

EASTSPRING INVESTMENTS DINASTI EQUITY 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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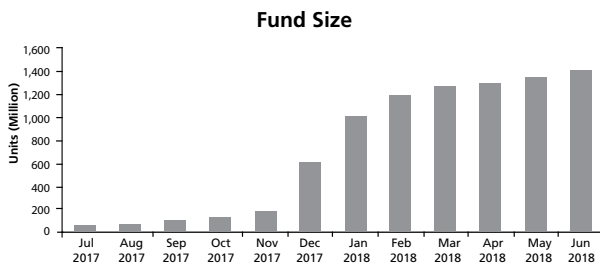
FUND INFORMATION

Name of Fund	Eastspring Investments Dinasti Equity Fund (the "Fund")
Fund Category/ Type	Shariah equity/growth
Fund Objective	<p>The Fund aims to provide investors with long-term capital appreciation by investing in Shariah- compliant investments with exposure to the Greater China region.</p> <p>ANY MATERIAL CHANGES TO THE FUND'S OBJECTIVE WOULD REQUIRE UNIT HOLDERS' APPROVAL.</p>
Performance Benchmark	<p>The performance benchmark of the Fund is Dow Jones Islamic Market Greater China Index ("DJIM Greater China Index").</p> <p>Source: www.djindexes.com</p> <p>Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.</p>
Fund Income Distribution Policy	Incidental

FUND INFORMATION (CONTINUED)

Breakdown of Unit Holdings by Size

As at 30 June 2018, the size of Eastspring Investments Dinasti Equity Fund stood at 1,403.112 million units.



Breakdown of Unit Holdings

Unit Holdings	No. of Unit Holders	%	No of Unit* ('000)	%
5,000 units and below	1,968	15.55	5,856	0.42
5,001 to 10,000 units	1,973	15.59	14,819	1.06
10,001 to 50,000 units	5,563	43.96	137,242	9.78
50,001 to 500,000 units	2,964	23.42	415,945	29.64
500,001 units and above	187	1.48	829,247	59.10
Total	12,655	100.00	1,403,109	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 Shariah-compliant securities			
Basic Material	4.49	2.31	3.44
Consumer Discretionary	-	0.40	-
Consumer Goods	5.70	5.08	6.68
Consumer Services	5.18	6.20	5.09
Consumer Staples	4.01	0.72	-
Energy	-	1.95	-
Financial	-	5.33	2.21
Health Care	6.35	5.95	2.93
Industrial	2.83	6.88	12.17
Oil and gas	4.54	-	-
Real Estate	1.65	-	-
Technology	48.07	50.12	32.44
Telecommunication	4.54	8.71	12.99
Utilities	3.57	1.98	4.66
Total quoted Shariah-compliant securities	90.93	95.63	82.61
Cash and other assets	9.07	4.37	17.39
Total	100.00	100.00	100.00

KEY PERFORMANCE DATA (CONTINUED)

	30.6.2018	30.6.2017	30.6.2016
Net Asset Value (NAV) (RM'000)	840,542	79,367	55,299
Units In Circulation (Units '000)	1,403,112	46,823	42,888
Net Asset Value Per Unit (RM)	0.5991	1.6950	1.2894
Highest Net Asset Value Per Unit (RM) [#]	0.5991	1.7148	1.2894
Lowest Net Asset Value Per Unit (RM) [#]	0.5841	1.6950	1.2695
Total Return (%)			
- Capital Growth	6.04	31.46	(7.32)
- Income Distribution	4.24	4.04	4.04
Total Return (%)	10.53	36.76	(3.57)
Gross Distribution Per Unit (RM)	0.0253	0.0692	0.0514
Net Distribution Per Unit (RM)	0.0253	0.0692	0.0514
Management Expense Ratio (MER) (%) [*]	2.04	2.11	2.11
Portfolio Turnover Ratio (PTR) (times) [^]	0.94	0.82	0.86

[#] Figures 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 30.06.2018
	(%)	(%)	(%)
Average total return	10.53	13.37	15.49

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	10.53	36.76	(3.57)	23.88	13.85

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

Bases of calculation and assumptions made in calculating returns:

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

NAV_t = NAV at the end of the period

NAV_0 = NAV at the beginning of the period

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

Adjusted for unit split and distribution paid out for the period

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

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

MANAGER'S REPORT

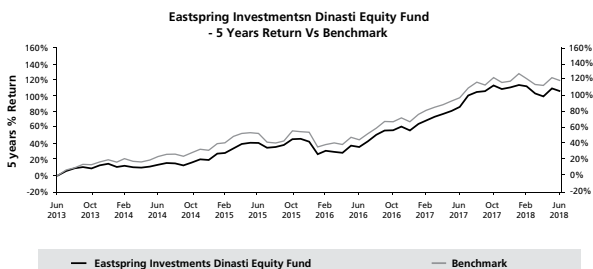
Fund Performance

Over the 5-year period, the Fund recorded a return of 105.57%, underperforming the benchmark return of 118.79% by -13.22%.

During the period under review, the Fund registered a return of 10.53%, underperforming the benchmark return of 10.83% by -0.30%.

The underperformance was largely due to the cash drag on the fund.

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



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

Benchmark: DJIM Greater China Index

Source: Lipper for Investment Management and www.msci.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
(%)	(%)	(%)	(%)
4.24	6.04	10.53	10.83

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

Distribution/ Unit Split

Ex-date	25-Jun-18
Distribution Per Unit	(RM)
Gross	0.0253
Net	0.0253

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	0.6227
Less: distribution	(0.0253)
Net Asset Value after distribution	0.5974

Ex-Split	20-Dec-17
	(Ratio)
Unit Split	2 : 1

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

MANAGER'S REPORT (CONTINUED)

**Distribution/
Unit Split
(continued)**

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

Net Asset Value before unit split	1.8931
Net Asset Value after unit split	0.6299

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

**Investment
Strategy During
Period Under
Review**

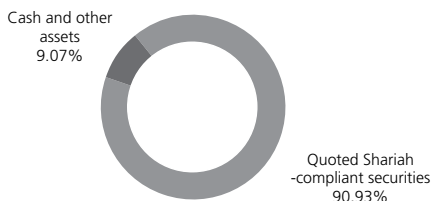
The fund raised its equity exposure and switched focus to overweight the HK/China countries while also increasing allocation to the technology and pharmaceutical sectors on the back of positive earnings momentum. The Fund continues to focus on Shariah-compliant stock selection, and favor companies with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

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	30-Jun 2018	30-Jun 2017	Changes
	(%)	(%)	(%)
Quoted Shariah -compliant securities	90.93	95.63	(4.70)
Cash and other assets	9.07	4.37	4.70

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

During the period under review, Greater China markets performed well with the benchmark Dow Jones Islamic Greater China Index up 17.8% (in USD) terms. The rally in Greater China markets was led by strength in the technology and healthcare sectors. The rally was further supported by factors such as a stable Renminbi (“RMB”) exchange rate, solid corporate earnings, resilient macroeconomic indicators and attractive stock valuations.

The technology sector was once again the stand out performer during the period under review. Semiconductor sales continue to grow from strength to strength, driven by increased computing requirements and the electrification of consumer goods led by the Internet of Things (“IOT”) era. Amidst this, the high penetration of 4G networks and smartphones in China was a key catalyst that led to a continued rise in consumer time spent in areas such as e-commerce, mobile gaming, social media and online video.

During the period under review, the Chinese economy continued to undergo its structural shift from a manufacturing driven economy to a consumption based economy. Macroeconomic data points continued to soften, as the government proactively managed public and private sector leverage within the economy. However, a large part of growth in the internet and e-commerce ecosystem were likely not explained by such conventional macroeconomic data points. Despite softer macroeconomic data, the government promoted a stable RMB currency agenda throughout the period, helping to shore investor confidence in the Chinese markets.

Healthcare was another sector that contributed to the total return of the Greater China markets. After years of struggle in the industry due to government policies to clean up the sector, pharmaceutical manufacturers were finally beginning to benefit from effects of government regulation change. Firstly, the government expanded the National Reimbursement Drug List (“NRDL”) to include more reliable, high quality drugs for use. It also streamlined the drug development process allowing overseas clinical trials to be recognised domestically, while also improving drug review lead times. Pharmaceutical drug manufacturers were the prime beneficiaries during the period.

Going forward, we expect volatility to rise given the threat of a US-China trade war and continued deleveraging effects translating into slowing momentum for the Chinese economy. However, valuations remain attractive especially when compared to developed market counterparts. With a rising number of companies entering the international markets or playing more dominant roles in global supply chains, we think the valuation gap is likely to close in the long run.

REBATES AND SOFT COMMISSIONS

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

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EASTSPRING INVESTMENTS DINASTI EQUITY FUND

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 21 to 69 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 DINASTI EQUITY FUND

We have acted as Trustee for Eastspring Investments Dinasti Equity 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

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

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

In our opinion, Eastspring Investments Berhad has managed and administered Eastspring Investments Dinasti Equity Fund in accordance with Shariah principles and complied with applicable guidelines, rulings and decisions issued by the Securities Commission pertaining to Shariah matters for the financial year ended 30 June 2018.

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

For and on behalf of the Shariah Adviser

IBFIM

MUHAMMAD KHAIRULNIZAM BIN ALIAS

Consultant (Shariah)/Designated Person Responsible for Shariah Advisory

Kuala Lumpur

Date: 17 August 2018

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Eastspring Investments Dinasti Equity 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 21 to 69.

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 are 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		10,758,581	1,104,890
Profit income from Islamic deposits with licensed financial institutions		452,988	91,440
Other income		-	1,155
Net (loss)/gain on financial assets at fair value through profit or loss	6	(5,727,038)	18,960,992
Net foreign currency exchange (loss)/gain		(1,258,218)	755,738
		<u>4,226,313</u>	<u>20,914,215</u>
EXPENSES			
Management fee	3	(8,500,691)	(1,106,633)
Custodian fee		(163,978)	(18,365)
Trustee fee	4	(377,809)	(49,184)
Audit fee		(7,801)	(7,500)
Tax agent fee		(13,861)	(3,400)
GST charges		(455,463)	(70,501)
Other expenses		(110,523)	(38,492)
Transaction cost		(1,682,056)	(216,492)
		<u>(11,312,182)</u>	<u>(1,510,567)</u>
(LOSS)/PROFIT BEFORE TAXATION		(7,085,869)	19,403,648
TAXATION	5	<u>(1,142,517)</u>	<u>(93,150)</u>
(LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/PROFIT		<u>(8,228,386)</u>	<u>19,310,498</u>
(Loss)/profit after taxation is made up of the following:			
Realised amount		(3,507,687)	5,349,657
Unrealised amount		(4,720,699)	13,960,841
		<u>(8,228,386)</u>	<u>19,310,498</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	9	55,769,494	3,901,566
Amount due from brokers		8,119,259	1,298,661
Amount due from Manager		15,596,811	922,652
Dividends receivable		3,200,307	323,713
Financial assets at fair value through profit or loss	6	764,611,074	75,897,635
TOTAL ASSETS		<u>847,296,945</u>	<u>82,344,227</u>
LIABILITIES			
Amount due to Manager		3,179,545	383,143
Amount due to brokers		-	854,202
Amount due to custodian		58,103	3,721
Accrued management fee		1,265,610	116,279
Amount due to Trustee		56,249	5,168
Distribution payable		2,179,077	1,573,787
GST charges payable		-	7,287
Other payables and accruals		15,880	33,203
TOTAL LIABILITIES		<u>6,754,464</u>	<u>2,976,790</u>
NET ASSET VALUE OF THE FUND		<u>840,542,481</u>	<u>79,367,437</u>
EQUITY			
Unit holders' capital		822,108,949	51,886,498
Retained earnings		18,433,532	27,480,939
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>840,542,481</u>	<u>79,367,437</u>
NUMBER OF UNITS IN CIRCULATION	10	<u>1,403,111,676</u>	<u>46,823,200</u>
NET ASSET VALUE PER UNIT (EX-DISTRIBUTION) (RM)		<u>0.5991</u>	<u>1.6950</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		51,886,498	27,480,939	79,367,437
Movement in unit holders' contribution:				
Creation of units from applications		954,585,779	-	954,585,779
Creation of units from distribution		31,460,160	-	31,460,160
Cancellation of units		(183,003,272)	-	(183,003,272)
Distribution				
(Gross: 2.53 sen/Net: 2.53 sen)	7	(32,820,216)	(819,021)	(33,639,237)
Total comprehensive loss for the financial year		-	(8,228,386)	(8,228,386)
Balance as at 30 June 2018		822,108,949	18,433,532	840,542,481
Balance as at 1 July 2016		43,948,226	11,350,341	55,298,567
Movement in unit holders' contribution:				
Creation of units from applications		41,001,864	-	41,001,864
Creation of units from distribution		1,606,113	-	1,606,113
Cancellation of units		(34,669,705)	-	(34,669,705)
Distribution				
(Gross: 6.92 sen/Net: 6.92 sen)	7	-	(3,179,900)	(3,179,900)
Total comprehensive income for the financial year		-	19,310,498	19,310,498
Balance as at 30 June 2017		51,886,498	27,480,939	79,367,437

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 INVESTING AND OPERATING ACTIVITIES			
Proceeds from sale of Shariah-compliant investments		88,951,053	43,992,528
Purchase of Shariah-compliant investments		(791,066,330)	(57,637,394)
Dividends received		6,739,469	1,093,754
Other income received		-	1,155
Profit income received from Islamic deposits		452,988	91,440
Management fee paid		(7,351,360)	(1,073,046)
Trustee and custodian fee paid		(436,324)	(60,686)
Payment for other fees and expenses		(2,294,313)	(114,466)
Net foreign currency exchange (loss)/gain		(1,258,218)	755,738
Net cash used in investing and operating activities		<u>(706,263,035)</u>	<u>(12,950,977)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		939,911,620	40,452,630
Payments for cancellation of units		(180,206,870)	(34,288,502)
Distribution paid		(1,573,787)	(977,496)
Net cash generated from financing activities		<u>758,130,963</u>	<u>5,186,632</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		51,867,928	(7,764,345)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>3,901,566</u>	<u>11,665,911</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	9	<u>55,769,494</u>	<u>3,901,566</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 M 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 instruments¹ are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument² is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest³.

- For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives¹. The main 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 rate⁴, should be recognised immediately in profit or loss.

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

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

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

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

MFRS 9 introduces an expected credit loss (“ECL”) model on impairment that replaces the incurred loss impairment model used in MFRS 139. The ECL 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 Shariah-compliant 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

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

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

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

C. TAXATION

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

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

D. PRESENTATION AND FUNCTIONAL CURRENCY

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

E. FOREIGN CURRENCY TRANSLATION

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

F. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

i. Classification

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

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

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

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

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

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

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

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

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

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

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

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

iii. Impairment for assets carried at amortised costs

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

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

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

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

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

G. CASH AND CASH EQUIVALENTS

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

H. 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 Shariah-compliant securities sold and payables for Shariah-compliant securities purchased that have been contracted for but not yet settled or delivered on Shariah-compliant the statement of financial position date respectively.

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

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

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. DISTRIBUTION

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

L. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

M. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

1. INFORMATION ON THE FUND

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

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

The Fund invests primarily in Shariah-compliant equities and equity-related securities of companies based in the Greater China region which potentially offer attractive long-term value. These include Shariah-compliant securities of Greater China-based companies listed or to be listed on recognised exchanges of the People's Republic of China, Hong Kong and Taiwan as well as other recognised exchanges such as in Malaysia, Singapore and United States of America where the regulatory authority is a member of the International Organization of Securities Commissions ("IOSCO"). All investments will be subjected to the Securities Commissions ("SC") Guidelines on Unit Trust Funds, the Deed and the objective of the Fund.

The main objective of the Fund is to provide investors with long-term capital appreciation by investing in Shariah-compliant investments with exposure to the Greater China Region.

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

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk, exposure to interest rate risk and foreign exchange/currency risk), fund management risk, capital risk, credit/default risk, liquidity risk and reclassification of Shariah status risk.

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

Financial instruments of the Fund are as follows:

	Note	Receivables	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
<u>2018</u>				
Quoted Shariah				
-compliant securities	6	-	764,611,074	764,611,074
Amount due from Manager		15,596,811	-	15,596,811
Amount due from brokers		8,119,259	-	8,119,259
Dividends receivable		3,200,307	-	3,200,307
Cash and cash equivalents	9	55,769,494	-	55,769,494
		<u>82,685,871</u>	<u>764,611,074</u>	<u>847,296,945</u>
<u>2017</u>				
Quoted Shariah				
-compliant securities	6	-	75,897,635	75,897,635
Amount due from Manager		922,652	-	922,652
Amount due from brokers		1,298,661	-	1,298,661
Dividends receivable		323,713	-	323,713
Cash and cash equivalents	9	3,901,566	-	3,901,566
		<u>6,446,592</u>	<u>75,897,635</u>	<u>82,344,227</u>

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

Market risk

i. Price risk

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

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

	2018	2017
	RM	RM
Quoted Shariah-compliant securities designated at fair value through profit or loss	<u>764,611,074</u>	<u>75,897,635</u>

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

% Change in price of financial assets at fair value through profit or loss	Market value	Impact on loss after tax and net asset value
	RM	RM
<u>2018</u>		
+5%	802,841,628	38,230,554
-5%	<u>726,380,520</u>	<u>(38,230,554)</u>

% Change in price of financial assets at fair value through profit or loss	Market value	Impact on profit after tax and net asset value
	RM	RM
<u>2017</u>		
+5%	79,692,517	3,794,882
-5%	72,102,753	(3,794,882)

ii. Exposure to interest rate risk

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

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

As at the date of the statement of financial position, all the financial assets and financial liabilities have no exposure to interest rate movement except for Islamic deposits with licensed financial institution of RM10,531,904 (2017: RM2,347,704) which have maturities of less than one year.

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

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

iii. Foreign exchange/currency risk

As the Fund may invest its assets in Shariah-compliant securities denominated in a wide range of currencies other than Ringgit Malaysia, the 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 Manager will usually not hedge foreign currency exposure. The Manager may however, depending on prevailing market circumstances at a particular point in time, choose to use forward or option contracts for hedging and risk reduction purposes.

The following table sets out the foreign exchange/currency risk concentrations of the Fund.

	Financial assets at fair value through profit or loss	Cash and cash equivalents	Dividends receivable	Total
	RM	RM	RM	RM
<u>2018</u>				
HKD	405,648,575	-	609,493	406,258,068
USD	166,974,043	44,373,300	-	211,347,343
TWD	191,988,456	-	2,590,814	194,579,270
	<u>764,611,074</u>	<u>44,373,300</u>	<u>3,200,307</u>	<u>812,184,681</u>
<u>2017</u>				
HKD	38,840,943	-	104,165	38,945,108
USD	16,352,040	657,839	-	17,009,879
TWD	20,704,652	855,614	219,548	21,779,814
	<u>75,897,635</u>	<u>1,513,453</u>	<u>323,713</u>	<u>77,734,801</u>

The following table summarises the sensitivity of the Fund's financial assets fair value to changes in foreign exchange movements at the end of the reporting year. 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 (loss)/profit after tax	Impact on net asset value
	%	RM	RM
<u>2018</u>			
HKD	5	20,312,903	20,312,903
USD	5	10,567,367	10,567,367
TWD	5	9,728,964	9,728,964
<u>2017</u>			
HKD	5	1,947,255	1,947,255
USD	5	850,494	850,494
TWD	5	1,088,991	1,088,991

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.

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM822,108,949 (2017:RM51,886,498) and retained earnings of RM18,433,532 (2017:RM27,480,939). 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 profit, principals and proceeds from realisation of investments.

For amount due from brokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective stock exchange.

The credit/default risk is minimal as all transactions in quoted Shariah-compliant securities are settled/paid upon delivery using approved brokers. The credit risk arising from placements of Islamic deposits in licensed financial institutions is managed by ensuring that the Fund will only place Islamic deposits in reputable licensed financial institutions. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

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

	Cash and cash equivalents	Dividends receivable	Amount due from brokers	Amount due from Manager	Total
	RM	RM	RM	RM	RM
<u>2018</u>					
Consumer					
Goods					
-NR	-	129,492	-	-	129,492
Real Estate					
-NR	-	245,622	-	-	245,622
Health Care					
-NR	-	30,803	-	-	30,803
Finance					
-AAA	10,531,904	-	-	-	10,531,904
-AA1	45,237,590	-	-	-	45,237,590
Industrials					
-NR	-	203,576	-	-	203,576
Technology					
-NR	-	2,590,814	-	-	2,590,814
Other					
-NR	-	-	8,119,259	15,596,811	23,716,070
	<u>55,769,494</u>	<u>3,200,307</u>	<u>8,119,259</u>	<u>15,596,811</u>	<u>82,685,871</u>

	Cash and cash equivalents	Dividends receivable	Amount due from brokers	Amount due from Manager	Total
	RM	RM	RM	RM	RM
<u>2017</u>					
Consumer services					
-NR	-	42,424	-	-	42,424
Financials					
-NR	-	35,888	-	-	35,888
Finance					
-AAA	340,033	-	-	-	340,033
-AA1	1,553,862	-	-	-	1,553,862
-AA3	2,007,671	-	-	-	2,007,671
Industrials					
-NR	-	32,599	-	-	32,599
Technology					
-NR	-	212,802	-	-	212,802
Other					
-NR	-	-	1,298,661	922,652	2,221,313
	<u>3,901,566</u>	<u>323,713</u>	<u>1,298,661</u>	<u>922,652</u>	<u>6,446,592</u>

None of these assets are past due or impaired.

Liquidity risk

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

The Fund maintains sufficient level of Islamic liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Islamic liquid assets comprise bank balances, Islamic 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>2018</u>			
Amount due to Manager	3,179,545	-	3,179,545
Accrued management fee	1,265,610	-	1,265,610
Amount due to custodian	58,103	-	58,103
Amount due to Trustee	56,249	-	56,249
Distribution payable	2,179,077	-	2,179,077
Other payables and accruals	-	15,880	15,880
Contractual cash outflows	<u>6,738,584</u>	<u>15,880</u>	<u>6,754,464</u>
<u>2017</u>			
Amount due to Manager	383,143	-	383,143
Accrued management fee	116,279	-	116,279
Amount due to custodian	3,721	-	3,721
Amount due to brokers	854,202	-	854,202
Amount due to Trustee	5,168	-	5,168
Distribution payable	1,573,787	-	1,573,787
Other payables and accruals	-	33,203	33,203
GST charges payable	7,287	-	7,287
Contractual cash outflows	<u>2,943,587</u>	<u>33,203</u>	<u>2,976,790</u>

Reclassification of Shariah status risk

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

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

Fair value estimation

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

The fair value of financial assets traded in active market (such as trading Shariah-compliant securities) are based on quoted market prices at the close of trading on the 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 Manager will determine the point within the bid-ask spread that is representative of the fair value.

An active market is a market in which transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

Fair value hierarchy

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
<u>2018</u>				
Financial assets at fair value through profit or loss:				
Quoted Shariah -compliant securities	764,611,074	-	-	764,611,074
<u>2017</u>				
Financial assets at fair value through profit or loss:				
Quoted Shariah -compliant securities	75,897,635	-	-	75,897,635

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

- ii. The carrying value of 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 1.80% (2017: 1.80%) per annum of the net asset value of the Fund, calculated on daily basis.

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

4. TRUSTEE FEE

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

For the financial year ended 30 June 2018, the Trustee fee is recognised at a rate of 0.08% (2017: 0.08%) per annum of the net asset value of the Fund, inclusive of local custodian fee, calculated on daily basis.

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

5. TAXATION

	2018	2017
	RM	RM
Tax charged for the financial year:		
current taxation - foreign	<u>1,142,517</u>	<u>93,150</u>

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

	2018	2017
	RM	RM
(Loss)/profit before taxation	<u>(7,085,869)</u>	<u>19,403,648</u>
Tax at Malaysian statutory rate of 24%	(1,700,609)	4,656,876
Tax effects of:		
Investment income exempt from tax	(1,014,315)	(5,019,412)
Expenses not deductible for tax purposes	672,886	95,144
Restriction on the tax deductible expenses for Units Trust Funds	2,042,038	267,392
Foreign income subject to different tax rate	<u>1,142,517</u>	<u>93,150</u>
Taxation	<u>1,142,517</u>	<u>93,150</u>

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2018	2017
	RM	RM
Designated at fair value through profit or loss:		
Quoted Shariah-compliant securities	764,611,074	75,897,635
Net (loss)/gain on financial assets at fair value through profit or loss:		
Realised (loss)/gain on disposal	(971,039)	5,952,022
Change in unrealised fair value (loss)/gain	(4,755,999)	13,008,970
	(5,727,038)	18,960,992

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at	of net asset
	Units	RM	30.06.2018	value of
			RM	the Fund
				%
Hong Kong Equities				
<u>Consumer Goods</u>				
Geely Automobile Holdings Limited	878,000	10,119,970	9,203,307	1.09
Minth Group Limited	848,000	17,462,877	14,479,860	1.72
Nexteer Automotive Group Limited	1,219,000	9,524,450	7,283,610	0.87
Shenzhen International Group Holdings Limited	188,000	6,660,142	9,378,696	1.12
Techtronic Industries Company Limited	337,500	7,945,693	7,605,658	0.90
	3,470,500	51,713,132	47,951,131	5.70
<u>Consumer Staples</u>				
China Mengniu Dairy Company Limited	1,493,000	18,581,026	20,456,269	2.43
Hengan International Group Company Limited	342,500	12,899,216	13,319,640	1.58
	1,835,500	31,480,242	33,775,909	4.01

Name of counter	Quantity	Aggregate cost	Fair value	Percentage of net asset value of the Fund
			as at 30.06.2018	
	Units	RM	RM	%
<u>Health care</u>				
3SBio Inc.	873,000	6,733,209	8,013,217	0.95
CSPC Pharmaceutical Group Limited	1,546,000	11,626,746	18,873,081	2.25
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	778,500	15,915,196	17,263,019	2.05
Sino Biopharmaceutical Limited	1,489,500	7,524,707	9,237,447	1.10
	<u>4,687,000</u>	<u>41,799,858</u>	<u>53,386,764</u>	<u>6.35</u>
<u>Industrial</u>				
Johnson Electric Holdings Ltd.	423,500	6,768,929	4,984,534	0.59
Zhuzhou CRRC Times Electric Co Ltd	807,100	18,418,636	15,506,763	1.84
	<u>1,230,600</u>	<u>25,187,565</u>	<u>20,491,297</u>	<u>2.43</u>
<u>Oil & Gas</u>				
China Petroleum & Chemical Corporation	10,568,000	34,923,105	38,158,896	4.54
<u>Real Estate</u>				
The Link REIT	375,000	12,634,404	13,839,884	1.65

Name of counter	Quantity	Aggregate cost	Fair value as at 30.06.2018	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Technology</u>				
AAC Technologies Holdings Inc.	29,000	1,913,582	1,650,613	0.20
ASM Pacific Technology Limited	317,000	18,737,649	16,197,795	1.93
Sunny Optical Technology (Group) Company Limited	363,100	18,780,730	27,306,377	3.25
Tencent Holdings Limited	393,400	74,667,680	79,798,558	9.49
Travelsky Technology Limited	982,000	11,499,962	11,557,999	1.38
	<u>2,084,500</u>	<u>125,599,603</u>	<u>136,511,342</u>	<u>16.25</u>
<u>Telecommunication</u>				
China Mobile Limited	877,500	36,178,006	31,503,940	3.75
<u>Utilities</u>				
Cheung Kong Infrastructure Holdings Limited	474,000	16,691,019	14,197,538	1.69
China Resources Gas Group Limited	904,000	12,549,583	15,831,874	1.88
	<u>1,378,000</u>	<u>29,240,602</u>	<u>30,029,412</u>	<u>3.57</u>
<u>Basic Material</u>				
Real Gold Mining Ltd. [Note 8(a)]	210,000	984,690	-	-
Total Hong Kong Equities	26,716,600	389,741,207	405,648,575	48.25

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 30.06.2018	of net asset value of the Fund
	Units	RM	RM	%
Taiwan Equities				
<u>Basic Material</u>				
Formosa Plastics Corporation	1,731,280	22,247,478	25,836,108	3.07
Nan Ya Plastics Corporation	1,031,000	11,929,265	11,925,659	1.42
	<u>2,762,280</u>	<u>34,176,743</u>	<u>37,761,767</u>	<u>4.49</u>
<u>Industrial</u>				
Airtac International Group	21,564	1,212,594	1,240,011	0.15
Bizlink Holding Inc.	74,000	2,415,441	2,105,553	0.25
	<u>95,564</u>	<u>3,628,035</u>	<u>3,345,564</u>	<u>0.40</u>
<u>Technology</u>				
Accton International Group	1,272,000	17,937,679	14,882,057	1.77
Advantech Co., Ltd.	138,000	4,130,149	3,679,446	0.44
Chin-Poon Industrial Co., Ltd.	763,000	5,939,104	3,906,781	0.46
Chipbond Technology Corporation	2,002,000	15,906,968	16,810,283	2.00
Delta Electronics, Inc.	695,000	13,628,569	10,094,997	1.20
Largan Precision Co., Ltd	17,000	10,605,463	10,125,175	1.20
Nanya Technology Corporation	281,000	3,488,177	3,101,251	0.37
Taiwan Semiconductor Manufacturing Co., Ltd.	2,770,000	83,926,711	79,550,868	9.46
Win Semiconductors Corp.	71,000	2,539,621	2,067,284	0.25
	<u>8,009,000</u>	<u>158,102,441</u>	<u>144,218,142</u>	<u>17.15</u>

Name of counter	Quantity	Aggregate cost	Fair value as at 30.06.2018	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Telecommunication</u>				
Far Eastone Telecommunications Co., Ltd.				
	371,000	3,635,528	3,877,996	0.46
Taiwan Mobile Co., Ltd.				
	190,000	2,831,710	2,784,987	0.33
	<u>561,000</u>	<u>6,467,238</u>	<u>6,662,983</u>	<u>0.79</u>
Total Taiwan Equities	11,427,844	202,374,457	191,988,456	22.83
China Equities (Listed in United States)				
<u>Consumer Services</u>				
JD.Com, Inc.				
	156,100	26,579,876	24,551,424	2.92
New Oriental Education & Technology Group Inc.				
	49,800	17,812,997	19,035,407	2.26
	<u>205,900</u>	<u>44,392,873</u>	<u>43,586,831</u>	<u>5.18</u>
<u>Technology</u>				
Alibaba Group Holding Limited				
	107,200	72,356,292	80,311,039	9.55
Baidu, Inc.				
	43,900	42,399,254	43,076,173	5.12
	<u>151,100</u>	<u>114,755,546</u>	<u>123,387,212</u>	<u>14.67</u>
Total China Equities (Listed in United States)	357,000	159,148,419	166,974,043	19.85

Name of counter	Quantity	Aggregate cost	Fair value as at 30.06.2018	Percentage of net asset value of the Fund
	Units	RM	RM	%
TOTAL QUOTED SHARIAH -COMPLIANT SECURITIES	<u>38,501,444</u>	751,264,083	<u>764,611,074</u>	90.93
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>13,346,991</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>764,611,074</u>	

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 30.06.2017	of net asset value of the Fund
	Units	RM	RM	%
China Equities				
(Listed in Hong Kong)				
<u>Basic Material</u>				
Real Gold Mining Ltd [Note 8 (a)]	210,000	984,690	-	-
<u>Consumer Goods</u>				
Minth Group Limited	52,000	720,187	946,807	1.19
Shenzhou International Group Holdings Limited	11,000	300,176	310,413	0.39
	63,000	1,020,363	1,257,220	1.58
<u>Consumer Staples</u>				
Hengan International Group Company Limited	18,000	635,558	570,328	0.72
<u>Health Care</u>				
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	125,500	1,661,500	2,088,330	2.63
<u>Industrial</u>				
Sunny Optical Technology (Group) Company Limited	76,000	2,219,939	2,926,454	3.69
Zhuzhou CSR Times Electric Company Limited	35,700	781,408	752,137	0.95
	111,700	3,001,347	3,678,591	4.64

Name of counter	Quantity	Aggregate cost	Fair value as at 30.06.2017	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Technology</u>				
Tencent Holdings Limited	49,900	2,891,626	7,663,832	9.66
Travelsky Technology Limited	156,000	1,544,113	1,973,706	2.49
	205,900	4,435,739	9,637,538	12.15
Total China Equities (Listed in Hong Kong)	734,100	11,739,197	17,232,007	21.72
China Equities (Listed in United States)				
<u>Consumer Services</u>				
JD.Com Inc	25,600	3,358,878	4,308,301	5.43
<u>Technology</u>				
Alibaba Group Holding Ltd	13,700	4,461,275	8,283,046	10.44
Baidu.Com	4,900	3,736,073	3,760,693	4.74
	18,600	8,197,348	12,043,739	15.18
Total China Equities (Listed in United States)	44,200	11,556,226	16,352,040	20.61
Hong Kong Equities				
<u>Consumer Goods</u>				
Brilliance China Automotive Holdings Limited	246,000	1,876,039	1,924,264	2.42
Techtronic Industries Company Limited	21,000	349,575	414,709	0.52
	267,000	2,225,614	2,338,973	2.94

Name of counter	Quantity	Aggregate cost	Fair value as at 30.06.2017	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Consumer Services</u>				
MTR Corporation Ltd	25,290	351,491	611,417	0.77
<u>Energy</u>				
China Petroleum & Chemical Corporation	462,000	1,570,764	1,547,709	1.95
<u>Financial</u>				
Cheung Kong Property Holdings Limited	71,500	2,272,316	2,405,097	3.03
The Link Real Estate Investment Trust	56,000	1,421,816	1,829,804	2.30
	127,500	3,694,132	4,234,901	5.33
<u>Health Care</u>				
CSPC Pharmaceutical Group Limited	278,000	1,532,413	1,743,330	2.20
<u>Technology</u>				
ASM Pacific Technology Limited	53,700	3,305,036	3,116,426	3.93
<u>Telecommunication</u>				
China Mobile Limited	131,500	5,172,145	5,993,055	7.55
<u>Utilities</u>				
Cheung Kong Infrastructure Holdings Limited	21,000	770,211	757,797	0.95
China Resources Gas Group Ltd	56,000	802,665	820,947	1.03
	77,000	1,572,876	1,578,744	1.98
Total Hong Kong Equities	1,421,990	19,424,471	21,164,555	26.65

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 30.06.2017	of net asset value of the Fund
	Units	RM	RM	%
Taiwan Equities				
<u>Basic Material</u>				
Formosa Plastics Corporation Ltd	140,280	1,355,988	1,835,404	2.31
<u>Consumer Discretionary</u>				
Eclat Textile Co Limited	6,000	263,310	314,182	0.40
<u>Health care</u>				
Ginko International Co., Ltd	27,000	1,249,288	886,019	1.12
<u>Industrial</u>				
Airtac International Group	35,000	1,587,496	1,775,919	2.24
<u>Technology</u>				
Chipbond Technology Corporation	253,000	1,640,310	1,671,178	2.10
Delta Electronics, Inc.	52,000	1,173,085	1,222,007	1.54
Largan Precision Co., Ltd	3,000	1,786,352	2,053,616	2.59
Taiwan Semiconductor Manufacturing Company Limited	262,000	3,491,619	7,710,164	9.71
Win Semiconductors Corporation	98,248	1,380,322	2,315,776	2.92
	668,248	9,471,688	14,972,741	18.86

Name of counter	Quantity	Aggregate cost	Fair value as at 30.06.2017	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Telecommunication</u>				
Far Eastone Telecommunications Company Limited	28,000	182,957	306,278	0.39
Taiwan Mobile Company Limited	38,000	540,680	614,109	0.77
	66,000	723,637	920,387	1.16
Total Taiwan Equities	942,528	14,651,407	20,704,652	26.09

Name of counter	Quantity	Aggregate cost	Fair value as at 30.06.2017	Percentage of net asset value of the Fund
	Units	RM	RM	%
United States Equities (Listed in Hong Kong)				
<u>Consumer Goods</u>				
Nexteer Automotive Group Limited	66,000	423,344	444,381	0.56
Total United States Equities (Listed in Hong Kong)	66,000	423,344	444,381	0.56
TOTAL QUOTED SHARIAH -COMPLIANT SECURITIES				
	<u>3,208,818</u>	57,794,645	<u>75,897,635</u>	95.63
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>18,102,990</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>75,897,635</u>		

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

7. DISTRIBUTION

	2018	2017
	RM	RM
Distribution to unit holders is from the following sources:		
Dividend income	1,334,144	772,046
Profit income	91,540	88,159
Net realised gain on sale of investments	-	3,412,342
Prior financial year's realised income	1,279,133	151,083
Distribution equalisation	32,820,216	-
Gross realised income	35,525,033	4,423,630
Less: Expenses	(1,885,796)	(1,243,730)
	<u>33,639,237</u>	<u>3,179,900</u>
Gross distribution per unit (RM)	<u>0.0253</u>	<u>0.0692</u>
Net distribution per unit (RM)	<u>0.0253</u>	<u>0.0692</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.

There are unrealised loss of RM4,720,699 (2017:unrealised gain of RM13,960,841) arising during the financial year.

8. SHARIAH INFORMATION OF THE FUND

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

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

9. CASH AND CASH EQUIVALENTS

	2018	2017
	RM	RM
Bank balances with a licensed bank	45,237,590	1,553,862
Islamic deposits with licensed financial institutions	10,531,904	2,347,704
	<u>55,769,494</u>	<u>3,901,566</u>

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

	2018	2017
	RM	RM
MYR	11,396,194	2,388,113
TWD	-	855,614
USD	44,373,300	657,839
	<u>55,769,494</u>	<u>3,901,566</u>

The effective weighted average rate of return of Islamic deposits placement with licensed financial institutions per annum as at the date of the statement of financial position are as follows:

	2018	2017
	%	%
Islamic deposits with licensed financial institutions	3.30	3.50

The Islamic deposits have average maturity of 2 days (2017: 21 days).

10. UNITS IN CIRCULATION

	2018	2017
	No. of units	No. of units
At the beginning of the financial year	46,823,200	42,887,597
Creation of units during the financial year:		
Arising from applications	1,548,083,523	25,358,706
Arising from distribution	52,661,801	936,618
Cancellation of units during the financial year	(244,456,848)	(22,359,721)
At the end of the financial period	1,403,111,676	46,823,200

11. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for the financial year ended 30 June are as follows:

Name of brokers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2018</u>				
Macquarie Bank Limited	126,108,347	14.23	74,961	7.12
Citigroup Global Market Limited	111,413,563	12.58	120,185	11.42
UBS Securities Pte Ltd	99,647,770	11.25	119,424	11.35
Deutsche Securities Asia Ltd	96,342,537	10.87	87,191	8.29
Merrill Lynch International Limited	93,467,579	10.55	140,653	13.37
Credit Lyonnais Securities Asia Ltd	83,435,719	9.42	218,892	20.80
CLSA Limited (Hong Kong)	73,061,661	8.25	58,714	5.58
Morgan Stanley & Co Inc	68,501,221	7.73	95,058	9.03
Credit Suisse Securities (Hong Kong) Limited	54,523,866	6.15	46,559	4.43
JP Morgan Securities (Asia Pacific) Limited	28,055,372	3.17	50,860	4.83
Others	51,359,758	5.80	39,641	3.78
	885,917,393	100.00	1,052,138	100.00

Name of brokers	Value of	Percentage	Brokerage	Percentage
	trades	of total		of total
	RM	%	fees	brokerage
			RM	fees
				%
<u>2017</u>				
Morgan Stanley & Co Inc	22,750,939	22.59	39,721	18.35
Merrill Lynch International Limited	16,641,769	16.53	30,728	14.19
Macquarie Bank Limited	13,273,402	13.18	23,280	10.75
UBS Securities Pte Ltd	10,177,472	10.11	21,168	9.78
Credit Lyonnais Securities Asia Ltd	8,768,523	8.70	32,704	15.11
CLSA Ltd (Hong Kong)	8,273,161	8.21	23,199	10.72
Credit Suisse Securities (Hong Kong) Limited	7,462,242	7.41	14,989	6.92
Citigroup Global Market Limited	5,924,902	5.88	13,251	6.12
JP Morgan Securities (Asia Pacific) Limited	2,800,088	2.78	10,670	4.93
Deutsche Securities Asia Ltd	2,034,093	2.02	4,499	2.08
Others	2,608,708	2.59	2,283	1.05
	<u>100,715,299</u>	<u>100.00</u>	<u>216,492</u>	<u>100.00</u>

All brokers as disclosed per above are not related to the Manager.

12. UNITS HELD BY THE MANAGER

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

Related party	Relationship			
Eastspring Investments Berhad	The Manager			
	2018		2017	
	No. of units	RM	No. of units	RM
Eastspring Investments Berhad	3,385	2,028	1,082	1,834

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.

13. MANAGEMENT EXPENSE RATIO ("MER")

	2018	2017
	%	%
MER	2.04	2.11

MER is derived from the following calculation:

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

- A = Management fee
- B = Trustee and custodian fees
- C = Audit fee
- D = Tax agent fee
- E = Other expenses (excluding transaction cost)
- 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 RM472,235,037 (2017: RM61,476,244).

14. PORTFOLIO TURNOVER RATIO (“PTR”)

	2018	2017
PTR (times)	0.94	0.82

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 = RM790,145,742 (2017: RM55,987,412)

total disposals for the financial period = RM95,771,651 (2017: RM44,727,887)

15. 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 with an acceptable level of risk within each portfolio. These returns consist of profit income, dividend income, foreign exchange gains/losses and gains on the appreciation in the value of Shariah-compliant investments.

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

16. 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

REGISTERED OFFICE

16th Floor, Wisma Sime Darby

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