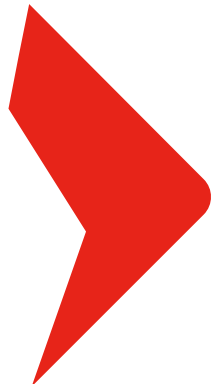


EASTSPRING INVESTMENTS GLOBAL TARGET INCOME FUND

INTERIM REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD
ENDED 30 NOVEMBER 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 Interim Reports of Eastspring Investments Berhad's fund(s) for the reporting period ended 30 November 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

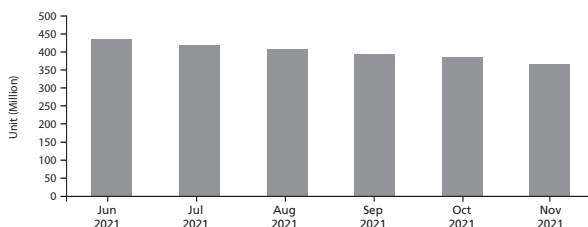
| | |
|--|---|
| Name of Fund | <p>Eastspring Investments Global Target* Income Fund (the “Fund”)</p> <p>* The Fund aims (i.e. Target) to distribute income at least once a year subject to availability of income.</p> |
| Fund Category/ Type | <p>Bond/income</p> |
| Fund Objective | <p>The Fund endeavours to provide regular income**.</p> <p>ANY MATERIAL CHANGES TO THE FUND’S OBJECTIVE WOULD REQUIRE UNIT HOLDERS’ APPROVAL.</p> <p>** Income distributed to a Unit Holder will be reinvested into additional Units unless Unit Holder opts for the distribution to be paid out.</p> |
| Performance Benchmark | <p>12 month Maybank fixed deposit rate + 1 % per annum.</p> <p>Source: www.maybank2u.com.my</p> <p>Note: As the Fund will invest in global markets across various bonds of different rating, the risk profile of the Fund is not the same as the risk profile of the performance benchmark.</p> |
| Fund Income Distribution Policy | <p>At least once a year, subject to the availability of income.</p> |

FUND INFORMATION (CONTINUED)

Breakdown of Unit Holdings by Size

As at 30 November 2021, the size of Eastspring Investments Global Target Income Fund stood at 363.601 million units.

Fund Size



Breakdown of Unit Holdings

| Unit Holdings | No. of Unit Holders | % | No of Units* ('000) | % |
|-------------------------|---------------------|---------------|---------------------|---------------|
| 5,000 units and below | 216 | 19.05 | 647 | 0.18 |
| 5,001 to 10,000 units | 130 | 11.46 | 917 | 0.25 |
| 10,001 to 50,000 units | 465 | 41.01 | 11,076 | 3.05 |
| 50,001 to 500,000 units | 280 | 24.69 | 38,399 | 10.56 |
| 500,001 units and above | 43 | 3.79 | 312,560 | 85.96 |
| Total | 1,134 | 100.00 | 363,599 | 100.00 |

* excludes units held by the Manager.

KEY PERFORMANCE DATA

FOR THE FINANCIAL PERIOD ENDED

| Category | 2021 | 2020 | 2019 |
|---|---------------|---------------|---------------|
| | (%) | (%) | (%) |
| Unquoted fixed income securities | 93.16 | 86.65 | 92.45 |
| Derivatives | (0.15) | 3.19 | 4.87 |
| Cash and other assets | 6.99 | 10.16 | 2.68 |
| Total | 100.00 | 100.00 | 100.00 |
| Net Asset Value (NAV) (RM'000) | 170,204 | 269,036 | 344,180 |
| Units In Circulation (Units '000) | 363,601 | 518,217 | 654,707 |
| Net Asset Value Per Unit (RM) | 0.4681 | 0.5192 | 0.5257 |
| Highest Net Asset Value Per Unit (RM) [#] | 0.4787 | 0.5192 | 0.5259 |
| Lowest Net Asset Value Per Unit (RM) [#] | 0.4663 | 0.4856 | 0.5111 |
| Total Return (%) | | | |
| - Capital Growth | (6.25) | 7.76 | 2.36 |
| - Income Distribution | 5.24 | 1.01 | 2.27 |
| Total Return (%) | (1.33) | 8.85 | 4.68 |
| Gross Distribution Per Unit (RM) | 0.0250 | 0.0049 | 0.0118 |
| Net Distribution Per Unit (RM) | 0.0250 | 0.0049 | 0.0118 |
| Management Expense Ratio (MER) (%) [*] | 0.68 | 0.68 | 0.68 |
| Portfolio Turnover Ratio (PTR) (times) [^] | 0.13 | 0.23 | 0.13 |

[#] Figure shown as ex-distribution.

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

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

KEY PERFORMANCE DATA (CONTINUED)

| | 1 year 1.12.2020 to 30.11.2021 | 3 years 1.12.2018 to 30.11.2021 | 5 years 1.12.2016 to 30.11.2021 |
|--|--------------------------------------|---------------------------------------|---------------------------------------|
| | (%) | (%) | (%) |

| | | | |
|----------------------|--------|------|------|
| Average total return | (1.20) | 4.02 | 3.77 |
|----------------------|--------|------|------|

| Year ended | 1.6.2020 to 31.5.2021 | 1.6.2019 to 31.5.2020 | 1.6.2018 to 31.5.2019 | 1.6.2017 to 31.5.2018 | Since commencement 8.8.2016 to 31.5.2017 |
|------------|--------------------------|--------------------------|--------------------------|--------------------------|---|
| | (%) | (%) | (%) | (%) | (%) |

| | | | | | |
|---------------------|------|--------|------|------|------|
| Annual total return | 9.00 | (1.62) | 3.16 | 4.22 | 3.02 |
|---------------------|------|--------|------|------|------|

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

Bases of calculation and assumptions made in calculating returns:

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

NAV_t = NAV at the end of the period

NAV_0 = NAV at the beginning of the period

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

Adjusted for unit split and distribution paid out for the period

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

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

MANAGER'S REPORT

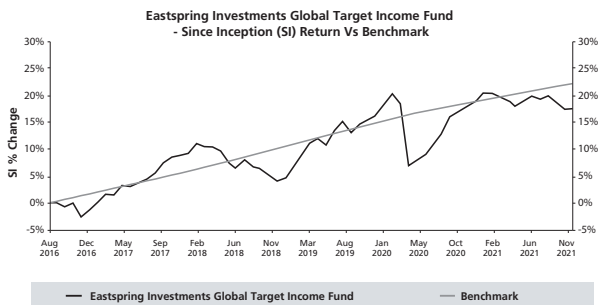
Fund Performance

Over the 5-year period, the Fund registered a return of 20.36%, underperforming the benchmark return of 20.37% by 0.01%.

For the period under review, the Fund registered a return of -1.33%, underperforming the benchmark return of 1.42% by 2.75%.

The broad weakness in China property credits, particularly the high-yield (HY) segment, was the dominant performance detractor during the period under review. Duration-changes in the level, slope, and shape of benchmark yield curves-also had a somewhat negative impact on the Fund performance, given the jump in short-dated risk-free rates, although this was overshadowed by carry gains (rolldown returns and accrual income).

On the other hand, the Fund's credit allocation to SGD-denominated bonds (hedged to USD) fared well and contributed to the Fund's resilient performance, in the context of the selloff in Asian and EM dollar debt markets over the same period. Outside of the property sector, other sector allocations in China such as financials and quasi-sovereign were generally positive return contributors.



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

Benchmark: 12 month Maybank fixed deposit rate + 1% per annum.

Source: Lipper for Investment Management, www.maybank2u.com.my, as at 30 November 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 November 2021:

| Income Return | Capital Return* | Total Return | Total Return of Benchmark |
|---------------|-----------------|--------------|---------------------------|
| (%) | (%) | (%) | (%) |
| 5.24 | (6.25) | (1.33) | 1.42 |

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

Distribution/ Unit Split

| Ex-Date | 24-Jun-21 |
|-----------------------|-----------|
| Distribution Per Unit | (RM) |
| Gross | 0.0250 |
| Net | 0.0250 |

Impact on NAV arising from distribution for the financial period ended 30 November 2021.

| Ex-Date | 24-Jun-21 |
|-------------------------------------|---------------|
| | (RM per Unit) |
| Net Asset Value before distribution | 0.5017 |
| Less: distribution | (0.0250) |
| Net Asset Value after distribution | 0.4767 |

No unit split were declared for the financial period ended 30 November 2021.

MANAGER'S REPORT (CONTINUED)

Investment Strategy During the Period Under Review

The Fund seeks to achieve its objective by investing in bonds such as rated bonds, non-rated bonds, and bonds rated below investment grade globally, including Malaysia. Non-rated bonds are bonds that have not received a credit rating from major credit rating agencies. The Fund's investments may also include liquid assets.

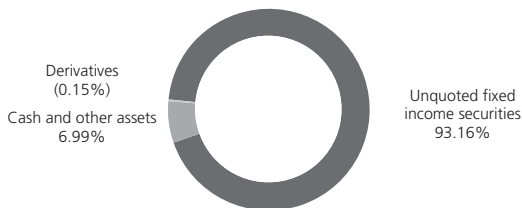
The Fund is expected to invest up to 40% of the Fund's Net Asset Value ("NAV") in non-rated bonds or bonds rated below investment grade. There is a risk that this limit may be exceeded due to reasons such as market value fluctuations and rating downgrades. This may result in the Fund being exposed to higher credit risk. In the event the 40% limit is exceeded, the Manager will rectify such breach within a reasonable period of not more than three (3) months, by disposing non-rated bonds or bonds rated below investment grade, reducing this exposure to the 40% threshold.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

| Asset Allocation | 30-Nov 2021 (%) | 31-May 2021 (%) | Changes (%) |
|----------------------------------|-----------------------|-----------------------|----------------|
| Unquoted fixed income securities | 93.16 | 95.17 | (2.01) |
| Derivatives | (0.15) | 0.52 | (0.67) |
| Cash and other assets | 6.99 | 4.31 | 2.68 |

Asset Allocation as at 30 November 2021



During the period under review, as the Fund employs hedging, the negative derivative position was due to the mark to market effect of the Fund's derivative holdings.

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

After going through a calm period in the second quarter, during which rates consolidated downwards, Asian and emerging-markets (“EM”) USD bond markets saw heightened volatility in subsequent months. Market sentiment weakened as concerns surrounding stagflation risk, monetary policy normalisation, and financial woes of China’s highly leveraged property developers came to the forefront. News reports in November about the recently discovered Omicron coronavirus strain also roiled markets.

The US Treasury (“UST”) yield curve flattened in the six months ending November, as shorter-dated yields, which are more sensitive to monetary policy decisions, jumped in response to the Federal Reserve withdrawing pandemic-era stimulus, while longer-dated yields came down on receding inflation fear and a slower growth outlook. As widely expected, the Fed announced in November that it would scale back its monthly bond purchases starting the same month, from USD 120 billion per month previously to USD 105 billion as of mid-November and USD 90 billion as of mid-December. The planned pace of tapering could bring the asset purchase programme to an end by mid-June next year but provided room for adjustments depending on the economic outlook. Two-year UST yields jumped by 42 bps to 0.57%, while ten-year yields fell 15 bps to 1.44% during the period under review.

Despite the peak in global growth likely behind us, Asian and EM economies continued to demonstrate strong overall resilience, and improving vaccine access, China’s countercyclical adjustments, and receding COVID disruptions should mean that EM growth can gradually close the gap with developed-market peers. While China has endured a series of recent downgrades in consensus growth forecasts, the country’s economic activities remained robust going into the year-end. Nominal exports from China rose 4.3% month-on-month in October, keeping the year-on-year (“y-o-y”) growth elevated at 27.1% notwithstanding a high base. Both retail sales and industrial production growth came in better than expected at 4.9% y-o-y and 3.5% y-o-y respectively in October, up from the 4.4% and 3.1% gains in September.

Investor sentiment on China’s highly leveraged property developers started to weaken in July, when news reports emerged about China Evergrande Group missing payments to suppliers and lenders being concerned of the prominent developer’s financial health. Risk aversion on speculative-grade real estate bonds rose further in subsequent months, with the default of at least four Chinese developers in October alone. China’s housing market slump added to the already fragile sentiment, as output in the country’s property and construction industries contracted in the third quarter for the first time since 1Q2020, at the start of the COVID-19 pandemic.

Against the backdrop of a challenging market environment, Asian and EM USD bonds posted losses of 1.7% and 1.8% respectively in the six months ending November, as proxied by the JP Morgan Asia Credit Index and Emerging Markets Bond Index Global Diversified. Widening spreads were the primary factor weighing on returns for both Asian and EM dollar bonds. In the corporate segment, real estate was unsurprisingly the worst performer given steep selloffs among HY property credits. China and Sri Lanka were among laggards in the country table.

REBATES AND SOFT COMMISSIONS

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

EASTSPRING INVESTMENTS GLOBAL TARGET INCOME FUND

UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 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 69 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 30 November 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: 7 January 2022

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

We have acted as Trustee for Eastspring Investments Global Target Income Fund (the "Fund") for the financial period ended 30 November 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.

We are of the view that the distribution made during the financial period ended 30 November 2021 by the Manager is not inconsistent with the objectives of the Fund.

For Deutsche Trustees Malaysia Berhad

Soon Lai Ching

Senior Manager, Trustee Operations

Gerard Ang

Chief Executive Officer

Kuala Lumpur

Date: 7 January 2022

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2021

| | Note | 6-months financial period ended 30.11.2021 | 6-months financial period ended 30.11.2020 |
|---|------|--|--|
| | | RM | RM |
| INVESTMENT (LOSS)/INCOME | | | |
| Interest income from deposits with licensed financial institutions | | 23,425 | 111,840 |
| Interest income from unquoted fixed income securities | | 2,752,461 | 7,710,870 |
| Other income | | - | 13,457 |
| Net loss on financial assets at fair value through profit or loss | 7 | (4,073,890) | (851,764) |
| Net gain on forward foreign currency contracts | | 156,767 | 20,995,282 |
| Net foreign currency exchange gain/(loss) | | 21,464 | (1,204,585) |
| | | <u>(1,119,773)</u> | <u>26,775,100</u> |
| EXPENSES | | | |
| Management fee | 3 | (1,199,963) | (1,818,310) |
| Trustee fee | 4 | (67,198) | (101,825) |
| Audit fee | | (6,518) | (6,267) |
| Tax agent fee | | (1,705) | (1,705) |
| Other expenses | | (28,984) | (49,868) |
| | | <u>(1,304,368)</u> | <u>(1,977,975)</u> |
| (LOSS)/PROFIT BEFORE TAXATION | | (2,424,141) | 24,797,125 |
| TAXATION | 6 | - | - |
| (LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME | | <u>(2,424,141)</u> | <u>24,797,125</u> |
| (Loss)/profit after taxation is made up of the following: | | | |
| Realised amount | | (4,785,747) | 19,467,406 |
| Unrealised amount | | 2,361,606 | 5,329,719 |
| | | <u>(2,424,141)</u> | <u>24,797,125</u> |

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

UNAUDITED STATEMENT OF FINANCIAL POSITION

AS AT 30 NOVEMBER 2021

| | Note | 2021 | 2020 |
|---|------|--------------------|--------------------|
| | | RM | RM |
| ASSETS | | | |
| Cash and cash equivalents | 8 | 12,811,135 | 29,534,214 |
| Financial assets at fair value through profit or loss | 7 | 158,570,521 | 233,087,081 |
| Forward foreign currency contracts at fair value through profit or loss | 9 | 538,316 | 10,017,377 |
| Amount due from Manager | | 27,176 | 446,870 |
| TOTAL ASSETS | | <u>171,947,148</u> | <u>273,085,542</u> |
| LIABILITIES | | | |
| Forward foreign currency contracts at fair value through profit or loss | 9 | 794,519 | 1,444,118 |
| Accrued management fee | | 179,811 | 280,017 |
| Amount due to Manager | | 729,894 | 2,282,700 |
| Amount due to Trustee | | 10,069 | 15,681 |
| Distribution payable | | 967 | - |
| Other payables and accruals | | 27,935 | 27,434 |
| TOTAL LIABILITIES | | <u>1,743,195</u> | <u>4,049,950</u> |
| NET ASSET VALUE OF THE FUND | | <u>170,203,953</u> | <u>269,035,592</u> |
| EQUITY | | | |
| Unit holders' capital | | 178,357,203 | 254,975,759 |
| (Accumulated losses)/retained earnings | | (8,153,250) | 14,059,833 |
| NET ASSET ATTRIBUTABLE TO UNIT HOLDERS | | <u>170,203,953</u> | <u>269,035,592</u> |
| NUMBER OF UNITS IN CIRCULATION | 10 | <u>363,601,379</u> | <u>518,216,531</u> |
| NET ASSET VALUE PER UNIT (EX-DISTRIBUTION) (RM) | | <u>0.4681</u> | <u>0.5192</u> |

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

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

| | Note | Unit holders' capital | Accumulated losses)/ retained earnings | Total |
|---|-------------|------------------------------|---|--------------------|
| | | RM | RM | RM |
| Balance as at 1 June 2021 | | 203,155,098 | 4,496,845 | 207,651,943 |
| Movement in unit holders' contribution: | | | | |
| Creation of units from applications | | 3,928,699 | - | 3,928,699 |
| Creation of units from distribution | | 9,902,150 | - | 9,902,150 |
| Cancellation of units | | (38,628,744) | - | (38,628,744) |
| Distribution | | | | |
| (Gross/Net: 2.50 sen) | 5 | - | (10,225,954) | (10,225,954) |
| Total comprehensive loss for the financial period | | - | (2,424,141) | (2,424,141) |
| Balance as at 30 November 2021 | | <u>178,357,203</u> | <u>(8,153,250)</u> | <u>170,203,953</u> |
| Balance as at 1 June 2020 | | 294,875,262 | (7,747,113) | 287,128,149 |
| Movement in unit holders' contribution: | | | | |
| Creation of units from applications | | 30,511,592 | - | 30,511,592 |
| Creation of units from distribution | | 2,936,136 | - | 2,936,136 |
| Cancellation of units | | (73,347,231) | - | (73,347,231) |
| Distribution | | | | |
| (Gross/Net: 0.49 sen) | 5 | - | (2,990,179) | (2,990,179) |
| Total comprehensive income for the financial period | | - | 24,797,125 | 24,797,125 |
| Balance as at 30 November 2020 | | <u>254,975,759</u> | <u>14,059,833</u> | <u>269,035,592</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 NOVEMBER 2021

| | Note | 6-months financial period ended 30.11.2021 | 6-months financial period ended 30.11.2020 |
|---|------|--|--|
| | | RM | RM |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Proceeds from sale of investments | | 46,181,344 | 115,946,907 |
| Payments for purchase of investments | | (14,089,425) | (67,279,259) |
| Net realised gain on forward foreign currency contracts | | 1,491,738 | - |
| Other income | | - | 13,457 |
| Interest income received from deposits with licensed financial institutions | | 23,425 | 111,840 |
| Interest income received from unquoted fixed income securities | | 5,658,463 | 7,243,053 |
| Management fee paid | | (1,241,036) | (1,839,917) |
| Trustee fee paid | | (69,498) | (103,035) |
| Payment for other fees and expenses | | (44,448) | (61,668) |
| Net realised foreign exchange gain/(loss) | | 21,464 | (1,204,585) |
| Net cash generated from operating activities | | <u>37,932,027</u> | <u>52,826,793</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from units created | | 4,031,842 | 33,510,095 |
| Payments for cancellation of units | | (38,430,753) | (72,121,892) |
| Distribution paid | | (322,837) | (2,990,179) |
| Net cash used in financing activities | | <u>(34,721,748)</u> | <u>(41,601,976)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | | |
| | | 3,210,279 | 11,224,817 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD | | | |
| | | <u>9,600,856</u> | <u>18,309,397</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD | | | |
| | 8 | <u>12,811,135</u> | <u>29,534,214</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 NOVEMBER 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, as modified by financial assets and financial liabilities (including derivatives instruments) at fair value through profit or loss, except as disclosed in this summary of significant accounting policies, and in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

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 L.

- 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 June 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 an accrual basis using the effective interest rate method.

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).

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

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

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

C. TAXATION

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

Tax on interest income from foreign unquoted fixed income securities is based on the tax regime of the respective countries that the Fund invests in.

D. FUNCTIONAL AND PRESENTATION 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. 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 period-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 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 contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents and amount due from Manager 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 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.

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 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” 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 or loss” in the financial period in which they arise.

Derivative investments are forward foreign currency contracts. Financial derivative position will be “marked to market” at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instrument are recognised in statement of comprehensive income when settled or at date of the statement of financial position at which time they are included in the measurement of the derivative financial instrument.

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

Unquoted fixed income securities are carried at cost and adjusted for any amortisation of premium or accretion of discount from acquisition date to maturity date. The carrying cost is revalued to reflect its fair value on a daily basis based on fair value prices quoted by a bond pricing agency ("BPA") registered with the Securities Commission as per the Securities Commission's ("SC") Guidelines on Unit Trust Funds. Unquoted fixed income securities denominated in foreign currencies are revalued on a daily basis by reference to the price obtained by Reuters. Where Reuters prices are not available on valuation day, these unquoted fixed income securities will be valued by reference to the average indicative yield quoted by three independent and reputable financial institutions.

Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA or the Reuters price for a specific unquoted fixed income securities differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

- i. records its basis for using a non-BPA price or the Reuters price;
- ii. obtains necessary internal approvals to use the non-BPA price or the Reuters price; and
- iii. keeps an audit trail of all decisions and basis for adopting the market yield.

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 considers 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 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.

G. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balances 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.

H. UNIT HOLDERS' CAPITAL

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

- the units entitle the holder to a proportionate share of the Fund's net 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.

I. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the date of statements of financial position with the resulting value discounted back to present value.

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

J. 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.

K. 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.

L. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information contents on the estimates, certain key variables that are anticipated to have material impacts to the Fund's 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 SC's Guidelines on Unit Trust Funds.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2021

1. INFORMATION ON THE FUND

Eastspring Investments Global Target Income Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 15 December 2015 entered into between Eastspring Investments Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”).

The Fund was launched on 18 July 2016 and will continue its operations until terminated as provided under Part 12 of the Deed.

The Fund seeks to achieve its objective by investing in bonds such as rated bonds, non-rated bonds and/or bonds rated below investment grade globally including Malaysia. Non-rated bonds are bonds that have not received a credit rating from one or more of the major credit rating agencies. The Fund’s investments may also include liquid assets.

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

All investments will be subjected to the Securities Commission’s (“SC”) Guidelines on Unit Trust Funds, the Deed 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 market risk (inclusive of price risk, interest rate risk and foreign exchange/currency risk), country risk, fund management risk, liquidity risk, non-compliance risk, capital risk and credit/default risk.

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

Financial instruments of the Fund are as follows:

| | Note | Financial assets at amortised cost | Financial assets at fair value through profit or loss | Financial liabilities at fair value through profit or loss | Total |
|--------------------------------------|------|---|---|--|--------------------|
| | | RM | RM | RM | RM |
| <u>2021</u> | | | | | |
| Cash and cash equivalents | 8 | 12,811,135 | - | - | 12,811,135 |
| Unquoted fixed income securities | 7 | - | 158,570,521 | - | 158,570,521 |
| Forward foreign currency contracts | | | | | |
| at fair value through profit or loss | 9 | - | 538,316 | (794,519) | (256,203) |
| Amount due from Manager | | 27,176 | - | - | 27,176 |
| | | <u>12,838,311</u> | <u>159,108,837</u> | <u>(794,519)</u> | <u>171,152,629</u> |
| <u>2020</u> | | | | | |
| Cash and cash equivalents | 8 | 29,534,214 | - | - | 29,534,214 |
| Unquoted fixed income securities | 7 | - | 233,087,081 | - | 233,087,081 |
| Forward foreign currency contracts | | | | | |
| at fair value through profit or loss | 9 | - | 10,017,377 | (1,444,118) | 8,573,259 |
| Amount due from Manager | | 446,870 | - | - | 446,870 |
| | | <u>29,981,084</u> | <u>243,104,458</u> | <u>(1,444,118)</u> | <u>271,641,424</u> |

All liabilities except for forward foreign currency contracts are financial liabilities which are carried at amortised cost.

Market risk

i. Price risk

Price risk is the risk that fair value of the investment in unquoted fixed income 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 unquoted fixed income securities exposure will be reduced in the event of anticipated market weakness.

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

| | 2021 | 2020 |
|--|-------------|-------------|
| | RM | RM |
| Financial assets at fair value through profit or loss: | | |
| Unquoted fixed income securities* | 158,570,521 | 233,087,081 |

* Includes interest receivable of RM2,239,445 (2020: RM3,275,193).

The following table summarises the sensitivity of the Fund's (loss)/profit after tax and net asset value to movements in prices of unquoted fixed income securities at the end of the reporting financial period. The analysis is based on the assumptions that the market price of the unquoted fixed income 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 unquoted fixed income securities, having regard to the historical volatility of the prices.

| % Change in price | 2021 | | 2020 | |
|-------------------|--------------|--|--------------|--|
| | Market value | Impact on loss after tax/net asset value | Market value | Impact on profit after tax/net asset value |
| | RM | RM | RM | RM |
| +5% | 164,147,630 | 7,816,554 | 241,302,482 | 11,490,594 |
| -5% | 148,514,522 | (7,816,554) | 218,321,294 | (11,490,594) |

ii. Interest rate risk

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

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

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

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

This risk is crucial since unquoted fixed income securities portfolio management depends on forecasting interest rate movements. Prices of unquoted fixed income securities move inversely to interest rate movements, therefore as interest rates rise, the prices of unquoted fixed income securities decrease and vice versa. Furthermore, unquoted fixed income securities with longer maturity and lower yield coupon rates are more susceptible to interest rate movements.

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

The table below summarises the sensitivity of the Fund's (loss)/profit after tax and net asset value to movements in pricing of unquoted fixed income securities and money market instruments held by the Fund at the end of the reporting financial period as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changed by 1% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the interest rate, having regard to the historical volatility of the interest rate.

| | 2021 | 2020 |
|---|--|--|
| % Change in interest rate of unquoted fixed income securities | Impact on loss after tax/ change in net asset value | Impact on profit after tax/ change in net asset value |
| | RM | RM |
| +1% (2020: +1%) | (609,627) | (414,910) |
| -1% (2020: -1%) | 619,409 | 416,913 |

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

iii. Foreign exchange/Currency risk

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

In the normal course of investment, the Manager will usually not hedge foreign currency exposure. The Manager may however, depending on prevailing market circumstances at particular point in time, choose to use forward or swap contracts for hedging and risk reduction purposes.

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

| | Financial assets at fair value through profit or loss | Forward foreign currency contracts | Cash and cash equivalents | Total |
|-------------|--|---|--|--------------------|
| | RM | RM | RM | RM |
| <u>2021</u> | | | | |
| SGD | 41,568,620 | 508,191 | 1,882,045 | 43,958,856 |
| USD | 101,316,608 | (764,394) | 5,519,446 | 106,071,660 |
| | <u>142,885,228</u> | <u>(256,203)</u> | <u>7,401,491</u> | <u>150,030,516</u> |
| <u>2020</u> | | | | |
| SGD | 63,267,411 | 3,018,311 | 188,189 | 66,473,911 |
| USD | 153,786,792 | 5,554,948 | 25,712,627 | 185,054,367 |
| | <u>217,054,203</u> | <u>8,573,259</u> | <u>25,900,816</u> | <u>251,528,278</u> |

The table below summarises the sensitivity of the Fund's (loss)/profit after tax and net asset value to changes in foreign exchange movements at the end of the reporting financial period. The analysis is based on the assumption that the foreign exchange rate changes by 5% with all variables remain constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate having regard to historical volatility of this rate.

Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

| | Change in foreign exchange rate | Impact on (loss)/profit after tax | Impact on net asset value |
|-------------|--|---|---------------------------------|
| | % | RM | RM |
| <u>2021</u> | | | |
| SGD | 5 | 2,197,943 | 2,197,943 |
| USD | 5 | 5,303,583 | 5,303,583 |
| <u>2020</u> | | | |
| SGD | 5 | 3,323,696 | 3,323,696 |
| USD | 5 | 9,252,718 | 9,252,718 |

Country risk

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

Fund management risk

There is the risk that the management company may not adhere to the investment mandate of the respective 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 interests of unit holders.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the 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.

| | Less than 1 month | Between 1 month to 1 year | More than 1 year | Total |
|--|----------------------|---------------------------------|---------------------|-------|
| | RM | RM | RM | RM |

2021

| | | | | |
|---|---------|---------|---------|-----------|
| Forward foreign currency contracts at fair value through profit or loss | - | 90,152 | 704,367 | 794,519 |
| Accrued management fee | 179,811 | - | - | 179,811 |
| Amount due to Manager | 729,894 | - | - | 729,894 |
| Amount due to Trustee | 10,069 | - | - | 10,069 |
| Distribution payable | 967 | - | - | 967 |
| Other payables and accruals | - | 27,935 | - | 27,935 |
| Contractual undiscounted cash outflows | 920,741 | 118,087 | 704,367 | 1,743,195 |

2020

| | | | | |
|---|-----------|-----------|--------|-----------|
| Forward foreign currency contracts at fair value through profit or loss | - | 1,347,461 | 96,657 | 1,444,118 |
| Accrued management fee | 280,017 | - | - | 280,017 |
| Amount due to Manager | 2,282,700 | - | - | 2,282,700 |
| Amount due to Trustee | 15,681 | - | - | 15,681 |
| Other payables and accruals | - | 27,434 | - | 27,434 |
| Contractual undiscounted cash outflows | 2,578,398 | 1,374,895 | 96,657 | 4,049,450 |

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.

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM178,357,203 (2020: RM254,975,759) and (accumulated losses)/retained earnings of RM(8,153,250) (2020: RM14,059,833). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

Credit/Default risk

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

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.

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

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

| | Cash and cash equivalents | Financial assets at fair value through profit and loss | Amount due from Manager | Total |
|------------------------------------|---------------------------|--|-------------------------|--------------------|
| | RM | RM | RM | RM |
| 2021 | | | | |
| Financial Services | | | | |
| - AA1 | 12,811,135 | - | - | 12,811,135 |
| Unquoted fixed income securities | | | | |
| - A | - | 1,641,218 | - | 1,641,218 |
| - A- | - | 861,902 | - | 861,902 |
| - A-1 | - | 1,003,788 | - | 1,003,788 |
| - A-2 | - | 1,719,549 | - | 1,719,549 |
| - A-3 | - | 3,878,005 | - | 3,878,005 |
| - AA1 (S) | - | 5,175,371 | - | 5,175,371 |
| - AA3 (S) | - | 10,509,922 | - | 10,509,922 |
| - B | - | 2,982,122 | - | 2,982,122 |
| - B+ | - | 1,201,199 | - | 1,201,199 |
| - Baa2 | - | 4,905,022 | - | 4,905,022 |
| - Baa3 | - | 57,761,665 | - | 57,761,665 |
| - BB | - | 15,692,819 | - | 15,692,819 |
| - BBB- | - | 3,180,752 | - | 3,180,752 |
| - BBB+ | - | 1,725,133 | - | 1,725,133 |
| - C | - | 9,134,196 | - | 9,134,196 |
| - Caa1 | - | 1,384,148 | - | 1,384,148 |
| - Caa2 | - | 466,986 | - | 466,986 |
| - CCC | - | 1,832,183 | - | 1,832,183 |
| - D | - | 532,017 | - | 532,017 |
| - NR | - | 32,982,524 | - | 32,982,524 |
| Forward foreign currency contracts | | | | |
| - AAA | - | 538,316 | - | 538,316 |
| Other | | | | |
| - NR | - | - | 27,176 | 27,176 |
| | <u>12,811,135</u> | <u>159,108,837</u> | <u>27,176</u> | <u>171,947,148</u> |

| | Cash and cash equivalents | Financial assets at fair value through profit and loss | Amount due from Manager | Total |
|------------------------------------|---------------------------|--|-------------------------|--------------------|
| | RM | RM | RM | RM |
| <u>2020</u> | | | | |
| Financial Services | | | | |
| - AAA | 2,000,099 | - | - | 2,000,099 |
| - AA1 | 27,534,115 | - | - | 27,534,115 |
| Unquoted fixed income securities | | | | |
| - A | - | 2,442,155 | - | 2,442,155 |
| - A+ | - | 1,852,022 | - | 1,852,022 |
| - A-3 | - | 3,790,143 | - | 3,790,143 |
| - AA3 (S) | - | 10,890,614 | - | 10,890,614 |
| - B | - | 13,998,689 | - | 13,998,689 |
| - B- | - | 963,288 | - | 963,288 |
| - B+ | - | 2,567,739 | - | 2,567,739 |
| - B3 | - | 4,436,590 | - | 4,436,590 |
| - Ba3 | - | 6,255,963 | - | 6,255,963 |
| - Baa1 | - | 803,060 | - | 803,060 |
| - Baa2 | - | 2,576,778 | - | 2,576,778 |
| - Baa3 | - | 46,412,942 | - | 46,412,942 |
| - BB | - | 5,289,461 | - | 5,289,461 |
| - BB- | - | 849,445 | - | 849,445 |
| - BB+ | - | 22,511,193 | - | 22,511,193 |
| - BBB | - | 22,027,189 | - | 22,027,189 |
| - BBB- | - | 8,150,877 | - | 8,150,877 |
| - BBB+ | - | 10,896,797 | - | 10,896,797 |
| - Caa2 | - | 3,976,025 | - | 3,976,025 |
| - D | - | 5,487,667 | - | 5,487,667 |
| - NR | - | 56,908,444 | - | 56,908,444 |
| Forward foreign currency contracts | | | | |
| - AAA | - | 10,017,377 | - | 10,017,377 |
| Other | | | | |
| - NR | - | - | 446,870 | 446,870 |
| | <u>29,534,214</u> | <u>243,104,458</u> | <u>446,870</u> | <u>273,085,542</u> |

None of these financial assets are past due or impaired.

Fair value estimation

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

The fair value of financial assets traded in active market (such as traded derivatives and 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 or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each financial period end date.

Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

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 the Fund's financial assets and financial liabilities (by class) measured at fair value:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---------|-------------|---------|-------------|
| | RM | RM | RM | RM |
| <u>2021</u> | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| Unquoted fixed income securities | - | 158,570,521 | - | 158,570,521 |
| Forward foreign currency contracts | - | 538,316 | - | 538,316 |
| Financial liabilities at fair value through profit or loss: | | | | |
| Forward foreign currency contracts | - | 794,519 | - | 794,519 |

| | Level 1 | Level 2 | Level 3 | Total |
|---|---------|-------------|---------|-------------|
| | RM | RM | RM | RM |
| 2020 | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| Unquoted fixed income securities | - | 233,087,081 | - | 233,087,081 |
| Forward foreign currency contracts | - | 10,017,377 | - | 10,017,377 |
| Financial liabilities at fair value through profit or loss: | | | | |
| Forward foreign currency contracts | - | 1,444,118 | - | 1,444,118 |

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2, which include unquoted fixed income securities and forward foreign currency contracts. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note F to the financial statements.

- ii. The carrying value of cash and cash equivalents, amount due from Manager and all liabilities, except for forward foreign currency contracts, are a reasonable approximation of their fair values due to their short term nature.

3. MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 2.00% per annum of the net asset value of the Fund accrued and calculated on a daily basis.

For the financial period ended 30 November 2021, the Management fee is recognised at a rate of 1.25% (2020: 1.25%) 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 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 RM15,000 per annum (excluding foreign custodian fees and charges).

For the financial period ended 30 November 2021, the Trustee fee is recognised at a rate of 0.07% (2020: 0.07%) per annum on the net asset value of the Fund, excluding foreign custodian charges, calculated on daily basis.

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

5. DISTRIBUTION

| | 2021 | 2020 |
|--|--------------|--------------|
| | RM | RM |
| Distribution to unit holders are from the following sources: | | |
| Prior periods' realised income | 12,206,597 | 3,882,885 |
| Gross realised income | 12,206,597 | 3,882,885 |
| Less: Expenses | (1,980,643) | (892,706) |
| | 10,225,954 | 2,990,179 |
| Gross distribution per unit (sen) | 2.50 | 0.49 |
| Net distribution per unit (sen) | 2.50 | 0.49 |
| Ex-Date | 24 June 2021 | 26 June 2020 |

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

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

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

6. TAXATION

| | 6-months financial period ended 30.11.2021 | 6-months financial period ended 30.11.2020 |
|--|---|---|
| | RM | RM |

Tax charged for the financial period:

Current taxation

-

-

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

| | 6-months financial period ended 30.11.2021 | 6-months financial period ended 30.11.2020 |
|--|---|---|
| | RM | RM |
| (Loss)/profit before taxation | (2,424,141) | 24,797,125 |
| Tax at Malaysian statutory rate of 24% (2020: 24%) | (581,794) | 5,951,310 |
| Tax effects of: | | |
| Investment loss not deductible for tax purposes/(investment income not subject to tax) | 268,746 | (6,426,024) |
| Expenses not deductible for tax purposes | 23,493 | 36,816 |
| Restriction on tax deductible expenses for Unit Trust Funds | 289,555 | 437,898 |
| Taxation | - | - |

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 2021 | 2020 |
|---|-------------|-------------|
| | RM | RM |
| Financial assets at fair value through profit or loss: | | |
| Unquoted fixed income securities | 158,570,521 | 233,087,081 |
| Net gain/(loss) on financial assets at fair value through profit or loss: | | |
| Realised loss on disposals | (7,770,467) | (526,858) |
| Change in unrealised fair value gain/(loss) | 3,696,577 | (324,906) |
| | (4,073,890) | (851,764) |

Unquoted fixed income securities

| Name of counter | Nominal value | Aggregate cost | Fair value as at 30.11.2021 | Percentage of net asset value of the Fund |
|--|---------------|----------------|-----------------------------|---|
| | RM | RM | RM | % |
| 4.38% AES Panama Generation Holdings S.R.L. 31.5.2030 (Baa3) | 200,000 | 838,302 | 857,952 | 0.50 |
| 5.95% APL Realty Holdings Pte Ltd 2.6.2024 (CCC) | 500,000 | 2,218,942 | 1,309,003 | 0.77 |
| 5.20% Ara Asset Management Limited 19.7.2022 (NR) | 2,750,000 | 8,726,804 | 8,563,322 | 5.03 |
| 4.50% CCB Life Insurance Co., Ltd 21.4.2022 (Baa3) | 3,400,000 | 15,065,400 | 14,436,366 | 8.48 |
| 3.425% CCCI Treasure Limited 21.11.2024 (Baa2) | 200,000 | 849,330 | 859,323 | 0.50 |

Unquoted fixed income securities (continued)

| Name of counter | Nominal value | Aggregate cost | Fair value as at 30.11.2021 | Percentage of net asset value of the Fund |
|--|----------------------|-----------------------|------------------------------------|--|
| | RM | RM | RM | % |
| 7.65% Central China Real Estate Limited 27.8.2023 (B+) | 200,000 | 881,676 | 611,079 | 0.36 |
| 2.85% China Huaneng Group (Hong Kong) Treasury Management Holding Limited 31.12.2099 (A-2) | 200,000 | 823,038 | 858,788 | 0.50 |
| 3.08% China Huaneng Group (Hong Kong) Treasury Management Holding Limited 31.12.2099 (A-2) | 200,000 | 823,961 | 860,761 | 0.51 |
| 3.15% Chouzhou International Investment Limited 11.8.2023 (Baa3) | 200,000 | 846,085 | 846,943 | 0.50 |
| 3.50% CNAC (HK) Finbridge Company Limited 19.7.2022 (A-) | 200,000 | 821,780 | 861,902 | 0.51 |
| 3.875% CNAC (HK) Finbridge Company Limited 19.6.2029 (A) | 200,000 | 937,188 | 911,381 | 0.54 |
| 4.875% CNOOC Finance (2014) ULC 30.4.2044 (A-1) | 200,000 | 1,147,045 | 1,003,788 | 0.59 |

Unquoted fixed income securities (continued)

| Name of counter | Nominal value | Aggregate cost | Fair value as at 30.11.2021 | Percentage of net asset value of the Fund |
|--|----------------------|-----------------------|------------------------------------|--|
| | RM | RM | RM | % |
| 4.30% Coastal Emerald Limited 1.8.2024 (A-3) | 200,000 | 835,640 | 838,390 | 0.49 |
| 6.60% Country Garden Real Estate Sdn Bhd 23.2.2023 (AA3 (S)) | 10,000,000 | 10,144,957 | 10,509,922 | 6.17 |
| 2.95% DIB Sukuk Limited 16.1.2026 (A-3) | 500,000 | 2,160,943 | 2,183,501 | 1.28 |
| 4.85% Elect Global Investments Limited 25.8.2023 (A-3) | 200,000 | 844,864 | 856,114 | 0.50 |
| 3.068% Empresa De Los Ferrocarriles Del Estado 18.8.2050 (A) | 200,000 | 845,573 | 729,837 | 0.43 |
| 3.94% ESIC Sukuk Limited 30.7.2024 (Baa3) | 2,600,000 | 10,854,517 | 11,290,072 | 6.63 |
| 0.00% Fantasia Holdings Group Co., Limited 4.4.2022 (D) | 400,000 | 879,157 | 532,017 | 0.31 |
| 4.50% First Abu Dhabi Bank P.J.S.C 31.12.2099 (Baa3) | 200,000 | 836,680 | 879,480 | 0.52 |
| 4.00% Franshion Brilliant Limited 21.6.2024 (BBB-) | 600,000 | 2,572,439 | 2,565,531 | 1.51 |

Unquoted fixed income securities (continued)

| Name of counter | Nominal value | Aggregate cost | Fair value as at 30.11.2021 | Percentage of net asset value of the Fund |
|--|----------------------|-----------------------|------------------------------------|--|
| | RM | RM | RM | % |
| 4.98% GENM Capital Berhad 11.7.2023 (AA1 (S)) | 5,000,000 | 5,163,059 | 5,175,371 | 3.04 |
| 3.50% Guangxi Communications Investment Group Co., Ltd 17.9.2022 (Baa2) | 200,000 | 846,462 | 847,631 | 0.50 |
| 3.375% Hong Kong Red Star Macalline Universal Home Furnishings Limited 21.9.2022 (BB) | 300,000 | 1,263,471 | 1,117,069 | 0.66 |
| 4.70% HSBC Holdings Plc 6.8.2022 (Baa3) | 2,000,000 | 6,331,843 | 6,286,501 | 3.69 |
| 6.375% HSBC Holdings Plc 30.3.2025 (Baa3) | 500,000 | 2,050,882 | 2,280,184 | 1.34 |
| 6.00% HSBC Holdings Plc 22.5.2027 (Baa3) | 500,000 | 2,163,150 | 2,229,150 | 1.31 |
| 6.25% HSBC Holdings Plc 23.3.2023 (Baa3) | 500,000 | 1,982,292 | 2,195,667 | 1.29 |
| 6.375% HSBC Holdings Plc 17.9.2024 (Baa3) | 2,000,000 | 8,239,300 | 9,035,075 | 5.31 |
| 1.985% Huarong Finance 2017 Co., Ltd 27.4.2022 (Baa3) | 400,000 | 1,564,471 | 1,666,349 | 0.98 |

Unquoted fixed income securities (continued)

| Name of counter | Nominal value | Aggregate cost | Fair value as at 30.11.2021 | Percentage of net asset value of the Fund |
|--|----------------------|-----------------------|------------------------------------|--|
| | RM | RM | RM | % |
| 7.375% Kondor Finance Plc 19.7.2022 (B) | 500,000 | 2,183,921 | 2,125,287 | 1.25 |
| 3.75% Landesbank Baden-Wuerttemberg 18.5.2022 (Baa2) | 750,000 | 2,259,508 | 2,299,595 | 1.35 |
| 5.25% Li & Fung Limited 31.12.2099 (BB) | 5,000,000 | 17,597,930 | 14,575,750 | 8.56 |
| 7.00% Lippo Malls Indonesia Retail Trust 31.12.2099 (NR) | 9,750,000 | 29,642,988 | 24,419,202 | 14.35 |
| 6.95% Modernland Overseas Pte Ltd 13.4.2024 (C) | 3,100,000 | 12,238,218 | 5,898,277 | 3.47 |
| 8.00% PT Alam Sutera Realty TBK 2.11.2024 (Caa1) | 394,000 | 1,693,897 | 1,384,148 | 0.81 |
| 4.75% PT Indonesia Asahan Aluminium (Persero) 15.5.2025 (Baa2) | 200,000 | 860,893 | 898,473 | 0.53 |
| 8.25% Rail Capital Markets Plc 9.7.2024 (B) | 200,000 | 879,187 | 856,835 | 0.50 |
| 11.50% Scenery Journey Limited 24.10.2022 (C) | 2,900,000 | 7,221,138 | 3,051,936 | 1.79 |

Unquoted fixed income securities (continued)

| Name of counter | Nominal value | Aggregate cost | Fair value as at 30.11.2021 | Percentage of net asset value of the Fund |
|--|----------------------|-----------------------|------------------------------------|--|
| | RM | RM | RM | % |
| 13.00% Scenery Journey Limited 6.11.2022 (C) | 200,000 | 545,233 | 183,983 | 0.11 |
| 5.60% Shimao Group Holdings Limited 15.7.2023 (BBB-) | 200,000 | 859,353 | 615,221 | 0.36 |
| 7.00% Sri Lankan Airlines Limited 25.6.2024 (CCC) | 200,000 | 558,483 | 523,180 | 0.31 |
| 3.70% Taiyuan Longcheng Development Investment Group Co., Ltd 26.6.2023 (Baa3) | 600,000 | 2,599,145 | 2,579,927 | 1.52 |
| 3.75% Thaioil Treasury Center Company Limited 18.6.2050 (Baa3) | 800,000 | 3,469,050 | 3,177,999 | 1.87 |
| 6.20% The Democratic Socialist Republic of Sri Lanka 11.5.2027 (Caa2) | 200,000 | 869,893 | 466,986 | 0.27 |

Unquoted fixed income securities (continued)

| Name of counter | Nominal value | Aggregate cost | Fair value as at 30.11.2021 | Percentage of net asset value of the Fund |
|--|-------------------|--------------------|-----------------------------|---|
| | RM | RM | RM | % |
| 4.00% Xi'An Municipal Infrastructure Construction Investment Group Corporation Ltd 24.6.2022 (BBB+) | 400,000 | 1,699,641 | 1,725,133 | 1.01 |
| 8.30% Zhenro Properties Group Limited 15.9.2023 (B+) | 200,000 | 878,500 | 590,120 | 0.35 |
| | <u>60,344,000</u> | <u>179,616,229</u> | <u>158,570,521</u> | <u>93.16</u> |

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

(21,045,708)

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

158,570,521

Unquoted fixed income securities

| Name of counter | Nominal value | Aggregate cost | Fair value as at 30.11.2020 | Percentage of net asset value of the Fund |
|---|---------------|----------------|-----------------------------|---|
| | RM | RM | RM | % |
| 4.375% AES Panama Generation Holdings S.R.L. 31.5.2030 (NR) | 200,000 | 838,299 | 875,794 | 0.33 |
| 5.95% APL Realty Holdings Pte Ltd 2.6.2021 (B3) | 1,200,000 | 5,396,583 | 3,627,013 | 1.35 |
| 5.20% Ara Asset Management Limited 19.7.2022 (NR) | 5,250,000 | 16,652,143 | 16,290,099 | 6.05 |
| 2.65% Ascendas Real Estate Investment Trust 26.8.2030 (A-3) | 250,000 | 768,652 | 805,032 | 0.30 |
| 2.50% Banco Nacional De Panama Trust 11.8.2030 (BBB+) | 200,000 | 842,716 | 833,807 | 0.31 |
| 5.75% BRF S.A. 21.9.2050 (NR) | 200,000 | 822,478 | 864,438 | 0.32 |
| 4.50% CCB Life Insurance Company Limited 21.4.2022 (BBB) | 3,400,000 | 15,063,241 | 13,917,856 | 5.17 |
| 3.43% CCCI Treasure Limited 21.11.2024 (Baa1) | 200,000 | 850,172 | 803,060 | 0.30 |
| 7.65% Central China Real Estate Limited 27.8.2023 (BB-) | 200,000 | 882,887 | 849,445 | 0.32 |

Unquoted fixed income securities (continued)

| Name of counter | Nominal value | Aggregate cost | Fair value as at 30.11.2020 | Percentage of net asset value of the Fund |
|--|----------------------|-----------------------|------------------------------------|--|
| | RM | RM | RM | % |
| 4.25% Chalco Hong Kong Investment Company Limited 7.11.2021 (BBB+) | 1,000,000 | 4,187,091 | 4,129,076 | 1.53 |
| 8.125% Champion Sincerity Holding Limited 8.2.2022 (Ba3) | 300,000 | 1,264,163 | 1,301,939 | 0.48 |
| 7.50% China Evergrande Group 28.6.2023 (B) | 1,400,000 | 6,181,458 | 4,750,645 | 1.77 |
| 8.75% China Evergrande Group 28.6.2025 (B) | 1,500,000 | 6,655,447 | 4,939,149 | 1.84 |
| 3.15% Chouzhou International Investment Ltd 11.8.2023 (NR) | 500,000 | 2,114,601 | 2,035,859 | 0.76 |
| 3.88% CNAC (HK) Finbridg 19.6.2029 (Baa2) | 200,000 | 946,812 | 842,026 | 0.31 |
| 4.88% CNOOC Nexen Finance (2014) ULC 30.4.2044 (A+) | 200,000 | 1,156,743 | 1,056,779 | 0.39 |
| 4.30% Coastal Emerald Limited 1.8.2024 (A-3) | 200,000 | 835,276 | 837,477 | 0.31 |

Unquoted fixed income securities (continued)

| Name of counter | Nominal value | Aggregate cost | Fair value as at 30.11.2020 | Percentage of net asset value of the Fund |
|--|----------------------|-----------------------|------------------------------------|--|
| | RM | RM | RM | % |
| 4.88% Commerzbank AG 1.3.2022 (BB+) | 2,500,000 | 8,002,371 | 7,637,955 | 2.84 |
| 6.60% Country Garden Real Estate Sdn Bhd 23.2.2023 (AA3 (S)) | 10,000,000 | 10,117,288 | 10,890,614 | 4.05 |
| 2.95% DIB Sukuk Limited 16.1.2026 (A-3) | 500,000 | 2,165,397 | 2,147,634 | 0.80 |
| 4.85% Elect Global Investments Limited 25.8.2023 (NR) | 200,000 | 844,536 | 855,683 | 0.32 |
| 3.07% Empresa De Los Ferrocarriles Del Estado 18.8.2050 (A+) | 200,000 | 845,350 | 795,243 | 0.30 |
| 2.63% ENN Energy Holdings Limited 17.9.2030 (BBB) | 200,000 | 827,925 | 823,398 | 0.31 |
| 3.94% ESIC Sukuk Limited 30.7.2024 (Baa3) | 2,600,000 | 10,735,771 | 10,930,574 | 4.06 |
| 0.00% First Abu Dhabi Bank P.J.S.C 31.12.2099 (NR) | 200,000 | 836,502 | 848,813 | 0.32 |
| 4.00% Franshion Brilliant Limited 21.6.2024 (BBB-) | 1,000,000 | 4,298,261 | 4,266,784 | 1.59 |

Unquoted fixed income securities (continued)

| Name of counter | Nominal value | Aggregate cost | Fair value as at 30.11.2020 | Percentage of net asset value of the Fund |
|--|----------------------|-----------------------|------------------------------------|--|
| | RM | RM | RM | % |
| 6.25% Gansu Provincial Highway Aviation Tourism Investment Group Co., Ltd 2.8.2021 (BBB) | 400,000 | 1,744,064 | 1,707,662 | 0.63 |
| 3.15% Government of Malaysia 15.5.2023 (NR) | 5,000,000 | 5,115,849 | 5,142,264 | 1.91 |
| 3.50% Guangxi Communications Investment Group Co., Ltd 17.9.2022 (Baa2) | 200,000 | 849,018 | 833,918 | 0.31 |
| 3.38% Hong Kong Red Star Macalline Universal Home Furnishing Ltd 21.9.2022 (BB) | 300,000 | 1,261,835 | 1,110,783 | 0.41 |
| 6.38% HSBC Holdings Plc 30.3.2025 (Baa3) | 500,000 | 2,051,115 | 2,239,238 | 0.83 |
| 6.38% HSBC Holdings Plc 17.9.2024 (Baa3) | 2,500,000 | 10,292,549 | 10,965,068 | 4.08 |
| 6.00% HSBC Holdings Plc 22.5.2027 (Baa3) | 500,000 | 2,163,055 | 2,212,657 | 0.82 |

Unquoted fixed income securities (continued)

| Name of counter | Nominal value | Aggregate cost | Fair value as at 30.11.2020 | Percentage of net asset value of the Fund |
|---|---------------|----------------|-----------------------------|---|
| | RM | RM | RM | % |
| 4.70% HSBC Holdings Plc 6.8.2022 (Baa3) | 2,500,000 | 7,913,489 | 7,810,999 | 2.90 |
| 6.25% HSBC Holdings Plc 23.3.2023 (Baa3) | 500,000 | 1,981,542 | 2,144,548 | 0.80 |
| 5.88% Indika Energy Capital III Pte Ltd 9.11.2021 (Ba3) | 1,200,000 | 5,195,244 | 4,954,024 | 1.84 |
| 7.38% Kondor Finance Plc 19.7.2022 (B) | 500,000 | 2,167,396 | 2,150,120 | 0.80 |
| 3.75% Landesbank Baden-Wuerttemberg 18.5.2022 (NR) | 1,000,000 | 2,964,110 | 3,014,086 | 1.12 |
| 5.25% Li & Fung Limited 3.11.2021 (BB+) | 5,000,000 | 21,191,639 | 14,873,238 | 5.53 |
| 7.00% Lippo Malls Indonesia Retail Trust 27.9.2021 (NR) | 9,750,000 | 29,940,787 | 25,267,085 | 9.39 |
| 6.88% LLPL Capital Pte Ltd 4.2.2039 (Baa3) | 187,800 | 788,010 | 910,123 | 0.34 |
| 4.64% MAF Sukuk Ltd 14.5.2029 (BBB) | 400,000 | 1,662,368 | 1,809,944 | 0.67 |

Unquoted fixed income securities (continued)

| Name of counter | Nominal value | Aggregate cost | Fair value as at 30.11.2020 | Percentage of net asset value of the Fund |
|---|----------------------|-----------------------|------------------------------------|--|
| | RM | RM | RM | % |
| 3.91% Malayan Banking Berhad 29.10.2021 (BBB) | 500,000 | 2,240,798 | 2,084,299 | 0.77 |
| 2.21% MAR Sukuk Limited 2.9.2025 (NR) | 200,000 | 839,051 | 828,337 | 0.31 |
| 6.95% Modernland Overseas Pte Ltd 13.4.2021 (D) | 2,300,000 | 10,600,894 | 4,255,525 | 1.58 |
| 3.63% Nan Fung Treasury Limited 27.8.2030 (BBB-) | 500,000 | 2,097,538 | 2,077,872 | 0.77 |
| 3.10% NTUC Income Insurance Co-Operative Limited 20.7.2050 (A) | 750,000 | 2,325,973 | 2,442,155 | 0.91 |
| 1.83% Oversea-Chinese Banking Corporation Limited 10.9.2030 (BBB+) | 200,000 | 832,358 | 822,031 | 0.31 |
| 5.00% Pakuwon Prima Pte Ltd 14.2.2021 (BB) | 500,000 | 2,300,984 | 2,117,677 | 0.79 |
| 3.87% Panama, Republic of (Government) 23.7.2060 (BBB+) | 200,000 | 948,612 | 958,181 | 0.36 |

Unquoted fixed income securities (continued)

| Name of counter | Nominal value | Aggregate cost | Fair value as at 30.11.2020 | Percentage of net asset value of the Fund |
|--|---------------|----------------|-----------------------------|---|
| | RM | RM | RM | % |
| 6.00% PT Alam Sutera Realty TBK 2.11.2024 (D) | 394,000 | 1,599,497 | 1,232,142 | 0.46 |
| 4.75% PT Indonesia Asahan Aluminium (Persero) 15.5.2025 (Baa2) | 200,000 | 859,322 | 900,834 | 0.33 |
| 8.25% Rail Capital Markets Plc 9.7.2024 (B) | 500,000 | 2,193,571 | 2,158,775 | 0.80 |
| 5.60% Shimao Property Holdings Limited 15.7.2023 (BBB-) | 400,000 | 1,706,569 | 1,806,221 | 0.67 |
| 4.60% Shimao Property Holdings Limited 13.7.2030 (NR) | 200,000 | 870,164 | 885,986 | 0.33 |
| 4.75% Sino-Ocean Land Treasure IV Limited 14.10.2029 (Baa3) | 200,000 | 818,901 | 842,424 | 0.31 |
| 7.00% Sri Lankan Airlines Limited 25.6.2024 (B-) | 200,000 | 478,958 | 480,886 | 0.18 |
| 7.75% SSMS Plantation Holdings Pte Ltd 23.1.2021 (B3) | 300,000 | 1,276,240 | 809,577 | 0.30 |

Unquoted fixed income securities (continued)

| Name of counter | Nominal value | Aggregate cost | Fair value as at 30.11.2020 | Percentage of net asset value of the Fund |
|--|----------------------|-----------------------|------------------------------------|--|
| | RM | RM | RM | % |
| 7.88% Sunac China Holdings Limited 15.2.2021 (B+) | 400,000 | 1,692,395 | 1,703,634 | 0.63 |
| 3.70% Taiyuan Longcheng Development Investment Group Co., Ltd 26.6.2023 (Baa3) | 2,000,000 | 8,659,770 | 8,357,311 | 3.11 |
| 3.75% Thaioil Treasury Center Company Limited 18.6.2050 (BBB+) | 1,000,000 | 4,334,156 | 4,153,702 | 1.54 |
| 5.63% The Bank of East Asia Limited 18.5.2022 (BB) | 500,000 | 2,176,137 | 2,061,001 | 0.77 |
| 6.20% The Democratic Socialist Republic of Sri Lanka 11.5.2027 (B-) | 200,000 | 869,806 | 482,402 | 0.18 |
| 6.13% Turkiye Garanti Bankasi AS 24.5.2022 (Caa2) | 1,000,000 | 4,325,851 | 3,976,025 | 1.48 |
| 4.00% Xian Municipal Infrastructure Construction Investment Group Corporation Ltd 24.6.2022 (BBB) | 400,000 | 1,695,980 | 1,684,030 | 0.63 |

Unquoted fixed income securities (continued)

| Name of counter | Nominal value | Aggregate cost | Fair value as at 30.11.2020 | Percentage of net asset value of the Fund |
|---------------------------------------|-------------------|--------------------|-----------------------------|---|
| | RM | RM | RM | % |
| 8.30% Zhenro Properties Group Limited | | | | |
| 15.9.2023 (B+) | 200,000 | 887,305 | 864,105 | 0.32 |
| | <u>77,481,800</u> | <u>258,045,063</u> | <u>233,087,081</u> | <u>86.65</u> |

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

(24,957,982)

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

233,087,081

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

| | 2021 | 2020 |
|----------------------------------|-------------|-------------|
| | % | % |
| Unquoted fixed income securities | <u>8.06</u> | <u>5.78</u> |

8. CASH AND CASH EQUIVALENTS

| | 2021 | 2020 |
|---|-------------------|-------------------|
| | RM | RM |
| Bank balances with a licensed bank | 12,811,135 | 27,534,115 |
| Deposit with licensed financial institution | - | 2,000,099 |
| | <u>12,811,135</u> | <u>29,534,214</u> |

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

| | 2021 | 2020 |
|-------|-------------------|-------------------|
| | RM | RM |
| - MYR | 5,409,644 | 3,633,398 |
| - SGD | 1,882,045 | 188,189 |
| - USD | 5,519,446 | 25,712,627 |
| | <u>12,811,135</u> | <u>29,534,214</u> |

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

| | 2021 | 2020 |
|---|------|------|
| | % | % |
| Deposit with licensed financial institution | - | 1.80 |

The deposit has an average maturity of Nil (2020: 7 days).

9. FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 24 (2020: 24) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RM68,682,600 (receivable) and RM115,136,050 (payable) (2020: RM208,304,707 (receivable) and RM64,352,500 (payable)). The forward foreign currency contracts entered into during the financial period were for hedging against the currency exposure arising from the investment in the foreign unquoted fixed income securities denominated in SGD and USD. As the Fund has not adopted hedge accounting during the financial period, the change in the fair value of the forward foreign currency contracts is recognised immediately in the statement of comprehensive income.

10. UNITS IN CIRCULATION

| | 2021 | 2020 |
|---|--------------|---------------|
| | No. of units | No. of units |
| At the beginning of the financial period | 415,865,225 | 595,862,134 |
| Creation of units arising from applications during the financial period | 8,180,704 | 61,216,626 |
| Creation of units arising from distribution during the financial period | 20,772,289 | 6,032,742 |
| Cancellation of units during the financial period | (81,216,839) | (144,894,971) |
| At the end of the financial period | 363,601,379 | 518,216,531 |

11. TRANSACTIONS WITH DEALERS

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

| Name of dealers | Value of trades | Percentage of total trades | Brokerage fees | Percentage of total brokerage fees |
|--|--------------------|----------------------------------|-------------------|---|
| | RM | % | RM | % |
| <u>2021</u> | | | | |
| Nomura International Plc | 13,916,063 | 28.17 | - | - |
| Guotai Junan Securities (Hong Kong) Limited | 6,001,213 | 12.15 | - | - |
| JP Morgan Securities Limited | 5,091,000 | 10.30 | - | - |
| Hong Leong Bank Singapore | 5,080,000 | 10.28 | - | - |
| Merrill Lynch International Ltd | 2,522,031 | 5.10 | - | - |
| SGX Bond Trading Pte Ltd | 2,430,456 | 4.92 | - | - |
| Mizuho Securities Asia Ltd | 2,193,434 | 4.44 | - | - |
| HSBC Singapore | 2,116,325 | 4.28 | - | - |
| Marketaxess Capital Limited | 1,748,153 | 3.54 | - | - |
| Goldman Sachs International | 1,581,174 | 3.20 | - | - |
| Others | 6,723,670 | 13.62 | - | - |
| | 49,403,519 | 100.00 | - | - |

| Name of dealers | Value of trades | Percentage of total trades | Brokerage fees | Percentage of total brokerage fees |
|----------------------------------|--------------------|----------------------------|----------------|------------------------------------|
| | RM | % | RM | % |
| <u>2020</u> | | | | |
| Citigroup Global Markets Limited | 23,503,846 | 17.61 | - | - |
| Mizuho Securities Asia Ltd | 15,124,618 | 11.33 | - | - |
| Marketaxess Capital Limited | 11,505,925 | 8.62 | - | - |
| HSBC Singapore | 11,405,138 | 8.54 | - | - |
| First Abu Dhabi Bank P.J.S.C | 8,896,545 | 6.66 | - | - |
| JP Morgan Securities Limited | 8,600,088 | 6.44 | - | - |
| CSI Global Markets Limited | 8,530,000 | 6.39 | - | - |
| SGX Bond Trading Pte Ltd | 7,057,669 | 5.29 | - | - |
| Nomura International Plc | 6,378,188 | 4.78 | - | - |
| DBS Bank Limited | 5,100,752 | 3.82 | - | - |
| Others | 27,395,652 | 20.52 | - | - |
| | <u>133,498,421</u> | <u>100.00</u> | - | - |

All dealers highlighted above are not related to the Manager.

12. 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 | 2,503 | 1,172 | 2,284 | 1,186 |

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.

13. MANAGEMENT EXPENSE RATIO ("MER")

| | 2021 | 2020 |
|-----|------|------|
| | % | % |
| MER | 0.68 | 0.68 |

MER is derived from the following calculation:

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

A = Management fee

B = Trustee fee

C = Audit fee

D = Tax agent fee

E = Other expenses

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

The average net asset value of the Fund for the financial period calculated on a daily basis is RM191,491,908 (2020: RM290,224,396).

14. PORTFOLIO TURNOVER RATIO ("PTR")

| | 2021 | 2020 |
|-------------|------|------|
| PTR (times) | 0.13 | 0.23 |

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 = RM14,089,425 (2020: RM66,831,434)

total disposals for the financial period = RM35,314,094 (2020: RM66,666,987)

15. 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.

16. APPROVAL OF FINANCIAL STATEMENTS

The unaudited financial statements have been approved for issue by the Manager on 7 January 2022.

CORPORATE DIRECTORY

THE MANAGER

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

200001028634 (531241-U)

REGISTERED OFFICE

Level 25, Menara Hong Leong

No. 6, Jalan Damanela

Bukit Damansara

50490 Kuala Lumpur

BUSINESS OFFICE

Level 22, Menara Prudential

Persiaran TRX Barat

55188 Tun Razak Exchange

Kuala Lumpur

TELEPHONE NO.

603-2778 3888

FAX NO.

603-2789 7220

EMAIL

cs.my@eastspring.com

WEBSITE

www.eastspring.com/my

TRUSTEE

NAME

DEUTSCHE TRUSTEES MALAYSIA BERHAD

COMPANY NO.

200701005591 (763590-H)

REGISTERED OFFICE & BUSINESS OFFICE

Level 20, Menara IMC

No. 8, Jalan Sultan Ismail

50250 Kuala Lumpur

TELEPHONE NO.

603-2053 7522

FAX NO.

603-2053 7526

SALE & PURCHASE OF UNITS

Eastspring Investments Berhad

Level 22, Menara Prudential

Persiaran TRX Barat

55188 Tun Razak Exchange

Kuala Lumpur

TELEPHONE NO.

603-2778 1000

BRANCHES

Petaling Jaya

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

TELEPHONE NO.

603-7948 1288

Kota Kinabalu

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

TELEPHONE NO.

6088-238 613

ENQUIRIES

CLIENT SERVICES

603-2778 1000

Eastspring Investments Berhad 200001028634 (531241-U)
Level 22, Menara Prudential, Persiaran TRX Barat
55188 Tun Razak Exchange, Kuala Lumpur
T: (603) 2778 3888 F: (603) 2789 7220
eastspring.com/my

Client Services
T: (603) 2778 1000
cs.my@eastspring.com