

EASTSPRING INVESTMENTS GLOBAL TARGET INCOME FUND

INTERIM REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD
ENDED 30 NOVEMBER 2020



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 2020.

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

TABLE OF CONTENTS

Fund Information	1
Key Performance Data	3
Manager's Report	5
Market Review	17
Rebates and Soft Commissions	17
Statement by the Manager	20
Trustee's Report to the Unit Holders of Eastspring Investments Global Target Income Fund	21
Unaudited Statement of Comprehensive Income	22
Unaudited Statement of Financial Position	23
Unaudited Statement of Changes in Equity	24
Unaudited Statement of Cash Flows	25
Summary of Significant Accounting Policies	26
Notes to the Unaudited Financial Statements	35
Corporate Directory	76

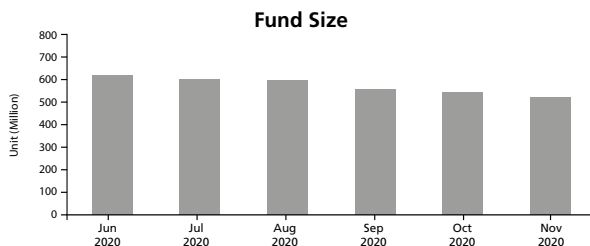
FUND INFORMATION

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 2020, the size of Eastspring Investments Global Target Income Fund stood at 518.217 million units.



Breakdown of Unit Holdings

Unit Holdings	No. of Unit Holders	%	No of Units* ('000)	%
5,000 units and below	220	19.21	604	0.12
5,001 to 10,000 units	140	12.23	1,045	0.20
10,001 to 50,000 units	466	40.70	11,264	2.17
50,001 to 500,000 units	275	24.02	38,332	7.40
500,001 units and above	44	3.84	466,970	90.11
Total	1,145	100.00	518,215	100.00

* excludes units held by the Manager.

KEY PERFORMANCE DATA

FOR THE FINANCIAL PERIOD ENDED

Category	30.11.2020	30.11.2019	30.11.2018
	(%)	(%)	(%)
Unquoted fixed income securities	86.65	92.45	86.85
Derivatives	3.19	4.87	4.41
Cash and other assets	10.16	2.68	8.74
Total	100.00	100.00	100.00
Net Asset Value (NAV) (RM'000)	269,036	344,180	417,445
Units In Circulation (Units '000)	518,217	654,707	844,146
Net Asset Value Per Unit (RM)	0.5192	0.5257	0.4945
Highest Net Asset Value Per Unit (RM) [#]	0.5192	0.5259	0.5134
Lowest Net Asset Value Per Unit (RM) [#]	0.4856	0.5111	0.4944
Total Return (%)			
- Capital Growth	7.76	2.36	(3.04)
- Income Distribution	1.01	2.27	-
Total Return (%)	8.85	4.68	(3.04)
Gross Distribution Per Unit (RM)	0.0049	0.0118	-
Net Distribution Per Unit (RM)	0.0049	0.0118	-
Management Expense Ratio (MER) (%) [*]	0.68	0.68	0.68
Portfolio Turnover Ratio (PTR) (times) [^]	0.23	0.13	0.06

[#] 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 1.12.2019 to 30.11.2020	3 years 1.12.2017 to 30.11.2020	Since commencement 8.8.2016 to 30.11.2020
	(%)	(%)	(%)
Average total return	2.29	2.92	4.03

Year ended	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
	(%)	(%)	(%)	(%)
Average total return	(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:

$$\begin{aligned} \text{Percentage growth} &= \frac{\text{NAV}_t}{\text{NAV}_0} - 1 \\ \text{NAV}_t &= \text{NAV at the end of the period} \\ \text{NAV}_0 &= \text{NAV at the beginning of the period} \\ \text{Performance annualised} &= (1 + \text{Percentage Growth})^{1/n} - 1 \\ &\quad \text{Adjusted for unit split and distribution paid out} \\ &\quad \text{for the period} \\ n &= \text{Number of years} \end{aligned}$$

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

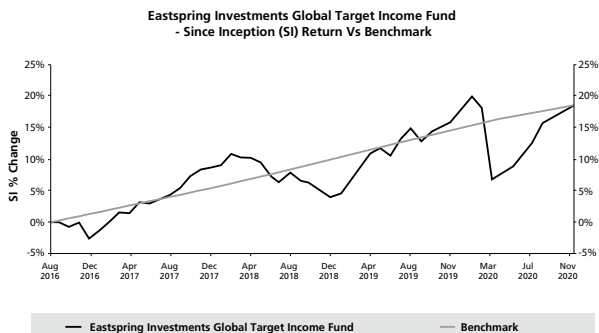
MANAGER'S REPORT

Fund Performance

Since inception, the Fund registered a return of 18.60%, outperforming the benchmark return of 18.54% by 0.06%.

For the period under review, the Fund registered a return of 8.85%, outperforming the benchmark return of 1.44% by 7.41%.

Over the review period, the Fund registered a strong positive return on the back of generally positive performance of Asian and Emerging Market credits. Specifically, the Fund's holdings in Hong Kong and China financial and real estate sectors were among the key positive contributors (on a weighted basis). Allocation to Indonesia high yield credits also added to the returns. The gains were, however, lowered somewhat by the Fund's holdings in selected Chile quasi-sovereigns as well as China oil & gas credits.



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 2020.

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 2020:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
1.01	7.76	8.85	1.44

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

Distribution/ Unit Split

Ex-Date	26-Jun-20
Distribution Per Unit	(RM)
Gross	0.0049
Net	0.0049

Impact on NAV arising from distribution for the financial period ended 30 November 2020.

Ex-Date	26-Jun-20
	(RM per Unit)
Net Asset Value before distribution	0.4916
Less: distribution	(0.0049)
Net Asset Value after distribution	0.4867

No unit split were declared for the financial period ended 30 November 2020.

MANAGER'S REPORT (CONTINUED)

Investment Strategy During the Period Under Review

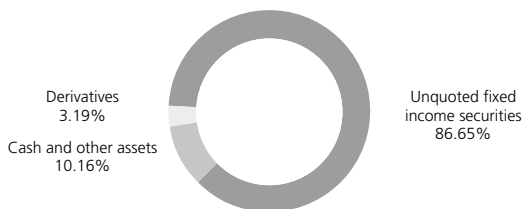
The Fund seeks to achieve its objective by investing in bonds such as rated bonds, non-rated bonds and/or bonds rated below investment grade globally including Malaysia. Non-rated bonds are bonds that have not received a credit rating from one or more of the major credit rating agencies. The Fund's investments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

The Fund is expected to invest up to 40% of the Fund's Net Asset Value ("NAV") in non-rated bonds and/or bonds rated below investment grade, there is a risk that this limit may be exceeded if investment grade bonds held within the portfolio were downgraded to below investment grade. 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 the non-rated bonds and/or bond rated below investment grade to 40% of the Fund's NAV.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	30-Nov 2020	31-May 2020	Changes
	(%)	(%)	(%)
Unquoted fixed income securities	86.65	89.80	(3.15)
Derivatives	3.19	1.02	2.17
Cash and other assets	10.16	9.18	0.98

Asset Allocation as at 30 November 2020

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

State of Affairs of the Fund

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

Effective from 15 August 2019, John Campbell Tupling has been appointed as a director on the board of directors of Eastspring Investments Berhad.

In the recently issued Eastspring Investments Fifth Supplementary Master Prospectus dated 1 October 2020, the information in relation to distribution channels, how to purchase units, purchase application and acceptance for cash, how to pay for an investment, how to redeem units, switching between funds, transfer of units, how to keep track of your investment, treatment for joint application and reinvestment policy have been revised as set out in (a) to (j) below.

MANAGER'S REPORT (CONTINUED)

State of Affairs of the Fund (continued)

a. Distribution channels

The Fund is distributed through the Manager's head office, branch offices and Authorised Distributors. Please refer to the Directory of Sales Office and List of Distribution Channels sections at the end of this master prospectus for more information.

Should a Unit Holder wish to consider investment, subsequent investment, redemption, switching or transfer of Units, the Unit Holder must complete the relevant transaction forms which can be obtained from these distribution channels of the Manager. Upon confirming the transaction, the Unit Holder will receive a confirmation advice.

Any correspondence will ONLY be sent to the Unit Holder at the correspondence address and/or email address that is registered by the Manager as provided by the Unit Holder in the master account opening form.

MANAGER'S REPORT (CONTINUED)

State of Affairs of the Fund (continued)

b. How to purchase units

When purchasing Units of the Fund, investors must forward the following completed documents* to the Manager:

Individual	Non-individual
<ul style="list-style-type: none"> • Master account opening form • Transaction form • Proof of payment which is acceptable by the Manager • Suitability assessment form • Certified true copy of identity card, passport or other identification 	<ul style="list-style-type: none"> • Master account opening form • Transaction form • Proof of payment which is acceptable by the Manager • Suitability assessment form • Certified true copy of board resolution • Certified true copy of latest annual return • Certified true copy of corporate structure (where applicable) • Certified true copy of identity card or passport of directors and authorised representatives • Certified true copy of form 24 / return of allotment of shares under section 78 of the Companies Act 2016 (not required for a public listed company or an entity licensed by the SC, BNM or Labuan FSA) • Certified true copy of form 49 / notification of change in the register of directors, managers and secretaries under section 58 of the Companies Act 2016

MANAGER'S REPORT (CONTINUED)

State of Affairs of the Fund (continued)

Individual

Non-individual

- Certified true copy of the constitution (if any)
- Certified true copy of the certificate of incorporation
- Certified true copy of form 13 / application for change of name under section 28 of the Companies Act 2016 (if applicable)
- Certified true copy of form 44 / notification of change in the registered address under section 46 of the Companies Act 2016 (if applicable)
- Personal data protection notice form for directors and authorised representatives

Note:

* The documents listed may be subject to change from time to time.

A Unit Holder may be required to forward to the Manager additional documents to authenticate his identification when transacting Units of the Fund. The Manager reserves the right to reject any application without providing any reason.

The Manager allows a Unit Holder the convenience of maintaining all his investments in ONE single master account regardless of the number of funds he invests with the Manager.

MANAGER'S REPORT (CONTINUED)

State of Affairs of the Fund (continued)

c. Purchase application and acceptance for cash

2nd and 3rd paragraphs:

Note: Our approved distributors may have an earlier cut-off time for purchase of Units request.

When the purchase application is received after the cut-off time stated above, the purchase application will be deemed to have been received on the next Business Day. The Manager reserves the right to vary the terms and conditions of investment and payment modes from time to time, which shall be communicated to you in writing. The Manager reserves the right to reject any application without providing any reason. The Manager may also reject any application that is incomplete and/or not accompanied by the required documents.

d. How to pay for an investment

3rd paragraph:

Cheque can be deposited directly into the Manager's bank account by using a bank deposit slip at any branch of the Manager's principal bankers stated below. The original client's copy of the bank deposit slip (proof of payment) must be sent together with the application for Units. Unit Holders are encouraged to indicate their name and National Registration Identity Card ("NRIC") number on the bank deposit slip.

MANAGER'S REPORT (CONTINUED)

State of Affairs of the Fund (continued)

e. How to redeem units

5th, 6th and 7th paragraphs:

Note: Our approved distributors may have an earlier cut-off time for redemption of Units request.

When the redemption application is received after the cut-off time stated above, the redemption application will be deemed to have been received on the next Business Day. The Manager reserves the right to vary the terms and conditions for redemption from time to time, which shall be communicated to you in writing.

9th paragraph:

[Deleted]

f. Switching between funds

3rd paragraph:

There is no limit on the frequency of switching and there is a minimum number of 1,000 Units for switching out of the Funds. However, the minimum switching (in or out) for Eastspring Cash Management is 10,000 Units and the minimum switching out for Eastspring Islamic Income and Eastspring Institutional Income is 10,000 Units. The Manager may at its sole discretion disallow switching into any fund which is managed by the Manager from time to time.

MANAGER'S REPORT (CONTINUED)

State of Affairs of the Fund (continued)

7th paragraph:

Note: Our approved distributors may have an earlier cut-off time for switching of Units request.

When a switching application is received after the cut-off time stated above, the switching application will be deemed to have been received on the next Business Day. The Manager reserves the right to vary the terms and conditions of switching from time to time, which shall be communicated to you in writing.

11th paragraph:

[Deleted]

g. Transfer of units

2nd paragraph:

A transfer is subject to the minimum balance and terms and conditions applicable for the Fund. However, both the transferor and the transferee should maintain the minimum holding of Units for the Fund after a transfer is made. If the transferee does not have any account with the Manager prior to this transfer application, he must forward the completed documents listed in page 187 of this master prospectus to the Manager for account opening in addition to a transfer form.

MANAGER'S REPORT (CONTINUED)

State of Affairs of the Fund (continued)

4th and 5th paragraphs:

Note: Our approved distributors may have an earlier cut-off time for transfer of Units request.

When the transfer application is received after the cut-off time stated above, the transfer application will be deemed to have been received on the next Business Day. The Manager reserves the right to vary the terms and conditions for transfer from time to time, which shall be communicated to you in writing.

h. How to keep track of your investment

3rd and 4th paragraphs:

A Unit Holder can also review and track the performance of his Units by checking the Unit prices published every Business Day on the Manager's website, www.eastspring.com/my.

A Unit Holder can always contact the Manager's client services personnel to assist in the following:

1. enquiry on the latest Unit price and account balance;
2. any transaction related enquiries, for example top up investment, redemption, switching or transfer;
3. request to change personal details, for example address or telephone no;
4. request for confirmation advices on purchase and other transactions related to your Unit holdings, half yearly statements and copy of annual and/or interim reports; and
5. other queries regarding the Fund's performance.

MANAGER'S REPORT (CONTINUED)

State of Affairs of the Fund (continued)

i. Treatment for joint application – under Transaction details

New paragraph added:

In the event the Units carry more than one Unit Holder's name, i.e. "Joint Application", the redemption / switching / transfer application will be signed by both joint holders. If the application specifies "Either Applicant to sign", any one Unit Holder who is eighteen (18) years old and above will have the authority to sign the application. In all cases, redemption proceeds will be paid to the principal account holder or in the names of both account holders in the register of Unit Holders.

j. Income reinvestment policy

2nd paragraph:

Should a Unit Holder elect the mode of distribution in the master account opening form or provide any written instruction to the Manager for the income distribution to be paid out, the income distribution proceeds will either be paid by cheque or credited to a Malaysian domiciled bank account via telegraphic or online transfer. Any fees or charges imposed by the bank will be borne by the Unit Holder.

Cross-Trade Transaction

During the period under review, there were cross-trades executed through a dealer or a financial institution on an arm's length and fair value basis and in the best interest of the Fund. The investment committee for the Fund has partially reviewed that such trades for the period from June to September 2020 were transacted on an arm's length and fair value basis and in the best interest of the Fund. There were no cross-trades executed for the period from October to November 2020.

MARKET REVIEW

Risk sentiment generally held up well over the period under review. Improving global economic data, coupled with positive news on the development of COVID-19 vaccines, spurred optimism on global recovery. However, the optimism was tempered by a resurgence in COVID cases in a number of countries, including US and Europe.

Re-escalation of tensions between China and US, as well as increased political noises in the run-up to the November US elections also resulted in some market volatility over the September-October period. Amid the mixed backdrop, shorter-dated US Treasury ("UST") yields traded largely in a range. However, rises were seen in long-dated UST yields on the back of supply concerns, while the Fed's announcement of a flexible average inflation targeting framework was perceived by the market as being more tolerant of higher inflation.

In Asia, economic data similarly was on an improving trend, led by China. Credit rating trajectory of Asian issuers also showed signs of stabilizing after a spate of negative rating actions in 1H 20. Against the backdrop of more supportive risk sentiment, credit spreads in Asia continued to tighten, lifting returns of the Asian USD-denominated credit market over the period under review. The positive performance was led by the high yield corporate and sovereign sectors, albeit with uneven performance across industries as negative idiosyncratic developments weighed on performance on selected segments of the market. More muted spread tightening was seen among investment grade corporates. Higher US Treasury yields at the long end of the curve also contributed to the underperformance of the sector. Further, strong supply of new issuances weighed on performance of the sector somewhat.

REBATES AND SOFT COMMISSIONS

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

This page is intentionally left blank.

EASTSPRING INVESTMENTS GLOBAL TARGET INCOME FUND

UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020

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 22 to 75 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 2020 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: 8 January 2021

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 2020. 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 2020 by the Manager is not inconsistent with the objectives of the Fund.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Trustee Operations

Gerard Ang Boon Hock
Chief Executive Officer

Kuala Lumpur
Date: 8 January 2021

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020

	Note	6-months financial period ended 30.11.2020	6-months financial period ended 30.11.2019
		RM	RM
INVESTMENT INCOME			
Interest income from deposits			
with licensed financial institutions		111,840	66,130
Interest income from unquoted			
fixed income securities		7,710,870	10,813,455
Other income		13,457	25,000
Net (loss)/gain on financial assets at			
fair value through profit or loss	7	(851,764)	7,259,698
Net gain on forward foreign currency contracts		20,995,282	2,028,975
Net foreign currency exchange loss		(1,204,585)	(109,082)
		<u>26,775,100</u>	<u>20,084,176</u>
EXPENSES			
Management fee	3	(1,818,310)	(2,338,499)
Trustee fee	4	(101,825)	(130,956)
Audit fee		(6,267)	(6,249)
Tax agent fee		(1,705)	(1,700)
Other expenses		(49,868)	(57,751)
		<u>(1,977,975)</u>	<u>(2,535,155)</u>
PROFIT BEFORE TAXATION		24,797,125	17,549,021
TAXATION	6	-	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		<u>24,797,125</u>	<u>17,549,021</u>
Profit after taxation is made up of the following:			
Realised amount		19,467,406	11,262,336
Unrealised amount		5,329,719	6,286,685
		<u>24,797,125</u>	<u>17,549,021</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 2020

	Note	2020	2019
		RM	RM
ASSETS			
Financial assets at fair value through profit or loss	7	233,087,081	318,263,522
Amount due from Manager		446,870	1,222,741
Forward foreign currency contracts at fair value through profit or loss	9	10,017,377	16,755,557
Cash and cash equivalents	8	29,534,214	11,245,401
TOTAL ASSETS		<u>273,085,542</u>	<u>347,487,221</u>
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	9	1,444,118	-
Amount due to Manager		2,282,700	2,902,694
Accrued management fee		280,017	358,077
Amount due to Trustee		15,681	20,052
Other payables and accruals		27,434	26,015
TOTAL LIABILITIES		<u>4,049,950</u>	<u>3,306,838</u>
NET ASSET VALUE OF THE FUND		<u>269,035,592</u>	<u>344,180,383</u>
EQUITY			
Unit holders' capital		254,975,759	323,771,800
Retained earnings		14,059,833	20,408,583
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>269,035,592</u>	<u>344,180,383</u>
NUMBER OF UNITS IN CIRCULATION	10	<u>518,216,531</u>	<u>654,707,310</u>
NET ASSET VALUE PER UNIT (EX-DISTRIBUTION) (RM)		<u>0.5192</u>	<u>0.5257</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 2020

	Note	Unit holders' capital	Retained earnings	Total
		RM	RM	RM
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: 0.0049 sen/Net: 0.0049 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>
Balance as at 1 June 2019		386,089,877	11,656,735	397,746,612
Movement in unit holders' contribution:				
Creation of units from applications		32,355,674	-	32,355,674
Creation of units from distribution		8,660,597	-	8,660,597
Cancellation of units		(103,334,348)	-	(103,334,348)
Distribution				
(Gross: 0.0118 sen/Net: 0.0118 sen)	5	-	(8,797,173)	(8,797,173)
Total comprehensive income for the financial period		-	17,549,021	17,549,021
Balance as at 30 November 2019		<u>323,771,800</u>	<u>20,408,583</u>	<u>344,180,383</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 2020

	Note	6-months financial period ended 30.11.2020	6-months financial period ended 30.11.2019
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		115,946,907	76,869,247
Payments for purchase of investments		(67,279,259)	(24,851,630)
Other income		13,457	25,000
Interest income received from deposits with licensed financial institutions		111,840	66,130
Interest income received from unquoted fixed income securities		7,243,053	10,792,458
Management fee paid		(1,839,917)	(2,410,194)
Trustee fee paid		(103,035)	(134,971)
Payment for other fees and expenses		(61,668)	(67,866)
Net foreign exchange loss		(1,204,585)	(109,082)
Net cash generated from operating activities		<u>52,826,793</u>	<u>60,179,092</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from units created		33,510,095	39,930,155
Payments for cancellation of units		(72,121,892)	(103,189,008)
Distribution paid		(2,990,179)	(8,797,173)
Net cash used in financing activities		<u>(41,601,976)</u>	<u>(72,056,026)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		11,224,817	(11,876,934)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD			
		<u>18,309,397</u>	<u>23,122,335</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD			
	8	<u>29,534,214</u>	<u>11,245,401</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 2020

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 judgment in the process of applying the Fund's accounting policies. Although these estimates and judgment are based on the Manager's best knowledge of current events and actions, actual results may differ.

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

- a. Standards, amendments to published standards and interpretations that are effective:

The Fund has applied the following amendments for the first time for the financial year beginning on 1 June 2020:

Amendments to the definition of material (Amendments to MFRS 101 and MFRS 108) effective 1 January 2020.

The amendments clarify the definition of materiality and use a consistent definition throughout MFRSs and the Conceptual Framework for Financial Reporting.

The definition of 'material' has been revised as "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of financial statements for general purposes make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments also:

- clarify that an entity assess materiality in the context of the financial statements as a whole.
- explain the concept of obscuring information in the new definition. Information is obscured if it has the similar effect as omitting or misstating of that information. For example, material transaction is scattered throughout the financial statements, dissimilar items are inappropriately aggregated, or material information is hidden by immaterial information.
- clarify the meaning of 'primary users of financial statements for general purpose' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on financial statements for much of the financial information they need.

This amendment is not expected to have a significant impact on the Fund's financial statements.

B. INCOME RECOGNITION

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

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

Realised 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.

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 classify its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (“OCI”) or through profit or loss), and
- those to be measured at amortised cost

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

The Fund classifies cash and cash equivalents 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’s classifies amount due to Manager, accrued management fee, amount due to Trustee 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 liability are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, and through the amortisation process.

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

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 using the net present value method based on fair value prices quoted by a bond pricing agency ("BPA") registered with the Securities Commission as per the Securities Commission's Guidelines on Unit Trust Funds. Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA 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;
- ii. obtains necessary internal approvals to use the non-BPA price; and
- iii. keeps an audit trail of all decisions and basis for adopting the market yield.

Unquoted fixed income securities denominated in foreign currencies are revalued on a daily basis by reference to the price obtained from at least three financial institutions. However, if such quotations are not available or should the gaps of the quotations provided by the financial institutions differ by more than 20 basis points, the valuation shall be determined by reference to the value of such debt securities quoted by Reuters.

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

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

iii. Impairment for assets carried at amortised costs

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

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.

Definition of default and credit-impaired financial assets

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

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 equivalent comprise bank balances and deposit with a licensed financial institution that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

H. UNIT HOLDERS' CAPITAL

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

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

The outstanding units are carried at the redemption amount that is payable at each financial 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 ("NAV") per unit at the time of creation or cancellation. The Fund's NAV 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 held-for-trading 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 of the Fund.

K. AMOUNTS DUE FROM/(TO) BROKERS

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. 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 amounts 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 judgments are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a. Estimate of fair value of unquoted fixed income securities

The Fund uses significant judgement in determining whether an investment is impaired. The Fund evaluates, among other factors, the duration and extent to which the fair value of the investment is less than cost, and the financial health and near-term business outlook for the investee, including factors such as industry and sector performance, macroeconomic factors and speculation.

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 Securities Commission Guidelines on Unit Trust Funds.

However, the Manager is of the opinion that in applying the accounting policies, no significant judgment was required.

Unquoted fixed income securities are valued using fair value prices quoted by a bond pricing agency ("BPA"). Where the Manager is of the view that the price quoted by BPA for a specific bond differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager records its basis for using a non-BPA price, obtains necessary internal approvals to use the non-BPA price, and keeps an audit trail of all decisions and basis for adopting the use of non-BPA price.

Unquoted fixed income securities denominated in foreign currencies are revalued on a daily basis by reference to the price obtained from at least three financial institutions. However, if such quotations are not available or should the gaps of the quotations provided by the financial institutions differ by more than 20 basis points, the valuation shall be determined by reference to the value of such debt securities quoted by Reuters.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020

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.

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

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

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 RM	Financial assets at fair value through profit or loss RM	Total RM
2020				
Unquoted fixed income securities	7	-	233,087,081	233,087,081
Forward foreign currency contracts at fair value through profit or loss	9	-	8,573,259	8,573,259
Amount due from Manager		446,870	-	446,870
Cash and cash equivalents	8	29,534,214	-	29,534,214
		<u>29,981,084</u>	<u>241,660,340</u>	<u>271,641,424</u>
2019				
Unquoted fixed income securities	7	-	318,263,522	318,263,522
Forward foreign currency contracts at fair value through profit or loss	9	-	16,755,557	16,755,557
Amount due from Manager		1,222,741	-	1,222,741
Cash and cash equivalents	8	11,245,401	-	11,245,401
		<u>12,468,142</u>	<u>335,019,079</u>	<u>347,487,221</u>

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

Market risk

i. Price risk

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

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

	2020	2019
	RM	RM
Unquoted fixed income securities designated at fair value through profit or loss*	233,087,081	318,263,522
<u>Derivatives</u>		
Forward foreign currency contracts financial asset at fair value through profit or loss	8,573,259	16,755,557

* Includes interest receivable of RM3,275,193 (2019: RM3,930,849).

The following table summarises the sensitivity of the Fund's net asset value and profit after tax to movements in prices of unquoted fixed income securities and derivatives 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 and derivatives 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 and derivatives, having regard to the historical volatility of the prices.

% Change in price	Market value	Impact on profit after tax and net asset value
	RM	RM
<u>2020</u>		
+5%	250,304,404	11,919,257
-5%	226,465,890	(11,919,257)
<u>2019</u>		
+5%	347,642,642	16,554,412
-5%	314,533,819	(16,554,412)

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

The table below summarises the sensitivity of the Fund's profit after tax and NAV to movements in prices 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.

	2020	2019
% Change in interest rate of unquoted fixed income securities	Impact on profit after tax/change in net asset value	Impact on profit after tax/change in net asset value
	RM	RM
+1%	(414,910)	(580,518)
-1%	416,913	582,866

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.

	Unquoted fixed income securities	Forward foreign currency contracts	Cash and cash equivalents	Total
	RM	RM	RM	RM
<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>
<u>2019</u>				
SGD	63,832,003	5,104,064	3,221,815	72,157,882
USD	243,779,297	11,651,493	7,562,454	262,993,244
	<u>307,611,300</u>	<u>16,755,557</u>	<u>10,784,269</u>	<u>335,151,126</u>

The table below summarises the sensitivity of the Fund's financial assets 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 profit after tax	Impact on net asset value
	%	RM	RM
<u>2020</u>			
SGD	5	3,323,696	3,323,696
USD	5	9,252,718	9,252,718
<u>2019</u>			
SGD	5	3,607,894	3,607,894
USD	5	13,149,662	13,149,662

Country risk

A Unit Trust Fund ("UTF") 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 Fund. With close monitoring by the investment committee, back office system being incorporated with limits and controls, and regular reporting to the senior management team, the management company is able to manage such risk. The Trustee has an oversight function over management of the Fund by the management company to safeguard the interests of unit 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, deposit with a licensed financial institution and other instruments which are capable of being converted into cash within 7 days.

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

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

2020

Forward foreign currency

contracts at fair value

through profit or loss - 1,347,461 96,657 1,444,118

Amount due to Manager 2,282,700 - - 2,282,700

Accrued management fee 280,017 - - 280,017

Amount due to Trustee 15,681 - - 15,681

Other payables and accruals - 27,434 - 27,434

Contractual cash outflows 2,578,398 1,374,895 96,657 4,049,950

2019

Amount due to Manager 2,902,694 - - 2,902,694

Accrued management fee 358,077 - - 358,077

Amount due to Trustee 20,052 - - 20,052

Other payables and accruals - 26,015 - 26,015

Contractual cash outflows 3,280,823 26,015 - 3,306,838

Non-compliance risk

Non-compliance risk arises when the Manager and others associated with the Fund are not compliant to the rules set out in the Fund's constitution or the 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 RM254,975,759 (2019: RM323,771,800) and retained earnings of RM14,059,833 (2019: RM20,408,583). 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 Securities Commission.

The credit risk arising from placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

The Fund seeks to mitigate credit/default risk by investing in high quality 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
2020				
Finance				
- 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
	29,534,214	243,104,458	446,870	273,085,542

	Cash and cash equivalents	Financial assets at fair value through profit and loss	Amount due from Manager	Total
	RM	RM	RM	RM
<u>2019</u>				
Finance				
- AA1	11,245,401	-	-	11,245,401
Unquoted fixed income securities				
- A-3	-	860,537	-	860,537
- AA3 (S)	-	10,652,222	-	10,652,222
- B	-	20,206,080	-	20,206,080
- B-	-	2,561,258	-	2,561,258
- B+	-	3,063,328	-	3,063,328
- B1	-	1,327,124	-	1,327,124
- B2	-	7,484,947	-	7,484,947
- Baa2	-	1,556,153	-	1,556,153
- Baa3	-	74,459,633	-	74,459,633
- Ba3	-	9,554,844	-	9,554,844
- BB	-	13,444,848	-	13,444,848
- BB-	-	3,927,519	-	3,927,519
- BB+	-	16,132,896	-	16,132,896
- BBB	-	20,803,400	-	20,803,400
- BBB-	-	49,669,183	-	49,669,183
- BBB+	-	22,982,565	-	22,982,565
- Caa2	-	3,819,879	-	3,819,879
- CCC-	-	3,461,258	-	3,461,258
- NR	-	52,295,848	-	52,295,848
Forward foreign currency contracts				
- AAA	-	16,755,557	-	16,755,557
Other				
- NR	-	-	1,222,741	1,222,741
	<u>11,245,401</u>	<u>335,019,079</u>	<u>1,222,741</u>	<u>347,487,221</u>

None of these 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) are based on quoted market prices at the close of trading on the 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 Fund Manager will determine the point within the bid-ask spread that is representative of the fair value.

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

Fair value hierarchy

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

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

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

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

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

	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

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
2019				
Financial assets at fair value through profit or loss:				
Unquoted fixed income securities	-	318,263,522	-	318,263,522
Forward foreign currency contracts	-	16,755,557	-	16,755,557

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 2020, the Management fee is recognised at a rate of 1.25% (2019: 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 2020, the Trustee fee is recognised at a rate of 0.07% (2019: 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

	2020	2019
	RM	RM
Distribution to unit holders are from the following sources:		
Prior periods' realised income	3,882,885	11,965,949
Gross realised income	3,882,885	11,965,949
Less: Expenses	(892,706)	(3,168,776)
	<u>2,990,179</u>	<u>8,797,173</u>
Gross distribution per unit (sen)	<u>0.0049</u>	<u>0.0118</u>
Net distribution per unit (sen)	<u>0.0049</u>	<u>0.0118</u>
Ex-Date	<u>26 June 2020</u>	<u>08 July 2019</u>

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.

Included in the distribution for the financial year is an amount of RM2,990,179 (2019: RM8,797,173) made from previous financial year's realised income.

6. TAXATION

	6-months financial period ended 30.11.2020	6-months financial period ended 30.11.2019
	RM	RM

Tax charged for the financial period:

Current taxation - local

-

-

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

	6-months financial period ended 30.11.2020	6-months financial period ended 30.11.2019
	RM	RM
Profit before taxation	24,797,125	17,549,021
Tax at Malaysian statutory rate of 24% (2019: 24%)	5,951,310	4,211,765
Tax effects of:		
Investment income exempt from tax	(6,426,024)	(4,820,203)
Expenses not deductible for tax purposes	36,816	45,698
Restriction on tax deductible expenses for Unit Trust Funds	437,898	562,740
Taxation	-	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020	2019
	RM	RM
Designated at fair value through profit or loss:		
Unquoted fixed income securities	233,087,081	318,263,522
Net (loss)/gain on financial assets at fair value through profit or loss:		
Realised (loss)/gain on disposals	(526,858)	2,245,574
Change in unrealised fair value (loss)/gain	(324,906)	5,014,124
	(851,764)	7,259,698

Unquoted fixed income securities

Name of counter	Nominal value RM	Aggregate cost RM	Fair value as at 30.11.2020 RM	Percentage of net asset value of the Fund %
<u>Bond</u>				
4.38% 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

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	%
<u>Bond (continued)</u>				
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
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

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	%
<u>Bond (continued)</u>				
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
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

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	%
<u>Bond (continued)</u>				
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 PJSC 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
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

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	%
<u>Bond (continued)</u>				
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
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	%
<u>Bond (continued)</u>				
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
6.00% PT Alam Sutera Realty TBK 2.11.2024 (D)	394,000	1,599,497	1,232,142	0.46

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	%
<u>Bond (continued)</u>				
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
7.88% Sunac China Holdings Limited 15.2.2021 (B+)	400,000	1,692,395	1,703,634	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	%
<u>Bond (continued)</u>				
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% Thailoil 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	%
<u>Bond (continued)</u>				
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)

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

233,087,081

Unquoted fixed income securities

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2019	Percentage of net asset value of the Fund
	RM	RM	RM	%
<u>Bond</u>				
8.50% Agile Group Holdings Ltd 18.07.2020 (BB)	300,000	1,298,128	1,360,719	0.40
11.50% Alam Synergy Pte Ltd 22.04.2020 (B-)	600,000	2,543,170	2,561,258	0.74
5.95% APL Realty Holdings Pte Ltd 02.06.2021 (B2)	1,200,000	5,361,165	4,300,257	1.25
5.20% Ara Asset Management Limited 19.07.2022 (NR)	5,250,000	16,647,928	16,376,750	4.76
6.75% Australian and New Zealand Banking Group Limited 15.06.2026 (BBB-)	500,000	2,191,382	2,434,286	0.71
4.50% CCB Life Insurance Company Limited 21.04.2022 (BBB)	3,400,000	15,064,975	14,321,619	4.16
4.25% Chalco Hong Kong Investment Company Limited 07.11.2021 (BBB+)	4,500,000	18,740,809	19,046,726	5.53
0% Champion Sincerity Holding Limited 08.02.2022 (Ba3)	300,000	1,264,943	1,350,199	0.39

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2019	Percentage of net asset value of the Fund
	RM	RM	RM	%
<u>Bond (continued)</u>				
8.75% China				
Evergrande Group				
28.06.2025 (B)	1,500,000	6,661,137	5,516,871	1.60
7.50% China				
Evergrande Group				
28.06.2023 (B)	1,400,000	6,186,009	5,220,316	1.52
4.30% Coastal				
Emerald Limited				
01.08.2024 (A-3)	200,000	835,568	860,537	0.25
4.875%				
Commerzbank AG				
01.03.2022 (BBB-)	3,500,000	11,203,873	11,014,016	3.20
6.60% Country				
Garden Real Estate				
Sdn Bhd 23.02.2023				
(AA3 (S))	10,000,000	10,094,781	10,652,222	3.09
6.125% Emirates NBD				
Bank (P.J.S.C)				
20.03.2025 (B1)	300,000	1,237,930	1,327,124	0.39
3.939% ESIC Sukuk				
Limited				
30.07.2024 (Baa3)	400,000	1,668,910	1,683,459	0.49
4.00% Franshion				
Brilliant Limited				
21.06.2024 (BBB-)	1,000,000	4,312,730	4,341,364	1.26
3.375% Hong Kong				
Red Star Macalline				
Universal Home				
Furnishing Ltd				
21.09.2022 (BB)	300,000	1,260,698	1,116,682	0.32

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2019	Percentage of net asset value of the Fund
	RM	RM	RM	%
<u>Bond (continued)</u>				
6.25% HSBC Holdings Plc 23.03.2023 (Baa3)	1,000,000	3,964,288	4,422,601	1.28
4.70% HSBC Holdings Plc 06.08.2022 (Baa3)	2,500,000	7,914,225	7,919,963	2.30
6.00% HSBC Holdings Plc 22.05.2027 (Baa3)	1,100,000	4,758,889	4,863,458	1.41
6.375% HSBC Holdings Plc 17.09.2024 (Baa3)	6,000,000	24,704,692	27,100,447	7.87
6.375% HSBC Holdings Plc 30.03.2025 (Baa3)	500,000	2,052,529	2,253,565	0.65
5.875% Indika Energy Capital III Pte Ltd 09.11.2021 (Ba3)	1,200,000	5,149,406	4,808,800	1.40
3.75% Landesbank Baden-Wuerttemberg 18.05.2022 (Baa2)	500,000	1,544,639	1,556,153	0.45
5.25% Li & Fung Limited 03.11.2021 (BB+)	5,000,000	20,972,324	16,132,896	4.69
7.00% Lippo Malls Indonesia Retail Trust 27.09.2021 (NR)	9,750,000	29,865,407	25,400,139	7.38
6.875% LLPL Capital Pte Ltd 04.02.2039 (BBB-)	494,100	2,074,373	2,431,283	0.71

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2019	Percentage of net asset value of the Fund
	RM	RM	RM	%
<u>Bond</u> (continued)				
6.125% Logan Property Holdings Company Limited 16.04.2020 (BB)	500,000	1,526,171	1,564,982	0.45
4.638% MAF Sukuk Ltd 14.05.2029 (BBB)	400,000	1,662,458	1,797,555	0.52
3.905% Malayan Banking Berhad 29.10.2021 (BBB)	500,000	2,236,023	2,133,887	0.62
5.625% Minejasa Capital B.V. 10.08.2037 (Baa3)	400,000	1,741,764	1,833,249	0.53
4.625% Minejasa Capital B.V. 10.08.2030 (Baa3)	300,000	1,302,461	1,308,237	0.38
6.95% Modernland Overseas Pte Ltd 13.04.2021 (B)	2,300,000	10,510,425	8,683,221	2.52
5.50% Nan Fung Treasury (II) Limited 29.05.2020 (Baa3)	5,000,000	21,467,187	20,907,472	6.07
5.75% NWD Finance (BVI) Ltd 05.10.2021 (NR)	2,500,000	10,445,977	10,518,959	3.06
5.00% Pakuwon Prima Pte Ltd 14.02.2021 (BB)	1,500,000	6,862,014	6,433,786	1.87

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2019	Percentage of net asset value of the Fund
	RM	RM	RM	%
<u>Bond (continued)</u>				
4.375% Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara 05.02.2050 (BBB)	200,000	835,202	838,682	0.24
8.28% Republica Argentina 31.12.2033 (CCC-)	701,019	2,313,551	1,535,757	0.45
6.875% Republica Argentina 22.04.2021 (CCC-)	1,000,000	4,039,757	1,925,501	0.56
4.625% Resorts World Las Vegas LLC 16.04.2029 (BBB+)	900,000	3,671,297	3,935,839	1.14
7.875% RKP Overseas 2019 (A) Limited 01.02.2021 (BB-)	400,000	1,713,424	1,816,125	0.53
5.60% Shimao Property Holdings Limited 15.07.2023 (BBB-)	400,000	1,697,025	1,774,217	0.52
6.125% Shimao Property Holdings Limited 21.02.2022 (BBB-)	1,500,000	6,441,838	6,752,628	1.96
5.25% Sino-Ocean Land Treasure IV Limited 30.03.2022 (Baa3)	500,000	2,064,311	2,167,182	0.63

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2019	Percentage of net asset value of the Fund
	RM	RM	RM	%
<u>Bond (continued)</u>				
7.75% SSMS Plantation Holdings Pte Ltd 23.01.2021 (B2)	900,000	3,691,277	3,184,690	0.93
7.875% Sunac China Holdings Limited 15.02.2021 (B+)	700,000	2,934,893	3,063,328	0.89
5.625% The Bank of East Asia Limited 18.05.2022 (BB)	700,000	3,046,736	2,968,679	0.86
6.20% The Democratic Socialist Republic of Sri Lanka 11.05.2027 (B)	200,000	869,876	785,672	0.23
6.125% Turkiye Garanti Bankasi AS 24.05.2022 (Caa2)	1,000,000	4,325,972	3,819,879	1.11
5.00% Westpac Banking Corporation 21.09.2027 (BBB-)	5,000,000	20,967,431	20,921,389	6.08
5.25% Wisdom Glory Group Ltd 19.07.2020 (Ba3)	800,000	3,497,895	3,395,845	0.99
4.00% Xi'an Municipal Infrastructure Construction Investment Group Corporation, Ltd 24.06.2022 (BBB)	400,000	1,694,028	1,711,657	0.50

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2019	Percentage of net asset value of the Fund
	RM	RM	RM	%
<u>Bond (continued)</u>				
5.75% Yancoal International Resources Development Co., Limited 13.04.2020 (BB-)	500,000	2,232,754	2,111,394	0.61
	<u>91,895,119</u>	<u>333,366,655</u>	<u>318,263,522</u>	<u>92.45</u>

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

(15,103,133)

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

318,263,522

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

	2020	2019
	%	%
Unquoted fixed income securities	<u>5.78</u>	<u>6.77</u>

8. CASH AND CASH EQUIVALENTS

	2020	2019
	RM	RM
Bank balances with a licensed bank	27,534,115	11,245,401
Deposit with a licensed financial institution	2,000,099	-
	<u>29,534,214</u>	<u>11,245,401</u>

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

	2020	2019
	RM	RM
- MYR	3,633,398	461,132
- SGD	188,189	3,221,815
- USD	25,712,627	7,562,454
	<u>29,534,214</u>	<u>11,245,401</u>

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

	2020	2019
	%	%
Deposit with a licensed financial institution	<u>1.80</u>	<u>-</u>

The deposit has an average maturity of 7 days (2019: Nil).

9. FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 24 (2019: 35) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RM208,304,707 (receivable) and RM64,352,500 (payable) (2019: RM485,200,687 (receivable)). 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

	2020	2019
	No. of units	No. of units
At the beginning of the financial period	595,862,134	774,572,147
Creation of units arising from applications during the financial period	61,216,626	62,271,070
Creation of units arising from distribution during the financial period	6,032,742	16,671,024
Cancellation of units during the financial period	(144,894,971)	(198,806,931)
At the end of the financial period	<u>518,216,531</u>	<u>654,707,310</u>

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>2020</u>				
Citigroup & Co.	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 PJSC	8,896,545	6.66	-	-
J.P. Morgan Securities & Group	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 Ltd	5,100,752	3.82	-	-
Others	27,395,652	20.52	-	-
	<u>133,498,421</u>	<u>100.00</u>	-	-

Name of dealers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2019</u>				
Morgan Stanley And Co. International Plc	11,277,078	11.26	-	-
Merrill Lynch International	10,806,570	10.79	-	-
HSBC Singapore	9,528,601	9.52	-	-
JP Morgan Securities Ltd	7,626,249	7.62	-	-
Mizuho Securities Asia Ltd	7,290,738	7.28	-	-
Barclays Capital Inc	6,460,541	6.45	-	-
Nomura International Plc	6,272,384	6.26	-	-
Standard Chartered Bank	5,458,756	5.45	-	-
SGX Bond Trading Pte Ltd	5,197,920	5.19	-	-
Australia And New Zealand Banking Group Limited	5,151,154	5.14	-	-
Others	25,067,470	25.04	-	-
	<u>100,137,461</u>	<u>100.00</u>	-	-

All dealers highlighted above are not related to the Manager.

12. UNITS HELD BY THE MANAGER

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

Related party		Relationship	
Eastspring Investments Berhad		The Manager	

		2020		2019	
		No. of units	RM	No. of units	RM
Eastspring Investments Berhad		2,284	1,186	2,206	1,159

The above units were transacted at the prevailing market price.

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

13. MANAGEMENT EXPENSE RATIO ("MER")

	6-months financial period ended 30.11.2020	6-months financial period ended 30.11.2019
	%	%
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 RM290,224,396 (2019: RM374,146,353).

14. PORTFOLIO TURNOVER RATIO ("PTR")

	6-months financial period ended 30.11.2020	6-months financial period ended 30.11.2019
PTR (times)	0.23	0.13

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 = RM66,831,434 (2019: RM24,851,630)

total disposals for the financial period = RM66,666,987 (2019: RM75,285,831)

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 financial statements have been approved for issue by the Manager on 8 January 2021.

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