCH 2017 (LAUNCH DATE)
TO 30 NOVEMBER 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 Interim Fund Reports of Eastspring Investments Berhad's fund(s) for the reporting period ended 30 November 2017.

You may also download these reports from our website at www.eastspringinvestments.com.my

Should you require any assistance, please do not hesitate to contact our Client Services at 03-2332 1000.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Raymond Tang Chee Kin', written in a cursive style.

Raymond Tang Chee Kin

Non-Independent, Executive Director and Chief Executive Officer

TABLE OF CONTENTS

Fund Information	1
Key Performance Data	3
Manager's Report	5
Market Review	8
Rebates and Soft Commissions	8
Statement by the Manager	10
Trustee's Report to the Unit Holders of Eastspring Investments Target Income Fund 6	11
Unaudited Statement of Comprehensive Income	12
Unaudited Statement of Financial Position	13
Unaudited Statement of Changes in Equity	14
Unaudited Statement of Cash Flows	15
Summary of Significant Accounting Policies	16
Notes to the Unaudited Financial Statements	26
Corporate Directory	51

FUND INFORMATION

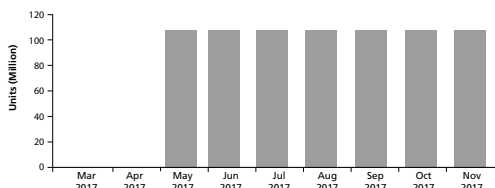
Name of Fund	Eastspring Investments Target Income Fund 6 (the "Fund")
Fund Category/ Type	Bond (close-ended)/income
Fund Objective	<p>The Fund endeavours to provide regular income** during the tenure of the Fund.</p> <p>** Income declared will be paid out either by way of E-payment according to Unit Holders' instructions in the account opening form or by cheque.</p>
Termination Date	12 May 2022
Duration of the Fund	Five (5) years close-ended bond.
Performance Benchmark	<p>5-year Maybank fixed deposit rate as at the Commencement Date.</p> <p>Please note that investors may obtain information on the benchmark from the Manager upon request.</p> <p>As the Fund will invest in local and foreign markets across various bonds of different ratings, the risk profile of the Fund is not the same as the risk profile of the performance benchmark.</p>
Fund Income Distribution Policy	Distribution of income, if any, will be on annual basis, after deduction of taxation and expenses.

FUND INFORMATION (CONTINUED)

Breakdown of Unit Holdings by Size

As at 30 November 2017, the size of Eastspring Investments Target Income Fund 6 stood at 107.780 million units.

Fund Size



Breakdown of Unit Holdings

Unit Holdings	No. of Unit Holders	%	No of Units* ('000)	%
5,000 units and below	118	15.51	406	0.38
5,001 to 10,000 units	123	16.16	1,141	1.06
10,001 to 50,000 units	295	38.76	9,188	8.52
50,001 to 500,000 units	210	27.60	33,680	31.25
500,001 units and above	15	1.97	63,364	58.79
Total	761	100.00	107,779	100.00

* excludes units held by the Manager.

KEY PERFORMANCE DATA

FOR THE FINANCIAL PERIOD ENDED

Category	Since commencement 11.5.2017 to 30.11.2017 (%)
Unquoted fixed income securities	91.38
Derivatives	5.26
Cash and other assets	3.36
Total	100.00
Net Asset Value (NAV) (RM'000)	113,310
Units In Circulation (Units '000)	107,780
Net Asset Value Per Unit (RM)	1.0513
Highest Net Asset Value Per Unit (RM)	1.0553
Lowest Net Asset Value Per Unit (RM)	0.9997
Total Return (%)	
- Capital Growth	5.13
- Income Distribution	-
Total Return (%)	5.13
Gross Distribution Per Unit (RM)	-
Net Distribution Per Unit (RM)	-
Management Expense Ratio (MER) (%)	0.21
Portfolio Turnover Ratio (PTR) (times)	0.77

KEY PERFORMANCE DATA (CONTINUED)

	Since commencement 11.5.2017 to 30.11.2017 (%)
--	--

Average total return	9.41
----------------------	------

Year ended	Since commencement 11.5.2017 to 30.11.2017 (%)
------------	--

Annual total return	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:

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

NAV_t = NAV at the end of the period

NAV_0 = NAV at the beginning of the period

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

Adjusted for unit split and distribution paid out for the period

n = Number of years

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

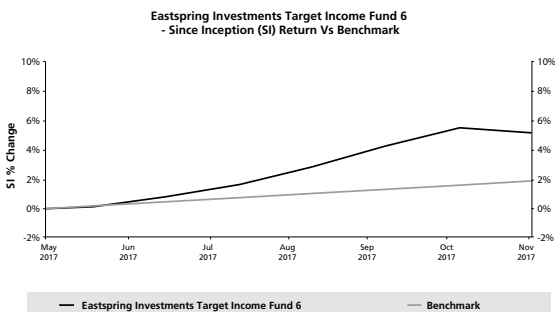
MANAGER'S REPORT

Fund Performance

Since inception, the Fund registered a return of 5.13%, outperforming the benchmark return of 1.88% by 3.25%.

For the period under review, the Fund registered a positive return of 4.99%, outperforming the benchmark return of 1.69% by 3.30%.

The Fund's investments in USD-denominated Asian credits contributed positively to overall returns. While US Treasury yields rose over the period, spreads tightened in the Asian credit segment, which helped to partially offset the negative impact of rising rates. Consequently, positive returns over the period were driven primarily by income accrual, even as yields in the segment rose marginally.



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

Benchmark: 5-year Maybank fixed deposit rate as at Commencement Date.

Fund performance is sourced from Lipper for Investment Management, 30 November 2017 and the benchmark is obtainable from Eastspring Investments Berhad upon request.

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 30 November 2017:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
0.00	5.13	5.13	1.88

* 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 30 November 2017.

Investment Strategy During The Period Under Review

As this is a close-ended bond fund, the Fund will be managed primarily with a semi-active management strategy. The Fund's bond investments will be typically held to maturity. At the maturity of these debt securities, issuers of the debt securities held by the Fund will be obligated to pay the face value provided there is no occurrence of credit default by the issuer.

Nevertheless, the Fund Manager continues to monitor the Fund's investments and may trade and rebalance its investments under the following scenarios:

- Increased default risk and/or from uptrend interest rate concerns;
- Hedging transactions in the event that the sale of the security at risk is not possible; and
- Reinvesting proceeds from maturing securities

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	30-Nov	Changes
	2017	
	(%)	(%)
Unquoted fixed income securities	91.38	(91.38)
Derivatives	5.26	(5.26)
Cash and other assets	3.36	(3.36)

Asset Allocation as at 30 November 2017



There were no significant changes in asset allocation of the Fund for the period under review.

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.

MARKET REVIEW

Interest rates fluctuated over the period under review, but ultimately ended higher, as a synchronized global economic expansion continued to take shape, boosting future growth expectations. While investors looked towards Trump's pro-business tax reform plans, stronger economic data points (aided by a broad recovery in manufacturing and exports in Asia) and a still-benign inflationary environment as positives, concerns stemmed from the ongoing monetary policy normalization in the developed markets, alongside bouts of geopolitical tensions emanating from the Korean peninsula.

On the back of improving economic activity, the US Federal Reserve hiked interest rates for the second time in 2017 (in June 2017), a move which was widely anticipated by investors. Shorter-dated yields (which are more sensitive to changes in the Fed Funds Target Rate) rose by a greater degree than longer-dated US Treasuries, resulting in a flattening of the yield curve. Despite the general rise in yields, improving investor confidence saw sustained demand for Asian credit, as a narrowing of credit spreads in the region helped to offset bond price weakness due to higher interest rates. Over the period, Asian USD-denominated bonds (as represented by the JPMorgan Asia Credit Index) delivered a 1.9% return over the period (in USD terms), with returns driven by a combination of interest accrual and credit spread tightening.

REBATES AND SOFT COMMISSIONS

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

EASTSPRING INVESTMENTS TARGET INCOME FUND 6

UNAUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 28 MARCH 2017 (LAUNCH DATE)
TO 30 NOVEMBER 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 12 to 50 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 30 November 2017 and of its financial performance, changes in equity and cash flows for the financial period beginning 28 March 2017 (Launch Date) to 30 November 2017 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: 8 January 2018

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS TARGET INCOME FUND 6

We have acted as Trustee for Eastspring Investments Target Income Fund 6 (the "Fund") for financial period from 28 March 2017 (Launch Date) to 30 November 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: 8 January 2018

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 28 MARCH 2017 (LAUNCH DATE)
TO 30 NOVEMBER 2017

	Note	Financial period from 28.3.2017 (launch date) to 30.11.2017
		RM
INVESTMENT INCOME		
Interest income from deposits with licensed financial institutions		463,977
Interest income from unquoted fixed income securities		2,562,501
Exit fee income		10,377
Net loss on financial assets at fair value through profit or loss	6	(3,149,001)
Net gain on forward foreign currency contracts		5,958,026
Net foreign currency exchange loss		(99,730)
		<u>5,746,150</u>
EXPENSES		
Management fee	3	(123,316)
Trustee fee	4	(36,995)
Audit fee		(6,327)
Tax agent fee		(2,584)
Other expenses		(24,827)
GST charges		(9,619)
		<u>(203,668)</u>
PROFIT BEFORE TAXATION		5,542,482
TAXATION	5	<u>-</u>
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		<u>5,542,482</u>
Profit after taxation is made up of the following:		
Realised amount		2,804,624
Unrealised amount		2,737,858
		<u>5,542,482</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 30 NOVEMBER 2017

	Note	2017
		RM
ASSETS		
Cash and cash equivalents	7	3,916,088
Financial assets at fair value through profit or loss	6	103,540,195
Tax recoverable		8,000
Forward foreign currency contracts	8	5,958,026
Amount due from brokers		778,475
TOTAL ASSETS		<u>114,200,784</u>
LIABILITIES		
Amount due to Manager		30,567
Accrued management fee		18,661
Amount due to brokers		809,336
Amount due to Trustee		5,598
GST charges payable		1,456
Other payables and accruals		25,075
TOTAL LIABILITIES		<u>890,693</u>
NET ASSET VALUE OF THE FUND		<u>113,310,091</u>
EQUITY		
Unit holders' capital		107,767,609
Retained earnings		5,542,482
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>113,310,091</u>
NUMBER OF UNITS IN CIRCULATION	9	<u>107,780,042</u>
NET ASSET VALUE PER UNIT (RM)		<u>1.0513</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 FINANCIAL PERIOD FROM 28 MARCH 2017 (LAUNCH DATE)
TO 30 NOVEMBER 2017

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
Balance as at 28 March 2017 (launch date)	-	-	-
Movement in unit holders' contribution:			
Creation of units from applications	113,583,483	-	113,583,483
Cancellation of units	(5,815,874)	-	(5,815,874)
Total comprehensive income for the financial period	-	5,542,482	5,542,482
Balance as at 30 November 2017	107,767,609	5,542,482	113,310,091

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 FINANCIAL PERIOD FROM 28 MARCH 2017 (LAUNCH DATE)
TO 30 NOVEMBER 2017

	Note	Financial period from 28.3.2017 (launch date) to 30.11.2017
		RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments		22,102,069
Payments for purchase of investments		(127,584,724)
Interest income received from deposits with licensed financial institutions		463,977
Interest income received from unquoted fixed income securities		1,386,822
Exit income fee received		10,377
Management fee paid		(104,655)
Trustee fee paid		(31,397)
Payment for other fees and expenses		(16,827)
Tax paid		(8,000)
Net foreign currency exchange loss		(99,730)
Net cash used in operating activities		<u>(103,882,088)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from units created		113,583,483
Payments for cancellation of units		(5,785,307)
Net cash generated from financing activities		<u>107,798,176</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,916,088
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE LAUNCH DATE		<u>-</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	7	<u>3,916,088</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 FINANCIAL PERIOD FROM 28 MARCH 2017 (LAUNCH DATE) TO 30 NOVEMBER 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 and financial liabilities (including derivatives instruments) at fair value through profit or loss.

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

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

The Fund has applied the following amendments for the first time for the financial period beginning 28 March 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 June 2018

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

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income (“OCI”). The basis of classification depends on the entity’s business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

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

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

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

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

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

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

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

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

B. INCOME RECOGNITION

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

Interest income from unquoted fixed income securities including amortisation of premium and accretion of discount are recognised using the effective interest method.

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

Exit fee income is a redemption fee charged to unit holders on cancellation of units before the maturity date and is recognised upon cancellation of units.

C. TAXATION

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

Tax on interest income from foreign unquoted fixed income 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 as 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 unquoted fixed income securities as financial assets at fair value through profit or loss at inception and derivatives as financial assets or financial liabilities held-for-trading.

Financial assets are designated at fair value through profit or loss at inception are not classified as held-for-trading, but are managed, and their performance evaluated on a fair value basis.

Financial assets or financial liabilities are classified as held-for-trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Fund's loans and receivables comprise amount due from brokers and cash and cash equivalents.

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

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

ii. Recognition and measurement

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

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

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

Financial liability is derecognised when the obligation under the liability is extinguished. Gains 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.

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

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

Unquoted fixed income securities 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 fixed income securities 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.

Unquoted fixed income securities denominated in foreign currencies are revalued on a daily basis by reference to the price obtained from at least three financial institutions. However, if such quotations are not available or should the gaps of the quotations provided by the financial institutions differ by more than 20 basis points, the valuation shall be determined by reference to the value of such debt securities quoted by Reuters.

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

iii. Impairment for assets carried at amortised costs

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

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

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

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

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

G. CASH AND CASH EQUIVALENTS

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

H. 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 ("NAV") per unit at the time of creation or cancellation. The Fund's NAV 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 Manager that undertakes strategic decisions for the Fund.

J. DERIVATIVE FINANCIAL INSTRUMENTS

A derivative financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held-for-trading and accounted for in accordance with the accounting policy set out in Note F to the financial statements.

K. AMOUNT DUE FROM/(TO) BROKERS

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

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

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

L. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

i. Estimate of fair value of unquoted fixed income securities

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

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

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

Unquoted fixed income securities denominated in foreign currencies are revalued on a daily basis by reference to the price obtained from at least three financial institutions. However, if such quotations are not available or should the gaps of the quotations provided by the financial institutions differ by more than 20 basis points, the valuation shall be determined by reference to the value of such debt securities quoted by Reuters.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 28 MARCH 2017 (LAUNCH DATE) TO 30 NOVEMBER 2017

1. INFORMATION ON THE FUND

Eastspring Investment Target Income Fund 6 (the "Fund") was constituted pursuant to the execution of a Deed dated 30 May 2016 (collectively referred to as the "Deed") entered into between Eastspring Investments Berhad (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee").

The Fund was launched on 28 March 2017 and will continue its operations until terminated by the Trustee or the Manager as provided under Part 12 of the Deed.

The Fund seeks to achieve its objective by investing in local and/or foreign debt securities. The Fund will invest a minimum of 70% of its NAV in local and/or foreign debt securities. Not more than 40% of the Fund's NAV may be invested either in non-rated debt securities and/or debt securities rated below investment grade rating by RAM, MARC, Standard & Poor's, Moody's, Fitch or other rating agencies (i.e. lower than BBB3 rating by RAM or below investment grade rating by other rating agencies) while the remainder will be invested in investment grade bonds. Additionally, up to 30% of the Fund's NAV may be invested in money market instruments. All investments will be subjected to the Securities Commission's (the "SC") Guidelines on Unit Trust Funds, the Deed and the objective of the Fund.

The main objective of the Fund is to provide regular income during the tenure of the Fund.

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

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Financial instruments of the Fund are as follows:

	Note	Loans and receivables	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
<u>2017</u>				
Cash and cash equivalents	7	3,916,088	-	3,916,088
Amount due from brokers		778,475	-	778,475
Unquoted fixed income securities	6	-	103,540,195	103,540,195
Forward foreign currency contracts	8		5,958,026	5,958,026
		<u>4,694,563</u>	<u>109,498,221</u>	<u>114,192,784</u>

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

Market risk

i. Price risk

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

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

	2017
	RM
Unquoted fixed income securities designated at fair value through profit or loss *	<u>103,540,195</u>

* Includes interest receivable of RM1,132,355.

Derivatives

Forward foreign currency contracts	<u>5,958,026</u>
------------------------------------	------------------

The following table summarises the sensitivity of the Fund's net asset value and profit after tax to movements in prices of unquoted fixed income securities and derivatives at the end of the reporting period. The analysis is based on the assumptions that the market price of the unquoted fixed income securities and derivatives 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 unquoted fixed income securities and derivatives, 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%	113,784,159	5,418,293
-5%	102,947,573	<u>(5,418,293)</u>

ii. Interest rate risk

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

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

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

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

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

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

The table below summarises the sensitivity of the Fund's profit after tax and NAV to movements in prices of unquoted fixed income securities and money market instruments held by the Fund at the end of the reporting period as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changed by 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.

% Change in interest rate of unquoted fixed income securities	Impact on profit after tax/ change in net asset value
	RM
<u>2017</u>	
+1%	(229,795)
-1%	230,608
	<hr/>

iii. Foreign exchange/currency risk

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

In the normal course of investment, the Fund Manager will usually not hedge foreign currency exposure. The Fund Manager may however depending on prevailing market circumstances at particular point in time, choose to use forward or swap 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	Forward foreign currency contracts	Total
	RM	RM	RM	RM
<u>2017</u>				
SGD	21,512,322	971,289	1,126,438	23,610,049
USD	82,027,873	1,957,506	4,831,588	88,816,967
	<u>103,540,195</u>	<u>2,928,795</u>	<u>5,958,026</u>	<u>112,427,016</u>

The table below summarises the sensitivity of the Fund's financial assets 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 foreign exchange rate	Impact on profit after tax	Impact on net asset value
	%	RM	RM
<u>2017</u>			
SGD	5	1,180,502	1,180,502
USD	5	4,440,848	4,440,848

Country risk

A unit trust fund that invests in foreign countries may experience more rapid and extreme changes in value than a unit trust fund that invests exclusively in Malaysia. Nationalisation, expropriation or confiscatory, taxation, currency blockage, political changes or diplomatic developments could adversely affect a unit trust fund's investments in a foreign country. In the event of nationalisation, expropriation or other confiscation, a unit trust fund could lose its entire investment in foreign countries. Adverse conditions in a certain region can adversely affect securities of other countries whose economies appear to be unrelated. Careful consideration shall be given to risk factors such as liquidity, political and economic environment before any investments are made in a foreign country.

Fund management risk

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

Liquidity risk

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

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

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

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
<u>2017</u>			
Amount due to Manager	30,567	-	30,567
Accrued management fee	18,661	-	18,661
Amount due to brokers	809,336	-	809,336
Amount due to Trustee	5,598	-	5,598
GST charges payable	1,456	-	1,456
Other payables and accruals	-	25,075	25,075
Contractual cash outflows	<u>865,618</u>	<u>25,075</u>	<u>890,693</u>

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.

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM 107,767,609 and retained earnings of RM5,542,482. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

Credit/default risk

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

The credit risk arising from placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

The Fund seeks to mitigate credit/default risk by investing in high quality fixed income securities and entering into forward currency contracts with reputable counterparties.

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

	Cash and cash equivalents	Financial assets at fair value through profit or loss	Total
	RM	RM	RM
<u>2017</u>			
Finance			
- AA1	3,916,088	-	3,916,088
Unquoted fixed income securities			
- A-1	-	2,017,669	2,017,669
- A-2	-	7,994,423	7,994,423
- B	-	1,682,851	1,682,851
- B-	-	7,353,413	7,353,413
- Ba1	-	1,995,367	1,995,367
- Ba3	-	1,255,987	1,255,987
- Baa3	-	18,376,378	18,376,378
- BB	-	2,945,432	2,945,432
- BB+	-	12,299,128	12,299,128
- BB-	-	8,812,108	8,812,108
- BBB	-	18,862,344	18,862,344
- BBB-	-	2,023,535	2,023,535
- Caa1	-	812,317	812,317
- NR	-	17,109,243	17,109,243
Forward foreign currency contracts			
- AAA	-	5,958,026	5,958,026
	3,916,088	109,498,221	113,414,309

None of these assets are past due or impaired.

Fair value estimation

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

The fair value of financial assets traded in active market (such as publicly traded derivatives) 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 Fund Manager will determine the point within the bid-ask spread that is representative of the fair value.

An active market is a market in which transactions for the asset 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. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each period end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

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 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>2017</u>				
Financial assets at fair value through profit or loss at inception:				
Unquoted fixed income securities	-	103,540,195	-	103,540,195
Forward foreign currency contracts	-	5,958,026	-	5,958,026

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted fixed income securities and derivatives. 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 amount due from brokers, cash and cash equivalents and all liabilities are a reasonable approximation of their fair values due to their short term nature.

3. MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 0.20% per annum of the net asset value of the Fund accrued and calculated on a daily basis.

For the financial period ended 30 November 2017, the Management fee is recognised at a rate of 0.20% per annum on the net asset value of the Fund, excluding foreign custodian charges, 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 local custodian fee, at a rate not exceeding 0.06% per annum of the net asset value of the Fund, subject to a minimum fee of RM15,000 per annum.

For the financial period ended 30 November 2017, the Trustee fee is recognised at a rate of 0.06% per annum on the net asset value of the Fund, excluding foreign custodian charges, calculated on daily basis.

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

5. TAXATION

	Financial period from 28.3.2017 (launch date) to 30.11.2017
	RM
Tax charged for the financial period:	
Current taxation - local	-

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

	Financial period from 28.3.2017 (launch date) to 30.11.2017
	RM
Profit before taxation	<u>5,542,482</u>
Tax at Malaysian statutory rate of 24%	1,330,196
Tax effects of:	
Investment income exempt from tax	(1,379,076)
Expenses not deductible for tax purposes	17,766
Restriction on tax deductible expenses for unit trust funds	<u>31,114</u>
Taxation	<u>-</u>

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017
	RM
Designated at fair value through profit or loss at inception:	
Unquoted fixed income securities	<u>103,540,195</u>
Net loss on financial assets at fair value through profit or loss:	
Realised gain on disposals	69,676
Change in unrealised fair value loss	<u>(3,218,677)</u>
	<u>(3,149,001)</u>

Unquoted fixed income securities

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2017	Percentage of net asset value of the Fund
	RM	RM	RM	%
Bond				
7.00% Maoye International Holdings Limited 23.10.2018 (NR)	200,000	850,282	827,469	0.73
8.25% Jiayuan International Group Limited 14.11.2018 (NR)	500,000	2,102,494	2,048,689	1.81
4.60% Radiant Access Limited 18.05.2020 (A-2)	2,000,000	8,665,731	7,994,423	7.05
4.45% Sun Hung Kai Properties (Capital Market) Limited 23.05.2020 (A-1)	500,000	2,118,543	2,017,669	1.78
5.50% Nan Fung Treasury (II) Limited 29.05.2020 (Baa3)	4,500,000	19,319,620	18,376,378	16.22
5.25% Wisdom Glory Group Ltd 19.07.2020 (Ba3)	300,000	1,311,205	1,255,987	1.11
5.00% New Metro Global Ltd 08.08.2020 (BB-)	200,000	863,948	806,655	0.71
9.75% Anton Oilfield Services Group 05.12.2020 (Caa1)	200,000	810,827	812,317	0.72
6.95% Modernland Overseas Pte. Ltd. 13.04.2021 (B)	400,000	1,733,490	1,682,851	1.49
5.95% APL Realty Holdings Pte. Ltd. 02.06.2021 (BB-)	1,700,000	7,490,157	7,227,845	6.38
4.85% PT Ciputra Development Tbk 20.09.2021 (BB-)	250,000	784,980	777,608	0.69
7.00% Lippo Malls Indonesia Retail Trust 27.09.2021 (NR)	1,000,000	3,236,870	3,257,040	2.87

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2017	Percentage of net asset value of the Fund
	RM	RM	RM	%
Bond				
5.75% NWD Finance (BVI) Ltd 05.10.2021 (NR)	300,000	1,305,036	1,247,923	1.10
5.875% Indika Energy Capital III Pte. Ltd 09.11.2021 (NR)	200,000	839,186	816,348	0.72
5.625% The Bank Of East Asia Limited 18.05.2022 (BB)	700,000	3,046,612	2,945,432	2.60
6.125% Turkiye Garanti Bankasi AS 24.05.2022 (BB+)	500,000	2,110,095	2,017,020	1.78
5.20% Ara Asset Management Limited 19.07.2022 (NR)	1,750,000	5,545,311	5,577,498	4.92
7.50% China Evangrande Group 28.06.2023 (B-)	700,000	3,091,052	2,981,065	2.63
5.125% Turkiye Cumhuriyeti Ziraat Bankasi 29.09.2023 (Ba1)	500,000	2,102,671	1,995,367	1.76
3.876% Chong Hing Bank Limited 26.07.2022 (BBB-)	200,000	867,802	826,197	0.73
6.00% HSBC Holdings Plc 06.08.2022 (BBB)	3,500,000	11,078,464	11,139,596	9.83
3.375% Hong Kong Red Star Macalline Universal Home Furnishings Ltd 21.09.2022 (BBB-)	300,000	1,257,984	1,197,338	1.06
3.08% FH-REIT Treasury Pte. Ltd. 08.11.2024 (NR)	250,000	777,773	760,580	0.67
8.75% China Evergrande Group 28.06.2025 (B-)	1,000,000	4,437,504	4,372,348	3.86
6.00% HSBC Holdings Plc 22.05.2027 (BBB)	1,800,000	7,787,036	7,722,748	6.82

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2017	Percentage of net asset value of the Fund
	RM	RM	RM	%
Bond				
5.00% Westpac Banking Corporation 21.09.2027 (BB+)	2,500,000	10,616,244	10,282,108	9.07
4.625% Minejesa Capital B.V. 10.08.2030 (NR)	300,000	1,302,087	1,262,082	1.11
5.625% Minejesa Capital B.V. 10.08.2037 (NR)	300,000	1,305,868	1,311,614	1.16
	<u>26,550,000</u>	<u>106,758,872</u>	<u>103,540,195</u>	<u>91.38</u>

**ACCUMULATED
UNREALISED LOSS ON
FINANCIAL ASSETS AT FAIR
VALUE THROUGH PROFIT
OR LOSS**

(3,218,677)

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

103,540,195

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

	2017
	%
Unquoted fixed income securities	<u>5.31</u>

7. CASH AND CASH EQUIVALENTS

	2017
	RM
Bank balances	<u>3,916,088</u>

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

	2017
	RM
- MYR	987,293
- SGD	971,289
- USD	<u>1,957,506</u>
	<u>3,916,088</u>

8. FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 15 forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RM5,958,026 (receivable). The forward foreign currency contracts entered into during the financial period were for hedging against the currency exposure arising from the investment in the foreign unquoted fixed income securities denominated in SGD and USD. As the Fund has not adopted hedge accounting during the financial period, the change in the fair value of the forward currency contract is recognised immediately in the statement of comprehensive income.

9. UNITS IN CIRCULATION

	2017
	No. of units
At the beginning of the launch date	-
Creation of units from applications during the financial period	113,580,924
Cancellation of units during the financial period	<u>(5,800,882)</u>
At the end of the financial period	<u>107,780,042</u>

10. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with the top 10 brokers/dealers for the financial period from 28 March 2017 (launch date) to 30 November 2017 are as follows:

Name of brokers/dealers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2017</u>				
HSBC Singapore	52,562,792	34.75	-	-
DBS Bank Ltd	12,676,089	8.38	-	-
Oversea-Chinese Banking Corporation Limited	11,140,512	7.36	-	-
Barclays Plc	10,719,937	7.09	-	-
BNP Paribas London Branch	9,839,885	6.50	-	-
Credit Suisse First Boston Corp	8,980,323	5.94	-	-
Citibank N.A., London Branch	8,234,235	5.44	-	-
Merrill Lynch International Ltd (London)	8,209,900	5.43	-	-
JP Morgan Securities Ltd London	5,543,571	3.66	-	-
UBS AG London	5,051,615	3.34	-	-
Others	18,315,745	12.11	-	-
	<u>151,274,604</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

All brokers/dealers 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:

	Relationship	
Eastspring Investments Berhad	The Manager	

	2017	
	No. of units	RM
Eastspring Investments Berhad	1,000	1,051

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")

	Financial period from 28.3.2017 (launch date) to 30.11.2017
	%
MER	<u>0.21</u>

MER is derived from the following calculation:

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

A = Management fee

B = Trustee fee

C = Audit fee

D = Tax agent fee

E = Other expenses (inclusive of GST charges)

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

The average net asset value of the Fund for the financial period calculated on a daily basis is RM98,293,895.

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	Financial period from 28.3.2017 (launch date) to 30.11.2017
PTR (times)	<u>0.77</u>

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 = RM128,394,060

total disposals for the financial period = RM22,880,544

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 segment derives its income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within the portfolio. These returns consist of interest income and gains on the appreciation in the value of investments, and is derived from Ringgit-denominated unquoted fixed income securities traded in Malaysia and unquoted fixed income securities in foreign markets where the regulatory authority is a member of the International Organisation of Securities Commission (“IOSCO”).

15. COMPARATIVES

There are no comparative figures as this is the first set of financial statements prepared since the launch of the Fund.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 8 January 2018.

CORPORATE DIRECTORY

THE MANAGER

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

531241-U

REGISTERED OFFICE

16th Floor, Wisma Sime Darby

Jalan Raja Laut

50350 Kuala Lumpur

BUSINESS OFFICE

Level 12, Menara Prudential

No. 10, Jalan Sultan Ismail

50250 Kuala Lumpur

TELEPHONE NO.

603-2052 3388

FAX NO.

603-2070 6129

EMAIL

cs.my@eastspring.com

WEBSITE

www.eastspringinvestments.com.my

TRUSTEE

NAME

DEUTSCHE TRUSTEES MALAYSIA BERHAD

COMPANY NO.

763590-H

REGISTERED OFFICE & BUSINESS OFFICE

Level 20, Menara IMC

No. 8, Jalan Sultan Ismail

50250 Kuala Lumpur

TELEPHONE NO.

603-2053 7522

FAX NO.

603-2053 7526

SALE & PURCHASE OF UNITS

Eastspring Investments Berhad

Level 12, Menara Prudential

No. 10, Jalan Sultan Ismail

50250 Kuala Lumpur

TELEPHONE NO.

603-2332 1000

FAX NO.

603-2052 3366

BRANCHES

Petaling Jaya

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

TELEPHONE NO.

603-7948 1288

Kota Kinabalu

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

TELEPHONE NO.

6088-238 613

ENQUIRIES

CLIENT SERVICES

603-2332 1000

This page is intentionally left blank.

This page is intentionally left blank.

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

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