

EASTSPRING INVESTMENTS SMALL-CAP FUND

INTERIM REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD
ENDED 30 JUNE 2021



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 2021.

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

Should you require any assistance, please do not hesitate to contact our Client Services at 03-2778 1000.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Raymond Tang', with a stylized flourish at the end.

Raymond Tang Chee Kin

Non-Independent, Executive Director and Chief Executive Officer

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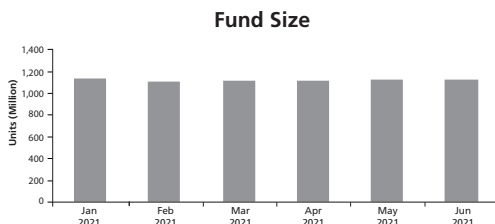
FUND INFORMATION

Name of Fund	Eastspring Investments Small-cap Fund (the "Fund")
Fund Category/ Type	Equity (small-cap)/growth
Fund Objective	<p>The Fund seeks to provide investors with maximum capital appreciation by investing principally in small market capitalisation companies which will appreciate in value.</p> <p>Note: The Fund will invest in small market capitalisation companies at the point of acquisition.</p> <p>ANY MATERIAL CHANGES TO THE FUND'S OBJECTIVE WOULD REQUIRE UNIT HOLDERS' APPROVAL.</p>
Performance Benchmark	<p>The performance benchmark of the Fund is FTSE Bursa Malaysia Small Cap Index ("FBMSC").</p> <p>Source: www.bursamalaysia.com</p> <p>Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.</p>
Fund Income Distribution Policy	Incidental

FUND INFORMATION (CONTINUED)

Breakdown of Unit Holdings by Size

As at 30 June 2021, the size of Eastspring Investments Small-cap Fund stood at 1,121.338 million units.



Breakdown of Unit Holdings

Unit Holdings	No. of Unit Holders	%	No of Units* ('000)	%
5,000 units and below	7,184	24.18	17,909	1.60
5,001 to 10,000 units	5,251	17.67	38,522	3.44
10,001 to 50,000 units	12,485	42.02	292,996	26.13
50,001 to 500,000 units	4,694	15.80	522,886	46.62
500,001 units and above	95	0.33	249,018	22.21
Total	29,709	100.00	1,121,331	100.00

* excludes units held by the Manager.

KEY PERFORMANCE DATA

FOR THE FINANCIAL PERIOD ENDED

Category	2021	2020	2019
	(%)	(%)	(%)
Quoted Securities			
Construction	3.98	4.84	9.90
Consumer Products & Services	18.55	18.51	21.66
Energy	0.90	-	1.75
Financial Services	4.25	4.22	0.78
Health Care	1.27	13.31	7.58
Industrial Products & Services	21.18	15.47	16.43
Plantation	0.85	-	0.17
Property	2.12	2.91	2.04
Real Estate Investment Trust	3.22	2.20	1.70
Technology	21.30	14.78	15.64
Telecommunications & Media	0.22	-	0.69
Transportation & Logistics	-	1.02	0.85
Utilities	2.68	3.29	2.42
	80.52	80.55	81.61
Cash and other assets	19.48	19.45	18.39
Total	100.00	100.00	100.00

KEY PERFORMANCE DATA (CONTINUED)

Category	2021	2020	2019
Net Asset Value (NAV) (RM'000)	833,975	780,874	772,425
Units In Circulation (Units '000)	1,121,338	1,236,000	1,250,794
Net Asset Value Per Unit (RM)	0.7437	0.6318	0.6176
Highest Net Asset Value Per Unit (RM)	0.7902	0.6496	0.6305
Lowest Net Asset Value Per Unit (RM)	0.7037	0.4395	0.5585
Total Return (%)			
- Capital Growth	2.55	(0.19)	9.43
- Income Distribution	-	-	-
Total Return (%)	2.55	(0.19)	9.43
Gross Distribution Per Unit (RM)	-	-	-
Net Distribution Per Unit (RM)	-	-	-
Management Expense Ratio (MER) (%)*	0.79	0.79	0.79
Portfolio Turnover Ratio (PTR) (times)^	0.21	0.12	0.12

* There were no significant changes to the MER during the period under review.

^ There were no significant changes to the PTR during the period under review.

KEY PERFORMANCE DATA (CONTINUED)

	1 year 1.7.2020 to 30.6.2021	3 years 1.7.2018 to 30.6.2021	5 years 1.7.2016 to 30.6.2021
	(%)	(%)	(%)

Average total return	22.63	9.62	6.96
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Year ended	1.1.2020 to 31.12.2020	1.1.2019 to 31.12.2019	1.1.2018 to 31.12.2018	1.1.2017 to 31.12.2017	1.1.2016 to 31.12.2016
	(%)	(%)	(%)	(%)	(%)

Annual total return	19.36	18.03	(18.97)	21.72	0.28
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Source: The above total return of the Fund was sourced from Lipper for Investment Management.

Bases of calculation and assumptions made in calculating returns:

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

NAV_t = NAV at the end of the period

NAV_0 = NAV at the beginning of the period

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

Adjusted for unit split and distribution paid out for the period

n = Number of years

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

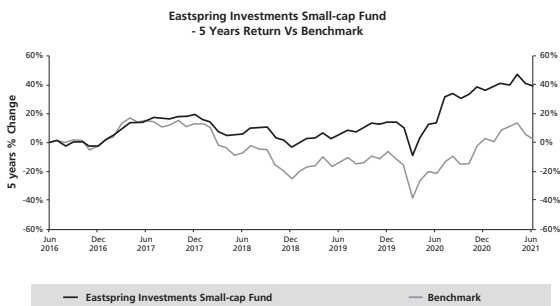
MANAGER'S REPORT

Fund Performance

Over the 5-year period, the Fund recorded a return of 40.01%, outperforming the benchmark return of 2.20% by 37.81%.

During the period under review, the Fund recorded a return of 2.55%, outperforming the benchmark return of -0.92% by 3.47%.

The outperformance was mainly due to good stock selection.



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

Benchmark: FTSE Bursa Malaysia Small Cap Index ("FBMSC")

Source: Lipper for Investment Management and www.bursamalaysia.com, as at 30 June 2021.

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

MANAGER'S REPORT (CONTINUED)

Analysis of Fund Performance

For the financial period ended 30 June 2021:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
0.00	2.55	2.55	(0.92)

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

Distribution/ Unit Split

No distribution or unit split were declared for the financial period ended 30 June 2021.

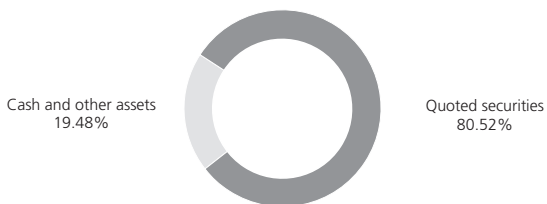
Investment Strategy During the Period Under Review

The period under review remains challenging as we continue to battle the Covid-19 pandemic. Malaysia imposed several lockdowns that impede productivity. For the period under review, we focused on companies with essential business and companies with export exposure. These companies should be less impacted by the pandemic. We focused mainly on consumer and technology stocks.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	30-Jun 2021	31-Dec 2020	Changes
	(%)	(%)	(%)
Quoted securities	80.52	84.56	(4.04)
Cash and other assets	19.48	15.44	4.04

Asset Allocation as at 30 June 2021

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

Malaysia's equity market for 1Q2021 started on a lower note. The spike in confirmed cases of COVID-19 in the country was the main reason behind the State of Emergency being enforced and the reintroduction of the Movement Control Order ("MCO") for the second time since the pandemic started early 2020. The State of Emergency suspends Parliament at least until 1 August 2021, and by-elections and general elections cannot take place for now. The suspension of Regulated Short Selling ("RSS") was lifted effective 1 January 2021, after it was imposed from 24th March 2020. Malaysia's equity market performed relatively well mid-1Q2021 as lockdown measures were beginning to ease, and the vaccination program kicked off end of February 2021. The government announced that MCO 2.0 will be lifted to CMCO for Selangor, Kuala Lumpur, Johor, and Penang effective 5 March 2021. Improvement in investor sentiment was disrupted by concerns over rising bond yields and political instability towards end of 1Q2021. The government announced that Selangor, Johor, Penang and Kuala Lumpur will exit MCO and enter CMCO from 5 March, given the number of new COVID-19 cases have fallen to above 1000. On 8 March, crude oil prices rallied toward USD70 a barrel, after OPEC+ chose not to relax supply curbs even as the global economy recovers. The Malaysian government also unveiled a RM20bn stimulus package, dubbed PERMERKASA, of which RM11b is a direct fiscal injection.

Malaysian equity markets bucked the trend of the positive returns from regional markets in 2Q2021, as COVID-19 cases remain high despite the government imposing stricter lockdown measures. In response to the rising daily COVID-19 infections, the Malaysian government re-imposed a Full Movement Control Order ("FMCO") for two weeks from 1 June until 14 June, where only essential services would be allowed to operate. A new stimulus package, named PEMERKASA+, worth RM40b (with RM5b direct fiscal injection) was subsequently announced by the government to mitigate the downside risk to growth caused by the FMCO. To enable the transition to phase two based on the National Recovery Plan, the average daily cases of COVID-19 should drop below 4,000, the public health system should be out of critical stage including the rate of bed use in ICUs returning to moderate levels, and 10% of the population should have received two doses of vaccine injections. As at 30 June 2021, Malaysia's 7-day average COVID-19 cases stood at 5853, and R-Naught was at 1.05. On the 28th June 2021, the Malaysian Government announced a RM150b economic package ("PEMULIH") of which RM10b is expected to be from direct fiscal injection. During the month, political uncertainty went up a notch when the King announced that the State of Emergency would not be extended, and that Parliament should reconvene as soon as possible.

The FBM KLCI closed the period under review at 1,532.63 points, lower by 5.8%. In tandem with the FBM KLCI, the FBM Emas ("FBMEmas") Index closed the period under review lower by 5.15% while the MSCI Asia Pacific ex-Japan Index rose by 5.8% in USD terms.¹

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.

¹ Source: Bloomberg: World indices

EASTSPRING INVESTMENTS SMALL-CAP FUND

UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021

STATEMENT BY THE MANAGER

We, Tang Chee Kin and Iskander Bin Ismail Mohamed Ali, being two of the Directors of Eastspring Investments Berhad, do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 14 to 59 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 June 2021 and of its financial performance, changes in equity and cash flows for the six months financial period ended on that date in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,

EASTSPRING INVESTMENTS BERHAD

TANG CHEE KIN

Executive Director/Chief Executive Officer

ISKANDER BIN ISMAIL MOHAMED ALI

Independent, Non-Executive Director

Kuala Lumpur

Date: 20 August 2021

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS SMALL-CAP FUND

We have acted as Trustee for Eastspring Investments Small-cap Fund (the "Fund") for the financial period ended 30 June 2021. To the best of our knowledge, for the financial period under review, Eastspring Investments Berhad (the "Manager") has operated and managed the Fund in accordance with the following:-

- a. limitations imposed on the investment powers of the Manager under the Deed(s), the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- b. valuation and pricing for the Fund is carried out in accordance with the Deed(s) of the Fund and any regulatory requirements; and
- c. creation and cancellation of units for the Fund are carried out in accordance with the Deed(s) of the Fund and any regulatory requirements.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong

Head, Trustee Operations

Gerard Ang

Chief Executive Officer

Kuala Lumpur

Date: 20 August 2021

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME **FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021**

	Note	6-months financial period ended 30.6.2021	6-months financial period ended 30.6.2020
		RM	RM
INVESTMENT INCOME			
Gross dividend income		12,971,293	8,929,748
Interest income from deposits with licensed financial institutions		1,001,125	1,498,041
Net gain/(loss) on financial assets at fair value through profit or loss	6	15,233,008	(7,397,751)
		<u>29,205,426</u>	<u>3,030,038</u>
EXPENSES			
Management fee	3	(6,233,509)	(5,569,537)
Trustee fee	4	(332,454)	(297,042)
Audit fee		(3,967)	(3,980)
Tax agent fee		(1,687)	(1,690)
Other expenses		(99,768)	(85,058)
Transaction cost		(871,458)	(448,375)
		<u>(7,542,843)</u>	<u>(6,405,682)</u>
PROFIT/(LOSS) BEFORE TAXATION		21,662,583	(3,375,644)
TAXATION	5	-	-
PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS)		<u>21,662,583</u>	<u>(3,375,644)</u>
Profit/(loss) after taxation is made up of the following:			
Realised amount		30,053,402	4,577,425
Unrealised amount		(8,390,819)	(7,953,069)
		<u>21,662,583</u>	<u>(3,375,644)</u>

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

UNAUDITED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	2021	2020
		RM	RM
ASSETS			
Cash and cash equivalents	7	162,139,070	147,716,682
Financial assets at fair value through profit or loss	6	671,856,429	629,166,143
Amount due from Manager		3,731,920	7,024,024
Dividends receivable		2,920,453	2,375,337
TOTAL ASSETS		840,647,872	786,282,186
LIABILITIES			
Accrued management fee		1,047,209	967,171
Amount due to Manager		3,744,453	3,947,629
Amount due to brokers		1,796,115	420,690
Amount due to Trustee		55,851	51,582
Distribution payable		773	468
Other payables and accruals		28,136	20,833
TOTAL LIABILITIES		6,672,537	5,408,373
NET ASSET VALUE OF THE FUND		833,975,335	780,873,813
EQUITY			
Unit holders' capital		562,719,633	656,239,917
Retained earnings		271,255,702	124,633,896
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		833,975,335	780,873,813
NUMBER OF UNITS IN CIRCULATION	8	1,121,337,792	1,236,000,218
NET ASSET VALUE PER UNIT (RM)		0.7437	0.6318

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

UNAUDITED STATEMENT OF CHANGES IN EQUITY **FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021**

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
Balance as at 1 January 2021	583,409,304	249,593,119	833,002,423
Movement in unit holders' contribution:			
Creation of units from applications	146,225,443	-	146,225,443
Cancellation of units	(166,915,114)	-	(166,915,114)
Total comprehensive income for the financial period	-	21,662,583	21,662,583
Balance as at 30 June 2021	<u>562,719,633</u>	<u>271,255,702</u>	<u>833,975,335</u>
Balance as at 1 January 2020	688,106,830	128,009,540	816,116,370
Movement in unit holders' contribution:			
Creation of units from applications	142,605,966	-	142,605,966
Cancellation of units	(174,472,879)	-	(174,472,879)
Total comprehensive loss for the financial period	-	(3,375,644)	(3,375,644)
Balance as at 30 June 2020	<u>656,239,917</u>	<u>124,633,896</u>	<u>780,873,813</u>

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

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021

	Note	6-months financial period ended 30.6.2021	6-months financial period ended 30.6.2020
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		200,485,668	132,533,552
Purchase of investments		(150,922,437)	(53,297,427)
Dividends received		12,345,585	9,283,428
Interest received from deposits with licensed financial institutions		1,001,125	1,498,041
Management fee paid		(6,229,466)	(5,630,555)
Trustee fee paid		(332,239)	(300,297)
Payment for other fees and expenses		(982,224)	(547,557)
Net cash generated from operating activities		<u>55,366,012</u>	<u>83,539,185</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		147,540,894	139,377,516
Payments for cancellation of units		(164,291,544)	(172,948,677)
Net cash used in financing activities		<u>(16,750,650)</u>	<u>(33,571,161)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		38,615,362	49,968,024
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD			
		<u>123,523,708</u>	<u>97,748,658</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD			
	7	<u>162,139,070</u>	<u>147,716,682</u>

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021

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

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

- a. Standards, amendments and interpretations that have been issued but not yet effective and have not been early adopted:

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

B. INCOME RECOGNITION

Interest income from deposits placed with licensed financial institutions is recognised on a time proportionate basis using the effective interest rate method on an accrual basis.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

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

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

C. TAXATION

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

D. FUNCTIONAL AND PRESENTATION AND 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 functional and presentation currency.

E. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

i. Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those to be measured at amortised cost

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. Consequently, all investments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from Manager and dividends receivable as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies accrued management fee, amount due to Manager, amount due to brokers, amount due to Trustee, distribution payable and other payables and accruals as financial liabilities measured at amortised cost.

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 are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the quoted financial instrument.

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

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are presented in the statement of comprehensive income within “net gain/(loss) on financial assets at fair value through profit or loss” in the financial period in which they arise.

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

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

If a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions or 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 quoted securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

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

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

iii. Impairment for assets carried at amortised costs

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. Management consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 months expected credit losses as any such impairment would be wholly insignificant to the Fund.

iv. Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

v. Definition of default and credit-impaired financial assets

Any contractual payment which is more than 90 days past due is considered credit impaired.

vi. Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial period.

F. CASH AND CASH EQUIVALENTS

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

G. 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 asset value;
- the units are the most subordinated class and class features are identical;
- there are 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 period 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.

H. AMOUNT DUE FROM/(TO) BROKERS

Amount 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. The amount due from brokers balance is held for collection.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amount due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12 months expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

Any contractual payment which is more than 90 days past due is considered credit impaired.

I. TRANSACTION COSTS

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include the bid-ask spread, fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

J. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

Estimates and judgements 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.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission's (the "SC") Guidelines on Unit Trust Funds.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021

1. INFORMATION ON THE FUND

Eastspring Investments Small-cap Fund (the "Fund") was constituted pursuant to the execution of a Master Deed dated 4 May 2001, Supplemental Master Deed dated 26 May 2003, Supplemental Master Deed dated 15 February 2006, Master Supplemental Deed dated 25 July 2007 and Second Supplemental Master Deed dated 30 November 2009 between BHLB Trustee Berhad ("BHLB Trustee") and Eastspring Investments Berhad (the "Manager"). The Fund replaced BHLB Trustee with Deutsche Trustees Malaysia Berhad (the "Trustee") effective 1 October 2010. A Supplemental Master Deed was entered into between Eastspring Investments Berhad (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee") on 30 July 2010 to effect the change of trustee from BHLB Trustee to the Trustee, followed by Second Supplemental Master Deed dated 28 January 2011, Third Supplemental Master Deed dated 9 March 2011, Fourth Supplemental Master Deed dated 20 January 2012, Fifth Supplemental Master Deed dated 26 March 2014, Sixth Supplemental Master Deed dated 2 January 2015, Seventh Supplemental Master Deed dated 11 July 2016, Eighth Supplemental Master Deed dated 25 January 2017, Ninth Supplemental Master Deed dated 11 December 2017 and Tenth Supplemental Master Deed dated 4 June 2018 (collectively referred to as the "Deeds").

The Fund was launched on 29 May 2001 and will continue its operations until terminated as provided under Part 12 of the Deed.

The main objective of the Fund seeks to provide investors with maximum capital appreciation by investing principally in small market capitalisation companies which will appreciate in value.

The Fund will principally invest in small market capitalisation companies. All investments will be subjected to the Securities Commission's (the "SC") Guidelines on Unit Trust Funds, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the objective of the Fund.

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

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk and interest rate risk), stock/issuer risk, fund management risk, liquidity risk, non-compliance risk, credit/default risk and capital risk.

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

Financial instruments of the Fund are as follows:

	Note	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
<u>2021</u>				
Cash and cash equivalents	7	162,139,070	-	162,139,070
Quoted securities	6	-	671,856,429	671,856,429
Amount due from Manager		3,731,920	-	3,731,920
Dividends receivable		2,920,453	-	2,920,453
		<u>168,791,443</u>	<u>671,856,429</u>	<u>840,647,872</u>
<u>2020</u>				
Cash and cash equivalents	7	147,716,682	-	147,716,682
Quoted securities	6	-	629,166,143	629,166,143
Amount due from Manager		7,024,024	-	7,024,024
Dividends receivable		2,375,337	-	2,375,337
		<u>157,116,043</u>	<u>629,166,143</u>	<u>786,282,186</u>

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

Market risk

i. Price risk

Price risk is the risk that the fair value of the investment in quoted securities will fluctuate because of changes in market prices (other than those arising from interest rate risk). The value of investments may fluctuate according to the activities of individual companies, sector and overall political and economic conditions. Such fluctuation may cause the Fund's net asset value and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.

The price risk is managed through diversification and asset allocation whereby the quoted securities exposure will be reduced in the event of anticipated market weakness.

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

	2021	2020
	RM	RM
Financial assets at fair value through profit or loss:		
Quoted securities	671,856,429	629,166,143

The following table summarises the sensitivity of the Fund's net asset value and profit/(loss) after tax to movements in prices of quoted securities at the end of the reporting financial period. 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	Market value	Impact on profit/(loss) after tax/net asset value
	RM	RM
<u>2021</u>		
+5%	705,449,250	33,592,821
-5%	638,263,608	(33,592,821)
<u>2020</u>		
+5%	660,624,450	31,458,307
-5%	597,707,836	(31,458,307)

ii. Interest rate risk

Interest rate risk is a general economic indicator that will have an impact on the management of the Fund.

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

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

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

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

Stock/Issuer risk

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

Fund management risk

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

Liquidity risk

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

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

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

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
<u>2021</u>			
Accrued management fee	1,047,209	-	1,047,209
Amount due to brokers	1,796,115	-	1,796,115
Amount due to Manager	3,744,453	-	3,744,453
Amount due to Trustee	55,851	-	55,851
Distribution payable	773	-	773
Other payables and accruals	-	28,136	28,136
Contractual undiscounted cash outflows	6,644,401	28,136	6,672,537
<u>2020</u>			
Accrued management fee	967,171	-	967,171
Amount due to brokers	420,690	-	420,690
Amount due to Manager	3,947,629	-	3,947,629
Amount due to Trustee	51,582	-	51,582
Distribution payable	468	-	468
Other payables and accruals	-	20,833	20,833
Contractual undiscounted cash outflows	5,387,540	20,833	5,408,373

Non-compliance risk

Non-compliance risk arises when the Manager and others associated with the Fund do not comply to the rules set out in the Fund's constitution or the laws that govern the Fund or applicable internal control procedures, or acts of fraudulence or dishonesty.

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

Credit/Default risk

Credit risk refers to the ability of an issuer or a counter party to make timely payments of interest income, principals and proceeds from realisation of investments.

The credit risk arising from placements of deposits with licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions. For amount due from brokers, the settlement terms are governed by the relevant rules and regulations as prescribed by Bursa Malaysia Securities Berhad ("Bursa Malaysia").

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	Total
	RM	RM	RM	RM
<u>2021</u>				
Construction				
- NR	-	276,697	-	276,697
Consumer Products & Services				
- NR	-	363,060	-	363,060
Financial Services				
- AAA	10,001,520	-	-	10,001,520
- AA1	580,076	-	-	580,076
- AA2	151,557,474	-	-	151,557,474
Industrial Products & Services				
- NR	-	883,704	-	883,704
Plantation				
- NR	-	122,928	-	122,928
Property				
- NR	-	106,163	-	106,163
Technology				
- NR	-	794,340	-	794,340
Utilities				
- NR	-	373,561	-	373,561
Other				
- NR	-	-	3,731,920	3,731,920
	<u>162,139,070</u>	<u>2,920,453</u>	<u>3,731,920</u>	<u>168,791,443</u>

	Cash and cash equivalents	Dividends receivable	Amount due from Manager	Total
	RM	RM	RM	RM
<u>2020</u>				
Consumer Products & Services				
- NR	-	539,321	-	539,321
Financial Services				
- AAA	147,669,142	-	-	147,669,142
- AA1	47,540	-	-	47,540
Industrial Products & Services				
- NR	-	1,016,425	-	1,016,425
Property				
- NR	-	170,873	-	170,873
Real Estate				
- NR	-	54,011	-	54,011
Technology				
- NR	-	296,906	-	296,906
Utilities				
- NR	-	297,801	-	297,801
Other				
- NR	-	-	7,024,024	7,024,024
	<u>147,716,682</u>	<u>2,375,337</u>	<u>7,024,024</u>	<u>157,116,043</u>

None of these assets are past due or impaired.

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM562,719,633 (2020: RM656,239,917) and retained earnings of RM271,255,702 (2020: RM124,633,896). 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 financial period end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is representative of the fair value.

An active market is a market in which transactions for the asset 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.

i. Fair value hierarchy

The following table analyses financial instruments carried at fair value by valuation method.

The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs).

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

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

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be 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 of the Fund's financial assets (by class) measured at fair value:

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM

2021

Financial assets at
fair value through
profit or loss:

Quoted securities	671,856,429	-	-	671,856,429
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2020

Financial assets at
fair value through
profit or loss:

Quoted securities	629,166,143	-	-	629,166,143
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Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active quoted securities.

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

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

3. MANAGEMENT FEE

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

For the financial period ended 30 June 2021, the management fee is recognised at a rate of 1.50% (2020: 1.50%) per annum of the net asset value of the Fund, calculated on daily basis.

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

4. TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.20% per annum of the net asset value of the Fund, subject to a minimum fee of RM35,000 per annum.

For the financial period ended 30 June 2021, the Trustee's fee is recognised at a rate of 0.08% (2020: 0.08%) per annum of the net asset value of the Fund, inclusive of local custodian fee, calculated on daily basis.

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

5. TAXATION

	6-months financial period ended 30.6.2021	6-months financial period ended 30.6.2020
	RM	RM

Tax charged for the financial period:

Current taxation – local

-

-

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

	6-months financial period ended 30.6.2021	6-months financial period ended 30.6.2020
	RM	RM
Profit/(loss) before taxation	21,662,583	(3,375,644)
Tax at Malaysian statutory rate of 24% (2020: 24%)	5,199,020	(810,155)
Tax effects of:		
Investment income not subject to tax	(7,009,302)	(727,209)
Expenses not deductible for tax purposes	313,288	199,720
Restriction on tax deductible expenses for Unit Trust Funds	1,496,994	1,337,644
Taxation	-	-

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021	2020
	RM	RM
Financial assets at fair value through profit or loss:		
Quoted securities	671,856,429	629,166,143
Net gain/(loss) on financial assets at fair value through profit or loss:		
Realised gain on disposals	23,623,827	555,318
Change in unrealised fair value loss	(8,390,819)	(7,953,069)
	15,233,008	(7,397,751)

Quoted securities

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2021	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Construction</u>				
GDB Holdings Berhad	6,833,100	3,932,837	3,655,709	0.44
GDB Holdings Berhad - Warrant	1,562,400	-	210,924	0.03
Kerjaya Prospek Group Berhad	18,446,458	16,154,692	21,951,285	2.63
Muhibbah Engineering (M) Berhad	3,990,800	9,816,483	3,691,490	0.44
WCT Holdings Berhad	7,152,266	9,196,671	3,683,417	0.44
	<u>37,985,024</u>	<u>39,100,683</u>	<u>33,192,825</u>	<u>3.98</u>

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2021	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Consumer Products & Services</u>				
Berjaya Sports Toto Berhad	3,366,100	6,795,723	6,664,878	0.80
Bermaz Auto Berhad	7,494,740	14,786,790	11,466,952	1.37
Cocoaland Holdings Berhad	6,691,000	13,853,839	12,378,350	1.48
DRB-HICOM Berhad	6,101,600	12,398,938	9,945,608	1.19
Hong Leong Industries Berhad	2,767,800	28,897,097	25,519,116	3.06
Hup Seng Industries Berhad	10,369,600	11,258,122	9,799,272	1.18
InNature Berhad	14,399,600	6,506,937	9,359,740	1.12
Johore Tin Berhad	3,243,600	6,104,392	4,832,964	0.58
Magni-Tech Industries Berhad	8,167,033	15,236,157	19,274,198	2.31
NTPM Holdings Berhad	5,319,900	4,126,905	3,058,943	0.37
Padini Holdings Berhad	1,709,300	6,007,597	4,751,854	0.57
Poh Huat Resources Holdings Berhad	2,552,500	4,168,522	3,624,550	0.43
Power Root Berhad	10,512,720	13,136,358	13,876,790	1.66
Three-A Resources Berhad	16,915,875	18,560,750	13,532,700	1.62
UMW Holdings Berhad	766,600	2,419,729	2,422,456	0.29
Young Onn Corporation Berhad	4,448,500	5,869,584	4,359,530	0.52
	104,826,468	170,127,440	154,867,901	18.55

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2021	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Energy</u>				
Dayang Enterprise Holdings Berhad	5,740,800	8,013,578	7,520,448	0.90
<u>Financial Services</u>				
Alliance Bank Malaysia Berhad	7,261,600	21,625,097	17,500,456	2.10
Kenanga Investment Bank Berhad	3,713,800	6,870,530	5,087,906	0.61
RCE Capital Berhad	2,522,900	4,184,090	7,215,494	0.87
Syarikat Takaful Malaysia Keluarga Berhad	1,290,200	7,456,856	5,612,370	0.67
	14,788,500	40,136,573	35,416,226	4.25
<u>Health Care</u>				
Kossan Rubber Industries Berhad	2,941,200	5,431,591	9,470,664	1.14
Nova Wellness Group Berhad	1,261,800	1,079,370	1,078,839	0.13
	4,203,000	6,510,961	10,549,503	1.27

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2021	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Industrial Products & Services</u>				
Berjaya Corporation Berhad	26,109,100	9,260,385	6,918,912	0.83
Cahaya Mata Sarawak Berhad	3,600,000	8,064,000	4,104,000	0.49
Chin Well Holdings Berhad	6,885,700	11,396,456	8,262,840	0.99
Comfort Gloves Berhad	3,750,000	15,124,525	7,275,000	0.87
Comfort Gloves Berhad - Warrant	1,148,340	-	-	-
Dufu Technology Corp. Berhad	11,509,200	10,462,190	52,251,768	6.27
Favelle Favco Berhad	1,622,100	4,829,198	3,536,178	0.42
MTAG Group Berhad	15,210,300	11,156,065	9,962,747	1.19
Pestech International Berhad	7,118,400	12,609,486	6,264,192	0.75
Rohas Tecnic Berhad	7,458,900	7,381,537	2,237,670	0.27
SCGM Berhad	3,742,200	8,131,968	9,280,656	1.11
SLP Resources Berhad	11,658,400	16,400,914	11,017,188	1.32
Thong Guan Industries Berhad	8,967,400	17,272,235	23,046,218	2.76
Uchi Technologies Berhad	6,690,300	14,399,313	20,405,415	2.45
United U-Li Corporation Berhad	10,352,150	13,077,410	12,215,537	1.46
	125,822,490	159,565,682	176,778,321	21.18
<u>Plantation</u>				
Sarawak Oil Palms Berhad	2,048,800	7,406,795	7,068,360	0.85

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2021	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Property</u>				
Matrix Concept Holdings Berhad	2,654,071	4,400,322	5,228,520	0.63
Sime Darby Properties Berhad	20,677,900	12,847,242	12,406,740	1.49
	23,331,971	17,247,564	17,635,260	2.12
<u>Real Estate Investment Trust</u>				
Axis Real Estate Investment Trust	3,066,934	5,353,074	5,857,844	0.70
KIP Real Estate Investment Trust	9,423,300	9,423,300	7,962,689	0.95
Sentral Real Estate Investment Trust	4,648,800	5,593,343	4,207,164	0.50
Sunway Real Estate Investment Trust	6,262,300	10,160,639	8,955,089	1.07
	23,401,334	30,530,356	26,982,786	3.22
<u>Technology</u>				
Elsoft Research Berhad	2,913,000	1,975,584	1,966,275	0.24
Globetronics Technology Berhad	5,588,900	11,194,507	12,854,470	1.54
Inari Amertron Berhad	14,233,213	11,583,021	45,119,285	5.41
Malaysian Pacific Industries Berhad	1,341,400	13,060,885	52,046,320	6.24
Pentamaster Corporation Berhad	6,155,050	8,783,977	28,497,882	3.42
ViTrox Corporation Berhad	2,536,900	14,435,092	37,140,216	4.45
	32,768,463	61,033,066	177,624,448	21.30

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2021	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Telecommunications & Media</u>				
REDtone Digital Berhad	4,224,000	1,832,087	1,795,200	0.22
<u>Utilities</u>				
Gas Malaysia Berhad	6,917,800	19,941,088	18,470,526	2.21
Malakoff Corporation Berhad	4,852,300	4,548,304	3,954,625	0.47
	11,770,100	24,489,392	22,425,151	2.68
TOTAL QUOTED SECURITIES	<u>390,910,950</u>	565,994,177	<u>671,856,429</u>	80.52
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>105,862,252</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>671,856,429</u>		

Quoted securities

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2020	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Construction</u>				
Gabungan AQRS Berhad	5,100,000	6,152,500	4,335,000	0.56
Kerjaya Prospek Group Berhad	18,263,820	16,154,692	19,542,287	2.50
Muhibbah Engineering (M) Berhad	3,990,800	9,816,483	3,731,398	0.48
Sunway Construction Group Berhad	2,628,100	4,775,715	4,940,828	0.63
WCT Holdings Berhad	10,823,220	14,196,660	5,195,146	0.67
	<u>40,805,940</u>	<u>51,096,050</u>	<u>37,744,659</u>	<u>4.84</u>

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2020	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Consumer Products & Services</u>				
AEON Co. (M) Berhad	3,354,300	5,008,966	3,387,843	0.43
Bermaz Auto Berhad	7,494,740	14,786,790	11,092,215	1.42
British American Tobacco (Malaysia) Berhad	500,000	7,703,525	5,390,000	0.69
Cocoaland Holdings Berhad	6,590,700	13,682,326	11,336,004	1.45
DRB-HICOM Berhad	6,101,600	12,398,938	10,433,736	1.34
Hong Leong Industries Berhad	2,674,800	28,154,597	21,425,148	2.74
Hup Seng Industries Berhad	10,369,600	11,258,122	9,851,120	1.26
InNature Berhad	934,200	312,957	326,970	0.04
Magni-Tech Industries Berhad	8,076,533	15,025,310	16,960,719	2.17
NTPM Holdings Berhad	5,319,900	4,126,905	2,633,351	0.34
Padini Holdings Berhad	2,164,800	7,642,888	5,390,352	0.69
Power Root Berhad	13,483,020	16,847,950	30,336,795	3.88
Three-A Resources Berhad	16,915,875	18,560,750	13,278,962	1.70
Yoong Onn Corporation Berhad	4,448,500	5,869,584	2,824,798	0.36
	88,428,568	161,379,608	144,668,013	18.51

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2020	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Financial Services</u>				
Alliance Bank Malaysia Berhad	10,297,200	30,665,135	22,447,895	2.87
RCE Capital Berhad	2,522,900	4,184,090	4,793,510	0.61
Syarikat Takaful Malaysia Keluarga Berhad	1,290,200	7,456,856	5,741,390	0.74
	14,110,300	42,306,081	32,982,795	4.22
<u>Health Care</u>				
Duopharma Biotech Berhad	4,151,000	5,562,340	6,724,620	0.86
Kossan Rubber Industries Berhad	11,428,400	42,210,253	97,255,684	12.45
	15,579,400	47,772,593	103,980,304	13.31

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2020	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Industrial Products & Services</u>				
Chin Hin Group Berhad	4,707,300	2,777,824	3,036,209	0.39
Chin Well Holdings Berhad	6,921,300	11,455,377	6,990,513	0.90
Dufu Technology Corp. Berhad	6,331,000	11,212,985	30,705,350	3.93
Favelle Favco Berhad	1,622,100	4,829,198	3,568,620	0.46
Pestech International Berhad	11,144,500	19,741,292	10,030,050	1.28
Rohas Tecnic Berhad	14,072,100	14,698,277	6,051,003	0.77
Scientex Berhad	1,003,200	5,961,513	8,928,480	1.14
SKP Resources Berhad	7,529,400	9,544,934	10,164,690	1.30
SLP Resources Berhad	11,038,900	15,935,726	9,162,287	1.17
Thong Guan Industries Berhad	3,619,000	13,065,078	13,788,390	1.77
Uchi Technologies Berhad	6,190,300	12,838,363	15,909,070	2.04
United U-Li Corporation Berhad	7,053,650	9,651,688	2,468,778	0.32
	<u>81,232,750</u>	<u>131,712,255</u>	<u>120,803,440</u>	<u>15.47</u>

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2020	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Property</u>				
KSL Holdings Berhad	2,140,500	3,292,321	1,273,598	0.16
Malaysian Resources Corporation Berhad	7,600,000	5,997,700	3,572,000	0.46
Matrix Concept Holdings Berhad	3,524,571	5,843,570	6,379,474	0.82
OSK Holding Berhad	5,695,750	5,971,927	4,585,079	0.59
Sime Darby Properties Berhad	10,067,000	6,430,495	6,845,560	0.88
	<u>29,027,821</u>	<u>27,536,013</u>	<u>22,655,711</u>	<u>2.91</u>
<u>Real Estate Investment Trust</u>				
Axis Real Estate Investment Trust	3,049,094	5,319,535	6,281,134	0.80
KIP Real Estate Investment Trust	9,423,300	9,423,300	7,491,524	0.96
MRCB Quill Real Estate Investment Trust	4,648,800	5,593,343	3,416,868	0.44
	<u>17,121,194</u>	<u>20,336,178</u>	<u>17,189,526</u>	<u>2.20</u>

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2020	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Technology</u>				
Globetronics Technology Berhad	7,016,000	14,052,973	15,014,240	1.92
Inari Amertron Berhad	15,658,613	12,743,015	26,463,055	3.39
Malaysian Pacific Industries Berhad	1,686,500	16,421,040	18,551,500	2.38
Pentamaster Corporation Berhad	5,294,300	9,105,521	27,265,645	3.49
Unisem (M) Berhad	1,524,800	3,240,155	3,125,840	0.40
ViTrox Corporation Berhad	2,736,900	15,573,102	25,015,265	3.20
	33,917,113	71,135,806	115,435,545	14.78
<u>Transportation & Logistics</u>				
Lingkar Trans Kota Holdings Berhad	1,282,400	6,406,544	5,386,080	0.69
MMC Corporation Berhad	3,537,400	2,324,767	2,582,302	0.33
	4,819,800	8,731,311	7,968,382	1.02

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2020	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Utilities</u>				
Gas Malaysia Berhad	6,617,800	19,101,088	18,529,840	2.37
Malakoff Corporation Berhad	7,920,800	7,424,562	7,207,928	0.92
	14,538,600	26,525,650	25,737,768	3.29
TOTAL QUOTED SECURITIES	<u>339,581,486</u>	588,531,545	<u>629,166,143</u>	80.55
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>40,634,598</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>629,166,143</u>		

7. CASH AND CASH EQUIVALENTS

	2021	2020
	RM	RM
Bank balance with a licensed bank	580,076	47,540
Deposits with licensed financial institutions	161,558,994	147,669,142
	<u>162,139,070</u>	<u>147,716,682</u>

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

	2021	2020
	%	%
Deposits with licensed financial institutions	<u>1.80</u>	<u>2.40</u>

The deposits have an average maturity of 2 days (2020: 17 days).

8. UNITS IN CIRCULATION

	2021	2020
	No. of units	No. of units
At the beginning of the financial period	1,148,638,756	1,289,188,358
Creation of units arising from applications during the financial period	196,143,833	239,144,495
Cancellation of units during the financial period	<u>(223,444,797)</u>	<u>(292,332,635)</u>
At the end of the financial period	<u>1,121,337,792</u>	<u>1,236,000,218</u>

9. TRANSACTIONS 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	%
<u>2021</u>				
Credit Suisse Securities (Malaysia) Sdn Bhd	77,076,251	21.82	154,598	21.57
KAF Seagroatt & Campbell Securities Sdn Bhd	53,444,253	15.13	107,812	15.04
RHB Investment Bank Berhad	28,942,150	8.19	58,037	8.10
Maybank Investment Bank Berhad	24,114,902	6.83	49,314	6.88
CGS – CIMB Securities Sdn Bhd	22,470,292	6.36	45,365	6.33
Kenanga Investment Bank Berhad	21,855,749	6.19	48,704	6.79
CLSA Securities Malaysia Sdn Bhd	19,275,514	5.46	38,594	5.38
Affin Hwang Investment Bank Berhad	18,038,270	5.11	36,508	5.09
J.P. Morgan Securities (Malaysia) Sdn Bhd	17,496,267	4.95	35,686	4.98
UBS Securities Malaysia Sdn Bhd	17,302,946	4.90	34,606	4.83
Others	53,187,623	15.06	107,616	15.01
	353,204,217	100.00	716,840	100.00

Name of brokers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2020</u>				
CGS - CIMB Securities Sdn Bhd	30,949,903	16.85	65,614	16.85
CLSA Securities Malaysia Sdn Bhd	24,925,225	13.57	52,841	13.57
Kenanga Investment Bank Berhad	19,899,775	10.83	42,188	10.84
Maybank Investment Bank Berhad	19,313,729	10.52	40,945	10.52
KAF Seagroatt & Campbell Securities Sdn Bhd	14,703,953	8.01	31,172	8.01
Credit Suisse Securities (Malaysia) Sdn Bhd	11,966,301	6.52	25,369	6.52
Affin Hwang Investment Bank Berhad	11,590,314	6.31	24,571	6.31
RHB Investment Bank Berhad	11,180,392	6.09	23,702	6.09
Citigroup Global Markets (Malaysia) Sdn Bhd	11,058,850	6.02	23,445	6.02
J.P. Morgan Securities (Malaysia) Sdn Bhd	10,297,531	5.61	21,831	5.61
Others	17,783,275	9.67	37,633	9.66
	<u>183,669,248</u>	<u>100.00</u>	<u>389,311</u>	<u>100.00</u>

All brokers highlighted above are not related to the Manager.

10. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The related parties and their relationship with the Fund are as follows:

Related parties	Relationship
Eastspring Investments Berhad	The Manager
Prudential Plc	Ultimate holding company of the Manager
Eastspring Investments Group Private Limited	Immediate holding company of the Manager
Director of Eastspring Investments Berhad	Director of the Manager

Units held by Manager:

	2021		2020	
	No. of units	RM	No. of units	RM
Eastspring Investments Berhad	6,556	4,876	6,293	3,976

The above units were transacted at the prevailing market price.

The units are held legally and beneficially 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.

In addition to the related parties disclosure mentioned in the financial statements, there were no other significant related parties transactions and balances.

11. MANAGEMENT EXPENSE RATIO ("MER")

	2021	2020
	%	%
MER	0.79	0.79

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 sales and service tax on transaction cost and withholding tax)

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

The average net asset value of the Fund for the financial period calculated on a daily basis is RM838,449,111 (2020: RM745,998,301).

12. PORTFOLIO TURNOVER RATIO ("PTR")

	2021	2020
PTR (times)	0.21	0.12

PTR is derived from the following calculation:

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

where:

total acquisitions for the financial period = RM152,718,549 (2020: RM53,718,117)

total disposals for the financial period = RM200,485,668 (2020: RM129,951,131)

13. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

The worsening macro-economic outlook as a result of COVID-19, both domestically and globally, could result in the deterioration of the Fund's net asset value in the future.

The Manager is monitoring the situation closely and will be actively managing the portfolio to achieve the Fund's objective.

14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 20 August 2021.

CORPORATE DIRECTORY

THE MANAGER

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