

EASTSPRING INVESTMENTS EQUITY INCOME FUND

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 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 30 June 2018.

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

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

Yours sincerely,

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

Raymond Tang Chee Kin

Non-Independent, Executive Director and Chief Executive Officer

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FUND INFORMATION

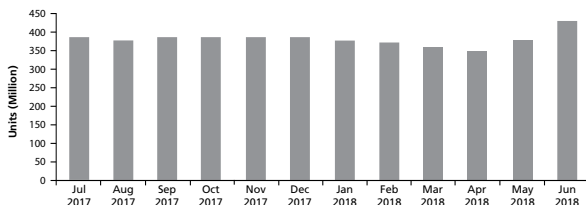
Name of Fund	Eastspring Investments Equity Income Fund (the "Fund")
Fund Category/ Type	Equity/income
Fund Objective	<p>The Fund seeks to provide a stable income* stream with medium to long-term capital growth.</p> <p>ANY MATERIAL CHANGES TO THE FUND'S OBJECTIVE WOULD REQUIRE UNIT HOLDERS' APPROVAL.</p> <p>* Income distributed to a Unit Holder will be reinvested into additional Units unless Unit Holder opts for the distribution to be paid out.</p>
Performance Benchmark	<p>The performance benchmark of the Fund is FTSE Bursa Malaysia 100 Index ("FBM100").</p> <p>Source: www.bursamalaysia.com</p> <p>Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.</p>
Fund Income Distribution Policy	At least once a year, subject to the availability of income.

FUND INFORMATION (CONTINUED)

Breakdown of Unit Holdings by Size

As at 30 June 2018, the size of Eastspring Investments Equity Income Fund stood at 427.573 million units.

Fund Size



Breakdown of Unit Holdings

Unit Holdings	No. of Unit Holders	%	No. of Units* ('000)	%
5,000 units and below	2,162	22.86	5,822	1.36
5,001 to 10,000 units	1,939	20.50	14,094	3.30
10,001 to 50,000 units	4,256	45.00	94,818	22.17
50,001 to 500,000 units	1,071	11.32	106,889	25.00
500,001 units and above	30	0.32	205,947	48.17
Total	9,458	100.00	427,570	100.00

* excludes units held by the Manager.

KEY PERFORMANCE DATA

FOR THE FINANCIAL YEAR ENDED

Category	30.6.2018	30.6.2017	30.6.2016
	(%)	(%)	(%)
Quoted securities			
Construction	4.44	6.94	3.58
Consumer	4.50	1.66	2.88
Consumer Product	8.02	13.46	8.18
Finance	22.32	12.93	7.74
Health Care	1.88	6.53	2.28
Industrial Product	4.55	2.38	-
Infrastructure Project Company	4.99	4.93	6.42
Manufacturing	-	0.25	2.27
Plantation	-	1.22	2.57
Power/Utilities	-	0.74	4.75
Properties	0.91	2.30	2.41
REITS	5.53	4.78	8.84
Technology	1.77	0.96	3.82
Trading/Services	19.46	18.73	11.40
Transportation	-	-	1.08
	<hr/>	<hr/>	<hr/>
	78.37	77.81	68.22
Cash and other assets	21.63	22.19	31.78
Total	<hr/> 100.00	<hr/> 100.00	<hr/> 100.00

KEY PERFORMANCE DATA (CONTINUED)

Category	30.6.2018	30.6.2017	30.6.2016
Net Asset Value (NAV) (RM'000)	352,633	312,221	141,474
Units In Circulation (Units '000)	427,573	371,741	180,239
Net Asset Value Per Unit (RM)	0.8247	0.8399	0.7849
Highest Net Asset Value Per Unit (RM)#	0.8247	0.8401	0.7860
Lowest Net Asset Value Per Unit (RM)#	0.8168	0.8377	0.7761
Total Return (%)			
- Capital Growth	(1.81)	7.01	3.03
- Income Distribution	5.44	5.24	0.05
Total Return (%)	3.53	12.62	8.37
Gross Distribution Per Unit (RM)	0.0448	0.0439	0.0402
Net Distribution Per Unit (RM)	0.0446	0.0436	0.0396
Management Expense Ratio (MER) (%)*	1.68	1.68	1.68
Portfolio Turnover Ratio (PTR) (times)^	0.45	0.90	0.83

Figure shown as ex-distribution.

* 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 1.7.2017 to 30.6.2018	3 years 1.7.2015 to 30.6.2018	5 years 1.7.2013 to 30.6.2018
	(%)	(%)	(%)
Average total return	3.53	8.10	7.74

Year ended	1.7.2017 to 30.6.2018	1.7.2016 to 30.6.2017	1.7.2015 to 30.6.2016	1.7.2014 to 30.6.2015	1.7.2013 to 30.6.2014
	(%)	(%)	(%)	(%)	(%)
Annual total return	3.53	12.62	8.37	(2.31)	17.62

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

Bases of calculation and assumptions made in calculating returns:

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

NAV_t = NAV at the end of the period

NAV_0 = NAV at the beginning of the period

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

Adjusted for unit split and distribution paid out for the period

n = 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

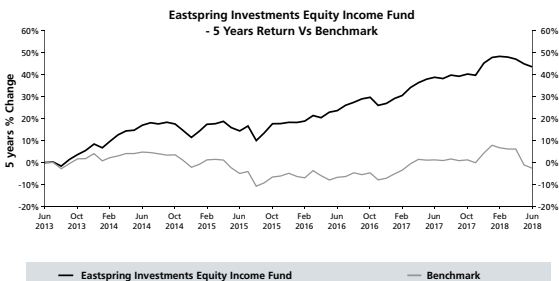
Fund Performance

Over the 5-year period, the Fund recorded a return of 45.19%, outperforming the benchmark return of -2.67% by 47.86%.

During the period under review, the Fund registered a return of 3.53% outperforming the benchmark return of -3.90% by 7.43%.

The outperformance was due to stock selection and dividends received.

The Fund met its objective to provide a stable income stream with medium to long-term capital growth.



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

Benchmark: FBM100

Source: Lipper for Investment Management and www.bursamalaysia.com as at 30 June 2018.

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

MANAGER'S REPORT (CONTINUED)

Analysis of Fund Performance

For the financial year ended 30 June 2018:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
5.44	(1.81)	3.53	(3.90)

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

Distribution/ Unit Split

Ex-date	25-Jun-18
Distribution Per Unit	(RM)

Gross	0.0448
Net	0.0446

Impact on NAV arising from distribution for the financial year ended 30 June 2018.

Ex-Date	25-Jun-18
	(RM per Unit)

Net Asset Value before distribution	0.8679
Less: distribution	(0.0446)
Net Asset Value after distribution	<u>0.8233</u>

No unit split were declared for the financial year ended 30 June 2018.

MANAGER'S REPORT (CONTINUED)

Investment Strategy During The Period Under Review

During the period under review, the Fund stayed invested in the consumer, and REIT. The Fund took the opportunity to increase exposure on the blue chip cyclical stocks. The Fund looked out for and invested in stocks with attractive valuations but with healthy cash flow generation and high dividend yields. The Fund maintained a relatively high level of cash during the period under review due to the market uncertainties. The Fund will continue to maintain a bottom-up approach in stock selection.

Asset Allocation

Asset Allocation	30-Jun 2018 (%)	30-Jun 2017 (%)	Changes (%)
Quoted securities	78.37	77.81	0.56
Cash and other assets	21.63	22.19	(0.56)

Asset Allocation as at 30 June 2018



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

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

The Malaysian equity market started the 4Q2017 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 27th October was as expected, focused on implementing measures to increase households’ disposable income, in particular the bottom 40% (“B40”) income group, with special cash payments to be made to the 1.6m civil servants and civil servant retirees. Equity markets in Malaysia remained weak despite the stronger than expected 3Q2017 GDP growth data reported in November, and growing expectations of Bank Negara potentially hiking Overnight Policy Rate (“OPR”) in 2018. During the middle of the 4Q2017 investors took note of 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/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.

MARKET REVIEW (CONTINUED)

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 (“BNM”) hiking Overnight Policy Rate (“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 RM1.2 billion 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.

2Q2018 has been another volatile period for investors, concerned by a possible full-blown trade war between the US and China and the repercussions on other exporting nations. However higher oil prices that saw crude oil prices breach USD70/bbl, helped provide support for Malaysia’s ringgit and equity market, that saw the KLCI just one point shy of all-time highs that was hit in 2014. This rally was short lived as markets corrected over rising US treasury yields and the sell-off in technology stocks due to the weaker outlook guided by major handset component manufacturers and Facebook’s scandal of not protecting personal data properly. Middle of the quarter saw domestic investors surprised by the unexpected 14th General Elections outcome. After 61 years of Barisan Nasional rule, Malaysia voted in a new government under the coalition of Pakatan Harapan (“PH”). The first two weeks post GE14 saw the swearing in of the new Prime Minister, Tun Mahathir, and then the subsequent swearing in of 12 cabinet ministers. May was a month of change for Malaysia, as the new government worked quickly to meet expectations as proposed in their 100-Day manifesto, starting with the announcement to set GST at 0% effective 1 June 2018 from the current 6%, and to prepare to roll out Sales and Services Tax by 1 September 2018. Construction stocks were sold down on concerns that the mega rail projects would be delayed, terminated or reduce in value. Emerging Markets Asia performed poorly towards the end of the 2Q2018, as investors became more risk averse, faced with trade war concerns,

MARKET REVIEW (CONTINUED)

hawkish US Fed statements, and weaker China economic data together with a weakening yuan. Malaysia experienced significant net selling bringing 6M2018 foreign net selling to RM6.8b. The ringgit depreciated 4.3% q-o-q, however, so has other emerging market currencies. During the month, the new Pakatan Harapan government announced the remaining cabinet line-up, a new Attorney General, and appointed a new BNM Governor.

The FBM KLCI closed the year under review at 1,691.5 points, down 4.09%. The broader FBM Emas (“FBMEmas”) Index closed the period under review down by 5.06%. The MSCI Asia Pacific ex-Japan Index gained by 6.76% in USD terms¹.

¹ **Source:** Bloomberg: World indices

REBATES AND SOFT COMMISSIONS

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

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

EASTSPRING INVESTMENTS EQUITY INCOME FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 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 financial statements set out on pages 20 to 63 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 June 2018 and of its financial performance, changes in equity and cash flows for the financial year 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: 17 August 2018

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

We have acted as Trustee for Eastspring Investments Equity Income Fund (the "Fund") for financial year ended 30 June 2018. To the best of our knowledge, for the financial year 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.

We are of the view that the distribution made during this financial year ended 30 June 2018 by the Manager is not inconsistent with the objectives of the Fund.

For Deutsche Trustees Malaysia Berhad

Wong Mun Loong
Manager, Trustee Operations

Richard Lim Hock Seng
Chief Executive Officer

Kuala Lumpur
Date: 17 August 2018

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS EQUITY INCOME FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Eastspring Investments Equity Income Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 30 June 2018, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 June 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 20 to 63.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises Manager's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determine is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intend to liquidate the Fund or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- d. Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- e. Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER MATTERS

This report is made solely to the unit holders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT

LLP0014401-LCA & AF 1146

Chartered Accountants

Kuala Lumpur

Date: 17 August 2018

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	2018	2017
		RM	RM
INVESTMENT INCOME			
Gross dividend income		10,012,578	5,379,999
Interest income from deposits with licensed financial institutions		1,738,219	1,549,785
Net gain on financial assets at fair value through profit or loss	7	6,170,490	22,105,534
		<u>17,921,287</u>	<u>29,035,318</u>
EXPENSES			
Management fee	3	(4,860,080)	(3,033,951)
Trustee fee	4	(226,804)	(141,584)
Audit fee		(7,200)	(6,800)
Tax agent fee		(3,402)	(3,400)
Other expenses		(57,262)	(18,965)
Transaction cost		(922,870)	(1,089,522)
GST charges		(281,607)	(191,869)
		<u>(6,359,225)</u>	<u>(4,486,091)</u>
PROFIT BEFORE TAXATION		11,562,062	24,549,227
TAXATION	6	<u>(115,014)</u>	<u>(51,892)</u>
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		<u>11,447,048</u>	<u>24,497,335</u>
Profit after taxation is made up of the following:			
Realised amount		13,210,350	8,490,204
Unrealised amount		(1,763,302)	16,007,131
		<u>11,447,048</u>	<u>24,497,335</u>

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Note	2018	2017
		RM	RM
ASSETS			
Cash and cash equivalents	8	76,927,642	67,875,020
Amount due from Manager		9,891,025	2,833,902
Amount due from brokers		3,312,442	1,962,119
Dividends receivable		991,228	273,234
Financial assets at fair value through profit or loss	7	276,228,603	242,800,036
TOTAL ASSETS		<u>367,350,940</u>	<u>315,744,311</u>
LIABILITIES			
Amount due to Manager		362,543	384,616
Amount due to brokers		13,626,590	2,284,557
Accrued management fee		419,127	373,247
Amount due to Trustee		19,559	17,418
Distribution payable		254,565	414,636
GST charges payable		-	23,440
Tax payable		6,340	6,340
Other payables and accruals		29,465	19,412
TOTAL LIABILITIES		<u>14,718,189</u>	<u>3,523,666</u>
NET ASSET VALUE OF THE FUND		<u>352,632,751</u>	<u>312,220,645</u>
EQUITY			
Unit holders' capital		285,333,350	250,788,997
Retained earnings		67,299,401	61,431,648
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>352,632,751</u>	<u>312,220,645</u>
NUMBER OF UNITS IN CIRCULATION	9	<u>427,573,017</u>	<u>371,741,108</u>
NET ASSET VALUE PER UNIT (EX-DISTRIBUTION) (RM)		<u>0.8247</u>	<u>0.8399</u>

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	Unit holders' capital	Retained earnings	Total
		RM	RM	RM
Balance as at 1 July 2017		250,788,997	61,431,648	312,220,645
Movement in unit holders' contribution:				
Creation of units from applications		196,006,360	-	196,006,360
Creation of units from distribution		17,361,631	-	17,361,631
Cancellation of units		(166,786,737)	-	(166,786,737)
Distribution				
(Gross: 4.48 sen/Net: 4.46 sen)	5	(12,036,901)	(5,579,295)	(17,616,196)
Total comprehensive income for the financial year		-	11,447,048	11,447,048
Balance as at 30 June 2018		<u>285,333,350</u>	<u>67,299,401</u>	<u>352,632,751</u>
Balance as at 1 July 2016		99,773,865	41,700,045	141,473,910
Movement in unit holders' contribution:				
Creation of units from applications		206,484,264	-	206,484,264
Creation of units from distribution		14,855,227	-	14,855,227
Cancellation of units		(59,820,228)	-	(59,820,228)
Distribution				
(Gross: 4.39 sen/Net: 4.36 sen)	5	(10,504,131)	(4,765,732)	(15,269,863)
Total comprehensive income for the financial year		-	24,497,335	24,497,335
Balance as at 30 June 2017		<u>250,788,997</u>	<u>61,431,648</u>	<u>312,220,645</u>

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	2018	2017
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		13,102,278	119,098,296
Purchase of investments		(148,291,515)	(242,047,186)
Dividends received		9,179,570	5,037,260
Interest received from deposits with licensed financial institutions		1,738,219	1,549,785
Management fee paid		(5,128,200)	(3,003,560)
Trustee fee paid		(239,316)	(140,166)
Payment for other fees and expenses		(34,205)	(36,488)
Net cash used in operating activities		<u>(12,673,169)</u>	<u>(119,542,059)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		188,949,237	205,247,697
Payments for cancellation of units		(166,808,810)	(59,733,937)
Distributions paid		(414,636)	(157,680)
Net cash generated from financing activities		<u>21,725,791</u>	<u>145,356,080</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		9,052,622	25,814,021
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>67,875,020</u>	<u>42,060,999</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	8	<u>76,927,642</u>	<u>67,875,020</u>

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 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 under the historical cost convention in accordance with the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”), 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 year. 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 L to the financial statements.

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

- Amendments to MFRS 107 “Statement of Cash Flows – Disclosure Initiative” introduce an additional disclosure on changes in liabilities arising from financing activities.

Other than the above, the adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

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

i. Financial year beginning on/after 1 July 2018

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

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

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main 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, should be recognised immediately in profit or loss.

MFRS 9 introduces an expected credit loss (“ECL”) 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 has reviewed its financial assets and liabilities and has assessed the impacts from the adoption of the new standard on 1 January 2018 as below:

There will be no impact on the Fund's accounting for financial assets as the Fund's quoted securities currently measured at fair value through profit or loss will continue to be measured on the same basis under MFRS 9.

There will be no impact on the Fund's accounting for financial liabilities as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Fund does not have any such liabilities.

The new impairment model requires the recognition of impairment provisions based on ECL rather than only incurred credit losses as is the case under MFRS 139. It applies to financial assets classified at amortised cost. Based on the assessments undertaken to date, the Fund does not expect any loss allowance to be recognised upon adoption of MFRS 9.

B. INCOME RECOGNITION

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

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

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

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 year.

D. PRESENTATION AND FUNCTIONAL CURRENCY

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

E. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

i. Classification

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

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

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

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

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

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

ii. Recognition and measurement

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

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

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

Financial liability is derecognised when the obligation under the liability is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

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

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

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

If a valuation based on the market price does not represent the fair value of the 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 securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the securities are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

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

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

iii. Impairment for assets carried at amortised costs

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

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

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

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

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

F. CASH AND CASH EQUIVALENTS

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

G. DISTRIBUTION

A distribution to the Fund's unit holders is accounted for as a deduction from realised reserves. A proposed distribution is recognised as a liability in the financial year in which it is approved.

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

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

J. SEGMENTAL INFORMATION

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

K. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The information presented herein represents the estimates of fair values as at the date of the statement of financial position.

L. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

1. INFORMATION ON THE FUND

Eastspring Investments Equity Income Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 8 October 2004, Master Supplemental Deed dated 12 July 2007 and Second Supplemental Master Deed dated 30 November 2009 between HSBC (Malaysia) Trustee Berhad ("HSBC Trustee") and Eastspring Investments Berhad (the "Manager"). The Fund replaced HSBC Trustee with Deutsche Trustees Malaysia Berhad (the "Trustee") effective 1 October 2010. A Supplemental Master Deed was entered into between Eastspring Investments Berhad (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee") on 30 July 2010 to effect the change of trustee from HSBC Trustee to the Trustee, followed by Second Supplemental Master Deed dated 28 January 2011, Third Supplemental Master Deed dated 9 March 2011, Fourth Supplemental Master Deed dated 20 January 2012, Fifth Supplemental Master Deed dated 26 March 2014, Sixth Supplemental Master Deed dated 2 January 2015, Seventh Supplemental Master Deed dated 11 July 2016, an Eighth Supplemental Master Deed dated 25 January 2017, a Ninth Supplemental Master Deed dated 11 December 2017 and a Tenth Supplemental Master Deed dated 4 June 2018 (collectively referred to as the "Deed").

The Fund was launched on 18 October 2004 and will continue its operations until terminated by the Trustee or the Manager as provided under Part 12 of the Deed.

The Fund invests in equities and equity-related securities of companies that have consistent track record of dividend distributions and prospects for capital growth or increase in future dividend distributions. 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 seeks to provide a stable income stream with medium to long-term capital growth.

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 interest rate risk), stock/issuer risk, fund management risk, liquidity risk, non-compliance risk, credit/default risk and capital risk.

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

Financial instruments of the Fund are as follows:

	Note	Loans and receivables	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
<u>2018</u>				
Quoted securities	7	-	276,228,603	276,228,603
Amount due from Manager		9,891,025	-	9,891,025
Amount due from brokers		3,312,442	-	3,312,442
Dividends receivable		991,228	-	991,228
Cash and cash equivalents	8	76,927,642	-	76,927,642
		<u>91,122,337</u>	<u>276,228,603</u>	<u>367,350,940</u>
<u>2017</u>				
Quoted securities	7	-	242,800,036	242,800,036
Amount due from Manager		2,833,902	-	2,833,902
Amount due from brokers		1,962,119	-	1,962,119
Dividends receivable		273,234	-	273,234
Cash and cash equivalents	8	67,875,020	-	67,875,020
		<u>72,944,275</u>	<u>242,800,036</u>	<u>315,744,311</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 June which are exposed to price risk:

	2018	2017
	RM	RM
Quoted securities designated at fair value through profit or loss	<u>276,228,603</u>	<u>242,800,036</u>

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

% Change in price of financial assets at fair value through profit or loss	Market value	Impact on profit after tax/ net asset value
	RM	RM
<u>2018</u>		
+5%	290,040,033	13,811,430
-5%	262,417,173	(13,811,430)
<u>2017</u>		
+5%	254,940,038	12,140,002
-5%	230,660,034	(12,140,002)

ii. Interest rate risk

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

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

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

As at the end of the financial year, the Fund does not hold any other financial instruments that expose it to interest rate risk.

Stock/issuer risk

The Fund is restricted to investment in securities issued by and securities relating to any issuer of not more than ten percent (10%) of its net asset value. Furthermore, the Fund is restricted to invest in securities issued by and securities relating to any group of companies of not more than twenty percent (20%) of its net asset value. Under such restrictions, the exposure risk to the securities of any single issuer or any one group of companies is minimised.

Fund management risk

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

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 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 balance and deposits with licensed financial institutions and other instruments which are capable of being converted into cash within 7 days.

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

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
<u>2018</u>			
Amount due to Manager	362,543	-	362,543
Amount due to brokers	13,626,590	-	13,626,590
Accrued management fee	419,127	-	419,127
Amount due to Trustee	19,559	-	19,559
Distribution payable	254,565	-	254,565
Other payables and accruals	-	29,465	29,465
Contractual cash outflows	<u>14,682,384</u>	<u>29,465</u>	<u>14,711,849</u>
<u>2017</u>			
Amount due to Manager	384,616	-	384,616
Amount due to brokers	2,284,557	-	2,284,557
Accrued management fee	373,247	-	373,247
Amount due to Trustee	17,418	-	17,418
Distribution payable	414,636	-	414,636
Other payables and accruals	-	19,412	19,412
GST charges payable	23,440	-	23,440
Contractual cash outflows	<u>3,497,914</u>	<u>19,412</u>	<u>3,517,326</u>

Non-compliance risk

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

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

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.

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. For amount due from brokers, the settlement terms are governed by the relevant rules and regulations as prescribed by Bursa Securities. 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 securities are settled/paid upon delivery using approved brokers.

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

	Amount due from brokers	Cash and cash equivalents	Dividends receivable	Amount due from Manager	Total
	RM	RM	RM	RM	RM
<u>2018</u>					
Finance					
- AAA	-	18,135,813	-	-	18,135,813
- AA1	-	111,059	-	-	111,059
- AA2	-	58,680,770	-	-	58,680,770
- NR	-	-	629,952	-	629,952
Construction					
- NR	-	-	88,314	-	88,314
Consumer Products					
- NR	-	-	128,560	-	128,560
Technology					
- NR	-	-	21,153	-	21,153
Trading/Services					
- NR	-	-	119,412	-	119,412
Trust					
- NR	-	-	3,837	-	3,837
Other					
- NR	3,312,442		-	9,891,025	13,203,467
	<u>3,312,442</u>	<u>76,927,642</u>	<u>991,228</u>	<u>9,891,025</u>	<u>91,122,337</u>

	Amount due from brokers	Cash and cash equivalents	Dividends receivable	Amount due from Manager	Total
	RM	RM	RM	RM	RM
<u>2017</u>					
Finance					
- AAA	-	67,740,532	-	-	67,740,532
- AA1	-	134,488	-	-	134,488
Construction					
- NR	-	-	90,000	-	90,000
Health Care					
- NR	-	-	50,019	-	50,019
Industrial Product					
- NR	-	-	80,712	-	80,712
Trading/Services					
- NR	-	-	48,664	-	48,664
Trust					
- NR	-	-	3,839	-	3,839
Other					
- NR	1,962,119	-	-	2,833,902	4,796,021
	<u>1,962,119</u>	<u>67,875,020</u>	<u>273,234</u>	<u>2,833,902</u>	<u>72,944,275</u>

None of these assets are past due or impaired.

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM285,333,350 (2017: RM250,788,997) and retained earnings of RM67,299,401 (2017: RM61,431,648). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

Fair value estimation

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

The fair value of financial assets traded in active market (such as trading securities) are based on quoted market prices at the close of trading on the year 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 take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

Fair value hierarchy

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM

2018

Financial assets

at fair value through
profit or loss:

Quoted Securities	<u>276,228,603</u>	-	-	<u>276,228,603</u>
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2017

Financial assets

at fair value through
profit or loss:

Quoted Securities	<u>242,800,036</u>	-	-	<u>242,800,036</u>
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Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active quoted securities.

The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note E to the financial statements.

- ii. The carrying value of amount due from Manager, amount due from brokers, dividends receivable, 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 2.00% per annum of the net asset value of the Fund accrued and calculated on daily basis.

For the financial year ended 30 June 2018, the management fee is recognised at a rate of 1.50% (2017: 1.50%) per annum of the net asset value of the Fund, calculated on daily basis.

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

4. TRUSTEE FEE

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

For the financial year ended 30 June 2018, the Trustee's fee is recognised at a rate of 0.07% (2017: 0.07%) per annum of the net asset value of the Fund, inclusive of local custodian fee, calculated on daily basis.

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

5. DISTRIBUTION

	2018	2017
	RM	RM
Distribution to unit holders is from the following sources:		
Dividend income	2,872,614	2,002,317
Interest income	538,266	389,253
Net realised gain on sale of investments	4,081,043	3,640,578
Distribution equalisation (Memorandum account)	12,036,901	10,504,131
Prior financial year's realised income	1,058	1,099
Gross realised income	<u>19,529,882</u>	<u>16,537,378</u>
Less: Expenses	(1,826,162)	(1,176,640)
Less: Prior financial years' taxation	<u>(87,524)</u>	<u>(90,875)</u>
	<u>17,616,196</u>	<u>15,269,863</u>
Gross distribution per unit (RM)	<u>0.0448</u>	<u>0.0439</u>
Net distribution per unit (RM)	<u>0.0446</u>	<u>0.0436</u>
Ex-date	<u>25 June 2018</u>	<u>23 June 2017</u>

Gross distribution is derived using total income less total expenses. The distribution is made from current and prior financial years' realised income.

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

Distribution equalisation represents the average amount of distributable income included in the creation and cancellation prices of units. It is computed as at each date of creation and cancellation of units. For the purposes of determining amount available for distribution, distribution equalisation is included in the computation of realised gain or income available for distribution.

As the date of the financial position, there are accumulated unrealised losses of RM1,763,302 (2017 : Unrealised gains of RM16,007,131).

6. TAXATION

	2018	2017
	RM	RM
Tax charged for the financial year:		
Current taxation – local	115,014	51,892

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

	2018	2017
	RM	RM
Profit before taxation	11,562,062	24,549,227
Tax at Malaysian statutory rate of 24%	2,774,895	5,891,814
Tax effects of:		
Investment income exempt from tax	(4,025,075)	(6,843,935)
Expenses not deductible for tax purposes	358,067	346,882
Restriction on the tax deductible expenses for Unit Trust Funds	1,168,147	729,780
Income subject to different tax rate	(161,020)	(72,649)
Taxation	115,014	51,892

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2018	2017
	RM	RM
Designated at fair value through profit or loss:		
Quoted securities	<u>276,228,603</u>	<u>242,800,036</u>
Net gain on financial assets at fair value through profit or loss:		
Realised gain on disposals	7,933,792	6,098,403
Change in unrealised fair value (loss)/gain	<u>(1,763,302)</u>	<u>16,007,131</u>
	<u>6,170,490</u>	<u>22,105,534</u>

Quoted securities

Name of counter	Quantity	Aggregate cost	Fair value	Percentage of net asset value of the Fund
			as at 30.6.2018	
	Units	RM	RM	%
<u>Construction</u>				
Gamuda Berhad	1,175,000	5,283,180	3,842,250	1.09
IJM Corporation Berhad	2,122,900	6,929,020	3,799,991	1.08
Kerjaya Prospek Group Berhad	5,075,400	4,547,666	7,613,100	2.16
Kerjaya Prospek Group Berhad - Warrant	692,100	-	207,630	0.06
WCT Holdings Berhad	223,700	275,151	181,197	0.05
	<u>9,289,100</u>	<u>17,035,017</u>	<u>15,644,168</u>	<u>4.44</u>

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2018	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Consumer</u>				
British American Tobacco (Malaysia) Berhad	89,900	4,149,950	3,126,722	0.89
Hong Leong Industries Berhad	675,600	6,749,894	7,674,816	2.18
Panasonic Manufacturing Malaysia Berhad	134,800	5,206,815	5,033,432	1.43
	900,300	16,106,659	15,834,970	4.50
<u>Consumer Product</u>				
Carlsberg Brewery Malaysia Berhad	642,800	8,978,465	12,406,040	3.52
Heineken Malaysia Berhad	421,800	6,932,117	9,228,984	2.62
Nestle (Malaysia) Berhad	44,900	3,219,529	6,622,750	1.88
	1,109,500	19,130,111	28,257,774	8.02
<u>Finance</u>				
Allianz Malaysia Berhad	271,500	2,736,864	3,448,050	0.98
Bursa Malaysia Berhad	1,243,850	7,357,749	9,142,298	2.59
CIMB Group Holdings Berhad	3,193,732	17,147,414	17,405,839	4.94
Hong Leong Bank Berhad	287,000	4,202,384	5,223,400	1.48
Hong Leong Financial Group Berhad	167,700	2,679,575	3,018,600	0.86
Malayan Banking Berhad	1,933,600	18,708,041	17,402,400	4.94
Public Bank Berhad	695,000	15,357,045	16,235,200	4.61
RHB Bank Berhad	1,242,700	6,571,753	6,785,142	1.92
	9,035,082	74,760,825	78,660,929	22.32

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2018	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Health Care</u>				
Hartalega Holdings Berhad	497,000	1,005,544	2,977,030	0.84
Top Glove Corporation Berhad	301,400	1,558,775	3,658,996	1.04
	798,400	2,564,319	6,636,026	1.88
<u>Industrial Product</u>				
Lotte Chemical Titan Holding Berhad	570,100	3,695,189	2,821,995	0.80
Petronas Chemicals Group Berhad	521,200	4,285,341	4,383,292	1.24
Scientex Berhad	767,600	5,990,593	5,534,396	1.57
UCHI Technologies Berhad	1,208,900	2,039,208	3,300,297	0.94
	3,067,800	16,010,331	16,039,980	4.55
<u>Infrastructure Project Company</u>				
Digi.Com Berhad	1,770,300	8,127,759	7,346,745	2.08
Lingkarans Trans Kota Holdings Berhad	1,510,100	6,458,957	6,387,723	1.81
Time Dotcom Berhad	509,700	4,447,194	3,894,108	1.10
	3,790,100	19,033,910	17,628,576	4.99
<u>Properties</u>				
Sunway Berhad	2,020,000	3,415,192	3,131,000	0.89
Sunway Berhad - Warrant	234,000	-	83,070	0.02
	2,254,000	3,415,192	3,214,070	0.91

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2018	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>REITS</u>				
IGB Real Estate Investment Trust	5,638,500	8,752,604	9,810,990	2.78
KIP Real Estate Investment Trust	4,193,400	4,193,400	3,354,720	0.95
MRCB-Quill Real Estate Investment Trust	2,996,800	3,600,931	3,416,352	0.97
Pavilion Real Estate Investment Trust	732,800	1,036,228	1,304,384	0.37
Sunway Real Estate Investment Trust	921,900	1,291,331	1,631,763	0.46
	<u>14,483,400</u>	<u>18,874,494</u>	<u>19,518,209</u>	<u>5.53</u>
<u>Technology</u>				
Inari Amertron Berhad	1,322,100	2,274,680	2,987,946	0.85
Pentamaster Corporation Berhad	754,904	423,518	1,849,515	0.52
Unisem (M) Berhad	616,000	1,380,300	1,422,960	0.40
	<u>2,693,004</u>	<u>4,078,498</u>	<u>6,260,421</u>	<u>1.77</u>

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at	Percentage of net
			30.6.2018	asset value of the Fund
	Units	RM	RM	%
<u>Trading/Services</u>				
Airasia Group Berhad	447,400	1,421,380	1,337,726	0.38
Axiata Group Berhad	500,000	2,020,900	1,900,000	0.54
Bermaz Auto Berhad	1,038,000	2,189,492	2,283,600	0.65
Dialog Group Berhad	1,079,400	2,428,650	3,335,346	0.95
Genting Berhad	2,077,600	17,550,577	17,472,616	4.96
Genting Malaysia Berhad	2,049,500	10,312,880	10,001,560	2.84
Malaysia Airport Holdings Berhad	291,600	2,391,120	2,566,080	0.73
Maxis Berhad	552,700	3,050,904	3,017,742	0.86
Serba Dinamik Holdings Berhad	1,101,800	2,166,751	3,580,850	1.02
Tenaga Nasional Berhad	1,286,500	18,004,935	18,834,360	5.34
Westports Holdings Berhad	1,240,000	4,774,671	4,203,600	1.19
	<u>11,664,500</u>	<u>66,312,260</u>	<u>68,533,480</u>	<u>19.46</u>
TOTAL QUOTED SECURITIES	<u>59,085,186</u>	<u>257,321,616</u>	<u>276,228,603</u>	<u>78.37</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>18,906,987</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>276,228,603</u>		

Quoted securities

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2017	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Construction</u>				
Gamuda Berhad	800,000	3,968,000	4,400,000	1.41
IJM Corporation Berhad	2,000,000	6,707,300	6,920,000	2.22
Kerjaya Prospek Group Berhad	2,307,000	4,547,666	7,520,820	2.41
Sunway Construction Group Berhad	1,390,000	2,868,087	2,807,800	0.90
	<u>6,497,000</u>	<u>18,091,053</u>	<u>21,648,620</u>	<u>6.94</u>
<u>Consumer</u>				
Hong Leong Industries Berhad	375,600	3,449,894	3,808,584	1.22
Salutica Berhad	880,800	784,751	1,365,240	0.44
	<u>1,256,400</u>	<u>4,234,645</u>	<u>5,173,824</u>	<u>1.66</u>
<u>Consumer Product</u>				
British American Tobacco (Malaysia) Berhad	199,500	9,209,289	8,662,290	2.77
Carlsberg Brewery Malaysia Berhad	842,100	11,760,537	12,631,500	4.05
Heineken Malaysia Berhad (formerly Guinness Anchor Berhad)	580,200	9,535,359	10,733,700	3.44
Nestle (Malaysia) Berhad	117,600	8,432,442	9,996,000	3.20
	<u>1,739,400</u>	<u>38,937,627</u>	<u>42,023,490</u>	<u>13.46</u>

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at	Percentage of net
			30.6.2017	asset value of the Fund
	Units	RM	RM	%
<u>Finance</u>				
Allianz Malaysia Berhad	280,700	2,829,605	3,621,030	1.16
Bursa Malaysia Berhad	595,900	4,744,217	6,316,540	2.02
CIMB Group Holdings Berhad	2,101,797	10,334,594	13,829,824	4.43
Hong Leong Bank Berhad	197,000	2,763,797	3,085,020	0.99
Hong Leong Financial Group Berhad	138,000	2,144,975	2,318,400	0.74
Public Bank Berhad	215,000	4,376,620	4,368,800	1.40
RHB Bank Berhad	1,350,900	7,160,293	6,835,554	2.19
	<u>4,879,297</u>	<u>34,354,101</u>	<u>40,375,168</u>	<u>12.93</u>
<u>Health Care</u>				
Hartalega Holdings Berhad	540,000	3,261,979	3,985,200	1.28
IHH Healthcare Berhad	1,767,300	10,518,780	10,161,975	3.25
Top Glove Corporation Berhad	1,084,100	5,222,700	6,233,575	2.00
	<u>3,391,400</u>	<u>19,003,459</u>	<u>20,380,750</u>	<u>6.53</u>
<u>Industrial Product</u>				
Scientex Berhad	632,000	4,929,600	5,561,600	1.78
Uchi Technologies Berhad	1,008,900	1,599,348	1,866,465	0.60
	<u>1,640,900</u>	<u>6,528,948</u>	<u>7,428,065</u>	<u>2.38</u>
<u>Infrastructure Project Company</u>				
Digi.Com Berhad	1,000,000	5,048,620	5,000,000	1.60
Lingkar Trans Kota Holdings Berhad	995,000	4,368,905	5,860,550	1.88
Time Dotcom Berhad	466,200	3,892,770	4,522,140	1.45
	<u>2,461,200</u>	<u>13,310,295</u>	<u>15,382,690</u>	<u>4.93</u>

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value	Percentage of net asset value of the Fund
			as at 30.6.2017	
	Units	RM	RM	%
<u>Manufacturing</u>				
Pecca Group Berhad	478,600	679,612	770,546	0.25
<u>Plantation</u>				
IOI Corporation Berhad	16,700	73,814	74,315	0.02
Kuala Lumpur Kepong Berhad	150,000	3,650,435	3,732,000	1.20
	166,700	3,724,249	3,806,315	1.22
<u>Power/Utilities</u>				
Malakoff Corporation Berhad	2,185,100	3,684,192	2,316,206	0.74
<u>Properties</u>				
KSL Holdings Berhad	817,585	1,367,545	1,005,630	0.32
S P Setia Berhad (convertible preference shares)	304,316	304,316	340,834	0.11
S P Setia Berhad	797,676	2,640,063	2,783,889	0.89
Sunway Berhad	780,000	3,099,192	3,057,600	0.98
	2,699,577	7,411,116	7,187,953	2.30
<u>Technology</u>				
Globetronics Technology Berhad	167,400	1,004,920	1,019,466	0.33
Pentamaster Corporation Berhad	521,900	1,478,487	1,962,344	0.63
	689,300	2,483,407	2,981,810	0.96

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 30.6.2017	of net asset value of the Fund
	Units	RM	RM	%
<u>Trading/Services</u>				
Berjaya Food Berhad	1,052,800	1,979,200	1,684,480	0.54
Bermaz Auto Berhad (formerly Berjaya Auto Berhad)	931,400	1,967,764	1,872,114	0.60
Genting Berhad	1,465,000	12,188,013	13,785,650	4.42
Maxis Berhad	1,321,700	7,295,784	7,335,435	2.35
MMC Corporation Berhad	1,216,600	2,880,633	3,017,168	0.97
Oldtown Berhad	1,090,000	2,941,646	3,139,200	1.01
Scicom (MSC) Berhad	789,300	1,829,927	1,815,390	0.58
Telekom Malaysia Berhad	1,300,000	7,997,430	8,645,000	2.77
Tenaga Nasional Berhad	891,900	12,259,451	12,611,466	4.04
Westports Holdings Berhad	1,240,000	4,774,671	4,513,600	1.45
	<u>11,298,700</u>	<u>56,114,519</u>	<u>58,419,503</u>	<u>18.73</u>
<u>REITS</u>				
IGB Real Estate Investment Trust	3,873,800	5,716,833	6,817,888	2.18
KIP Real Estate Investment Trust	4,193,400	4,193,400	3,857,928	1.24
MRCB-Quill Real Estate Investment Trust	1,975,800	2,370,960	2,588,298	0.83
Sunway Real Estate Investment Trust	921,900	1,291,331	1,640,982	0.53
	<u>10,964,900</u>	<u>13,572,524</u>	<u>14,905,096</u>	<u>4.78</u>

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2017	Percentage of net asset value of the Fund
	Units	RM	RM	%
TOTAL QUOTED SECURITIES	<u>50,348,474</u>	222,129,747	<u>242,800,036</u>	77.81
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>20,670,289</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>242,800,036</u>		

8. CASH AND CASH EQUIVALENTS

	2018	2017
	RM	RM
Bank balance with a licensed bank	111,059	134,488
Deposits with licensed financial institutions	76,816,583	67,740,532
	<u>76,927,642</u>	<u>67,875,020</u>

The effective weighted average interest rate of short term deposits with licensed financial institutions per annum as at the date of the financial position are as follow:

	2018	2017
	%	%
Deposits with licensed financial institutions	<u>3.51</u>	<u>3.87</u>

The deposits have an average maturity of 7 days (2017: 12 days).

9. UNITS IN CIRCULATION

	2018	2017
	No. of Units	No. of Units
At the beginning of the financial year	371,741,108	180,239,325
Creation of units during the financial year:		
Arising from applications	226,219,739	245,216,861
Arising from distribution	21,087,855	17,733,349
Cancellation of units during the financial year	(191,475,685)	(71,448,427)
At the end of the financial year	<u>427,573,017</u>	<u>371,741,108</u>

10. TRANSACTIONS WITH BROKERS

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

Name of Brokers	Value	Percentage	Brokerage fees	Percentage
	of trades	of total		of total
	RM	%	RM	%
<u>2018</u>				
Maybank Investment Bank Berhad	57,178,062	19.65	205,081	25.68
Credit Suisse Securities (Malaysia) Sdn. Bhd.	30,062,346	10.33	78,252	9.80
RHB Investment Bank Berhad	28,664,002	9.85	74,955	9.39
CLSA Securities Malaysia Sdn. Bhd.	28,020,653	9.63	74,139	9.28
UOB Kay Hian Securities (M) Sdn. Bhd.	19,440,606	6.68	54,057	6.77
CIMB Investment Bank Berhad	18,473,548	6.35	38,079	4.77
Hong Leong Investment Bank Berhad	17,469,178	6.00	41,767	5.23
Citigroup Global Markets (M) Sdn. Bhd.	16,396,516	5.64	43,152	5.40
KAF Seagroatt & Campbell Securities Sdn. Bhd.	14,843,334	5.10	38,585	4.83
Nomura Securities Malaysia Sdn. Bhd.	13,791,883	4.74	36,202	4.53
Others	46,597,051	16.03	114,394	14.32
	290,937,179	100.00	798,663	100.00

Name of Brokers	Value	Percentage	Brokerage fees	Percentage
	of trades	of total		of total
	RM	%	RM	%
<u>2017</u>				
Maybank Investment Bank Berhad	55,294,520	15.23	164,882	15.13
UOB Kay Hian Securities (M) Sdn. Bhd.	50,434,368	13.90	150,953	13.85
CIMB Investment Bank Berhad	42,086,737	11.60	117,618	10.80
RHB Investment Bank Berhad	36,058,213	9.93	94,821	8.70
Affin Hwang Investment Bank Berhad	33,229,452	9.15	102,490	9.41
Credit Suisse Securities (Malaysia) Sdn. Bhd.	29,478,935	8.12	92,071	8.45
KAF Seagroatt & Campbell Securities Sdn. Bhd.	27,190,223	7.49	85,805	7.88
Hong Leong Investment Bank Berhad	19,262,548	5.31	59,479	5.46
Kenanga Investment Bank Berhad	18,084,850	4.98	53,854	4.94
Nomura Securities Malaysia Sdn. Bhd.	12,701,992	3.50	41,555	3.81
Others	39,164,500	10.79	125,994	11.57
	362,986,338	100.00	1,089,522	100.00

All brokers highlighted above are not related to the Manager.

11. UNITS HELD BY THE MANAGER

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

Related party	Relationship			
Eastspring Investments Berhad	The Manager			

	2018		2017	
	No. of units	RM	No. of units	RM
Eastspring Investments Berhad	3,421	2,821	3,246	2,726

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")

	2018	2017
	%	%
MER	1.68	1.68

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

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

The average net asset value of the Fund for the financial year calculated on a daily basis is RM323,990,657 (2017: RM202,254,146).

13. PORTFOLIO TURNOVER RATIO ("PTR")

	2018	2017
PTR (times)	0.45	0.90

PTR is derived from the following calculation:

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

where:

total acquisitions for the financial year = RM159,097,627 (2017: RM243,428,883)

total disposals for the financial year = RM131,839,552 (2017: RM119,557,455)

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 chief operating decision-maker is responsible for the performance of the Fund and considers the business to have a single operating segment located in Malaysia. Asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

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

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

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 17 August 2018.

CORPORATE DIRECTORY

THE MANAGER

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

531241-U

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TRUSTEE

NAME

DEUTSCHE TRUSTEES MALAYSIA BERHAD

COMPANY NO.

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ENQUIRIES

CLIENT SERVICES

603-2332 1000

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