

PRODUCT HIGHLIGHTS SHEET PACIFIC FOCUS CHINA FUND

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors or authorised committee or persons approved by the Board of BOS Wealth Management Malaysia Berhad ("BOSWM MY") (formerly known as Pacific Mutual Fund Bhd) and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, 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 Product Highlights Sheet false or misleading.

STATEMENT OF DISCLAIMER

The Securities Commission Malaysia has authorised the issuance of Pacific Focus China Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the Pacific Focus China Fund and lodgment of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Pacific Focus China Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of BOSWM MY, responsible for the Pacific Focus China Fund and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

PRODUCT HIGHLIGHTS SHEET

This Product Highlights Sheet only highlights the key features and risks of this unlisted capital market product. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

BRIEF INFORMATION ON THE PRODUCT

1. What Is This Product About?

Product Type	Unlisted unit trust fund (open-ended)
Manager	BOS Wealth Management Malaysia Berhad (Formerly known as Pacific Mutual Fund Bhd) 199501006861 (336059-U)
Trustee	CIMB Commerce Trustee Berhad 199401027349 (313031-A)

PRODUCT SUITABILITY

2. Who Is This Product Suitable For?

An investor who wish to have access to a portfolio of investments comprised predominantly of equities listed in the greater China region (China, Hong Kong S.A.R. and Taiwan); is seeking attractive medium to long-term capital growth; and is able to tolerate higher volatility.

Unit prices and distributions payable, if any, may go down as well as up. The investor may not get back the full amount invested and the principal amount invested may be at risk.

KEY PRODUCT FEATURES

3. (a) What Am I Investing In?

Fund Category	Equity
Fund Type	Growth
Base Currency	Ringgit Malaysia (RM)
Distribution	Income distribution, annually, subject to availability of income.
Financial Year End	31 March
Issuance Date	19 May 2009
Issuance Price	RM0.2500

INVESTMENT OBJECTIVE

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.

EXTERNAL INVESTMENT 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"). 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 Securities Commission's Guidelines and any relevant guidance notes or legislation and the internal investment and risk management policies of the Manager.

INVESTMENT POLICY AND STRATEGY

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.

Asset Allocation

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 funds but this may be reviewed from time to time depending on the global economic and stock market conditions.

The Fund's NAV that is not invested in equities, equity-related securities, ETFs and collective investment funds, 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.

- **Equity Investment Strategy**

- **Investment Philosophy**

- 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.

- **Investment Approach**

- The key is to design and implement a research process that would identify businesses that have most, if not all, of the following characteristics:

- 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.

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 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.

The preference is to search for growth stocks in growth industries although they would also include some "value" stocks as well as cyclical stocks.

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.

- **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.

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 And Money Market Investment 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 BOSWM MY as a comparison against the Fund's total return at least on a monthly basis in our publications and on our website.

3. (b) Who Am I Investing With?

Manager	BOS Wealth Management Malaysia Berhad (Formerly known as Pacific Mutual Fund Bhd) 199501006861(336059-U)
External Investment Manager	Lion Global Investors Limited (198601745D) (formerly known as Lion Capital Management Limited)
Trustee	CIMB Commerce Trustee Berhad 199401027349 (313031-A)
Auditors	Ernst & Young
Tax Advisers	Ernst & Young Tax Consultants Sdn Bhd 198901002487 (179793-K)

4. What Are The Possible Outcomes Of My Investment?

- The quantum of potential returns of the Fund would depend on the Fund's asset allocation decisions and performance of the underlying investments of the Fund.
- This is a non-guaranteed Fund and the investor may not get back the full amount invested and the principal amount invested may be at risk. Returns are also not fixed or guaranteed.

KEY RISKS

5. What Are The Key Risks Associated With This Product?

SPECIFIC RISK OF THE 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.

PRINCIPAL RISKS OF THE FUND

- **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.

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.

- **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 the Fund.
- **Currency risk** – As the investments of the 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.
- **Interest rate risk** – This risk refers to the effect of interest rate changes on the market value of a bond and money market portfolio. In the event of rising interest rates, prices of fixed income securities and money market instruments will generally decrease and vice versa. Debt securities with longer maturity and lower coupon rate are more sensitive to interest rate changes. Interest rate movements can lead to fluctuations in bond prices resulting in fluctuations in the value of the Fund. This risk will be mitigated* via the management of the duration structure of the portfolio of debt securities.

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

* The duration of the fixed income portfolio or the fixed income portfolio segment will be kept low by buying more short-term to medium-term fixed income securities / money market instruments. The value of these short-term to medium-term fixed income securities / money market instruments 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.

- **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 the Fund's underlying investments and hence its unit price. In terms of the 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 and 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 the 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, the 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 and money market instruments. The term 'active' refers to the fund manager periodically adjusting equity allocations (and by default fixed income securities and money market allocations) depending on market situations rather than passively leaving allocations to fluctuate based solely on market prices.

The investment manager exercises diligence in minimising the above risks to the Fund. However, it is not always possible to cover all investment risks in spite of best efforts as financial markets can be highly unpredictable. Investors are encouraged to consult their advisers such as financial/tax consultants, lawyers or bankers for a further understanding of these risks.

FEES AND CHARGES

6. What Are The Fees And Charges Involved?

Sales Charge	5.50% of the Fund's NAV per unit. Investors may negotiate for a lower sales charge.
Annual Management Fee	Up to 1.60% p.a. of NAV of the Fund. The annual management fee is payable on a monthly basis.
Annual Trustee Fee	Up to 0.06% p.a. of the NAV of the Fund calculated and accrued on a daily basis, subject to a minimum of RM12,000 p.a. (excluding foreign custodian fees and charges). The annual trustee fee is payable on a monthly basis.
Redemption Fee	Nil

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. Please refer to the master prospectus for the terms and conditions of the switching facility of the Fund.
Transfer Fee	Nil

Note: By default, redemption and income distribution proceeds will be made via bank transfer. Request for cheque payment will be subjected to a fee. Kindly refer to the prevailing prospectus for more information.

Despite the maximum fees and charges permitted by the deed, all current fees and charges are as disclosed above.

All 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.

You should NOT make payment in cash to a unit trust consultant or issue a cheque in the name of a unit trust consultant.

VALUATIONS AND EXITING FROM INVESTMENT

7. How Often Are Valuations Available?

- This is a Fund with foreign investment exposure. The valuation of NAV of the Fund will be conducted on each business day after the close of the 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 Fund will be published on the next business day after the valuation (T+2).
- Fund prices will be published on BOSWM MY's website at www.boswealthmanagement.com.my.

8. How Can I Exit From This Investment And What Are The Risks And Costs Involved?

- Investors can exit from the investment by completing the transaction form. The duly completed and accepted original transaction form must reach BOSWM MY's head office by 4.00 p.m. on any business day. BOSWM MY will repurchase units at the Fund's NAV per unit calculated at the end of that business day.
- The investor will receive the prevailing price per unit.
- Transaction forms received after 4.00 p.m. will be treated as having been received on the next business day.
- Payments will be made to investors within 10 days (from the business day the redemption request is accepted).

Note: If an investor is a first-time investor with BOSWM MY, the investor is entitled to a cooling-off period of six business days. The refund for every unit with regards to the cooling-off 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 within 10 days of receipt of the original notice of cooling-off by BOSWM MY.

However, this is not applicable to corporate/institutional investors; staff of BOSWM MY and Lion Global Investors Limited (formerly known as Lion Capital Management Limited) and their immediate family members; and persons registered with a body approved by the Securities Commission Malaysia to deal in unit trusts.

FUND PERFORMANCE (for the financial year ended 31 March)

Source of fund performance: Lipper for Investment Management

Source of benchmark performance: Bloomberg

9. Portfolio Structure

	2020	2019	2018
Quoted Equity Securities	94.99%	94.86%	93.60%
Cash & Liquid Assets	5.01%	5.14%	6.40%
Total	100.00%	100.00%	100.00%
Remarks	<p>The quoted equity securities allocation of Pacific Focus China Fund increased marginally to 94.99% as at 31 March 2020 from 94.86% recorded in the financial year ended 31 March 2019.</p> <p>The quoted equity securities allocation of Pacific Focus China Fund increased to 94.86% as at 31 March 2019 from 93.60% recorded in the financial year ended 31 March 2018 due to net equity purchases.</p>		

10. Performance Data

Total Annual Return

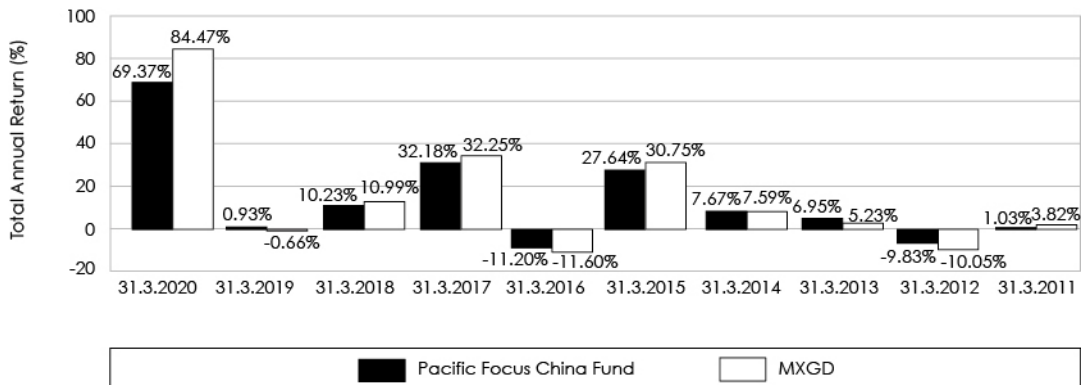
	1.4.2019 To 31.3.2020	1.4.2018 To 31.3.2019	1.4.2017 To 31.3.2018	1.4.2016 To 31.3.2017	1.4.2015 To 31.3.2016	1.4.2014 To 31.3.2015	1.4.2013 To 31.3.2014	1.4.2012 To 31.3.2013	1.4.2011 To 31.3.2012	1.4.2010 To 31.3.2011
Pacific Focus China Fund	69.37%	0.93%	10.23%	32.18%	-11.20%	27.64%	7.67%	6.95%	-9.83%	1.03%
Benchmark [^]	84.47%	-0.66%	10.99%	32.25%	-11.60%	30.75%	7.59%	5.23%	-10.05%	3.82%
[^] MSCI Golden Dragon Index (MXGD)										

Average Annual Return

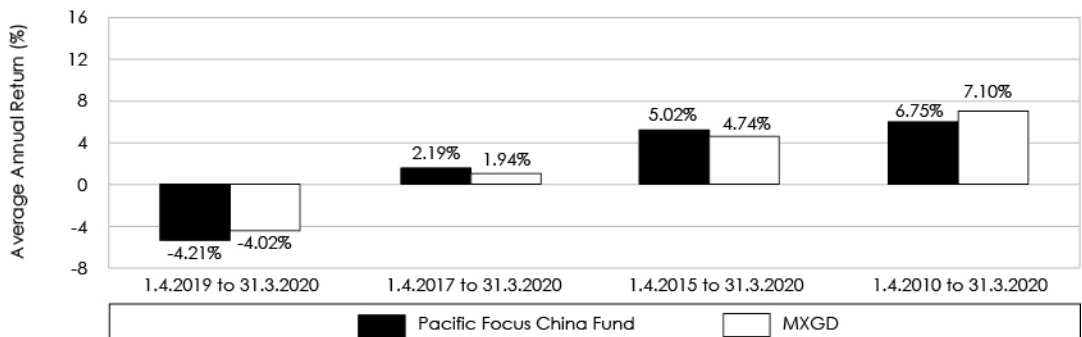
	1 Year's Period 1.4.2019 To 31.3.2020	3 Years' Period 1.4.2017 To 31.3.2020	5 Years' Period 1.4.2015 To 31.3.2020	10 Years' Period 1.4.2010 To 31.3.2020
Pacific Focus China Fund	-4.21%	2.19%	5.02%	6.75%
Benchmark [^]	-4.02%	1.94%	4.74%	7.10%
[^] MSCI Golden Dragon Index (MXGD)				

11. Performance Chart

Total Annual Return



Average Annual Return



Basis of calculation and assumptions made in calculating the returns:

$$* \text{Percentage growth} = \frac{\text{NAV}_t - \text{NAV}_{t-1}}{\text{NAV}_{t-1}}$$

where t = current year
t-1 = previous year

12. Distribution

	2020	2019	2018
Gross Distribution Per Unit (sen)	1.75	2.50	2.50
Net Distribution Per Unit (sen)	1.75	2.50	2.50

Distribution is in the form of cash.

13. Unit Split

Not applicable.

14. Portfolio Turnover Ratio (PTR)

	2020	2019	2018
PTR (times)	0.32	0.41	0.42
Remarks	<p>The PTR for the financial year ended 31 March 2020 was lower compared with the financial year ended 31 March 2019 due to decrease in investing activities.</p> <p>The PTR for the financial year ended 31 March 2019 remained consistent with the financial year ended 31 March 2018.</p>		

Past performance of the Fund is not an indication of its future performance.

CONTACT INFORMATION

15. Who Should I Contact For Further Information Or To Lodge A Complaint?

Contact Details Of The Manager

Head Office	<p>BOS Wealth Management Malaysia Berhad (formerly known as Pacific Mutual Fund Bhd) 199501006861 (336059-U) A subsidiary of Bank of Singapore 1001, Level 10, Uptown 1, No. 1 Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Tel: 03-7712 3000 Fax: 03-7712 3001 customer@boswm.com www.boswealthmanagement.com.my</p>
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Please specify the nature of the complaint and the person(s) involved – stating the date, time and place of occurrence.

- (i) For internal dispute resolution, you may contact:
BOS Wealth Management Malaysia Berhad (formerly known as Pacific Mutual Fund Bhd)
– Customer Care Hotline: 03-7712 3197
- (ii) If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Corporation (SIDREC):
- (a) via phone to : 03-2282 2280
 - (b) via fax to : 03-2282 3855
 - (c) via e-mail to : info@sidrec.com.my
 - (d) via letter to : Securities Industry Dispute Resolution Center (SIDREC)
Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar,
No. 5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur

- (iii) You can also direct your complaint to the Securities Commission Malaysia even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the Securities Commission Malaysia's Consumer & Investor Office:
- (a) via phone to the Aduan Hotline at : 03-6204 8999
 - (b) via fax to : 03-6204 8991
 - (c) via e-mail to : aduan@seccom.com.my
 - (d) via online complaint form available at www.sc.com.my
 - (e) via letter to : Consumer & Investor Office
Securities Commission Malaysia
No. 3 Persiaran Bukit Kiara,
Bukit Kiara, 50490 Kuala Lumpur
- (iv) Federation of Investment Managers Malaysia's (FIMM) Complaints Bureau:
- (a) via phone to : 03-2092 3800
 - (b) via fax to : 03-2093 2700
 - (c) via e-mail to : complaints@fimm.com.my
 - (d) via online complaint form available at www.fimm.com.my
 - (e) via letter to : Legal, Secretarial & Regulatory Affairs
Federation of Investment Managers Malaysia
19-06-1, 6th Floor Wisma Tune,
No. 19 Lorong Dungun,
Damansara Heights, 50490 Kuala Lumpur

APPENDIX: GLOSSARY

business day(s)

A day on which the Bursa Malaysia is open for trading.

daily unit price / net asset value (NAV) per unit

The NAV of the Fund divided by the total number of units in circulation, at a particular valuation point.

equities/equity

Securities providing the investor ownership in companies. The term is used interchangeably with the term stocks.

fixed income / debt securities

Securities issued by corporations/institutions/governments/semi-government bodies that pay the investor a coupon/interest rate and which have a maturity date.

net asset value (NAV)

The total value of the Fund's assets minus its liabilities at a valuation point.

short term / medium term / long term

Short term - below one year; medium term - one year to three years; long term - above three years.

master prospectus / prospectus

Prospectus in relation to the Fund(s) managed by BOSWM MY.

Fund

Pacific Focus China Fund