

SUPPLEMENTARY REPLACEMENT MASTER PROSPECTUS

Funds	Date Constitution	Of	Funds	Date Constitution	Of
Local Equity			Global Equity		
Pacific Premier Fund	10 August 1995		Pacific Focus18 Fund	16 June 2005	
Pacific Pearl Fund	6 January 1997		Pacific Asia Brands Fund	20 January 2006	
Pacific Dana Aman	16 April 1998		Pacific Global Stars Fund	20 July 2006	
Pacific Millennium Fund	15 April 1999		Pacific Dana Dividen	26 July 2007	
Pacific Recovery Fund	15 April 1999		Pacific Focus China Fund	19 May 2009	
Pacific Dividend Fund	18 November 2003		Pacific Global Agriculture, Infrastructure And Resources Fund	12 April 2010	
Local Mixed Asset			Global Mixed Asset		
Pacific Income Fund	18 August 2000		Pacific Dynamic AsiaPac Fund	29 July 2013	
Local Balanced			Global Balanced		
Pacific SELECT Balance Fund	11 August 2003 2 June 2014		Pacific AsiaPac Income Fund	28 November 2006	
Pacific Dana Imbang					
Local Fixed Income					
Pacific SELECT Income Fund	11 August 2003				
Local Sukuk					
Pacific Dana Murni	25 March 2003				
Local Money Market					
Pacific Cash Fund	7 October 2005				

MANAGER

PACIFIC MUTUAL FUND BHD (336059-U)

a company incorporated in Malaysia under the Companies Act 1965

TRUSTEES

UNIVERSAL TRUSTEE (MALAYSIA) BERHAD (17540-D)

MTRUSTEE BERHAD (163032-V)

CIMB ISLAMIC TRUSTEE BERHAD (167913-M)

CIMB COMMERCE TRUSTEE BERHAD (313031-A)

This supplementary replacement master prospectus is dated 22 July 2019 and is to be read in conjunction with the replacement master prospectus dated 1 April 2019.

A copy of this supplementary replacement master prospectus has been registered with the Securities Commission Malaysia.

Investors are advised to read and understand the contents of the replacement master prospectus and supplementary replacement master prospectus. If in doubt, please consult a professional adviser.

RESPONSIBILITY STATEMENTS

This supplementary replacement master prospectus has been reviewed and approved by the Directors of Pacific Mutual Fund Bhd (“the Manager”) and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in the supplementary replacement master prospectus false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has authorised the Fund(s) and a copy of this supplementary replacement master prospectus has been registered with the Securities Commission Malaysia.

The authorisation of the Fund(s), and registration of this supplementary replacement master prospectus, should not be taken to indicate that Securities Commission Malaysia recommends the said Fund(s) or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in the replacement master prospectus dated 1 April 2019 and this supplementary replacement master prospectus.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the Manager responsible for the said Fund(s) and takes no responsibility for the contents in this supplementary replacement master prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this supplementary replacement master prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENTS. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.

Investors should note that they may seek recourse under the Capital Markets And Services Act 2007 for breaches of securities laws including any statement in the supplementary replacement master prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the supplementary replacement master prospectus or the conduct of any other person in relation to the Fund(s).

While it is the duty of the Manager to ensure the Fund(s) is/are being correctly valued or priced, the Manager cannot be held liable for any error in prices published on the websites of our distributors for the Fund(s). Pursuant to the Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia, where there is incorrect valuation or pricing of units, the Manager will take immediate remedial action to rectify the error, which extends to reimbursement of money by the Manager to the Fund(s) and/or from the Fund(s) to the unitholders or former unitholders. Rectification need not be extended to any reimbursement where it appears to the trustees that the incorrect pricing is of minimal significance.

While it is the duty of the Manager to ensure that all comments given to the media is accurate and true at the time the comments were given, misquotation may still occur either by the media or third parties, which are out of the Manager’s control. In such situations, the Manager and its employees hold no responsibility for any claims and liabilities due to the misquotations by the media and/or third parties, and are under no obligation to fulfil any expectation or demand in relation to the misquoted statements.

The distribution of this supplementary replacement master prospectus and offering, purchase, sale or transfer of units of the Fund(s) in certain jurisdictions may be restricted by law. In these jurisdictions, other than Malaysia, the Manager has not applied to allow distribution of this supplementary replacement master prospectus or units of the Fund(s). Therefore, this supplementary replacement master prospectus does not constitute an offer or invitation to purchase units of the Fund(s) in any jurisdiction in which such offer or invitation would be unlawful.

Investors should be aware that for investments of our Fund(s) made via any of our IUTA, where applicable, any investment transactions are subject to the terms and conditions of the respective IUTA.

The Pacific Dana Aman, Pacific Dana Murni, Pacific Dana Dividen and Pacific Dana Imbang have been certified as being Shariah-compliant by the Shariah Adviser appointed for the said Fund(s).

DIRECTORS' DECLARATION

This supplementary replacement master prospectus has been reviewed and approved by the Directors of Pacific Mutual Fund Bhd and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statements in the supplementary replacement master prospectus false or misleading.

Directors:
GERARD LEE HOW CHENG (CHAIRMAN)
JAMES TAN THIAN PENG
DATO' AHMAD ZAHUDI BIN HAJI SALLEH
ONG EU JIN*
DATUK LEE SAY TSHIN*
TEH CHI-CHEUN

* Independent Directors

Page 5 to page 14 of the replacement master prospectus dated 1 April 2019

Amendment

Under the section "3 THE FUNDS", on the subsection entitled "3.1 Pacific Premier Fund" and "3.2 Pacific Pearl Fund", "3.3 Pacific Dana Aman" and "3.4 Pacific Millennium Fund", "3.5 Pacific Recovery Fund", "3.6 Pacific Income Fund", "3.8 Pacific SELECT Balance Fund" and "3.10 Pacific Dividend Fund", pertaining to "Asset Allocation", the first paragraph is amended as follows:

The Funds	Asset Allocation
Pacific Premier Fund	<p>The Fund may invest up to 100%* (minimum equity allocation is 70%) of its NAV in equities and equity-related securities but this may be reviewed from time to time depending on the economic and stock market conditions. An internal allocation for cash and other liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p><i>*The Fund's exposure (if any) in foreign equities is up to 30% of its NAV only. The investment in foreign equities are limited to markets where the regulatory authority is an ordinary or associate member of the International Organization of Securities Commissions. It is important to know that the Fund's foreign exposure, if any, will be limited in scope and depth, and is on optional basis, not permanent basis.</i></p>
Pacific Pearl Fund	<p>The Fund may invest up to 100%* (minimum equity allocation is 70%) of its NAV in equities and equity-related securities but this may be reviewed from time to time depending on the economic and stock market conditions. An internal allocation for cash and other liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p><i>*The Fund's exposure (if any) in foreign equities is up to 30% of its NAV only. The investment in foreign equities are limited to markets where the regulatory authority is an ordinary or associate member of the International Organization of Securities Commissions. It is important to know that the Fund's foreign exposure, if any, will be limited in scope and depth, and is on optional basis, not permanent basis.</i></p>
Pacific Dana Aman	<p>The Fund may invest up to 95%* (minimum equity allocation is 70%) of its NAV in Shariah-compliant equities and Shariah-compliant equity-related securities but this may be reviewed from time to time depending on the economic and stock market conditions. An internal allocation for cash and other Islamic liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p><i>*The Fund's exposure (if any) in Shariah-compliant foreign equities is up to 30% of its NAV only. The investment in Shariah-compliant foreign equities are limited to markets where the regulatory authority is an ordinary or associate member of the International Organization of Securities Commissions. It is important to know that the Fund's foreign exposure, if any, will be limited in scope and depth, and is on optional basis, not permanent basis.</i></p>
Pacific Millennium Fund	<p>The Fund may invest up to 100%* (minimum equity allocation is 70%) of its NAV in equities and equity-related securities but this may be reviewed from time to time</p>

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	<p>depending on the economic and stock market conditions. An internal allocation for cash and other liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p><i>*The Fund's exposure (if any) in foreign equities is up to 30% of its NAV only. The investment in foreign equities are limited to markets where the regulatory authority is an ordinary or associate member of the International Organization of Securities Commissions. It is important to know that the Fund's foreign exposure, if any, will be limited in scope and depth, and is on optional basis, not permanent basis.</i></p>
Pacific Recovery Fund	<p>The Fund may invest up to 100%* (minimum equity allocation is 70%) of its NAV in equities and equity-related securities but this may be reviewed from time to time depending on the economic and stock market conditions. An internal allocation for cash and other liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p><i>*The Fund's exposure (if any) in foreign equities is up to 30% of its NAV only. The investment in foreign equities are limited to markets where the regulatory authority is an ordinary or associate member of the International Organization of Securities Commissions. It is important to know that the Fund's foreign exposure, if any, will be limited in scope and depth, and is on optional basis, not permanent basis.</i></p>
Pacific Income Fund	<p>The Fund may invest up to 40%* (minimum equity allocation is 20%) of its NAV in equities and equity-related securities but this may be reviewed from time to time depending on the economic and stock market conditions. The minimum fixed income allocation is set at 30% of the Fund's NAV. An internal allocation for cash and other liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p><i>*The Fund's exposure (if any) in foreign equities is up to 30% of its NAV only. The investment in foreign equities are limited to markets where the regulatory authority is an ordinary or associate member of the International Organization of Securities Commissions. It is important to know that the Fund's foreign exposure, if any, will be limited in scope and depth, and is on optional basis, not permanent basis.</i></p>
Pacific SELECT Balance Fund	<p>The Fund may invest up to a maximum of 60%* of its NAV in equities and equity-related securities.</p> <p><i>*The Fund's exposure (if any) in foreign equities is up to 30% of its NAV only. The investment in foreign equities are limited to markets where the regulatory authority is an ordinary or associate member of the International Organization of Securities Commissions. It is important to know that the Fund's foreign exposure, if any, will be limited in scope and depth, and is on optional basis, not permanent basis.</i></p>
Pacific Dividend Fund	<p>The Fund may invest up to 100%* (minimum equity allocation is 70%) of its NAV in equities and equity-related securities but this may be reviewed from time to time depending on the economic and stock market conditions. Maximum fixed income allocation is set at 30% of the Fund's NAV. An internal allocation for cash and other liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p><i>*The Fund's exposure (if any) in foreign equities is up to 30% of its NAV only. The investment in foreign equities are limited to markets where the regulatory authority is an ordinary or associate member of the International Organization of Securities Commissions. It is important to know that the Fund's foreign exposure, if any, will be limited in scope and depth, and is on optional basis, not permanent basis.</i></p>

Page 23, page 24 and page 27 of the replacement master prospectus dated 1 April 2019

Amendment

Under the section "3 THE FUNDS", on the subsection entitled "3.18 Pacific Focus China Fund" and "3.20 Pacific Dynamic AsiaPac Fund", pertaining to "External Fund Manager", the information is removed.

This supplementary replacement master prospectus is dated 22 July 2019 and is to be read in conjunction with the replacement master prospectus dated 1 April 2019.

Page 25 of the replacement master prospectus dated 1 April 2019

Amendment

Under the section “3 THE FUNDS”, on the subsection entitled “3.19 Pacific Global A.I.R. Fund”, pertaining to “Fund Type”, the information is amended to “Growth and Income”.

Page 30 of the replacement master prospectus dated 1 April 2019

Amendment

Under the section “4 PERMITTED INVESTMENTS, INVESTMENT RESTRICTIONS AND LIMITS”, on the subsection entitled “4.1 Permitted Investments”, pertaining to permitted investments of Pacific Premier Fund, Pacific Pearl Fund, Pacific Millennium Fund, Pacific Recovery Fund, Pacific Income Fund, Pacific SELECT Balance Fund, Pacific SELECT Income Fund, Pacific Dividend Fund and Pacific Focus18 Fund, the information is amended as follows:

- Securities traded on the Bursa Malaysia and any other market considered as an eligible market;
 - Fixed income securities traded in or under the rules of an eligible market;
 - Fixed income securities issued by Bank Negara Malaysia, the Malaysian Government and government related agencies such as Danamodal Nasional Berhad, Pengurusan Danaharta Nasional Berhad, Khazanah Nasional Berhad and Cagamas Berhad;
 - Unlisted fixed income securities which are either bank-guaranteed or rated by RAM Holdings Berhad, Malaysian Rating Corporation Berhad or other recognised rating agencies;
 - Liquid assets such as Malaysian currency deposits and money market instruments with licensed financial institutions including Investment Certificates, placement of monies at call with licensed financial institutions, and any other instrument capable of being converted into cash within seven days as may be approved by the respective Trustees;
 - Units of other collective investment schemes;
 - Structured products, such as those linked to a basket of equity securities or equity indices, options, debt securities, commodities futures, currencies and possibly equity or interest rate swaps (applicable to the Pacific Focus18 Fund only);
 - Foreign securities traded in foreign markets under the rules of an eligible market and subject to the limit as may be permitted for investment by the relevant authorities from time to time;
 - Futures contracts traded in futures markets of an exchange permitted under the Capital Markets And Services Act 2007, only for hedging purposes; and
 - Any other form of investments as may be agreed upon by the Manager and the respective Trustees from time to time and permitted by the relevant authorities.
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Page 46 of the replacement master prospectus dated 1 April 2019

Amendment

Under the section “7 FEES, CHARGES AND EXPENSES”, on the subsection entitled “7.2 Redemption Charge”, the information is amended as follows:

7.2 Redemption Charge

There is no redemption charge imposed on unitholders for all Pacific Mutual's Funds stated in this prospectus.

Note: By default, redemption proceeds will be paid out via bank transfer. Thus, it is important for you to furnish us your bank account detail upon your subscription of the Fund(s). The request for payment of redemption proceeds via cheque is treated on a case-to-case basis only and subject to the Manager's approval. You will be charged a service fee of up to RM50 for each cheque requested and you will receive your redemption proceeds net of the service fee. You are encouraged to opt for bank transfer for redemption as there will be no fee imposed. Kindly contact us at 03-7712 3197 for details.

Page 49 and page 50 of the replacement master prospectus dated 1 April 2019

Amendment

Under the section “8 TRANSACTION INFORMATION”, on the subsection entitled “8.2 Minimum Initial Investment” and “8.3 Minimum Additional Investment”, pertaining to “Saver’s Pan”, the information is amended as follows:

Minimum Initial Investment	<u>Saver’s Plan:</u> You may fix your own time frame for saving, starting with a minimum of five years. Your initial investment must be two times the monthly investment amount. <i>Saver’s Plan is not available for the Pacific Cash Fund.</i>
Minimum Additional Investment	<u>Saver’s Plan:</u> Monthly investment amount: Minimum RM100 via a standing instruction with our appointed bank or financial process exchange (FPX) direct debit service. <i>Saver’s Plan is not available for the Pacific Cash Fund.</i>

Page 50 of the replacement master prospectus dated 1 April 2019

Amendment

Under the section “8 TRANSACTION INFORMATION”, on the subsection entitled “8.4 Purchase”, pertaining to “Purchase of Unit Procedure”, the information is amended as follows:

8.4 Purchase

Purchase of Unit Procedure

Your purchase application for units and payment must reach our head office **by 4.00 p.m.** on any business day. Any duly completed and accepted original application form and payment received after this cut-off time is considered as being transacted on the next business day. In addition to the submission of the above form, you may be required to forward to us additional documents to authenticate your identification when transacting units of a Fund. We may for any reason at any time, waive existing procedures, and/or prescribe applications for units in any other form or manner whether for all/any particular investor, at our discretion.

Value-added service (additional way to subscribe – applicable to individual investors only): If you are an existing Pacific Mutual’s customer (i.e. individual(s) with valid investment account(s) with us), you may top up your investment (including in the Fund(s) you don’t currently hold) with us via fax or email (i.e. faxed or soft-copy documentation) with the following terms and conditions:

- You accept that we shall not be held responsible for any delay or losses experienced by you in the instances that are beyond our control (e.g. our email or fax is unreachable or busy).
- You accept we reserve the right to carry out the due verification via phone, of which the call may be recorded.
- You accept that your subscription instruction will only be carried out upon the receipt of your payment, proof of payment, the necessary documentation, and the completion of the due verification (if any) before the same cut-off time indicated above.
- You accept that your risk profile (in our record) must at least match or higher than the risk classification of the Fund(s) you wish to invest.
- You accept that this value-added service is only available for Cash Plan, and for Saver’s Plan, where you need to perform the monthly payment via ad-hoc bank transfer.

It is important to note that this is a value-added service for your convenience, we shall not be held responsible for the authenticity of your instructions, which we reasonably believe to be genuine. You may always opt for subscription via hard-copy documentation (as shown above) if you find the value-added service is not for you.

You are advised to contact us at 03-7712 3197 to understand the details (e.g. documents required) for this value-added service before utilising it.

Page 50 and page 51 of the replacement master prospectus dated 1 April 2019

Amendment

Under the section “8 TRANSACTION INFORMATION”, on the subsection entitled “8.5 Redemption”, pertaining to “Redemption of Unit Procedure”, the information is amended as follows:

8.5 Redemption Redemption of Unit Procedure

Upon receipt of the duly completed and accepted original transaction form, which must reach our head office by 4.00 p.m. on any business day (12.00 p.m. for the Pacific Cash Fund), we will repurchase the units at the respective Fund’s NAV per unit calculated at the end of that business day. Payment will be made to you within 10 days (two business days for the Pacific Cash Fund for non EPF plan).

We will not be held responsible for any loss/delay in the events below (which are beyond the control of Pacific Mutual and Trustee):

1. Real Time Electronic Transfer of Funds and Securities (RENTAS) experiencing problems; and
2. Inaccurate details, including but not limited to identity card number and account number furnished by you.

Value-added service (additional way to redeem – applicable to individual investors only): you will also be able to redeem your investment via fax or email (i.e. faxed or soft-copy documentation) with the following terms and conditions:

- You accept that we shall not be held responsible for any delay or losses experienced by you in the instances that are beyond our control (e.g. our email or fax is unreachable or busy).
- You accept that we reserve the right to carry out the due verification via phone, of which the call may be recorded.
- You accept that your redemption instruction will only be carried out upon the receipt of the necessary documentation and the completion of the due verification (if any) before the same cut-off time indicated above.

It is important to note that this is a value-added service for your convenience, we shall not be held responsible for the authenticity of your instructions, which we reasonably believe to be genuine. You may always opt for subscription via hard-copy documentation (as shown above) if you find the value-added service is not for you.

You are advised to contact us at 03-7712 3197 to understand the details (e.g. documents required) for this value-added service before utilising it.

There is no minimum redemption amount for the Funds. For partial redemption, the minimum balance to be maintained in your unit trust account must be 500 units or such sum as may be decided by the Trustees and the Manager from time to time. If units in your account are less than the minimum holding after the redemption application is made, all units in your account will be redeemed automatically.

Page 51 of the replacement master prospectus dated 1 April 2019

Amendment

Under the section “8 TRANSACTION INFORMATION”, on the subsection entitled “8.6 Switching Facility”, pertaining to the conditions for switching transactions and the section before the table tabulating applicable difference in sales charges, the information is amended as follows:

8.6 Switching Facility

There are no restrictions on the number of switching transactions that you may carry out; however, all switching transactions are subject to the following conditions:

- You may switch your investments into all other Funds managed by the Manager except for the wholesale funds;
- The minimum number of units to be switched is 1,000 units and the value of units switched must meet the minimum investment amount of the switch-in Funds, whichever is higher;
- The minimum number of units required to be held in the switch-out Fund is 500 units for a partial switch; and
- For the avoidance of doubt, if you have purchased units of the Funds through our IUTA, the switching transaction is subject to the terms and conditions of the IUTA.

Switching will be carried out at the respective prevailing NAV per unit of a Fund to be switched from and a Fund to be switched into on a business day, when we receive the switching request by 4.00 p.m. on any business day (subject to availability and terms of the Fund to be switched into).

This supplementary replacement master prospectus is dated 22 July 2019 and is to be read in conjunction with the replacement master prospectus dated 1 April 2019.

Value-added service (additional way to switch – applicable to individual investors only): you will also be able to switch your investment from one Fund to another Fund via fax or email (i.e. faxed or soft-copy documentation) with the following terms and conditions:

- You accept that we shall not be held responsible for any delay or losses experienced by you in the instances that are beyond our control (e.g. our email or fax is unreachable or busy).
- You accept that we reserve the right to carry out the due verification via phone, of which the call may be recorded.
- You accept that your switching instruction will only be carried out upon the receipt of the necessary documentation the completion of the due verification (if any) before the same cut-off time as indicated above.
- You accept that your risk profile (in our record) must at least match or higher than the risk classification of the Fund(s) you wish to switch into.

It is important to note that this is a value-added service for your convenience, we shall not be held responsible for the authenticity of your instructions, which we reasonably believe to be genuine. You may always opt for subscription via hard-copy documentation (as shown above) if you find the value-added service is not for you.

You are advised to contact us at 03-7712 3197 to understand the details (e.g. documents required) of this value-added service before utilising it.

Should the sales charge of a Fund to be switched into is higher than the sales charge imposed on a Fund to be switched from, then the difference in the sales charge between the two (2) Funds shall be borne by you. There will be no sales charge imposed if the Funds to be switched into has a lower sales charge than the Fund you are switching out from.

If you have been imposed the highest sales charge in your switching transaction among our Funds, you are no longer required to bear any sales charge difference for subsequent switch transactions involving this specific batch of your investments.

You are not entitled to any refund for the sales charge paid on a Fund being switched from, which exceeds that imposed on a Fund to be switched into.

Page 52 and page 53 of the replacement master prospectus dated 1 April 2019

Amendment

Under the section “8 TRANSACTION INFORMATION”, on the subsection entitled “8.9 Distribution Policy & Reinvestment Policy”, the information is amended as follows:

8.9 Distribution Policy & Reinvestment Policy

Distribution Policy	Funds
Annually*	Pacific Premier Fund, Pacific Pearl Fund, Pacific Dana Aman, Pacific Millennium Fund, Pacific Recovery Fund, Pacific Income Fund, Pacific Dana Murni, Pacific SELECT Balance Fund, Pacific SELECT Income Fund, Pacific Focus18 Fund, Pacific Asia Brands Fund, Pacific Global Stars Fund, Pacific AsiaPac Income Fund, Pacific Dana Dividen, Pacific Focus China Fund, Pacific Global A.I.R. Fund, Pacific Dynamic AsiaPac Fund and Pacific Dana Imbang
Twice a year*	Pacific Dividend Fund
Monthly*	Pacific Cash Fund

* Subject to availability of income

Distribution of income is in the form of cash or units. When there are stock market corrections, bear markets or economic downturns, realised capital losses may outweigh realised gains, dividends and interest/profit sharing income received and thus result in no income distributions being possible.

You may opt for income distributions to be paid out to you directly in cash by way of any relevant mode of payments as determined by the Manager (i.e. By default, the Manager doesn't pay income distribution via cheque. All income distribution proceeds will be paid out via bank transfer. Thus, it is important for you to furnish us your bank account details upon your subscription of the Fund(s). We will reinvest your income distribution proceeds if the bank detail you provided is inaccurate resulting failed bank transfer.

This supplementary replacement master prospectus is dated 22 July 2019 and is to be read in conjunction with the replacement master prospectus dated 1 April 2019.

In the absence of written instructions to the contrary, distributions declared by a Fund will be automatically reinvested into additional units of the Fund based on the NAV per unit of the Fund by the fourth business day (T+4) [next business day (T+1) for the Pacific Cash Fund] after the declaration of distributions at no cost.

Income distribution amounting to less than or equal to the amount of RM200 will be automatically reinvested into additional units of the Fund based on the NAV per unit by the fourth business day [next business day (T+1) for the Pacific Cash Fund] after the declaration of distributions.

The request for payment of income distribution proceeds via cheque is treated on a case-to-case basis and subject to the Manager's approval. You will be charged a service fee of up to RM50 for each cheque requested and you will receive your income distribution proceeds net of the service fee. A returned cheque through mail (if any) will be reinvested based on the respective Fund's NAV per unit on the date that we received the cheque. You are encouraged to opt for bank transfer for income distribution as there will be no fee imposed. Kindly contact us at 03-7712 3197 if you need further clarification.

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Amendment

Under the section "12 TRUSTEES OF THE FUNDS, THEIR DUTIES AND RESPONSIBILITIES", on the subsection entitled "12.2 MTrustee Berhad (163032-V)", pertaining "Delegation Of Share Custodial Functions", the information is amended as follows:

Delegation Of Share Custodial Functions

MTrustee Berhad has delegated its custodian of quoted and unquoted local investments of the Funds to Malayan Banking Berhad ("MBB"). The assets of the local Funds are held through MBB's nominee company, It was set up to act as custodian for investment advisers, managers of large portfolios, lending banks and international custodians.

MTrustee Berhad retains control of the assets of the respective Funds at all times.

Page 64 and page 65 of the replacement master prospectus dated 1 April 2019

Amendment

Under the section "13 SHARIAH ADVISER", on the subsection entitled "13.2 Shariah Investment Guidelines Adopted By BSSB", pertaining to the "Special Purpose Acquisition Company ("SPAC")", the information is amended as follows:

Special Purpose Acquisition Company ("SPAC")

- The Shariah Adviser had considered the following criteria for a SPAC to be classified as Shariah-compliant:
 - The proposed business activity should be Shariah-compliant;
 - The entire proceeds raised from the IPO should be placed in an Islamic accounts; and
 - In the event that the proceeds are invested, the entire investments should be Shariah-compliant.
- Shariah-compliant securities include ordinary shares and warrants issued by the companies themselves. This means that warrants are classified as Shariah-compliant securities provided the underlying shares are also Shariah-compliant. On the other hand, loan stocks and bonds are Shariah non-compliant securities unless they are structured based on SACSC's approved Shariah rulings, concept and principles.

- For investment in foreign securities, the Pacific Dana Dividen and Pacific Dana Aman are only allowed to invest in securities which are on the Approved List of Dow Jones Islamic Index (DJII) or list approved by the Shariah Adviser. With regards to the issue of delisting of Shariah-compliant securities from DJII or list approved by the Shariah Adviser, the Islamic funds are to abide by the rules as laid down by SACSC and by this Shariah Investment Guidelines. In the event that the Islamic funds wish to invest in foreign securities not covered by DJII, the Islamic funds must submit to the Shariah Adviser the latest information pertaining to business activities, complete financial statements and other related information on the relevant company to enable the Shariah Adviser to carry out Shariah screening. The decision of the Shariah Adviser is final.

To facilitate the purchase and sale of foreign securities, there may be a need to have cash placement in a conventional bank account outside Malaysia. In such circumstances, the conventional account should be non-interest bearing and the sole purpose is only to facilitate purchase and sale of foreign securities.

- The Shariah Adviser for Pacific Dana Aman, Pacific Dana Murni, Pacific Dana Dividen and Pacific Dana Iimbang confirms that the investment portfolios of these Fund(s) comprise instruments which have been classified as Shariah-compliant by the SACSC and, where applicable the Shariah Advisory Council of Bank Negara Malaysia ("SACBNM"), and/or the Shariah Supervisory Board of Dow Jones Islamic Market Indices. As for instruments which have not been classified as Shariah-compliant by the SACSC and, where applicable the SACBNM and/or the Shariah Supervisory Board of Dow Jones Islamic Market Indices, the status of the instruments has been determined in accordance with the rulings of the Shariah Adviser.

Page 72, page 73 and page 74 of the replacement master prospectus dated 1 April 2019

Amendment

Under the section "16 ADDITIONAL INFORMATION", on the subsection entitled "16.4 Deeds of the Funds", the information is amended as follows:

16.4 Deeds of the Funds

The Funds are governed by their respective deeds and supplemental deeds as follows:

Fund	Deed(s)
Pacific Premier Fund	Master Deed: 28 July 1995 First Supplemental Deed: 31 January 1996 Second Supplemental Deed: 20 January 1998 Third Supplemental Deed: 30 August 2007 Fourth Supplemental Deed: 15 June 2009
Pacific Pearl Fund	Master Deed: 18 December 1996 First Supplemental Deed: 11 December 1998 Second Supplemental Deed: 29 June 2000 Third Supplemental Deed: 16 May 2001 Fourth Supplemental Deed: 28 June 2007 Supplemental Master Deed: 22 May 2009 Second Supplemental Master Deed: 14 December 2009 Third Supplemental Master Deed: 26 April 2010 Fourth Supplemental Master Deed: 8 January 2014 Fifth Supplemental Master Deed: 7 July 2017 Sixth Supplemental Master Deed: 22 November 2018 Seventh Supplemental Master Deed: 22 January 2019
Pacific Dana Aman	Master Deed: 15 April 1998 First Supplemental Trust Deed: 3 December 1999 Second Supplemental Trust Deed: 29 June 2000 Third Supplemental Deed: 11 September 2002 Fourth Supplemental Deed: 30 August 2007 Supplemental Master Deed: 11 February 2011 Second Supplemental Master Deed: 8 March 2016 Third Supplemental Master Deed: 27 October 2016
Pacific Millennium Fund	Master Deed: 14 April 1999 First Supplemental Deed: 13 June 2000 Second Supplemental Deed: 7 August 2000
Pacific Recovery Fund	Third Supplemental Deed: 18 December 2000 Fourth Supplemental Deed: 30 August 2007 Supplemental Master Deed: 27 April 2011
Pacific Income Fund	Second Supplemental Master Deed :2 June 2011 Third Supplemental Master Deed: 4 March 2013

This supplementary replacement master prospectus is dated 22 July 2019 and is to be read in conjunction with the replacement master prospectus dated 1 April 2019.

Fund	Deed(s)
Pacific Dana Murni	Master Deed: 17 March 2003 First Supplemental Deed: 14 February 2006 Second Supplemental Deed: 28 June 2007 Supplemental Master Deed: 22 May 2009 Second Supplemental Master Deed: 14 December 2009 Third Supplemental Master Deed: 26 April 2010 Fourth Supplemental Master Deed: 8 January 2014 Fifth Supplemental Master Deed: 7 July 2017 Sixth Supplemental Master Deed: 22 November 2018 Seventh Supplemental Master Deed: 22 January 2019
Pacific SELECT Balance Fund	Master Deed: 4 August 2003 First Supplemental Deed: 23 September 2005 Second Supplemental Deed: 28 June 2007 Supplemental Master Deed: 22 May 2009 Second Supplemental Master Deed: 14 December 2009
Pacific SELECT Income Fund	Third Supplemental Master Deed: 26 April 2010 Fourth Supplemental Master Deed: 8 January 2014 Fifth Supplemental Master Deed: 7 July 2017 Sixth Supplemental Master Deed: 22 November 2018 Seventh Supplemental Master Deed: 22 January 2019
Pacific Dividend Fund	Master Deed: 10 November 2003 First Supplemental Deed: 14 February 2006 Second Supplemental Deed: 28 June 2007 Supplemental Master Deed: 22 May 2009 Second Supplemental Master Deed: 14 December 2009 Third Supplemental Master Deed: 26 April 2010 Fourth Supplemental Master Deed: 8 January 2014 Fifth Supplemental Master Deed: 7 July 2017 Sixth Supplemental Master Deed: 22 November 2018 Seventh Supplemental Master Deed: 22 January 2019
Pacific Focus18 Fund	Master Deed: 6 June 2005 First Supplemental Deed: 8 February 2006 Second Supplemental Deed: 28 June 2007 Supplemental Master Deed: 22 May 2009 Second Supplemental Master Deed: 25 June 2010 Third Supplemental Master Deed: 12 July 2017
Pacific Cash Fund	Master Deed: 23 September 2005 First Supplemental Deed: 14 February 2006 Second Supplemental Deed: 28 June 2007 Supplemental Master Deed: 22 May 2009 Second Supplemental Master Deed: 14 December 2009 Third Supplemental Master Deed: 26 April 2010 Fourth Supplemental Master Deed: 8 January 2014 Fifth Supplemental Master Deed: 7 July 2017 Sixth Supplemental Master Deed: 22 November 2018 Seventh Supplemental Master Deed: 22 January 2019
Pacific Asia Brands Fund	Master Deed: 28 December 2005 First Supplemental Deed: 28 June 2007 Supplemental Master Deed: 22 May 2009 Second Supplemental Master Deed: 25 June 2010 Third Supplemental Master Deed: 12 July 2017
Pacific Global Stars Fund	Master Deed: 23 June 2006 First Supplemental Deed: 28 June 2007 Supplemental Master Deed: 22 May 2009 Second Supplemental Master Deed: 25 June 2010 Third Supplemental Master Deed: 12 July 2017
Pacific AsiaPac Income Fund	Master Deed: 6 November 2006 First Supplemental Deed: 28 June 2007 Supplemental Master Deed: 22 May 2009 Second Supplemental Master Deed: 25 June 2010 Third Supplemental Master Deed: 12 July 2017

This supplementary replacement master prospectus is dated 22 July 2019 and is to be read in conjunction with the replacement master prospectus dated 1 April 2019.

Fund	Deed(s)
Pacific Dana Dividen	Master Deed: 22 May 2007 Supplemental Master Deed: 22 May 2009 Second Supplemental Master Deed: 25 June 2010 Third Supplemental Master Deed: 12 July 2017 Fourth Supplemental Master Deeds: 12 July 2017
Pacific Focus China Fund	Master Deed: 24 February 2009 Supplemental Master Deed: 27 April 2011 Second Supplemental Master Deed :2 June 2011 Third Supplemental Master Deed: 4 March 2013
Pacific Global A.I.R. Fund	Master Deed: 26 October 2009 Supplemental Master Deed: 27 April 2011 Second Supplemental Master Deed :2 June 2011 Third Supplemental Master Deed: 4 March 2013
Pacific Dynamic AsiaPac Fund	Supplemental Master Deed: 27 April 2011 Second Supplemental Master Deed: 2 June 2011 Third Supplemental Master Deed: 4 March 2013
Pacific Dana Imbang	Supplemental Master Deed: 22 May 2009 Second Supplemental Master Deed: 14 December 2009 Third Supplemental Master Deed: 26 April 2010 Fourth Supplemental Master Deed: 8 January 2014 Fifth Supplemental Master Deed: 7 July 2017 Sixth Supplemental Master Deed: 22 November 2018 Seventh Supplemental Master Deed: 22 January 2019

-End-

This supplementary replacement master prospectus is dated 22 July 2019 and is to be read in conjunction with the replacement master prospectus dated 1 April 2019.

REPLACEMENT MASTER PROSPECTUS

Dated: 1 April 2019

Note: This document is Replacement Master Prospectus dated 1 April 2019. It supersedes all the previously issued disclosure documents (i.e. prospectuses and supplementary prospectuses) pertaining to the Funds below.

<u>Funds</u>	<u>Date Of Constitution</u>	<u>Funds</u>	<u>Date Of Constitution</u>
Local Equity		Global Equity	
Pacific Premier Fund	10 August 1995	Pacific Focus18 Fund	16 June 2005
Pacific Pearl Fund	6 January 1997	Pacific Asia Brands Fund	20 January 2006
Pacific Dana Aman	16 April 1998	Pacific Global Stars Fund	20 July 2006
Pacific Millennium Fund	15 April 1999	Pacific Dana Dividen	26 July 2007
Pacific Recovery Fund	15 April 1999	Pacific Focus China Fund	19 May 2009
Pacific Dividend Fund	18 November 2003	Pacific Global Agriculture, Infrastructure And Resources Fund	12 April 2010
Local Mixed Asset		Global Mixed Asset	
Pacific Income Fund	18 August 2000	Pacific Dynamic AsiaPac Fund	29 July 2013
Local Balanced		Global Balanced	
Pacific SELECT Balance Fund	11 August 2003	Pacific AsiaPac Income Fund	28 November 2006
Pacific Dana Iimbang	2 June 2014		
Local Fixed Income			
Pacific SELECT Income Fund	11 August 2003		
Local Sukuk			
Pacific Dana Murni	25 March 2003		
Local Money Market			
Pacific Cash Fund	7 October 2005		

MANAGER

PACIFIC MUTUAL FUND BHD (336059-U)
a company incorporated in Malaysia under the Companies Act 1965

TRUSTEES

UNIVERSAL TRUSTEE (MALAYSIA) BERHAD (17540-D)
MTRUSTEE BERHAD (163032-V)
CIMB ISLAMIC TRUSTEE BERHAD (167913-M)
CIMB COMMERCE TRUSTEE BERHAD (313031-A)

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE REPLACEMENT MASTER PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS, WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE 'RISK FACTORS' COMMENCING ON PAGE 40.

RESPONSIBILITY STATEMENTS

This Replacement Master Prospectus has been reviewed and approved by the directors of Pacific Mutual Fund Bhd and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in this Replacement Master Prospectus false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has authorised the Funds and a copy of this Replacement Master Prospectus has been registered with the Securities Commission Malaysia.

The authorisation of the Funds, and registration of this Replacement Master Prospectus, should not be taken to indicate that Securities Commission Malaysia recommends the Funds or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Replacement Master Prospectus.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the Manager responsible for the Funds and takes no responsibility for the contents in this Replacement Master Prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Replacement Master Prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

ADDITIONAL STATEMENTS

While it is the duty of the Manager to ensure the Funds are being correctly valued or priced, the Manager cannot be held liable for any error in prices published on the websites of our distributors for the Funds. Pursuant to the Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia, where there is incorrect valuation or pricing of units, the Manager will take immediate remedial action to rectify the error, which extends to reimbursement of money by the Manager to the Funds and/or from the Funds 'to the Unit Holders or former Unit Holders. Rectification need not be extended to any reimbursement where it appears to the Trustee that the incorrect pricing is of minimal significance.

While it is the duty of the Manager to ensure that all comments given to the media is accurate and true at the time the comments were given, misquotation may still occur either by the media or third parties, which are out of the Manager's control. In such situations, the Manager and its employees hold no responsibility for any claims and liabilities due to the misquotations by the media and/or third parties, and are under no obligation to fulfil any expectation or demand in relation to the misquoted statements.

The distribution of this Replacement Master Prospectus and offering, purchase, sale or transfer of units of the Funds in certain jurisdictions may be restricted by law. In these jurisdictions, other than Malaysia, the Manager has not applied to allow the distribution of this Replacement Master Prospectus or units of the Funds. Therefore, this Replacement Master Prospectus does not constitute an offer or invitation to purchase units of the Funds in any jurisdiction in which such offer or invitation would be unlawful.

Investors should be aware that for investments of the Funds made via our Institutional Unit Trust Advisers (IUTA), where applicable, any investment transactions are subject to the terms and conditions of the respective IUTA.

Investors should note that they may seek recourse under the Capital Markets and Services Act 2007 for breaches of securities laws including any statement in this Replacement Master Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Replacement Master Prospectus or the conduct of any other person in relation to the Funds.

The Pacific Dana Aman, Pacific Dana Murni, Pacific Dana Dividen and Pacific Dana Imbang have been certified as Shariah-compliant by the Shariah Adviser appointed for the said Fund(s).

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.

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1 DEFINITIONS

The meaning of some terms in this Replacement Master Prospectus is explained below:

Board of Directors / Independent Directors / Directors	Directors of Pacific Mutual Fund Bhd										
Bursa Malaysia	The stock exchange managed or operated by Bursa Malaysia Securities Berhad.										
business day(s)	A day on which the Bursa Malaysia is open for trading.										
conventional funds	The Pacific Premier Fund, Pacific Pearl Fund, Pacific Millennium Fund, Pacific Recovery Fund, Pacific Income Fund, Pacific SELECT Balance Fund, Pacific SELECT Income Fund, Pacific Dividend Fund, Pacific Focus18 Fund, Pacific Cash Fund, Pacific Asia Brands Fund, Pacific Global Stars Fund, Pacific AsiaPac Income Fund, Pacific Focus China Fund, Pacific Global A.I.R. Fund and Pacific Dynamic AsiaPac Fund										
deed	The deed and all supplemental deeds entered into between the Manager and the Trustees in relation to the Fund(s).										
eligible market	A market that is regulated by a regulatory authority, operates regularly, is open to the public and has adequate liquidity for the purposes of the Fund(s).										
EPF	Employees Provident Fund										
external investment manager	Lion Global Investors Limited (formerly known as Lion Capital Management Limited) (198601745D)										
Fitch	Fitch Ratings										
Fund(s)	For the purpose of this Replacement Master Prospectus, unless the context otherwise requires, Fund(s) refers to the unit trust scheme(s) offered for sale under this Replacement Master Prospectus (individually referred to as “Fund” and collectively as “Funds”).										
Fund Category / Characteristic	<p>Pacific Mutual categorises its Funds under the following characteristics:</p> <table border="1"> <thead> <tr> <th>Fund Category</th> <th>Characteristic</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> • Money Market • Islamic Money Market • Fixed Income • Sukuk </td> <td>Conservative</td> </tr> <tr> <td> <ul style="list-style-type: none"> • Balanced • Mixed Assets </td> <td>Fairly Conservative</td> </tr> <tr> <td> <ul style="list-style-type: none"> • Mixed Assets¹ • Equity (Growth & Income) </td> <td>Fairly Aggressive</td> </tr> <tr> <td> <ul style="list-style-type: none"> • Equity (Growth) </td> <td>Aggressive</td> </tr> </tbody> </table> <p><i>1 – Where the equity strategy is more aggressive e.g. emerging markets.</i></p>	Fund Category	Characteristic	<ul style="list-style-type: none"> • Money Market • Islamic Money Market • Fixed Income • Sukuk 	Conservative	<ul style="list-style-type: none"> • Balanced • Mixed Assets 	Fairly Conservative	<ul style="list-style-type: none"> • Mixed Assets¹ • Equity (Growth & Income) 	Fairly Aggressive	<ul style="list-style-type: none"> • Equity (Growth) 	Aggressive
Fund Category	Characteristic										
<ul style="list-style-type: none"> • Money Market • Islamic Money Market • Fixed Income • Sukuk 	Conservative										
<ul style="list-style-type: none"> • Balanced • Mixed Assets 	Fairly Conservative										
<ul style="list-style-type: none"> • Mixed Assets¹ • Equity (Growth & Income) 	Fairly Aggressive										
<ul style="list-style-type: none"> • Equity (Growth) 	Aggressive										
IOSCO	International Organization of Securities Commissions										
IUTA	<p>Institutional Unit Trust Advisers</p> <p>IUTA is an institution, body or organisation that is licensed to distribute unit trust funds. IUTA must be registered with the Federation of Investment Managers Malaysia (FiMM).</p>										
Replacement Master Prospectus	<p>Refers to this disclosure document in relation to the Fund(s) issued by Pacific Mutual.</p> <p><i>Note: The Replacement Master Prospectus is dated 1 April 2019. It supersedes all the previously issued disclosure documents (i.e. prospectuses and supplementary prospectuses) in relation to the Fund(s).</i></p>										
MER	<p>The management expense ratio (MER) is the total expenses incurred by the Fund during the year as compared to its average NAV. Management expenses include management fee, trustee fee and expenses incurred for fund administrative services. A low MER indicates the effectiveness of the Manager in managing the expenses of the Fund.</p> <p>$\frac{\text{Total annual expenses incurred by the Fund}}{\text{Average net asset value (NAV) of the Fund}} \times 100$</p> <p>The MER does not include brokerage and other transaction fees.</p>										
Moody's	Moody's Investors Service										
MSCI	Morgan Stanley Capital International										

NAV	Net asset value (NAV) of the Fund is the total value of the Fund's assets minus its liabilities at a valuation point. In computing the annual management fee and annual trustee fee, the NAV of the Fund should include the management fee and the trustee fee for the relevant day.
NAV per unit	NAV per unit of the Fund is the NAV divided by the total number of units in circulation, at a particular valuation point.
Pacific Global A.I.R. Fund	Pacific Global Agriculture, Infrastructure And Resources Fund
Pacific Mutual / Company / Manager / we / our / us	Pacific Mutual Fund Bhd (336059-U)
PTR	The portfolio turnover ratio (PTR) indicates how often the Fund buys and sells investment. A portfolio turnover rate of one means that the average holding period of investments purchases is one year. A high PTR indicates that the Fund buys and sells investments very often. $\frac{\text{(Total acquisitions and disposals of investments for the year)}}{\text{Average NAV of the Fund}}$
SACSC	Shariah Advisory Council of the Securities Commission Malaysia
SC Guidelines	Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia as may be amended from time to time.
SC / Securities Commission	Securities Commission Malaysia
Shariah	Means Islamic law comprising the whole body of rulings pertaining to human conducts derived from the sources of Shariah namely the <i>Qur'an</i> (the holy book of Islam), and Sunnah (practices and explanations rendered by the Prophet Muhammad (<i>pbuh</i>)) and other sources of Shariah such as <i>ijtihad</i> (exertion of individual efforts to determine the true ruling of the divine law on matters whose revelations are not explicit) of Shariah scholars.
Shariah adviser	Means a person or a corporation registered by the Securities Commission Malaysia as Shariah adviser under the Registration of Shariah Advisers Guidelines.
Shariah Adviser	BIMB Securities Sdn Bhd (290163-X)
Islamic funds	The Pacific Dana Aman, Pacific Dana Murni, Pacific Dana Dividen and Pacific Dana Iimbang
Shariah requirements	Is a phrase or expression which generally means making sure that any human conduct must not involve any elements which are prohibited by the Shariah and that in performing that conduct all the essential elements that make up the conduct must be present and each essential element must meet all the necessary conditions required by the Shariah for that element.
short term / medium term / long term	Short term - below one year; medium term - one year to three years; long term - above three years.
sukuk	Refers to certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts endorsed by the SACSC.
Trustee(s)	Universal Trustee (Malaysia) Berhad (17540-D) MTrustee Berhad (163032-V) CIMB Islamic Trustee Berhad (167913-M) CIMB Commerce Trustee Berhad (313031-A)
unitholder	The person for the time being who is registered pursuant to the deed as a holder of units, including a jointholder.

2 CORPORATE DIRECTORY

Manager

Pacific Mutual Fund Bhd (336059-U)

Business Office

1001, Level 10, Uptown 1,
No. 1 Jalan SS21/58, Damansara Uptown,
47400 Petaling Jaya, Selangor Darul Ehsan
Tel: 03-7712 3000 Fax: 03-7712 3001
E-mail: customercare@pacificmutual.com.my
Website: www.pacificmutual.com.my

Registered Office

19th Floor, Menara OCBC,
No. 18 Jalan Tun Perak,
50050 Kuala Lumpur
Tel: 03-2783 3996; 03-2783 3648

Trustees

Universal Trustee (Malaysia) Berhad (17540-D)

for Pacific Premier Fund

Registered/ Business Office:	No. 1, Jalan Ampang (3 rd Floor), 50450 Kuala Lumpur.
Tel:	03-2070 8050
Fax:	03-2031 8715
Website:	www.universalttrustee.com.my

MTrustee Berhad (163032-V)

for Pacific Pearl Fund, Pacific Dana Murni, Pacific SELECT Balance Fund, Pacific SELECT Income Fund, Pacific Dividend Fund, Pacific Cash Fund and Pacific Dana Iimbang

Registered Office:	B-2-9 (2 nd Floor), Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama 58200 Kuala Lumpur
Business Office:	15 th Floor, Menara AmFIRST, No. 1, Jalan 19/3, 46300 Petaling Jaya, Selangor Tel: 03-7954 6862 Fax: 03-7954 3712
Tel:	03-7954 6862
Fax:	03-7954 3712
Website:	www.mtrustee.com
Delegate:	Malayan Banking Berhad (3813-K)
Registered & Business Office:	8 th Floor, Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur
Tel:	03-2074 8158
Fax:	03-2032 1572
Website:	www.maybank.com

Trustees (continuation)

CIMB Islamic Trustee Berhad (167913-M)

for Pacific Dana Aman, Pacific Dana Dividen

Registered Office:	Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur
Tel:	03-2261 8888
Fax:	03-2261 0099
Website:	www.cimb.com
Business Office:	Level 21, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur
Tel:	03-2261 8888
Fax:	03-2261 9889
Website:	www.cimb.com
Delegate:	CIMB Bank Berhad (13491-P)
Registered Office:	Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur
Tel:	03-2261 8888
Fax:	03-2261 8889
Website:	www.cimb.com
Business Office:	Level 21, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur
Tel:	03-2261 8888
Fax:	03-2261 9892

CIMB Commerce Trustee Berhad (313031-A)

for Pacific Millennium Fund, Pacific Recovery Fund, Pacific Income Fund, Pacific Focus China Fund, Pacific Global A.I.R. Fund and Pacific Dynamic AsiaPac Fund, Pacific Focus18 Fund, Pacific Asia Brands Fund, Pacific Global Stars Fund, Pacific AsiaPac Income Fund

Registered Office:	Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur
Tel:	03-2261 8888
Fax:	03-2261 0099
Website:	www.cimb.com
Business Office:	Level 21, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur
Tel:	03-2261 8888
Fax:	03-2261 9889
Website:	www.cimb.com

Trustees (continuation)

Delegate:	CIMB Bank Berhad (13491-P)
Registered Office:	Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur
Tel:	03-2261 8888
Fax:	03-2261 8889
Website:	www.cimb.com
Business Office:	Level 21, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur
Tel:	03-2261 8888
Fax:	03-2261 9892

Shariah Adviser**BIMB Securities Sdn Bhd (290163-X)**

for Pacific Dana Aman, Pacific Dana Murni, Pacific Dana Dividen and Pacific Dana Imbang

Address:	32 nd Floor, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur
Tel:	03-2613 1600
Fax:	03-2613 1799
Website:	www.bimbsec.com.my

3 THE FUNDS

Local Funds (note: All Local Funds below are having Ringgit Malaysia as their base currency)

3.1 Pacific Premier Fund

Pacific Premier Fund	
Fund category	Equity
Fund type	Growth and income
Characteristic	Fairly aggressive
Financial Year End	30 September
Distribution Policy	Distribution of income, if any, will be made once a year.
Investment Objective	<p>The Fund aims to achieve strong long-term capital growth with a consistently attractive income[□]. A strategy has been set up to create a balanced portfolio of equity securities with capital growth prospects and high income yielding and fixed interest securities.</p> <p>Any material change to the Fund's investment objective would require unitholders' approval.</p> <p>[□] <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units. Please refer to page 52 for further details on distribution policy and reinvestment policy.</i></p>
Investment Policy and Strategy	To attain the Fund's objective of providing investors with a consistently attractive income as well as capital appreciation, the Fund has significantly higher equity investment in companies with reasonable dividend yields and above average earnings growth potential. As such, we select a portfolio which adheres to fundamental valuations from sectors which are expected to grow higher than the market growth.
Asset Allocation	<p>The Fund may invest up to 100% (minimum equity allocation is 70%) of its NAV in equities and equity-related securities but this may be reviewed from time to time depending on the economic and stock market conditions. An internal allocation for cash and other liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p>While the maximum limit for equity investments is 100% of the Fund's NAV, actual asset allocation varies according to our investment outlook and investment strategies after taking into consideration the prevailing market conditions.</p> <p>The balance of the Fund's NAV that is not invested in equities and equity-related securities, will be invested in fixed income securities and money market instruments.</p> <p>Please also refer to page 38.</p> <ul style="list-style-type: none"> Equity Investment Strategy We aim to identify companies adhering to fundamental valuations and offer prospects of above average earnings growth. Diversification into different industries will be implemented. The investment strategy is based on a disciplined "top-down" approach to asset allocation and sector allocation, using macroeconomic analysis, market analysis and industry analysis. Stock selection techniques are based on a "bottom-up" approach using business analysis and security valuation analysis. There is significant overlap between the various disciplines governing these processes, with strong interaction between the determination of asset allocation and stock selection. Fixed Income Investment Strategy Our strategy hinges on the need for a well-diversified portfolio and focuses on the credit qualities of securities in the portfolio. The fixed income portfolio construction process is research driven and based on macroeconomic analysis, interest rate analysis, credit analysis and yield spread analysis. Other than the development of a broad asset allocation model, contributions will be made via active management to capitalise on changes in interest rates, inter-sector yield spreads and yield spreads of specific debt securities.
Performance Benchmark	The benchmark for the Fund is FTSE Bursa Malaysia Top 100 Index (FBM 100) or such other equivalent index as may be substituted by Bursa Malaysia Securities Berhad is widely used and publicly available from major newspapers on a daily basis. It will also be published as a comparison against the Fund's total return at least on a monthly basis in our publications and on our website.

3.2 Pacific Pearl Fund

Pacific Pearl Fund	
Fund category	Equity (small cap)
Fund type	Growth
Characteristic	Aggressive
Financial Year End	31 March
Distribution Policy	Income, if any, will be distributed annually.

Pacific Pearl Fund	
Investment Objective	The Fund aims to achieve maximum capital growth over a medium to long-term period by investing mainly in small to medium-sized companies that have excellent prospects for growth. Any material change to the Fund's investment objective would require unitholders' approval.
Investment Policy and Strategy	To achieve the Fund's objective of attaining maximum capital growth over a medium to long-term period, the Fund will have at least 50% of its NAV invested in small companies (i.e. up to RM1.5 billion in market capitalisation) at the point of investment, which have above average prospects for earnings growth. These companies may also have the potential of becoming blue chips in the future.
Asset Allocation	<p>The Fund may invest up to 100% (minimum equity allocation is 70%) of its NAV in equities and equity-related securities but this may be reviewed from time to time depending on the economic and stock market conditions. An internal allocation for cash and other liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p>While the maximum limit for equity investments is 100% of the Fund's NAV, actual asset allocation varies according to our investment outlook and investment strategies after taking into consideration the prevailing market conditions.</p> <p>The balance of the Fund's NAV that is not invested in equities and equity-related securities, will be invested in fixed income securities and money market instruments.</p> <p>Please also refer to page 38.</p> <ul style="list-style-type: none"> • Equity Investment Strategy We aim to identify companies with a market capitalisation of RM1.5 billion and below which offer above average earnings growth prospects. Diversification into different industries will be implemented. <p>The investment strategy is based on a disciplined "top-down" approach to asset allocation and sector allocation, using macroeconomic analysis, market analysis and industry analysis. Stock selection techniques are based on a "bottom-up" approach using business analysis and security valuation analysis. There is significant overlap between the various disciplines governing these processes, with strong interaction between the determination of asset allocation and stock selection.</p> <ul style="list-style-type: none"> • Fixed Income Investment Strategy Our strategy hinges on the need for a well-diversified portfolio and focuses on the credit qualities of securities in the portfolio. The fixed income portfolio construction process is research driven and based on macroeconomic analysis, interest rate analysis, credit analysis and yield spread analysis. Other than the development of a broad asset allocation model, contributions will be made via active management to capitalise on changes in interest rates, inter-sector yield spreads and yield spreads of specific debt.
Performance Benchmark	The benchmark for the Fund is the FTSE Bursa Malaysia EMAS Index (FBM EMAS) or such other equivalent index as may be substituted by Bursa Malaysia Securities Berhad and the data is widely used and publicly available from major newspapers on a daily basis. It will also be published as a comparison against the Fund's total return at least on a monthly basis in our publications and website.

3.3 Pacific Dana Aman

Pacific Dana Aman	
Fund category	Equity (Islamic)
Fund type	Growth and income
Characteristic	Fairly aggressive
Financial Year End	31 March
Distribution Policy	Distribution of income, if any, will be made once a year.
Investment Objective	<p>The Fund aims to provide the unitholders with consistently above average returns in both income[□] and capital growth over a medium to long-term period by investing in a wide portfolio of authorised securities and investments which comply with Shariah principles.</p> <p>Any material change to the Fund's investment objective would require unitholders' approval.</p> <p>□ <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units. Please refer to page 52 for further details on distribution policy and reinvestment policy.</i></p>
Investment Policy and Strategy	<p>To achieve the Fund's objective of providing investors with consistently above average income higher than that of fixed deposit rates and capital appreciation, we construct a diversified investment portfolio that is acceptable under the Shariah principles.</p> <p>In upholding the spirit of the Islamic concept of fund management, we invest solely in companies that are classified as Shariah-compliant by the SACSC and/or the Shariah adviser from time to time, and in sukuk that comply with Shariah principles. Accordingly, the Fund will not invest in companies</p>

Pacific Dana Aman	
	that are involved in conventional banking and finance, conventional insurance, gaming, alcoholic beverages and non-halal food products.
Asset Allocation	<p>The Fund may invest up to 95% (minimum equity allocation is 70%) of its NAV in Shariah-compliant equities and Shariah-compliant equity-related securities but this may be reviewed from time to time depending on the economic and stock market conditions. An internal allocation for cash and other Islamic liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p>While the maximum limit for Shariah-compliant equity investments is 95% of the Fund's NAV, actual asset allocation varies according to our investment outlook and investment strategies after taking into consideration the prevailing market conditions.</p> <p>The balance of the Fund's NAV that is not invested in Shariah-compliant equities and Shariah-compliant equity-related securities, will be invested in sukuk and Islamic money market instruments. The Fund will not purchase bonds, debentures or other interest paying obligations.</p> <p>Please also refer to page 38.</p> <ul style="list-style-type: none"> • Equity Investment Strategy The Fund will invest in a diversified portfolio of equities that comply with the Shariah principles. The investment strategy is based on a disciplined "top-down" approach to asset allocation and sector allocation, using macroeconomic analysis, market analysis and industry analysis. Stock selection techniques are based on a "bottom-up" approach using business analysis and security valuation analysis. There is significant overlap between the various disciplines governing these processes, with strong interaction between the determination of asset allocation and stock selection. • Sukuk And Islamic Money Market Investment Strategy Our strategy hinges on the need for a well-diversified portfolio and focuses on the credit qualities of Shariah-compliant securities in the portfolio. The sukuk portfolio construction process is research driven and is based on macroeconomic analysis, interest rate analysis, credit analysis and yield spread analysis. Other than the development of a broad asset allocation model, contributions will be made via active management to capitalise on changes in interest rates, inter-sector yield spreads and yield spreads of specific sukuk. <p>Interest rates are a general indicator that will have an impact on the management of a fund regardless of whether it is a Islamic fund or otherwise. It does not in any way suggest that this Fund will invest in conventional financial instruments. All the investments carried out for this Fund are in accordance with requirements of the Shariah.</p>
Performance Benchmark	The benchmark for the Fund is a composite of 95% FTSE Bursa Malaysia EMAS Shariah Index (FBMS), or such other equivalent index as may be substituted by Bursa Malaysia Securities Berhad, and 5% 3-Month Islamic Interbank Money Market [IIMM] Rate. The composite benchmark is reflective of the medium to long term asset allocation of the Fund, which leans heavily towards Shariah-compliant equities. The indices data are available from major newspapers on a daily basis. These data will also be published as a comparison against the Fund's total return at least on a monthly basis in our publications and on our website.

3.4 Pacific Millennium Fund

Pacific Millennium Fund	
Fund category	Equity
Fund type	Growth and income
Characteristic	Fairly aggressive
Financial Year End	30 June
Distribution Policy	Distribution of income, if any, will be made once a year.
Investment Objective	<p>The Fund aims to achieve long-term capital growth, with income[□] as its secondary objective, by investing mainly in fundamentally sound large market capitalisation companies and also any other investments as may be permitted by the Securities Commission from time to time.</p> <p>Any material change to the Fund's investment objective would require unitholders' approval.</p> <p>[□] <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units. Please refer to page 52 for further details on distribution policy and reinvestment policy.</i></p>
Investment Policy and Strategy	To attain the Fund's objective, we will construct a diversified investment portfolio that consists of fundamentally sound companies whose current prices may fail to reflect their long-term values. The Fund will target companies exhibiting fundamental strength with market capitalisation, at the time of investment, of at least RM1.5 billion each.
Asset Allocation	The Fund may invest up to 100% (minimum equity allocation is 70%) of its NAV in equities and equity-related securities but this may be reviewed from time to time depending on the economic and

Pacific Millennium Fund	
	<p>stock market conditions. An internal allocation for cash and other liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p>While the maximum limit for equity investments is 100% of the Fund's NAV, actual asset allocation varies according to our investment outlook and investment strategies after taking into consideration the prevailing market conditions.</p> <p>The balance of the Fund's NAV that is not invested in equities and equity-related securities, will be invested in fixed income securities and money market instruments.</p> <p>Please also refer to page 38.</p> <ul style="list-style-type: none"> • Equity Investment Strategy We aim to identify companies with a market capitalisation of RM1.5 billion and above and whose current prices may fail to reflect their longer-term value. Diversification into different industries will be implemented. <p>The investment strategy is based on a disciplined "top-down" approach to asset allocation and sector allocation, using macroeconomic analysis, market analysis and industry analysis. Stock selection techniques are based on a "bottom-up" approach using business analysis and security valuation analysis. There is significant overlap between the various disciplines governing these processes, with strong interaction between the determination of asset allocation and stock selection.</p> <ul style="list-style-type: none"> • Fixed Income Investment Strategy Our strategy hinges on the need for a well-diversified portfolio and focuses on the credit qualities of securities in the portfolio. The fixed income portfolio construction process is research driven and based on macroeconomic analysis, interest rate analysis, credit analysis and yield spread analysis. Other than the development of a broad asset allocation model, contributions will be made via active management to capitalise on changes in interest rates, inter-sector yield spreads and yield spreads of specific debt securities.
Performance Benchmark	The benchmark for the Fund is FTSE Bursa Malaysia Top 100 Index (FBM 100) or such other equivalent index as may be substituted by Bursa Malaysia Securities Berhad is widely used and publicly available from major newspapers on a daily basis. It will also be published as a comparison against the Fund's total return at least on a monthly basis in our publications and on our website.

3.5 Pacific Recovery Fund

Pacific Recovery Fund	
Fund category	Equity
Fund type	Growth
Characteristic	aggressive
Financial Year End	30 June
Distribution Policy	Distribution of income, if any, will be made once a year.
Investment Objective	<p>The Fund aims to provide above average returns in the form of capital growth over a medium to long-term period by investing mainly in cyclical stocks, stocks that are likely to be crisis survivors as well as stocks that are undergoing restructuring, which may offer considerable recovery prospects and also any other investments as may be permitted by the Securities Commission from time to time. As this Fund concentrates on capital appreciation, there will be little or no income distribution.</p> <p>Any material change to the Fund's investment objective would require unitholders' approval.</p>
Investment Policy and Strategy	To achieve its objective of attaining above average returns in the form of capital growth over a medium to long-term period, the Fund's investment strategy is to invest primarily in equities of companies which we believe have a good likelihood of recovery from any cyclical downturn or some non-structural setback with strong possibility of earnings improvement. Recovery is defined as the overcoming of economic or financial setbacks or difficulties and the regaining of the former economic or financial fundamentals.
Asset Allocation	<p>The Fund may invest up to 100% (minimum equity allocation is 70%) of its NAV in equities and equity-related securities but this may be reviewed from time to time depending on the economic and stock market conditions. An internal allocation for cash and other liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p>While the maximum limit for equity investments is 100% of the Fund's NAV, actual asset allocation varies according to our investment outlook and investment strategies after taking into consideration the prevailing market conditions.</p> <p>The balance of the Fund's NAV that is not invested in equities and equity-related securities, will be invested in fixed income securities and money market instruments.</p>

Pacific Recovery Fund	
	<p>Please also refer to page 38.</p> <ul style="list-style-type: none"> Equity Investment Strategy In line with the Fund's objectives of achieving high capital growth, the Fund will invest in a diversified portfolio of equities. In this respect, the Fund will primarily invest in: <ul style="list-style-type: none"> - Cyclical stocks which are out of favour as a result of a downturn in the particular sector. - Stocks which are likely to be crisis survivors that can thrive when the economy recovers. - Stocks that are undergoing business transformation involving mergers and acquisitions or in the process of streamlining or re-organisation of its core businesses which would enable them to emerge stronger so as to be able to tap the growth prospects upon the eventual recovery of the economy. <p>The investment strategy is based on a disciplined "top-down" approach to asset allocation and sector allocation, using macroeconomic analysis, market analysis and industry analysis. Stock selection techniques are based on a "bottom-up" approach using business analysis and security valuation analysis.</p> <ul style="list-style-type: none"> Fixed Income Investment Strategy Our strategy hinges on the need for a well-diversified portfolio and focuses on the credit qualities of securities in the portfolio. The fixed income portfolio construction process is research driven and based on macroeconomic analysis, interest rate analysis, credit analysis and yield spread analysis. Other than the development of a broad asset allocation model, contributions will be made via active management to capitalise on changes in interest rates, inter-sector yield spreads and yield spreads of specific debt securities.
Performance Benchmark	The benchmark for the Fund is FTSE Bursa Malaysia Top 100 Index (FBM 100) or such other equivalent index as may be substituted by Bursa Malaysia Securities Berhad is widely used and publicly available from major newspapers on a daily basis. It will also be published as a comparison against the Fund's total return at least on a monthly basis in our publications and on our website.

3.6 Pacific Income Fund

Pacific Income Fund	
Fund category	Mixed asset (conservative)
Fund type	Income and growth
Characteristic	Fairly conservative
Financial Year End	30 September
Distribution Policy	Distribution of income, if any, will be made once a year.
Investment Objective	<p>The Fund aims to achieve consistently attractive and stable income[□] with reasonable preservation of capital by investing in a diversified portfolio of fixed income securities such as bonds and money market instruments as well as stocks that offer a steady dividend income stream. The Fund also aims to provide moderate capital growth over a medium to long-term period.</p> <p>Any material change to the Fund's investment objective would require unitholders' approval.</p> <p>[□] <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units. Please refer to page 52 for further details on distribution policy and reinvestment policy.</i></p>
Investment Policy and Strategy	To attain the Fund's objective of achieving consistently attractive and stable income with reasonable preservation of capital, the Fund will invest in a diversified portfolio of fixed income securities such as bonds and money market instruments as well as stocks that offer a steady dividend income stream.
Asset Allocation	<p>The Fund may invest up to 40% (minimum equity allocation is 20%) of its NAV in equities and equity-related securities but this may be reviewed from time to time depending on the economic and stock market conditions. The minimum fixed income allocation is set at 30% of the Fund's NAV. An internal allocation for cash and other liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p>Actual asset allocation varies according to our investment outlook and investment strategies after taking into consideration the prevailing market conditions.</p> <p>The balance of the Fund's NAV that is not invested in equities and equity-related securities, will be invested in fixed income securities and money market instruments.</p> <p>Please also refer to page 38.</p> <ul style="list-style-type: none"> Fixed Income Investment Strategy Our strategy hinges on the need for a well-diversified portfolio and focuses on the credit qualities of securities in the portfolio. The fixed income portfolio construction process is research driven and is based on macroeconomic analysis, interest rate analysis, credit analysis and yield spread analysis. Other than the development of a broad asset allocation model, contributions will be made via active management to capitalise on changes in interest rates, inter-sector yield

Pacific Income Fund	
	<p>spreads and yield spreads of specific debt securities.</p> <ul style="list-style-type: none"> Equity Investment Strategy The Fund invests in equities that are fundamentally sound and have excellent potential for medium to long-term capital appreciation. Since the Fund's investment philosophy is mainly fundamentals driven, we will constantly rotate its portfolio selection to accommodate the prevailing macro economic outlook. Meanwhile, the Fund will also actively search for under-valued stocks that can offer promising capital returns. The investment strategy is based on a disciplined "top-down" approach to asset allocation and sector allocation, using macroeconomic analysis, market analysis and industry analysis. Stock selection techniques are based on a "bottom-up" approach using business analysis and security valuation analysis.
Performance Benchmark	The benchmark for the Fund is a composite of 40% FTSE Bursa Malaysia Top 100 Index (FBM 100) index, or such other equivalent index as may be substituted by Bursa Malaysia Securities Berhad, and 60% 3-Month Kuala Lumpur Interbank Offer Rate (KLIBOR) index. The composite benchmark is reflective of the asset allocation of the Fund. The indices data are available from major newspapers on a daily basis. These data will also be published as a comparison against the Fund's total return at least on a monthly basis in our publications and on our website.

3.7 Pacific Dana Murni

Pacific Dana Murni	
Fund category	Sukuk
Fund type	Income
Characteristic	Conservative
Financial Year End	31 March
Distribution Policy	Income, if any, will be distributed annually.
Investment Objective	<p>The Fund aims to achieve a stable income[□] stream with reasonable protection of capital by investing in a diversified portfolio of sukuk and other Islamic liquid assets. The Fund may also provide some degree of capital growth potential over a medium to long-term period.</p> <p>Any material change to the Fund's investment objective would require unitholders' approval.</p> <p>[□] <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units. Please refer to page 52 for further details on distribution policy and reinvestment policy.</i></p>
Investment Policy and Strategy	<p>To attain the Fund's objective of achieving a stable income stream with reasonable protection of capital, the Fund will invest in a diversified portfolio of predominantly sukuk, which generally produce higher yield than government sukuk and Islamic money market instruments.</p> <p>In ensuring compliance with Shariah requirements for fund management, the Fund will be invested solely in sukuk as approved by the Securities Commission. With this, investors of the Fund will benefit not only from the higher returns of sukuk but also are assured that their investments comply with Shariah requirements at all times.</p>
Asset Allocation	<p>The Fund may invest up to 95% (minimum sukuk allocation is 70%) of its NAV in sukuk. An internal allocation for cash and other Islamic liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p>While the maximum limit for sukuk investments is 95% of the Fund's NAV, asset allocation employed varies according to our investment outlook and investment strategies after taking into consideration the prevailing market conditions.</p> <p>Please also refer to page 38.</p> <ul style="list-style-type: none"> Sukuk And Islamic Money Market Investment Strategy In managing the Fund's investments in sukuk, our strategy hinges on the need for a well-diversified portfolio and focus on the credit qualities of Shariah-compliant securities in the portfolio. The sukuk portfolio construction process is research driven and based on macroeconomic analysis, interest rate analysis, credit analysis and yield spread analysis. Other than the development of a broad asset allocation model, contributions will be made via active management to capitalise on changes in interest rates, inter-sector yield spreads and yield spreads of any specific sukuk. Interest rates are a general indicator that will have an impact on the management of a fund regardless of whether it is a Islamic fund or otherwise. It does not in any way suggest that this Fund will invest in conventional financial instruments. All the investments carried out for this Fund are in accordance with requirements of the Shariah.
Performance Benchmark	Effective 1 September 2018, the benchmark for the Fund is Maybank 12-Month Islamic Fixed Deposit Rate and available at www.maybank2u.com.my . It will be published as a comparison against the Fund's total return at least on monthly basis in our publications and on our website.

Pacific Dana Murni	
	<i>Note: The benchmark for the Fund was Maybank GIA Tier II 12-Month rate prior to 1 September 2018.</i>

3.8 Pacific SELECT Balance Fund

Pacific SELECT Balance Fund	
Fund category	Balanced
Fund type	Growth and income
Characteristic	Fairly conservative
Financial Year End	30 June
Distribution Policy	Income, if any, will be distributed annually.
Investment Objective	<p>The Fund aims to provide medium to long-term capital growth and some income[□] by actively allocating its assets among a diversified portfolio of equity and fixed income securities according to market conditions.</p> <p>Any material changes to the Fund's investment objective would require unitholders' approval.</p> <p>[□] <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units. Please refer to page 52 for further details on distribution policy and reinvestment policy.</i></p>
Investment Policy and Strategy	<p>The Fund uses an investment process that monitors and defines the key drivers of equity and fixed income asset classes. From that analysis, the Manager will determine the asset allocation strategy. The allocation of funds into specific equity or fixed income securities will be based on the individual assessment of the instruments' potentials.</p> <p>The Fund will actively rebalance its portfolio between equity and fixed income classes if there are significant changes in the key drivers of the asset class, changes in values of the instruments, or changes in fund flows.</p>
Asset Allocation	<p>The Fund may invest up to a maximum of 60% of its NAV in equities and equity-related securities.</p> <ul style="list-style-type: none"> Equity allocation: minimum - 40%; maximum - 60% Fixed income allocation: minimum - 40%; maximum - 60% <p>The balance of the Fund's NAV that is not invested in equities and equity-related securities, will be invested in fixed income securities and money market instruments. An internal allocation for cash and other liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p>Please also refer to page 38.</p> <ul style="list-style-type: none"> Fixed Income Investment Strategy In managing the Fund's investments in fixed income securities, its strategy depends on the need for a well-diversified portfolio and focus on the credit qualities of securities in the portfolio. The fixed income portfolio construction process is research driven and based on macroeconomic analysis, interest rate analysis, credit analysis and yield spread analysis. Other than the development of a broad asset allocation model, contributions will be made via active management to capitalise on changes in interest rates, inter-sector yield spreads and yield spreads of any specific bonds. Equity Investment Strategy The Fund will favor companies which are fundamentally sound with stable earnings growth and strong financial positions. The investment strategy for the Fund is to apply a disciplined top-down strategy of macroeconomic, financial markets and industry analysis. The bottom-up approach will also be utilised, which places individual securities through rigorous analysis using criteria such as sustainable earnings growth, returns on equity, capable management, financial position strength and attractive valuations relative to fair value. The Fund may for short-term risk management undertake tactical asset allocation and reduce its equity position below the minimum allocation should expectations arise for deterioration in equity prices.
Performance Benchmark	The benchmark for the Fund is a composite of the 60% FTSE Bursa Malaysia Top 100 Index (FBM 100) index, or such other equivalent index as may be substituted by Bursa Malaysia Securities Berhad, and 40% 3-Month Kuala Lumpur Interbank Offer Rate (KLIBOR) index. The composite benchmark is reflective of the asset allocation of the Fund. The indices data are available from major newspapers on a daily basis. These data will also be published as a comparison against the Fund's total return at least on a monthly basis in our publications and on our website.

3.9 Pacific SELECT Income Fund

Pacific SELECT Income Fund	
Fund category	Fixed Income

Pacific SELECT Income Fund	
Fund type	Income
Characteristic	Conservative
Financial Year End	30 June
Distribution Policy	Income, if any, will be distributed annually.
Investment Objective	<p>The Fund aims to provide a consistent and attractive stream of income[□] higher than fixed deposit rates and may also provide moderate capital growth over the medium to long term by investing in a diversified portfolio of fixed income and equity securities.</p> <p>Any material changes to the Fund's investment objective would require unitholders' approval.</p> <p>□ <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units. Please refer to page 52 for further details on distribution policy and reinvestment policy.</i></p>
Investment Policy and Strategy	<p>The Fund is a more conservative version of a balanced income fund but more aggressive than a pure bond fund because of its maximum 20% equity exposure.</p> <p>We will monitor and define the key drivers of equity and fixed income asset classes. From that analysis, the Manager will determine the asset allocation strategy. The allocation of funds into specific equity or fixed income securities will be based on the individual assessment of the instruments' potentials.</p> <p>The Fund will actively rebalance its portfolio between equity and fixed income classes if there are significant changes in the key drivers of the asset class, changes in values of the instruments, or changes in fund flows. Investments in fixed income securities may be held for longer periods and less reallocation will be made to lock in favourable yields.</p>
Asset Allocation	<p>The Fund may invest up to a maximum of 20% of its NAV in equities and equity-related securities.</p> <ul style="list-style-type: none"> Equity allocation: minimum - 10%; maximum - 20% Fixed income allocation: minimum - 70% <p>The balance of the Fund's NAV that is not invested in equities and equity-related securities, will be invested in fixed income securities and money market instruments. An internal allocation for cash and other liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p>Please also refer to page 38.</p> <ul style="list-style-type: none"> Fixed Income Investment Strategy In managing the Fund's investments in fixed income securities, its strategy depends on the need for a well-diversified portfolio and focus on the credit qualities of securities in the portfolio. The fixed income portfolio construction process is research driven and based on macroeconomic analysis, interest rate analysis, credit analysis and yield spread analysis. Other than the development of a broad asset allocation model, contributions will be made via active management to capitalise on changes in interest rates, inter-sector yield spreads and yield spreads of any specific bonds. Equity Investment Strategy Generally, the Fund will invest in companies which are fundamentally sound with stable earnings growth and strong financial positions. The investment strategy for the Fund is to apply a disciplined top-down strategy of macroeconomic, financial markets and industry analysis. The bottom-up approach will also be utilised, which places individual securities through rigorous analysis using criteria such as sustainable earnings growth, returns on equity, capable management, financial position strength and attractive valuations relative to fair value. The Fund may for short-term risk management undertake tactical asset allocation and reduce its equity position below the minimum allocation should expectations arise for deterioration in equity prices.
Performance Benchmark	<p>The benchmark for the Fund is a composite of 20% FTSE Bursa Malaysia Top 100 Index (FBM 100) index, or such other equivalent index as may be substituted by Bursa Malaysia Securities Berhad, and 80% 3-Month Kuala Lumpur Interbank Offer Rate (KLIBOR) index. The composite benchmark is reflective of the asset allocation of the Fund, i.e. skewed towards fixed income investments. The indices data are available from major newspapers on a daily basis. These data will also be published as a comparison against the Fund's total return at least on a monthly basis in our publications and on our website.</p>

3.10 Pacific Dividend Fund

The name of this Fund, Pacific Dividend Fund, reflects its specialised investment strategy of seeking securities with actual or potential sustainable and high dividend yields.

Pacific Dividend Fund	
Fund category	Equity
Fund type	Growth and Income
Characteristic	Fairly aggressive

Pacific Dividend Fund	
Financial Year End	31 December
Distribution Policy	Income, if any, will be distributed twice a year.
Investment Objective	<p>The Fund aims to provide steady recurring income[□] that is potentially higher than prevailing fixed deposit rates by investing in a portfolio of stocks that are paying or have the potential to pay attractive dividend yields.</p> <p>Any material change to the Fund's investment objective would require unitholders' approval.</p> <p>□ <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units. Please refer to page 52 for further details on distribution policy and reinvestment policy.</i></p>
Investment Policy and Strategy	<p>To attain the Fund's objective of generating attractive income and capital gains, the Fund will invest in a diversified portfolio of equity and fixed income instruments. The Fund will attempt to exceed the prevailing 12-month fixed deposit rates published by leading banks or Bank Negara Malaysia by investing in a portfolio of equities and fixed income instruments whose average yields and capital gains could potentially generate such returns. If we cannot identify suitable equities with attractive current or potential future dividend yields, monies will be parked in fixed income instruments with attractive yields.</p> <p>Stock selection will not be based solely on existing high dividend criteria. In the search for high dividend-yielding stocks, we will also undertake fundamental analysis to determine the future prospects of prospective investee companies, the prospects of the industries they are operating in and the overall macroeconomic picture. These factors in turn have a bearing on the future dividends paid by these companies. A key component is to identify those companies which may not have a dividend track record, but may be in a position to undertake a dividend payment. Notwithstanding the investment objective of the Fund, we may from time to time, due to economic conditions, temporarily invest in fixed income securities or other liquid assets to protect the capital of the Fund.</p>
Asset Allocation	<p>The Fund may invest up to 100% (minimum equity allocation is 70%) of its NAV in equities and equity-related securities but this may be reviewed from time to time depending on the economic and stock market conditions. Maximum fixed income allocation is set at 30% of the Fund's NAV. An internal allocation for cash and other liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p>The asset allocation may be reduced to below the minimum level or increased above the maximum level indicated at our discretion depending on the market, economic, political or other conditions. Such conditions or exceptional circumstances would include but not limited to:</p> <ul style="list-style-type: none"> - Situations where there is an expected sharp downturn in the equity market. - When there is high risk of capital loss on fixed income instruments due to interest rate fluctuations. - When there is insufficient liquidity in either equity or fixed income instruments for the Fund to transact efficiently. - When there is insufficient fund asset to form an efficient portfolio. - When there is redemption affecting the liquidity position of the Fund. <p>The balance of the Fund's NAV that is not invested in equities and equity-related securities, will be invested in fixed income securities and money market instruments.</p> <ul style="list-style-type: none"> • Equity Investment Strategy The Fund may invest up to 100% of its assets in stocks that have a consistent dividend policy (i.e. having paid dividends three out of the last five years), historical or expected dividend yield and potential for capital growth, that is on average higher than the prevailing 12-month fixed deposit rate as published by leading banks or Bank Negara Malaysia. The balance will be invested in high-yielding fixed income instruments. The Fund will only invest up to its maximum equity allocation of 100% when there are sufficient high-yielding or potentially high-yielding dividend stocks available. During bull markets and where overall dividend yields* can be low relative to bank deposit returns, the Fund will increase its holding of fixed income instruments while reducing its equity weightage. As market prices rise, the dividend yields would drop and if stock prices are overly bullish (rise too much), the dividend yields could drop to well below prevailing deposit returns/rates. <p>* $\text{Dividend yield} = \frac{\text{Fixed dividend}}{\text{Market price}}$</p> <p>The Fund will be restricted to the following:</p> <ul style="list-style-type: none"> - A minimum of 70%** of the invested equity or equity-related securities has to be invested in securities with a track record of having paid dividends three out of the last five years. - A maximum of 30%** of the invested equity or equity-related securities can be invested in securities with the potential to pay dividends within the next 12-month period. <p>** <i>This 70:30 allocation refers only to the portion of investment in equity.</i></p> <p>A small portion of the Fund may be used for short-term trading, when opportunities arise. Opportunities will include but are not limited to arbitrage situations, discrepancies in valuation, expected liquidity surges and thematic plays. When there are no opportunities, the Fund will not conduct any short-term trading.</p>

Pacific Dividend Fund	
	<ul style="list-style-type: none"> • Fixed Income Investments In managing the Fund's investments in fixed income securities, our strategy hinges on the need for a well-diversified portfolio and focus on the credit qualities of securities in the portfolio. The fixed income portfolio construction process is research driven and based on macroeconomic analysis, interest rate analysis, credit analysis and yield spread analysis. Other than the development of a broad asset allocation model, contributions will be made via active management to capitalise on changes in interest rates, inter-sector yield spreads and yield spreads of any specific bonds.
Performance Benchmark	The benchmark for the Fund is FTSE Bursa Malaysia Top 100 Index (FBM 100) or such other equivalent index as may be substituted by Bursa Malaysia Securities Berhad is widely used and publicly available from major newspapers on a daily basis. It will also be published as a comparison against the Fund's total return at least on a monthly basis in our publications and on our website.

3.11 Pacific Cash Fund

Pacific Cash Fund	
Fund category	Money Market
Fund type	Income
Characteristic	Conservative
Financial Year End	30 September
Distribution Policy	Income, if any, will be distributed monthly.
Investment Objective	<p>The Fund aims to provide regular income[□] potentially higher than prevailing money market and savings rates, stability of capital and a high level of liquidity.</p> <p>Any material change to the Fund's investment objective would require unitholders' approval.</p> <p>□ Income is in reference to the Fund's distribution, which could be in the form of cash or units. Please refer to page 52 for further details on distribution policy and reinvestment policy.</p>
Investment Policy and Strategy	The Fund will focus on investing in a diversified portfolio of deposits with financial institutions and/or money market instruments to generate regular stream of income that is higher than prevailing money market and savings rates.
Asset Allocation	<p>The Fund will invest at least 90% of its NAV in placements of deposits with financial institutions and/or money market instruments with maturity of no more than 365 days (one year)*. The asset allocation of the Fund may be reviewed from time to time depending on the Fund's liquidity requirements and to optimise income to the Fund. The Fund does not expect to carry out any temporary defensive measure as the Fund's assets are highly liquid (i.e. deposits and/or money market instruments).</p> <p>* The Fund may also invest up to 10% of its NAV in placements of deposits with financial institutions and/or money market instruments that are to mature beyond 365 days (one year) but no longer than 732 days (two years).</p> <p>The Fund's investments will bear a rating of at least P2 for short-term issues (money market instruments), by RAM Rating Services Berhad (RAM) or issues bearing ratings by an equivalent rating agency. Upon the event of a downgrade of credit rating to below investment grade (P3 and below for short term ratings), the Manager will notify the Trustee of its strategy to rectify the situation, which may involve the nearest opportunity for disposal of the instrument or a scheme of arrangement with the issuer of instrument.</p> <p>The Fund's combination of deposits and money market instruments is expected to minimise the Fund's exposure to interest rates fluctuations and hence minimise fluctuations in Fund pricing.</p>
Performance Benchmark	The benchmark for the Fund is Maybank Overnight Repo rate and it is widely used and publicly available from major newspapers on a daily basis. It will also be published as a comparison against the Fund's total return at least on a monthly basis in our publications and on our website.

Investment in this Fund is not the same as placement in a deposit with a financial institution.

There are risks involved and investors should rely on their own evaluation to assess the merits and risks when investing in this Fund.

3.12 Pacific Dana Imbang

Pacific Dana Imbang	
Fund category	Balanced (Islamic)
Fund type	Income and growth
Characteristic	Fairly conservative

Pacific Dana Imbang	
Financial Year End	30 September
Distribution Policy	Subject to the availability of income, distribution of income will be made once a year.
Investment Objective	<p>The Fund aims to provide income[□] and capital growth* in the medium to long term by investing in a portfolio of local Shariah-compliant equities, sukuk and Islamic money market instruments.</p> <p>Any material change to the Fund's investment objective would require Unitholders' approval.</p> <p>□ <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units. Please refer to page 52 for further details on distribution policy and reinvestment policy.</i></p> <p>* <i>The focus will be on income which will be derived from a mix of dividends and profit sharing income.</i></p>
Investment Policy and Strategy	<p>The Fund will invest in a diversified portfolio of local Shariah-compliant equities, sukuk and Islamic money market instruments. The Fund may also invest in local Islamic collective investment schemes that meet the Fund's objective.</p> <p>In upholding the spirit of Islamic concept of fund management, the investment portfolio of the Fund will comprise of local equities which have been classified as Shariah-compliant by the SACSC and, in local sukuk and Islamic money market instruments. The Fund will not invest in companies involved in conventional banking/finance, conventional insurance, gaming, alcoholic beverages and non-halal food products as well as any Shariah non-compliant business activities.</p>
Asset Allocation	<p>The Fund's Shariah-compliant equity allocation will range from 40% to 50% of NAV while sukuk and Islamic money market allocation will range from 50% to 60% of NAV. The allocation may be reviewed from time to time depending on the economic and stock market conditions. An internal allocation for Islamic liquid assets (current account and deposits) will be maintained to ensure that the Fund is able to meet redemption requests without jeopardizing the Fund's performance.</p> <p>When the equity allocation is at the maximum 50%, the portion invested in sukuk, Islamic money market instruments and Islamic liquid assets (current account and deposits) is 50%.</p> <p>Please also refer to page 38.</p> <ul style="list-style-type: none"> • Equity Investment Strategy <p>The Fund will invest in local companies that are shariah compliant with earnings or revenue growth potential or those that have consistent dividend payments¹ or which have the potential to initiate dividend payments.</p> <p>The Manager will undertake extensive bottom-up fundamental analysis combined with top-down economic and technical analysis to find equities with a medium to long-term ability to continually grow revenues and earnings and which are undervalued or available at reasonable valuations². Fundamental analysis includes measures such as price-to-earnings³ (PE) ratio, PE-to-growth and price-to-book⁴ ratios, balance sheet strength, earnings volatility, expected earnings growth rates and cash flow analysis. The Manager also incorporates qualitative factors such as the quality or sustainability of earnings, and management expertise including their track record. Technical analysis includes looking into the historical volatility of equities and their price volatility relative to peers or broad sectors.</p> <p>Notes to the equity investment strategy above:</p> <ol style="list-style-type: none"> 1. <u>Consistent dividend payments</u> – companies that have paid dividends in three of the last five financial years. 2. <u>Reasonable valuations</u> – Financial ratios that are at least comparable to market valuations or better and comparable to industry peers but with better prospects for growth, and/or financial standing and management quality (for example). For equities, examples are lower or comparable price-to-earnings ratio and price-to-book ratio relative to the FBM EMAS Shariah Index. For sukuk, a criteria is profit rates that are attractive relative to other credits of similar risk ratings. Attractive refers to following: <ol style="list-style-type: none"> i) Better (10% or more) profit rates for sukuk of similar credit rating and duration; and ii) Potential for gains from credit re-rating compared to other sukuk. 3. <u>The price-to-earnings ratio</u> is the ratio of the market price of an equity security relative to its earnings. 4. <u>The price-to-book ratio</u> is the equity price relative to the book value of the company (book value defined as total tangible assets less liabilities). • Sukuk And Islamic Money Market Investment Strategy <p>In managing the Fund's investments in sukuk and Islamic money market instruments, the strategy hinges on the need for a well-diversified portfolio and focus on the credit qualities of Shariah-compliant securities in the portfolio. The portfolio construction process is research driven and based on macroeconomic analysis, profit rates and currency analysis, credit analysis and yield spread analysis. The manager will invest in sukuk that carry a minimum long-term rating of A2 by RAM Ratings or A1D by MARC. The minimum short-term rating required is P2 by RAM Ratings of MARC-2ID by MARC. Other than the development of a broad asset allocation</p>

Pacific Dana Iimbang	
	<p>model, there will be active management to capitalise on changes in profit rates, inter-sector yield spreads and yield spreads of any specific sukuk.</p> <p>In periods that are not favourable to the performance (price movements) of sukuk, the Fund will still invest in sukuk to continue generating returns. However, as an interim measure and to reduce interest rate risk, there will be increased levels of investment in short-term to medium-term sukuk and Islamic money market instruments as these are less affected by movements in interest/profit rates.</p> <p>The Fund may also invest in listed and unlisted local Islamic collective investment schemes whose underlying investments are sukuk and Islamic money market instruments.</p> <p>Defensive Position</p> <p>As a temporary defensive posture (up to three months), the Fund's minimum holding of local Shariah-compliant equities or local sukuk may be reduced to below the minimum levels indicated at our discretion depending on the market, economic, political or other conditions. Such conditions or exceptional circumstances will include but are not limited to the following situations:</p> <ul style="list-style-type: none"> • Where there is an expected sharp downturn in the equity market; • When there is high risk of sukuk price falls due to interest rates rise and vice versa*; • When there is insufficient liquidity in either Shariah compliant equity or sukuk for the Fund to transact efficiently; • When there are insufficient fund assets to form an efficient portfolio (this is where the Fund's assets/NAV is reduced to a level where it is not able, in a cost effective manner, to diversify its investments in a reasonable sufficient number of Shariah-compliant securities that enables the Fund to significantly reduce non-systematic or company specific risk); or • When there is redemption affecting the liquidity position of the Fund. <p>* Please note that although sukuk is a non-interest bearing instrument, its price movement is correlated to the movement in the interest rates. As such, investment in sukuk will have an exposure to interest rates. Even though the Fund does not invest in interest bearing instruments, the interest rate referred herein is to the general interest rate of the country which may affect the value of the investment of the Fund.</p> <p>Investments used for temporary defensive positions will include Islamic liquid assets (current accounts and deposits) and Islamic money market instruments.</p> <p>When the Fund is taking a temporary defensive position, we may adopt an investment strategy which may not be in line with the Fund's investment objective.</p>
Performance Benchmark	<p>The benchmark for the Fund is a composite of 50% FTSE Bursa Malaysia EMAS Shariah Index (FBMS), or such other equivalent index as may be substituted by Bursa Malaysia, and 50% 3-Month Islamic Interbank Money Market (IIMM) Rate. The composite benchmark in its stated ratios, reflects the medium to long term asset allocation of the Fund. These data are widely used and publicly available from major newspapers on a daily basis, and will also be published as a comparison against the Fund's total return at least on a monthly basis in our publications and on our website. The Fund has a higher risk profile than the composite benchmark due to the sukuk segment of the Fund being of higher risk than the 3-Month IIMM.</p>

Global Funds (note: All Global Funds below are having Ringgit Malaysia as their base currency)

3.13 Pacific Focus18 Fund

Pacific Focus18 Fund	
Fund category	Equity
Fund type	Growth
Characteristic	Aggressive
Financial Year End	30 September
Distribution Policy	Income, if any, will be distributed annually.
Investment Objective	<p>The Fund aims to achieve high capital growth over the long term by investing in a concentrated portfolio of equity and equity-related securities.</p> <p>Any material change to the Fund's investment objective would require unitholders' approval.</p>
Investment Policy and Strategy	<p>The Fund will conduct in-depth fundamental company analysis in determining the appropriate equities for the Fund. A bottom-up investment approach is the core strategy of this Fund. Considerations such as individual company growth prospects and fundamental and market valuations would be the primary criteria for investment selection. Broad market and economic conditions would also be taken into account in investment selection and asset allocation. However, this would be a secondary strategy to equity selection.</p>
Asset Allocation	<p>The Fund may invest up to 100% (minimum equity allocation is 70%) of its NAV in equities and equity-related securities but this may be reviewed from time to time depending on the economic and stock market conditions. An internal allocation for cash and other liquid assets will be maintained to</p>

Pacific Focus18 Fund	
	<p>ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p>While the maximum limit for equity investments is 100% of the Fund's NAV, actual asset allocation varies according to our investment outlook and investment strategies after taking into consideration the prevailing market conditions.</p> <p>The balance of the Fund's NAV that is not invested in equities and equity-related securities, will be invested in fixed income securities and money market instruments.</p> <p>Please also refer to page 38.</p> <ul style="list-style-type: none"> • Equity Investment Strategy The Fund has a target of creating an optimal portfolio of no more than 18 equity and equity-related securities* at any one time. While the Fund aims to construct an optimal portfolio of no more than 18 equity and equity-related securities, the Fund may temporarily expand its portfolio up to a maximum of 28 equity and equity-related securities under certain circumstances. These circumstances include but are not limited to the following: <ul style="list-style-type: none"> - Periods of severe equity market price weakness, where greater portfolio diversification may be required. - When there is insufficient liquidity in equity securities for the Fund to transact efficiently. <p>In the event of general market overvaluation, the Fund may reduce its holdings to the minimum percentage allowed and/or switch to defensive equities.</p> <p>The Fund will conduct in-depth fundamental company analysis in determining the appropriate equities for the Fund. A bottom-up investment approach is the core strategy of this Fund to identify high conviction investments to reduce volatility and provide greater stability for the relatively more concentrated fund mandate. Considerations such as individual company growth prospects and fundamentals and market valuations would be the primary criteria for investment selection. Broad market and economic conditions would also be taken into account in investment selection and asset allocation. However, this would be a secondary strategy to equity selection.</p> <ul style="list-style-type: none"> ▪ Targeted Foreign Markets The targeted foreign markets in which the Fund may invest in listed and unlisted securities are Singapore, Thailand, Philippines, Indonesia, Hong Kong, China, Taiwan, South Korea, Japan, India, Sri Lanka, Australia, New Zealand, USA, Canada, UK, Ireland, France, Germany, Netherlands, Belgium, Spain, Italy, Norway, Denmark, Luxembourg, Switzerland, Finland and Sweden. <p>While the Fund may not invest directly in markets in Taiwan and India, the Fund may invest in collective investment schemes listed on or available in other permitted markets and whose underlying securities are in Taiwan and India. The Fund may also invest in listed and unlisted securities of other foreign markets not listed herein, where the regulatory authority is a member of the IOSCO and where applicable, this will be reported in the interim or annual report of the Fund.</p> <p>For investments in China, the Fund's investments will only be confined to class "B" shares, whereby the purchase of these investments do not require a Qualified Foreign Institutional Investor ("QFII") Licence. The QFII Licence is applicable only to foreign investors who intend to buy and sell Yuan-denominated class "A" shares in China.</p> • Fixed Income Investment Strategy The Fund may invest in fixed income securities during periods when our investment strategy favour risk-adjusted returns in fixed income over equity securities.
Performance Benchmark	The benchmark for the Fund is a composite of 50% FTSE Bursa Malaysia Top 100 Index (FBM 100), or such other equivalent index as may be substituted by Bursa Malaysia Securities Berhad, and 50% MSCI AC World Index (MXWD). The composite benchmark is reflective of the long term global and local equity allocations of the Fund. The FBM 100 index data is widely used and publicly available from major newspapers on a daily basis. The MXWD index data is available from Bloomberg's website, www.bloomberg.com , and supporting information services. These indices will also be published as a comparison against the Fund's total return at least on a monthly basis in our publications and on our website.

3.14 Pacific Asia Brands Fund

Pacific Asia Brands Fund	
Fund category	Equity
Fund type	Growth

Pacific Asia Brands Fund	
Characteristic	Aggressive
Financial Year End	31 March
Distribution Policy	Income, if any, will be distributed annually.
Investment Objective	The Fund aims to provide high capital growth in the medium to long term by investing in a portfolio of listed companies that have strong brand equity in the Asian region. Any material change to the Fund's investment objective would require unitholders' approval.
Investment Policy and Strategy	The Fund will invest in securities of companies with strong or developing brand equity in the Asian region and which may be listed in any major global stock exchange.
Asset Allocation	<p>The Fund may invest up to 100% (minimum equity allocation is 70%) of its NAV in equities and equity-related securities but this may be reviewed from time to time depending on the economic and stock market conditions. An internal allocation for cash and other liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p>While the maximum limit for equity investments is 100% of the Fund's NAV, actual asset allocation varies according to our investment outlook and investment strategies after taking into consideration the prevailing market conditions.</p> <p>During extended bull markets and where overall equity valuations are high, the Fund may increase its fixed income allocation while reducing its equity allocation.</p> <p>The balance of the Fund's NAV that is not invested in equities and equity-related securities, will be invested in fixed income securities and money market instruments.</p> <p>Please also refer to page 38.</p> <ul style="list-style-type: none"> • Equity Investment Strategy In determining the securities of companies that will be included in the Fund, we will take into account not just the strengths of the brands possessed by the companies, but also the ability of these brands to generate sustainable growth in revenues and profits for the respective companies. The Fund's investments will include listed holding companies that own businesses with strong brand equity and identity recognition. The Fund may also invest up to 30% of its NAV in equity and equity-related securities of companies with developing brand equity. The Fund will be actively managed to optimise return-risk opportunities to investors. The minimum allocation of the Fund's NAV is 70%. The Manager may bring the equity weighting to below the minimum level in circumstances where a significant downturn in the Asian or global economy or equity market is expected. ▪ Targeted Foreign Markets The targeted foreign markets in which the Fund may invest in listed and unlisted securities are Singapore, Thailand, Philippines, Indonesia, Hong Kong, China, Taiwan, South Korea, Japan, India, Sri Lanka, Australia, New Zealand, USA, Canada, UK, Ireland, France, Germany, Netherlands, Belgium, Spain, Italy, Norway, Denmark, Luxembourg, Switzerland, Finland and Sweden. While the Fund may not invest directly in markets in Taiwan and India, the Fund may invest in collective investment schemes listed on or available in other permitted markets and whose underlying securities are in Taiwan and India. The Fund may also invest in listed and unlisted securities of other foreign markets not listed herein, where the regulatory authority is a member of the IOSCO and where applicable, this will be reported in the interim or annual report of the Fund. For investments in China, the Fund's investments will only be confined to class "B" shares, whereby the purchase of these investments do not require a Qualified Foreign Institutional Investor ("QFII") Licence. The QFII Licence is applicable only to foreign investors who intend to buy and sell Yuan-denominated class "A" shares in China. • Fixed Income Investment Strategy The Fund may invest in fixed income securities during periods when our investment strategy favour risk-adjusted returns in fixed income over equity securities.
Performance Benchmark	The benchmark for the Fund is a composite of 50% MSCI All Countries World Consumer Staples USD Index (MSCUCSTA) and 50% MSCI All Countries World Consumer Discretionary USD Index (MSCUCDIS). The composite benchmark for the Fund is derived from MSCI's globally recognised world consumer sector indices covering consumer staples and consumer discretionary investments. These indices are available from Bloomberg's website, www.bloomberg.com , and supporting information services and will be published as a comparison against the Fund's total return at least on a monthly basis in our publications and on our website.

3.15 Pacific Global Stars Fund

Pacific Global Stars Fund	
Fund category	Equity
Fund type	Growth and income
Characteristic	Fairly aggressive
Financial Year End	30 September
Distribution Policy	Investors may receive unit splits or income distributions once a year, but these are incidental.
Investment Objective	<p>The Fund aims to provide capital growth and some income[□] in the medium to long term by investing in a portfolio of global securities.</p> <p>Any material change to the Fund's investment objective would require unitholders' approval.</p> <p>□ <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units. Please refer to page 52 for further details on distribution policy and reinvestment policy.</i></p>
Investment Policy and Strategy	<p>The Fund will invest in a portfolio of global securities that have good growth potential. From an equities universe that may meet the Fund's objective, we will undertake a broad-based analysis and classify them into the following before undertaking further analysis:</p> <ul style="list-style-type: none"> • Strongly outperform: Total return of the Fund is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis. • Outperform: Total return of the Fund is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis. • Neutral: Total return of the Fund is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis. • Underperform: Total return of the Fund is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price is not anticipated to show a gain. • Strongly underperform: Total return of the Fund is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis. <p>Equities that we consider as 'strongly outperform' and 'outperform' have historically provided favourable performance compared to market returns as measured by the relevant benchmarks for US, Europe and Asia. Hence, the Manager believes the Fund's investment objectives may be met by investing in such equities. However, no assurance can be given that this will be the case or that the Fund's investment objective will be met.</p> <p>The Manager will place strong emphasis on bottom-up investing strategy, focusing on selecting equities with good growth potential that are available at a reasonable price and adding an overlay of tactical asset allocation. Broad economic issues, geographic exposures and sector and industry weightings will be considered in the construction of the Fund's portfolio, as a secondary emphasis.</p> <p>The Fund may invest in equities and equity-related securities including preference shares, rights issues, warrants or covered warrants, convertible loan stocks, equity options or futures, depository receipts e.g. American Depository Receipts (ADR) or American Depository Shares (ADS), Thai Non-Voting Depository Receipts (NVDR), and listed structured products e.g. equity linked notes and index linked notes. Please also refer to the general risks commencing on page 40 and the section on the Fund's permitted investment on page 30.</p> <p>While the Fund invests 70% to 100% of its NAV in equity and equity-related securities, the Fund may invest the balance of its NAV that is not invested in equity and equity-related securities in the following securities/instruments:</p> <ul style="list-style-type: none"> • Fixed income. • Collective investment scheme, exchange traded fund (ETF) and real estate investment trusts (REITs). • Structured products such as bond linked notes, currency linked notes, interest rate linked notes, commodity (contracts) linked notes and credit linked notes. • Money market/liquid assets. <p>The Fund is actively managed by the Manager to optimise returns and minimise risk to investors.</p>
Asset Allocation	<p>The Fund may invest up to 100% (minimum equity allocation is 70%) of its NAV in equities and equity-related securities listed on any major global stock exchange but this may be reviewed from time to time depending on the economic and stock market conditions. An internal allocation for cash and other liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p>While the maximum limit for equity investments is 100% of the Fund's NAV, actual asset allocation varies according to our investment outlook and investment strategies after taking into consideration the prevailing market conditions.</p>

Pacific Global Stars Fund	
	<p>In the event of exceptional circumstances where equities markets are forecast to have protracted or extreme retracements, the Fund may, as a defensive posture, breach its minimum limit in equity holdings to protect the Fund's investments.</p> <p>The balance of the Fund's NAV that is not invested in equities and equity-related securities, will be invested in fixed income securities and money market instruments, and potentially in collective investment schemes, ETF, REITs and structured products.</p> <p>Please also refer to page 38.</p> <ul style="list-style-type: none"> • Equity Investment Strategy The Manager will select equities from our researched equities list that we have classified as 'strongly outperform', 'outperform' and 'neutral'. 'Strongly outperform' and 'outperform' rankings are given to equities believed to have the greatest potential to beat their benchmarks over the coming 12 months. If an equity security subsequently ranks lower than our 'neutral' classification, the Fund will dispose of it. Vice versa, if a previously lowly classified equity is upgraded to at least a 'neutral', the Fund will consider it as an investment prospect. <p>The selection process relies on a disciplined investment approach that combines fundamental analysis, (intrinsic and relative valuations) technical analysis, sector strategies, reasonable turnover and a "top-down" overlay. The rankings are based on detailed qualitative and quantitative analyses of equities and their total return potential relative to their respective benchmarks over the coming 12 months.</p> <p>The Manager will conduct subsequent detailed fundamental analysis of each equity security to further narrow down the list of equities that best fit the Fund's investment objective and strategy.</p> <ul style="list-style-type: none"> ▪ Targeted Foreign Markets The targeted foreign markets in which the Fund may invest in listed and unlisted securities are Singapore, Thailand, Philippines, Indonesia, Hong Kong, China, Taiwan, South Korea, Japan, India, Sri Lanka, Australia, New Zealand, USA, Canada, UK, Ireland, France, Germany, Netherlands, Belgium, Spain, Italy, Norway, Denmark, Luxembourg, Switzerland, Finland and Sweden. <p>While the Fund may not invest directly in markets in Taiwan and India, the Fund may invest in collective investment schemes listed on or available in other permitted markets and whose underlying securities are in Taiwan and India. The Fund may also invest in listed and unlisted securities of other foreign markets not listed herein, where the regulatory authority is a member of the IOSCO and where applicable, this will be reported in the interim or annual report of the Fund.</p> <p>For investments in China, the Fund's investments will only be confined to class "B" shares, whereby the purchase of these investments do not require a Qualified Foreign Institutional Investor ("QFII") Licence. The QFII Licence is applicable only to foreign investors who intend to buy and sell Yuan-denominated class "A" shares in China.</p> <ul style="list-style-type: none"> • Fixed Income And Money Market Investment Strategy The Fund may invest in fixed income securities during periods when our investment strategy favour risk-adjusted returns in fixed income over equity securities.
Performance Benchmark	The benchmark for the Fund is a composite of 65% S&P 500 Index (SPX), 25% S&P Europe 350 Index (SPE) and 10% S&P Asia 50 Index (SPA50) and these data are derived, calculated and maintained by Pacific Mutual using publicly available S&P indices namely S&P 500 Index, S&P Europe 350 Index and S&P Asia 50 Index. The composite benchmark is reflective of the longer term focus of the Fund in the respective regions – it is also reflective of the relative equity market capitalisation of the respective regions. These indices are available from Bloomberg's website, www.bloomberg.com, and supporting information services and will be published by Pacific Mutual as a comparison against the Fund's total return at least on a monthly basis in our publications and on our website.

3.16 Pacific AsiaPac Income Fund

Pacific AsiaPac Income Fund	
Fund category	Balanced
Fund type	Income and growth
Characteristic	Fairly conservative
Financial Year End	31 December
Distribution Policy	Investors may receive income distributions once a year, but these are incidental.
Investment Objective	The Fund aims to provide steady and attractive income [□] and moderate growth in the medium to long term by investing in a portfolio of Malaysian and foreign securities.

Pacific AsiaPac Income Fund	
	<p>Any material change to the Fund's investment objective would require unitholders' approval.</p> <p>□ <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units. Please refer to page 52 for further details on distribution policy and reinvestment policy.</i></p>
Investment Policy and Strategy	<p>The Fund will invest in a diversified portfolio of Malaysian and foreign securities that consist of fixed income securities and money market instruments as well as equities and equity-related securities and collective investment schemes.</p> <p>The Fund's investments in equities and equity-related securities generally will be focused on high dividend yielding equities or those with the potential to make attractive dividend payments. The Fund may also invest in equities with good growth potential available at a reasonable price to enhance returns. The Fund will also invest in Real Estate Investment Trusts (REIT) and other collective investment schemes.</p> <p>In addition to attractive dividend yields and REIT distributions, the Manager will take into account the existing fundamentals of companies and REIT researched and the medium to long-term ability of these companies and REIT to continually grow their business, profits and hence, dividend yield or distribution potential. Extensive "bottom-up" fundamental analysis combined with "top-down" economic and technical analysis will be conducted in managing the Fund's investments.</p> <p>The Fund is actively managed to optimise returns and minimise risk to investors.</p> <p>The targeted foreign markets in which the Fund may invest in are Singapore, Thailand, Philippines, Indonesia, Hong Kong, China, Taiwan, South Korea, Japan, India, Sri Lanka, Australia and New Zealand; and any other foreign market not listed herein, where the regulatory authority is a member of the IOSCO and where applicable, this will be reported in the interim or annual report of the Fund.</p> <p>For investments in China, the Fund's investments will only be confined to class "B" shares, whereby the purchase of these investments do not require a Qualified Foreign Institutional Investor ("QFII") Licence. The QFII Licence is applicable only to foreign investors who intend to buy and sell Yuan-denominated class "A" shares in China.</p>
Asset Allocation	<p>The Fund may invest up to 50% (minimum equity allocation is 40%) of its NAV in equities and equity-related securities, REIT and other collective investment schemes but this may be reviewed from time to time depending on the global economic and stock market conditions. An internal allocation for cash and other liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p>While the maximum limit for equity investments is 50% of the Fund's NAV, actual asset allocation varies according to our investment outlook and investment strategies after taking into consideration the prevailing market conditions and Fund's cashflows.</p> <p>The Fund's NAV that is not invested in equities and equity-related securities and REIT and other collective schemes, will be invested in fixed income securities and money market instruments (minimum fixed income allocation is 40%; maximum fixed income allocation is 60%).</p> <ul style="list-style-type: none"> • Equity Investment Strategy The Fund may invest a maximum of 50% of its NAV in equities and equity-related securities* and collective investment schemes including REIT. <p><i>* Equity-related securities include rights, warrants and covered warrants, equity options, equity futures, loan stocks and Participatory Notes or 'P' Notes issued by global financial institutions and listed on a foreign exchange.</i></p> <p>Please also refer to page 42.</p> <p>As a defensive posture, the Fund's minimum 40% of NAV in equities and equity-related securities and collective investment schemes allocation may be reduced to below the floor at the Manager's discretion, depending on market, economic, political or other conditions. These conditions include but are not limited to:</p> <ul style="list-style-type: none"> ▪ Where the equity markets are expected to experience protracted or extreme retracements leading to substantial capital loss. ▪ When there is insufficient liquidity in equity securities for the Fund to transact efficiently. ▪ When there are insufficient attractive equity investments to form an efficient portfolio. ▪ When there is large redemption affecting the liquidity position of the Fund. <p>Investments used for temporary defensive positions will include deposits/cash/liquid assets and money market instruments.</p> <p>When a Fund is taking a temporary defensive position, we may adopt an investment strategy which may not be in line with the Fund's investment objective.</p> <ul style="list-style-type: none"> • Fixed Income and Money Market Investment Strategy

Pacific AsiaPac Income Fund	
	The Fund may invest in fixed income securities during periods when our investment strategy favour risk-adjusted returns in fixed income over equity securities, which includes any unlisted or listed bonds and/or money market collective investment schemes.
Performance Benchmark	The benchmark for the Fund is a composite of 40% MSCI All Countries Asia Pacific Ex-Japan Index (MXAPJ) and 60% 3-Month Kuala Lumpur Interbank Offer Rate (KLIBOR), which reflects the asset and geographical allocation of the Fund. The 3-month KLIBOR index data is widely used and publicly available from major newspapers on a daily basis. The MSCI All Countries Asia Pacific Ex-Japan Index is available from Bloomberg's website, www.bloomberg.com, and supporting information services. These data will also be published as a comparison against the Fund's total return at least on a monthly basis in our publications and on our website.

3.17 Pacific Dana Dividen

The name of this Fund, *Pacific Dana Dividen*, reflects its specialised investment strategy of seeking Shariah-compliant securities with actual or potential sustainable and high dividend yields.

Pacific Dana Dividen	
Fund category	Equity (Islamic)
Fund type	Growth and income
Characteristic	Fairly aggressive
Financial Year End	30 June
Distribution Policy	Investors may receive income once a year, but these are incidental.
Investment Objective	<p>The Fund aims to provide capital growth and steady and attractive income[□] in the medium to long term by investing in a portfolio of equities that are paying or have the potential to pay attractive dividends and that comply with Shariah requirements.</p> <p>Any material change to the Fund's investment objective would require unitholders' approval.</p> <p>□ <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units. Please refer to page 52 for further details on distribution policy and reinvestment policy.</i></p>
Investment Policy and Strategy	<p>The Fund will invest in a diversified portfolio of Shariah-compliant securities that have a track record of consistent and attractive dividend payout policy. Shariah-compliant equities that are experiencing high growth and which have good potential to initiate or increase dividend payouts will also be considered.</p> <p>In upholding the spirit of Islamic fund management, the Fund will invest in equities of companies that are classified as Shariah-compliant by the SACSC and/or the Shariah adviser from time to time, and in sukuk that comply with Shariah requirements. Accordingly, the Fund will not invest in companies that are involved in conventional banking and finance, conventional insurance, gaming, alcoholic beverages and non-halal food products as well as any Shariah non-compliant business activities.</p>
Asset Allocation	<p>The Fund may invest up to 100% (minimum equity allocation is 70%) of its NAV in Shariah-compliant equities and Shariah-compliant equity-related securities but this may be reviewed from time to time depending on the global economic and stock market conditions. An internal allocation for cash and other Islamic liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p>While the maximum limit for Shariah-compliant equity investments is 100% of the Fund's NAV, actual asset allocation varies according to our investment outlook and investment strategies after taking into consideration the prevailing market conditions and Fund's cashflows.</p> <p>The Fund's NAV that is not invested in Shariah-compliant equities and Shariah-compliant equity-related securities, will be invested in sukuk, Islamic money market instruments as well as cash and Islamic liquid assets.</p> <ul style="list-style-type: none"> Equity Investment Strategy In addition to attractive dividend yields, the Fund's Manager will take into account the existing fundamentals of companies and their medium to long-term ability to continually grow their businesses, profits and hence, dividend payout potential. Extensive bottom-up fundamental analysis combined with top down economic and technical analysis will be conducted in managing the Fund's Shariah-compliant investments. Other valuation measures and financial analysis that the Manager could use include price to earnings (PE); PE to growth and price to book ratios; financial position strength; profit margins and growth; cashflow analysis; quality of earnings and management. <p>The Fund will be actively managed to optimise returns and minimise risk to investors. The Fund will invest up to its maximum Shariah-compliant equity allocation when there is sufficient high yielding or potentially high yielding dividend Shariah-compliant equities available. During extended bull markets and where overall yields could be low relative to alternative Shariah-</p>

Pacific Dana Dividen	
	<p>compliant investments, the Fund may increase its sukuk investments while reducing its holdings in Shariah-compliant equities.</p> <p>In order to achieve optimal diversification, the Fund may also invest up to 50% of its NAV in foreign Shariah-compliant equities. The countries in which the Fund may invest in are US, UK, Japan, Canada, Switzerland, France, Australia, Germany, Taiwan, South Korea, Sweden, Italy, Hong Kong, Singapore, Thailand, Indonesia, Chile, New Zealand, Finland, Greece, Spain, Brazil, Mexico, Hungary, Denmark, Netherlands, Belgium, Ireland, South Africa, Malta, Norway, Philippines, Poland and Austria.</p> <p>While the Fund may not invest directly in markets in Taiwan, the Fund may invest in Islamic collective investment schemes listed on or available in other permitted markets and whose underlying securities are in Taiwan. The Fund may also invest in listed and unlisted Shariah-compliant securities of other foreign markets not listed herein, where the regulatory authority is a member of the IOSCO and where applicable, this will be reported in the interim or annual report of the Fund.</p> <p>The Fund may also invest in the following Shariah-compliant securities/instruments:</p> <ul style="list-style-type: none"> ▪ Shariah-compliant equity and Shariah-compliant equity related derivative instruments. ▪ Islamic preference shares. ▪ Any other Shariah-compliant investments. <p>Please also refer to the general risks commencing on page 40 and the section on the Fund's permitted investment on page 30.</p> <p>As a defensive posture, the Fund's minimum 70% of NAV in Shariah-compliant equities and Shariah-compliant equity-related securities may be reduced to below the floor at the Manager's discretion, depending on market, economic, political or other conditions. These conditions include but are not limited to:</p> <ul style="list-style-type: none"> ▪ Where the equity markets are expected to experience protracted or extreme retracements leading to substantial capital loss. ▪ When there is insufficient liquidity in Shariah-compliant equities for the Fund to transact efficiently. ▪ When there are insufficient attractive Islamic funds and Shariah-compliant equities to form an efficient portfolio. ▪ When there is large redemption affecting the liquidity position of the Fund. <p>Investments used for temporary defensive positions will include Islamic deposits / cash / Islamic liquid assets and Islamic money market instruments.</p> <p>When a Fund is taking a temporary defensive position, we may adopt an investment strategy which may not be in line with the Fund's investment objective.</p> <ul style="list-style-type: none"> • Sukuk And Islamic Money Market Investment Strategy The Fund may invest up to 30% of its NAV in sukuk during periods when our investment strategy favour risk-adjusted returns in sukuk over Shariah-compliant equity securities, which includes any unlisted or listed sukuk, Islamic money market and/or Islamic collective investment schemes. <p>Interest rates are a general indicator that will have an impact on the management of a fund regardless of whether it is a Islamic fund or otherwise. It does not in any way suggest that this Fund will invest in conventional financial instruments. All the investments carried out for this Fund are in accordance with requirements of the Shariah.</p>
Performance Benchmark	<p>The benchmark for the Fund is a composite of 50% FTSE Bursa Malaysia EMAS Shariah Index (FBMS), or such other equivalent index as may be substituted by Bursa Malaysia Securities Berhad, and 50% Dow Jones Islamic Market World Index (DJIM). The composite benchmark is reflective of the medium to long term local and global equity allocation of the Fund. The FBMS index is widely used and publicly available from major newspapers on a daily basis. The DJIM index is available from Bloomberg's website, www.bloomberg.com, and supporting information services. These data will also be published as a comparison against the Fund's total return at least on a monthly basis in our publications and on our website.</p>

3.18 Pacific Focus China Fund

Pacific Focus China Fund	
Fund category	Equity
Fund type	Growth
Characteristic	Aggressive
Financial Year End	31 March
Distribution Policy	Income distribution, annually, subject to availability of income.

Pacific Focus China Fund	
Investment Objective	<p>The Fund aims to achieve attractive capital growth in the medium to long term by investing predominantly in equities and equity-related securities of companies listed in the greater China region which covers China, Hong Kong S.A.R. and Taiwan markets and may invest in companies listed in other markets that have significant or potentially significant business in the greater China region.</p> <p>Any material change to the Fund's investment objective would require unitholders' approval.</p>
External Fund Manager	<p>The investment management of the Fund has been delegated to an external investment manager, Lion Global Investors Limited (formerly known as Lion Capital Management Limited) ("Lion Global Investors"). Please refer to page 60 for more information on Lion Global Investors. Lion Global Investors will manage the assets of the Fund in line with the investment objective of the Fund, the trust deed of the Fund, the SC Guidelines and any relevant guidance notes or legislation and the internal investment and risk management policies of the Manager.</p>
Investment Policy and Strategy	<p>The Fund will invest predominantly in equities and equity-related securities of companies listed in the greater China region which covers China, Hong Kong S.A.R. and Taiwan. The Fund may invest in listed Exchange Traded Funds (ETFs) and unlisted collective investment schemes that have underlying investments which are in line with the Fund's objective, which underlying investments have broad exposure to the respective equity markets of the said countries (China, Hong Kong S.A.R. and Taiwan). The Fund also has the mandate to invest in companies listed in other markets where the said companies have significant or potentially significant business in the greater China region. These companies comprise those that currently derive or are projected in the next two to five years to derive at least 30% of their earnings from the greater China region. Also included are companies that currently have or are projected to have at least 30% of their assets in the region.</p>
Asset Allocation	<p>The Fund may invest up to 100% (minimum equity allocation is 70%) of its NAV in equities and equity-related securities as well as ETFs and unlisted collective investment schemes but this may be reviewed from time to time depending on the global economic and stock market conditions.</p> <p>The Fund's NAV that is not invested in equities, equity-related securities, ETFs and collective investment schemes, will be invested in fixed income securities, money market instruments and cash/liquid assets up to a maximum of 30% of its NAV.</p> <p>An internal allocation for cash and other liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p>Please also refer to page 38.</p> <ul style="list-style-type: none"> • Equity Investment Strategy <ul style="list-style-type: none"> ▪ Investment Philosophy <p>Sustained long-term outperformance can be achieved through a rigorous research methodology and process aimed at uncovering high conviction ideas which are trading at significant discounts to fair value. An objective and disciplined implementation of these ideas using sound portfolio risk controls and portfolio construction rules will be applied. The underlying philosophy is that securities prices will ultimately reflect underlying economic fundamentals. In the short to medium term however, technical factors including behavioural elements or liquidity may distort prices. By staying focused on the long term, the aim is to avoid the common mistake of selling too early or overtrading the portfolio.</p> ▪ Investment Approach <p>The key is to design and implement a research process that would identify businesses that have most, if not all, of the following characteristics:</p> <ul style="list-style-type: none"> - A clearly understandable business model and value add proposition. - Strong and forward looking management. - Sustainable top line and bottom line growth. - Adopt healthy corporate governance practices. - Strong free cash flows or has the potential to generate such. - Exhibit strong profitability in terms of net profit margins and return on equity. - Strong financial positions. - Sustainable competitive edge. - A proven track record of growth and profitability through both good and weak economic conditions. <p>In order to arrive at an accurate estimation of the fair value it is first and foremost necessary to have a clear understanding of the business model and all the key drivers of sales and profits. A thorough look back at the operating history of the company is essential. This should preferably include a long enough history that indicates operating performance under both economic growth periods and slow/recessionary conditions. An earnings and cash flow model is developed for each stock wherein the external investment manager would also develop some sensitivity analysis to examine earnings and cash flows under varying assumptions. For each stock researched, the key is to determine its sustainable earning power and the likely medium to long term growth rate of those earnings and apply an appropriate discount rate to derive an intrinsic value. The external investment manager</p>

Pacific Focus China Fund	
	<p>tends to be skeptical of the accounting definition of earnings and prefers to look at the cash flow returns as a more reliable basis for determining investment value. Other inputs that the external investment manager uses to derive fair value include conventional measures such as Price-Earnings ratios (PER), Enterprise Value-Earnings Before Interest, Tax, Depreciation and Amortization (EV-EBITDA), replacement values and comparable business transactions and dividend discount model.</p> <p>The preference is to search for growth stocks in growth industries although they would also include some "value" stocks as well as cyclical stocks.</p> <p>While these are widely used valuation tools the external investment manager believes they can gain an edge by having deeper insights into understanding companies' business fundamentals thus enabling them to make better judgments on estimating the growth potential and applying the correct discount rate which reflects the risk level of those earnings appropriately. The external investment manager also makes it a point to monitor closely all their investments so that mid course adjustments can be made expeditiously when conditions warrant.</p> <ul style="list-style-type: none"> ▪ Targeted Foreign Markets The targeted foreign markets in which the Fund may invest in listed and unlisted securities are China, Hong Kong S.A.R. and Taiwan. The Fund may also invest in listed and unlisted securities of companies listed in other markets that have significant or potentially significant business in the greater China region, upon notification to the Securities Commission and such terms and conditions that may be prescribed by the Securities Commission. <p>For investments in China, the Fund's investments will only be confined to class "B" shares, whereby the purchase of these investments do not require a Qualified Foreign Institutional Investor ("QFII") Licence. The QFII Licence is applicable only to foreign investors who intend to buy and sell Yuan-denominated class "A" shares in China.</p> <ul style="list-style-type: none"> • Fixed Income and Money Market Investment Strategy The Fund may invest in local fixed income securities during periods when the investment strategy favours risk-adjusted returns in fixed income over equity securities. The Fund may also hold foreign/foreign currency cash and liquid assets.
Performance Benchmark	The benchmark for the Fund is the MSCI Golden Dragon Index (MXGD) and this data is available from Bloomberg's website, www.bloomberg.com , and supporting information services and will be published by Pacific Mutual as a comparison against the Fund's total return at least on a monthly basis in our publications and on our website.

3.19 Pacific Global A.I.R Fund

Pacific Global A.I.R Fund	
Fund category	Equity
Fund type	Growth
Characteristic	Fairly aggressive
Financial Year End	31 March
Distribution Policy	Once a year, if any.
Investment Objective	<p>The Fund aims to achieve attractive capital growth and income[□] in the medium to long term by investing in a portfolio of global investments that are related to sectors that provide support to global trade and production, integral to human life and economic growth.</p> <p>Any material change to the Fund's investment objective would require unitholders' approval.</p> <p>[□] <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units. Please refer to page 52 for further details on distribution policy and reinvestment policy.</i></p>

Pacific Global A.I.R Fund

Investment Policy and Strategy

The Fund may invest in global equities and equity-related securities (such as warrants and options) of companies that are involved in or substantially related to (at least 50% of revenue or earnings or at least 50% of assets in these sectors) the sectors that provide support to global trade and production essential to the sustainability of human life and economic growth. These companies are integral players in the growing, building, extraction and conversion of resources for intermediate and end consumption and utilisation. Specifically, the three broad sectors are as follows:

Broad Sector	Sub-Sectors (Companies involved in or substantially related to but not limited to the following)
Agriculture/ Agribusiness	<ul style="list-style-type: none"> • Growing, harvesting, packing, processing, distributing and/or trading of agricultural commodities/products: <ul style="list-style-type: none"> ▪ Food crops (corn, soybeans, wheat, rice, sugar, coffee). ▪ Livestock. ▪ Non-food crops (cotton, jute). • Support and servicing of the agricultural sector including providing seeds, fertilizer and crop protection products; facilities (crop/grain storage, mills); capital goods (vehicles, machinery, equipment, transportation); agriculture planning and biotechnology. • Packaged food processing and manufacturing. • Bio-energy sector (production and marketing of ethanol, other bio-fuels).
Natural Resources	<ul style="list-style-type: none"> • Ownership, mining/extracting and processing of natural resources: <ul style="list-style-type: none"> ▪ Plantations (palm oil, rubber). ▪ Timber and forest resources. ▪ Minerals (gold, silver, platinum, copper, nickel, tin, iron ore, alumina, zinc). ▪ Energy (oil & oil sands, natural gas, coal, uranium). • Support and servicing of natural resource sector including provision of capital goods (vehicles, machinery, equipment, transportation and storage, logistics, godowns/warehousing, ship builders).
Infrastructure	<ul style="list-style-type: none"> • Ownership, construction, management and maintenance of the following: <ul style="list-style-type: none"> ▪ Toll roads, railroads, tunnels and bridges. ▪ Airports and sea ports. ▪ Power and water utilities. ▪ Telecommunications networks. ▪ Waste/waste water management. ▪ Other power generation assets – nuclear, wind, solar and hydro. ▪ Hospitals and related physical healthcare facilities and services including marketing and manufacturing of pharmaceuticals and medical equipment. • Servicing of infrastructure companies including repairs and maintenance and logistic services. • Equipment manufacturers of infrastructure companies. • Suppliers of building materials (cement, steel and concrete products).

Asset Allocation

The Fund may invest up to 100% (minimum equity allocation is 70%) of its NAV in global equities. Investment in equity-related securities (such as warrants and options) may be up to a maximum of 15% of its NAV. These allocations may be reviewed from time to time depending on the global economic and stock market conditions.

The Fund's NAV that is not in equities and equity-related securities (such as warrants and options) will be invested in fixed income securities, money market instruments and cash/liquid assets up to a maximum of 30% of its NAV.

An internal allocation for cash and other liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.

Please also refer to page 38.

• **Equity Investment Strategy**

The Fund may invest in stocks of companies that service companies involved in the above three broad sectors as well as companies that are involved in the trading/marketing of products related to the three broad sectors.

A combination of top-down and bottom-up investment approaches will be used in managing the Fund. The Fund will have a preference for investments in companies that are among the largest and best managed in their sectors and that would be able to grow or at least maintain their earnings under various economic climates. Given the more cyclical nature of agriculture and natural resources investments, the Fund will also monitor the broad macro-economic fundamentals of these sectors to minimise the effects of any potential downturn – and in such situations, will endeavour to reallocate a greater portion of the Fund's investments to more

Pacific Global A.I.R Fund	
	<p>defensive investments (including more to the infrastructure sector) or into fixed income and money market securities.</p> <ul style="list-style-type: none"> ▪ Targeted Foreign Markets The foreign markets in which the Fund may invest in are Taiwan, Australia, Belgium, Bermuda, Brazil, Canada, Chile, China, Denmark, Finland, France, Germany, Hong Kong, India, Indonesia, Italy, Japan, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, South Korea, Spain, Sweden, Switzerland, Thailand, UK and USA. <p>For investments in China, the Fund's investments will only be confined to class "B" shares, whereby the purchase of these investments do not require a Qualified Foreign Institutional Investor ("QFII") Licence. The QFII Licence is applicable only to foreign investors who intend to buy and sell Yuan-denominated class "A" shares in China.</p> <p>While the Fund may not invest directly in markets in Taiwan and India, the Fund may invest in collective investment schemes listed on or available in other approved markets and whose underlying securities are in Taiwan and India. The Fund may also invest in listed and unlisted securities of other foreign markets not listed herein, where the regulatory authority is a member of the IOSCO and where applicable, this will be reported in the interim or annual report of the Fund.</p> • Fixed Income and Money Market Investment Strategy The Fund may invest in local fixed income securities and money market instruments during periods when the investment strategy favours risk-adjusted returns in fixed income over equity securities.
Performance Benchmark	<p>The benchmark for the Fund is a composite of 50% MSCI World Net Energy & Materials 10/40 Index (MWNEI), 25% MSCI World Net Telecommunications Services Index (MWNTS) and 25% MSCI World Net Utilities Index (MWNU). These three benchmarks provide the optimal representation of the Fund's portfolio*. These data are available from Bloomberg's website, www.bloomberg.com, and supporting information services and will be published by Pacific Mutual as a comparison against the Fund's total return at least on a monthly basis in our publications and on our website.</p> <p>* We have excluded the agriculture related equity indices as there are only a few agriculture related equity indices, whose components are proprietary information except by subscription, that match the Fund's investment mandate of agriculture/agribusiness equities. In addition, most available indices track agriculture commodity prices rather than equity prices.</p>

3.20 Pacific Dynamic AsiaPac Fund

Pacific Dynamic AsiaPac Fund	
Fund category	Mixed asset
Fund type	Income and growth
Characteristic	Fairly aggressive
Financial Year End	31 March
Distribution Policy	Subject to the availability of income, distribution of income will be made once a year.
Investment Objective	<p>The Fund aims to generate income[□]* and growth over the medium to long term by investing in a diversified portfolio of Asia Pacific assets, including equities, fixed income securities, and collective investment schemes, including exchange traded funds.</p> <p>Any material change to the Fund's investment objective would require unitholders' approval.</p> <p>□ <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units. Please refer to page 52 for further details on distribution policy and reinvestment policy.</i></p> <p>* <i>The focus will be on income which will be derived from a mix of dividends and interest income. Capital appreciation (growth) will be a lesser focus.</i></p>
External Fund Manager	The investment management of the Fund has been delegated to an external investment manager, Lion Global Investors Limited (formerly known as Lion Capital Management Limited) ("Lion Global Investors"). Please refer to page 60 for more information on Lion Global Investors. Lion Global Investors will manage the assets of the Fund in line with the investment objective of the Fund, the trust deed of the Fund, the SC Guidelines and any relevant guidance notes or legislation and the internal investment and risk management policies of the Manager.

Pacific Dynamic AsiaPac Fund	
Investment Policy and Strategy	<p>The Fund will invest in a portfolio of equities, fixed income securities and collective investment schemes (including exchange traded funds) available in Asia Pacific markets. The Fund can invest in the following:</p> <ul style="list-style-type: none"> • Fixed and floating rate bonds, convertible and non-convertible bonds, debentures and other fixed income securities issued by governments, quasi-government, government agencies, supranationals and corporates predominantly in the Asia Pacific region. These may or may not be listed and may be non-investment grade (rated below BBB- by Standard & Poor's or Fitch or an equivalent rating by any other credit rating agency) or unrated, and will be denominated in Asia Pacific currencies, US Dollars and other major currencies (i.e. EURO, UK Pound and Swiss Franc). Investments denominated in US Dollars, EURO, UK Pound and Swiss Franc are issued by companies operating in the Asia Pacific region; • Currency deposits and money market instruments including but not limited to notes, certificates of deposit, variable rate certificates of deposit, bankers' acceptances, commercial paper issued by corporations or government bodies including short term unsecured promissory notes, treasury bills; • Fixed or floating rate instruments or interest rate futures and options for hedging purposes. Only instruments offered by issuers such as financial institutions with at least a credit rating of AA by RAM Rating Services Berhad or A by Standard & Poor's or their equivalent by any other recognised rating agency will be considered; • Equity and equity-related securities of companies in the Asia Pacific region that have a track record of dividend payments; • Real estate investment trusts (REIT); and • Exchange traded funds (ETF) with single country (from the Asia Pacific region) or Asia Pacific markets exposure. The Fund may have a maximum 10% of its NAV invested in China-A shares and the exposure is only via ETF or collective investment schemes.
Asset Allocation	<p>From time to time depending on expectations for the global/regional economy and financial markets, there may be significant shifts into and out of asset classes via a dynamic asset allocation strategy and proactive portfolio risk control measures to:</p> <ul style="list-style-type: none"> • seek return enhancing assets during rising markets to optimise potential returns. • mitigate risk in falling markets by increasing allocation to lower risk assets. <p>The Fund's asset allocation may range from 0% to 100% of its NAV in equities, REIT and ETF and/or, 0% to 100% in fixed income securities, money market instruments and cash.</p> <p>The Fund may employ financial derivative instruments for hedging and efficient portfolio management purposes. Financial derivative instruments can be used for instance to create market exposures through equity, currency, volatility or index related financial derivative instruments that are over-the-counter and/or exchange traded. Derivatives would include but are not limited to options and futures.</p> <p>An internal allocation of cash and other liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <ul style="list-style-type: none"> • Fixed Income Investment Philosophy And Process <ul style="list-style-type: none"> ▪ Investment Philosophy Both the 'top-down' and 'bottom-up' approaches will be used toward the management of the fixed income segment of the portfolio. The aim is to add value in five principal areas, namely, country, duration, yield curve, currency and credit. Risk management, with an emphasis on portfolio diversification, forms an integral part of the investment process. ▪ Investment Process The investment process incorporates both the 'top-down' and 'bottom-up' approaches. The top-down approach employs three forms of analysis – fundamental, technical and valuation, to add value in the areas of country, duration, yield curve and currency. The bottom-up approach aims to enhance the portfolio's return via active credit selection and to identify under-valued and over-valued securities for timely investment decisions. • Equity and Collective Investment Schemes (CIS) Investment Strategy The investment philosophy for managing the equity segment of the Fund is based on the following key principles: <ul style="list-style-type: none"> ▪ Low volatility returns for outperformance over the long term. ▪ Sustainable dividend payment. ▪ Attractive dividend yield. ▪ High conviction (i.e. high level of confidence by Managers that the securities selected are expected to perform) portfolio based on fundamental research. ▪ Application of both top-down (broad economic, sector and market analysis) and bottom-up (as per research process below*) methodologies. ▪ Rigorous portfolio construction disciplines.

Pacific Dynamic AsiaPac Fund	
	<p>The investment process encompasses research and portfolio construction.</p> <p>* During the research stage of the process, the stock universe is refined to an investable universe using a number of dividend and price volatility screens. The research process focuses on identifying companies that meet the following criteria:</p> <ul style="list-style-type: none"> - Sustainable competitive advantage. - Balance sheet strength. - High calibre management. - Strong culture of corporate governance. - Clear evidence of mispricing. - Identifiable critical factors and associated catalysts. <p>The portfolio construction process involves dividend and price volatility screens (including historic and forecast dividend yields, stock beta), qualitative criteria (including strong balance sheet, cash flow, high calibre management, sustainable competitive advantage) and, portfolio construction disciplines (including prevailing macro directions, valuation, sector/thematic considerations, sector and country exposure).</p> <p>▪ Targeted Foreign Markets The foreign markets in which the Fund may invest in are Australia, China¹, Hong Kong, India, Indonesia, Japan, New Zealand, Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam. The Fund may also invest in listed and unlisted securities of other² foreign markets not listed herein, where the regulatory authority is a member of the IOSCO, and where applicable, this will be reported in the interim or annual report of the Fund.</p> <p>Note 1: The Fund may have an exposure of a maximum of 10% of its NAV in China-A shares via ETF or collective investment schemes. While the Fund does not invest directly, its investments in ETF or CIS invested in China-A shares would still be exposed to the following risks:</p> <ul style="list-style-type: none"> - There are various requirements and restrictions under the laws and regulations of mainland China relating to China-A share investments (including restrictions on repatriation of capital due to the imposition of a lock-up period) and this will restrict the ability of the Fund to invest freely in mainland China and may expose investors to higher volatility. - Investments in mainland China may be less liquid or more volatile than investments in established markets. - The uncertainty and change of the laws of mainland China and regulations and policies and rules may adversely impact the Fund with potential retrospective effect. Capital gains tax in mainland China may be imposed and disadvantage an investor if the provisions for tax are inadequate to meet final tax liabilities. <p>Note 2: The Fund may invest up to a maximum of 20% of its NAV in the following, and which are traded in Canada, France, Germany, Italy, Spain, Switzerland, UK and US (i.e. markets not included in the list of targeted foreign markets above):</p> <ul style="list-style-type: none"> - Equity and fixed income securities that at the point of purchase, the companies issuing said securities have a minimum 50% of their revenues derived from Asia Pacific countries. - Initial public offerings (IPO) to be listed in markets not stated in the above table and provided that at the point of purchase, the companies issuing the IPO have a minimum 50% of their revenues derived from Asia Pacific countries. - ETF listed in markets not stated in the above table where at the point of purchase, at least 50% of the index tracked by an ETF comprises an Asia Pacific component (either single country or regional).
Performance Benchmark	The benchmark for the Fund is Maybank 12-Month Fixed Deposit Rate + 1.5%. The Maybank fixed deposit rates are obtainable at Maybank bank branches and at www.maybank2u.com.my and supporting information services and will also be published by Pacific Mutual as a comparison against the Fund's total return at least on a monthly basis in our publications and on our website.

4 PERMITTED INVESTMENTS, INVESTMENT RESTRICTIONS AND LIMITS

4.1 Permitted Investments

Where permitted by the relevant authorities and consistent with the objectives of the respective Funds, the Funds are permitted to invest in the following:

The permitted investments of the Pacific Premier Fund, Pacific Pearl Fund, Pacific Millennium Fund, Pacific Recovery Fund, Pacific Income Fund, Pacific SELECT Balance Fund, Pacific SELECT Income Fund, Pacific Dividend Fund and Pacific Focus18 Fund are as follows:

- Securities traded on the Bursa Malaysia and any other market considered as an eligible market;
- Fixed income securities traded in or under the rules of an eligible market;
- Fixed income securities issued by Bank Negara Malaysia, the Malaysian Government and government related agencies such as Danamodal Nasional Berhad, Pengurusan Danaharta Nasional Berhad, Khazanah Nasional Berhad and Cagamas Berhad;
- Unlisted fixed income securities which are either bank-guaranteed or rated by RAM Holdings Berhad, Malaysian Rating Corporation Berhad or other recognised rating agencies;
- Liquid assets such as Malaysian currency deposits and money market instruments with licensed financial institutions including Investment Certificates, placement of monies at call with licensed financial institutions, and any other instrument capable of being converted into cash within seven days as may be approved by the respective Trustees;
- Units of other collective investment schemes;
- Structured products, such as those linked to a basket of equity securities or equity indices, options, debt securities, commodities futures, currencies and possibly equity or interest rate swaps (applicable to the Pacific Focus18 Fund only);
- Foreign securities traded in foreign markets under the rules of an eligible market and subject to the limit as may be permitted for investment by the relevant authorities from time to time (applicable to the Pacific Focus18 Fund only);
- Futures contracts traded in futures markets of an exchange permitted under the Capital Markets And Services Act 2007, only for hedging purposes; and
- Any other form of investments as may be agreed upon by the Manager and the respective Trustees from time to time and permitted by the relevant authorities.

The permitted investments of the Pacific Dana Aman are as follows:

- Securities that are classified as Shariah-compliant by the SACSC and are traded on the Bursa Malaysia and any other market considered as an eligible market;
- Sukuk traded in or under the rules of an eligible market;
- Sukuk issued by Bank Negara Malaysia and government related agencies;
- Unlisted sukuk which are rated by RAM Holdings Berhad, Malaysian Rating Corporation Berhad or other recognised rating agencies;
- Islamic liquid assets such as Malaysian currency deposits under Islamic Banking, Islamic money market instruments and any other Shariah-compliant instruments capable of being converted into cash within seven days as may be approved by the Trustee;
- Units of other Islamic collective investment schemes;
- Islamic futures contracts and other permitted Islamic derivative instruments traded in futures markets of an exchange permitted under the Capital Markets And Services Act 2007, only for hedging purposes; and
- Any other form of Shariah-compliant investments as may be agreed upon by the Manager and the Trustee from time to time and permitted by the relevant authorities.

The permitted investments of the Pacific Dana Murni are as follows:

- Sukuk traded in or under the rules of an eligible market;
- Sukuk issued by Bank Negara Malaysia and government related agencies;
- Unlisted sukuk which are either bank-guaranteed or rated by RAM Holdings Berhad, Malaysian Rating Corporation Berhad or other recognised rating agencies;
- Islamic liquid assets such as Islamic deposits (Malaysian currency) with licensed financial institutions, Islamic money market instruments and any other Shariah-compliant instrument capable of being converted into cash within such time pursuant to the requirement under the relevant laws;
- Units of other Islamic collective investment schemes;
- Islamic futures contracts and other permitted Islamic derivative instruments traded in futures markets of an exchange permitted under the Capital Markets And Services Act 2007, only for hedging purposes; and
- Any other form of Shariah-compliant investments as may be agreed upon by the Manager and the Trustee and permitted by the SACSC and / or the Shariah adviser from time to time.

The permitted investments of the Pacific Cash Fund are as follows:

- Money market instruments;
- Deposits with financial institutions; and
- Any other form of investments as may be agreed upon by the Manager and the Trustee from time to time and permitted by the relevant authorities, where necessary.

The permitted investments of the Pacific Dana Imbang are as follows:

- Securities traded on Bursa Malaysia that are on the list of Shariah-compliant securities by the SACSC and securities that have been approved by the Shariah Adviser to be Shariah-compliant;
- Sukuk issued by Bank Malaysia and government related agencies;
- Sukuk which are rated by RAM Rating Services Berhad or Malaysian Rating Corporation Berhad;
- Islamic liquid assets such as Malaysian currency deposits and current accounts under Islamic banking, Islamic money market instruments and any other Shariah-compliant instruments capable of being converted into cash within seven days may be approved by the Trustee;
- Units of other Islamic collective investment schemes; and
- Any other form of Shariah-compliant investments as may be agreed upon by the Manager and the Trustee from time to time and permitted by the relevant authorities.

The permitted investments of the Pacific Asia Brands Fund, Pacific Global Stars Fund, Pacific AsiaPac Income Fund, Pacific Global A.I.R. Fund and Pacific Dynamic AsiaPac Fund are as follows:

- Securities traded in foreign markets which are allowed by the Securities Commission and within the limits as set by Bank Negara Malaysia (applicable to the Pacific Dynamic AsiaPac Fund only);
- Securities listed on the Bursa Malaysia and any other market considered an eligible market;
- Securities issued by Government and Government related agencies including Malaysian Government Securities, Treasury Bills, Bank Negara Malaysia Certificates and Government Investment Certificates;
- Malaysian currency balances in hand, Malaysian currency deposits with licensed financial institutions including Negotiable Certificates of Deposit, Bankers Acceptance and placement of money at call with investments banks; and any other instrument capable of being converted into cash within such time pursuant to the requirement under the relevant laws;
- Cagamas Bonds, unlisted loan stocks and corporate bonds that are either bank guaranteed or rated by RAM Holdings Berhad, Malaysian Rating Corporation Berhad or any other permitted rating agency;
- Listed or unlisted fixed income securities issued by governments of Asia Pacific countries (including quasi-government, government agencies) and fixed income securities issued by corporations in the Asia Pacific region (applicable to the Pacific Dynamic AsiaPac Fund only);
- Private debt securities and bonds traded on eligible markets and / or permitted stock exchanges;
- Units of other collective investment schemes;
- Structured products, such as those linked to a basket of equity securities or equity indices, options, debt securities, commodities futures, currencies and possibly equity or interest rate swaps (not applicable to the Pacific Global A.I.R. Fund);
- Futures contracts traded in a futures market of an exchange permitted under the Capital Markets And Services Act 2007 only for hedging purposes;
- Unlisted securities which have been approved by the relevant regulatory authority for listing or quotation on an exchange and are offered directly to the Fund by the issuer (applicable to the Pacific Asia Brands Fund, Pacific Global Stars Fund and Pacific Global A.I.R. Fund. For Pacific AsiaPac Income Fund and Pacific Dynamic AsiaPac Fund, this is applicable in relation to markets within the Asia Pacific region);
- Warrants and options (applicable to the Pacific Dynamic AsiaPac Fund only);
- Foreign securities traded in foreign markets under the rules of an eligible market within the Asia Pacific region, subject to the limit as may be permitted for investment by the relevant authorities from time to time (applicable to the Pacific AsiaPac Income Fund and Pacific Dynamic AsiaPac Fund);
- Foreign securities traded in foreign markets under the rules of an eligible market and subject to the limit as may be permitted for investment by the relevant authorities from time to time (not applicable to the Pacific AsiaPac Income Fund and Pacific Dynamic AsiaPac Fund); and
- Any other form of investments as may be agreed upon by the Manager and the respective Trustees from time to time and permitted by the relevant authorities, where necessary.

The permitted investments of the Pacific Dana Dividen are as follows:

- Foreign Shariah-compliant securities (as approved by the respective advisory council / Shariah adviser) traded in foreign markets under the rules of an eligible market and subject to the limit as may be permitted for investment by the relevant authorities from time to time;
- Shariah-compliant securities listed on the Bursa Malaysia and any other market considered as an eligible market;
- Shariah-compliant securities issued by government and government-related agencies including Bank Negara Malaysia negotiable notes, government investment Issues and any other government Islamic papers;
- Malaysian currency balances in hand, Malaysian currency placed with Islamic licensed financial institutions including Islamic negotiable instruments, Islamic accepted bills and Islamic placement of money at call with licensed financial institutions and any other Shariah-compliant instrument capable of being converted into cash within such time pursuant to the requirement under the relevant laws;
- Cagamas sukuk, unlisted sukuk that are either bank guaranteed or rated by RAM Holdings Berhad, Malaysian Rating Corporation Berhad or any other permitted rating agency;
- Units of other Islamic collective investment schemes;
- Islamic structured products where the underlying securities / instruments are Shariah-compliant, such as those linked to a basket of Shariah-compliant equities or Shariah-compliant equity indices, Shariah-compliant options, sukuk, commodities futures, currencies and possibly Shariah-compliant equity or Islamic profit rate swaps;
- Islamic futures contracts traded in a futures market of an exchange permitted under the Capital Markets And Services Act 2007; and
- Any other form of Shariah-compliant investments as may be agreed upon by the Manager and Trustee from time to time and permitted by the relevant authorities.

The permitted investments of the Pacific Focus China Fund are as follows:

- Securities traded in foreign markets which are allowed by the Securities Commission and within the limits as set by Bank Negara Malaysia;
- Securities of companies listed in the greater China region which covers China, Hong Kong S.A.R. and Taiwan markets and also of securities companies listed in other markets that have significant or potentially significant business in the greater China region;
- Units of other collective investment schemes;
- Fixed income securities traded in or under the rules of an eligible market;
- Fixed income securities issued by Bank Negara Malaysia, the Malaysian Government and government related agencies such as Danamodal Nasional Berhad, Pengurusan Danaharta Nasional Berhad, Khazanah Nasional Berhad and Cagamas Berhad;
- Unlisted fixed income securities which are either bank-guaranteed or rated by RAM Holdings Berhad, Malaysian Rating Corporation Berhad or other recognised rating agencies;
- Liquid assets such as Malaysian currency deposits and money market instruments with commercial banks, finance companies, investment banks and Bank Islam Malaysia Berhad including Investment Certificates, placement of monies at call with investment banks, and any other instrument capable of being converted into cash within seven days as may be permitted by the Trustee; and
- Any other form of investments as may be agreed upon by the Manager and the Trustee from time to time and permitted by the relevant authorities, where necessary.

4.2 Investment Restrictions and Limits

The purchase of investments for all Funds except Islamic funds and the Pacific Cash Fund, shall be subject to the following restrictions:

Spread of Investments on Single Issuer

- The value of a Fund's investments in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV or any other limit set by the Securities Commission;
- The value of a Fund's investments in transferable securities and money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV (not applicable for the Pacific SELECT Income Fund) or any other limit set by the Securities Commission;
- The value of the Pacific SELECT Income Fund's investments in debentures issued by any single issuer must not exceed 20% of the Fund's NAV. This limit may be increased to 30% if the debentures are rated by any domestic or global rating agency to be the best of quality and offer the highest safety for timely payment of interest and principal or any other limit set by the Securities Commission; and
- The aggregate value of a Fund's investments in transferable securities, money market instruments, deposits, over-the-counter (OTC) derivatives and structured products issued by or placed with (as the case may be) any single issuer / institution must not exceed 25% of the Fund's NAV or any other limit set by the Securities Commission. For the Pacific SELECT Income Fund, where the single issuer limit is increased to 30%, the aggregate value of the Fund's investment must not exceed 30%.

Exposure Limits

The value of a Fund's investments in unlisted securities must not exceed 10% of the Fund's NAV or any other limit set by the Securities Commission. However, this exposure limit does not apply to "unlisted securities" that are:

- Equities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing and quotation, and are offered directly to the Fund by the issuer;
- Debentures traded on an organised OTC market; and
- Structured products.

Spread of Investments on Groups Of Companies

- The value of a Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV (not applicable for the Pacific SELECT Income Fund) or any other limit set by the Securities Commission; and
- The value of the Pacific SELECT Income Fund's investments in debentures issued by any group of companies must not exceed 30% of the Fund's NAV.

Concentration of Investments

- A Fund's investments in transferable securities (other than debentures) must not exceed 10% of the security issued by any single issuer or any other limit set by the Securities Commission;
- A Fund's investments in debentures must not exceed 20% of the debentures issued by any single issuer or any other limit set by the Securities Commission; and
- A Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer or any other limit set by the Securities Commission. However, this limitation does not apply to money market instruments that do not have a pre-determined issue size.

Futures, Options and Derivatives Contracts

- A Fund's exposure from a derivatives position must not exceed the NAV of the Fund at all times;
- The exposure of a Fund to the underlying assets must not exceed the investment spread limits stipulated in the SC Guidelines;
- The value of a Fund's OTC derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV or any other limit set by the Securities Commission; and
- A Fund will only invest in futures, options and other derivatives contracts in accordance with the provisions and limits set by the Securities Commission.

Collective Investment Schemes

- A Fund will only invest in other collective investment schemes in accordance with the provisions and limits set by the Securities Commission;
- The value of a Fund's investments in units/shares of any collective investment schemes must not exceed 20% of the Fund's NAV or any other limit set by the Securities Commission; and
- A Fund's investments in collective investment schemes must not exceed 25% of the units/shares in any collective investment scheme or any other limit set by the Securities Commission.

Placement of Deposits

The value of a Fund's placement in deposits with any single licensed financial institution must not exceed 20% of the Fund's NAV or any other limit set by the Securities Commission.

Foreign Securities (not applicable to the Pacific SELECT Balance Fund and Pacific SELECT Income Fund)

- Investment in foreign markets is subject to the limits set by relevant authorities; and
- A Fund may invest in securities that are listed or traded in a foreign market where the regulatory authority is a member of the IOSCO.

Structured Products (applicable to the Pacific Focus18 Fund, Pacific Asia Brands Fund, Pacific Global Stars Fund and Pacific AsiaPac Income Fund only)

The value of a Fund's holdings in structured products issued by any single counter-party must not exceed 15% of the Fund's NAV or any other limit set by the Securities Commission. The single counter-party limit may be exceeded if the counter-party has a minimum long-term rating that indicates very strong capacity for timely payment of financial obligations provided by any domestic or global rating agency and the structured product has a capital protection feature.

The purchase of investments for the Pacific Cash Fund shall be subject to the following restrictions:

Exposure Limits

- The value of the Fund's investments in permitted investments must not be less than 90% of the Fund's NAV or any other limit set by the Securities Commission;
- The value of the Fund's investments in permitted investments which have a remaining maturity period of not more than 365 days must not be less than 90% of the Fund's NAV or any other limit set by the Securities Commission; and
- The value of the Fund's investments in permitted investments which have a remaining maturity period of more than 365 days but fewer than 732 days must not exceed 10% of the Fund's NAV or any other limit set by the Securities Commission.

Spread Of Investments On Single Issuer

The value of the Fund's investments in money market instruments issued by any single issuer must not exceed 20% of the Fund's NAV.

Spread Of Investments On Groups Of Companies

The value of the Fund's investments in money market instruments issued by any group of companies must not exceed 30% of the Fund's NAV or any other limit set by the Securities Commission.

Concentration Of Investments

- The Fund's investments in money market instruments must not exceed 20% of the instruments issued by any single issuer or any other limit set by the Securities Commission.

Placement Of Deposits

The value of the Fund's placement in deposits with any single licensed financial institution must not exceed 20% of the Fund's NAV or at any other limit set by the Securities Commission.

The purchase of Shariah-compliant investments for the Pacific Dana Aman, Pacific Dana Dividen and Pacific Dana Imbang shall be subject to the following restrictions:

Spread of Investments on Single Issuer

- The value of a Fund's investments in the Shariah-compliant ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV or any other limit set by the Securities Commission;
- The value of a Fund's investments in Shariah-compliant transferable securities and the Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV or any other limit set by the Securities Commission;
- The aggregate value of a Fund's investments in Shariah-compliant transferable securities, Islamic money market instruments, Islamic deposits, OTC Islamic derivatives and Islamic structured products issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV or any other limit set by the Securities Commission (not applicable to the Pacific Dana Imbang); and
- The aggregate value of the Fund's investments in Shariah-compliant transferable securities, Islamic money market instruments and Islamic deposits issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV or any other limit set by the Securities Commission (applicable to the Pacific Dana Imbang only).

Exposure Limits

The value of a Fund's investments in unlisted Shariah-compliant securities must not exceed 10% of the Fund's NAV or any other limit set by the Securities Commission. However, this exposure limit does not apply to "Shariah-compliant unlisted securities" that are:

- Shariah-compliant equities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing and quotation, and are offered directly to the Fund by the issuer;
- Sukuk traded on an organised OTC market; and
- Islamic structured products.

Spread of Investments on Groups Of Companies

The value of a Fund's investments in Shariah-compliant transferable securities and the Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV or any other limit set by the Securities Commission.

Concentration of Investments

- A Fund's investments in Shariah-compliant transferable securities (other than sukuk) must not exceed 10% of the Shariah-compliant security issued by any single issuer or any other limit set by the Securities Commission;
- A Fund's investment in any class of sukuk of any single issuer must not exceed 20% of the sukuk issued by any single issuer or any other limit set by the Securities Commission; and
- A Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer or any other limit set by the Securities Commission. This limitation will not apply to Islamic money market instruments that do not have a pre-determined issue size.

Islamic Futures, Islamic Options and Islamic Derivatives Contracts (not applicable to the Pacific Dana Imbang)

- A Fund's exposure from Islamic derivatives position must not exceed the NAV of the Fund at all times;
- The exposure of a Fund to the underlying assets must not exceed the investment spread limits stipulated in the SC Guidelines;
- The value of a Fund's OTC Islamic derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV or any other limit set by the Securities Commission; and
- A Fund will only invest in Islamic futures, Islamic options and other Islamic derivatives contracts in accordance with the provisions and limits set by the Securities Commission.

Islamic collective investment schemes

- A Fund will only invest in other Islamic collective investment schemes in accordance with the provisions and limits set by the Securities Commission;
- The value of a Fund's investments in units/shares of any Islamic collective investment schemes must not exceed 20% of the Fund's NAV or any other limit set by the Securities Commission; and
- A Fund's investments in Islamic collective investment schemes must not exceed 25% of the units/shares in any one Shariah-compliant collective investment scheme or any other limit set by the Securities Commission.

Placement of Islamic Deposits

The value of a Fund's placement in Islamic deposits with any single licensed financial institution must not exceed 20% of the Fund's NAV or any other limit set by the Securities Commission.

Foreign Shariah-Compliant Securities (applicable to the Pacific Dana Dividen only)

- Investment in foreign markets is subject to the limit set by the relevant authorities; and
- A Fund may invest in Shariah-compliant securities that are listed or traded in a foreign market where the regulatory authority is a member of the IOSCO.

Islamic Structured Products (applicable to the Pacific Dana Dividen only)

The value of the Fund's investments in Islamic structured products issued by any single counter-party must not exceed 15% of the Fund's NAV or any other limit set by the Securities Commission. The single counter-party limit may be exceeded if the counter-party has a minimum long-term rating that indicates very strong capacity for timely payment of financial obligations provided by any domestic or global rating agency and the Islamic structured product has a capital protection feature.

The Shariah-compliant investments for the Pacific Dana Murni shall be subject to the following restrictions:

Spread of Investments On Single Issuer

The value of the Fund's investments in sukuk issued by any single issuer must not exceed 20% of the Fund's NAV. This limit may be increased to 30% if the sukuk are rated by any domestic or global rating agency to be the best of quality and offer the highest safety for timely payment of profit and principal or any other limit set by the Securities Commission and the aggregate value of the Fund's investments in Shariah-compliant transferable securities, Islamic money market instruments, Islamic deposits, Islamic OTC derivatives and Islamic structured products issued by or placed with (as the case may be) any single issuer/institution must not exceed 30% of the Fund's NAV or any other limit set by the Securities Commission.

Spread of Investments on Groups Of Companies

The value of the Fund's investments in sukuk issued by any group of companies must not exceed 30% of the Fund's NAV or any other limit set by the Securities Commission.

Concentration of Investments

- The Fund's investments in Shariah-compliant transferable securities (other than sukuk) must not exceed 10% of the Shariah-compliant securities issued or any other limit set by the Securities Commission;
- The Fund's investment in any class of sukuk must not exceed 20% of the sukuk issued by any single issuer or any other limit set by the Securities Commission; and
- The Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer or any other limit set by the Securities Commission. This limitation will not apply to Islamic money market instruments that do not have a pre-determined issue size.

Islamic Futures, Islamic Options and Islamic Derivatives Contracts

- The Fund's exposure from Islamic derivatives position must not exceed the NAV of the Fund at all times; and
- The Fund will only invest in Islamic futures, Islamic options and other Islamic derivatives contracts in accordance with the provisions and limits set by the Securities Commission.

Islamic collective investment schemes

- The Fund will only invest in units/shares of any Islamic collective investment schemes in accordance with the provisions and limits set by the Securities Commission;
- The value of the Fund's investments in Islamic collective investment schemes must not exceed 20% of the Fund's NAV; and
- The Fund's investments in Islamic collective investment schemes must not exceed 25% of the unit/shares in any one Shariah-compliant collective investment scheme or any other limit set by the Securities Commission.

Placement of Islamic Deposits

The value of a Fund's placement in Islamic deposits with any single licensed financial institution must not exceed 20% of the Fund's NAV or any other limit set by the Securities Commission.

The investment restrictions and limits must be complied with at all times based on the current value of a Fund's investments. However, the limits above may be breached by up to a maximum of 5% above the restrictions where the restriction is breached through a rise or fall of the NAV of the Fund (which could be due to fluctuations in value of the Fund's investments, or from redemption of units or payments made out of the Fund). No additional investments may be made in the category of investment where the investment limit has been exceeded and the Manager will take all necessary steps and actions to rectify the breach within three months from the date of the breach. The limits and restrictions stated above do not apply to securities/instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

A conventional fund may borrow cash for the purpose of meeting redemption requests for units and lending of its investment as permitted by the SC Guidelines or other relevant laws. For an Islamic fund, it may source for financing from Islamic licensed financial institutions for the purpose of meeting redemption requests for units and lending of securities based on Islamic contract as permitted by the SC Guidelines or other relevant laws.

Note: Transferable securities refer to equities, debentures and warrants.

5 RISK MANAGEMENT STRATEGIES AND TECHNIQUES

5.1 For All Funds Except the Pacific Focus China Fund and Pacific Dynamic AsiaPac Fund

Our risk management strategy is to conduct fundamental analysis of economic, financial and social-political factors, both locally and globally, to ascertain the potential risk-reward of different asset classes. Individual stocks and fixed income investments are further screened by detailed analysis of each security and its underlying business and fundamentals. For Pacific Cash Fund, money market instruments are further screened by detailed analysis and its issuers' underlying business and fundamentals. For Shariah compliant funds, procedures will be made to ensure that all investments are fully in compliance with Shariah requirements.

The Funds' portfolio risk is mitigated by diversifying across asset categories and industries/sectors. Percentage holdings in different asset categories are actively monitored and these percentages are raised or reduced from time to time depending on the risk-reward potential for each investment. This would include reallocation between asset classes to mitigate risk from expected declines in an asset class. Specific risk management strategies for the risks that the Funds are subject to can also be found on pages 40 to 45.

The Funds except Pacific Cash Fund will be guided by the following general principles to control company specific risk*:

- Ensure that the risk taken for any specific security is not too large¹ and a reasonable spread of active risk² is maintained across different sectors. Investments which have low contributions³ to active risk will have larger position limits than investments which have high contributions⁴ to active risk. The limit per security will be within the limit set by the Investment Committee in compliance with the SC Guidelines; and
- Ensure that the risk associated with the overall position taken for the group of companies is not too large¹ and within the limit set by the Securities Commission.

Notes:

1. **Not too large:** Each security is limited to a maximum of 10% of NAV. For investments in securities issued by a group of companies, the limit is 20% of NAV.
2. **Reasonable spread of active risk:** The Manager employs active risk to outperform a Fund's benchmark – where active risk is the strategy to hold stocks in a Fund not in the same percentage as the benchmark's (i.e. the equity component of the benchmark) holdings per stock. A reasonable spread, i.e. 20 to 30 securities, is an appropriate number to achieve the desired outperformance.
3. **Low contributions:** Securities whose prices fluctuate less than a relevant benchmark – i.e. lower risk, lower return potential.
4. **High contributions:** Securities whose prices fluctuate more than relative to a relevant benchmark – i.e. higher risk, higher return potential.

In addition, the following investment procedures and internal controls are designed to control operational risk** for all Funds including Pacific Cash Fund:

- There is strict division of duties between securities trading, confirmation, settlement and valuation;
- There are rules on trading and preventing employees to act on insider information. The Legal & Compliance department will monitor compliance and enforce disciplinary actions on any employee who has breached the code of conduct and compliance manual;
- There is daily computation of the respective Fund's NAV and independent verification and reconciliation;
- There are procedures for senior management, Trustees, Investment Committee and the Board of Directors to be informed promptly, to investigate and to ensure timely and appropriate rectification of any deviation and non-compliance that may arise;
- There are limits to the placement maintained at licensed financial institutions / Islamic licensed financial institutions to manage credit risk exposure;
- There are limits on shares traded with stock brokers to manage settlement risk exposure; and
- There are limits and criteria set on credit rating of debt securities / sukuk and Islamic money market instruments.

* Company specific risk refers to external risk associated with the listed company's share price movements.

** Operational risk refers to the internal risk associated with inadequate systems and controls.

Specific Risk Management for Foreign Investments

- **Country and/or foreign securities risks and currency risk** - Diversification of the foreign portion of the portfolio across several country markets and currencies will facilitate risk management of country and/or foreign securities risks (includes market, political and regulatory risks) and currency risk. This is further enhanced through the implementation of monitoring processes to identify changes in country specific risk premia arising from changes in market, political and/or regulatory environment of the countries to which the Funds have investment exposure.
- **Operational risk** - Operational risk arising from international settlement and custody risks are managed through the appointment of an international global custodian.

5.2 For the Pacific Focus China Fund

In managing the Fund, the external investment manager will undertake the following extensive risk management strategies along the entire investment process:

- **Absolute Risk**

- **Portfolio Compliance Monitoring**

To begin with, we have a comprehensive and structured Compliance Monitoring Program ("CMP") covering, amongst other things, the monitoring of portfolios for compliance with investment guidelines. There is a dedicated team of compliance personnel to implement the CMP. Upon the creation of a new fund, investment guidelines will be reviewed by the Compliance Team and checks will be programmed into the managers' automated pre-trade compliance system

as far as possible. In addition to this, guidelines which cannot be electronically monitored will be manually checked for compliance. The global exposure of the Fund to financial derivatives of embedded financial derivatives will not exceed 100% of the net asset value of the Fund. The managers may modify the risk management and compliance procedures and controls at any time as they deem fit and in the interests of the Fund.

▪ **Successful Stock Selection**

In terms of investment, our first line of defence is to make sure that we pick the right stocks. We achieve this by:

- Maximising the “knowns” and minimising the “unknowns”
- Having sound and disciplined valuation methodologies
- Having sufficient margin of safety
- Having adequate diversification
- Exercising good sell discipline

● **Relative Risk**

Every month, our Risk Control Group would generate the portfolio risk characteristics such as country deviation, sector deviation, tracking error, marginal and total contribution to risk for our portfolio manager to review. This helps to control portfolio risk at an acceptable level and ensure that bets are intentional and aligned with our country and sector views. We use the following tools to assist us in achieving this objective:

● **Country Operating Range**

Every quarter, a country scoring exercise is carried out to determine the appropriate country allocations. This involves assessment of macro economic conditions, inflation and interest rates, political stability, currency outlook, overall valuations, liquidity and technical factors.

The ultimate country allocations would be determined through an iterative process which takes into account country and sector views, stock convictions, portfolio risk considerations and, of course, client’s investment guidelines and risk preference. We control our country bets by limiting the deviations using the following guidelines:

Neutral Weight	Permissible Deviation
Up to 5%	0% to triple weight
5% to 20%	+ / - 50% of neutral weight
More than 20%	+ / - 33% of neutral weight

- **Portfolio Analyzer**

Portfolio Analyzer is a holdings based methodology software developed by Style Research Limited, a London-based provider of equity market style research analysis services. It conducts a style analysis on our portfolio. The style footprint of the portfolio allows us to gain useful insights of its investment exposures, style bets (value, growth or growth at reasonable price, i.e. GARP) and the implicit risks.

In addition, a profit analysis of the portfolio is examined. The portfolio is compared against its benchmark in terms of country and sector weights, valuation characteristics such as earnings yield, dividend yield, book to price, etc where any unusual deviation is accounted for or appropriate action taken. This provides a snapshot of the portfolio characteristics and helps us in ascertaining the appropriateness of a particular profile with respect to the portfolio’s mandate.

- **Eagle Investment System**

Eagle Investment Attribution System is used to identify sources of relative returns in the total portfolio against its benchmark. This is to gain an insight on the factors contributing to the relative performance i.e. sector allocation, security selection and currency management effects. Performance attribution is run on a monthly basis and analyzed in detail to check against our investment decisions. Where there are critical deviations, further analysis is carried out for remedial action. Analysis is also drilled down into individual stocks performance within the portfolio as well as those in the benchmark but not held in the portfolio.

5.3 For the Pacific Dynamic AsiaPac Fund

The external investment manager has an integrated risk management framework.

Oversight

Oversight Within the Multi-Asset Strategies (“MAS”) Team

● **Fund Managers**

The Fund is assigned a primary and back-up fund manager who is responsible for managing the Fund in a manner consistent with the investment strategy, investment guidelines and mandate restrictions.

The primary fund manager is responsible for constructing the Fund in line with the investment strategy and is accountable for investment performance.

The back-up fund manager is responsible for the Fund in the absence of the primary fund manager, e.g. when the primary fund manager is on leave or otherwise absent from the office. In this case, the primary fund manager is to ensure that the back-up fund manager is familiar with details of any live orders, mandate restrictions, and any other relevant fund-related matters, prior to going on leave.

● **Head Of MAS**

The Head of MAS is responsible for the overall oversight of the team in terms of portfolio construction, performance and risk management, and for ensuring that the team's policies and procedures as detailed in the operations manual are adhered to. The head of MAS also maintains oversight of the Fund managed by the team via daily reports and weekly team meetings.

A list of the primary and back-up fund managers is maintained by the team administrator and will be reviewed and confirmed by the Head of MAS on a half-yearly basis.

All changes to fund management responsibilities are communicated by the Head of MAS to the team administrator for the purpose of updating the team's records.

- **Independent Oversight of The MAS Team**

- **Oversight by The Chief Investment Officer ("CIO") And Chief Strategist**

- The CIO and Chief Strategist review the risk characteristics and performance of the portfolios on a monthly basis together with the Head of Portfolio Risk & Performance. In instances where there are parameters that deviate significantly from the Portfolio Construction Disciplines, the CIO and Chief Strategist may hold a meeting with the respective portfolio managers to address such deviations. Corrective actions, if necessary, are documented and followed-up by the Head of Portfolio Risk and Performance.

- **Oversight by The Compliance Team**

- LGI has a comprehensive and structured Compliance Monitoring Programme ("CMP") covering amongst other things, the monitoring of the portfolios for compliance with investment guidelines. There is a dedicated team of compliance personnel to implement the CMP. Position limits based on market value are closely monitored by LGI's Investment Compliance Team. Passive breaches are promptly highlighted to the portfolio manager who is required to rectify the breaches within the specified time frame. Active breaches are dealt with in accordance to LGI's Loss Events/Incidents Reporting procedures as documented in the Compliance Manual.

5.4 Minimum and Maximum Levels of Asset Allocation / Temporary Defensive Position

The asset allocation of all equity and fixed income funds (except the Pacific Cash Fund and Pacific Dynamic AsiaPac Fund) may be reduced to below the minimum levels or increased above the maximum levels indicated at our discretion depending on the market, economic, political or other conditions. Such conditions or exceptional circumstances will include but are not limited to the following situations:

- Where there is an expected sharp downturn in the equity market;
- When there is high risk of capital loss on fixed income instruments due to interest rate fluctuations;
- When there is insufficient liquidity in either equity or fixed income instruments for the Funds to transact efficiently;
- When there are insufficient fund assets to form an efficient portfolio; or
- When there is redemption affecting the liquidity position of the Funds.

Investments used for temporary defensive positions will include deposits/cash/liquid assets and money market instruments. When a Fund is taking a temporary defensive position, we may adopt an investment strategy for capital preservation.

5.5 Frequency of Trading

The Funds, except the Pacific Cash Fund and Pacific Dana Murni, may engage in trading activities when opportunities arise. Opportunities would include but are not limited to arbitrage situations, discrepancies in valuation, expected liquidity surges and thematic plays. Where trading activities in the Fund results in an annualised portfolio turnover that exceeds 2.0 times at the end of every month, the Manager will be required to provide justification to the Fund's Investment Committee.

5.6 Rationale and Justification for Futures Investment Mandate

(Not applicable to the Pacific Cash Fund, Pacific Focus China Fund and Pacific Dana Imbang)

The Funds may invest in futures contracts/ Islamic futures contracts for hedging purposes only.

During bearish and/or rapid market movements, the Funds may have difficulty reversing some of their positions in a timely fashion. Employing an open short position in the futures/ Islamic futures will hedge the portfolio against such downside risks.

In a falling market, the increasingly profitable short futures/ Islamic futures position may be offset against increasing losses in the remainder of the portfolio. The overall effect of using futures/ Islamic futures for hedging is to limit portfolio fluctuations and therefore risk to unitholders.

The following factors will be taken into account for futures hedging:

- Expected overall direction of a market index;
- Future's tenure, premium/discount and liquidity;
- Portfolio's invested exposure and overall volatility without futures investment; and
- The combined effect of the hedge and portfolio position.

5.7 Bases of Valuation of Investments

Pursuant to the SC Guidelines, all assets of the Funds should be valued in a fair and accurate manner at all times. The Funds are generally valued in accordance with their respective asset classes:

- Listed securities / Shariah-compliant securities and derivatives / Islamic derivatives will be valued based on the last done prices as at the close of the business day of the respective stock exchanges on the same calendar day. Please refer to page 49 for details on the valuation of NAV. However, if a valuation based on the market price does not represent the fair value of securities / Shariah-compliant securities, or no market price is available due to situations beyond the Manager's control or there is a suspension in the quotation of the securities / Shariah compliant securities for a period exceeding 14 days, or

such other shorter period as agreed by the Trustees, then the securities / Shariah-compliant securities shall be valued at fair value, as determined by the Manager, based on the methods approved by the Trustees after appropriate technical consultation;

- Other unlisted securities / Shariah-compliant securities will be valued based on fair value as determined in good faith by the Manager, on methods which are verified by the auditors of the Funds and approved by the Trustees and adequately disclosed in the prospectus;
- Unlisted debt securities / sukuk will be valued on a daily basis based on fair value prices quoted by a bond pricing agency (BPA) registered with the Securities Commission. If the Manager is of the view that the price quoted by the BPA for a specific bond / sukuk differs from the market price by more than 20 basis points, the Manager may use the market price provided that the Manager adheres to the requirements as stipulated in the SC Guidelines;
- Unlisted foreign fixed income securities will be valued based on fair value by reference to the average indicative yield quoted by three independent and reputable institutions (not applicable to the Pacific Dana Iimbang);
- In terms of a successful subscription to an Initial Public Offering (IPO), if any, the IPO securities / Shariah-compliant IPO securities will be valued at cost prior to their listing. These IPO securities will then be valued at their last done market price upon listing;
- Unlisted collective investment schemes / Islamic collective investment schemes will be valued based on the last published repurchase price; and
- Cash or deposits / Islamic liquid assets (current account or deposits) or investment accounts / Islamic investment accounts placed with banks and other financial institutions and bank bills are valued on a daily basis by reference to their nominal values and the accrued interest/profit thereon.

6 RISK FACTORS

This section describes the risk factors that we identified are relevant for you to consider before investing in the Fund. The list of risk factors identified is by no means exhaustive. You should be aware that investing in the Fund may expose you to other risk factors from time to time. If in doubt, please consult professional advisers for better understanding of the risk factors.

6.1 General Risks

The following are the general risks for the Funds:

- **Company specific risk** – This risk refers to the individual risk of the respective companies issuing securities. This risk could be a result of changes to the business performance of the company, consumer tastes and demand, lawsuits, competitive operating environment and management practices. Developments in a particular company which a fund has invested in would result in fluctuations in the share price of that company and thus the value of a fund's investments. This risk is mitigated by diversification in a portfolio comprised of stocks of many companies.

In addition, this risk may occur when an investee company's business or fundamentals deteriorate or if there is a change in management policy resulting in a downward revision or even removal of the company's dividend policy. Such events may result in an overall decrease in dividend income received by a fund and possible capital loss due to a drop in the share price of a company that cuts or omits its dividend payments. This risk may be mitigated by investing mainly in companies with a consistent historical record of paying dividends, strong cash flow, or operating in fairly stable industries.

- **Country and/or foreign securities risk** – This risk refers to the risks of investing in foreign markets. Emerging markets may have relatively underdeveloped capital markets, less stringent regulatory and disclosure standards, concentration in only a few industries, greater adverse political, social and economic risks and general lack of liquidity of securities. The risk of expropriation, nationalisation, exchange control restrictions, confiscatory taxation and limitations on the use or removal of funds also exist in emerging markets. Emerging markets may also have less developed procedures for custody, settlement, clearing and registration of securities transactions. Developed markets while not possessing similar levels of risks as emerging markets, may experience risks such as: changes in economic fundamentals, social and political stability; monetary policy and currency fluctuations. This risk may be mitigated by conducting thorough research on the respective markets, their regulatory framework, economics, companies, politics and social conditions as well as minimising or omitting investments in markets that are economically or politically unstable or lack a regulatory financial framework and adequate investor protection legislation.
- **Credit and default risk** – Credit risk relates to the creditworthiness of the issuers of the debt instruments and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the debt instrument. In the case of rated debt instruments, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a debt instrument either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the debt instruments. This could adversely affect the value of a fund.
- **Currency risk** – As the investments of a fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between the base currency and the currencies in which the investments are denominated may have an impact on the value of these investments. Investors should be aware that if the currencies in which the investments are denominated depreciate against the base currency, this will have an adverse effect on the NAV of the fund in the base currency and vice versa. Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.
- **Dividend policy risk** – This is a risk particular to a fund which has heavy focus on high dividend yielding stocks. This risk may occur when the company's business or fundamentals deteriorate or if there is a change in the management policy resulting in a lower or even a removal of the company's dividend policy. This risk may be mitigated by investing mainly in companies with a consistent historical record of paying dividends, strong cash flow or operate in fairly stable industries.
- **ETF risk** – Exchange traded funds ("ETF") are collective investment schemes designed to track a particular index or portfolio of securities, and are listed on a stock exchange. The following are the key risks of investing in ETF:
 - **Tracking error**
ETF are in general, designed to track or replicate the performance of a particular index. However, exact replication may not be possible owing to factors such as:
 - i) fees and expenses of the ETF;
 - ii) foreign exchange movements;
 - iii) the ETF may not have been constructed to be exactly the same as the index, thus resulting in differences between the weighting of securities in the index and the ETF. This is due to the fact that certain securities in the index may have been omitted from the ETF's holdings or securities not in the index may be included in the ETF. Consequently, there is some divergence between the return of the ETF and the index; and
 - iv) corporate actions such as rights issues.

- **ETF trading at a premium or discount**
ETF are traded on both a primary (not a publicly traded market and only via participating dealers) and secondary market (generally on a stock exchange). While the NAV of the ETF is a key factor influencing the price of the ETF, it is also determined by the investors' supply and demand on the secondary market. Thus, an ETF may be traded on the secondary market at a price that is a discount or a premium to the net asset value (NAV) of the ETF portfolio. This discrepancy may be accentuated in uncertain or volatile financial/economic conditions.

The ETF tracking error risk is mitigated by the unit trust fund manager by selecting ETF which have a lower tracking error to reduce the possibility of larger divergence of returns versus the index tracked. The criteria used in determining ETF with lower tracking error are the expense ratios of the ETF and the extent to which an ETF tracks its index. The second risk is reduced by focusing on ETF that generally trade at narrower premiums or discounts to the NAV – to ensure that no excessive premiums are paid upon purchase and the ETF are not sold at significant discounts upon exit.

- **Futures risk** – As futures are conducted on an initial margin basis, a relatively small price movement in a futures contract may result in an immediate and substantial loss (or gain) for a fund. Adverse price movements can create additional losses over and above the initial futures contract costs. This risk may be mitigated by entering into futures contracts only for hedging purposes. Specifically, a fund will only enter into futures sales contracts to hedge against declines in the value of stocks in the portfolio.

Futures contracts can play a part in reducing the risk of a fund's investment portfolio by providing a hedge against shorter-term volatility of financial markets. However, futures carry certain additional risks which if not properly managed can result in significant losses or underperformance. These include:

- **Futures liquidity risk** – This category of risk includes:
 - Risk that fair price or firm bid cannot be obtained from a market counterpart;
 - Risk that funds are unable to unwind illiquid positions; and
 - Market price stability affecting funds' ability to meet margin payments.
- **Gearing risk** – Futures contracts may involve a high degree of "gearing" or "leverage". This means that a small movement in the price of the underlying asset may have a very large magnifying effect in the price of the futures contracts, in both an upward or a downward direction.
- **Mismatch risk** – Risk that arises when the terms of underlying investments and the instrument used to hedge its risks do not match. Such mismatches could be due to:
 - Mismatch of derivative parcel size (or multiple of this) versus actual physical portion.
 - Mismatch of maturity, e.g. 3-month Kuala Lumpur Interbank Offer Rate (KLIBOR) interest rates futures contract versus 1-year bond holding.
 - Mismatch of component constituting an index, e.g. FTSE Bursa Malaysia KLCI Index (FBM KLCI) versus actual equity portfolio of fund.
- **Inflation risk** – This is the risk that investors' investment in a fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce investors' purchasing power even though the value of the investment in monetary terms has increased.
- **Interest rate risk** – This risk refers to the effect of interest rate changes on the market value of a bond/sukuk portfolio and money market portfolio. In the event of rising interest rates, prices of fixed income securities / demand for sukuk and prices of money market instruments will generally decrease and vice versa. Debt securities / sukuk with longer maturity and lower coupon/profit rate are more sensitive to interest rate changes. Interest rate movements can lead to fluctuations in bond/sukuk prices resulting in fluctuations in the value of a fund. In terms of sukuk, particularly those based on contract of exchange such as Murabahah Bai' Bithaman Ajil and Ijarah, any fluctuations in conventional interest rates will also affect the indicative/profit rates of these sukuk, hence, will also lead to a rise or fall in prices of sukuk. This risk will be mitigated* via the management of the duration structure of the portfolio of debt securities / sukuk.

The interest rate is a general indicator that will have an impact on the management of funds regardless of whether it is a Islamic unit trust fund or otherwise.

* *The duration of the fixed income portfolio or the fixed income / sukuk portfolio segment will be kept low by buying more short-term to medium-term fixed income securities / money market instruments / sukuk. The value of these short-term to medium-term fixed income securities / money market instruments / sukuk are less sensitive to interest rates movements – i.e. in the situation where interest rates rise, their values, as compared to investments with a long duration, will fall less if at all.*

- **Liquidity risk** – This risk occurs in thinly traded or illiquid securities. If a fund needs to sell a relatively large amount of such securities, the act itself may significantly depress the selling price resulting in a decrease in the value of a fund's assets. As such, a fund is managed in such a way that a portion of the investments is in equity securities and money market instruments that are highly liquid and this allows a fund to meet sizeable redemptions without jeopardising potential returns.
- **Manager's risk** – This risk refers to the day-to-day management of a fund by the unit trust fund manager which will impact the performance of the fund. For example, investment decisions undertaken by the unit trust fund manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund.
- **Market risk** – This risk refers to developments in the equity market environment which typically includes changes in regulations, politics, technology and the economy of the country. Market developments can result in equity market fluctuations which in turn affect a fund's underlying investments and hence its unit price. In terms of a fund's concentration in a single equity market*, this risk is reduced by undertaking active* asset allocation, where in periods of heightened risk, there will be greater allocation in fixed income securities / sukuk and Islamic money market instruments and cash. Where a fund is invested in multiple markets, a higher, if not, full allocation will be in markets that have a track record of economic, political and regulatory stability – allocation between markets and asset classes will also help mitigate risk.

* This refers to a fund having the mandate to invest in only one country (i.e. Malaysian market). For example – in the event of a fall in Malaysian equities, a fund cannot diversify into equities of other countries to mitigate equity market risk but can shift (asset allocate) its investments to local fixed income securities / sukuk and Islamic money market instruments. The term 'active' refers to the fund manager periodically adjusting equity allocations (and by default fixed income securities / sukuk and money market allocations) depending on market situations rather than passively leaving allocations to fluctuate based solely on market prices.

- **Non-compliance risk** – This risk refers to the risk that the unit trust fund manager does not adhere to legislation or guidelines that govern the investment management and operations of a fund or to a fund's investment mandate stated in the deed. This risk also concerns non-compliance with internal operating policies and the unit trust fund manager acting fraudulently or in a manner that is unfair to unitholders. This risk could result in disruptions to the operations of a fund and potentially lead to reduced income/gains or even losses to unitholders. The unit trust fund manager has in place stringent internal policies and procedures to ensure a fund is managed to the full benefit of investors and in compliance with the relevant fund regulations or guidelines. There is also separation of fund management duties such as investment decision making, execution of trades and accounting for/valuation of such trades. A compliance team is in place to monitor such operational and investment activities.
- **Participatory Notes (P-Notes) risk** – A P-Note is a market access financial instrument that replicates the financial return of an underlying asset - for example, equity securities. P-Notes issued by financial institutions, can either be listed on a stock exchange or unlisted and are generally denominated in USD. Investors of P-Notes enjoy the rights to corporate actions including dividends, rights issues, bonus shares and mergers which usually does not come with voting rights. P-Notes are in general issued for securities traded in restricted markets (such as India, Taiwan and China) where there are one or more complicated and time-consuming administrative hurdles such as foreign exchange controls, controlled regulatory environment and requirement for local licensing for securities trading, among others. P-Notes bear the risk of the single issuer of the instrument, specifically the potential insolvency of the issuer of the P-Note. This risk will be mitigated by investing in P-Notes issued by a globally renowned financial institution with a good investment grade credit rating by Standard & Poor's or Moody's or Fitch or any other global credit rating agency. P-Notes also carry with it risks inherent in the underlying asset which it replicates, such as country and/or foreign security risk, foreign exchange risk and market risk. These risks will be mitigated by conducting extensive overall market and macro-economic analysis, as well as fundamental security research and by spreading investments in different sectors to reap the benefits of diversification.
- **Real estate investment trusts (REIT)-related risk** – The value of REIT can fluctuate up or down depending on market forces, the general financial and real estate markets and the interest rate environment, among other factors. A fund which invests in REIT will also be subject to the risks associated with direct ownership of real estate, whose values can be adversely affected by increases in real estate taxes, government policy restricting rental rates, other changes in real estate laws, rising interest rates and a cyclical downturn in the real estate market. In selecting REIT, a fund manager will undertake detailed analysis, selecting REIT with a consistent track record, run by reputable managers from the property sector, owning properties with income and/or growth potential which are located in countries with a stable economic, political and regulatory environment.
- **Reclassification of Shariah status risk** – This risk refers to the risk that the currently held Shariah-compliant equities in a Islamic fund may be reclassified as Shariah non-compliant in the periodic review of the equities by the SACSC, the Shariah adviser or the Shariah boards of the relevant Islamic indices. If this occurs, the Manager will take the necessary steps to dispose such equities. There may be opportunity loss to the Islamic fund due to the Islamic fund not being allowed to retain any dividend and excess capital gains derived from the disposal of the Shariah non-compliant equities. Please refer to pages 63 and 65 on the Islamic fund's Shariah methodology on the treatment of gains and losses as a result of the reclassification of Shariah non-compliant investments.
- **Reinvestment risk** – This is a risk that future proceeds (interest/profit and/or capital) are reinvested at a lower interest/profit rate. Reinvestment risk is especially evident during periods of falling rates where the coupon/profit payments (from existing fixed income / sukuk investments) are reinvested at less than the yield to maturity (actual profit rate) at the time of purchase. Such risk may be mitigated by purchasing zero coupon (deep discount) debt securities / sukuk which do not pay profits and holding these debt securities through duration management / holding these sukuk to maturity (note however, there is still reinvestment risk upon maturity of the zero coupon sukuk). Risk is also potentially reduced by duration* management – i.e. increasing duration of the sukuk segment where rates are falling or expected to fall, and vice versa.

* Duration is used as a measure of sensitivity to profit rates, which takes into account the maturity and profit rate of a sukuk.

- **Stock specific risk** – This risk refers to prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stock in a fund will adversely affect the fund's NAV.
- **Structured products risk** – Structured products are financial instruments that generally offer capital protection if held to maturity and whose yields or returns are tied to one or more global or local securities or derivatives, which include single or a basket of equity securities or equity indices, options, debt securities, commodities futures, currencies and possibly equity or interest rate swaps. A key risk is potentially high downside price fluctuations (relative to traditional investments) owing to the use of derivative instruments which can amplify market movements of the underlying index or investment used and thus adversely affecting the valuation of the structured product. Another key risk is counter party risk i.e. where the issuer of the structured product is unable to make payments or repay obligations in a timely manner and thus leading to a lower or even zero valuation. The risk of higher volatility is managed by undertaking in-depth fundamental and technical analysis of the securities or derivatives that will be employed to provide returns while counter party risk will be mitigated by ensuring that the counter party / issuer of the structured products carries a minimum A1 rating by RAM Rating Services Berhad or its equivalent. For Islamic structured products, the instruments used for the same must comply with Shariah requirements.
- **Timing of asset allocation risk** – This is the risk that, given the prevailing economic and financial market conditions, the unit trust fund manager makes the inappropriate asset allocation decisions between equities and fixed income securities / sukuk, potentially resulting in lower returns to a fund. To mitigate such risk, the unit trust fund manager conducts vigorous fundamental macro research and technical analysis. Factors such as economic conditions, interest rate environment, valuations of markets, liquidity, and investor sentiment are taken into account before making asset allocation decisions.
- **Warrants and options risk** – Warrants and options are a leveraged form of investment. A movement in the prices of the equity securities of the warrants and options will generally result in a larger movement in the prices of the warrants and options themselves, that is, higher volatility. The geared effect implies substantial outperformance when the prices of equity securities rise. Conversely, in a falling market, warrants and options can lose a substantial amount of their values, far more than equity securities.

Warrants and options have a limited life and will depreciate in value as they approach their maturity date. If a warrant's exercise price is above the share price at any time during its remaining subscription period, the warrant is effectively "out of the money" and theoretically has little value. Warrants that are not exercised at maturity become worthless.

Warrants and options do not participate in dividends or cash flows that accrue from the underlying equity securities.

This risk may be mitigated by conducting extensive fundamental analysis of the warrants' equity securities to ensure their viability as an investment for a fund. The percentage allocation of warrants held by a fund will generally mirror the allocation of the equity securities, that is, higher when there is an anticipated market rise and vice versa.

Privately negotiated over-the-counter (OTC) options that are not traded on an exchange or through a broker, are subject to the credit or counterparty risk of the issuer of the option. The risk level will be dependent on the financial standing and creditworthiness of the party issuing the options and their ability to fulfil the terms of the options contract. Thus, any default by the issuer will have an adverse impact on a fund's NAV. To mitigate this risk, only OTC options offered by issuers such as financial institutions with at least a credit rating of AA by RAM Rating Services Berhad or A by Standard & Poor's or their equivalent by any other recognised rating agency will be considered.

Should the counterparty's credit rating fall below the minimum as stated subsequent to entering into an OTC option, all option positions with the counterparty will be unwound within three months of the credit rating downgrade, subject to the unwinding of the position being in the best interests of the fund.

6.2 Specific Risks

The Funds below are subject to the following specific risk respectively:

Fund	Specific Risk
Pacific Premier Fund Pacific Dana Aman Pacific Millennium Fund Pacific Income Fund Pacific SELECT Balance Fund Pacific Dana Iimbang	<p>Company specific risk – This risk refers to the individual risk of the respective companies issuing securities. This risk could be a result of changes to the business performance of the company, consumer tastes and demand, lawsuits, competitive operating environment and management practices. Developments in a particular company which the fund has invested in would result in fluctuations in the share price of that company and thus the value of the fund's investments. This risk is mitigated by diversification in a portfolio comprised of stocks of many companies.</p> <p>In addition, this risk may occur when an investee company's business or fundamentals deteriorate or if there is a change in management policy resulting in a downward revision or even removal of the company's dividend policy. Such events may result in an overall decrease in dividend income received by the fund and possible capital loss due to a drop in the share price of a company that cuts or omits its dividend payments. This risk may be mitigated by investing mainly in companies with a consistent historical record of paying dividends, strong cash flow, or operating in fairly stable industries.</p>

Fund	Specific Risk
Pacific Pearl Fund	<p>Liquidity risk – This risk occurs in thinly traded or illiquid securities. If the fund needs to sell a relatively large amount of such securities, the act itself may significantly depress the selling price resulting in a decrease in the value of the fund's assets. The fund is managed in such a way that a portion of the investments is in equity securities and money market instruments that are highly liquid and this allows the fund to meet sizeable redemptions without jeopardising potential returns.</p>
Pacific Recovery Fund	<p>Expectation risk – This risk refers to the fact that the following circumstances may lessen the prospects for recovery:</p> <ul style="list-style-type: none"> • An unexpected serious global economic downturn. • A company's proposed restructuring plan fails for various reasons. • Management's inability to turn around the company within a reasonable period of time due to factors beyond their control. • The initial cyclical nature of the problem becomes structural. A structural issue refers to internal or external issues that have a longer term or permanent adverse impact on a company's business as opposed to a cyclical issue which would only temporarily affect the business during a down cycle. <p>Should a recovery situation not turn out as expected due to the above reasons, there may be a loss or reduction of profits/income resulting in a reduction in a fund's assets. This risk may be mitigated by a thorough study of potential recovery situations (economic, industry and company specific) taking into account the favourable probability of a positive outcome, risks and returns before making any investment in such situations. Continuous monitoring of developments in potential recovery situations may be conducted to ensure that these pan out as expected.</p>
Pacific Dana Murni Pacific SELECT Income Fund Pacific Dana Iimbang	<p>Credit risk – This risk refers to changes in the financial conditions of deposit-taking financial institutions as well as financial institutions issuing debt securities / sukuk / money market instruments and deposit placements / Islamic money market instruments and Islamic deposit placements, which may affect their credit worthiness. This in turn may lead to default in the repayment/payment of principal and interest/profit. These events can lead to loss of capital and/or delayed or reduced income for the fund resulting in a reduction in a fund's asset value and thus unit price. This risk is mitigated by active credit analysis and diversification of the bond / sukuk / Islamic money market instruments issued by different companies, deposit-taking financial institutions and financial institutions.</p>
Pacific Dividend Fund Pacific Dana Dividen	<p>Dividend policy risk – This is a risk particular to the fund which has heavy focus on high dividend yielding stocks. This risk may occur when the company's business or fundamentals deteriorate or if there is a change in the management policy resulting in a lower or even a removal of the company's dividend policy. This risk may be mitigated by investing mainly in companies with a consistent historical record of paying dividends, strong cash flow or operate in fairly stable industries.</p>
Pacific Focus18 Fund	<p>Concentration risk – This is the risk of the fund focusing a greater portion of its assets in a smaller selection of investments. The fall in price of a particular equity investment will have a greater impact on the fund and thus cause greater losses. This risk may be mitigated by the unit trust fund manager conducting even more rigorous fundamental analysis before investing in each security.</p>
Pacific Cash Fund Pacific Dana Iimbang	<p>Interest rate risk – This risk refers to the effect of interest rate changes on the market value of a bond/sukuk portfolio and money market portfolio. In the event of rising interest rates, prices of fixed income securities / demand for sukuk and prices of money market instruments will generally decrease and vice versa. Debt securities / sukuk with longer maturity and lower coupon/profit rate are more sensitive to interest rate changes. Interest rate movements can lead to fluctuations in bond/sukuk prices resulting in fluctuations in the value of the fund. In terms of sukuk, particularly those based on contract of exchange such as Murabahah Bai' Bithaman Ajil and Ijarah, any fluctuations in conventional interest rates will also affect the indicative/profit rates of these sukuk, hence, will also lead to a rise or fall in prices of sukuk. This risk will be mitigated* via the management of the duration structure of the portfolio of debt securities / sukuk.</p> <p>The interest rate is a general indicator that will have an impact on the management of funds regardless of whether it is a Islamic unit trust fund or otherwise.</p> <p>* <i>The duration of the fixed income / sukuk portfolio segment will be kept low by buying more short-term to medium-term fixed income securities / money market instruments / sukuk. The value of these short-term to medium-term fixed income securities / money market instruments / sukuk are less sensitive to interest rates movements – i.e. in the situation where interest rates rise, their values, as compared to investments with a long duration, will fall less if at all.</i></p>

Fund	Specific Risk
	<i>Note: for the avoidance of doubt, Pacific Cash Fund doesn't seek to invest in fixed income securities.</i>
Pacific Asia Brands Fund Pacific Global Stars Fund Pacific AsiaPac Income Fund	Currency risk – Investing globally means assets are denominated in currencies other than Malaysian Ringgit. Hence, fluctuations in the exchange rates of these foreign currencies may have an impact on the fund's income and asset valuations. Adverse fluctuations in exchange rates can result in a decrease in returns and loss of capital. This risk may be mitigated by hedging against foreign exchange rate movements.
Pacific Focus China Fund	Country and/or foreign securities risk – This risk refers to the risks of investing in foreign markets and in particular emerging markets such as the People's Republic of China that may have relatively underdeveloped capital markets, less stringent regulatory and disclosure standards, concentration in only a few industries, greater adverse political, social and economic risks and general lack of liquidity of securities. The risk of expropriation, nationalisation, exchange control restrictions, confiscatory taxation and limitations on the use or removal of funds also exist in emerging markets. Emerging markets may also have less developed procedures for custody, settlement, clearing and registration of securities transactions. The risk is partly mitigated by the Fund's investments in developed markets such as Hong Kong (which is part of the Greater China Region) in particular, where legal and regulatory standards are significantly more developed and securities trading is more active.
Pacific Global A.I.R. Fund	Sector specific risk – The agriculture and resources sectors are cyclical; depending on climate/weather conditions, supply and demand factors leading to potentially volatile pricing of agricultural, energy and other resource commodities. The infrastructure sector is also subject to its own set of risks including unexpected construction delays leading to cost overruns, high financing costs, environmental issues impacting the operations of utilities and pricing of volatile commodity inputs. All these sectors may also be subject to unexpected changes in government and regulatory policies which include unexpected tariffs and regulation/restriction of prices of goods and services. Adverse conditions related to these factors have the potential to significantly impact company earnings and hence reduce the performance of the Fund. Due to the concentration of the Fund in a narrow segment of sectors, the Fund may be more disadvantaged by these adverse economic and regulatory factors as opposed to general and broadly diversified equity funds. These risks will be mitigated by in-depth fundamental and technical analysis of the agriculture, resources and infrastructure sectors, investing in a broad segment of each sector and largely in markets and countries where there is transparency and a longstanding history of good and predictable government policies.
Pacific Dynamic AsiaPac Fund	Timing of asset allocation risk – This is the risk that, given the prevailing economic and financial market conditions, the unit trust fund manager makes the inappropriate asset allocation decisions between equities and fixed income securities / sukuk, potentially resulting in lower returns to the fund. To mitigate such risk, the unit trust fund manager conducts vigorous fundamental macro research and technical analysis. Factors such as economic conditions, interest rate environment, valuations of markets, liquidity, and investor sentiment are taken into account before making asset allocation decisions.

7 FEES, CHARGES AND EXPENSES

7.1 Sales Charge

The sales charge is a fee levied on the purchase of units of a Fund, and is used to pay for marketing, advertising and distribution expenses of a Fund. The sales charge is deducted upfront from the purchase amount, leaving only the net amount invested in a Fund. The sales charge is calculated based on the NAV per unit of a Fund as at the next valuation point after the original application is received and accepted by the cut-off time of 4.00 p.m. on any business day. The following table outlines the maximum sales charge[^] to be imposed by us and our authorised distributors for the respective Funds:

Fund	Maximum Rate of Sales Charge To Be Imposed By Pacific Mutual and Its Authorised Distributors [^] (Please refer to page 75)		
	Pacific Mutual	Unit Trust Consultants	IUTA*
Zero Sales Charge Fund: Pacific Cash Fund	No sales charge	No sales charge	No sales charge
Low Sales Charge Fund: Pacific Dana Murni Pacific SELECT Income Fund	2.00% of the Fund's NAV per unit	2.00% of the Fund's NAV per unit	2.00% of the Fund's NAV per unit
Reduced Sales Charge Fund: Pacific Income Fund Pacific SELECT Balance Fund Pacific Dividend Fund Pacific AsiaPac Income Fund Pacific Dana Dividen Pacific Dana Iimbang	5.00% of the Fund's NAV per unit	5.00% of the Fund's NAV per unit	5.00% of the Fund's NAV per unit
Normal Sales Charge Fund: Pacific Premier Fund Pacific Pearl Fund Pacific Dana Aman Pacific Millennium Fund Pacific Recovery Fund Pacific Focus18 Fund Pacific Asia Brands Fund Pacific Global Stars Fund Pacific Focus China Fund Pacific Global A.I.R. Fund Pacific Dynamic AsiaPac Fund	5.50% of the Fund's NAV per unit	5.50% of the Fund's NAV per unit	5.50% of the Fund's NAV per unit

Despite the maximum sales charge disclosed here, investors may negotiate for a lower sales charge.

[^] Investors investing under the EPF Members' Investment Scheme will be levied a maximum sales charge of up to 3% of NAV per unit of the respective Funds, as regulated by EPF.

* Our IUTA may not carry the complete range of Pacific Mutual's Funds. Investments made via our IUTA may be subject to different terms and conditions of the respective IUTA, including those for switching between Funds.

For illustration on the calculation of sales charges, please refer to page 50.

The following are our special group of investors:

- Staff of Pacific Mutual and Lion Global Investors Limited, and their immediate family members, may purchase units of the Funds at the Funds' NAV per unit, without having to pay the sales charge.
- When investing directly with us, investors of our Saver's Plan package will enjoy a 0.25 percentage point lower sales charge from the normal sales charge imposed by us for each future monthly instalment with effect from 25th monthly instalment.

The sales charge quoted is subject to any applicable taxes and/or duties as may be imposed by the government or other authorities from time to time.

7.2 Redemption Charge

There is no redemption charge imposed on unitholders for all Pacific Mutual's Funds stated in this prospectus.

7.3 Annual Management Fee

The annual management fee is a fee charged for the ongoing portfolio management and administration of a Fund (e.g. to maintain unitholders' register, proper records of a Fund and to administer the investments). The following table outlines the annual management fees of the respective Funds:

Fund	Annual Management Fee
Pacific Premier Fund Pacific Pearl Fund Pacific Dana Aman Pacific Millennium Fund Pacific Recovery Fund	Up to 1.50% p.a. of the NAV of the Fund

Pacific Income Fund Pacific SELECT Balance Fund Pacific SELECT Income Fund Pacific Dividend Fund Pacific Focus18 Fund Pacific Asia Brands Fund Pacific AsiaPac Income Fund Pacific Dana Dividen Pacific Dana Imbang	
Pacific Dana Murni	Up to 1.00% p.a. of the NAV of the Fund
Pacific Cash Fund	Up to 0.30% p.a. of the NAV of the Fund
Pacific Global Stars Fund	Up to 1.70% p.a. of the NAV of the Fund
Pacific Focus China Fund	Up to 1.60% p.a. of the NAV of the Fund
Pacific Global A.I.R. Fund	Up to 1.50% p.a. of the NAV of the Fund
Pacific Dynamic AsiaPac Fund	Up to 1.70% p.a. of the NAV of the Fund

The annual management fee is calculated based on the NAV of the Funds, accrued on a daily basis and is paid out of the respective Funds. The annual management fee is payable on a monthly basis.

The annual management fee quoted is subject to any applicable taxes and/or duties as may be imposed by the government or other authorities from time to time.

7.4 Annual Trustee Fee

The annual trustee fee is a fee paid to the Trustee for the custodial management and administration of a Fund's assets (e.g. transaction settlement, custody and administration costs). The following table outlines the annual trustee fees of the respective Funds:

Fund	Annual Trustee Fee
Pacific Premier Fund	Up to 0.01% - 0.06% p.a. of the NAV (excluding custodian fee of RM25,000 p.a.)
Pacific Pearl Fund Pacific Dana Murni Pacific Dividend Fund	Up to 0.06% p.a. of the NAV
Pacific Dana Aman Pacific Millennium Fund Pacific Recovery Fund Pacific Income Fund	Up to 0.06% p.a. of the NAV subject to a minimum of RM 12,000 p.a.
Pacific SELECT Balance Fund	Up to 0.03% p.a. of the NAV subject to a minimum of RM9,000 p.a., whichever is higher.
Pacific SELECT Income Fund	Up to 0.06% p.a. of the NAV subject to a minimum of RM9,000 p.a., whichever is higher.
Pacific Focus18 Fund Pacific Asia Brands Fund Pacific Global Stars Fund Pacific AsiaPac Income Fund Pacific Dana Dividen	Up to 0.06% p.a. of the NAV subject to a minimum of RM8,400 p.a. (excluding foreign custodian fees and charges)
Pacific Cash Fund	Up to 0.05% p.a. of the NAV subject to a minimum of RM18,000 p.a. and a maximum of RM400,000 p.a.
Pacific Focus China Fund Pacific Global A.I.R. Fund Pacific Dynamic AsiaPac Fund	Up to 0.06% p.a. of the NAV subject to a minimum of RM12,000 p.a. (excluding foreign custodian fees and charges).
Pacific Dana Imbang	Up to 0.03% p.a. of the NAV

The annual trustee fee is calculated based on the NAV of the Funds at the respective Funds' annual trustee fee rates, calculated and accrued on a daily basis and is paid out of the respective Funds. The annual trustee fee is payable on a monthly basis.

The annual trustee fee quoted is subject to any applicable taxes and/or duties as may be imposed by the government or other authorities from time to time.

7.5 Switching Fee

The Manager does not intend to charge any switching fee; however, under certain circumstances, unitholders performing a switching transaction will have to pay the applicable difference in sales charge between the Funds to be switched from and the Funds to be switched into.

Our IUTA may not carry the complete range of Pacific Mutual's Funds. Investments made via our IUTA may be subject to different terms and conditions of the respective IUTA, including those for switching between Funds.

Please refer to pages 51 to 52 for the terms and conditions of the switching facility of the Funds.

The switching fee quoted is subject to any applicable taxes and/or duties as may be imposed by the government or other authorities from time to time.

7.6 Transfer Fee

There is no transfer fee imposed on unitholders of the Funds.

7.7 Fund Expenses

Expenses directly related to the Funds are management fee, trustee fee and other administrative expenses (e.g. commission paid to brokers, auditor's fee, courier and handling charges, etc).

The total annual expenses of a Fund are expressed as a percentage of the average NAV of the Fund for a financial year/period calculated on a daily basis. Please refer to the product highlights sheet (PHS) of the respective Funds for the breakdown and total annual expenses incurred by the Funds.

Other expenses, which are directly related and necessary to the business of the Funds, may be charged to the Funds. These will include (but are not limited to) the following:

- commission or fees paid to brokers or dealers;
- fees and other expenses properly incurred by the auditor and tax agent;
- custodian fees;
- taxes and other duties charged on the Funds by the government and other authorities;
- printing and postage expenses; and
- any other legitimate administration expenses or relevant professional fees approved by the Trustees.

There are fees and charges involved and investors are advised to consider them before investing in the Funds. All fees and charges payable to the Manager and/or the Trustees are subject to any applicable taxes and/or duties as may be imposed by the government or other authorities from time to time. All fees, charges and expenses are rounded to two decimal places.

7.8 The Manager's Policy on Rebates and Soft Commissions

We will retain the soft commissions received from brokers for goods and services which are of demonstrable benefit to the unitholders and advisory services that assist in the decision-making process relating to the investment of the Funds such as research materials, data and quotation services, computer software, investment advisory services and investment related publications which are incidental to the investment management activities of the Funds.

8 TRANSACTION INFORMATION

Our IUTA may not carry the complete range of Pacific Mutual's Funds. Investments made via our IUTA may be subject to different terms and conditions of the respective IUTA, including those for switching between Funds.

8.1 Pricing Calculation

The buying and selling price of units is quoted based on a single price i.e. the NAV per unit of a Fund. All other transactions charges, if any, will be expressed separately from the price of a unit.

Valuation of NAV

Local Funds	The valuation of NAV for local Funds will be conducted at the end of each business day after the close of business of Bursa Malaysia. The daily unit price of the Funds will be published on the next business day.
Global Funds	The valuation of NAV for global Funds or Funds with foreign exposure will be conducted on each business day after the close of respective foreign stock exchanges on the same calendar day. Due to the different time zone of the foreign stock exchanges, the valuation point will be extended to 5.00 p.m. on the following business day. The daily unit price of the Funds will be published on the next business day after the valuation (T+2).

Valuation of Units

Valuation of units is based on the NAV of a Fund and is calculated at the end of every business day. The NAV per unit of a Fund is determined by dividing the Fund's assets less its liabilities by the number of units in circulation. After the offer period, the price of a unit of a Fund is calculated based on the NAV per unit of the Fund as at the next valuation point after we receive the original application ("forward pricing"). The NAV per unit may be rounded to four decimal places. An incorrect valuation and/or pricing of a Fund shall be considered of minimal significance if the error involves a discrepancy of less than 0.5% of the NAV per unit of the Fund. Any pricing discrepancy of 0.5% or more of the NAV per unit of a Fund will be rectified as stated in the Fund's deed unless the total impact of the discrepancy on an individual account is less than RM10.00 as the transaction cost may be more than the amount adjusted.

If we receive your duly completed and accepted original application form to purchase/redeem/switch any Fund(s) by the cut-off time of 4.00 p.m. on any business day, the NAV per unit will be calculated based on the NAV per unit at the end of that business day. Any application form (original copy) received after this cut-off time will be considered as being transacted on the next business day and will be subjected to the NAV per unit of the Fund on the next business day.

8.2 Minimum Initial Investment

We offer you a choice of three investment plans namely, Cash Plan, Saver's Plan and EPF Plan. These plans have been carefully developed to cater for various types of investors with differing financial objectives. To invest, please complete our account application form and investment form and forward it to any of our offices or our authorised representatives, the details of which can be found on page 75.

Fund	Cash Plan	Saver's Plan	EPF Plan
Pacific Premier Fund Pacific Pearl Fund Pacific Dana Aman Pacific Millennium Fund Pacific Recovery Fund Pacific Income Fund Pacific Dana Murni Pacific SELECT Balance Fund Pacific SELECT Income Fund Pacific Dividend Fund Pacific Focus18 Fund Pacific Cash Fund Pacific Asia Brands Fund Pacific Global Stars Fund Pacific AsiaPac Income Fund Pacific Dana Dividen Pacific Focus China Fund Pacific Global A.I.R. Fund Pacific Dynamic AsiaPac Fund Pacific Dana Iimbang	Lump Sum Cash RM500 minimum investment.	You may fix your own time frame for saving, starting with a minimum of five years. Your initial investment must be two times the monthly investment amount. Monthly investment amount must be in multiples of RM100. <i>Saver's Plan is not available for the Pacific Cash Fund.</i>	EPF Plan is only available for EPF approved funds. You may withdraw the excess of the basic savings in your EPF Account 1, subject to a minimum of RM1,000 and according to the terms and conditions of the EPF and any other regulatory authorities.

We have the discretion to accept a lower amount than that disclosed in the prospectus as we deem fit. All amounts referred here include the sales charge and applicable tax (if any) on sales charge of the Funds. For more explanation on the sales charge, please refer to page 46.

8.3 Minimum Additional Investment

If you are already a unitholder of our Funds and wish to purchase additional units, please complete our investment form, indicating your existing unit trust account number. In the event, a new account application form is received by us for the purchase of additional units, we may at our discretion credit the additional units appropriately into your existing account of the Fund. The following are the minimum additional investments for the respective investment schemes:

Fund	Cash Plan	Saver's Plan	EPF Plan
Pacific Premier Fund Pacific Pearl Fund Pacific Dana Aman Pacific Millennium Fund Pacific Recovery Fund Pacific Income Fund Pacific Dana Murni Pacific SELECT Balance Fund Pacific SELECT Income Fund Pacific Dividend Fund Pacific Focus18 Fund Pacific Cash Fund Pacific Asia Brands Fund Pacific Global Stars Fund Pacific AsiaPac Income Fund Pacific Dana Dividen Pacific Focus China Fund Pacific Global A.I.R. Fund Pacific Dynamic AsiaPac Fund Pacific Dana Imbang	Lump Sum Cash RM100 minimum investment.	Monthly investment amount must be in multiples of RM100 via a standing instruction with our appointed bank or financial process exchange (FPX) direct debit service. <i>Saver's Plan is not available for the Pacific Cash Fund.</i>	EPF Plan is only available for EPF approved funds. You may withdraw the excess of the basic savings in your EPF Account 1, subject to a minimum of RM1,000 and according to the terms and conditions of the EPF and any other regulatory authorities.

We have the discretion to accept a lower amount than that disclosed in the prospectus as we deem fit. All amounts referred here include the sales charge and applicable tax (if any) on sales charge of the Funds. For more explanation on the sales charge, please refer to page 46.

8.4 Purchase

The Price of a Unit

The price of each unit is calculated based on the NAV per unit of a Fund as at the next valuation point after the original application form and payment is received by the Manager ("forward pricing").

Example:

NAV per unit

RM0.5000

Sales charge

5.50% of NAV per unit

Assuming the NAV per unit on a business day is RM0.5000 and if you make a payment of RM10,000.00, the amount to be invested in a Fund, and the sales charge to be paid by you are calculated as follows:

Total amount invested = RM10,000.00

Total sales charge (5.50%) incurred
(5.50% x RM10,000.00) = RM550.00

Total amount to be paid by you = RM10,550.00

Units issued to you = $RM10,000.00 / RM0.5000 = 20,000.00$ units

Note to the example:

The above example shows that the sales charge is calculated separately from the amount invested, whereas the sales charge imposed by a Fund are deducted upfront from the total amount paid by the investors.

There are fees and charges involved and investors are advised to consider them before investing in the Funds. All fees and charges payable to the Manager and/or the Trustees are subject to any applicable taxes and/or duties as may be imposed by the government or other authorities from time to time.

Purchase of Unit Procedure

Your purchase application for units and payment must reach our head office **by 4.00 p.m.** on any business day. Any duly completed and accepted original application form and payment received after this cut-off time is considered as being transacted on the next business day. In addition to the submission of the above form, you may be required to forward to us additional documents to authenticate your identification when transacting units of a Fund. We may for any reason at any time, waive existing procedures, and/or prescribe applications for units in any other form or manner whether for all/any particular investor, at our discretion.

Investors are advised NOT to make payment in cash when purchasing units of a Fund via any IUTA or individual Unit Trust Consultant.

8.5 Redemption

The Price of A Unit

At NAV per unit.

Redemption of Unit Procedure

Upon receipt of the duly completed and accepted original transaction form, which must reach our head office by **4.00 p.m.** on any business day (**12.00 p.m.** for the Pacific Cash Fund), we will repurchase the units at the respective Fund's NAV per unit calculated at the end of that business day. Payment will be made to you within 10 days (two business days for the Pacific Cash Fund for non EPF plan).

There is no minimum redemption amount for the Funds. For partial redemption, the minimum balance to be maintained in your unit trust account must be 500 units or such sum as may be decided by the Trustees and the Manager from time to time. If units in your account are less than the minimum holding after the redemption application is made, all units in your account will be redeemed automatically.

8.6 Switching Facility

To carry out a switching transaction, all you need to do is complete the transaction form or send a letter of request to our head office by 4.00 p.m. on any business day.

There are no restrictions on the number of switching transactions that you may carry out; however, all switching transactions are subject to the following conditions:

- You may switch your investments into all other Funds managed by the Manager except for the wholesale funds;
- The Funds that you intend to switch into must have been in existence for at least three months from the launch dates of those Funds;
- The minimum number of units to be switched is 1,000 units and the value of units switched must meet the minimum investment amount of the switch-in Funds, whichever is higher;
- The minimum number of units required to be held in the switch-out Fund is 500 units for a partial switch; and
- For the avoidance of doubt, if you have purchased units of the Funds through our IUTA, the switching transaction is subject to the terms and conditions of the IUTA.

Switching will be carried out at the respective prevailing NAV per unit of a Fund to be switched from and a Fund to be switched into on a business day, when we receive the switching request by 4.00 p.m. on any business day (subject to availability and terms of the Fund to be switched into).

Should the sales charge of a Fund to be switched into is higher than the sales charge imposed on a Fund to be switched from, then the difference in the sales charge between the two (2) Funds shall be borne by you. There will be no sales charge imposed if the Funds to be switched into has a lower sales charge than the Fund you are switching out from.

If you have been imposed the highest sales charge in your switching transaction among our Funds, you are no longer required to bear any sales charge difference for subsequent switch transactions involving this specific batch of your investments.

You are not entitled to any refund for the sales charge paid on a Fund being switched from, which exceeds that imposed on a Fund to be switched into.

The applicable differences in sales charges to be borne by unitholders as tabulated below shall take effect from 1 May 2019:

Current Fund	Target Fund			
	Zero Sales Charge Fund (Fund with no sales charge)	Low Sales Charge Fund (Fund with maximum sales charge of 2.00% of NAV per unit)	Reduced Sales Charge Fund (Fund with maximum sales charge of 5.00% of NAV per unit)	Normal Sales Charge Fund (Fund with maximum sales charge of 5.50% of NAV per unit)
Zero Sales Charge Fund: Pacific Cash Fund	Nil	2.00% (2.00% for EPF Plan)	5.00% (3.00% for EPF Plan)	5.50% (3.00% for EPF Plan)
Low Sales Charge Fund: Pacific Dana Murni Pacific SELECT Income Fund	Nil	Nil	3.00% (1.00% for EPF Plan)#	3.50% (1.00% for EPF Plan)*
Reduced Sales Charge Fund: Pacific Income Fund Pacific SELECT Balance Fund Pacific Dividend Fund Pacific AsiaPac Income Fund Pacific Dana Dividen Pacific Dana Imbang	Nil	Nil	Nil	0.50% (Nil for EPF Plan)@

	Target Fund			
Normal Sales Charge Fund: Pacific Premier Fund Pacific Pearl Fund Pacific Dana Aman Pacific Millennium Fund Pacific Recovery Fund Pacific Focus18 Fund Pacific Asia Brands Fund Pacific Global Stars Fund Pacific Focus China Fund Pacific Global A.I.R. Fund Pacific Dynamic AsiaPac Fund	Nil	Nil	Nil	Nil

Our IUTA may not carry the complete range of Pacific Mutual's Funds. Investments made via our IUTA are subject to different terms and conditions of the respective IUTA, including those for switching between Funds.

Switching from a Islamic fund to a conventional fund is discouraged especially for Muslim unitholders.

Fees and charges quoted are subject to any applicable taxes and/or duties as may be imposed by the government or other authorities from time to time.

Up to 30 April 2019, if you are the primary account holders for certain Funds, you are entitled to three (3) switching transactions per account during a calendar year without having to pay the applicable differences in sales charges save for the following first switching transaction:

- From a zero sales charge fund to a low/reduced/normal sales charge fund; or
- From a low sales charge fund to a reduced/normal sales charge fund.

For switching request up to 30 April 2019, the applicable difference in sales charges to be borne by unitholders is 2.00% (Nil for EPF Plan).

** For switching request up to 30 April 2019, the applicable difference in sales charges to be borne by unitholders is 2.00% (Nil for EPF Plan).*

@ For switching request up to 30 April 2019, the applicable difference in sales charges to be borne by unitholders is Nil.

8.7 Transfer

The transfer form must be completed in the presence of a witness. For partial transfer, the minimum balance to be maintained in your unit trust account must be 500 units or such sum as decided by the Trustee and the Manager from time to time.

8.8 Cooling-off Period

If you are a first-time investor of Pacific Mutual, you are given a cooling-off period of six business days. Within these six business days from the date we receive your application, you have the right to call for withdrawal of investment. However, this is not applicable to:

- Corporate investors / institutional investors;
- Staff of Pacific Mutual and Lion Global Investors Limited and their immediate family members; and
- Persons registered with a body approved by the Securities Commission to deal in unit trusts.

The refund for every unit with regards to the cooling-off right is the sum of:

- the NAV per unit on the day the units were purchased; and
- sales charge per unit originally imposed on the day the units were purchased.

Essentially, you will receive a full refund of the initial investment paid by you:

- For Cash Plan and Saver's Plan – within 10 days (three business days for the Pacific Cash Fund under the Cash Plan) of receipt of the original notice of cooling-off received by us.
- For EPF Plan – within 10 days after receipt of the disbursement of fund from EPF. The refund will be returned to your EPF account.

Please note that the EPF Plan is subject to EPF's terms and conditions.

8.9 Distribution Policy & Reinvestment Policy

Distribution Policy	Funds
Annually*	Pacific Premier Fund, Pacific Pearl Fund, Pacific Dana Aman, Pacific Millennium Fund, Pacific Recovery Fund, Pacific Income Fund, Pacific Dana Murni, Pacific SELECT Balance Fund, Pacific SELECT Income Fund, Pacific Focus18 Fund, Pacific Asia Brands Fund, Pacific Global Stars Fund, Pacific AsiaPac Income Fund, Pacific Dana Dividen, Pacific Focus China Fund, Pacific Global A.I.R. Fund, Pacific Dynamic AsiaPac Fund and Pacific Dana Imbang
Twice a year*	Pacific Dividend Fund
Monthly*	Pacific Cash Fund

* Subject to availability of income

Distribution of income is in the form of cash or units. When there are stock market corrections, bear markets or economic downturns, realised capital losses may outweigh realised gains, dividends and interest/profit sharing income received and thus result in no income distributions being possible.

You may opt for income distributions to be paid out to you directly in cash by way of a distribution cheque. In the absence of written instructions to the contrary, distributions declared by a Fund will be automatically reinvested into additional units of the Fund based on the NAV per unit of the Fund on the fourth business day (T+4) [next business day (T+1) for the Pacific Cash Fund] after the declaration of distributions at no cost.

Distribution amounting to less than or equal to the amount of RM200 will be automatically reinvested into additional units of the Fund based on the NAV per unit on the fourth business day (next business day for the Pacific Cash Fund) after the declaration of distributions. Distribution cheques that are returned through mail will be reinvested based on the respective Fund's NAV per unit on the date that we receive the returned mail.

Unit prices and distributions payable, if any, may go down as well as up.

8.10 Unclaimed Moneys

For any distribution cheques which are left uncashed upon lapse of the six-month cheque validity period, we shall reinvest the distribution into additional units of the respective Fund on your behalf, based on the Fund's NAV per unit on the said expiry date.

For other cases, the unrepresented cheques will be deemed as unclaimed moneys and shall be dealt in accordance with the Unclaimed Moneys Act 1965.

8.11 Keeping Abreast of Developments in the Funds

You can have immediate access to the daily NAV per unit of the Funds which are published on our website www.pacificmutual.com.my, or contact any of our client relations personnel at 03-7712 3000 / 03-7712 3197 or our authorised distributors (please refer to page 75 for the list of authorised distributors), or e-mail customercare@pacificmutual.com.my. While it is our duty to ensure the Funds are being correctly valued or priced, we, however, cannot be held liable for any error in prices published on the websites of our authorised distributors.

In addition, you can also constantly keep abreast of the respective Funds' developments via their reports. We will send the Funds' annual and interim reports to you within two months after the end of the Funds' financial year/interim period. Our Funds' performance and other information will also be featured in our website www.pacificmutual.com.my. You are advised to keep abreast of the developments in the Funds.

The Funds' annual reports are available upon request.

Customer Service

We are committed to maintaining the highest standards of dedicated customer service. You may call our client relations personnel for more information on your investments in our Funds.

Customer Care Hotline: 03-7712 3197

General Line: 03-7712 3000

Facsimile: 03-7712 3001

E-mail: customercare@pacificmutual.com.my

Website: www.pacificmutual.com.my

For information on the unit trust industry, you may also contact the Federation Of Investment Managers Malaysia (FiMM) at 03-2093 2600 or log on to their website at www.fimm.com.my for information.

9 SALIENT TERMS OF THE DEED

9.1 Your Rights as a Unitholder

Your units in a Fund give you an equal interest in the Fund as a whole. Under the deed, each unitholder will receive a sum proportionate to his or her unitholdings upon termination of the Fund. In a distribution of income, if any, we will recognise unitholders who are registered as at the date a distribution of income is declared. You have the right, amongst others, to the following:

- To receive any distribution of income of the Fund, to participate in any increase in capital value of the units and to all rights and privileges under the Fund's deed;
- To exercise the cooling-off right (please refer to page 52);
- To receive annual and interim reports; and
- To call for a meeting of unitholders (as set out below) and to vote for the removal of the Trustee or the Manager by way of a special resolution.

You are entitled to attend meetings which the Trustee or the Manager may convene at any time in accordance with the provisions of the deed. Meetings of unitholders may be called in certain circumstances, including approving certain amendments to the deed or winding-up the Fund. The Trustee or the Manager may call a meeting of unitholders, or you can also request the Manager to call for a meeting of unitholders.

9.2 Your Liabilities as Unitholder

You are not expected to be under any personal obligation to indemnify the Trustee or Manager of the Fund if the liabilities incurred by the Trustee and/or Manager on behalf of the Fund exceed the value of the assets of the Fund. Your liabilities are limited only to the purchase price of your units (at the time of purchase) plus any related charges for the purchase of the units. The Trustee shall be indemnified out of the Fund against all losses or expenses incurred by the Trustee in performing any of its duties or exercising any of its power under the deed in relation to the Fund. The right to indemnity shall not extend to loss occasioned by breach of trust, wilful default, negligence, fraud or failure to show the degree of care and diligence required of the Trustee having regard to the provisions of the deed.

9.3 Your Limitations and Restrictions as Unitholder

No unitholder shall be entitled to require the transfer to him or her of any of the investments or assets of the Fund or be entitled to interfere with or question the exercise by the Trustee, or the Manager on its behalf, of the rights of the Trustee as the registered owner of such investment and assets.

No unitholder, other than the Manager, shall have any right by reason of his being a unitholder to attend any meeting of shareholders, stockholders or debenture holders or to vote or take part in or consent to any company or action of shareholders, stockholders or debenture holders.

9.4 Maximum Fees and Charges

The deed provides information on the maximum fees and charges for the Fund payable by the unitholder either directly or indirectly such as annual management fee, annual trustee fee, sales charge and redemption charge.

Please refer to the table below on the maximum fees and charges as disclosed in the deeds of the Funds:

Fund	Maximum Sales Charge	Maximum Redemption Charge	Maximum Rate Of the Annual Management Fee	Maximum Rate of the Annual Trustee Fee
Pacific Premier Fund	10% of the NAV per unit	5% of the NAV per unit	1.5% p.a. of the NAV of the Fund	Rate p.a. of the NAV of the Fund based on size of Fund*
Pacific Pearl Fund	10% of the NAV per unit	5% of the NAV per unit	1.5% p.a. of the NAV of the Fund	0.06% p.a. of the NAV of the Fund, calculated and accrued on a daily basis and payable monthly in arrears.
Pacific Dana Aman	10% of the NAV per unit	2% of the NAV per unit	2.0% p.a. of the NAV of the Fund	0.10% p.a. of the NAV of the Fund
Pacific Millennium Fund	10% of the NAV per unit	5% of the NAV per unit	2.0% p.a. of the NAV of the Fund	0.08% p.a. of the NAV of the Fund
Pacific Recovery Fund	10% of the NAV per unit	5% of the NAV per unit	2.0% p.a. of the NAV of the Fund	0.08% p.a. of the NAV of the Fund
Pacific Income Fund	10% of the NAV per unit	5% of the NAV per unit	2.0% p.a. of the NAV of the Fund	0.10% p.a. of the NAV of the Fund subject to a minimum of RM35,000 p.a., whichever is higher which shall accrue daily
Pacific Dana Murni	10% of the NAV per unit	Nil	2.0% p.a. of the NAV of the Fund	0.20% p.a. of the NAV of the Fund, calculated and accrued on a daily basis and payable monthly in arrears.
Pacific SELECT Balance Fund	10% of the NAV per unit	Nil	2.0% p.a. of the NAV of the Fund	0.20% p.a. of the NAV of the Fund, calculated and accrued on a daily basis and payable monthly in arrears, subject to a minimum of RM9,000 p.a., whichever is higher.
Pacific SELECT Income Fund	10% of the NAV per unit	Nil	2.0% p.a. of the NAV of the Fund	0.20% p.a. of the NAV of the Fund, calculated and accrued on a daily basis and payable monthly in arrears, subject to a minimum of RM9,000 p.a., whichever is higher.

Fund	Maximum Sales Charge	Maximum Redemption Charge	Maximum Rate Of the Annual Management Fee	Maximum Rate of the Annual Trustee Fee
Pacific Dividend Fund	10% of the NAV per unit	Nil	2.0% p.a. of the NAV of the Fund	0.20% p.a. of the NAV of the Fund, calculated and accrued on a daily basis and payable monthly in arrears.
Pacific Focus18 Fund	10% of the NAV per unit	5% of the NAV per unit	2.0% p.a. of the NAV of the Fund	0.20% p.a. of the NAV of the Fund before the deduction of the management fee and trustee fee for the relevant day subject to a minimum of RM18,000 and a maximum of RM400,000 p.a.
Pacific Cash Fund	10% of the NAV per unit	10% of the NAV per unit	2.0% p.a. of the NAV of the Fund	0.20% p.a. of the NAV of the Fund before the deduction of the management fee and trustee fee for the relevant day subject to a minimum of RM18,000 and a maximum of RM400,000 p.a.
Pacific Asia Brands Fund	10% of the NAV per unit	5% of the NAV per unit	2.0% p.a. of the NAV of the Fund	0.20% p.a. of the NAV of the Fund before the deduction of the management fee and trustee fee for the relevant day subject to a minimum of RM18,000 p.a. (excluding foreign custodian fees and charges)
Pacific Global Stars Fund	10% of the NAV per unit	5% of the NAV per unit	2.0% p.a. of the NAV of the Fund	0.50% p.a. of the NAV of the Fund before the deduction of the management fee and trustee fee for the relevant day subject to a minimum of RM18,000 p.a.
Pacific AsiaPac Income Fund	10% of the NAV per unit	5% of the NAV per unit	2.0% p.a. of the NAV of the Fund	0.20% p.a. of the NAV of the Fund before the deduction of the management fee and trustee fee for the relevant day subject to a minimum of RM18,000 p.a. (excluding foreign custodian fees and charges)
Pacific Dana Dividen	10% of the NAV per unit	5% of the NAV per unit	2.0% p.a. of the NAV of the Fund	1.00% p.a. of the NAV of the Fund before the deduction of the management fee and trustee fee for the relevant day subject to a minimum of RM18,000 p.a. (excluding foreign custodian fees and charges)
Pacific Focus China Fund	5.50% of the NAV per unit	Nil	1.60% p.a. of the NAV of the Fund	0.10% p.a. of the NAV of the Fund subject to a minimum of RM18,000 p.a. calculated and accrued daily (excluding foreign custodian fees and charges)
Pacific Global A.I.R. Fund	10% of the NAV per unit	Nil	5.0% p.a. of the NAV of the Fund	0.20% p.a. of the NAV of the Fund subject to a minimum of RM18,000 p.a. calculated and accrued daily (excluding foreign custodian fees and charges)
Pacific Dynamic AsiaPac Fund	5.50% of the NAV per unit	Nil	5.00% p.a. of the NAV of the Fund	0.10% p.a. of the NAV of the Fund subject to a minimum of RM18,000 p.a. calculated and accrued daily (excluding foreign custodian fees and charges)
Pacific Dana Imbang	5.00% of the NAV per unit	Nil	5.00% p.a. of the NAV of the Fund	0.10% p.a. of the NAV of the Fund, calculated and accrued on a daily basis

*

Size Of Fund	Rate Per Annum of The Net Asset Value Of The Fund
First RM20 million	0.06% and shall be calculated and accrued daily (excluding any custodian fee)
Next RM20 million	0.05% and shall be calculated and accrued daily (excluding any custodian fee)
Next RM20 million	0.04% and shall be calculated and accrued daily (excluding any custodian fee)
Next RM20 million	0.03% and shall be calculated and accrued daily (excluding any custodian fee)
Next RM20 million	0.02% and shall be calculated and accrued daily (excluding any custodian fee)
Any amount above RM100 million	0.01% and shall be calculated and accrued daily (excluding custodian fee)

Despite the maximum fees and charges permitted by the deed, all current fees and charges are disclosed in the prospectus. (Please refer to pages 46 to **Error! Bookmark not defined.**)

Procedures for An Increase in The Fees and Charges from The Maximum Rate Provided in The Deed

The maximum sales charge, redemption charge, annual management fee or annual trustee fee set out in the deed can only be increased if a meeting of unitholders has been held in accordance with the deed. Thereafter, a supplemental deed proposing a modification to the deed to increase the aforesaid maximum charges and fees is required to be submitted for registration with the Securities Commission accompanied by a resolution of not less than two-third (2/3) of all unitholders present and vote at the meeting of unitholders sanctioning the proposed modification to the deed.

Procedures for An Increase in The Fees and Charges from The Level Disclosed in The Prospectus

- **Sales Charge and Redemption Charge**

The Manager may not charge a sales charge or redemption charge at a rate higher than that disclosed in the prospectus unless:

- the Manager has notified the Trustee of the higher rate and the date on which such higher rate is to become effective;
 - a supplementary or replacement prospectus stating the higher rate is issued thereafter; and
 - such time as may be prescribed by the relevant law shall have elapsed since the supplementary or replacement prospectus is issued.
- **Annual Management Fee and Annual Trustee Fee**
The Manager may not charge an annual management fee or annual trustee fee at a rate higher than that disclosed in the prospectus unless:
 - the Manager has come to an agreement with the Trustee on the higher rate;
 - the Manager has notified the unitholders of the higher rate and the date on which such higher rate is to become effective;
 - such time as may be prescribed by any relevant law shall have lapsed since the notice is sent;
 - a supplementary or replacement prospectus stating the higher rate is issued thereafter; and
 - such time as may be prescribed by the relevant law shall have elapsed since the supplementary or replacement prospectus is issued.

9.5 Permitted Expenses Payable Out of a Fund's Property

Only the expenses (or part thereof) which are directly related and necessary to the business of a Fund may be charged to the Fund. These would include (but are not limited to) the following:

- commission or fees paid to brokers or dealers;
- fees and other expenses properly incurred by the auditor and tax agent;
- custodian fees;
- taxes and other duties charged on the Fund by the government and other authorities; and
- any other legitimate administration expenses or relevant professional fees approved by the Trustee.

9.6 Removal, Replacement and Retirement of the Management Company

Subject to the approval of the Securities Commission and the provisions of the deed, we may retire in favour of some other corporation upon giving the Trustee three months' (or such other period as the Manager and the Trustee may agree upon) written notice of our desire to do so.

The Manager may be removed and replaced by the Trustee on the grounds that the Manager:

- goes into liquidation (except for the purposes of amalgamation or reconstruction or some other purpose approved by the relevant authorities); or
- has had a receiver appointed; or
- has ceased to carry on business; or
- is in breach of its obligations under the deed, Capital Markets And Services Act 2007 or the SC Guidelines or has ceased to be eligible to be a management company under the relevant laws; or
- has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of unitholders for it to do so after the Trustee has given notice to the Manager of that opinion and the reasons for that opinion, has considered any representations made by the Manager in respect of that opinion and after consultation with the Securities Commission and with the approval of the unitholders by way of a special resolution.

9.7 Removal, Replacement and Retirement of a Trustee

A Trustee may retire upon giving three months' (or such other period as the Manager and the Trustee may agree upon) written notice to the Manager of its desire to do so, and may by deed appoint in its stead a new trustee approved by the Securities Commission. The Trustee may be removed and another trustee may be appointed by special resolution of the unitholders at a meeting of unitholders convened in accordance with the deed or as stipulated in the Capital Markets And Services Act 2007.

We may remove the Trustee or appoint another Trustee by special resolution of the unitholders at a meeting of unitholders convened in accordance with the deed.

We shall take all reasonable steps to replace a Trustee as soon as possible after becoming aware that:

- The Trustee has ceased to exist;
- The Trustee has not been validly appointed;
- The Trustee is not eligible to be appointed or to act as Trustee under any relevant law;
- The Trustee has failed or refused to act as Trustee in accordance with the provisions or covenants of the deed or the provisions of the Capital Markets And Services Act 2007;
- A receiver is appointed over the whole or a major part of the assets or undertaking of the Trustee and has not ceased to act under that appointment, or a petition is presented for the winding-up of the Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the existing Trustee becomes or is declared insolvent); or
- The Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 1965 or any relevant law.

9.8 Termination of a Fund

A Fund may be terminated or wound-up by the Manager or Trustee by way of a special resolution of the unitholders at a meeting of unitholders convened in accordance with the deed, the Capital Markets And Services Act 2007 and the SC Guidelines.

9.9 Meetings of Unitholders

Unitholders may apply to the Manager to summon a meeting of unitholders for any purpose including, without limitation, for purposes of:

- Requiring the retirement or removal of the Manager;

- Requiring the retirement or removal of the Trustee;
- Considering the most recent financial statements of a Fund;
- Giving to the Trustee such directions as the meeting thinks proper; or
- Considering any matter in relation to the deed.

However, the Manager shall not be obliged to summon such a meeting unless direction has been received from not less than fifty (50) or one-tenth (1/10) of all the unitholders and the application has been made in accordance with the provisions of the deed.

10 ALL ABOUT THE MANAGER – PACIFIC MUTUAL FUND BHD

10.1 Our Shareholders

Lion Global Investors Limited (formerly known as Lion Capital Management Limited) owns 70% equity interest in the share capital of Pacific Mutual and Koperasi Angkatan Tentera Malaysia Berhad owns the remaining 30%. Lion Global Investors Limited is a company incorporated in Singapore since 1986, and is a member of the Singapore OCBC Group of Companies. The ultimate holding company of Pacific Mutual is Oversea-Chinese Banking Corporation Limited, a public listed company incorporated in Singapore.

10.2 Our Core Business

The principal activities of Pacific Mutual are the establishment and management of unit trust funds as well as the management of private investment mandates. We obtained our Capital Markets And Services Licence from the Securities Commission since 21 December 2004. Pacific Mutual was incorporated on 15 March 1995 under the Companies Act 1965 with an authorised and paid-up capital of RM5 million divided into 5 million ordinary shares of RM1.00 each. Pacific Mutual's registered office is at 19th Floor, Menara OCBC, 18 Jalan Tun Perak, 50050 Kuala Lumpur.

10.3 Our Roles and Responsibility

The primary functions of Pacific Mutual are:

- Investment functions which include:
 - Conducting investment research.
 - Determining a fund's investment strategy.
 - Investing the assets of a fund.
 - Reviewing a fund's portfolio and investment performance.
- Administrative functions which include:
 - Maintaining the unitholders' register.
 - Valuation of portfolio and computation of the daily net asset value of a fund.
 - Preparing a fund's financial statements, quarterly (applicable to wholesale funds only), interim and annual reports.
 - Keeping proper records on unitholders' transactions.

10.4 Our People

Board Of Directors

The Board of Directors meets on a quarterly basis and is involved in determining the corporate policies and direction of the Company. The following persons are members of the Board of Directors:

- **Gerard Lee How Cheng** – Non-independent Director (Chairman)
- **James Tan Thian Peng** – Non-independent Director
- **Dato' Ahmad Zahudi bin Haji Salleh** – Non-independent Director
- **Ong Eu Jin** – Independent Director
- **Datuk Lee Say Tshin** – Independent Director
- **Teh Chi-cheun** – Executive Director

The Investment Committee

Our Investment Committee is responsible for setting and determining the investment policies, guidelines and strategies of the Funds. They meet on a quarterly basis to discuss investment strategies, asset allocation and stock selection as well as to review and monitor portfolio performance against benchmarks and guidelines.

Investment Team

We take a team approach to the investment process and hold investment meetings on a daily basis. The decision making process involves input from the entire team, with each team member (inclusive of analysts) contributing their respective expertise and views to yield fully informed conclusions. Our Investment Committee, whose responsibility is to ensure adherence to investment guidelines, both internal and external, as well as to assess strategy and implementation effectiveness, oversees the entire investment function.

The following are the designated persons responsible for the investment management of the respective Funds, who hold the Capital Markets And Services Representative's Licence issued by the Securities Commission:

Name: Position: Experience/Qualifications:	Jolynn Kek Yen Ai Head of Equities, Investment <ul style="list-style-type: none">• Jolynn joined Pacific Mutual in July 2018 as the Head of Equities. She was previously an investment manager at the Malaysian unit of a global investment management firm, managing Malaysian institutional investments in the domestic equity market while providing research coverage on South East Asia and South Asia equity investments for the wider group.• Bachelor of Science (Honours) in Applied Accounting (Oxford Brookes University); ACCA programme (Association of Chartered Certified Accountants).• She is the designated person responsible for the investment management of the Pacific Premier Fund, Pacific Pearl Fund, Pacific Dana Aman, Pacific Millennium Fund, Pacific Recovery Fund, Pacific Dividend Fund, Pacific Dana Dividen and Pacific Focus China Fund. She is also the designated person responsible for the investment management of the equity portions of Pacific Income Fund, Pacific
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	SELECT Balance Fund, Pacific SELECT Income Fund, Pacific Dynamic AsiaPac Fund and Pacific Dana Imbang.
Name: Position: Experience/Qualifications:	<p>Tan Yee Cheng Equity Specialist, Investment</p> <ul style="list-style-type: none"> • She has over 23 years of experience in investment research and fund management. Prior to joining Pacific Mutual in May 2007 as Senior Manager, Investment, she was an investment manager in an American based insurance company. She had earlier worked as a senior analyst and a research manager at two local stockbroking firms and headed the investment research of a local unit trust company. • Master of Science in Economics (University of Idaho, USA); CFA® charterholder (CFA Institute). • She is the designated person responsible for the investment management of the Pacific Focus18 Fund, Pacific Asia Brands Fund, Pacific Global Stars Fund and Pacific Global A.I.R. Fund.
Name: Position: Experience/Qualifications:	<p>Oh Jo Ann Senior Manager, Investment</p> <ul style="list-style-type: none"> • She is responsible for the management of fixed income portfolios and execution of fixed income transactions. She conducts analysis of individual fixed income securities and selection of those securities for inclusion into the portfolios. Her analysis of the domestic macro backdrop forms the basis for the overall fixed income investment strategy. She started her investment career with Pacific Mutual in January 2003 as an equities analyst before moving on to working full time on the fixed income portfolio in 2004. She has over 15 years of experience in fixed income investment research and fund management and has handled both Shariah and non-Shariah compliant fixed income portfolios. • Bachelor of Management (Honours) in Finance (Universiti Sains Malaysia); CFA® charterholder (CFA Institute). • She is the designated person responsible for the investment management of the Pacific Dana Murni, Pacific Cash Fund and Pacific AsiaPac Income Fund. She is also the designated person responsible for the investment management of the fixed income portions of Pacific Income Fund, Pacific SELECT Balance Fund, Pacific SELECT Income Fund, Pacific Dynamic AsiaPac Fund and Pacific Dana Imbang.

Please refer to our website at www.pacificmutual.com.my for further information on our Company, Board of Directors, Investment Committee members and key investment team members.

10.5 Material Litigation and Arbitration

As at 1 February 2019, there is no current material litigation and arbitration, including those pending or threatened, and any facts likely to give rise to any proceedings which might materially affect the business or financial position of the Manager or any of its delegates.

11 EXTERNAL INVESTMENT MANAGER

[For Pacific AsiaPac Income Fund, Pacific Focus China Fund and Pacific Dynamic AsiaPac Fund]

11.1 Roles and Responsibilities of the External Investment Manager

Pacific Mutual has appointed and entered into an investment management agreement with an external investment manager to manage the equity, equity-related and collective investment schemes portion of the Pacific AsiaPac Income Fund, Pacific Focus China Fund and Pacific Dynamic AsiaPac Fund ("the Funds"). The said external investment manager is Singapore-based Lion Global Investors Limited (formerly known as Lion Capital Management Limited) ("Lion Global Investors"), incorporated in Singapore on 22 August 1986 and licensed by the Monetary Authority of Singapore as a holder of Capital Markets Services Licence for Fund Management since 10 October 1990.

Lion Global Investors is responsible for managing in accordance with the investment objective of the Funds. Lion Global Investors has discretionary authority over the investment of the Funds subject to the Securities Commission Guidelines on Unit Trust Funds, the relevant securities laws, the internal procedures as well as the investment objectives of the Funds and the direction of the Investment Committee of the Funds. Lion Global Investors reports to the Investment Committee of the Funds on a regular basis on the status of the Funds' portfolio, proposed investment strategies and discuss matters relating to the portfolios.

11.2 Background of the External Investment Manager

Lion Global Investors, a member of the Oversea-Chinese Banking Corporation Limited (OCBC) Group, is one of the largest asset management companies in Southeast Asia, with group assets under management of S\$52.0 billion (US\$38.1 billion) as at 30 September 2018.. Established as an Asian asset specialist since 1986, Lion Global Investors offers equities and fixed income funds to institutional and retail investors globally. It has one of the largest and most experienced investment teams dedicated to regional and global equities and fixed income markets, with 40 investment professionals with an average of 16 years of investment experience. The company's commitment to investment excellence begins with a team-based and research-intensive approach, combining in-depth market insights with comprehensive sector knowledge.

Lion Global Investors is 70% owned by Great Eastern Holdings Limited and 30% owned by Orient Holdings Private Limited, a wholly-owned subsidiary of OCBC Bank.

Source: www.lionglobalinvestors.com/en/about-lgi/index.html

11.3 Material Litigation and Arbitration

As at 1 February 2019, to the best of Lion Global Investors' knowledge and belief, there is no current material litigation and arbitration, including those pending or threatened, and any proceedings which might materially affect the business or financial position of Lion Global Investors.

12 TRUSTEES OF THE FUNDS, THEIR DUTIES AND RESPONSIBILITIES

A Trustee serves mainly as the custodian of the Fund and to safeguard the interest of the unitholders. The assets of the Funds are registered in the name of the respective Trustees who function independently from Pacific Mutual. The Trustees exercise all due diligence and vigilance when carrying out their functions and duties to safeguard the rights and interests of all unitholders. The Trustees are responsible in ensuring that we perform our responsibilities in accordance with the provisions of the deeds.

Below are the details of the Trustees of the respective Funds:

12.1 Universal Trustee (Malaysia) Berhad (17540-D)

(For Pacific Premier Fund)

Name Of Trustee: Universal Trustee (Malaysia) Berhad (17540-D)
Address: No. 1, Jalan Ampang, 3rd Floor, 50450 Kuala Lumpur
Date Of Incorporation: 5 March 1974
No. Of Years Involved In The Unit Trust Industry As A Trustee: 35

Delegation Of Share Custodial Functions

Share custodial functions are not delegated to any other parties.

Material Litigation And Arbitration

As at 1 February 2019, there is no current material litigation and arbitration, including those pending or threatened, and any facts likely to give rise to any proceedings which might materially affect the business or financial position of Universal Trustee (Malaysia) Berhad, or any of its delegates.

12.2 MTrustee Berhad (163032-V)

(For Pacific Pearl Fund, Pacific Dana Murni, Pacific SELECT Balance Fund, Pacific SELECT Income Fund, Pacific Dividend Fund, Pacific Cash Fund and Pacific Dana Imbang)

Name Of Trustee: MTrustee Berhad (163032-V)

Corporate Information

MTrustee Berhad was incorporated on 28 July 1987 and registered as a trust company under the Trust Companies Act, 1949 and having its registered office at B-2-9 (2nd Floor), Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur. MTrustee Berhad is qualified to act as a trustee for collective investment schemes approved under the Capital Markets and Services Act 2007.

Experience as Trustee to Unit Trust Funds

MTrustee Berhad has been involved in unit trust industry as trustee since 1997. It acts as Trustee to various unit trust funds and real estate investment trust funds.

Delegation Of Share Custodial Functions*

MTrustee Berhad has delegated its custodian and its back office operations of quoted and unquoted local investments of the Funds to AmlInvestment Bank Berhad ("AIBB"). The assets of the local Funds are held through AIBB's nominee company, AMSEC Nominees (Tempatan) Sdn Bhd ["AMSEC(T)SB"]. AMSEC(T)SB is a wholly owned subsidiary of AIBB. It was set up to act as custodian and perform back office operations for investment advisers, managers of large portfolios, lending banks and international custodians.

MTrustee Berhad retains control of the assets of the respective Funds at all times.

Material Litigation And Arbitration

As at 1 February 2019, MTrustee Berhad is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give rise to any proceedings which might materially affect the business or financial position of MTrustee Berhad.

12.3 CIMB Islamic Trustee Berhad (167913-M)

(For Pacific Dana Dividend and Pacific Dana Aman)

Name Of Trustee: CIMB Islamic Trustee Berhad (167913-M)

Corporate Information

CIMB Islamic Trustee Berhad was incorporated on 19 January 1988 and registered as a trust company under the Trust Companies Act, 1949 and having its registered office at Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia. The Trustee is qualified to act as a trustee for collective investment schemes approved under the Capital Markets and Services Act 2007.

Experience as Trustee to Unit Trust Funds

CIMB Islamic Trustee Berhad has been involved in unit trust industry as trustee since 1990. It acts as Trustee to various unit trust funds, real estate investment trusts, wholesale funds, private retirement schemes and exchange traded funds.

Delegation of Share Custodial Functions

CIMB Islamic Trustee Berhad has delegated its custodian function to CIMB Bank Berhad (CIMB Bank) and CIMB Islamic Bank

Berhad (CIMB Islamic Bank) respectively. CIMB Bank and CIMB Islamic Bank's ultimate holding company is CIMB Group Holdings Berhad, a listed company on Bursa Malaysia. CIMB Bank and CIMB Islamic Bank provide full-fledged custodial services, typically clearing settlement and safekeeping of all types of investment assets and classes, to a cross section of investors and intermediaries client base, both locally and overseas.

For the local Ringgit assets, they are held through its wholly owned nominee subsidiaries CIMB Group Nominees (Tempatan) Sdn Bhd and CIMB Islamic Nominees (Tempatan) Sdn Bhd respectively. For foreign non-Ringgit assets, CIMB Bank and CIMB Islamic Bank appoint global custodian as their agent banks to clear, settle and safekeep on their behalf and to their order.

All investments are automatically registered in the name of the custodian to the order of the Trustee. CIMB Bank and CIMB Islamic Bank act only in accordance with instructions from the Trustee.

Material Litigation and Arbitration

As at 1 February 2019, CIMB Islamic Trustee Berhad is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give rise to any proceedings which might materially affect the business or financial position of CIMB Islamic Trustee Berhad, or any of its delegates.

12.4 CIMB Commerce Trustee Berhad (313031-A)

(For Pacific Focus18 Fund, Pacific Asia Brands Fund, Pacific Global Stars Fund, Pacific AsiaPac Income Fund, Pacific Millennium Fund, Pacific Recovery Fund, Pacific Income Fund, Pacific Focus China Fund, Pacific Global A.I.R. Fund and Pacific Dynamic AsiaPac Fund)

Name Of Trustee: CIMB Commerce Trustee Berhad (313031-A)

Corporate Information

CIMB Commerce Trustee Berhad was incorporated on 25 August 1994 and registered as a trust company under the Trust Companies Act, 1949 and having its registered office at Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia. The Trustee is qualified to act as a trustee for collective investment schemes approved under the Capital Markets and Services Act 2007.

Experience as Trustee to Unit Trust Funds

CIMB Commerce Trustee Berhad has been involved in unit trust industry as trustee since 1996. It acts as Trustee to various unit trust funds, real estate investment trusts, wholesale funds, private retirement schemes and exchange traded funds.

Delegation of Share Custodial Functions

CIMB Commerce Trustee Berhad has delegated its custodian function to CIMB Bank Berhad (CIMB Bank). CIMB Bank's ultimate holding company is CIMB Group Holdings Berhad, a listed company on Bursa Malaysia. CIMB Bank provides full-fledged custodial services, typically clearing, settlement and safekeeping of all types of investment assets and classes, to a cross section of investors and intermediaries client base, both locally and overseas.

For the local Ringgit assets, they are held through its wholly owned nominee subsidiary CIMB Group Nominees (Tempatan) Sdn Bhd. For foreign non-Ringgit assets, CIMB Bank appoints global custodian as its agent bank to clear, settle and safekeep on its behalf and to its order.

All investments are automatically registered in the name of the custodian to the order of the Trustee. CIMB Bank acts only in accordance with instructions from the Trustee.

Material Litigation and Arbitration

As at 1 February 2019, there is no current material litigation and arbitration, including those pending or threatened, and any facts likely to give rise to any proceedings which might materially affect the business or financial position of CIMB Commerce Trustee Berhad, or any of its delegates.

12.5 The Trustees' Responsibilities

The Trustees have agreed willingly to assume all their obligations under the respective deeds and all written laws and SC Guidelines which cover the following:

- Take into custody the investments of the respective Funds and hold the investments in trust for the unitholders.
- Ensure that the Manager operates and administers the Funds in accordance with the provisions of the respective deeds, SC Guidelines and acceptable business practice within the unit trust industry.
- As soon as practicable notify the Securities Commission of any irregularity or breach of the provisions of the deeds, SC Guidelines and any other matters which in the Trustees' opinions may indicate that the interests of unitholders are not served.
- Exercise reasonable diligence in carrying out their functions and duties, in actively monitoring the operation and management of the Funds by the Manager to safeguard the interests of unitholders.
- Maintain, or cause the Manager to maintain, proper accounting records and other records as are necessary to enable a complete and accurate view of the Funds to be formed and to ensure that the Funds are operated and managed in accordance with the deeds of the respective Funds, prospectus, the SC Guidelines and securities law.
- Require that the accounts be audited at least annually.

12.6 Trustees' Statement of Responsibility

Universal Trustee (Malaysia) Berhad, MTrustee Berhad, CIMB Islamic Trustee Berhad and CIMB Commerce Trustee Berhad, are willing to assume the position and all obligations that come with it under the deeds, all relevant written laws and rules of laws.

13 SHARIAH ADVISER

The Shariah Adviser for Pacific Mutual's Islamic funds is BIMB Securities Sdn Bhd (BSSB).

As Shariah Adviser, the role of BSSB is to ensure that the investment operation and management of the Islamic funds are in compliance with Shariah requirements. BSSB will review the investments of the Islamic funds on a monthly basis to ensure Shariah compliance and it also reviews the interim and annual reports of the Funds.

Notwithstanding the role played by the Shariah Adviser, the ultimate responsibility for ensuring Shariah compliance of the Funds in all aspects of operation and management rests solely with the Fund Manager.

In line with the SC Guidelines the roles of BSSB as the Shariah Adviser are:

- to advise on the Shariah aspects of the Islamic funds in accordance with Shariah and specifically the resolutions issued by the SACSC; For Pacific Dana Dividen's investment in local securities, to ensure that the investment of the Fund is in accordance with the list of Shariah-compliant securities issued by the SACSC.
- to provide Shariah expertise and guidance in all matters related to the Funds, particularly on the Islamic funds' deed and prospectus, structures, investments, and related operational matters.
- to ensure that the Islamic funds are managed and operated in accordance with Shariah as determined by the relevant SC regulations and standards, including resolutions issued by the SACSC.
- to review the Islamic funds' compliance reports as provided by the Manager's compliance officer and investment transaction reports provided or duly approved by the Trustees, to ensure that the investment of the Islamic funds are in line with Shariah.
- to prepare a report for inclusion in the interim and annual reports of Islamic funds stating that the Shariah Adviser's opinion on the Islamic funds's compliance with Shariah principles in its investment, operation and management for the financial period concerned.
- to consult the SC where there is ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process.
- to meet with the Manager beside on a quarterly basis, when urgently required for review of the Funds' operation and management.
- For Pacific Dana Dividen, the Fund's investments in foreign securities will be done in accordance with the Dow Jones Islamic Market Indices and/or the securities classified as Shariah-compliant by the Shariah Adviser. For securities to be screened or reviewed by the Shariah Adviser, the fund manager will first identify the securities which satisfy their investment criteria on the selected foreign markets permitted by the Securities Commission. All the necessary documents with the latest information pertaining to business activities, financial statements and other related information will be submitted to the Shariah Adviser for Shariah stock screening process based on the screening methodology of the SACSC. To ensure strict compliance, if such securities had been accorded the Shariah compliant status by the Shariah Adviser, it will be continuously monitored and updated based on the latest information provided by the fund manager.

13.1 More about BSSB

BSSB, a stockbroking subsidiary of BIMB Holdings Bhd, was incorporated on 21 February 1994. it's the corporate mission of BSSB is to be an active participant in a modern, innovative and dynamic Islamic capital market in Malaysia, catering for the needs of all investors, Muslims and Non-Muslims, looking for Shariah-compliant investment products and services. BSSB is registered with the Securities Commission to act as a Shariah Adviser for Shariah-compliant products and services regulated by the SC, which include Islamic collective investment schemes. BSSB is a corporate Shariah Adviser to 83 Islamic unit trusts funds.

Profile of Designated Shariah Person:

Ir. Dr. Muhamad Fuad bin Abdullah (Dr. Muhamad Fuad), the designated person in-charge of all Shariah matters in BIMB Securities Sdn Bhd (BIMBSEC) was appointed on 1 June 2011. He was concurrently appointed the Shariah Advisory Committee of BIMBSEC. He graduated with a Bachelor of Science Degree in Electrical Engineering in 1977, and a Master of Philosophy Degree in Electrical Engineering in 1982 both from the University of Southampton, England. He also obtained a Bachelor of Arts (Jayyid) in Shariah from the University of Jordan in 1994 and a Doctor of Philosophy in Muslim Civilization from the University of Aberdeen, Scotland in 1996.

Dr. Muhamad Fuad is the designated Shariah person in-charge of Pacific Mutual's Islamic funds.

Please refer to our website at www.pacificmutual.com.my for further information on the Shariah Adviser.

13.2 Shariah Investment Guidelines Adopted By BSSB

The following guidelines are adopted by BSSB in determining the Shariah status of equity investments of Pacific Mutual's Islamic funds:

- The Islamic funds must at all times and all stages of its operation comply with Shariah principles as resolved by the SACSC or in cases where no specific rulings are made by the SACSC, the decisions of the Shariah Adviser.
- The Islamic funds must be raised and operated, and finally redeemed by the investor on the basis of the contracts which are acceptable in Shariah. The banking facilities and short-term money market instruments used for the Islamic funds have to be those which comply with Shariah principles. Similarly, all the other instruments including securities, sukuk, etc. must be those of which are Shariah-compliant.
- For Shariah-compliant securities listed on the Bursa Malaysia, the Islamic funds' investments must be strictly confined to those Shariah-compliant securities on the list issued by the SACSC.
- For Islamic money market instruments and Shariah-compliant securities or sukuk, they shall be based on the data readily available at Bank Negara Malaysia and SC websites.

- The SACSC has adopted a standard methodology to determine the Shariah compliance of companies listed on Bursa Malaysia. This methodology takes into consideration both the quantitative and qualitative aspects of the listed companies

Quantitative analysis:

The quantitative part is a two-tier benchmark applied to the business activities of the companies and to the financial ratios of the companies. The business activity benchmarks consist of the 5-percent benchmark and the 20-percent benchmark.

(i) Business activity benchmarks

For the business activity benchmarks, the revenue or income contribution of Shariah non-compliant business activities to the group revenue or group profit before taxation of the listed companies will be computed and compared against the relevant business activity benchmarks, namely either the 5% or 20% benchmarks.

The 5% benchmark would be applicable to the following business activities:

- Conventional banking;
- Conventional insurance;
- Gambling;
- Liquor and liquor-related activities;
- Pork and pork-related activities;
- Non-halal food and beverages;
- Shariah non-compliant entertainment;
- Interest income¹ from conventional accounts and instruments (including interest income awarded arising from a court judgement or arbitration);
- Dividends¹ from Shariah non-compliant investments;
- Tobacco and tobacco related activities; and
- Other activities deemed non-compliant according to Shariah.

¹ Interest income and dividends from Shariah non-compliant investments will be compared against the group revenue. However, if the main activity of the company is holding of investment, the dividends from Shariah non-compliant investments will be compared against the group revenue and group profit before taxation.

The 20% benchmark would be applicable to the following activities:

- Share trading in Shariah non-compliant securities;
- Stockbroking business other than that of an end-to-end Stockbroking company;
- Rental received from Shariah non-compliant activities; and
- Other activities deemed non-compliant according to Shariah.

(ii) Financial ratio benchmarks

The financial ratios for cash in conventional accounts and instruments as well as interest bearing debts over the total assets of the listed companies are also considered in the analysis carried out by the SACSC.

The financial ratios applied are as follows:

- **Ratio of cash over total assets**
Cash will only include cash placed in conventional accounts and instruments, whereas cash placed in Islamic accounts and instruments is excluded from the calculation.
- **Ratio of debt over total assets**
Debt only includes interest-bearing debt whereas Islamic financing or sukuk is excluded from the calculation.

Each ratio, which is intended to measure *riba* and *riba*-based elements within a company's statements of financial position,, must be less than 33 percent.

Qualitative analysis:

As for qualitative aspect of the Shariah compliance analysis, an additional criterion will be considered:

- The public perception or image of the listed company must be good from shariah perspective.

Special Purpose Acquisition Company ("SPAC")

- The Shariah Adviser had considered the following criteria for a SPAC to be classified as Shariah-compliant:
 - The proposed business activity should be Shariah-compliant;
 - The entire proceeds raised from the IPO should be placed in an Islamic accounts; and
 - In the event that the proceeds are invested, the entire investments should be Shariah-compliant.
- Shariah-compliant securities include ordinary shares and warrants issued by the companies themselves. This means that warrants are classified as Shariah-compliant securities provided the underlying shares are also Shariah-compliant. On the other hand, loan stocks and bonds are Shariah non-compliant securities unless they are structured based on SACSC's approved Shariah rulings, concept and principles.
- For investment in foreign securities, the Pacific Dana Dividen is only allowed to invest in securities which are on the Approved List of Dow Jones Islamic Index (DJII) or list approved by the Shariah Adviser. With regards to the issue of

delisting of Shariah-compliant securities from DJII or list approved by the Shariah Adviser, the Islamic funds are to abide by the rules as laid down by SACSC and by this Shariah Investment Guidelines. In the event that the Islamic funds wish to invest in foreign securities not covered by DJII, the Islamic funds must submit to the Shariah Adviser the latest information pertaining to business activities, complete financial statements and other related information on the relevant company to enable the Shariah Adviser to carry out Shariah screening. The decision of the Shariah Adviser is final.

To facilitate the purchase and sale of foreign securities, there may be a need to have cash placement in a conventional bank account outside Malaysia. In such circumstances, the conventional account should be non-interest bearing and the sole purpose is only to facilitate purchase and sale of foreign securities.

- The Shariah Adviser for Pacific Dana Aman, Pacific Dana Murni, Pacific Dana Dividen and Pacific Dana Imbang confirms that the investment portfolios of these Fund(s) comprise instruments which have been classified as Shariah-compliant by the SACSC and, where applicable the Shariah Advisory Council of Bank Negara Malaysia ("SACBNM"), and/or the Shariah Supervisory Board of Dow Jones Islamic Market Indices. As for instruments which have not been classified by the SACSC and, where applicable the SACBNM and/or the Shariah Supervisory Board of Dow Jones Islamic Market Indices, the status of the instruments has been determined by the Shariah Adviser.

1. Cleansing Process for the Islamic funds

a) Wrong Investment

This refers to Shariah non-compliant investment made by the Manager. The said investment shall be disposed of/withdrawn with immediate effect if possible; or otherwise within a calendar month of knowing the status of the securities/investment irrespective of market price considerations. In the event that the investment resulted in gain (through capital gain and/or dividend/profit), it has to be channelled to baitulmal and/or any other charitable bodies as advised by the Shariah Adviser. For the avoidance of doubt, dividends shall include both received before and after disposal of the Shariah non-compliant securities/investment. The Shariah Adviser advises that this cleansing process (i.e. channelling of gain from wrong investment to baitulmal and/or approved charitable bodies) shall be carried out within two (2) calendar months from the said disposal/withdrawal date. If the disposal of the securities/investment resulted in losses to the Fund, the losses are to be borne by the Manager.

b) Reclassification of Shariah Status of the Fund's Investment

Reclassification of Shariah status refers to securities which were earlier classified as Shariah-compliant securities but due to failure to meet the set benchmark criteria, are subsequently reclassified as Shariah non-compliant by the SACSC or the Shariah Adviser. If on the Reclassification effective date, the value of the securities held exceeds or equal to the investment cost, the Fund which holds such Shariah non-compliant securities must liquidate them. To determine the time frame to liquidate such securities, the Shariah Adviser advises that such securities should be disposed of within one (1) calendar month.

Any dividends received up to the effective date of Reclassification and capital gain arising from the disposal of the said reclassified Shariah non-compliant securities made with respect to the closing price on the effective Reclassification day can be kept by the Fund. However, any dividends received and excess capital gain derived from the disposal after the effective Reclassification day at a market price that is higher than the closing price on the effective Reclassification day should be channelled to baitulmal and/or any other charitable bodies as advised by the Shariah Adviser. The Shariah Adviser advises that this cleansing process should be carried out within two (2) calendar months from the above disposal date.

The Fund is allowed to hold the Shariah non-compliant securities if the market price of the said security is below the investment cost. In addition, during the holding period, the Funds are allowed to subscribe to:

- (a) any issue of new securities by a company whose Shariah non-compliant securities are held by the Funds e.g. rights issues, bonus issues, special issues and warrants [excluding securities whose nature is Shariah non-compliant e.g. irredeemable convertible unsecured loan stock (ICULS)]; and
- (b) securities of other companies offered by the company whose Shariah non-compliant securities are held by the Funds,

on conditions that the Funds expedite the disposal of the Shariah non-compliant securities. For securities of other companies [as stated in (b) above], they must be Shariah-compliant securities.

2. Zakat for the Fund

The Fund does not pay zakat on behalf of both the Muslim individuals and Islamic legal entities who are investors of the Fund. Thus, investors are advised to pay zakat on their own.

14 TAX ADVISER'S LETTER

Taxation adviser's letter in respect of the taxation of the unit trust and the unit holders (prepared for inclusion in this Replacement Master Prospectus)

1 March 2019

Ernst & Young Tax Consultants Sdn Bhd
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara 50490 Kuala Lumpur

The Board of Directors
Pacific Mutual Fund Berhad
1001, Level 10 Uptown 1
No. 1, Jalan SS21/ 58
Damansara Uptown 47400
Petaling Jaya Selangor

Dear Sirs

Taxation of the unit trust and unit holders

This letter has been prepared for inclusion in this Replacement Master Prospectus in connection with the offer of units in the unit trust known as Pacific Premier Fund, Pacific Pearl Fund, Pacific Dana Aman, Pacific Millennium Fund, Pacific Recovery Fund, Pacific Income Fund, Pacific Dana Murni, Pacific SELECT Balance Fund, Pacific SELECT Income Fund, Pacific Dividend Fund, Pacific Focus18 Fund, Pacific Cash Fund, Pacific Asia Brands Fund, Pacific Global Stars Fund, Pacific AsiaPac Income Fund, Pacific Dana Dividen, Pacific Focus China Fund, Pacific Global Agriculture, Infrastructure and Resources Fund, Pacific Dynamic AsiaPac Fund and Pacific Dana Imbang (hereinafter referred to as "the Funds").

The purpose of this letter is to provide prospective unit holders with an overview of the impact of taxation on the Funds and the unit holders.

Taxation of the Funds

The taxation of the Funds are subject to the provisions of the Malaysian Income Tax Act 1967 (MITA), particularly Sections 61 and 63B.

Subject to certain exemptions, the income of the Funds comprising profits and other investment income derived from or accruing in Malaysia after deducting tax allowable expenses, is subject to Malaysian income tax at the rate of 24% with effect from the year of assessment 2016.

Under Section 2(7) of the MITA, any reference to interest shall apply, mutatis mutandis, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Syariah.

The effect of this is that any gains or profits received (hereinafter referred to as "profits") and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Syariah, will be accorded the same tax treatment as if they were interest.

Tax allowable expenses would comprise expenses falling under Section 33(1) and Section 63B of the MITA. Section 33(1) permits a deduction for expenses that are wholly and exclusively incurred in the production of gross income. In addition, Section 63B allows unit trusts a deduction for a portion of other expenses (referred to as 'permitted expenses') not directly related to the production of income, as explained below.

"Permitted expenses" refer to the following expenses incurred by the Funds which are not deductible under Section 33(1) of the MITA:

- the manager's remuneration,
- maintenance of the register of unit holders,
- share registration expenses,
- secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage.

These expenses are given a partial deduction under Section 63B of the MITA, based on the following formula:

$$A \times \frac{B}{4C}$$

- where A is the total of the permitted expenses incurred for that basis period;
- B is gross income consisting of dividend ¹, interest and rent chargeable to tax for that basis period; and
- C is the aggregate of the gross income consisting of dividend ¹ and interest (whether such dividend or interest is exempt or not) and rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period,

provided that the amount of deduction to be made shall not be less than 10% of the total permitted expenses incurred for that basis period.

Exempt income

The following income of the Funds are exempt from income tax:

- **Malaysian sourced dividends**
All Malaysian-sourced dividends should be exempt from income tax.

- **Malaysian sourced interest (profits)**
 - (i) interest from securities or bonds issued or guaranteed by the Government of Malaysia;
 - (ii) interest from debentures or sukuk, other than convertible loan stock, approved or authorized by, or lodged with, the Securities Commission;
 - (iii) interest from Bon Simpanan Malaysia issued by Bank Negara Malaysia;
 - (iv) interest derived from Malaysia and paid or credited by banks licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013 ²;
 - (v) interest derived from Malaysia and paid or credited by any development financial institution prescribed under the Development Financial Institutions Act 2002 ²;
 - (vi) interest from sukuk originating from Malaysia, other than convertible loan stock issued in any currency other than Ringgit and approved or authorized by, or lodged with, the Securities Commission or approved by the Labuan Financial Services Authority (LFSA) ³; and
 - (vii) interest which is specifically exempted by way of statutory orders or any other specific exemption provided by the Minister.

- **Discount**
Tax exemption is given on discount paid or credited to any unit trust in respect of investments as specified in items (i), (ii) and (iii) above.

¹ Pursuant to Section 15 of the Finance Act 2011, with effect from the year of assessment 2011, dividend income is deemed to include income distributed by a unit trust which includes distributions from Real Estate Investment Trusts

² Effective from 1 January 2019, the income tax exemption for a unit trust fund, pursuant to Paragraph 35A, Schedule 6 of the Income Tax Act shall not apply to a wholesale fund which is a money market fund.

³ Effective from the year of assessment 2017, the exemption shall not apply to interest paid or credited to a company in the same group or interest paid or credited to a bank licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013; or a development financial institution prescribed under the Development Financial Institutions Act 2002.

Foreign sourced income

Dividends, profits and other income derived from sources outside Malaysia and received in Malaysia by a resident unit trust is exempt from Malaysian income tax. However, such income may be subject to tax in the country from which it is derived.

Gains from the realisation of investments

Pursuant to Section 61(1) (b) of the MITA, gains from the realisation of investments will not be treated as income of the Fund and hence, are not subject to income tax. Such gains may be subject to real property gains tax (RPGT) under the Real Property Gains Tax Act 1976 (RPGT Act), if the gains are derived from the disposal of chargeable assets, as defined in the RPGT Act.

Implementation of Sales and Service Tax (“SST”)

The new Sales and Service Tax (“SST”) was implemented effective 1 September 2018. Sales Tax of 10% (most common rate) or 5% is charged by Malaysian manufacturers of taxable goods or upon importation into Malaysia of such taxable goods, unless specifically exempted under the Sales Tax (Goods Exempted From Tax) Order 2018. Service Tax at the rate of 6% is charged on certain prescribed taxable services performed by taxable persons as stipulated under Service Tax Regulations 2018. The input tax recovery mechanism under the previous GST regime does not apply to SST. Therefore, any SST incurred is not recoverable and will form a cost element for businesses.

Based on the Service Tax Regulations 2018, a unit trust fund is neither regarded as a taxable person nor as providing taxable services and is therefore not liable for SST registration. Where the Fund incurs expenses such as management fees, the management services provided by asset and fund managers are specifically excluded from the scope of Service Tax. As for other fees, such as trustee fees and other administrative charges, these may be subject to 6% service tax provided they fall within the scope of service tax (i.e. are provided by a “taxable person”, who exceeds the required annual threshold (in most cases RM 500,000 per annum) and the services qualify as “taxable services”).

Taxation of unit holders

For Malaysian income tax purposes, unit holders will be taxed on their share of the distributions received from the Funds.

The income of unit holders from their investment in the Funds broadly falls under the following categories:

1. taxable distributions; and
2. non-taxable and exempt distributions.

In addition, unit holders may also realise a gain from the sale of units. The tax implications of each of the above categories are explained below:

1. Taxable distributions

Distributions received from the Funds will have to be grossed up to take into account the underlying tax paid by the Funds and the unit holder will be taxed on the grossed up amount.

Such distributions carry a tax credit, which will be available for set-off against any Malaysian income tax payable by the unit holder. Should the tax deducted at source exceed the tax liability of the unit holder, the excess is refundable to the unit holder.

Please refer to the paragraph below for the income tax rates applicable to the grossed up distributions.

2. Non-taxable and exempt distributions

Tax exempt distributions made out of gains from the realisation of investments and exempt income earned by the Funds will not be subject to Malaysian income tax in the hands of the unit holders.

Unit holders	Malaysian income tax rates
<p>Malaysian tax resident:</p> <ul style="list-style-type: none"> Individual and non-corporate unit holders (such as associations and societies) Co-operatives⁴ Trust bodies 	<ul style="list-style-type: none"> Progressive tax rates ranging from 0% to 28% Progressive tax rates ranging from 0% to 24% 24% (Note 1)

Unit holders	Malaysian income tax rates
<ul style="list-style-type: none"> Corporate unit holders <ul style="list-style-type: none"> (i) A company with paid up capital in respect of ordinary shares of not more than RM2.5 million (at the beginning of the basis period for the year of assessment)⁵ (ii) Companies other than (i) above 	<ul style="list-style-type: none"> First RM500,000 of chargeable income @ 18% Chargeable income in excess of RM500,000 @ 24% (Note 1) 24% (Note 1)
<p>Non-Malaysian tax resident (Note 2):</p> <ul style="list-style-type: none"> Individual and non-corporate unit holders Corporate unit holders and trust bodies 	<ul style="list-style-type: none"> 28% 24% (Note 1)

Note 1:

The Income Tax (Exemption) (No. 2) Order 2017 [P. U. (A) 117] was gazetted on 10 April 2017 to formalize the Budget 2017 proposal to reduce the corporate income tax rate on incremental chargeable income. The Exemption Order exempts a qualifying person from payment of income tax on an ascertained amount of chargeable income derived from the business source in the basis period for a year of assessment, for the years of assessment 2017 and 2018 only. A qualifying person includes a trust body that is resident in Malaysia but excludes a Real Estate Investment Trust or Property Trust Fund. The corporate income tax rate would be reduced by between one to four percentage points, depending on the increase in chargeable income derived from the business source (as compared to the immediate preceding year of assessment). Details of the further qualifications and conditions imposed are set out in the Exemption Order.

Note 2:

Non-resident unit holders may be subject to tax in their respective countries depending on the provisions of the tax legislation in the respective countries and any existing double taxation arrangements with Malaysia.

⁴ Pursuant to Paragraph 12(1), Schedule 6 of the MITA, the income of any co-operative society—

- in respect of a period of five years commencing from the date of registration of such co-operative society; and
- thereafter where the members' funds [as defined in Paragraph 12(2)] of such co-operative society as at the first day of the basis period for the year of assessment is less than seven hundred and fifty thousand ringgit is exempt from tax.

⁵ A company would not be eligible for the 18% tax rate on the first RM500,000 of chargeable income if:-

- more than 50% of the paid up capital in respect of the ordinary shares of the company is directly or indirectly owned by a related company which has paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
- the company owns directly or indirectly more than 50% of the paid up capital in respect of the ordinary shares of a related company which has paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
- more than 50% of the paid up capital in respect of the ordinary shares of the company and a related company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment is directly or indirectly owned by another company.

Gains from sale of units

Gains arising from the realisation of investments will generally not be subject to income tax in the hands of unit holders unless they are insurance companies, financial institutions or traders/ dealers in securities.

Unit splits and reinvestment of distributions

Unit holders may also receive new units as a result of unit splits or may choose to reinvest their distributions. The income tax implications of these are as follows:

- Unit splits – new units issued by the Funds pursuant to a unit split will not be subject to income tax in the hands of the unit holders.
- Reinvestment of distributions – unit holders may choose to reinvest their income distribution in new units by informing the Manager. In this event, the unit holder will be deemed to have received the distribution and reinvested it with the Funds.

We hereby confirm that, as at the date of this letter, the statements made in this letter correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. We have not been retained (unless specifically instructed hereafter), nor are we obligated to monitor or update the statements for future conditions that may affect these statements.

The statements made in this letter are not intended to be a complete analysis of the tax consequences relating to an investor in the Funds. As the particular circumstances of each investor may differ, we recommend that investors obtain independent advice on the tax issues associated with an investment in the Funds.

Yours faithfully
Ernst & Young Tax Consultants Sdn Bhd

Bernard Yap Partner

Ernst & Young Tax Consultants Sdn Bhd has given its consent to the inclusion of the Taxation Adviser's Letter in the form and context in which it appears in this Replacement Master Prospectus and has not withdrawn such consent before the date of issue of this Replacement Master Prospectus.

15 RELATED PARTY TRANSACTIONS / CONFLICT OF INTERESTS

Lion Global Investors Limited (formerly known as Lion Capital Management Limited) ("Lion Global Investors"), a holding company of Pacific Mutual, is the external investment manager for the Pacific AsiaPac Income Fund, Pacific Focus China Fund and Pacific Dynamic AsiaPac Fund. In view of the aforesaid, we have in place policies and procedures to deal with related parties transactions, and any related party transaction, dealing and investment are to be made on terms which are the best available for the Funds and which are no less favourable to the Funds than an arm's length transaction between Pacific Mutual and Lion Global investors.

There may be related party transactions involving the Funds where employees of the Manager and the external investment manager are the unitholders of the Funds. Employees of Pacific Mutual and Lion Global Investors and their immediate family members may purchase units of the Funds without having to pay the sales charge.

We have in place policies and procedures to deal with any conflict of interest situation. Our Directors, investment committee members and employees are required to disclose any situations where their interests may conflict with those of the Funds; and to refrain from participating in the decision-making process relating to the matter. Where there is any risk of conflict of interest, employees are required to obtain prior approval before transacting in securities. This is also to ensure that transactions for the Funds are executed in the best manner so as to benefit the Funds.

As at 1 February 2019, none of our Directors or substantial shareholders have any direct or indirect interest in other corporations carrying out a similar business either locally or foreign except for Gerard Lee How Cheng and James Tan Thian Peng. Gerard Lee How Cheng is the Executive Director and Chief Executive Officer of Lion Global Investors Limited, while James Tan Thian Peng is the Chief Operating Officer of Lion Global Investors Limited. James Tan Thian Peng is also the Director for Lion Global Funds (LGlobal Funds), which are registered in Luxembourg.

There are currently no existing experts who have any potential interest / conflict of interest in an advisory capacity with the Manager.

The Trustees have in place policies and procedures to deal with any conflict of interest situation. The Trustees will not make improper use of their position as the legal registered owner of the Funds' assets to gain, directly or indirectly, any advantage or cause detriment to the interest of the unitholders. Any related party transaction is to be made on terms which are best available to the Funds and which are not less favourable to the Funds than an arms-length transaction between independent parties.

15.1 Universal Trustee (Malaysia) Berhad's Policy on Dealing with Conflict of Interest Elements

Universal Trustee (Malaysia) Berhad is the Trustee for the Pacific Premier Fund.

The Trustee confirms that it does not have any existing or proposed related party transactions involving or in connection with the Fund.

15.2 MTrustee Berhad's Policy on Dealing with Conflict of Interest Elements

MTrustee Berhad (formerly known as AmTrustee Berhad) is the Trustee for the Pacific Pearl Fund, Pacific Dana Murni, Pacific SELECT Balance Fund, Pacific SELECT Income Fund, Pacific Dividend Fund, Pacific Cash Fund and Pacific Dana Imbang. The Trustee confirms that it does not have any existing or proposed related party transactions involving or in connection with the Funds.

15.3 CIMB Islamic Trustee Berhad's Policy on Dealing with Conflict of Interest Elements

Islamic Trustee Berhad is the Trustee for the Pacific Dana Aman and there may be proposed related party transactions involving or in connection with this Fund in the following circumstances:

- where this Fund invests in instrument(s) offered by the CIMB Group;
- where this Fund is being distributed by the CIMB Group as IUTA; and
- where the assets of this Fund are being custodied by the CIMB Group as sub-custodian of this Fund (i.e. Trustee's delegate).

15.4 CIMB Commerce Trustee Berhad's Policy on Dealing with Conflict of Interest Elements

CIMB Commerce Trustee Berhad is the Trustee for the Pacific Millennium Fund, Pacific Recovery Fund, Pacific Income Fund, Pacific Focus China Fund, Pacific Global A.I.R. Fund and Pacific Dynamic AsiaPac Fund and there may be proposed related party transactions involving or in connection with these Funds in the following circumstances:

- where these Funds invest in instrument(s) offered by the CIMB Group;
- where these Funds are being distributed by the CIMB Group as IUTA; and
- where the assets of these Funds are being custodied by the CIMB Group as sub-custodian of these Funds (i.e. Trustee's delegate).

15.5 Policy on Cross Trades

The Manager may undertake cross trades between Funds it is currently managing through approved licensed financial institutions subject to and in accordance with the provisions of relevant laws, regulations and guidelines. The Manager's policy on cross trades shall apply as follows:

- i. A cross trade arises when a security is sold from one portfolio to another on the same day. Cross trades are effected through approved licensed financial institutions, with supporting justification for the cross trades indicating purpose of disposal from the selling portfolio and purchase for the investing portfolio.
- ii. All cross trades for equity and fixed income securities must be approved by the Chief Executive Officer and all transactions for equity securities will be reported to the Investment Committee.
- iii. There should be proper documents made available for audit in respect of the above transactions.

16 ADDITIONAL INFORMATION

16.1 Policies and Procedures to Prevent Money Laundering Activities

We have policies and procedures in place to comply with the legislation in force in Malaysia to prevent money laundering activities. In order to implement these procedures, investors will be required to provide detailed verification of identity including but not limited to proof of identity, residential or registered address, occupation or business, funds or source of income when buying or redeeming units and to periodically update their records. Until satisfactory evidence has been received, we reserve the right to refuse or accept the application form from investors to buy or redeem units or to pay the proceeds of the redemption of units. We may delay or refuse any application without giving any reason for doing so where this is in accordance with our anti-money laundering obligations. We also reserve the right to request additional information including the identity of any beneficial owners as may be required to support the verification of information and to allow us to carry out due diligence exercise on the investors in compliance with the relevant legislation. Any suspicious transaction will be reported to the relevant authority.

16.2 Prudential Control

The Legal & Compliance department is responsible for compliance matters and liaises with the Securities Commission to ensure that all laws, regulations, code of conduct and prudential limits are followed.

The Head of Legal & Compliance is the designated person responsible for compliance and reports to the Board of Directors on compliance matters. In the event that the Head of Legal & Compliance is absent, or has resigned, the next-person-in-line will be the designated person responsible for compliance matters until such position is filled.

16.3 Documents Available for Inspection

For a period of not less than 12 months from the date of issuance of this prospectus, copies of the following documents (where applicable) may be inspected at our business and registered office or such other place as the SC may determine:

- The deeds and supplemental deed(s) of the Funds;
- The current prospectus and supplementary or replacement prospectus, if any;
- The latest annual and interim reports of the Funds;
- Each material contract or document referred to in the prospectus;
- Where applicable, the audited financial statements of the management company and the Funds for the current financial year and for the last three financial years or if less than three years, from the date of incorporation or commencement;
- Any report, letter or other document, valuation and statement by an expert, any part of which is extracted or referred to in the prospectus. Where a summary expert's report is included in the prospectus, the corresponding full expert's report should be made available for inspection;
- Writ and relevant cause papers for all material litigation and arbitration disclosed in the prospectus; and
- Consent given by an expert disclosed in the prospectus.

16.4 Deeds of The Funds

The Funds are governed by their respective deeds and supplemental deeds as follows:

Fund	Deed(s)
Pacific Premier Fund	Master Deed: 18 December 1996 First Supplemental Deed: 11 December 1998 Second Supplemental Deed: 29 June 2000 Third Supplemental Deed: 16 May 2001 Fourth Supplemental Deed: 28 June 2007 Supplemental Master Deed: 22 May 2009 Second Supplemental Master Deed: 14 December 2009 Third Supplemental Master Deed: 26 April 2010 Fourth Supplemental Master Deed: 8 January 2014 Fifth Supplemental Master Deed: 7 July 2017 Sixth Supplemental Master Deed: 22 November 2018
Pacific Pearl Fund	Master Deed: 18 December 1996 First Supplemental Deed: 11 December 1998 Second Supplemental Deed: 29 June 2000 Third Supplemental Deed: 16 May 2001 Fourth Supplemental Deed: 28 June 2007 Supplemental Master Deed: 22 May 2009 Second Supplemental Master Deed: 14 December 2009 Third Supplemental Master Deed: 26 April 2010 Fourth Supplemental Master Deed: 8 January 2014 Fifth Supplemental Master Deed: 7 July 2017 Sixth Supplemental Master Deed: 22 November 2018
Pacific Dana Aman	Master Deed: 15 April 1998 First Supplemental Trust Deed: 3 December 1999 Second Supplemental Trust Deed: 29 June 2000 Third Supplemental Deed: 11 September 2002 Fourth Supplemental Deed: 30 August 2007 Supplemental Master Deed: 11 February 2011 Second Supplemental Master Deed: 8 March 2016 Third Supplemental Master Deed: 27 October 2016

Fund	Deed(s)
Pacific Millennium Fund	Master Deed: 14 April 1999 First Supplemental Deed: 13 June 2000
Pacific Recovery Fund	Second Supplemental Deed: 7 August 2000 Third Supplemental Deed: 18 December 2000
Pacific Income Fund	Fourth Supplemental Deed: 30 August 2007 Supplemental Master Deed: 27 April 2011 Second Supplemental Master Deed :2 June 2011 Third Supplemental Master Deed: 4 March 2013
Pacific Dana Murni	Master Deed: 17 March 2003 First Supplemental Deed: 14 February 2006 Second Supplemental Deed: 28 June 2007 Supplemental Master Deed: 22 May 2009 Second Supplementary Master Deed: 14 December 2009 Third Supplemental Master Deed: 26 April 2010 Fourth Supplemental Master Deed: 8 January 2014 Fifth Supplemental Master Deed: 7 July 2017 Sixth Supplemental Master Deed: 22 November 2018
Pacific SELECT Balance Fund	Master Deed: 4 August 2003 First Supplemental Deed: 23 September 2005 Second Supplemental Deed: 28 June 2007 Supplemental Master Deed: 22 May 2009
Pacific SELECT Income Fund	Second Supplemental Master Deed: 14 December 2009 Third Supplemental Master Deed: 26 April 2010 Fourth Supplemental Master Deed: 8 January 2014 Fifth Supplemental Master Deed: 7 July 2017 Sixth Supplemental Master Deed: 22 November 2018
Pacific Dividend Fund	Master Deed: 10 November 2003 First Supplemental Deed: 14 February 2006 Second Supplemental Deed: 28 June 2007 Supplemental Master Deed: 22 May 2009 Second Supplemental Master Deed: 14 December 2009 Third Supplemental Master Deed: 26 April 2010 Fourth Supplemental Master Deed: 8 January 2014 Fifth Supplemental Master Deed: 7 July 2017 Sixth Supplemental Master Deed: 22 November 2018
Pacific Focus18 Fund	Master Deed: 6 June 2005 First Supplemental Deed: 8 February 2006 Second Supplemental Deed: 28 June 2007 Supplemental Master Deed: 22 May 2009 Second Supplemental Master Deed: 25 June 2010 Third Supplemental Master Deed: 3 July 2017
Pacific Cash Fund	Master Deed: 23 September 2005 First Supplemental Deed: 14 February 2006 Second Supplemental Deed: 28 June 2007 Supplemental Master Deed: 22 May 2009 Second Supplemental Master Deed: 14 December 2009 Third Supplemental Master Deed: 26 April 2010 Fourth Supplemental Master Deed: 8 January 2014 Fifth Supplemental Master Deed: 7 July 2017 Sixth Supplemental Master Deed: 22 November 2018
Pacific Asia Brands Fund	Master Deed: 28 December 2005 First Supplemental Deed: 28 June 2007 Supplemental Master Deed: 22 May 2009 Second Supplemental Master Deed: 25 June 2010 Third Supplemental Master Deed: 3 July 2017
Pacific Global Stars Fund	Master Deed: 23 June 2006 First Supplemental Deed: 28 June 2007 Supplemental Master Deed: 22 May 2009 Second Supplemental Master Deed: 25 June 2010 Third Supplemental Master Deed: 3 July 2017
Pacific AsiaPac Income Fund	Master Deed: 6 November 2006 First Supplemental Deed: 28 June 2007 Supplemental Master Deed: 22 May 2009 Second Supplemental Master Deed: 25 June 2010 Third Supplemental Master Deed: 3 July 2017
Pacific Dana Dividen	Master Deed: 22 May 2007 Supplemental Master Deed: 22 May 2009 Second Supplemental Master Deed: 25 June 2010 Fourth Supplemental Master Deed: 3 July 2017

Fund	Deed(s)
Pacific Focus China Fund	Master Deed: 24 February 2009 Supplemental Master Deed: 27 April 2011 Second Supplemental Master Deed :2 June 2011 Third Supplemental Master Deed: 4 March 2013
Pacific Global A.I.R. Fund	Master Deed: 26 October 2009 Supplemental Master Deed: 27 April 2011 Second Supplemental Master Deed :2 June 2011 Third Supplemental Master Deed: 4 March 2013
Pacific Dynamic AsiaPac Fund	Supplemental Master Deed: 27 April 2011 Second Supplemental Master Deed: 2 June 2011 Third Supplemental Master Deed: 4 March 2013
Pacific Dana Imbang	Supplemental Master Deed: 22 May 2009 Second Supplemental Master Deed: 14 December 2009 Third Supplemental Master Deed: 26 April 2010 Fourth Supplemental Master Deed: 8 January 2014 Fifth Supplemental Master Deed: 7 July 2017 Sixth Supplemental Master Deed: 22 November 2018

16.5 Inspection of the Registration of Unitholders

The Register of unitholders is kept at our business office at 1001, Level 10, Uptown 1, No. 1 Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor and at our registered office at 19th Floor, Menara OCBC, No. 18 Jalan Tun Perak, 50050 Kuala Lumpur. You are invited to inspect the register at any time during operating hours: Monday to Friday.

17 MANAGER'S HEAD OFFICE AND IUTA(S)

LIST OF PACIFIC MUTUAL FUND BHD OFFICES AND INSTITUTIONAL UNIT TRUST ADVISERS

HEAD OFFICE

1001, Level 10, Uptown 1,
No. 1 Jalan SS21/58,
Damansara Uptown,
47400 Petaling Jaya, Selangor
Tel: 03-7712 3000
Fax: 03-7712 3001
E-mail: customercare@pacificmutual.com.my
Website: www.pacificmutual.com.my

INSTITUTIONAL UNIT TRUST ADVISERS

For more details on the list of appointed Institutional Unit Trust Advisers (IUTA), please contact the Manager or refer to www.pacificmutual.com.my.

Our IUTA may not carry the complete set of our Funds. Investments made via our IUTA may be subject to different terms and conditions.

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Growing Together

To reach out for excellence,
to persevere, to mutually trust
and support.

That's the essence of
growing together with
Pacific Mutual
for a brighter future.

PACIFIC MUTUAL FUND BHD (336059-U)

A member of the OCBC Group

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