

EASTSPRING INVESTMENTS GLOBAL EMERGING MARKETS FUND

INTERIM REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD
ENDED 30 JUNE 2021



Dear Valued Investor,

Greetings from Eastspring Investments Berhad!

First and foremost, we would like to take this opportunity to thank you for choosing to invest with Eastspring Investments Berhad.

We are pleased to enclose a copy of the Annual/Interim/Quarterly Fund Reports of Eastspring Investments Berhad's fund(s) for the reporting period ended 30 June 2021.

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

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

Yours sincerely,

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

Raymond Tang Chee Kin

Non-Independent, Executive Director and Chief Executive Officer

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FUND INFORMATION

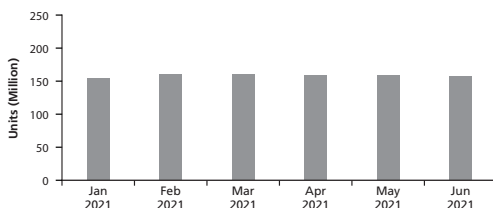
Name of Fund	Eastspring Investments Global Emerging Markets Fund (the "Fund")
Fund Category/Type	Feeder fund (global equity)/growth
Fund Objective	<p>The Fund seeks to achieve long-term capital growth by investing in a collective investment scheme called the Schroder International Selection Fund Emerging Markets, which in turn seeks to provide capital growth primarily through investment in equity securities of emerging markets companies.</p> <p>SHOULD THE MANAGER DECIDE TO INVEST IN ANOTHER COLLECTIVE INVESTMENT SCHEME OTHER THAN THE SCHRODER INTERNATIONAL SELECTION FUND EMERGING MARKETS FOR ANY REASON WHATSOEVER, UNIT HOLDERS' APPROVAL IS REQUIRED.</p>
Performance Benchmark	<p>The performance benchmark of the Fund is Morgan Stanley Capital International All Country Asia Pacific ex Japan Index ("MSCI EM Net TR").</p> <p>Source: www.msci.com</p> <p>Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.</p>
Fund Income Distribution Policy	Incidental

FUND INFORMATION (CONTINUED)

Breakdown of Unit Holdings by Size

As at 30 June 2021, the size of Eastspring Investments Global Emerging Markets Fund stood at 158.002 million units.

Fund Size



Breakdown of Unit Holdings

Unit Holdings	No. of Units Holders	%	No. of Unit* ('000)	%
5,000 units and below	150	25.04	411	0.26
5,001 to 10,000 units	111	18.53	861	0.54
10,001 to 50,000 units	228	38.06	5,666	3.59
50,001 to 500,000 units	94	15.69	11,733	7.43
500,001 units and above	16	2.68	139,330	88.18
Total	599	100.00	158,001	100.00

* excludes units held by the Manager.

KEY PERFORMANCE DATA

FOR THE FINANCIAL PERIOD ENDED

Category	2021	2020	2019
	(%)	(%)	(%)
Collective investment scheme-Foreign	98.80	98.84	99.41
Cash and other assets	1.20	1.16	0.59
Total	100.00	100.00	100.00
Net Asset Value (NAV) (RM'000)	80,129	92,302	124,585
Units In Circulation (Units '000)	158,002	249,228	337,750
Net Asset Value Per Unit (RM)	0.5071	0.3704	0.3689
Highest Net Asset Value Per Unit (RM)	0.5229	0.4038	0.3768
Lowest Net Asset Value Per Unit (RM)	0.4705	0.2920	0.3242
Total Return (%)			
- Capital Growth	9.41	(5.41)	11.92
- Income Distribution	-	-	-
Total Return (%)	9.41	(5.41)	11.92
Gross Distribution Per Unit (RM)	-	-	-
Net Distribution Per Unit (RM)	-	-	-
Management Expense Ratio (MER) (%)*	0.95	0.96	0.95
Portfolio Turnover Ratio (PTR) (times)^	0.11	0.18	0.03

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

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

KEY PERFORMANCE DATA (CONTINUED)

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

Average total return	36.91	12.14	13.69
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Year ended	1.1.2020 to 31.12.2020	1.1.2019 to 31.12.2019	1.1.2018 to 31.12.2018	1.1.2017 to 31.12.2017	1.1.2016 to 31.12.2016
	(%)	(%)	(%)	(%)	(%)

Annual total return	18.36	18.81	(14.68)	23.97	13.31
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Source: The above total return of the Fund was sourced from Lipper for Investment Management.

Bases of calculation and assumptions made in calculating returns:

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

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

For the 5-year period, the Fund recorded a return of 90.00%, underperforming the benchmark return of 90.34% by 0.34%.

During the period under review, the Fund registered a return of 9.41%, underperforming the benchmark return of 10.89% by 1.48%.

Country allocation was positive. The overweight to Russia, the underweight to China, and the zero-weight to Malaysia added the most to relative returns. Being overweight to Brazil was also beneficial. These effects were partly offset by the zero-weight to Saudi Arabia.

Stock selection was negative, most notably in China and Taiwan. In China, the overweights to white goods manufacturer Midea, and Ping An Insurance were the key headwinds. In Taiwan, the zero-weight to shipping company Evergreen Marine was the main detractor as the stock rallied sharply. Stock selection in Turkey, overweight Garanti Bank, and South Korea, zero-weight to internet company Kakao, also weighed on relative returns. By contrast, stock selection in Mexico, off-benchmark to steel producer Ternium, was positive.



MANAGER'S REPORT (CONTINUED)

Fund Performance (continued)

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

Benchmark: Morgan Stanley Capital International All Country Asia Pacific ex Japan Index ("MSCI EM Net TR").

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

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

Analysis of Fund Performance

For the financial period ended 30 June 2021:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
0.00	9.41	9.41	10.89

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

Distribution/ Unit Split

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

MANAGER'S REPORT (CONTINUED)

Investment Strategy During the Period Under Review

Q1

Emerging markets (EM) delivered positive returns in Q1 2021, with the fund outperforming the index (+99bps). Country allocation (-32 bps) was negative and stock selection (+127 bps) positive, leaving a residual of 4 bps.

At a country level, the overweights to Brazil and Turkey, both of which underperformed, and the zero-weight to Saudi Arabia, which outperformed, were the main headwinds. Brazil underperformed largely due to currency weakness as policy uncertainty increased and rising inflation forced the central bank to begin tightening interest rates. Turkey lagged as the central bank governor was unexpectedly replaced, ending short-lived hopes for more orthodox policy. Saudi Arabia was a beneficiary of the rebound in crude oil prices. These effects were partly offset by the overweight to South Africa, which outperformed, and the underweight to China, which underperformed. South Africa advanced following a positive reaction to the latest budget and as Covid-19 cases receded. China recorded a slightly negative return as rising expectations for policy normalisation, together with regulatory uncertainty for certain industries, and ongoing geopolitical concerns, dampened sentiment.

Stock selection was positive in Taiwan (o/w Hon Hai Precision and ASE Technology; Hon Hai outperformed on strong iPhone sales, potential for margin improvement and announcements regarding upcoming EV joint ventures. ASE rose from ongoing tightness in the backend supply of the semiconductor market, this coupled with recent anti-trust clearance means they can now extract synergies from the SPIL merger), Russia (o/w Novatek; the energy company rose on stronger LNG and energy prices) and Korea (o/w Naver; the listing of the Korean ecommerce company in the US highlighted a valuation differential).

MANAGER'S REPORT (CONTINUED)

Investment Strategy During the Period Under Review (continued)

Q2

Emerging markets (EM) delivered a positive return in Q2 2021, with the fund underperforming the index (-122 bps). Country allocation (+82bps) was positive and stock selection (-205bps) negative, leaving a residual of 1 bps.

At a country level, the overweights to Brazil and Russia, both of which outperformed, were the main positive contributors to relative performance. Brazil was among the best performing index markets, with currency strength amplifying gains. Central bank rate hikes in response to rising inflation, an acceleration in vaccine roll out, easing fiscal concerns and renewed reform progress helped lead the market higher. Meanwhile, high crude oil prices were supportive in Russia. These effects were partly offset by the overweight to South Africa, which underperformed on the back of a deteriorating Covid outlook, exacerbated by weakness from index heavyweight Naspers.

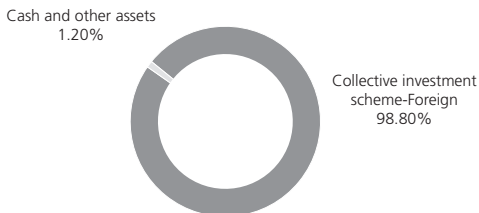
Stock selection was negative in Taiwan (u/w Evergreen and o/w Hon Hai Precision; Shipping stocks outperformed as global trade continued to recover following the pandemic. Hon Hai experienced a pullback after earlier outperformance driven by Electric Vehicle partnerships), Korea (u/w Kakao; the internet company outperformed following the listing of two financial businesses), China (o/w Ping An and u/w Nio; Ping An experienced slow sales recovery following Covid lockdown lifting. Nio benefited from a rotation back towards growth sectors, with a strong outlook for Electric Vehicle sales in China) and Brazil (u/w Petrobras; the local market heavyweight rebounded on a recovery in oil prices, with Petrobras' pricing formula being respected).

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	30-Jun 2021	31-Dec 2020	Changes
	(%)	(%)	(%)
Collective investment scheme-Foreign	98.80	97.16	1.64
Cash and other assets	1.20	2.84	(1.64)

Asset Allocation as at 30 June 2021



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

State of Affairs of the Fund

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

MARKET REVIEW

Emerging markets recorded a positive return over the six-month period. After setbacks early in the period, progress in the transition out of the Covid-19 pandemic picked up, led by vaccine distribution, and the global economic recovery gathered momentum. In the US, the \$1.9 billion American Rescue Plan was approved by Congress. With growth and inflation picking up, notably in the US where inflation reached 5% in May, the focus on the timing of policy normalisation from major global central banks intensified. The Federal Reserve made no change to monetary policy but adopted a more hawkish tone following its June rate setting meeting. The MSCI Emerging Markets Index registered a solid gain but underperformed the MSCI World Index, with US dollar strength a headwind.

Saudi Arabia, the UAE, Kuwait and Russia were among the best-performing index markets, boosted by the recovery in crude oil prices. The CE3 markets of Poland, Hungary and the Czech Republic all outperformed as the outlook for economic recovery picked up. Both the Hungarian and Czech central banks reacted to rising inflation by increasing their policy rates during the period. Taiwan finished ahead of the index, supported by strong performance from technology sector names. Mexico, which benefited in part from the economic recovery in key trade partner the US, and India both outperformed. In India, this was despite suffering a surge in Covid-19 cases during the period. South Africa and Brazil posted strong gains, aided by the rally in commodities prices. In Brazil, currency strength amplified gains. In response to rising inflation, the central bank hiked its policy rate by a total of 150bps to 4.25%. Meanwhile an acceleration in vaccine roll out, an easing in fiscal concerns and renewed reform progress also boosted sentiment.

By contrast, Turkey was the weakest index market, with equities and the lira falling sharply after President Erdogan unexpectedly replaced the central bank governor. Peru and Colombia were firmly down as a pickup in political uncertainty offset the positive of higher commodities prices. Thailand, Indonesia, Malaysia and South Africa posted negative returns as daily new cases of coronavirus accelerated. China recorded a positive return but lagged by a wide margin. GDP growth was 18.3% year-on-year in Q1, but rising expectations for policy normalisation, a broadening in domestic regulatory risks beyond the technology sector, and ongoing geopolitical concerns dampened sentiment.

REBATES AND SOFT COMMISSIONS

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

EASTSPRING INVESTMENTS GLOBAL EMERGING MARKETS FUND

UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021

STATEMENT BY THE MANAGER

We, Tang Chee Kin and Iskander Bin Ismail Mohamed Ali, being two of the Directors of Eastspring Investments Berhad, do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 14 to 48 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 June 2021 and of its financial performance, changes in equity and cash flows for the six months financial period ended on that date in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
EASTSPRING INVESTMENTS BERHAD

TANG CHEE KIN

Executive Director/Chief Executive Officer

ISKANDER BIN ISMAIL MOHAMED ALI

Independent, Non-Executive Director

Kuala Lumpur

Date: 20 August 2021

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS GLOBAL EMERGING MARKETS FUND

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

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

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Trustee Operations

Gerard Ang
Chief Executive Officer

Kuala Lumpur
Date: 20 August 2021

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021

	Note	6-months financial period ended 30.6.2021	6-months financial period ended 30.6.2020
		RM	RM
INVESTMENT INCOME/(LOSS)			
Interest income from deposits with licensed financial institutions		9,286	18,754
Net gain/(loss) on financial assets at fair value through profit or loss	6	7,080,502	(5,544,532)
Net foreign currency exchange loss		(100,252)	(450,403)
		<u>6,989,536</u>	<u>(5,976,181)</u>
EXPENSES			
Management fee	3	(700,069)	(814,697)
Trustee fee	4	(31,114)	(36,209)
Audit fee		(3,273)	(3,281)
Tax agent fee		(1,687)	(1,691)
Other expenses		(10,406)	(13,881)
		<u>(746,549)</u>	<u>(869,759)</u>
PROFIT/(LOSS) BEFORE TAXATION		6,242,987	(6,845,940)
TAXATION	5	-	-
PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS)		<u>6,242,987</u>	<u>(6,845,940)</u>
Profit/(loss) after taxation is made up of the following:			
Realised amount		1,104,695	48,947
Unrealised amount		5,138,292	(6,894,887)
		<u>6,242,987</u>	<u>(6,845,940)</u>

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

UNAUDITED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	2021	2020
		RM	RM
ASSETS			
Cash and cash equivalents	7	935,731	1,189,351
Financial assets at fair value through profit or loss	6	79,166,495	91,227,412
Amount due from Manager		489,595	762,708
Amount due from broker		-	240,455
Management fee rebate receivable		97,292	109,120
TOTAL ASSETS		<u>80,689,113</u>	<u>93,529,046</u>
LIABILITIES			
Accrued management fee		118,305	132,998
Amount due to Manager		420,481	1,071,750
Amount due to Trustee		5,258	5,911
Other payables and accruals		16,241	16,335
TOTAL LIABILITIES		<u>560,285</u>	<u>1,226,994</u>
NET ASSET VALUE OF THE FUND		<u>80,128,828</u>	<u>92,302,052</u>
EQUITY			
Unit holders' capital		54,422,545	89,990,300
Retained earnings		25,706,283	2,311,752
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>80,128,828</u>	<u>92,302,052</u>
NUMBER OF UNITS IN CIRCULATION	8	<u>158,002,347</u>	<u>249,227,774</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.5071</u>	<u>0.3704</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 JUNE 2021

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
Balance as at 1 January 2021	47,958,005	19,463,296	67,421,301
Movement in unit holders' contribution:			
Creation of units from applications	31,256,458	-	31,256,458
Cancellation of units	(24,791,918)	-	(24,791,918)
Total comprehensive income for the financial period	-	6,242,987	6,242,987
Balance as at 30 June 2021	<u>54,422,545</u>	<u>25,706,283</u>	<u>80,128,828</u>
Balance as at 1 January 2020	98,481,538	9,157,692	107,639,230
Movement in unit holders' contribution:			
Creation of units from applications	26,560,438	-	26,560,438
Cancellation of units	(35,051,676)	-	(35,051,676)
Total comprehensive loss for the financial period	-	(6,845,940)	(6,845,940)
Balance as at 30 June 2020	<u>89,990,300</u>	<u>2,311,752</u>	<u>92,302,052</u>

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

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021

	Note	6-months financial period ended 30.6.2021	6-months financial period ended 30.6.2020
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		5,331,194	24,889,566
Purchase of investments		(12,484,986)	(11,278,719)
Interest income received		9,286	18,754
Management fee paid		(681,668)	(852,135)
Management fee rebate received		559,585	700,915
Trustee fee paid		(30,296)	(37,873)
Payment for other fees and expenses		(17,748)	(30,417)
Net realised foreign currency exchange loss		(100,252)	(450,403)
Net cash (used in)/generated from operating activities		(7,414,885)	12,959,688
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		32,327,675	26,269,193
Payments for cancellation of units		(25,313,453)	(39,055,520)
Net cash generated from/(used in) financing activities		7,014,222	(12,786,327)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
		(400,663)	173,361
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD			
		1,336,394	1,015,990
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD			
	7	935,731	1,189,351

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

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

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

A. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS"), under the historical cost convention, as modified by financial assets at fair value through profit or loss.

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

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

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

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

B. INCOME RECOGNITION

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

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

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

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.

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. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

i. Classification

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

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

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

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

The Fund classifies accrued management fee, amount due to Manager, amount due to 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 liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the quoted financial instrument.

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

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category 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.

Collective investment scheme are valued based on the last published net asset value per unit or share of such collective investment scheme or, if unavailable, on the average of the last published buying price and the last published selling price of such unit or share (excluding any sales charge included in selling in such selling price).

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

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

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

iii. Impairment for assets carried at amortised costs

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

iv. Significant increase in credit risk

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

v. Definition of default and credit-impaired financial assets

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

vi. Write-off

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

F. CASH AND CASH EQUIVALENTS

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

G. 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.

H. UNIT HOLDERS' CAPITAL

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

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

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

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

I. AMOUNT DUE FROM/(TO) BROKERS

Amount due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The amount due from brokers balance is held for collection.

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

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

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

J. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021

1. INFORMATION ON THE FUND

Eastspring Investments Global Emerging Markets Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 7 December 2007 (the “Deed”), Second Supplemental Master Deed dated 30 November 2009 entered into between Eastspring Investments Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (“HSBC Trustee”). The Fund replaced HSBC Trustee with Deutsche Trustees Malaysia Berhad (the “Trustee”) effective 1 October 2010. A Supplemental Master Deed was entered into between Eastspring Investments Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”) on 30 July 2010 to effect the change of trustee from HSBC Trustee to the Trustee, followed by Second Supplemental Master Deed dated 28 January 2011, Third Supplemental Master Deed dated 9 March 2011, Fourth Supplemental Master Deed dated 20 January 2012, Fifth Supplemental Master Deed dated 26 March 2014, Sixth Supplemental Master Deed dated 2 January 2015, Seventh Supplemental Master Deed dated 11 July 2016, Eighth Supplemental Master Deed dated 25 January 2017, Ninth Supplemental Master Deed dated 11 December 2017 and Tenth Supplemental Master Deed dated 4 June 2018 (collectively referred to as the “Deeds”).

The Fund was launched on 11 January 2008 and will continue its operations until terminated as provided under Clause 12 of the Deed.

The Fund invests in a foreign collective investment scheme primarily the Schroder International Selection Fund - Emerging Markets (the “Target Fund”), incorporated in Luxembourg.

The main objective of the Fund seeks to achieve long-term capital growth by investing in a collective investment scheme called the Schroder International Selection Fund-Emerging Markets (the “Target Fund”), which in turn seeks to provide capital growth primarily through investment in equity securities of emerging markets companies.

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

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

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Financial instruments of the Fund are as follows:

	Note	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
<u>2021</u>				
Cash and cash equivalents	7	935,731	-	935,731
Collective investment scheme	6	-	79,166,495	79,166,495
Amount due from Manager		489,595	-	489,595
Management fee rebate receivable		97,292	-	97,292
		<u>1,522,618</u>	<u>79,166,495</u>	<u>80,689,113</u>
<u>2020</u>				
Cash and cash equivalents	7	1,189,351	-	1,189,351
Collective investment scheme	6	-	91,227,412	91,227,412
Amount due from Manager		762,708	-	762,708
Amount due from broker		240,455	-	240,455
Management fee rebate receivable		109,120	-	109,120
		<u>2,301,634</u>	<u>91,227,412</u>	<u>93,529,046</u>

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

Market risk

i. Price risk

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

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

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

	2021	2020
	RM	RM
Financial assets at fair value through profit or loss:		
Collective investment scheme	79,166,495	91,227,412

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

% Change in price	2021		2020	
	Market value	Impact on profit after tax/net asset value	Market value	Impact on loss after tax/net asset value
	RM	RM	RM	RM
+5%	83,124,820	3,958,325	95,788,783	4,561,371
-5%	75,208,170	(3,958,325)	86,666,041	(4,561,371)

ii. Interest rate risk

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

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

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

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

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

iii. Foreign exchange/Currency risk

As the Underlying Fund, Schroder International Selection Fund - Emerging Markets may invest its assets in securities denominated in a wide range of currencies other than Ringgit Malaysia, the net asset value of the Fund expressed in Ringgit Malaysia may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between Ringgit Malaysia and such other currencies. This 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 Fund Manager may however depending on prevailing market circumstances at a particular point in time, choose to use forward or option contracts for hedging and risk reduction purposes.

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

	Financial assets at fair value through profit or loss	Amount due from broker	Total
	RM	RM	RM
<u>2021</u>			
EURO	79,166,495	-	79,166,495
<u>2020</u>			
EURO	91,227,412	240,455	91,467,867

The table 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 constants. 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 price	Impact on profit/(loss) after tax	Impact on net asset value
	%	RM	RM
<u>2021</u>			
EURO	5	3,958,325	3,958,325
<u>2020</u>			
EURO	5	4,573,393	4,573,393

Stock/Issuer risk

The performance of equities and money market instruments held by the Underlying Fund is also dependent on company specific factors like the issuer's business situation. If the company-specific factors deteriorate, the price of the specific security may drop significantly and permanently, possibly even regardless of an otherwise generally positive stock market trend. Risks include but are not limited to competitive operating environments, changing industry conditions and poor management.

Fund management risk

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

Liquidity risk

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

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

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

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
2021			
Accrued management fee	118,305	-	118,305
Amount due to Manager	420,481	-	420,481
Amount due to Trustee	5,258	-	5,258
Other payables and accruals	-	16,241	16,241
Contractual undiscounted cash outflows	544,044	16,241	560,285
2020			
Accrued management fee	132,998	-	132,998
Amount due to Manager	1,071,750	-	1,071,750
Amount due to Trustee	5,911	-	5,911
Other payables and accruals	-	16,335	16,335
Contractual undiscounted cash outflows	1,210,659	16,335	1,226,994

Credit/Default risk

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

The credit risk arising from placements of deposits with licensed financial institutions is managed by ensuring that the Fund will only place deposit in reputable licensed financial institution. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

The credit/default risk is minimal as all transactions in collective investment scheme are settled/paid upon delivery using approved brokers.

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

	Financial assets at fair value through profit or loss	Cash and cash equivalents	Amount due from Manager	Management fee rebate receivable	Amount due from broker	Total
	RM	RM	RM	RM	RM	RM
2021						
Collective investment scheme						
- NR	79,166,495	-	-	-	-	79,166,495
Financial Services						
- AAA	-	890,043	-	-	-	890,043
- AA1	-	45,688	-	-	-	45,688
Other						
- NR	-	-	489,595	97,292	-	586,887
	79,166,495	935,731	489,595	97,292	-	80,689,113
2020						
Collective investment scheme						
- NR	91,227,412	-	-	-	-	91,227,412
Financial Services						
- AAA	-	1,140,064	-	-	-	1,140,064
- AA1	-	49,287	-	-	-	49,287
Other						
- NR	-	-	762,708	109,120	240,455	1,112,283
	91,227,412	1,189,351	762,708	109,120	240,455	93,529,046

None of these assets are past due or impaired.

Country risk

The stock prices may be affected by the political and economic conditions of the country in which the stocks are listed. A unit trust fund that invests in foreign securities may experience more rapid and extreme changes in value than a unit trust fund that invests exclusively in securities of Malaysian companies. Nationalisation, expropriation or confiscatory taxation, currency blockage, political changes or diplomatic developments could adversely affect a unit trust fund's investment in a foreign country. In the event of nationalisation, expropriation or other confiscation, a unit trust fund could lose its entire investment in foreign securities. Careful consideration shall be given to risk factors such as liquidity, political and economic environment before any investments are made in a foreign country.

Adverse conditions in a certain region can adversely affect securities of other countries whose economies appear to be unrelated.

Emerging markets risk

Investments in securities of emerging market issuers entail significant risks in addition to those customarily associated with investing in securities of issuers in more developed markets, such as:

- i. low or non-existent trading volume, resulting in a lack of liquidity and increased volatility in prices for such securities, as compared to securities of comparable issuers in more developed capital markets,
- ii. uncertain national policies and social, political and economic instability, increasing the potential for expropriation of assets, confiscatory taxation, high rates of inflation or unfavourably diplomatic developments,
- iii. possible fluctuations in exchange rates, differing legal systems and the existence or possible imposition of exchange controls, custodial restrictions or other laws or restrictions applicable to such investments,
- iv. national policies which may limit a portfolio's investment opportunities such as restrictions on investment in issuers or industries deemed sensitive to national interests, and
- v. the lack of relatively early development of legal structures governing private and foreign investments and private property.

Non-compliance risk

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

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

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM54,422,545 (2020: RM89,990,300) and retained earnings of RM25,706,283 (2020: RM2,311,752). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

Fair value estimation

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

The fair value of financial assets traded in active market (such as trading securities) are based on quoted market prices at the close of trading on the financial period end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is representative of the fair value.

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

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

i. Fair value hierarchy

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

The different levels have been defined as follows:

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
2021				
Financial assets at fair value through profit or loss:				
Collective investment scheme - Foreign	79,166,495	-	-	79,166,495

2020

Financial assets at fair value through profit or loss:

Collective investment scheme - Foreign	91,227,412	-	-	91,227,412
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Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include collective investment scheme. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note E to the financial statements.

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

3. MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 1.80% per annum on the net asset value of the Fund accrued on a daily basis for the financial period.

For the financial period ended 30 June 2021, management fee is recognised at a rate of 1.80% (2020: 1.80%) per annum on the net asset value of the Fund, calculated on a 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 0.08% per annum on the net asset value of the Fund, subject to a minimum fee of RM18,000 per annum (excluding foreign custodian fees and charges).

For the financial period ended 30 June 2021, the Trustee fee is recognised at a rate of 0.08% per annum (2020: 0.08%) on the net asset value of the Fund, subject to a minimum fee of RM18,000 per annum, (excluding of foreign custodian fees and charges), calculated on daily basis.

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

5. TAXATION

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

Tax charged for the financial period:

Current taxation

-

-

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

	6-months financial period ended 30.6.2021	6-months financial period ended 30.6.2020
	RM	RM
Profit/(loss) before taxation	6,242,987	(6,845,940)
Tax at Malaysian statutory rate of 24% (2020: 24%)	1,498,317	(1,643,026)
Tax effect of: (Investment income not subject to tax)/ investment loss not deductible for tax purposes	(1,677,489)	1,434,284
Expenses not deductible for tax purposes	10,370	12,427
Restriction on the tax deductible expenses for Unit Trust Funds	168,802	196,315
Taxation	-	-

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021	2020
	RM	RM
Financial assets at fair value through profit or loss:		
Collective investment scheme - Foreign	79,166,495	91,227,412
Net gain/(loss) on financial assets at fair value through profit or loss:		
Realised gain on disposals	1,367,424	695,624
Change in unrealised fair value gain/(loss)	5,138,292	(6,909,011)
Management fee rebate on collective investment scheme#	574,786	668,855
	<u>7,080,502</u>	<u>(5,544,532)</u>

In arriving at the fair value of collective investment scheme, the management fee initially paid to the Manager of the collective investment scheme has been considered as part of its net asset value. In order to prevent the double charging of management fee which is not permissible under SC Guidelines, management fee charged on the Fund's investments in collective investment scheme has been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of collective investment scheme is reflected as an increase in the net asset value of the collective investment scheme. The rebate of management fee is 1.50% per annum or RM574,786 (2020: 1.50% per annum or RM668,855) calculated on net asset value of Schroder International Selection Fund Emerging Markets on a daily basis.

Collective investment scheme - Foreign

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2021	Percentage of net asset value of the Fund
	Units	RM	RM	%
Schroder International Selection Fund Emerging Markets – Class A	<u>873,163</u>	58,354,162	<u>79,166,495</u>	98.80

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

20,812,333

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

79,166,495

Collective investment scheme - Foreign

Name of counter	Quantity	Aggregate cost	Fair value as at	Percentage of net asset value of the Fund
			30.6.2020	
	Units	RM	RM	%
Schroder International Selection Fund Emerging Markets – Class A	1,400,549	87,396,759	91,227,412	98.84

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

3,830,653

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

91,227,412

The Target Fund is a Sub-fund of the Schroder International Selection Fund which is a SICAV ("Société d'Investissement à Capital Variable").

Schroder International Selection Fund ("SICAV") is an open-ended investment company organised as a "Société Anonyme" under the law of the Grand Duchy of Luxembourg and qualifies as a SICAV. The Target Fund was launched on 17 January 2006. The Investment Manager of the Target Fund is Schroder Investment Management Limited in UK.

The Target Fund seeks to provide capital growth primarily through investment in equity and equity-related securities of emerging markets companies.

7. CASH AND CASH EQUIVALENTS

	2021	2020
	RM	RM
Bank balance with a licensed bank	45,688	49,287
Deposit with licensed financial institution	890,043	1,140,064
	<u>935,731</u>	<u>1,189,351</u>

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

	2021	2020
	%	%
Deposit with licensed financial institution	<u>1.75</u>	<u>2.05</u>

The deposit has an average maturity of 1 day (2020: 1 day).

8. UNITS IN CIRCULATION

	2021	2020
	No. of units	No. of units
At the beginning of the financial period	145,447,090	274,846,846
Creation of units arising from applications during the financial period	62,505,220	70,753,065
Cancellation of units during the financial period	(49,949,963)	(96,372,137)
At the end of the financial period	<u>158,002,347</u>	<u>249,227,774</u>

9. TRANSACTIONS WITH ISSUER

Details of transactions with the issuer are as follows:

Name of issuer	Value of trades	Percentage of total trades
	RM	%
<u>2021</u>		
Schroder Investment Management (Singapore) Limited	17,816,180	100.00
<u>2020</u>		
Schroder Investment Management (Singapore) Limited	31,943,966	100.00

The issuer highlighted above is not related to the Manager. There are no brokerage fees charged by the issuer.

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

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

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

Units held by Manager:

	No. of units	2021		2020	
		RM	No. of units	RM	
Eastspring Investments Berhad	1,000	507	1,000	370	

The above units were transacted at the prevailing market price.

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

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

11. MANAGEMENT EXPENSE RATIO ("MER")

	2021	2020
	%	%
MER	0.95	0.96

MER is derived from the following calculation:

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

A = Management fee (excluding management fee rebate)

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 RM78,411,844 (2020: RM90,983,390).

12. PORTFOLIO TURNOVER RATIO ("PTR")

	2021	2020
PTR (times)	0.11	0.18

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 = RM12,484,986 (2020: RM11,278,720)

total disposals for the financial period = RM5,331,194 (2020: RM20,665,246)

13. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

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

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

14. APPROVAL OF FINANCIAL STATEMENTS

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

CORPORATE DIRECTORY

THE MANAGER

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

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Persiaran TRX Barat

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TRUSTEE

NAME

DEUTSCHE TRUSTEES MALAYSIA BERHAD

COMPANY NO.

200701005591 (763590-H)

REGISTERED OFFICE & BUSINESS OFFICE

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TELEPHONE NO.

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SALE & PURCHASE OF UNITS

Eastspring Investments Berhad

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Persiaran TRX Barat

55188 Tun Razak Exchange

Kuala Lumpur

TELEPHONE NO.

603-2778 1000

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ENQUIRIES

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