

EASTSPRING INVESTMENTS WHOLESALE BOND FUND

QUARTERLY REPORT

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2025
TO 31 MARCH 2025



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 March 2025.

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

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

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Yap Sioh Hoon', written in a cursive style.

YAP SIOK HOON

Executive Director/Chief Executive Officer

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FUND INFORMATION

Name of Fund	Eastspring Investments Wholesale Bond Fund (the “Fund”)
Fund Category/ Type	Fixed Income/Income
Fund Objective	<p>The Fund aims to provide regular income stream* and capital growth to Unit Holders.</p> <p>* Income distributed to a Unit Holder will be reinvested into additional Units unless Unit Holder opts for the distribution to be paid out.</p> <p>ANY MATERIAL CHANGE TO THE FUND’S OBJECTIVE WOULD REQUIRE UNIT HOLDERS’ APPROVAL.</p>
Performance Benchmark	<p>60% Refinitiv BPAM 1 – 3 years corporate bond index + 40% Refinitiv BPAM 1 – 3 years government bond index.</p> <p>Note: The risk profile of the Fund is not the same as the risk profile of the performance benchmark.</p>
Fund Income Distribution Policy	Subject to the availability of income, distribution of income, if any, will be on quarterly basis, after deduction of taxation and expenses.

KEY PERFORMANCE DATA

FOR THE FINANCIAL PERIOD/YEAR ENDED

Category	First quarter from 1.1.2025 to 31.3.2025	2024
	(%)	(%)
Unquoted fixed income securities	78.49	71.02
Cash and other assets	21.51	28.98
Total	100.00	100.00
Net Asset Value (NAV) (RM'000)	495,563	496,618
Units In Circulation (Units '000)	479,183	481,660
Net Asset Value Per Unit (RM)	1.0342	1.0311
Highest Net Asset Value Per Unit (RM) [#]	1.0339	1.0311
Lowest Net Asset Value Per Unit (RM) [#]	1.0336	1.0301
Total Return (%)		
- Capital Growth	0.27	0.63
- Income Distribution	0.80	3.21
Total Return (%)	1.08	3.86
Gross Distribution Per Unit (RM)	0.0083	0.0326
Net Distribution Per Unit (RM)	0.0083	0.0326
Total Expense Ratio (TER) (%)	-	0.32
Portfolio Turnover Ratio (PTR) (times)	-	0.40

[#] Figure shown as ex-distribution.

KEY PERFORMANCE DATA (CONTINUED)

	1 year 1.4.2024 to 31.3.2025	Since commencement 11.4.2022 to 31.3.2025
	(%)	(%)
Average total return	3.93	3.87

Year ended	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	Since commencement 11.4.2022 to 31.12.2022
	(%)	(%)	(%)
Annual total return	3.86	4.37	2.18

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

Bases of calculation and assumptions made in calculating returns:

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

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

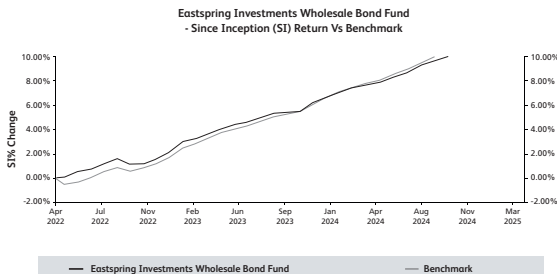
MANAGER'S REPORT

Fund Performance

Since inception, the Fund recorded a return of 11.97%, underperforming the benchmark return of 12.27% by 0.30%.

During the period under review, the Fund registered a return of 1.08%, outperforming the benchmark return of 1.07% by 0.01%.

The outperformance in the period under review was mainly attributed to the fund's holding in several corporate bonds that outperformed the benchmark.



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

Benchmark: 60% Refinitiv BPAM 1 – 3 years corporate bond index + 40% Refinitiv BPAM 1 – 3 years government bond index.

Source: Lipper for Investment Management as at 31 March 2025.

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

MANAGER'S REPORT (CONTINUED)

Analysis of Fund Performance

For the financial period ended 31 March 2025:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
0.80	0.27	1.08	1.07

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

Distribution/ Unit Split

Ex-Date	Distribution per unit		Net Asset Value per unit	
	Gross (RM)	Net (RM)	Before Distribution (RM)	After Distribution (RM)
25/3/2025	0.0083	0.0083	1.0419	1.0336

No unit split were declared for the financial period ended 31 March 2025.

Investment Strategy During the Period Under Review

Market remains volatile, albeit at a lesser degree. We will continue to look for trading opportunities in these volatile times. Domestic sukuk yields would be supported by expectations of weaker economic growth, lower inflation outlook and loosening global and domestic monetary policies, exacerbated by the COVID-19 pandemic.

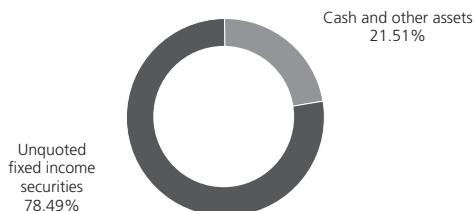
In this volatile and sentiment-driven market, we prefer corporate bonds over government bonds for yield pickup and lower volatility.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	31-Mar 2025	31-Dec 2024	Changes
	(%)	(%)	(%)
Unquoted fixed income securities	78.49	71.02	7.47
Cash and other assets	21.51	28.98	(7.47)

Asset Allocation as at 31 March 2025



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

State of Affairs of the Fund

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

MARKET REVIEW

The quarter saw mixed results across major bond markets. After a weak showing in the U.S. bond market in 4Q2024 – in line with strong US economic data, sticky inflation and prospects of a Trump presidency which had fueled further inflation concerns – the trend reversed in 1Q2025 as mounting recessionary fears overshadowed earlier inflation concerns tied to trade policies, and led to a downward shift in the US Treasury curve.

In the March 2025 FOMC, Federal Reserve Chair Jerome Powell noted that tariffs could raise inflation in the short-term but curtail growth over time, contributing to a “highly uncertain outlook” which prompted the FOMC to maintain the federal funds rate at 4.25% - 4.50%. In the March Summary of Economic Projections, the Federal Reserve revised its 2025 growth forecast downwards to 1.7% (December forecast: 2.1%), while revising upwards the PCE and core PCE forecast to 2.7% and 2.8% respectively (December forecast: 2.5%; 2.5%). Additionally, the Federal Reserve announced a slowdown in quantitative tightening, lowering the cap on U.S. Treasury run-off from US\$25 billion to US\$5 billion per month.

The U.S. economy added 228k jobs in March 2025, well above the 117K in February and beating forecasts of 135k, indicating that the labour market remains healthy. The unemployment rate rose to 4.2% (February: 4.1%). In February 2025, the U.S. PCE Price index increased by 2.5% year-on-year (“y-o-y”) (January: 2.5% y-o-y), and the core PCE price index rose by 2.8% y-o-y (January: 2.7% y-o-y). The University of Michigan Consumer Sentiment index fell further to 57.0 in March 2025 from 64.7 in February 2025, as consumers’ expectations regarding personal finances, business conditions, unemployment and inflation have worsened. The Manufacturing PMI fell to 49 in March 2025 (February: 50.3), while the Service PMI fell to 50.8 (February: 53.5), indicating a slowdown in economic activity.

In Europe, sovereign bond yields generally rose, despite the European Central Bank (“ECB”) cutting deposit rates by 50bps in 1Q2025 which had signalled a dovish stance amid weak Eurozone growth forecasts. In March 2025, Eurozone’s inflation rate eased to 2.2% (February: 2.3%), primarily due to a slowdown in services inflation, which fell to 3.4% from 3.7% in February. Additionally, energy costs saw a decline of 0.7%, compared to a rise of 0.2%. Its core inflation was at 2.4% (February: 2.6%). In Germany, announcements of a boost in government spending (as with other Eurozone countries) and revisions to its “debt brake” raised expectations of higher bond issuances and greater fiscal deficit, pushing up yields. In the UK, GILT yields surged to multi-year highs, driven by investor concerns over the Labour government’s fiscal plans outlined in its October 2024 Autumn Budget, which had included increased borrowing and marginally inflationary measures. Bond markets also reacted to sticky UK inflation, with fears that the Bank of England would delay rate cuts, pricing in just 1 rate cut for 2025 compared to earlier expectations of 3 cuts.

In Asia, Japanese government bond yields continued to rise as the Bank of Japan hiked rates from 0.25% to 0.5% in January 2025, marking the highest level since 2008 – resulting in 10Y yields touching 16-year highs. Meanwhile, China's economy showed signs of stabilization through targeted stimulus, with moderate growth in exports and retail sales, but global trade concerns weighed on sentiment.

In Malaysia, Bank Negara Malaysia (“BNM”) retained its Overnight Policy Rate (“OPR”) at 3.00% during its January and March Monetary Policy Committee (“MPC”) meetings with future adjustments being data dependent. BNM is closely monitoring developments to assess domestic inflation and growth trends, aiming to support economic growth while ensuring price stability. It is noted that the upside risk to inflation would be dependent on the extent of spillover effects of domestic policy measures, such as RON95 petrol subsidy rationalisation and higher labour costs following the minimum wage increase to RM1,700 effective February 2025, as well as the civil servant wage increases which took place in 4Q2024, alongside global commodity price volatility. While market participants have generally expected OPR to stay at 3.00% over the next 6 to 12 months, more recent data has opened the possibility of rate cuts with inflation continuing its softening trend as CPI declined to 1.5% in February 2025 (January: 1.7%) and 1Q2025 GDP advanced estimates surprising to the downside at 4.4% y-o-y, lower than market consensus of 4.8% - reflecting concerns that growth momentum is softening even before the impact of the Trump-era tariffs. Malaysia's MGS yield curve shifted lower during the period with 3-, 5-, 10- and 15-year yields closing at 3.38%, 3.56%, 3.77% and 3.91%, respectively (December 2024: 3.47%; 3.62%; 3.82%; 3.97%).

REBATES AND SOFT COMMISSIONS

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

SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

EASTSPRING INVESTMENTS WHOLESALE BOND FUND

CONDENSED FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2025 TO 31 MARCH 2025

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2025 TO 31 MARCH 2025

	Financial period from 1.1.2025 to 31.3.2025	Financial period from 1.1.2024 to 31.3.2024
	RM	RM
INVESTMENT INCOME		
Interest income from deposits with licensed financial institutions	1,266,157	841,079
Interest income from unquoted fixed income securities	3,714,033	3,308,932
Net gain on financial assets at fair value through profit or loss	791,286	704,771
	<u>5,771,476</u>	<u>4,854,782</u>
EXPENSES		
Management fee	(244,121)	(530,351)
Trustee fee	(61,031)	(53,035)
Audit fee	(1,603)	(1,616)
Tax agent fee	(912)	(920)
Other expenses	(6,255)	(6,744)
	<u>(313,922)</u>	<u>(592,666)</u>
PROFIT BEFORE TAXATION	5,457,554	4,262,116
TAXATION	-	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME	<u>5,457,554</u>	<u>4,262,116</u>
Profit after taxation is made up of the following:		
Realised amount	4,763,927	3,557,269
Unrealised amount	693,627	704,847
	<u>5,457,554</u>	<u>4,262,116</u>

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	31.3.2025	31.12.2024
	RM	RM
ASSETS		
Cash and cash equivalents	86,451,463	68,941,955
Deposits with licensed financial institutions	20,247,685	75,159,576
Financial assets at fair value through profit or loss	388,981,260	352,680,256
TOTAL ASSETS	<u>495,680,408</u>	<u>496,781,787</u>
LIABILITIES		
Accrued management fee	84,007	84,224
Amount due to Trustee	21,002	21,056
Distribution payable	-	42,404
Other payables and accruals	12,301	16,396
TOTAL LIABILITIES	<u>117,310</u>	<u>164,080</u>
NET ASSET VALUE OF THE FUND	<u>495,563,098</u>	<u>496,617,707</u>
EQUITY		
Unit holders' capital	483,783,984	486,350,612
Retained earnings	11,779,114	10,267,095
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS	<u>495,563,098</u>	<u>496,617,707</u>
NUMBER OF UNITS IN CIRCULATION	<u>479,182,880</u>	<u>481,660,049</u>
NET ASSET VALUE PER UNIT (EX-DISTRIBUTION) (RM)	<u>1.0342</u>	<u>1.0311</u>

CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2025 TO 31 MARCH 2025

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
Balance as at 1 January 2025	486,350,612	10,267,095	496,617,707
Movement in unit holders' contribution:			
Creation of units from applications	35,830		35,830
Creation of units from distribution	3,945,535	-	3,945,535
Cancellation of units	(6,547,993)		(6,547,993)
Distribution (Gross/Net: 0.83 sen)	-	(3,945,535)	(3,945,535)
Total comprehensive income for the financial period	-	5,457,554	5,457,554
Balance as at 31 March 2025	<u>483,783,984</u>	<u>11,779,114</u>	<u>495,563,098</u>
Balance as at 1 January 2024	378,770,636	5,551,495	384,322,131
Movement in unit holders' contribution:			
Creation of units from applications	100,829,621	-	100,829,621
Creation of units from distribution	4,396,817	-	4,396,817
Distribution (Gross/Net: 1.03 sen)	(978,924)	(3,432,951)	(4,411,875)
Total comprehensive income for the financial period	-	4,262,116	4,262,116
Balance as at 31 March 2024	<u>483,018,150</u>	<u>6,380,660</u>	<u>489,398,810</u>

CONDENSED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2025 TO 31 MARCH 2025

	Financial period from 1.1.2025 to 31.3.2025	Financial period from 1.1.2024 to 31.3.2024
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	19,200,000	14,809,632
Payments for purchase of investments	(55,077,430)	(109,177,432)
Proceeds from maturity of Islamic deposits with licensed financial institutions	75,000,000	1,721,000,000
Placement of Islamic deposits with licensed financial institutions	(20,000,000)	(1,721,000,000)
Interest received from deposits with licensed financial institutions	1,178,047	575,059
Interest received from unquoted fixed income securities	4,081,746	3,636,302
Management fee paid	(244,339)	(498,202)
Trustee fee paid	(61,085)	(49,820)
Payment for other fees and expenses	(12,865)	(14,065)
Net cash generated from/(used in) operating activities	24,064,074	(90,718,526)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	35,830	54,829,621
Cash payments for units released	(6,547,992)	-
Distributions paid	(42,404)	-
Net cash (used in)/generated from financing activities	(6,554,566)	54,829,621
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	17,509,508	(35,888,905)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	68,941,955	61,356,947
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	86,451,463	25,468,042

CORPORATE DIRECTORY

THE MANAGER

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

200001028634 (531241-U)

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TELEPHONE NO.

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