

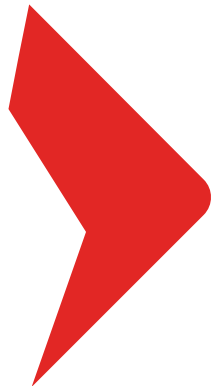


A Prudential plc company 

# EASTSPRING INVESTMENTS SMALL-CAP FUND

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023



**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/Semi-annual/  
Quarterly Fund Reports of Eastspring Investments Berhad's fund(s)  
for the reporting period ended 31 December 2023.**

You may also download these reports from our website at  
[www.eastspring.com/my](http://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 Chee Kin', written in a cursive style.

**Raymond Tang Chee Kin**

Non-Independent, Executive Director and Chief Executive Officer

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## FUND INFORMATION

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

## KEY PERFORMANCE DATA

FOR THE FINANCIAL YEAR ENDED

Category	2023	2022	2021
	(%)	(%)	(%)
<b>Quoted securities</b>			
Construction	3.06	3.30	4.00
Consumer Products & Services	24.88	20.11	16.36
Energy	1.69	1.51	1.17
Financial Services	5.70	4.15	4.47
Health Care	1.64	2.87	2.42
Industrial Products & Services	16.95	19.22	24.96
Plantation	3.72	3.92	0.71
Property	1.42	3.82	3.45
Real Estate Investment Trust	1.93	2.08	2.17
Technology	19.74	17.29	24.84
Telecommunications & Media	0.57	1.59	1.49
Transportation & Logistics	0.63	0.63	0.32
Utilities	2.19	2.68	2.09
	84.12	83.17	88.45
Cash and other assets	15.88	16.83	11.55
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## KEY PERFORMANCE DATA (CONTINUED)

Category	2023	2022	2021
Net Asset Value (NAV) (RM'000)	841,442	842,062	878,548
Units In Circulation (Units '000)	1,310,781	1,291,268	1,162,053
Net Asset Value Per Unit (RM)	0.6419	0.6521	0.7560
Highest Net Asset Value Per Unit (RM) <sup>#</sup>	0.6420	0.6573	0.7560
Lowest Net Asset Value Per Unit (RM) <sup>#</sup>	0.6381	0.6515	0.7351
Total Return (%)			
- Capital Growth	(1.55)	(13.74)	4.25
- Income Distribution	5.08	4.50	4.39
Total Return (%)	3.45	(9.86)	8.83
Gross Distribution Per Unit (RM)	0.0324	0.0295	0.0323
Net Distribution Per Unit (RM)	0.0324	0.0295	0.0323
Total Expense Ratio (TER) (%) <sup>*</sup>	1.59	1.59	1.59
Portfolio Turnover Ratio (PTR) (times) <sup>^</sup>	0.37	0.33	0.39

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

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

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

## KEY PERFORMANCE DATA (CONTINUED)

	1 year 1.1.2023 to 31.12.2023	3 years 1.1.2021 to 31.12.2023	5 years 1.1.2019 to 31.12.2023
	(%)	(%)	(%)

Average total return	3.45	0.49	7.40
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Year ended	1.1.2023 to 31.12.2023	1.1.2022 to 31.12.2022	1.1.2021 to 31.12.2021	1.1.2020 to 31.12.2020	1.1.2019 to 31.12.2019
	(%)	(%)	(%)	(%)	(%)

Annual total return	3.45	(9.86)	8.83	19.36	18.03
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**Source:** The above total return of the Fund was sourced from Lipper for Investment Management.

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

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

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

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

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

Adjusted for unit split and distribution paid out for the period

$n$  = Number of years

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

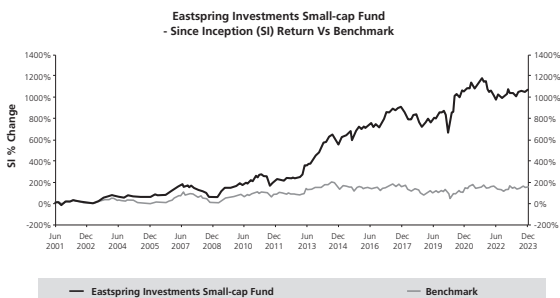
## MANAGER'S REPORT

### Fund Performance

Over the 5-year period, the Fund recorded a return of 42.96%, underperforming the benchmark return of 44.74% by 1.78%.

For the period under review, the Fund registered a return of 3.45%, underperforming the benchmark return of 9.57% by 6.12%.

The underperformance was mainly due to the Fund's underweight in property, energy and construction sectors.



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

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

**Source:** Lipper for Investment Management and [www.bursamalaysia.com](http://www.bursamalaysia.com), as at 31 December 2023.

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



## MANAGER'S REPORT (CONTINUED)

**Analysis of Fund Performance**

For the financial year ended 31 December 2023:

<b>Income Return</b>	<b>Capital Return*</b>	<b>Total Return</b>	<b>Total Return of Benchmark</b>
<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>
5.08	(1.55)	3.45	9.57

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

**Distribution/ Unit Split**

<b>Ex-Date</b>	<b>15-Dec-23</b>
<b>Distribution Per Unit</b>	<b>(RM)</b>
Gross	0.0324
Net	0.0324

Impact on NAV arising from distribution for the financial year ended 31 December 2023.

<b>Ex-Date</b>	<b>15-Dec-23</b>
	<b>(RM per Unit)</b>
Net Asset Value before distribution	0.6705
Less: distribution	<u>(0.0324)</u>
Net Asset Value after distribution	<u>0.6381</u>

No unit split were declared for the financial year ended 31 December 2023.

**Investment Strategy During the Period Under Review**

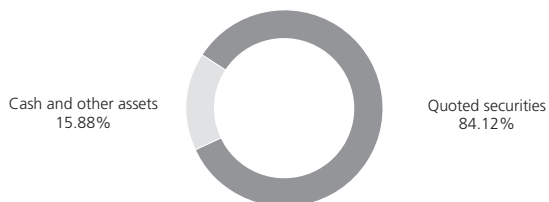
During the period under review, we adopted a defensive stance due to highly volatile macro environment. Key risks include the potential regional bank crisis in the US, the on-going Russia-Ukraine war and a waning economic recovery in China. The domestic equity markets turned more interesting in 2H2023 when the governments announced blueprints and policies to promote investments in the country. We were selective in our stock pickings and continue to invest in companies with a strong balance sheet and high dividend yields. We participated in some of the thematic plays but refrained from taking too much risk as stocks ran ahead of fundamentals.

## MANAGER'S REPORT (CONTINUED)

## Asset Allocation

Asset Allocation	31-Dec 2023	31-Dec 2022	Changes
	(%)	(%)	(%)
Quoted securities	84.12	83.17	0.95
Cash and other assets	15.88	16.83	(0.95)

## Asset Allocation as at 31 December 2023



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

## MANAGER'S REPORT (CONTINUED)

### 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.

We have issued the Eighth Supplementary Master Prospectus dated 2 February 2024 with the following changes:

- a. We, as the Manager reserves the right to change the minimum amounts and number of units in relation to investments into the Fund. We will notify unit holders by way letter should we decide to increase the minimum amounts and number of units;
- b. To lower minimum initial and/or additional investments amount, minimum redemption and minimum holding units for investments via our digital platform as well as on our distributor's digital platform;
- c. To only allow income distribution payments via electronic bank transfer (e-payment);
- d. To implement auto-reinvestment of the income distributions in the absence of a registered bank account; and
- e. To implement auto-reinvestment enhancement for income distributions paid to unit holders should there be unclaimed income distribution payment for the last three (3) consecutive distributions.

With above, unit holders may refer to **Appendix 1** for the detailed list of changes.

## MARKET REVIEW

Malaysian equities started 1Q2023 with a relatively short trading month as Chinese New Year fell on 22-23 January. Nevertheless, the start of the year was an eventful month for Malaysian politics, as UMNO which is part of PM Anwar Ibrahim's unity government, expelled former health minister Khairy Jamaluddin, while former defence minister Hishammuddin Hussein was among a number of politicians suspended from the party. A total of 4 UMNO members were suspended, whilst 42 others were sacked from the party. BNM surprised the market by keeping the OP unchanged at 2.75% at the January MPC, after four consecutive hikes.

By mid-1Q2023 equity markets corrected in line with global and regional markets. Investors were cautious ahead of Budget 2023 which was read on 24 February 2023, which failed to provide any positive catalysts for the market. The economy and cost of living issues remain a priority in Budget 2023, the government announced lower taxes for the M40 while the T20 would see higher taxes and there was also an announcement for a tax on luxury goods (details to release later). By the end of 1Q2023, Malaysian equity markets posted its third consecutive month of decline in, as investor sentiment remained weak due to concerns over a potential global banking crisis, following the collapse of Silicon Valley Bank, Signature Bank and the takeover of the Credit Suisse by UBS Bank. As a result, foreign investors remained net sellers in the month of March of RM1.4b, and have been net sellers for 7 consecutive months. EPF declared the dividend for 2022 of 5.35% for Conventional Savings and 4.75% dividend rate for Shariah Savings.

Malaysian equity markets continued its correction into the 2Q2023. The news was fairly light during the month with some focus on OPEC+ and crude oil prices initially spiking to USD85/bbl, post the announcement by OPEC+ to indicate continued production cuts in coming months. However, the International Energy Agency ("IEA") came out with a statement that the surprise cut (by OPEC+) risked exacerbating global supply deficits in oil and could impact global economic growth. Brent crude oil prices subsequently ended the month below USD80/bbl. Domestically, PM Anwar Ibrahim made an official visit to China, and secured RM170b in investment pledges. The focus for the month of May was around corporate earnings, with most reporting earnings below consensus expectations. News flow was light during the month, with some focus on interest rates in Malaysia as BNM raised OPR by 25bps. Malaysian Ringgit also saw a lot of pressure versus the US dollar, weakening to above RM4.60/USD. Foreign investors continued to be net sellers of equities for the 2Q2023 and have been for the tenth consecutive months. In June, Bank Negara Malaysia announced that the Yang di-Pertuan Agong has consented to the appointment of Datuk Shaik Abdul Rasheed bin Abdul Ghaffour as Governor for a five-year term effective 1 July 2023 to 30 June 2028.

Malaysian equity markets performed well in the beginning of 3Q2023, after 6 months of consecutive monthly declines, outperforming regional markets, especially on USD basis, as the MYR appreciated by 3.54% against the USD. In the second half of July, we saw foreign inflows into Malaysian equities, and we ended the month with net foreign buying of RM1.4b, after 10 consecutive months of foreign outflows since September 2022. Towards the end July, PM Anwar Ibrahim unveiled his plans for an economic reset via the MADANI Economy Framework, and then announced the National Energy Transition Roadmap (Phase 1) the same day. Malaysian equity markets continued to outperform regional markets for the second consecutive month in August. Malaysia had an eventful month where the State Elections were held for 6 states, which resulted in a status quo outcome: PH/BN won 3 states and PN won 3 states as well. The government launched Phase 2 of NETR end of August, providing some details on the energy exchange hub to enable cross border RE trading, with the Prime Minister hinting that the Energy Exchange will hopefully be expedited to ready by end 2023. The surprise for July was the M&As announced. KLK announced that they will be acquiring a 33% +1 share in Boustead Plantations (with intention to acquire the remaining shares not owned, acting in concert with LTAT), and Sime Darby is proposing to take over UMW. The Malaysian Ringgit depreciated 3.1%, after hitting a low of RM4.507/USD on 31 July 2023. By the end of the 3Q2023, Malaysian equity markets managed to eke out a positive return for the period and maintain their outperformance over other regional markets. The government announced the New Industrial Master Plan (“NIMP”) 2030, which is targeting a 6.5% increase in manufacturing value-added by 2030 to RM587.8b, expecting to require a total investment of RM95b over seven years. News that the Malaysian prosecution was withdrawing all 47 charges of criminal breach of trust, graft, and money laundering faced by Deputy Prime Minister Datuk Seri Dr Ahmad Zahid Hamidi, after applying to discharge all the charges, came as a surprise. Corporate earnings reported in September were overall weaker than expected, resulting in downgrades to consensus earnings. Foreign investors continued to be net buyers of equity in September 2023, for the third consecutive month, after previously being net sellers for 10 consecutive months.

Malaysian equities performed relatively well in the 4Q2023. October was a fairly eventful month, with the announcement of Budget 2024 which investors took to be fairly neutral. Within the Budget, subsidies are lower for 2024 at 10% of operating expenditures (versus 14% in 2023), and the announcement of additional infrastructure goodies were announced such as the restoration of LRT3 stations and extension of LRT to the mainland.

Not long after this, a slew of economic data released in the US, continued to highlight the strength of the US economy, withstanding the surge in interest rates thus far. Investors speculated that this would be a risk for the US Federal Reserve to remain hawkish on their interest rate policy, providing strength to the US Dollar. The MYR traded at Asian Financial Crisis lows at RM4.79/USD on the 24 October 2023, lowest level in more than 25 years. November was results reporting month for 3Q2023. Generally, the results reported were weaker and missed expectations more than meet or beat. Those that had exposure to external demand for example tech, came in below, whilst many companies across a broad range of sectors continued to be impacted by cost pressures. Foreign investors turned net buyer of Malaysian equities in November of RM1.6b. December was a quiet month for Malaysian equities, with few events and announcements. However, during the month, the media reported on the proposal of the Johor-Singapore Special Economic Zone, with the MoU to be signed in January 2024. The Prime Minister announced the cabinet reshuffle mid-December, adding 5 new ministers appointed to his cabinet. The Cabinet which had 28 ministers previously has been expanded to 31, with two ministerial portfolios split up and the appointment of a second Finance Minister. In December, we saw net foreign buying of RM0.3m for the second month in a row. However, Malaysia ended the year with net foreign outflows of RM2.4b. YTL Corp and YTL Power replaced Westports and Dialog as KLCI constituents effective 18 December 2023.

The FBM KLCI closed the period under review at 1454.66 points, down 2.73%. The broader FBM Emas ("FBMEmas") Index closed the period under review higher by 1.14%. The MSCI Asia Pacific ex-Japan Index rose by 4.6% in USD terms.<sup>1</sup>

## REBATES AND SOFT COMMISSIONS

During the period under review, the Manager, and its delegates (if any) received soft commissions from brokers/dealers in the form of goods and services which directly assist the investment management of the Fund, including research and advisory services, market analyses, data and quotation services, and computer hardware and software used for and/or in support of the investment process of fund managers. Such soft commissions received are utilised in the investment management of the Fund and are of demonstrable benefit to the Fund and Unitholders. There were no churning of trades.

The Manager and its delegates (if any) have not received any rebates or shared any commissions from any brokers during the same period under review.

<sup>1</sup> Source: Bloomberg: World indices

## SECURITIES LENDING OR REPURCHASE TRANSACTIONS

No securities lending or repurchase transaction have been carried out during the financial period under review.

# EASTSPRING INVESTMENTS SMALL-CAP FUND

## FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023



## STATEMENT BY THE MANAGER

We, Tang Chee Kin and John Campbell Tupling, being two of the Directors of Eastspring Investments Berhad, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 20 to 65 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 31 December 2023 and of its financial performance, changes in equity and cash flows for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,

**EASTSPRING INVESTMENTS BERHAD**

**TANG CHEE KIN**

Executive Director/Chief Executive Officer

**JOHN CAMPBELL TUPLING**

Independent, Non-Executive Director

Kuala Lumpur

Date: 23 February 2024

## TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS SMALL-CAP FUND ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 December 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Eastspring Investments Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For Deutsche Trustees Malaysia Berhad

**Ng Hon Leong**  
Head, Fund Operations

**Sylvia Beh**  
Chief Executive Officer

Kuala Lumpur  
Date: 23 February 2024

# INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS SMALL-CAP FUND

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Our opinion

In our opinion, the financial statements of Eastspring Investments Small-cap Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 31 December 2023, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

### What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, comprising material accounting policy information and other explanatory information, as set out on pages 20 to 65.

### Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence and other ethical responsibilities*

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises the Manager's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Manager either intends to liquidate the Fund or to terminate the Fund, or has no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- d. Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- e. Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## OTHER MATTERS

This report is made solely to the unit holders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants

Kuala Lumpur  
Date: 23 February 2024

## STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
		RM	RM
<b>INVESTMENT INCOME/(LOSS)</b>			
Gross dividend income		26,330,137	28,417,499
Other income		582	8,205
Interest income from deposits with licensed financial institutions		4,634,893	2,541,735
Net gain/(loss) on financial assets at fair value through profit or loss	7	12,585,943	(103,094,620)
		<u>43,551,555</u>	<u>(72,127,181)</u>
<b>EXPENSES</b>			
Management fee	3	(12,651,637)	(12,290,357)
Trustee fee	4	(674,754)	(655,486)
Audit fee		(8,400)	(8,400)
Tax agent fee		(3,700)	(3,400)
Other expenses		(103,147)	(169,886)
Transaction cost		(1,764,005)	(1,613,807)
		<u>(15,205,643)</u>	<u>(14,741,336)</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		28,345,912	(86,868,517)
<b>TAXATION</b>	6	-	-
<b>PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS)</b>		<u>28,345,912</u>	<u>(86,868,517)</u>
Profit/(loss) after taxation is made up of the following:			
Realised amount		32,796,920	20,703,224
Unrealised amount		(4,451,008)	(107,571,741)
		<u>28,345,912</u>	<u>(86,868,517)</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2023

	Note	2023	2022
		RM	RM
<b>ASSETS</b>			
Cash and cash equivalents	8	129,083,584	139,200,431
Financial assets at fair value through profit or loss	7	707,814,912	700,283,974
Amount due from Manager		2,577,255	2,306,220
Amount due from brokers		1,869,875	1,367,906
Dividends receivable		2,513,809	3,011,083
<b>TOTAL ASSETS</b>		<b>843,859,435</b>	<b>846,169,614</b>
<b>LIABILITIES</b>			
Accrued management fee		1,061,298	1,073,506
Amount due to Manager		1,281,759	723,533
Amount due to Trustee		56,603	57,254
Amount due to brokers		-	2,229,494
Other payables and accruals		17,670	23,418
<b>TOTAL LIABILITIES</b>		<b>2,417,330</b>	<b>4,107,205</b>
<b>NET ASSET VALUE OF THE FUND</b>		<b>841,442,105</b>	<b>842,062,409</b>
<b>EQUITY</b>			
Unit holders' capital		645,110,922	649,290,277
Retained earnings		196,331,183	192,772,132
<b>NET ASSET ATTRIBUTABLE TO UNIT HOLDERS</b>		<b>841,442,105</b>	<b>842,062,409</b>
<b>NUMBER OF UNITS IN CIRCULATION</b>	9	<b>1,310,781,387</b>	<b>1,291,268,303</b>
<b>NET ASSET VALUE PER UNIT (EX-DISTRIBUTION) (RM)</b>		<b>0.6419</b>	<b>0.6521</b>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.



## STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Unit holders' capital	Retained earnings	Total
		RM	RM	RM
Balance as at 1 January 2023		649,290,277	192,772,132	842,062,409
Movement in unit holders' contribution:				
Creation of units from applications		97,161,797	-	97,161,797
Creation of units from distribution		39,572,790	-	39,572,790
Cancellation of units		(125,283,983)	-	(125,283,983)
Distribution (Gross/Net: 3.24 sen)	5	(15,629,959)	(24,786,861)	(40,416,820)
Total comprehensive income for the financial year		-	28,345,912	28,345,912
Balance as at 31 December 2023		645,110,922	196,331,183	841,442,105
Balance as at 1 January 2022		578,349,574	300,198,235	878,547,809
Movement in unit holders' contribution:				
Creation of units from applications		148,303,760	-	148,303,760
Creation of units from distribution		35,714,100	-	35,714,100
Cancellation of units		(97,217,033)	-	(97,217,033)
Distribution (Gross/Net: 2.95 sen)	5	(15,860,124)	(20,557,586)	(36,417,710)
Total comprehensive loss for the financial year		-	(86,868,517)	(86,868,517)
Balance as at 31 December 2022		649,290,277	192,772,132	842,062,409

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

# STATEMENT OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
		RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of investments		314,467,990	256,402,156
Purchase of investments		(313,908,453)	(283,364,274)
Dividends received		26,767,186	27,460,831
Other Income		582	8,205
Interest received from deposits			
with licensed financial institutions		4,634,893	2,541,735
Management fee paid		(12,663,845)	(12,312,481)
Trustee fee paid		(675,405)	(656,666)
Payment for other fees and expenses		(60,770)	(101,459)
Net cash generated from/(used in) operating activities		<u>18,562,178</u>	<u>(10,021,953)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		96,890,762	149,470,910
Payments for cancellation of units		(124,725,757)	(97,672,746)
Distribution paid		(844,030)	(703,610)
Net cash (used in)/generated from financing activities		<u>(28,679,025)</u>	<u>51,094,554</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(10,116,847)	41,072,601
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<u>139,200,431</u>	<u>98,127,830</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	8	<u>129,083,584</u>	<u>139,200,431</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

## MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with 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 revenue and expenses during the reported financial year. It also requires the Manager to exercise 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 K.

a. Standards and amendments to existing standards effective 1 January 2023:

There are no standards, amendments to standards or interpretations that are effective for financial periods beginning on 1 January 2023 that have a material effect on the financial statements of the Fund.

b. New standards, amendments and interpretations effective after 1 January 2023 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 2023 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 short-term deposits placed with licensed financial institutions is recognised on an accrual basis using the effective interest rate method.

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

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

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

**C. TAXATION**

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

**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. 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 brokers and dividends receivable as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

### **ii. Recognition and measurement**

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

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

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

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

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

If a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

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

iii. Impairment for assets carried at amortised costs

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

iv. Significant increase in credit risk

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

v. Definition of default and credit-impaired financial assets

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

vi. Write-off

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

## **F. CASH AND CASH EQUIVALENTS**

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

## **G. DISTRIBUTION**

A distribution to the Fund's unit holders is accounted for as a deduction from realised reserves. A proposed distribution is recognised as a liability in the financial year in which it is approved by the Trustee of the Fund.

## **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 brokers 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 brokers, probability that the brokers 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. TRANSACTION COSTS**

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

**K. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 1. INFORMATION ON THE FUND

Eastspring Investments Small-cap Fund (the "Fund") was constituted pursuant to the execution of a Master Deed dated 4 May 2001, Supplemental Master Deed dated 26 May 2003, Supplemental Master Deed dated 15 February 2006, Master Supplemental Deed dated 25 July 2007 and Second Supplemental Master Deed dated 30 November 2009 between BHLB Trustee Berhad ("BHLB Trustee") and Eastspring Investments Berhad (the "Manager"). The Fund replaced BHLB Trustee with Deutsche Trustees Malaysia Berhad (the "Trustee") effective 1 October 2010. A Supplemental Master Deed was entered into between Eastspring Investments Berhad (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee") on 30 July 2010 to effect the change of trustee from BHLB Trustee to the Trustee, followed by Second Supplemental Master Deed dated 28 January 2011, Third Supplemental Master Deed dated 9 March 2011, Fourth Supplemental Master Deed dated 20 January 2012, Fifth Supplemental Master Deed dated 26 March 2014, Sixth Supplemental Master Deed dated 2 January 2015, Seventh Supplemental Master Deed dated 11 July 2016, Eighth Supplemental Master Deed dated 25 January 2017, Ninth Supplemental Master Deed dated 11 December 2017, Tenth Supplemental Master Deed dated 4 June 2018, Eleventh Supplemental Master Deed dated 30 September 2021, Twelfth Supplemental Master Deed dated 29 June 2022 and Thirteenth Supplemental Master Deed dated 29 November 2022 (collectively referred to as the "Deeds").

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

The Fund will principally invest in small market capitalisation companies.

All investments will be subjected to the Securities Commission's ("SC") Guidelines on Unit Trust Funds, the Deeds and the objective of the Fund.

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

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

## 2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Financial instruments of the Fund are as follows:

	Note	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
<u>2023</u>				
Cash and cash equivalents	8	129,083,584	-	129,083,584
Quoted securities	7	-	707,814,912	707,814,912
Amount due from Manager		2,577,255	-	2,577,255
Amount due from brokers		1,869,875	-	1,869,875
Dividends receivable		2,513,809	-	2,513,809
		<u>136,044,523</u>	<u>707,814,912</u>	<u>843,859,435</u>
<u>2022</u>				
Cash and cash equivalents	8	139,200,431	-	139,200,431
Quoted securities	7	-	700,283,974	700,283,974
Amount due from Manager		2,306,220	-	2,306,220
Amount due from brokers		1,367,906	-	1,367,906
Dividends receivable		3,011,083	-	3,011,083
		<u>145,885,640</u>	<u>700,283,974</u>	<u>846,169,614</u>

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

**Market risk**

## i. Price risk

Price risk arises mainly from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

The table below shows assets of the Fund as at 31 December which are exposed to price risk:

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Financial assets at fair value through profit or loss:		
Quoted securities	707,814,912	700,283,974

The following table summarises the sensitivity of the Fund's profit/(loss) after tax and net asset value to movements in prices of quoted securities at the end of each reporting financial year. The analysis is based on the assumptions that the market price of the quoted securities increased by 5% and decreased by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities, having regard to the historical volatility of the prices.

% Change in price	Market value	Impact on profit/(loss) after tax and net asset value
	RM	RM
<u>2023</u>		
+5%	743,205,658	35,390,746
-5%	672,424,166	(35,390,746)
<u>2022</u>		
+5%	735,298,173	35,014,199
-5%	665,269,775	(35,014,199)

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.

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 year, the Fund does not hold any other financial instruments that expose it to interest rate risk.

### **Stock/Issuer risk**

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

### **Fund management risk**

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

### **Liquidity risk**

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

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

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

	<b>Less than 1 month</b>	<b>Between 1 month to 1 year</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<u>2023</u>			
Accrued management fee	1,061,298	-	1,061,298
Amount due to Manager	1,281,759	-	1,281,759
Amount due to Trustee	56,603	-	56,603
Other payables and accruals	-	17,670	17,670
Contractual undiscounted cash outflows	<u>2,399,660</u>	<u>17,670</u>	<u>2,417,330</u>
<u>2022</u>			
Accrued management fee	1,073,506	-	1,073,506
Amount due to Manager	723,533	-	723,533
Amount due to Trustee	57,254	-	57,254
Amount due to brokers	2,229,494	-	2,229,494
Other payables and accruals	-	23,418	23,418
Contractual undiscounted cash outflows	<u>4,083,787</u>	<u>23,418</u>	<u>4,107,205</u>

### 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.



### **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.

Credit risk arising from cash and bank balances is managed by ensuring that they are held by parties with credit rating of AA1 or higher.

The credit risk arising from placements of deposits with licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions. For amount due from brokers, the settlement terms are governed by the relevant rules and regulations as prescribed by Bursa Malaysia Securities Berhad (“Bursa Malaysia”). The 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 quoted securities are settled/paid upon delivery using approved brokers.

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

	Cash and cash equivalents		Dividends receivable		Amount due from Manager		Amount due from brokers		Total	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
2023										
Financial Services										
- AAA	128,837,061		-		-		-		128,837,061	
- AA1	246,523		-		-		-		246,523	
Construction										
- NR	-		332,181		-		-		332,181	
Consumer Products & Services										
- NR	-		1,160,041		-		-		1,160,041	
Energy										
- NR	-		111,714		-		-		111,714	
Industrial Products & Services										
- NR	-		186,919		-		-		186,919	
Plantation										
- NR	-		98,106		-		-		98,106	
Property										
- NR	-		68,055		-		-		68,055	
Technology										
- NR	-		556,793		-		-		556,793	
Other										
- NR	-		-		2,577,255		1,869,875		4,447,130	
	<u>129,083,584</u>	<u>2,513,809</u>	<u>2,577,255</u>	<u>1,869,875</u>	<u>2,577,255</u>	<u>1,869,875</u>	<u>1,869,875</u>	<u>136,044,523</u>		

	Cash and cash equivalents		Dividends receivable		Amount due from Manager		Amount due from brokers		Total	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<u>2022</u>										
Financial Services										
- AAA	137,885,591		-		-		-		137,885,591	
- AA1	1,314,840		-		-		-		1,314,840	
Construction										
- NR	-		187,991		-		-		187,991	
Consumer Products & Services										
- NR	-		1,066,557		-		-		1,066,557	
Industrial Products & Services										
- NR	-		1,118,929		-		-		1,118,929	
Property										
- NR	-		54,444		-		-		54,444	
Real Estate Investment Trust										
- NR	-		59,092		-		-		59,092	
Technology										
- NR	-		433,486		-		-		433,486	
Telecommunications & Media										
- NR	-		90,584		-		-		90,584	
Other										
- NR	-		-		2,306,220		-		1,367,906	3,674,126
	<u>139,200,431</u>		<u>3,011,083</u>		<u>2,306,220</u>		<u>1,367,906</u>		<u>145,885,640</u>	

None of these financial assets are past due or impaired.

## Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM645,110,922 (2022: RM649,290,277) and retained earnings of RM196,331,183 (2022: RM192,772,132). 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 year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the 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
<u>2023</u>				
Financial assets at fair value through profit or loss:				
Quoted securities	707,814,912	-	-	707,814,912
<u>2022</u>				
Financial assets at fair value through profit or loss:				
Quoted securities	700,283,974	-	-	700,283,974

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

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

### **3. MANAGEMENT FEE**

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

For the financial year ended 31 December 2023, the management fee is recognised at a rate of 1.50% (2022: 1.50%) 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 RM35,000 per annum.

For the financial year ended 31 December 2023, the Trustee fee is recognised at a rate of 0.08% (2022: 0.08%) subject to a minimum fee of RM35,000 per annum on the net asset value of the Fund, inclusive of local custodian fee, calculated on daily basis.

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

## 5. DISTRIBUTION

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Distribution to unit holders is from the following sources:		
Prior years' realised income	-	6,002,366
Dividend income	19,688,164	20,754,108
Interest income from deposits with licensed financial institutions	2,785,174	2,204,867
Net realised gain on sale of investments	12,585,943	-
Distribution equalisation (Memorandum account)	15,629,959	15,860,124
	<hr/>	<hr/>
Gross realised income	50,689,240	44,821,465
Less: Expenses	(10,272,420)	(8,403,755)
	<hr/>	<hr/>
	40,416,820	36,417,710
	<hr/>	<hr/>
Gross distribution per unit (sen)	3.24	2.95
Net distribution per unit (sen)	3.24	2.95
	<hr/>	<hr/>
Ex-Date	15 December 2023	20 December 2022

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

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

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

During the financial year ended 31 December 2023, the Fund incurred unrealised losses of RM4,451,008 (2022: RM107,571,741).



**6. TAXATION**

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>

Tax charged for the financial year:

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

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Profit/(loss) before taxation	28,345,912	(86,868,517)
Tax at Malaysian statutory rate of 24% (2022: 24%)	6,803,019	(20,848,444)
Tax effect of:		
(Investment income not subject to tax)/ investment loss not deductible for tax purposes	(10,452,373)	17,310,523
Expenses not deductible for tax purposes	610,945	586,219
Restriction on the tax deductible expenses for Unit Trust Funds	3,038,409	2,951,702
Taxation	-	-

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

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Financial assets at fair value through profit or loss:		
Quoted securities	<u>707,814,912</u>	<u>700,283,974</u>
Net gain/(loss) on financial assets at fair value through profit or loss:		
Realised gain on disposals	17,036,951	4,477,121
Change in unrealised fair value loss	(4,451,008)	(107,571,741)
	<u>12,585,943</u>	<u>(103,094,620)</u>

Quoted securities

Name of counter	Quantity	Aggregate cost	Fair value	Percentage of net asset value of the Fund
			as at 31.12.2023	
	Units	RM	RM	%
<u>Construction</u>				
Kerjaya Prospek Group Berhad	16,609,058	14,672,096	25,744,040	3.06
<u>Consumer Products &amp; Services</u>				
Bermaz Auto Berhad	5,347,540	10,550,459	12,620,194	1.50
Bonia Corporation Berhad	3,497,100	6,078,913	6,294,780	0.75
DKSH Holdings (Malaysia) Berhad	1,725,200	7,846,456	7,901,416	0.94
DRB-HICOM Berhad	3,277,000	6,397,236	4,555,030	0.54
DXN Holdings Berhad	19,112,000	13,237,924	12,136,120	1.44
Farm Fresh Berhad	7,010,600	10,446,230	9,253,992	1.10
Guan Chong Berhad	1,695,700	4,535,546	3,103,131	0.37
Hong Leong Industries Berhad	3,219,000	32,949,071	29,646,990	3.52
InNature Berhad	13,796,400	6,689,297	5,035,686	0.60
Magni-Tech Industries Berhad	9,500,133	18,188,991	17,765,249	2.11
Malayan Flour Mills Berhad	5,122,200	3,454,488	3,278,208	0.39
MBM Resources Berhad	400,000	1,657,000	1,696,000	0.20
MST Golf Group Berhad	1,496,000	1,191,110	777,920	0.09
Oriental Food Industries Holdings Berhad	9,742,600	11,587,710	15,783,012	1.88
Padini Holdings Berhad	5,185,800	17,555,900	18,202,158	2.16
Poh Huat Resources Holdings Berhad	7,350,500	10,963,063	9,996,680	1.19
Power Root Berhad	5,767,000	11,902,482	10,034,580	1.19
Senheng New Retail Berhad	10,323,100	8,533,562	3,406,623	0.40

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value	Percentage of net asset value of the Fund
			as at 31.12.2023	
	Units	RM	RM	%
<u>Consumer Products &amp; Services</u>				
(continued)				
Sports Toto Berhad	11,562,795	19,956,338	17,112,937	2.03
Three-A Resources Berhad	17,239,275	18,865,994	14,394,795	1.71
Young Onn Corporation Berhad	4,058,400	5,354,865	6,493,440	0.77
	<u>146,428,343</u>	<u>227,942,635</u>	<u>209,488,941</u>	<u>24.88</u>
<u>Energy</u>				
Hibiscus Petroleum Berhad	5,585,720	14,844,642	14,187,729	1.69
<u>Financial Services</u>				
Alliance Bank Malaysia Berhad	5,273,100	15,737,057	17,875,809	2.12
Hong Leong Capital Berhad	1,655,700	8,865,187	7,533,435	0.90
Kenanga Investment Bank Berhad	6,888,200	10,322,898	6,302,703	0.75
RCE Capital Berhad	5,315,800	4,735,052	16,266,348	1.93
	<u>19,132,800</u>	<u>39,660,194</u>	<u>47,978,295</u>	<u>5.70</u>
<u>Health Care</u>				
Duopharma Biotech Berhad	7,390,454	10,483,968	9,311,972	1.11
Nova Wellness Group Berhad	7,160,900	6,381,431	4,439,758	0.53
	<u>14,551,354</u>	<u>16,865,399</u>	<u>13,751,730</u>	<u>1.64</u>

## Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value	Percentage of net asset value of the Fund
			as at 31.12.2023	
	Units	RM	RM	%
<u>Industrial Products &amp; Services</u>				
Ancom Nylex Berhad	14,420,000	13,529,000	16,294,600	1.94
BP Plastics Holding Berhad	4,124,400	6,111,423	4,908,036	0.58
Cape EMS Berhad	10,000,000	10,696,000	10,600,000	1.26
Chin Well Holdings Berhad	5,902,000	9,710,336	7,495,540	0.89
Dufu Technology Corp. Berhad	7,465,600	7,975,646	14,184,640	1.69
Malayan Cement Berhad	2,286,900	8,364,396	9,673,587	1.15
Malaysia Smelting Corporation Berhad	4,955,200	10,403,846	10,059,056	1.20
P.I.E. Industrial Berhad	4,542,200	14,763,171	14,762,150	1.75
Rohas Tecnic Berhad	6,663,700	6,422,611	1,765,881	0.21
Scicom (MSC) Berhad	7,446,500	8,264,308	8,265,615	0.98
SLP Resources Berhad	10,004,200	13,604,114	9,003,780	1.07
Thong Guan Industries Berhad	10,376,200	20,804,245	19,507,256	2.32
United U-Li Corporation Berhad	10,479,750	13,233,642	16,034,018	1.91
	<u>98,666,650</u>	<u>143,882,738</u>	<u>142,554,159</u>	<u>16.95</u>

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.12.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Plantation</u>				
Hap Seng Plantations Holdings Berhad	6,019,000	16,074,253	10,352,680	1.23
Sarawak Oil Palms Berhad	2,452,650	6,528,675	6,352,364	0.75
TSH Resources Berhad	15,028,300	17,005,466	14,652,593	1.74
	<u>23,499,950</u>	<u>39,608,394</u>	<u>31,357,637</u>	<u>3.72</u>
<u>Property</u>				
Matrix Concepts Holdings Berhad	2,722,200	3,008,851	4,491,630	0.53
Sime Darby Property Berhad	12,000,000	6,921,200	7,500,000	0.89
	<u>14,722,200</u>	<u>9,930,051</u>	<u>11,991,630</u>	<u>1.42</u>
<u>Real Estate Investment Trust</u>				
Axis Real Estate Investment Trust	3,102,089	5,413,968	5,552,739	0.66
Sunway Real Estate Investment Trust	6,912,300	11,085,394	10,644,942	1.27
	<u>10,014,389</u>	<u>16,499,362</u>	<u>16,197,681</u>	<u>1.93</u>

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at	of net
	Units	RM	31.12.2023	asset value
			RM	of the Fund
				%
<u>Technology</u>				
Cnerez Berhad	10,951,700	9,414,819	6,625,779	0.79
Genetec Technology Berhad	1,890,300	4,660,177	4,461,108	0.53
Globetronics Technology Berhad	5,166,200	9,359,023	8,369,244	0.99
Inari Amertron Berhad	14,233,213	11,583,021	42,841,971	5.09
Malaysian Pacific Industries Berhad	875,200	8,521,609	24,680,640	2.93
Oppstar Berhad	5,830,100	8,715,762	7,637,431	0.91
SNS Network Technology Berhad	30,999,400	7,758,167	7,284,859	0.87
TT Vision Holdings Berhad	13,708,800	16,130,523	11,241,216	1.34
Unisem (M) Berhad	1,938,500	5,584,769	6,416,435	0.76
ViTrox Corporation Berhad	5,073,800	14,435,092	36,988,002	4.40
Vstecs Berhad	7,209,600	9,712,960	9,516,671	1.13
	<u>97,876,813</u>	<u>105,875,922</u>	<u>166,063,356</u>	<u>19.74</u>
<u>Telecommunications &amp; Media</u>				
Astro Malaysia Holdings Berhad	<u>12,077,900</u>	<u>10,708,085</u>	<u>4,770,770</u>	<u>0.57</u>
<u>Transportation &amp; Logistics</u>				
Tasco Berhad	<u>6,910,500</u>	<u>5,830,077</u>	<u>5,286,532</u>	<u>0.63</u>

## Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.12.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
Utilities				
Gas Malaysia Berhad	5,745,300	16,561,268	18,442,412	2.19
<b>TOTAL QUOTED SECURITIES</b>	<u>471,820,977</u>	662,880,863	<u>707,814,912</u>	84.12
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>44,934,049</u>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>707,814,912</u>		



Quoted securities

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at	of net
	Units	RM	31.12.2022	asset value
			RM	of the Fund
				%
<u>Construction</u>				
GDB Holdings Berhad	20,862,000	10,247,572	4,902,570	0.58
Kerjaya Prospek Group Berhad	18,799,058	16,606,697	21,994,898	2.61
Sunway Construction Group Berhad	597,500	848,450	932,100	0.11
	40,258,558	27,702,719	27,829,568	3.30
<u>Consumer Products &amp; Services</u>				
Bermaz Auto Berhad	7,494,740	14,786,790	15,963,796	1.90
DKSH Holdings (Malaysia) Berhad	1,725,200	7,846,456	7,677,140	0.91
DRB-HICOM Berhad	3,277,000	6,397,236	5,243,200	0.62
Guan Chong Berhad	1,580,900	4,287,672	3,794,160	0.45
Hong Leong Industries Berhad	3,026,000	31,212,264	27,839,200	3.31
InNature Berhad	14,219,900	6,887,273	8,318,642	0.99
Magni-Tech Industries Berhad	9,500,133	18,188,991	17,480,245	2.08
Oriental Food Industries Holdings Berhad	9,246,600	10,837,660	12,390,444	1.47
Padini Holdings Berhad	4,221,800	13,971,690	14,143,030	1.68
Poh Huat Resources Holdings Berhad	6,654,800	10,001,768	9,117,076	1.08
Senheng New Retail Berhad	10,323,100	8,533,562	6,245,476	0.74
Sports Toto Berhad	11,336,074	19,956,338	18,364,440	2.18
Three-A Resources Berhad	17,239,275	18,865,994	17,066,882	2.03
Young Onn Corporation Berhad	4,448,500	5,869,584	5,605,110	0.67
	104,294,022	177,643,278	169,248,841	20.11

## Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.12.2022	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Energy</u>				
Dayang Enterprise Holdings Berhad	9,674,700	12,085,530	12,673,857	1.51
<u>Financial Services</u>				
AEON Credit Service (M) Berhad	69,500	866,408	874,310	0.10
Alliance Bank Malaysia Berhad	5,273,100	15,737,057	19,352,277	2.30
Kenanga Investment Bank Berhad	6,888,200	10,322,898	6,268,262	0.74
RCE Capital Berhad	5,045,800	4,184,090	8,527,402	1.01
	<u>17,276,600</u>	<u>31,110,453</u>	<u>35,022,251</u>	<u>4.15</u>
<u>Health Care</u>				
Duopharma Biotech Berhad	5,090,327	7,377,450	8,195,426	0.97
Kossan Rubber Industries Berhad	8,615,900	14,258,627	9,477,490	1.13
Nova Wellness Group Berhad	7,160,900	6,381,431	6,516,419	0.77
	<u>20,867,127</u>	<u>28,017,508</u>	<u>24,189,335</u>	<u>2.87</u>

## Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value	Percentage of net asset value of the Fund
			as at 31.12.2022	
	Units	RM	RM	%
<u>Industrial Products &amp; Services</u>				
Ancom Nylex Berhad	10,500,000	9,685,000	10,815,000	1.28
BP Plastics Holding Berhad	3,962,700	5,914,287	4,993,002	0.59
Chin Well Holdings Berhad	6,811,200	11,206,208	10,897,920	1.29
Dufu Technology Corp. Berhad	12,125,300	12,953,695	21,704,287	2.58
MTAG Group Berhad	24,280,900	16,835,913	15,054,158	1.79
P.I.E. Industrial Berhad	293,800	767,590	763,880	0.09
Rohas Tecnic Berhad	6,663,700	6,422,611	1,799,199	0.21
SKP Resources Berhad	10,742,100	19,501,746	17,294,781	2.05
SLP Resources Berhad	10,004,200	13,604,114	9,904,158	1.18
Success Transformer Corporation Berhad	4,206,300	3,097,555	2,839,253	0.34
Thong Guan Industries Berhad	10,376,200	20,804,245	24,487,832	2.91
Uchi Technologies Berhad	6,662,800	15,749,229	21,787,356	2.59
United U-Li Corporation Berhad	10,370,150	13,106,295	12,444,180	1.48
V.S. Industry Berhad	8,079,700	10,038,825	7,110,136	0.84
	<u>125,079,050</u>	<u>159,687,313</u>	<u>161,895,142</u>	<u>19.22</u>

## Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value	Percentage of net asset value of the Fund
			as at 31.12.2022	
	Units	RM	RM	%
<u>Plantation</u>				
Hap Seng Plantations Holdings Berhad	5,436,000	14,923,513	10,545,840	1.25
Sarawak Oil Palms Berhad	2,452,650	6,528,675	6,376,890	0.76
TSH Resources Berhad	15,028,300	17,005,466	16,080,281	1.91
	<u>22,916,950</u>	<u>38,457,654</u>	<u>33,003,011</u>	<u>3.92</u>
<u>Property</u>				
Eco World Development Group Berhad	17,285,700	13,457,230	11,149,277	1.32
Eco World Development Group Berhad - Warrant	4,872,820	520,119	438,554	0.05
Matrix Concepts Holdings Berhad	2,722,200	3,008,851	4,001,634	0.48
Sime Darby Property Berhad	36,877,700	21,320,892	16,594,965	1.97
	<u>61,758,420</u>	<u>38,307,092</u>	<u>32,184,430</u>	<u>3.82</u>
<u>Real Estate Investment Trust</u>				
Axis Real Estate Investment Trust	3,085,753	5,386,197	5,523,498	0.66
Sentral Real Estate Investment Trust	2,045,100	2,460,623	1,830,365	0.22
Sunway Real Estate Investment Trust	6,912,300	11,085,394	10,091,958	1.20
	<u>12,043,153</u>	<u>18,932,214</u>	<u>17,445,821</u>	<u>2.08</u>

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.12.2022	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Technology</u>				
Energenz Berhad	367,300	293,840	295,677	0.04
Elsoft Research Berhad	3,713,200	3,467,488	2,135,090	0.25
Globetronics Technology Berhad	9,066,200	16,424,214	10,516,791	1.25
Inari Amertron Berhad	14,233,213	11,583,021	37,148,685	4.41
Malaysian Pacific Industries Berhad	1,341,400	13,060,885	38,578,663	4.58
Unisem (M) Berhad	6,559,500	18,574,068	18,104,219	2.15
ViTrox Corporation Berhad	5,073,800	14,435,092	38,814,570	4.61
	<u>40,354,613</u>	<u>77,838,608</u>	<u>145,593,695</u>	<u>17.29</u>
<u>Telecommunications &amp; Media</u>				
Astro Malaysia Holdings Berhad	12,077,900	10,708,085	7,850,635	0.93
REDtone Digital Berhad	11,094,800	5,005,530	5,547,400	0.66
	<u>23,172,700</u>	<u>15,713,615</u>	<u>13,398,035</u>	<u>1.59</u>
<u>Transportation &amp; Logistics</u>				
Pos Malaysia Berhad	4,271,900	2,973,545	2,584,500	0.31
Tasco Berhad	2,959,400	2,488,299	2,663,460	0.32
	<u>7,231,300</u>	<u>5,461,844</u>	<u>5,247,960</u>	<u>0.63</u>

## Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.12.2022	Percentage of net asset value of the Fund
	Units	RM	RM	%
Utilities				
Gas Malaysia Berhad	6,917,800	19,941,089	22,552,028	2.68
<b>TOTAL QUOTED SECURITIES</b>	<u>491,844,993</u>	650,898,917	<u>700,283,974</u>	83.17
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>49,385,057</u>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>700,283,974</u>		

**8. CASH AND CASH EQUIVALENTS**

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Bank balance with a licensed bank	246,523	1,314,840
Deposits with licensed financial institutions	128,837,061	137,885,591
	<u>129,083,584</u>	<u>139,200,431</u>

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

	<b>2023</b>	<b>2022</b>
	<b>%</b>	<b>%</b>
Deposits with licensed financial institutions	<u>3.76</u>	<u>3.70</u>

The deposits have an average maturity of 17 days (2022: 4 days).

**9. UNITS IN CIRCULATION**

	<b>2023</b>	<b>2022</b>
	<b>No. of units</b>	<b>No. of units</b>
At the beginning of the financial year	1,291,268,303	1,162,053,128
Creation of units during the financial year:		
Arising from applications	147,299,916	218,856,918
Arising from distribution	62,016,596	54,442,226
Cancellation of units during the financial year	<u>(189,803,428)</u>	<u>(144,083,969)</u>
At the end of the financial year	<u>1,310,781,387</u>	<u>1,291,268,303</u>

## 10. TRANSACTIONS WITH BROKERS

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

Name of brokers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2023</u>				
Kenanga Investment Bank Berhad	83,512,964	13.33	158,675	12.48
RHB Investment Bank Berhad	76,046,150	12.14	153,844	12.10
CLSA Securities Malaysia Sdn Bhd	73,380,698	11.71	194,861	15.33
J.P. Morgan Securities (Malaysia) Sdn Bhd	58,603,970	9.36	111,347	8.76
UOB Kay Hian Securities (M) Sdn Bhd	54,030,726	8.63	102,658	8.08
Maybank Investment Bank Berhad	52,996,315	8.46	114,643	9.02
KAF Equities Sdn Bhd	50,777,557	8.11	96,477	7.59
Hong Leong Investment Bank Berhad	46,687,204	7.45	84,415	6.64
Macquarie Capital Securities (Malaysia) Sdn Bhd	37,361,888	5.96	70,988	5.58
CGS - CIMB Securities Sdn Bhd	24,656,077	3.94	46,847	3.68
Others	68,386,838	10.91	136,608	10.74
	<u>626,440,387</u>	<u>100.00</u>	<u>1,271,363</u>	<u>100.00</u>



Name of brokers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2022</u>				
CGS - CIMB Securities Sdn Bhd	69,814,837	12.85	144,764	12.78
CLSA Securities Malaysia Sdn Bhd	58,535,046	10.78	117,070	10.34
RHB Investment Bank Berhad	56,251,533	10.36	112,503	9.93
Credit Suisse Securities (Malaysia) Sdn Bhd	55,310,928	10.18	102,927	9.09
KAF Equities Sdn Bhd	48,918,151	9.01	97,836	8.64
Maybank Investment Bank Berhad	41,961,925	7.73	88,549	7.82
Affin Hwang Investment Bank Berhad	34,677,045	6.38	69,354	6.12
Kenanga Investment Bank Berhad	33,936,594	6.25	67,874	5.98
J.P. Morgan Securities (Malaysia) Sdn Bhd	32,258,680	5.94	64,517	5.69
UBS Securities Malaysia Sdn Bhd	30,430,230	5.60	60,860	5.37
Others	81,055,287	14.92	206,471	18.24
	<u>543,150,256</u>	<u>100.00</u>	<u>1,132,725</u>	<u>100.00</u>

All brokers highlighted above are not related to the Manager.

## 11. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO MANAGER

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

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

### Units held by Manager and parties related to the Manager:

	2023		2022	
	No. of units	RM	No. of units	RM
Eastspring Investments Berhad	7,515	4,824	7,152	4,664

The above units were transacted at the prevailing market price.

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

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

**12. TOTAL EXPENSE RATIO ("TER")**

	<b>2023</b>	<b>2022</b>
	%	%
TER	1.59	1.59

TER is derived from the following calculation:

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

A = Management fee

B = Trustee fee

C = Audit fee

D = Tax agent fee

E = Other expenses (excluding sales and service tax on transaction cost and withholding tax)

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

The average net asset value of the Fund for the financial year calculated on a daily basis is RM843,185,017 (2022: RM820,160,746).

### 13. PORTFOLIO TURNOVER RATIO (“PTR”)

	2023	2022
PTR (times)	0.37	0.33

PTR is derived from the following calculation:

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

where:

total acquisitions for the financial year = RM310,754,452 (2022: RM284,724,069)

total disposals for the financial year = RM315,809,458 (2022: RM258,514,170)

### 14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 23 February 2024.

## CORPORATE DIRECTORY

### **THE MANAGER**

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

200001028634 (531241-U)

REGISTERED OFFICE

Level 25, Menara Hong Leong

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Bukit Damansara

50490 Kuala Lumpur

BUSINESS OFFICE

Level 22, Menara Prudential

Persiaran TRX Barat

55188 Tun Razak Exchange

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603-2778 3888

FAX NO.

603-2789 7220

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cs.my@eastspring.com

WEBSITE

[www.eastspring.com/my](http://www.eastspring.com/my)

### **TRUSTEE**

NAME

DEUTSCHE TRUSTEES MALAYSIA BERHAD

COMPANY NO.

200701005591 (763590-H)

REGISTERED OFFICE & BUSINESS OFFICE

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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**

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Persiaran TRX Barat

55188 Tun Razak Exchange

Kuala Lumpur

TELEPHONE NO.

603-2778 1000

**BRANCHES**

**Petaling Jaya**

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TELEPHONE NO.

603-7948 1288

**Kota Kinabalu**

Eastspring Investments Berhad  
Suite E3, 9<sup>th</sup> Floor  
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No. 1, Jalan Centre Point  
88000 Kota Kinabalu, Sabah

TELEPHONE NO.

6088-238 613

**ENQUIRIES**

CLIENT SERVICES

603-2778 1000

## APPENDIX 1 – LIST OF CHANGES FOR EASTSPRING INVESTMENTS SMALL-CAP FUND

Unless otherwise stated, the following changes are affected via the Eight Supplementary Prospectus dated 2 February 2024.

Section	Current disclosure in the Master Prospectus dated 15 July 2017, the First Supplementary Master Prospectus dated 2 February 2018, the Second Supplementary Master Prospectus dated 31 October 2018, the Third Supplementary Master Prospectus dated 2 January 2019, the Fourth Supplementary Master Prospectus dated 1 August 2019, the Fifth Supplementary Master Prospectus dated 1 October 2020, the Sixth Supplementary Master Prospectus dated 15 December 2021 and the Seventh Supplementary Master Prospectus dated 30 December 2022	Revised disclosure in the Eighth Supplementary Master Prospectus dated 2 February 2024
<b>Transaction Information – Transaction Details</b>	<p>7<sup>th</sup> paragraph:</p> <p>The Manager reserves the right to change the minimum amounts and number of Units stipulated above from time to time.</p>	<p>7<sup>th</sup> paragraph:</p> <p>The Manager reserves the right to change the minimum amounts and number of Units stipulated above from time to time. <u>Should the Manager decide to increase the minimum amounts and number of units as stipulated under the transaction details section, the Manager shall notify the Unit Holders by way of a letter at least fourteen (14) days prior to the effective date of such change. Investment made via digital platforms may have a lower minimum initial investment, minimum additional investment amount, minimum redemption and/or minimum holding of Units of the Fund, subject to the respective digital platforms' terms and conditions, which may be amended from time to time.</u></p>

Section	Current disclosure in the Master Prospectus dated 15 July 2017, the First Supplementary Master Prospectus dated 2 February 2018, the Second Supplementary Master Prospectus dated 31 October 2018, the Third Supplementary Master Prospectus dated 2 January 2019, the Fourth Supplementary Master Prospectus dated 1 August 2019, the Fifth Supplementary Master Prospectus dated 1 October 2020, the Sixth Supplementary Master Prospectus dated 15 December 2021 and the Seventh Supplementary Master Prospectus dated 30 December 2022	Revised disclosure in the Eighth Supplementary Master Prospectus dated 2 February 2024
<b>Transaction Information – Income Reinvestment Policy</b>	<p>Income distributed to a Unit Holder will automatically be reinvested into additional Units in the Fund at the NAV per Unit at the end of the Business Day of the income distribution date at no cost if the Unit Holder did not elect the mode of distribution in the master account opening form or provide any written instruction to the Manager.</p> <p>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 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.</p>	<p>Income distribution to a Unit Holder will automatically be reinvested into additional Units in the Fund at the NAV per Unit at the end of the Business Day of the income distribution date at no cost if the Unit Holder did not elect the mode of distribution in the master account opening form or provide any written instruction to the Manager.</p> <p>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 proceeds <u>will be paid via e-payment ONLY (i.e. income distribution proceeds will be credited to a Malaysian domiciled bank account via telegraphic or online transfer)</u>. Any fees or charges imposed by the bank will be borne by the Unit Holder.</p>



Section	<p><b>Current disclosure in the Master Prospectus dated 15 July 2017, the First Supplementary Master Prospectus dated 2 February 2018, the Second Supplementary Master Prospectus dated 31 October 2018, the Third Supplementary Master Prospectus dated 2 January 2019, the Fourth Supplementary Master Prospectus dated 1 August 2019, the Fifth Supplementary Master Prospectus dated 1 October 2020, the Sixth Supplementary Master Prospectus dated 15 December 2021 and the Seventh Supplementary Master Prospectus dated 30 December 2022</b></p>	<p><b>Revised disclosure in the Eighth Supplementary Master Prospectus dated 2 February 2024</b></p>
<p><b>Transaction Information – Income Reinvestment Policy (continued)</b></p>	<p>The Manager reserves the right to reinvest income distribution without providing any reason if the instruction in the master account opening form or written instruction is incomplete.</p> <p><u>Applicable only to Eastspring Global Target Income Fund</u></p> <p>Distribution payment which is less than or equal to the amount of RM300* or such other amount which will be determined by the Manager will be reinvested into additional Units in the Fund at the NAV per Unit at the end of the Business Day of the income distribution date at no cost.</p> <p>* should this amount be increased in the future, Unit Holder will be informed via post mail or email at least fourteen (14) calendar days prior to the implementation of such increase.</p>	<p>The Manager reserves the right to reinvest income distribution without providing any reason if the instruction in the master account opening form or written instruction is incomplete. <u>In the absence of a registered bank account, the distribution (if any) will be reinvested.</u></p> <p>Distribution payment which is less than or equal to the amount of RM300* or such other amount which will be determined by the Manager will be reinvested into additional Units in the Fund at the NAV per Unit at the end of the Business Day of the income distribution date at no cost.</p> <p>* should this amount be increased in the future, Unit Holder will be informed via post mail or email at least fourteen (14) calendar days prior to the implementation of such increase.</p>

Section	Current disclosure in the Master Prospectus dated 15 July 2017, the First Supplementary Master Prospectus dated 2 February 2018, the Second Supplementary Master Prospectus dated 31 October 2018, the Third Supplementary Master Prospectus dated 2 January 2019, the Fourth Supplementary Master Prospectus dated 1 August 2019, the Fifth Supplementary Master Prospectus dated 1 October 2020, the Sixth Supplementary Master Prospectus dated 15 December 2021 and the Seventh Supplementary Master Prospectus dated 30 December 2022	Revised disclosure in the Eighth Supplementary Master Prospectus dated 2 February 2024
<b>Transaction Information – Auto Reinvestment Policy</b>	Not applicable.	<p data-bbox="601 636 664 658"><i>(added)</i></p> <p data-bbox="601 682 721 704">2<sup>nd</sup> Paragraph:</p> <p data-bbox="601 729 954 843">The Manager reserves the right to change the income distribution instruction to “reinvestment” if the Unit Holder did not claim the income distribution payment for the last three (3) consecutive distributions.</p>

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