

# EASTSPRING INVESTMENTS ASIA PACIFIC EX-JAPAN TARGET RETURN 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](http://www.eastspringinvestments.com.my)

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

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Raymond Tang Chee Kin', 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 Asia Pacific ex-Japan Target Return Fund (the "Fund")

### Fund Category/ Type

Equity/growth

### Fund Objective

The Fund seeks to provide capital appreciation by investing in securities in the Asia Pacific ex- Japan region.

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

\* The Fund aims (i.e. Target) to achieve 8% growth of NAV per annum over the medium to long-term.

### Performance Benchmark

The performance benchmark of the Fund is 8% growth of NAV per annum over the medium to long-term.

**Note:** This is not a guaranteed return and is only a measurement of the Fund's performance. The Fund may not achieve a targeted return of 8% growth of NAV per annum in any particular financial year but strives to achieve this return over the medium to long-term.

### Fund Income Distribution Policy

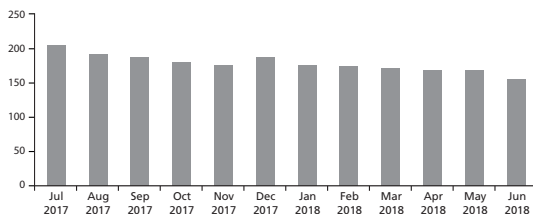
At least once a year, subject to the availability of income.

## FUND INFORMATION (CONTINUED)

### Breakdown of Unit Holdings by Size

As at 30 June 2018, the size of Eastspring Investments Asia Pacific ex-Japan Target Return Fund stood at 155.027 million units.

**Fund Size**



**Breakdown of Unit Holdings**

| Unit Holdings           | No. of Unit Holders | %             | No of Units* ('000) | %             |
|-------------------------|---------------------|---------------|---------------------|---------------|
| 5,000 units and below   | 225                 | 21.35         | 596                 | 0.38          |
| 5,001 to 10,000 units   | 133                 | 12.62         | 990                 | 0.64          |
| 10,001 to 50,000 units  | 448                 | 42.50         | 10,791              | 6.96          |
| 50,001 to 500,000 units | 220                 | 20.87         | 29,730              | 19.18         |
| 500,001 units and above | 28                  | 2.66          | 112,918             | 72.84         |
| <b>Total</b>            | <b>1,054</b>        | <b>100.00</b> | <b>155,025</b>      | <b>100.00</b> |

\* excludes units held by the Manager.

## KEY PERFORMANCE DATA

FOR THE FINANCIAL YEAR ENDED

| Category                 | 30.6.2018     | 30.6.2017     | 30.6.2016     |
|--------------------------|---------------|---------------|---------------|
|                          | (%)           | (%)           | (%)           |
| <b>Quoted Securities</b> |               |               |               |
| Consumer                 | -             | 1.68          | -             |
| Consumer Discretionary   | 9.94          | 11.87         | 14.57         |
| Consumer Staple          | 7.16          | 1.01          | 11.82         |
| Energy                   | 4.05          | -             | -             |
| Financial                | 21.03         | 23.24         | 14.05         |
| Health Care              | 9.51          | 3.32          | 5.13          |
| Industrial               | 7.07          | 12.07         | 10.84         |
| Information Technology   | 16.63         | 27.59         | 11.75         |
| Material                 | 9.73          | 2.27          | -             |
| Real Estate              | 4.32          | 1.98          | -             |
| Technology               | 0.50          | -             | -             |
| Telecommunication        | -             | 4.96          | 6.16          |
| Utilities                | 0.77          | 4.54          | 9.29          |
| Total quoted securities  | 90.71         | 94.53         | 83.61         |
| Cash and other assets    | 9.29          | 5.47          | 16.39         |
| <b>Total</b>             | <b>100.00</b> | <b>100.00</b> | <b>100.00</b> |

## KEY PERFORMANCE DATA (CONTINUED)

| Category  | 30.6.2018 | 30.6.2017 | 30.6.2016 |
|---|-----------|-----------|-----------|
| Net Asset Value (NAV) (RM'000)                      | 82,184    | 123,929   | 175,321   |
| Units In Circulation (Units '000)                   | 155,027   | 228,507   | 358,403   |
| Net Asset Value Per Unit (RM)                       | 0.5301    | 0.5423    | 0.4892    |
| Highest Net Asset Value Per Unit (RM) <sup>#</sup>  | 0.5768    | 0.5455    | 0.5214    |
| Lowest Net Asset Value Per Unit (RM) <sup>#</sup>   | 0.5229    | 0.4900    | 0.4629    |
| Total Return (%)                                    |           |           |           |
| - Capital Growth                                    | (2.23)    | 10.85     | (9.05)    |
| - Income Distribution                               | 5.20      | 2.33      | 4.21      |
| Total Return (%)                                    | 2.85      | 13.43     | (5.22)    |
| Gross Distribution Per Unit (RM)                    | 0.0291    | 0.0114    | 0.0219    |
| Net Distribution Per Unit (RM)                      | 0.0291    | 0.0114    | 0.0219    |
| Management Expense Ratio (MER) (%) <sup>*</sup>     | 2.15      | 2.07      | 2.08      |
| Portfolio Turnover Ratio (PTR) (times) <sup>^</sup> | 1.58      | 1.81      | 1.22      |

<sup>#</sup> Figures shown as ex-distribution.

<sup>\*</sup> There were no significant changes to the MER during the period under review.

<sup>^</sup> There were no significant changes to the PTR during the period under review.

## KEY PERFORMANCE DATA (CONTINUED)

|                      | 1 year<br>1.7.2017 to<br>30.6.2018 | 3 years<br>1.7.2015 to<br>30.6.2018 | Since<br>commencement<br>3.11.2014 to<br>30.6.2018 |
|----------------------|------------------------------------|-------------------------------------|--|
|                      | (%)                                | (%)                                 | (%)  |
| Average total return | 2.85                               | 3.40                                | 4.85   |

| Year ended          | 1.7.2017 to<br>30.6.2018 | 1.7.2016 to<br>30.6.2017 | 1.7.2015 to<br>30.6.2016 | Since<br>commencement<br>3.11.2014 to<br>30.6.2015 |
|---------------------|--------------------------|--------------------------|--------------------------|--|
|                     | (%)                      | (%)                      | (%)                      | (%)  |
| Annual total return | 2.85                     | 13.43                    | (5.22)                   | 7.58   |

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

**Bases of calculation and assumptions made in calculating returns:**

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

$\text{NAV}_t$  = NAV at the end of the period

$\text{NAV}_0$  = NAV at the beginning of the period

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

Adjusted for unit split and distribution paid out for the period

$n$  = Number of years

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



# MANAGER'S REPORT

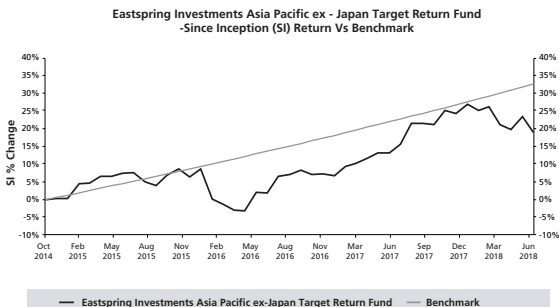
## Fund Performance

Since inception, the Fund registered a return of 18.96%, underperforming the benchmark return of 32.60% by -13.64%.

For the period under review, the Fund registered a return of 2.85%, underperforming the benchmark return of 8.00% by -5.15%.

The underperformance was due to weak regional markets in the second half of the review period.

The Fund met its objective to provide capital appreciation for the period under review.



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

**Benchmark:** The performance benchmark of the Fund is 8% growth of NAV per annum over the medium to long-term.

**Source:** Lipper for Investment Management 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 |
|---------------|-----------------|--------------|---------------------------|
| (%)           | (%)             | (%)          | (%)                       |
| 5.20          | (2.23)          | 2.85         | 8.00                      |

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

Distribution/  
Unit Split

| Ex-date               | 27-Dec-17 |
|-----------------------|-----------|
| Distribution Per Unit | (RM)      |
| Gross                 | 0.0291    |
| Net                   | 0.0291    |

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

| Ex-date                             | 27-Dec-17       |
|-------------------------------------|-----------------|
|                                     | (RM per Unit)   |
| Net Asset Value before distribution | 0.5885          |
| Less: distribution                  | <u>(0.0291)</u> |
| Net Asset Value after distribution  | <u>0.5594</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

The Fund Manager continues to look for new stock ideas and took gains on profitable positions and exit positions which have seen unfavorable changes to the company dynamics. The Fund Manager favours companies with sustainable earnings growth with healthy cash flow and backed by healthy balance sheet.

With investor confidence turning cautious towards emerging markets, the Fund will look to increase exposure to lower beta markets and more defensive sectors.

### Asset Allocation

| Asset Allocation      | 30-Jun 2018 (%) | 30-Jun 2017 (%) | Changes (%) |
|-----------------------|-----------------|-----------------|-------------|
| Quoted securities     | 90.71           | 94.53           | (3.82)      |
| Cash and other assets | 9.29            | 5.47            | 3.82        |

### Asset Allocation as at 30 June 2017



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

### State of Affairs of the Fund

There have been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the period under review.

## MARKET REVIEW

For the period under review, Asia Pacific ex-Japan (“AxJ”) markets underperformed its developed market counterparts. Asia Pacific ex-Japan markets as represented by the MSCI AxJ index rose 6.76%, versus the MSCI World index’s 9.02% rise during the period. Asia Pacific ex-Japan markets rallied during the second half of 2017 but declined during the first half of 2018, as worries grew over a US-China trade war and higher US interest rates that would affect growth in emerging markets.

Within Asia, the best performing markets were Hong Kong / China and India. China’s rally was driven by the strength in the technology sector, where 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. The Chinese economy continued to undergo its structural shift from a manufacturing driven economy to a consumption based economy, where e-commerce companies witnessed exponential growth as the high penetration rates of 4G and smartphones enabled the consumption pattern shift from offline to online.

Market participants were generally positive on India, premised on steady policy reform and favorable structural growth profile. The Sensex Index was up 14.6% on the back of a relatively benign impact from Modi’s demonetisation exercise and a credible FY18e Union Budget. The energy sector was the outperformer on the back of higher crude oil prices, while information technology and consumer staples continued to fare well throughout the period. Large-capitalisation stocks in India accounted for most of the index gains as investor appetite for small and mid-capitalisation stocks soured during the second half of the period under review.

Over in ASEAN, markets rose during the first half of the period under review but subsequently sold-off during the second period. Global investors were caught off guard by a sudden strength in the US Dollar early in 2018, and sought safety in countries with balance of payments strength. Against this backdrop, Singapore and Thailand were the 2 best performing markets, as both had large current account surpluses and its currencies were under less depreciation pressure vs other ASEAN peers.

Philippines was the worst performing market, with the Philippines Composite Index declining 8.3% during the period. A combination of a fiscal deficit and trade deficit with rising domestic inflation led to huge pressure on the currency. The Philippines Peso depreciated by 5.7% during the period.

On the home front, the Malaysia market as represented by the FBM100 Index did not fare too well either, declining 4.1%. This came on the back of a shock election result, where incumbent government led by Barisan Nasional lost its 61 year rule. Consequently, there was a broad sell-off in many index heavyweights which were closely connected to the former Barisan led government.

## 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 ASIA PACIFIC EX-JAPAN TARGET RETURN 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 18 to 72 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 ASIA PACIFIC EX-JAPAN TARGET RETURN FUND

We have acted as Trustee for Eastspring Investments Asia Pacific ex-Japan Target Return 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 followings:-

- 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 ASIA PACIFIC EX-JAPAN TARGET RETURN FUND

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Our opinion

In our opinion, the financial statements of Eastspring Investments Asia Pacific ex-Japan Target Return 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 18 to 72.

### 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

(No. 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                 |
| <b>INVESTMENT INCOME</b>   |      |                    |                    |
| Gross dividend income  |      | 1,933,929          | 3,755,265          |
| Interest income from deposits with licensed financial institutions |      | 50,792             | 99,018             |
| Net (loss)/gain on foreign currency exchange                       |      | (1,189,701)        | 997,820            |
| Net gain on financial assets at fair value through profit or loss  | 7    | 7,285,162          | 20,333,780         |
|  |      | <u>8,080,182</u>   | <u>25,185,883</u>  |
| <b>EXPENSES</b>  |      |                    |                    |
| Management fee   | 3    | (1,830,028)        | (2,804,825)        |
| Trustee fee  | 4    | (81,335)           | (124,659)          |
| Audit fee  |      | (7,800)            | (7,500)            |
| Tax agent fee  |      | (37,054)           | (14,949)           |
| Transaction costs  |      | (888,868)          | (1,651,231)        |
| GST charges  |      | (107,575)          | (176,731)          |
| Other expenses   |      | (126,954)          | (99,331)           |
|  |      | <u>(3,079,614)</u> | <u>(4,879,226)</u> |
| <b>PROFIT BEFORE TAXATION</b>                                      |      | 5,000,568          | 20,306,657         |
| <b>TAXATION</b>  | 5    | (181,185)          | (216,860)          |
| <b>PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME</b>        |      | <u>4,819,383</u>   | <u>20,089,797</u>  |
| Profit after taxation is made up of the following:                 |      |                    |                    |
| Realised amount  |      | 11,851,261         | 16,369,537         |
| Unrealised amount  |      | (7,031,878)        | 3,720,260          |
|  |      | <u>4,819,383</u>   | <u>20,089,797</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                 |
| <b>ASSETS</b>   |      |                    |                    |
| Cash and cash equivalents                             | 8    | 6,323,146          | 7,835,719          |
| Amount due from Manager                               |      | 8,665              | 16,020             |
| Amount due from brokers                               |      | 1,707,392          | 6,593,233          |
| Dividends receivable                                  |      | 294,526            | 259,155            |
| Financial assets at fair value through profit or loss | 7    | 74,548,474         | 117,172,875        |
| <b>TOTAL ASSETS</b>                                   |      | <u>82,882,203</u>  | <u>131,877,002</u> |
| <b>LIABILITIES</b>                                    |      |                    |                    |
| Amount due to Manager                                 |      | 540,120            | 201,964            |
| Accrued management fee                                |      | 131,001            | 186,316            |
| Amount due to brokers                                 |      | -                  | 7,506,202          |
| Amount due to Trustee                                 |      | 5,822              | 8,281              |
| GST charges payable                                   |      | -                  | 15,591             |
| Other payables and accruals                           |      | 21,216             | 29,731             |
| <b>TOTAL LIABILITIES</b>                              |      | <u>698,159</u>     | <u>7,948,085</u>   |
| <b>NET ASSET VALUE OF THE FUND</b>                    |      | <u>82,184,044</u>  | <u>123,928,917</u> |
| <b>EQUITY</b>   |      |                    |                    |
| Unit holders' capital                                 |      | 72,348,758         | 113,785,016        |
| Retained earnings                                     |      | 9,835,286          | 10,143,901         |
| <b>NET ASSET ATTRIBUTABLE TO UNIT HOLDERS</b>         |      | <u>82,184,044</u>  | <u>123,928,917</u> |
| <b>NUMBER OF UNITS IN CIRCULATION</b>                 | 9    | <u>155,027,014</u> | <u>228,506,910</u> |
| <b>NET ASSET VALUE PER UNIT EX-DISTRIBUTION (RM)</b>  |      | <u>0.5301</u>      | <u>0.5423</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<br>RM | Retained earnings<br>RM | Total<br>RM        |
|---|------|-----------------------------|-------------------------|--------------------|
| Balance as at 1 July 2017                         |      | 113,785,016                 | 10,143,901              | 123,928,917        |
| Movement in unit holders' contribution:           |      |                             |                         |                    |
| Creation of units from applications               |      | 6,213,279                   | -                       | 6,213,279          |
| Creation of units from distribution               |      | 4,947,905                   | -                       | 4,947,905          |
| Cancellation of units                             |      | (52,597,442)                | -                       | (52,597,442)       |
| Distribution<br>(Gross: 2.91 sen/Net: 2.91 sen)   | 6    | -                           | (5,127,998)             | (5,127,998)        |
| Total comprehensive income for the financial year |      | -                           | 4,819,383               | 4,819,383          |
| Balance as at 30 June 2018                        |      | <u>72,348,758</u>           | <u>9,835,286</u>        | <u>82,184,044</u>  |
| Balance as at 1 July 2016                         |      | 181,810,721                 | (6,489,478)             | 175,321,243        |
| Movement in unit holders' contribution:           |      |                             |                         |                    |
| Creation of units from applications               |      | 12,261,355                  | -                       | 12,261,355         |
| Creation of units from distribution               |      | 3,422,346                   | -                       | 3,422,346          |
| Cancellation of units                             |      | (83,709,406)                | -                       | (83,709,406)       |
| Distribution<br>(Gross: 1.14 sen/Net: 1.14 sen)   | 6    | -                           | (3,456,418)             | (3,456,418)        |
| Total comprehensive income for the financial year |      | -                           | 20,089,797              | 20,089,797         |
| Balance as at 30 June 2017                        |      | <u>113,785,016</u>          | <u>10,143,901</u>       | <u>123,928,917</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 PERIOD ENDED 30 JUNE 2018

|   | Note | 2018                | 2017                |
|---|------|---------------------|---------------------|
|   |      | RM                  | RM                  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                             |      |                     |                     |
| Proceeds from sale of investments                                       |      | 189,972,449         | 298,666,409         |
| Purchase of investments   |      | (143,572,115)       | (251,437,910)       |
| Dividend received   |      | 1,717,373           | 3,787,917           |
| Interest received   |      | 50,792              | 99,018              |
| Management fee paid   |      | (2,006,325)         | (3,050,237)         |
| Trustee's fee paid  |      | (89,171)            | (135,566)           |
| Payment for other fees and expenses                                     |      | (177,130)           | (119,636)           |
| Net foreign currency exchange (loss)/gain                               |      | (1,189,701)         | 997,820             |
| Net cash generated from operating activities                            |      | <u>44,706,172</u>   | <u>48,807,815</u>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                             |      |                     |                     |
| Cash proceeds from units created  |      | 6,220,634           | 12,385,532          |
| Payments for cancellation of units                                      |      | (52,259,286)        | (84,417,645)        |
| Distribution paid   |      | (180,093)           | (34,072)            |
| Net cash used in financing activities                                   |      | <u>(46,218,745)</u> | <u>(72,066,185)</u> |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>                        |      | (1,512,573)         | (23,258,370)        |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b> |      | <u>7,835,719</u>    | <u>31,094,089</u>   |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>       | 8    | <u>6,323,146</u>    | <u>7,835,719</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 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 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 earned 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 investments is accounted for as the difference between the net disposal proceeds and the carrying amount of investments, 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 during the financial year.

Tax on dividend income from foreign quoted securities is based on the tax regime of the respective countries that the Fund invested 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 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 current assets.

The Fund’s loans and receivables comprise amount due from Manager, amount due from brokers, 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, accrued management fee, amount due to Trustee 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 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.

In accordance with the Deed, 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.

Quoted securities outside Malaysia are valued at the market last done prices quoted of the respective foreign stock exchanges as 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 when 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.

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

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 rate method.

iii. Impairment for assets carried at amortised costs

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

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

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

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

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

## **G. CASH AND CASH EQUIVALENTS**

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

## **H. 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.

## **I. UNIT HOLDERS' CAPITAL**

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

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

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

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



## **J. SEGMENTAL INFORMATION**

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

## **K. 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. 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 Fund's 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 Asia Pacific ex-Japan Target Return Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 24 April 2014 as modified by a Supplemental Deed dated 21 July 2014 and the Second Supplemental Deed dated 2 January 2015 (collectively referred to as the "Deed") entered into between Eastspring Investments Berhad (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee").

The Fund was launched on 10 October 2014 and will continue its operations until terminated by the Trustee or the Manager as provided under Part 12 of the Deed.

The Fund seeks to provide capital appreciation by investing in securities in the Asia Pacific ex-Japan region.

The Fund seeks to achieve its objective by investing in equities and equity-related securities of companies, such as rights and warrants, which are listed on the Asia Pacific ex-Japan exchanges. The Fund's investments may also include liquid assets. The Fund will invest in markets where the regulatory authority is a member of International Organisation of Security Commissions ("IOSCO"). The markets where the Fund will invest in include but not limited to Australia, Hong Kong, India, Indonesia, Malaysia, New Zealand, South Korea, Chinese Taipei, Vietnam, Singapore, Philippines and Thailand.

All investments will be subjected to the Securities Commission's (the "SC") Guidelines on Unit Trust Funds, the Deed except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund's objective.

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, interest rate risk and foreign exchange/currency risk), liquidity risk, credit/default risk, fund management risk, non-compliance 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<br>receivables | Financial<br>assets at fair<br>value through<br>profit or loss | Total              |
|---------------------------|------|--------------------------|--|--------------------|
|                           |      | RM                       | RM   | RM                 |
| <u>2018</u>               |      |                          |  |                    |
| Quoted securities         | 7    | -                        | 74,548,474   | 74,548,474         |
| Amount due from Manager   |      | 8,665                    | -  | 8,665              |
| Amount due from brokers   |      | 1,707,392                | -  | 1,707,392          |
| Dividends receivable      |      | 294,526                  | -  | 294,526            |
| Cash and cash equivalents | 8    | 6,323,146                | -  | 6,323,146          |
|                           |      | <u>8,333,729</u>         | <u>74,548,474</u>  | <u>82,882,203</u>  |
| <u>2017</u>               |      |                          |  |                    |
| Quoted securities         | 7    | -                        | 117,172,875  | 117,172,875        |
| Amount due from Manager   |      | 16,020                   | -  | 16,020             |
| Amount due from brokers   |      | 6,593,233                | -  | 6,593,233          |
| Dividends receivable      |      | 259,155                  | -  | 259,155            |
| Cash and cash equivalents | 8    | 7,835,719                | -  | 7,835,719          |
|                           |      | <u>14,704,127</u>        | <u>117,172,875</u>   | <u>131,877,002</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 of the 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 | 74,548,474 | 117,172,875 |

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 | Increase/ (decrease) in profit after tax and net asset value |
|--|--------------|--|
|  | RM           | RM   |
| <u>2018</u>  |              |  |
| +5%  | 78,275,898   | 3,727,424  |
| -5%  | 70,821,050   | (3,727,424)  |
| <u>2017</u>  |              |  |
| +5%  | 123,031,519  | 5,858,644  |
| -5%  | 111,314,231  | (5,858,644)  |

ii. 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. The Fund's exposure to the interest risk is mainly confined to short term placements with financial institutions. The Manager overcomes the exposure by way of maintaining deposits on short-term basis.

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

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

iii. Foreign exchange/currency risk

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

In the normal course of investment, the Fund Manager will usually not hedge foreign currency exposure. The 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 and counterparties of the Fund.

|             | <b>Financial asset at fair value through profit or loss</b> | <b>Cash and cash equivalents</b> | <b>Dividends receivable</b> | <b>Amount due from brokers</b> | <b>Total</b>      |
|-------------|---|----------------------------------|-----------------------------|--------------------------------|-------------------|
|             | <b>RM</b>   | <b>RM</b>                        | <b>RM</b>                   | <b>RM</b>                      | <b>RM</b>         |
| <u>2018</u> |   |                                  |                             |                                |                   |
| AUD         | 5,035,423   | -                                | 21,114                      | 1,150,886                      | 6,207,423         |
| HKD         | 21,107,248  | -                                | 86,802                      | -                              | 21,194,050        |
| INR         | 5,442,085   | -                                | -                           | -                              | 5,442,085         |
| IDR         | 3,010,614   | -                                | -                           | -                              | 3,010,614         |
| KRW         | 8,262,458   | -                                | 14,839                      | -                              | 8,277,297         |
| PHP         | 2,804,737   | -                                | 17,104                      | -                              | 2,821,841         |
| SGD         | 4,728,517   | -                                | -                           | -                              | 4,728,517         |
| THB         | 8,278,031   | -                                | -                           | -                              | 8,278,031         |
| TWD         | 7,285,523   | -                                | 145,924                     | 556,507                        | 7,987,954         |
| USD         | 4,132,437   | 5,948,703                        | -                           | -                              | 10,081,140        |
|             | <u>70,087,073</u>   | <u>5,948,703</u>                 | <u>285,783</u>              | <u>1,707,393</u>               | <u>78,028,952</u> |

|             | <b>Financial asset at fair value through profit or loss</b> | <b>Cash and cash equivalents</b> | <b>Dividends receivable</b> | <b>Amount due from brokers</b> | <b>Total</b>       |
|-------------|---|----------------------------------|-----------------------------|--------------------------------|--------------------|
|             | <b>RM</b>   | <b>RM</b>                        | <b>RM</b>                   | <b>RM</b>                      | <b>RM</b>          |
| <u>2017</u> |   |                                  |                             |                                |                    |
| AUD         | 6,388,454   | -                                | 113,545                     | -                              | 6,501,999          |
| HKD         | 24,388,507  | -                                | 28,974                      | 5,360,477                      | 29,777,958         |
| INR         | 7,407,263   | -                                | -                           | -                              | 7,407,263          |
| IDR         | 8,049,900   | -                                | -                           | -                              | 8,049,900          |
| KRW         | 6,518,814   | -                                | -                           | -                              | 6,518,814          |
| PHP         | 10,474,968  | -                                | 4,779                       | -                              | 10,479,747         |
| SGD         | 11,793,865  | -                                | -                           | 1,232,756                      | 13,026,621         |
| THB         | 10,483,722  | -                                | -                           | -                              | 10,483,722         |
| TWD         | 13,599,610  | 2,514,190                        | 111,857                     | -                              | 16,225,657         |
| USD         | 6,334,640   | 5,239,184                        | -                           | -                              | 11,573,824         |
|             | <u>105,439,743</u>  | <u>7,753,374</u>                 | <u>259,155</u>              | <u>6,593,233</u>               | <u>120,045,505</u> |

| <b>Financial liability</b> | <b>Amount due to brokers</b> | <b>Total</b>     |
|----------------------------|------------------------------|------------------|
|                            | <b>RM</b>                    | <b>RM</b>        |
| <u>2018</u>                |                              |                  |
| HKD                        | -                            | -                |
| SGD                        | -                            | -                |
| TWD                        | -                            | -                |
|                            | <u>-</u>                     | <u>-</u>         |
| <u>2017</u>                |                              |                  |
| HKD                        | 2,456,783                    | 2,456,783        |
| SGD                        | 2,539,379                    | 2,539,379        |
| TWD                        | 2,510,040                    | 2,510,040        |
|                            | <u>7,506,202</u>             | <u>7,506,202</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.

|             | <b>Change in<br/>exchange rate</b> | <b>Impact on profit<br/>after tax</b> | <b>Impact on net<br/>asset value</b> |
|-------------|------------------------------------|---------------------------------------|--------------------------------------|
|             | <b>%</b>                           | <b>RM</b>                             | <b>RM</b>                            |
| <u>2018</u> |                                    |                                       |                                      |
| AUD         | 5                                  | 310,371                               | 310,371                              |
| HKD         | 5                                  | 1,059,702                             | 1,059,702                            |
| INR         | 5                                  | 272,104                               | 272,104                              |
| IDR         | 5                                  | 150,531                               | 150,531                              |
| KRW         | 5                                  | 413,865                               | 413,865                              |
| PHP         | 5                                  | 141,092                               | 141,092                              |
| SGD         | 5                                  | 236,426                               | 236,426                              |
| THB         | 5                                  | 413,902                               | 413,902                              |
| TWD         | 5                                  | 399,398                               | 399,398                              |
| USD         | 5                                  | 504,057                               | 504,057                              |



|             | Change in<br>exchange rate | Impact on profit<br>after tax | Impact on net<br>asset value |
|-------------|----------------------------|-------------------------------|------------------------------|
|             | %                          | RM                            | RM                           |
| <u>2017</u> |                            |                               |                              |
| AUD         | 5                          | 325,100                       | 325,100                      |
| HKD         | 5                          | 1,366,059                     | 1,366,059                    |
| INR         | 5                          | 370,363                       | 370,363                      |
| IDR         | 5                          | 402,495                       | 402,495                      |
| KRW         | 5                          | 325,941                       | 325,941                      |
| PHP         | 5                          | 523,987                       | 523,987                      |
| SGD         | 5                          | 524,362                       | 524,362                      |
| THB         | 5                          | 524,186                       | 524,186                      |
| TWD         | 5                          | 685,781                       | 685,781                      |
| USD         | 5                          | 578,691                       | 578,691                      |

### 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 balances, 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.

|                             | <b>Less than<br/>1 month</b> | <b>Between<br/>1 month<br/>to 1 year</b> | <b>Total</b> |
|-----------------------------|------------------------------|--|--------------|
|                             | <b>RM</b>                    | <b>RM</b>                                | <b>RM</b>    |
| <b>2018</b>                 |                              |  |              |
| Amount due to Manager       | 540,120                      | -  | 540,120      |
| Accrued management fee      | 131,001                      | -  | 131,001      |
| Amount due to Trustee       | 5,822                        | -  | 5,822        |
| Other payables and accruals | -                            | 21,216                                   | 21,216       |
| Contractual cash outflows   | 676,943                      | 21,216                                   | 698,159      |
| <b>2017</b>                 |                              |  |              |
| Amount due to Manager       | 201,964                      | -  | 201,964      |
| Accrued management fee      | 186,316                      | -  | 186,316      |
| Amount due to brokers       | 7,506,202                    | -  | 7,506,202    |
| Amount due to Trustee       | 8,281                        | -  | 8,281        |
| Other payables and accruals | -                            | 29,731                                   | 29,731       |
| GST charges payable         | 15,591                       | -  | 15,591       |
| Contractual cash outflows   | 7,918,354                    | 29,731                                   | 7,948,085    |

### Credit/Default risk

Credit/default risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Fund.

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 securities are settled/paid upon delivery using approved brokers.

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 sets out the credit risk concentrations and counterparties of the Fund.

|                        | Cash and cash equivalents | Dividends receivable | Amount due from Manager | Amount due from brokers | Total            |
|------------------------|---------------------------|----------------------|-------------------------|-------------------------|------------------|
|                        | RM                        | RM                   | RM                      | RM                      | RM               |
| <b>2018</b>            |                           |                      |                         |                         |                  |
| Consumer Discretionary |                           |                      |                         |                         |                  |
| - NR                   | -                         | 7,402                | -                       | -                       | 7,402            |
| Financial              |                           |                      |                         |                         |                  |
| - AAA                  | 340,061                   | -                    | -                       | -                       | 340,061          |
| - AA1                  | 5,983,085                 | -                    | -                       | -                       | 5,983,085        |
| - NR                   | -                         | 99,996               | -                       | -                       | 99,996           |
| Health Care            |                           |                      |                         |                         |                  |
| - NR                   | -                         | 3,176                | -                       | -                       | 3,176            |
| Industrial             |                           |                      |                         |                         |                  |
| - NR                   | -                         | 11,350               | -                       | -                       | 11,350           |
| Material               |                           |                      |                         |                         |                  |
| - NR                   | -                         | 45,655               | -                       | -                       | 45,655           |
| Real Estate            |                           |                      |                         |                         |                  |
| - NR                   | -                         | 43,293               | -                       | -                       | 43,293           |
| Information Technology |                           |                      |                         |                         |                  |
| - NR                   | -                         | 83,654               | -                       | -                       | 83,654           |
| Other                  |                           |                      |                         |                         |                  |
| - NR                   | -                         | -                    | 8,665                   | 1,707,392               | 1,716,057        |
|                        | <u>6,323,146</u>          | <u>294,526</u>       | <u>8,665</u>            | <u>1,707,392</u>        | <u>8,333,729</u> |

|                        | Cash and cash equivalents | Dividends receivable | Amount due from Manager | Amount due from brokers | Total             |
|------------------------|---------------------------|----------------------|-------------------------|-------------------------|-------------------|
|                        | RM                        | RM                   | RM                      | RM                      | RM                |
| <b>2017</b>            |                           |                      |                         |                         |                   |
| Financial              |                           |                      |                         |                         |                   |
| - AA1                  | 7,835,719                 | -                    | -                       | -                       | 7,835,719         |
| - NR                   | -                         | 81,085               | -                       | -                       | 81,085            |
| Health Care            |                           |                      |                         |                         |                   |
| - NR                   | -                         | 28,974               | -                       | -                       | 28,974            |
| Industrial             |                           |                      |                         |                         |                   |
| - NR                   | -                         | 42,185               | -                       | -                       | 42,185            |
| Information Technology |                           |                      |                         |                         |                   |
| - NR                   | -                         | 69,672               | -                       | -                       | 69,672            |
| Utilities              |                           |                      |                         |                         |                   |
| - NR                   | -                         | 37,239               | -                       | -                       | 37,239            |
| Other                  |                           |                      |                         |                         |                   |
| - NR                   | -                         | -                    | 16,020                  | 6,593,233               | 6,609,253         |
|                        | <u>7,835,719</u>          | <u>259,155</u>       | <u>16,020</u>           | <u>6,593,233</u>        | <u>14,704,127</u> |

None of these assets are past due or impaired.

### Fund management risk

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

### **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.

### **Capital risk**

The capital of the Fund is represented by equity consisting of unit holders' capital of RM72,348,758 (2017: RM113,785,016) and retained earnings of RM9,835,286 (2017: RM10,143,901). 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          |
| <u>2018</u>  |             |         |         |             |
| Financial assets at fair value through profit or loss: |             |         |         |             |
| Quoted securities                                      | 74,548,474  | -       | -       | 74,548,474  |
| <u>2017</u>  |             |         |         |             |
| Financial assets at fair value through profit or loss: |             |         |         |             |
| Quoted securities                                      | 117,172,875 | -       | -       | 117,172,875 |

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 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 on the net asset value of the Fund accrued on a daily basis for the financial year.

For the financial year ended 30 June 2018, the management fee is recognised at a rate of 1.80% (2017: 1.80%) per annum on the net asset value of the Fund, calculated on daily basis.

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

#### 4. TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to a fee at a rate not exceeding 0.20% per annum on the net asset value of the Fund, accrued on a daily basis for the financial period 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 on the net asset value of the Fund excluding of foreign custodian fees and charges, calculated on daily basis.

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

#### 5. TAXATION

|                                     | 2018           | 2017           |
|-------------------------------------|----------------|----------------|
|                                     | RM             | RM             |
| Tax charged for the financial year: |                |                |
| Current taxation – local (REIT)     | -              | 20,334         |
| Current taxation – foreign          | 181,185        | 196,526        |
|                                     | <u>181,185</u> | <u>216,860</u> |



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

|  | <b>2018</b>    | <b>2017</b>    |
|--|----------------|----------------|
|  | <b>RM</b>      | <b>RM</b>      |
| Profit before taxation   | 5,000,568      | 20,306,657     |
| Tax at Malaysian statutory rate of 24%                             | 1,200,136      | 4,873,598      |
| Tax effects of:  |                |                |
| Investment income exempt from tax                                  | (1,939,244)    | (5,995,811)    |
| Expenses not deductible for tax purposes                           | 298,029        | 496,056        |
| Restriction on the tax deductible expenses<br>for Unit Trust Funds | 441,079        | 674,958        |
| Investment income subject to different tax rate                    | -              | 168,059        |
| Foreign income subject to foreign tax rate                         | 181,185        | -              |
| Taxation   | <u>181,185</u> | <u>216,860</u> |

## 6. DISTRIBUTION

|   | 2018        | 2017        |
|---|-------------|-------------|
|   | RM          | RM          |
| Distribution to unit holders is from the following sources: |             |             |
| Current financial year's realised income:                   |             |             |
| Dividend income   | 2,386,340   | 2,064,506   |
| Interest income   | 123,694     | 61,398      |
| Net realised gain on sale of investments                    | 8,272,040   | 3,012,789   |
| Distribution equalisation                                   | (829,347)   | -           |
|   | <hr/>       | <hr/>       |
| Gross realised income                                       | 9,952,727   | 5,138,693   |
| Less: Expenses  | (4,824,729) | (1,682,275) |
|   | <hr/>       | <hr/>       |
|   | 5,127,998   | 3,456,418   |
|   | <hr/>       | <hr/>       |
| Gross distribution per unit (RM)                            | 0.0291      | 0.0114      |
| Net distribution per unit (RM)                              | <hr/>       | <hr/>       |
|   | 0.0291      | 0.0114      |
|   | <hr/>       | <hr/>       |
| Ex-date   | 27 Dec 2017 | 27 Dec 2016 |

Gross distribution is derived using total income less total expenses. 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.

There are unrealised losses of RM7,031,878 (2017: RM3,720,260) arising during the financial year.

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.

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

|  | <b>2018</b>      | <b>2017</b>       |
|--|------------------|-------------------|
|  | <b>RM</b>        | <b>RM</b>         |
| Designated at fair value through profit or loss:                   |                  |                   |
| Quoted securities  | 74,548,474       | 117,172,875       |
| Net gain on financial assets at fair value through profit or loss: |                  |                   |
| Realised gain on disposals   | 14,580,954       | 16,613,520        |
| Change in unrealised fair value (loss)/ gain                       | (7,295,792)      | 3,720,260         |
|  | <u>7,285,162</u> | <u>20,333,780</u> |

| Name of counter                         | Quantity       | Aggregate cost   | Fair value as at 30.6.2018 | Percentage of net asset value of the Fund |
|---|----------------|------------------|----------------------------|---|
|   |                |                  |                            |   |
|   | Units          | RM               | RM                         | %   |
| <b>Local</b>                            |                |                  |                            |   |
| <b>Malaysia Securities</b>              |                |                  |                            |   |
| <u>Consumer Discretionary</u>           |                |                  |                            |   |
| Padini Holdings Berhad                  | 188,800        | 760,762          | 1,127,136                  | 1.37                                      |
| Panasonic Manufacturing Malaysia Berhad | 23,200         | 890,816          | 866,288                    | 1.05                                      |
|   | <u>212,000</u> | <u>1,651,578</u> | <u>1,993,424</u>           | <u>2.42</u>                               |
| <u>Financial</u>                        |                |                  |                            |   |
| Malayan Banking Berhad                  | 137,000        | 1,232,425        | 1,233,000                  | 1.50                                      |
| <u>Industrial</u>                       |                |                  |                            |   |
| Inari Amertron Berhad                   | 546,450        | 1,093,967        | 1,234,977                  | 1.50                                      |
| <b>Total Malaysia Securities</b>        | <b>895,450</b> | <b>3,977,970</b> | <b>4,461,401</b>           | <b>5.42</b>                               |

| Name of counter                                | Quantity       | Aggregate cost   | Fair value as at 30.6.2018 | Percentage of net asset value of the Fund |
|--|----------------|------------------|----------------------------|---|
|  |                |                  |                            | Units                                     |
| <b>Foreign</b>                                 |                |                  |                            |   |
| <b>Australia Securities</b>                    |                |                  |                            |   |
| <u>Consumer Discretionary</u>                  |                |                  |                            |   |
| Aristocrat Leisure Limited                     | 12,973         | 966,529          | 1,195,422                  | 1.45                                      |
| <u>Health Care</u>                             |                |                  |                            |   |
| Cochlear Limited                               | 887            | 480,839          | 529,474                    | 0.64                                      |
| CSL Limited                                    | 1,001          | 479,240          | 574,987                    | 0.70                                      |
|  | 1,888          | 960,079          | 1,104,461                  | 1.34                                      |
| <u>Material</u>                                |                |                  |                            |   |
| James Hardie Industries Public Limited Company | 13,515         | 957,149          | 914,074                    | 1.11                                      |
| Orora Limited                                  | 92,584         | 956,532          | 985,658                    | 1.20                                      |
| Rio Tinto Limited                              | 3,359          | 770,133          | 835,808                    | 1.02                                      |
|  | 109,458        | 2,683,814        | 2,735,540                  | 3.33                                      |
| <b>Total Australia Securities</b>              | <b>124,319</b> | <b>4,610,422</b> | <b>5,035,423</b>           | <b>6.12</b>                               |

| Name of counter                                    | Quantity | Aggregate cost | Fair value      | Percentage                     |
|--|----------|----------------|-----------------|--------------------------------|
|  |          |                | as at 30.6.2018 | of net asset value of the Fund |
|  | Units    | RM             | RM              | %                              |
| <b>Foreign</b> (continued)                         |          |                |                 |                                |
| <b>Hong Kong Securities</b>                        |          |                |                 |                                |
| <u>Consumer Staples</u>                            |          |                |                 |                                |
| Hengan International Group Company Limited         | 25,000   | 929,115        | 972,237         | 1.18                           |
| WH Group Limited                                   | 449,000  | 2,090,280      | 1,477,856       | 1.80                           |
|  | 474,000  | 3,019,395      | 2,450,093       | 2.98                           |
| <u>Energy</u>                                      |          |                |                 |                                |
| China Petroleum & Chemical Corporation             | 498,000  | 1,810,791      | 1,798,177       | 2.19                           |
| <u>Financial</u>                                   |          |                |                 |                                |
| AIA Group Limited                                  | 52,000   | 1,580,965      | 1,837,436       | 2.23                           |
| Bank of China Limited                              | 441,000  | 965,266        | 883,636         | 1.08                           |
| Industrial and Commercial Bank of China Limited    | 402,000  | 1,245,059      | 1,215,484       | 1.48                           |
| Ping An Insurance (Group) Company of China Limited | 21,500   | 867,853        | 799,578         | 0.97                           |
|  | 916,500  | 4,659,143      | 4,736,134       | 5.76                           |
| <u>Health Care</u>                                 |          |                |                 |                                |
| 3SBio Inc  | 90,000   | 742,810        | 826,105         | 1.01                           |
| CSPC Pharmaceutical Group Limited                  | 104,000  | 606,615        | 1,269,599       | 1.54                           |
| Shanghai Fosun Pharmaceutical (Group) Co. Ltd.     | 36,500   | 652,556        | 809,377         | 0.98                           |
| Sino Biopharmaceutical Limited                     | 180,000  | 920,606        | 1,116,308       | 1.36                           |
|  | 410,500  | 2,922,587      | 4,021,389       | 4.89                           |

| Name of counter                                  | Quantity         | Aggregate cost    | Fair value as at 30.6.2018 | Percentage of net asset value of the Fund |
|--|------------------|-------------------|----------------------------|---|
|  |                  |                   |                            | Units                                     |
| <b>Foreign</b> (continued)                       |                  |                   |                            |   |
| <b>Hong Kong Securities</b><br>(continued)       |                  |                   |                            |   |
| <u>Industrial</u>                                |                  |                   |                            |   |
| Haitian International Holdings Limited           | 87,000           | 1,062,356         | 829,937                    | 1.01                                      |
| Zhuzhou CRRC Times Electric Co Ltd               | 45,000           | 1,219,781         | 864,582                    | 1.05                                      |
|  | 132,000          | 2,282,137         | 1,694,519                  | 2.06                                      |
| <u>Information Technology</u>                    |                  |                   |                            |   |
| ASM Pacific Technology Limited                   | 25,500           | 1,417,197         | 1,302,977                  | 1.59                                      |
| Hua Hong Semiconductor Limited                   | 92,000           | 953,145           | 1,277,120                  | 1.55                                      |
| Sunny Optical Technology (Group) Company Limited | 17,500           | 707,752           | 1,316,061                  | 1.60                                      |
| Tencent Holdings Limited                         | 5,000            | 709,207           | 1,014,216                  | 1.22                                      |
|  | 140,000          | 3,787,301         | 4,910,374                  | 5.96                                      |
| <u>Real Estate</u>                               |                  |                   |                            |   |
| Longfor Properties Co. Ltd.                      | 79,500           | 882,168           | 866,089                    | 1.05                                      |
| <u>Utilities</u>                                 |                  |                   |                            |   |
| China Resources Gas Group Limited                | 36,000           | 533,579           | 630,473                    | 0.77                                      |
| <b>Total Hong Kong Securities</b>                | <b>2,686,500</b> | <b>19,897,101</b> | <b>21,107,248</b>          | <b>25.66</b>                              |

| Name of counter                                 | Quantity       | Aggregate cost   | Fair value as at 30.6.2018 | Percentage of net asset value of the Fund |
|---|----------------|------------------|----------------------------|---|
|   |                |                  |                            | Units                                     |
| <b>Foreign</b> (continued)                      |                |                  |                            |   |
| <b>India Securities</b>                         |                |                  |                            |   |
| <u>Consumer Discretionary</u>                   |                |                  |                            |   |
| Maruti Suzuki India Limited                     | 1,846          | 637,922          | 960,189                    | 1.17                                      |
| <u>Consumer Staple</u>                          |                |                  |                            |   |
| Dabur India Limited                             | 45,103         | 937,029          | 1,040,549                  | 1.27                                      |
| <u>Financial</u>                                |                |                  |                            |   |
| Housing Development Finance Corporation Limited | 17,095         | 1,670,676        | 1,922,432                  | 2.34                                      |
| <u>Health Care</u>                              |                |                  |                            |   |
| Cipla Limited                                   | 41,794         | 1,440,841        | 1,518,915                  | 1.85                                      |
| <b>Total India Securities</b>                   | <b>105,838</b> | <b>4,686,468</b> | <b>5,442,085</b>           | <b>6.63</b>                               |

| Name of counter                        | Quantity         | Aggregate cost   | Fair value as at 30.6.2018 | Percentage of net asset value of the Fund |
|--|------------------|------------------|----------------------------|---|
|  |                  |                  |                            | Units                                     |
| <b>Foreign (continued)</b>             |                  |                  |                            |   |
| <b>Indonesia Securities</b>            |                  |                  |                            |   |
| <u>Consumer Staples</u>                |                  |                  |                            |   |
| PT Gudang Garam TBK                    | 39,900           | 989,848          | 755,878                    | 0.92                                      |
| <u>Energy</u>                          |                  |                  |                            |   |
| PT Indo Tambangraya Megah TBK          | 119,000          | 892,650          | 750,061                    | 0.91                                      |
| PT United Tractors TBK                 | 87,400           | 957,276          | 778,010                    | 0.95                                      |
|  | 206,400          | 1,849,926        | 1,528,071                  | 1.86                                      |
| <u>Financial</u>                       |                  |                  |                            |   |
| PT Bank Rakyat Indonesia (Persero) TBK | 908,300          | 920,632          | 726,665                    | 0.88                                      |
| <b>Total Indonesia Securities</b>      | <b>1,154,600</b> | <b>3,760,406</b> | <b>3,010,614</b>           | <b>3.66</b>                               |
| <b>Philippines Securities</b>          |                  |                  |                            |   |
| <u>Financial</u>                       |                  |                  |                            |   |
| Metropolitan Bank & Trust Co           | 331,036          | 2,425,370        | 1,838,949                  | 2.24                                      |
| <u>Material</u>                        |                  |                  |                            |   |
| D&L Industries Inc                     | 1,256,000        | 1,054,516        | 965,788                    | 1.18                                      |
| <b>Total Philippines Securities</b>    | <b>1,587,036</b> | <b>3,479,886</b> | <b>2,804,737</b>           | <b>3.42</b>                               |



| Name of counter                           | Quantity      | Aggregate cost   | Fair value as at 30.6.2018 | Percentage of net asset value of the Fund |
|---|---------------|------------------|----------------------------|---|
|   |               |                  |                            | Units                                     |
| <b>Foreign</b> (continued)                |               |                  |                            |   |
| <b>Republic of Korea Securities</b>       |               |                  |                            |   |
| <u>Consumer Staples</u>                   |               |                  |                            |   |
| E-Mart Co Ltd                             | 1,769         | 1,940,336        | 1,633,679                  | 1.99                                      |
| <u>Health Care</u>                        |               |                  |                            |   |
| MedyTox Inc                               | 421           | 949,838          | 1,172,191                  | 1.43                                      |
| <u>Information Technology</u>             |               |                  |                            |   |
| Samsung Electronics Co Ltd                | 5,350         | 662,617          | 905,642                    | 1.10                                      |
| Samsung Sdi Co Ltd                        | 1,493         | 1,127,278        | 1,159,377                  | 1.41                                      |
| SK Hynix Inc.                             | 3,139         | 1,032,704        | 976,164                    | 1.19                                      |
|   | 9,982         | 2,822,599        | 3,041,183                  | 3.70                                      |
| <u>Material</u>                           |               |                  |                            |   |
| Korea Zinc Inc                            | 519           | 976,628          | 726,952                    | 0.88                                      |
| LG Chem Ltd                               | 680           | 980,791          | 822,917                    | 1.00                                      |
| Posco                                     | 725           | 996,698          | 865,536                    | 1.05                                      |
|   | 1,924         | 2,954,117        | 2,415,405                  | 2.93                                      |
| <b>Total Republic of Korea Securities</b> | <b>14,096</b> | <b>8,666,890</b> | <b>8,262,458</b>           | <b>10.05</b>                              |

| Name of counter                                    | Quantity       | Aggregate cost   | Fair value as at 30.6.2018 | Percentage of net asset value of the Fund |
|--|----------------|------------------|----------------------------|---|
|  |                |                  |                            | Units                                     |
| <b>Foreign (continued)</b>                         |                |                  |                            |   |
| <b>Singapore Securities</b>                        |                |                  |                            |   |
| <u>Financial</u>                                   |                |                  |                            |   |
| DBS Group Holdings Ltd                             | 21,680         | 1,482,262        | 1,708,272                  | 2.07                                      |
| <u>Industrial</u>                                  |                |                  |                            |   |
| Venture Corporation Limited                        | 23,900         | 1,326,202        | 1,262,542                  | 1.54                                      |
| <u>Real Estate</u>                                 |                |                  |                            |   |
| UOL Group Limited                                  | 77,900         | 1,913,036        | 1,757,703                  | 2.14                                      |
| <b>Total Singapore Securities</b>                  | <b>123,480</b> | <b>4,721,500</b> | <b>4,728,517</b>           | <b>5.75</b>                               |
| <b>Taiwan Securities</b>                           |                |                  |                            |   |
| <u>Financial</u>                                   |                |                  |                            |   |
| Cathay Financial Holding Company Limited           | 269,000        | 1,995,892        | 1,919,737                  | 2.34                                      |
| <u>Information Technology</u>                      |                |                  |                            |   |
| Accton Technology Corp                             | 96,000         | 1,340,098        | 1,123,174                  | 1.37                                      |
| Chipbond Technology Corporation                    | 147,000        | 963,353          | 1,234,322                  | 1.50                                      |
| Taiwan Semiconductor Manufacturing Company Limited | 50,000         | 1,349,198        | 1,435,936                  | 1.75                                      |
|  | 293,000        | 3,652,649        | 3,793,432                  | 4.62                                      |

| Name of counter   | Quantity       | Aggregate cost   | Fair value as at 30.6.2018 | Percentage of net asset value of the Fund |
|---|----------------|------------------|----------------------------|---|
|   |                |                  |                            | Units                                     |
| <b>Foreign</b> (continued)                                    |                |                  |                            |   |
| <b>Taiwan Securities</b><br>(continued)                       |                |                  |                            |   |
| <u>Material</u>   |                |                  |                            |   |
| Formosa Plastics Corporation                                  | 78,000         | 1,046,313        | 1,164,004                  | 1.42                                      |
| <u>Technology</u>   |                |                  |                            |   |
| Nanya Technology Corporation                                  | 37,000         | 441,097          | 408,350                    | 0.50                                      |
| <b>Total Taiwan Securities</b>                                | <b>677,000</b> | <b>7,135,931</b> | <b>7,285,523</b>           | <b>8.88</b>                               |
| <b>Thailand Securities</b>                                    |                |                  |                            |   |
| <u>Consumer Discretionary</u>                                 |                |                  |                            |   |
| Somboon Advance Technology Public Company Limited             | 694,500        | 1,794,234        | 1,823,241                  | 2.22                                      |
| <u>Financial</u>  |                |                  |                            |   |
| Amata Corporation Public Company Limited                      | 574,200        | 1,581,484        | 1,311,107                  | 1.60                                      |
| Bangkok Bank Public Company Limited                           | 77,900         | 2,078,992        | 1,888,128                  | 2.30                                      |
|   | 652,100        | 3,660,476        | 3,199,235                  | 3.90                                      |
| <u>Industrial</u>   |                |                  |                            |   |
| Airports of Thailand Public Company Limited                   | 110,300        | 617,752          | 845,128                    | 1.03                                      |
| Sino-Thai Engineering and Construction Public Company Limited | 348,100        | 944,111          | 769,336                    | 0.94                                      |
|   | 458,400        | 1,561,863        | 1,614,464                  | 1.97                                      |

| Name of counter   | Quantity         | Aggregate cost   | Fair value as at 30.6.2018 | Percentage of net asset value of the Fund |
|---|------------------|------------------|----------------------------|---|
|   | Units            | RM               | RM                         | %   |
| <b>Foreign</b> (continued)  |                  |                  |                            |   |
| <b>Thailand Securities</b><br>(continued)                         |                  |                  |                            |   |
| <u>Material</u>   |                  |                  |                            |   |
| PTT Global Chemical<br>Public Company Limited                     | 80,900           | 993,060          | 711,237                    | 0.87                                      |
| <u>Real Estate</u>  |                  |                  |                            |   |
| Land and Houses<br>Public Company Limited                         | 668,000          | 958,780          | 929,854                    | 1.13                                      |
| <b>Total Thailand Securities</b>                                  | <b>2,553,900</b> | <b>8,968,413</b> | <b>8,278,031</b>           | <b>10.09</b>                              |
| <b>China Securities</b><br><b>(Listed in United States)</b>       |                  |                  |                            |   |
| <u>Consumer Discretionary</u>                                     |                  |                  |                            |   |
| JD.Com Inc  | 6,700            | 909,662          | 1,053,777                  | 1.28                                      |
| New Oriental Education &<br>Technology Group Inc                  | 3,000            | 1,103,978        | 1,146,711                  | 1.40                                      |
|   | 9,700            | 2,014,585        | 2,200,488                  | 2.68                                      |
| <u>Information Technology</u>                                     |                  |                  |                            |   |
| Alibaba Group Holding<br>Limited                                  | 1,400            | 586,241          | 1,048,838                  | 1.28                                      |
| Baidu Inc   | 900              | 928,542          | 883,111                    | 1.07                                      |
|   | 2,300            | 1,514,783        | 1,931,949                  | 2.35                                      |
| <b>Total China Securities</b><br><b>(Listed In United States)</b> | <b>12,000</b>    | <b>3,528,423</b> | <b>4,132,437</b>           | <b>5.03</b>                               |

| Name of counter   | Quantity         | Aggregate cost    | Fair value as at 30.6.2018 | Percentage of net asset value of the Fund |
|---|------------------|-------------------|----------------------------|---|
|   |                  |                   |                            | Units                                     |
| <b>Foreign</b> (continued)  |                  |                   |                            |   |
| <b>Total Foreign Securities</b>   | <b>9,038,769</b> | <b>69,455,440</b> | <b>70,087,073</b>          | <b>85.29</b>                              |
| <b>TOTAL QUOTED SECURITIES</b>  | <u>9,934,219</u> | <u>73,433,410</u> | <u>74,548,474</u>          | <u>90.71</u>                              |
| <b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b> |                  | <u>1,115,064</u>  |                            |   |
| <b>FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>                  |                  |                   | <u>74,548,474</u>          |   |

| Name of counter                   | Quantity         | Aggregate cost    | Fair value as at 30.6.2017 | Percentage of net asset value of the Fund |
|-----------------------------------|------------------|-------------------|----------------------------|---|
|                                   | Units            | RM                | RM                         | %   |
| <b>Local</b>                      |                  |                   |                            |   |
| <b>Malaysia Securities</b>        |                  |                   |                            |   |
| <u>Financial</u>                  |                  |                   |                            |   |
| Malayan Banking Berhad            | 296,501          | 2,560,007         | 2,855,305                  | 2.30                                      |
| <u>Industrial</u>                 |                  |                   |                            |   |
| Sime Darby Berhad                 | 297,100          | 2,710,265         | 2,822,450                  | 2.28                                      |
| <u>Information Technology</u>     |                  |                   |                            |   |
| MY E.G. Services Berhad           | 1,226,300        | 2,695,040         | 2,685,597                  | 2.17                                      |
| <u>Telecommunication Services</u> |                  |                   |                            |   |
| Time Dotcom Berhad                | 347,400          | 2,972,695         | 3,369,780                  | 2.72                                      |
| <b>Total Malaysia Securities</b>  | <b>2,167,301</b> | <b>10,938,007</b> | <b>11,733,132</b>          | <b>9.47</b>                               |
| <b>Foreign</b>                    |                  |                   |                            |   |
| <b>Australia Securities</b>       |                  |                   |                            |   |
| <u>Health Care</u>                |                  |                   |                            |   |
| CSL Limited                       | 3,557            | 1,135,366         | 1,615,889                  | 1.30                                      |
| <u>Material</u>                   |                  |                   |                            |   |
| Rio Tinto Limited                 | 13,522           | 3,100,248         | 2,815,743                  | 2.27                                      |
| <u>Utilities</u>                  |                  |                   |                            |   |
| Transurban Group                  | 50,174           | 1,759,549         | 1,956,822                  | 1.58                                      |
| <b>Total Australia Securities</b> | <b>67,253</b>    | <b>5,995,163</b>  | <b>6,388,454</b>           | <b>5.15</b>                               |

| Name of counter   | Quantity       | Aggregate cost   | Fair value as at 30.6.2017 | Percentage of net asset value of the Fund |
|---|----------------|------------------|----------------------------|---|
|   |                |                  |                            | Units                                     |
| <b>Foreign</b> (continued)                              |                |                  |                            |   |
| <b>China Securities (Listed in Hong Kong)</b>           |                |                  |                            |   |
| <u>Information Technology</u>                           |                |                  |                            |   |
| AAC Technologies Holdings Inc                           | 46,500         | 2,778,450        | 2,496,507                  | 2.01                                      |
| Sunny Optical Technology (Group) Company Limited        | 73,000         | 1,795,770        | 2,810,936                  | 2.27                                      |
| Tencent Holdings Limited                                | 21,600         | 2,313,606        | 3,317,410                  | 2.68                                      |
| Travelsky Technology Limited                            | 196,000        | 2,452,830        | 2,479,784                  | 2.00                                      |
|   | <b>337,100</b> | <b>9,340,656</b> | <b>11,104,637</b>          | <b>8.96</b>                               |
| <b>Total China Securities (Listed In Hong Kong)</b>     | <b>337,100</b> | <b>9,340,656</b> | <b>11,104,637</b>          | <b>8.96</b>                               |
| <b>China Securities (Listed In United States)</b>       |                |                  |                            |   |
| <u>Consumer Discretionary</u>                           |                |                  |                            |   |
| JD.Com Inc  | 18,600         | 2,525,330        | 3,130,250                  | 2.53                                      |
| <u>Information Technology</u>                           |                |                  |                            |   |
| Alibaba Group Holding Limited                           | 5,300          | 2,219,339        | 3,204,390                  | 2.59                                      |
| <b>Total China Securities (Listed In United States)</b> | <b>23,900</b>  | <b>4,744,669</b> | <b>6,334,640</b>           | <b>5.12</b>                               |

| Name of counter                              | Quantity         | Aggregate cost    | Fair value as at 30.6.2017 | Percentage of net asset value of the Fund |
|--|------------------|-------------------|----------------------------|---|
|  | Units            | RM                | RM                         | %   |
| <b>Foreign</b> (continued)                   |                  |                   |                            |   |
| <b>Hong Kong Securities</b>                  |                  |                   |                            |   |
| <u>Consumer Discretionary</u>                |                  |                   |                            |   |
| Brilliance China Automotive Holdings Limited | 374,000          | 2,751,713         | 2,925,507                  | 2.36                                      |
| <u>Financial</u>                             |                  |                   |                            |   |
| ALA Group Limited                            | 117,800          | 3,581,494         | 3,696,844                  | 2.98                                      |
| Cheung Kong Property Holdings Limited        | 82,500           | 2,606,223         | 2,775,111                  | 2.24                                      |
|  | 200,300          | 6,187,717         | 6,471,955                  | 5.22                                      |
| <u>Health Care</u>                           |                  |                   |                            |   |
| CSPC Pharmaceutical Group Limited            | 400,000          | 2,054,903         | 2,508,389                  | 2.02                                      |
| <u>Utilities</u>                             |                  |                   |                            |   |
| China Resources Gas Group Limited            | 94,000           | 1,378,320         | 1,378,019                  | 1.11                                      |
| <b>Total Hong Kong Securities</b>            | <b>1,068,300</b> | <b>12,372,653</b> | <b>13,283,870</b>          | <b>10.71</b>                              |



| Name of counter  | Quantity         | Aggregate cost   | Fair value as at | Percentage of net asset value of the Fund |
|--|------------------|------------------|------------------|---|
|  |                  |                  | 30.6.2017        |   |
|  | Units            | RM               | RM               | %   |
| <b>Foreign</b> (continued)                                     |                  |                  |                  |   |
| <b>India Securities</b>  |                  |                  |                  |   |
| <u>Consumer Discretionary</u>                                  |                  |                  |                  |   |
| Maruti Suzuki India Limited                                    | 6,423            | 2,219,596        | 3,077,658        | 2.48                                      |
| <u>Consumer Staple</u>   |                  |                  |                  |   |
| Godrej Consumer Products Limited                               | 19,496           | 1,218,823        | 1,253,012        | 1.01                                      |
| <u>Financial</u>   |                  |                  |                  |   |
| Housing Development Finance Corporation Limited                | 28,696           | 2,491,218        | 3,076,593        | 2.48                                      |
| <b>Total India Securities</b>                                  | <b>54,615</b>    | <b>5,929,637</b> | <b>7,407,263</b> | <b>5.97</b>                               |
| <b>Indonesia Securities</b>                                    |                  |                  |                  |   |
| <u>Consumer Discretionary</u>                                  |                  |                  |                  |   |
| Astra International PT TBK                                     | 960,700          | 2,767,935        | 2,760,050        | 2.23                                      |
| <u>Financial</u>   |                  |                  |                  |   |
| Bank CIMB Niaga PT TBK   | 6,674,400        | 2,810,826        | 2,513,733        | 2.03                                      |
| <u>Telecommunication Services</u>                              |                  |                  |                  |   |
| Perusahaan Perseroan (Persero) Telekomunikasi Indonesia PT TBK | 1,908,000        | 2,515,231        | 2,776,117        | 2.24                                      |
| <b>Total Indonesia Securities</b>                              | <b>9,543,100</b> | <b>8,093,992</b> | <b>8,049,900</b> | <b>6.50</b>                               |

| Name of counter                           | Quantity         | Aggregate cost    | Fair value        | Percentage of net asset value of the Fund |
|---|------------------|-------------------|-------------------|---|
|   |                  |                   | as at 30.6.2017   |   |
|   | Units            | RM                | RM                | %   |
| <b>Foreign</b> (continued)                |                  |                   |                   |   |
| <b>Philippines Securities</b>             |                  |                   |                   |   |
| <u>Consumer Discretionary</u>             |                  |                   |                   |   |
| Jollibee Foods Corporation                | 162,090          | 3,281,364         | 2,812,791         | 2.27                                      |
| <u>Financial</u>                          |                  |                   |                   |   |
| BDO Unibank, Inc.                         | 264,660          | 2,804,072         | 2,791,650         | 2.25                                      |
| <u>Industrial</u>                         |                  |                   |                   |   |
| DMCI Holdings Inc.                        | 2,144,200        | 2,617,531         | 2,571,788         | 2.08                                      |
| <u>Utilities</u>                          |                  |                   |                   |   |
| Metro Pacific Investments Corporation     | 4,229,000        | 2,570,932         | 2,298,739         | 1.85                                      |
| <b>Total Philippines Securities</b>       | <b>6,799,950</b> | <b>11,273,899</b> | <b>10,474,968</b> | <b>8.45</b>                               |
| <b>Republic of Korea Securities</b>       |                  |                   |                   |   |
| <u>Information Technology</u>             |                  |                   |                   |   |
| Samsung Electronics Co Ltd                | 413              | 2,557,576         | 3,676,568         | 2.97                                      |
| SK Hynix Inc.                             | 11,260           | 2,531,863         | 2,842,246         | 2.29                                      |
|   | 11,673           | 5,089,439         | 6,518,814         | 5.26                                      |
| <b>Total Republic of Korea Securities</b> | <b>11,673</b>    | <b>5,089,439</b>  | <b>6,518,814</b>  | <b>5.26</b>                               |

| Name of counter                          | Quantity       | Aggregate cost    | Fair value as at 30.6.2017 | Percentage of net asset value of the Fund |
|--|----------------|-------------------|----------------------------|---|
|  |                |                   |                            | Units                                     |
| <b>Foreign</b> (continued)               |                |                   |                            |   |
| <b>Singapore Securities</b>              |                |                   |                            |   |
| <u>Financial</u>                         |                |                   |                            |   |
| Ascendas Real Estate Investment Trust    | 345,200        | 2,749,105         | 2,806,978                  | 2.26                                      |
| DBS Group Holdings Ltd                   | 40,200         | 2,605,910         | 2,597,542                  | 2.10                                      |
|  | <b>385,400</b> | <b>5,355,015</b>  | <b>5,404,520</b>           | <b>4.36</b>                               |
| <u>Industrial</u>                        |                |                   |                            |   |
| Singapore Technologies Engineering Ltd   | 235,100        | 2,770,566         | 2,695,431                  | 2.17                                      |
| Venture Corporation Limited              | 32,900         | 1,103,931         | 1,235,124                  | 1.00                                      |
|  | <b>268,000</b> | <b>3,874,497</b>  | <b>3,930,555</b>           | <b>3.17</b>                               |
| <u>Real Estate</u>                       |                |                   |                            |   |
| UOL Group Limited                        | 103,300        | 2,536,799         | 2,458,790                  | 1.98                                      |
| <b>Total Singapore Securities</b>        | <b>756,700</b> | <b>11,766,311</b> | <b>11,793,865</b>          | <b>9.51</b>                               |
| <b>Taiwan Securities</b>                 |                |                   |                            |   |
| <u>Financial</u>                         |                |                   |                            |   |
| Cathay Financial Holding Company Limited | 405,000        | 3,004,938         | 2,863,842                  | 2.31                                      |
| <u>Industrial</u>                        |                |                   |                            |   |
| Airtac International Group               | 56,000         | 2,755,130         | 2,841,471                  | 2.29                                      |

| Name of counter                                    | Quantity         | Aggregate cost    | Fair value as at 30.6.2017 | Percentage of net asset value of the Fund |
|--|------------------|-------------------|----------------------------|---|
|  |                  |                   |                            | Units                                     |
| <b>Foreign</b> (continued)                         |                  |                   |                            |   |
| <b>Taiwan Securities</b><br>(continued)            |                  |                   |                            |   |
| <u>Information Technology</u>                      |                  |                   |                            |   |
| Chipbond Technology Corporation                    | 382,000          | 2,503,406         | 2,523,280                  | 2.04                                      |
| Taiwan Semiconductor Manufacturing Company Limited | 88,000           | 2,173,674         | 2,589,673                  | 2.09                                      |
| Win Semiconductors Corporation                     | 118,000          | 2,546,480         | 2,781,344                  | 2.24                                      |
|  | 588,000          | 7,223,560         | 7,894,297                  | 6.37                                      |
| <b>Total Taiwan Securities</b>                     | <b>1,049,000</b> | <b>12,983,628</b> | <b>13,599,610</b>          | <b>10.97</b>                              |
| <b>Thailand Securities</b>                         |                  |                   |                            |   |
| <u>Consumer</u>                                    |                  |                   |                            |   |
| GFPT Public Company Limited                        | 850,000          | 1,975,766         | 2,084,814                  | 1.68                                      |
| <u>Financial</u>                                   |                  |                   |                            |   |
| Tisco Financial Group Public Company Limited       | 294,800          | 2,809,674         | 2,832,616                  | 2.29                                      |
| <u>Industrial</u>                                  |                  |                   |                            |   |
| Airports of Thailand Public Company Limited        | 466,100          | 2,610,483         | 2,784,374                  | 2.25                                      |

| Name of counter   | Quantity          | Aggregate cost     | Fair value as at 30.6.2017 | Percentage of net asset value of the Fund |
|---|-------------------|--------------------|----------------------------|---|
|   |                   |                    |                            | Units                                     |
| <b>Foreign</b> (continued)  |                   |                    |                            |   |
| <b>Thailand Securities</b><br>(continued)   |                   |                    |                            |   |
| <u>Information Technology</u>   |                   |                    |                            |   |
| KCE Electronics Public Company Limited  | 202,800           | 2,838,042          | 2,781,918                  | 2.24                                      |
| <b>Total Thailand Securities</b>  | <b>1,813,700</b>  | <b>10,233,965</b>  | <b>10,483,722</b>          | <b>8.46</b>                               |
| <b>Total Foreign Securities</b>   | <b>21,525,291</b> | <b>97,824,012</b>  | <b>105,439,743</b>         | <b>85.06</b>                              |
| <b>TOTAL QUOTED SECURITIES</b>  | <b>23,692,592</b> | <b>108,762,019</b> | <b>117,172,875</b>         | <b>94.53</b>                              |
| <b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b> |                   |                    |                            |   |
|   |                   | <u>8,410,856</u>   |                            |   |
| <b>FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>                  |                   |                    |                            |   |
|   |                   | <u>117,172,875</u> |                            |   |

## 8. CASH AND CASH EQUIVALENTS

|   | <b>2018</b>      | <b>2017</b>      |
|---|------------------|------------------|
|   | <b>RM</b>        | <b>RM</b>        |
| Bank balances with a licensed bank            | 5,983,085        | 7,835,719        |
| Deposit with a licensed financial institution | 340,061          | -                |
|   | <u>6,323,146</u> | <u>7,835,719</u> |

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

|     | <b>2018</b>      | <b>2017</b>      |
|-----|------------------|------------------|
|     | <b>RM</b>        | <b>RM</b>        |
| MYR | 374,443          | 82,345           |
| TWD | -                | 2,514,190        |
| USD | 5,948,703        | 5,239,184        |
|     | <u>6,323,146</u> | <u>7,835,719</u> |

The effective weighted average interest rate of short term deposit per annum as at the date of the statement of financial position are as follows:

|   | <b>2018</b> | <b>2017</b> |
|---|-------------|-------------|
|   | <b>%</b>    | <b>%</b>    |
| Deposit with a licensed financial institution | <u>3.30</u> | <u>-</u>    |

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

**9. UNITS IN CIRCULATION**

|   | <b>2018</b>         | <b>2017</b>          |
|---|---------------------|----------------------|
|   | <b>No. of units</b> | <b>No. of units</b>  |
| At the beginning of the financial year          | 228,506,910         | 358,403,037          |
| Creation of units during the financial year:    |                     |                      |
| Arising from applications                       | 10,933,615          | 23,734,520           |
| Arising from distribution                       | 8,845,021           | 6,984,380            |
| Cancellation of units during the financial year | <u>(93,258,532)</u> | <u>(160,615,027)</u> |
| At the end of the financial year                | <u>155,027,014</u>  | <u>228,506,910</u>   |

**10. TRANSACTION WITH BROKERS**

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

| Name of brokers                  | Value of trades    | Percentage of total trades | Brokerage fees | Percentage of total brokerage fees |
|----------------------------------|--------------------|----------------------------|----------------|------------------------------------|
|                                  | RM                 | %                          | RM             | %                                  |
| <b>2018</b>                      |                    |                            |                |                                    |
| Morgan Stanley & Co Inc          | 55,122,047         | 17.17                      | 75,991         | 14.16                              |
| Macquarie Securities Ltd         | 38,866,092         | 12.10                      | 56,395         | 10.51                              |
| UBS Securities Pte Ltd           | 37,633,507         | 11.74                      | 64,378         | 12.01                              |
| Citigroup Global Markets Group   | 32,278,939         | 10.06                      | 52,197         | 9.73                               |
| CLSA Ltd                         | 31,512,506         | 9.82                       | 59,719         | 11.13                              |
| Merrill Lynch International Ltd  | 26,243,545         | 8.18                       | 39,314         | 7.33                               |
| Credit Suisse Hong Kong Limited  | 25,126,536         | 7.82                       | 31,590         | 5.89                               |
| Deutsche Securities Asia Limited | 19,364,945         | 6.03                       | 31,082         | 5.79                               |
| Maybank Investment Bank Berhad   | 13,743,534         | 4.28                       | 36,235         | 6.75                               |
| Goldman Sachs and Co             | 10,309,556         | 3.21                       | 20,294         | 3.78                               |
| Others                           | 30,777,884         | 9.59                       | 69,364         | 12.92                              |
|                                  | <u>320,979,091</u> | <u>100.00</u>              | <u>536,559</u> | <u>100.00</u>                      |

| Name of brokers                  | Value of trades    | Percentage of total trades | Brokerage fees   | Percentage of total brokerage fees |
|----------------------------------|--------------------|----------------------------|------------------|------------------------------------|
|                                  | RM                 | %                          | RM               | %                                  |
| <u>2017</u>                      |                    |                            |                  |                                    |
| Morgan Stanley & Co Inc          | 99,188,041         | 17.62                      | 181,632          | 11.00                              |
| UBS Securities Pte Ltd           | 86,207,937         | 15.32                      | 293,542          | 17.78                              |
| Credit Suisse Hong Kong Limited  | 80,337,500         | 14.27                      | 205,348          | 12.44                              |
| Merrill Lynch International Ltd  | 54,480,113         | 9.68                       | 113,091          | 6.85                               |
| CLSA Ltd                         | 48,265,111         | 8.57                       | 142,389          | 8.62                               |
| Macquarie Securities Ltd         | 35,520,273         | 6.31                       | 115,365          | 6.99                               |
| Citigroup Global Markets Group   | 32,184,136         | 5.73                       | 123,804          | 7.50                               |
| Deutsche Securities Asia Limited | 28,773,102         | 5.11                       | 118,127          | 7.15                               |
| Goldman Sachs and Co             | 21,554,775         | 3.83                       | 100,802          | 6.10                               |
| CIMB Investment Bank Berhad      | 17,901,757         | 3.18                       | 57,533           | 3.48                               |
| Others                           | 58,452,291         | 10.38                      | 199,598          | 12.09                              |
|                                  | <u>562,865,036</u> | <u>100.00</u>              | <u>1,651,231</u> | <u>100.00</u>                      |

All brokers highlighted above are not related to the Manager.



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

|     | <b>2018</b> | <b>2017</b> |
|-----|-------------|-------------|
|     | %           | %           |
| MER | 2.15        | 2.07        |

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 (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 RM101,662,673 (2017: RM155,815,116).

**12. PORTFOLIO TURNOVER RATIO ("PTR")**

|             | <b>2018</b> | <b>2017</b> |
|-------------|-------------|-------------|
| PTR (times) | 1.58        | 1.81        |

PTR is derived from the following calculation:

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

where:

total acquisitions for the financial year = RM135,295,756 (2017: RM256,575,049)

total disposals for the financial year = RM185,683,335 (2017: RM306,289,987)

### 13. 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 | 2,244        | 1,189 | 2,133        | 1,157 |

The above units were transacted at the prevailing market price.

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

### 14. SEGMENTAL INFORMATION

The internal reporting provided to the chief operating decision-maker for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS. The 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 dividend income earned from investments, foreign exchange gains/losses and gains/losses 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

## **MANAGER**

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

531241-U

REGISTERED OFFICE

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

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603-2070 6129

EMAIL

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WEBSITE

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## **TRUSTEE**

NAME

DEUTSCHE TRUSTEES MALAYSIA BERHAD

COMPANY NO.

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REGISTERED OFFICE &

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## **SALE & PURCHASE OF UNITS**

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**ENQUIRIES**

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