

Semi-Annual Report for

AmAsia Pacific REITs

28 February 2017



AmInvest

Growing Your Investments in a Changing World

TRUST DIRECTORY

Manager

AmFunds Management Berhad
9th & 10th Floor, Bangunan AmBank Group
55 Jalan Raja Chulan
50200 Kuala Lumpur

Board of Directors

Raja Teh Maimunah Raja Abdul Aziz
Mustafa Mohd Nor
Tai Terk Lin
Datin Maznah Mahbob
Sum Leng Kuang

Investment Committee

Sum Leng Kuang
Tai Terk Lin
Mustafa Mohd Nor
Zainal Abidin Mohd Kassim
Datin Maznah Mahbob

Audit Committee

Sum Leng Kuang
Tai Terk Lin
Mustafa Mohd Nor

Trustee

Deutsche Trustees Malaysia Berhad

Auditors and Reporting Accountants

Ernst & Young

Taxation Adviser

Deloitte Tax Services Sdn Bhd

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MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the unaudited accounts of AmAsia Pacific REITs ("Fund") for the financial period from 1 September 2016 to 28 February 2017.

Salient Information of the Fund

Name	AmAsia Pacific REITs ("Fund")																																					
Category/Type	Fund-of-Funds/Income and Growth																																					
Objective	<p>The Fund aims to provide regular income* and to a lesser extent capital appreciation over the Medium to Long Term by investing in real estate investment trusts (REITs).</p> <p>Note: The income could be in the form of units or cash.</p>																																					
Duration	<p>The Fund was established on 18 July 2011 and shall exist for as long as it appears to the Manager and the Trustee that it is in the interest of the unitholders for it to continue. In some circumstance, the unitholders can resolve at a meeting to terminate the Fund.</p>																																					
Performance Benchmark	<p>S&P Pan Asia REITs Index with effective from 16 July 2014. (obtainable from: www.aminvest.com and Bloomberg L.P.)</p> <p>Note: The change of performance benchmark from Bloomberg Asia REIT index to S&P Pan Asia REITs Index is to better reflect the investment universe of the Fund.</p>																																					
Income Distribution Policy	<p>Class A (USD), Class B (AUD) and Class B (SGD) Subject to availability of income, distribution is paid at least once a year and will be reinvested into additional units of the respective Class.</p> <p>Class B (MYR) Subject to availability of income, distribution is paid at least once a year and will be paid in the form of cash or units.</p> <p><i>Note: Income distribution amount (if any) for each of the Classes would be different subject to sole discretion of the Manager.</i></p>																																					
Breakdown of Unit Holdings by Size	<p>For the financial period under review, the size of the Fund for Class B (MYR) stood at 478,374,315 units.</p> <table border="1"> <thead> <tr> <th rowspan="2">Size of holding</th> <th colspan="2">As at 28 February 2017</th> <th colspan="2">As at 31 August 2016</th> </tr> <tr> <th>Number of units held</th> <th>Number of unitholders</th> <th>Number of units held</th> <th>Number of unitholders</th> </tr> </thead> <tbody> <tr> <td>5,000 and below</td> <td>1,645,034</td> <td>539</td> <td>1,609,997</td> <td>524</td> </tr> <tr> <td>5,001-10,000</td> <td>6,007,911</td> <td>764</td> <td>5,783,971</td> <td>727</td> </tr> <tr> <td>10,001-50,000</td> <td>35,227,143</td> <td>1571</td> <td>27,469,939</td> <td>1,213</td> </tr> <tr> <td>50,001-500,000</td> <td>55,577,589</td> <td>520</td> <td>35,978,993</td> <td>344</td> </tr> <tr> <td>500,001 and above</td> <td>379,916,638</td> <td>29</td> <td>268,177,979</td> <td>21</td> </tr> </tbody> </table>				Size of holding	As at 28 February 2017		As at 31 August 2016		Number of units held	Number of unitholders	Number of units held	Number of unitholders	5,000 and below	1,645,034	539	1,609,997	524	5,001-10,000	6,007,911	764	5,783,971	727	10,001-50,000	35,227,143	1571	27,469,939	1,213	50,001-500,000	55,577,589	520	35,978,993	344	500,001 and above	379,916,638	29	268,177,979	21
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Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund for the financial period as at 28 February 2017 and three financial years as at 31 August are as follows:				
		As at 28-2-2017 %	FY 2016 %	FY 2015 %	FY 2014 %
	Real Estate Investment Trust	79.92	82.63	89.74	79.12
	Real Estate	1.52	-	-	-
	Utilities	2.27	2.00	-	-
	Cash and others	16.29	15.37	10.26	20.88
	Total	100.00	100.00	100.00	100.00
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>				
Performance Details	Performance details of the Fund for the for the financial period ended 28 February 2017 and three financial years ended 31 August are as follows:				
		Half year ended 28-2-2017	FY 2016	FY 2015	FY 2014
	Net asset value (RM)*	372,844,324	258,590,126	204,639,142	332,937,216
	Units in circulation*	478,374,315	339,020,879	308,402,138	528,677,302
	Net asset value per unit (RM)*	0.7794	0.7628	0.6635	0.6298
	Highest net asset value per unit (RM)*	0.7882	0.7900	0.6883	0.6323
	Lowest net asset value per unit (RM)*	0.7355	0.6486	0.6134	0.5599
	Benchmark performance (%)	1.57	23.68	10.85	12.00
	Total return (%) ⁽¹⁾	4.24	20.20	11.66	13.02
	- Capital growth (%)	2.18	15.21	5.63	8.14
	- Income distribution (%)	2.06	4.99	6.03	4.88
	Gross distribution (sen per unit)	1.56	3.31	3.80	2.85
	Net distribution (sen per unit)	1.56	3.31	3.80	2.85
	Management expense ratio (%) ⁽²⁾	1.82	1.78	1.68	1.62
	Portfolio turnover ratio (times) ⁽³⁾	0.24	0.54	0.35	0.48
	* Above prices and net asset value per unit are shown as ex-distribution.				
	<i>Note:</i>				
	<i>(1) Total return is the actual return of the Fund for the respective financial period/years computed based on the net asset value per unit and net of all fees.</i>				
	<i>(2) Management expense ratio ("MER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a</i>				

daily basis. The MER increased by 0.04% as compared to 1.78% for the financial year ended 31 August 2016 mainly due to increase in expenses.

(3) Portfolio turnover ratio (“PTR”) is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis. The PTR decreased by 0.30 times (55.6%) for the financial year ended 31 August 2016 mainly due to increase in average fund size.

(4) There were no units in circulation for Class A (USD), Class B (AUD) and Class B (SGD) since the launching of the class on 16 July 2014.

Average Total Return (as at 28 February 2017)

Class B (MYR)	AmAsia Pacific REITs ^(a) %	Bloomberg Asia REIT Index/ S&P Pan Asia REITs Index ^(b) %
One year	15.28	11.37
Three years	14.70	14.04
Five years	13.32	13.14
Since launch (18 July 2011)	13.16	10.04

Annual Total Return

Financial Years/Period Ended (31 August) Class B (MYR)	AmAsia Pacific REITs ^(a) %	Bloomberg Asia REIT Index/ S&P Pan Asia REITs Index ^(b) %
2016	20.20	23.68
2015	11.66	10.85
2014	13.02	12.00
2013	3.73	4.34
2012 ^(c)	22.09	5.21

(a) Source: Novagni Analytics and Advisory Sdn. Bhd.

(b) S&P Pan Asia REITs Index/Bloomberg Asia REIT Index (Obtainable form: www.aminvest.com and Bloomberg L.P.).

S&P Pan Asia REITs Index has replaced Bloomberg Asia REIT Index with effect from 16 July 2014.

(c) Total actual return for the financial period from 18 July 2011 (date of commencement) to 31 August 2012.

(d) There were no returns for Class A (USD), Class B (AUD) and Class B (SGD) since the launching of the class on 16 July 2014.

The Fund performance is calculated based on the net asset value per unit of the Fund. Average total return of the Fund and its benchmark for a period is computed based on the absolute return for that period annualised over one year.

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

Fund Performance

Class B (MYR)

For the financial period under review, the Fund registered a return of 4.24% comprising of 2.18% capital growth and 2.06% income distribution.

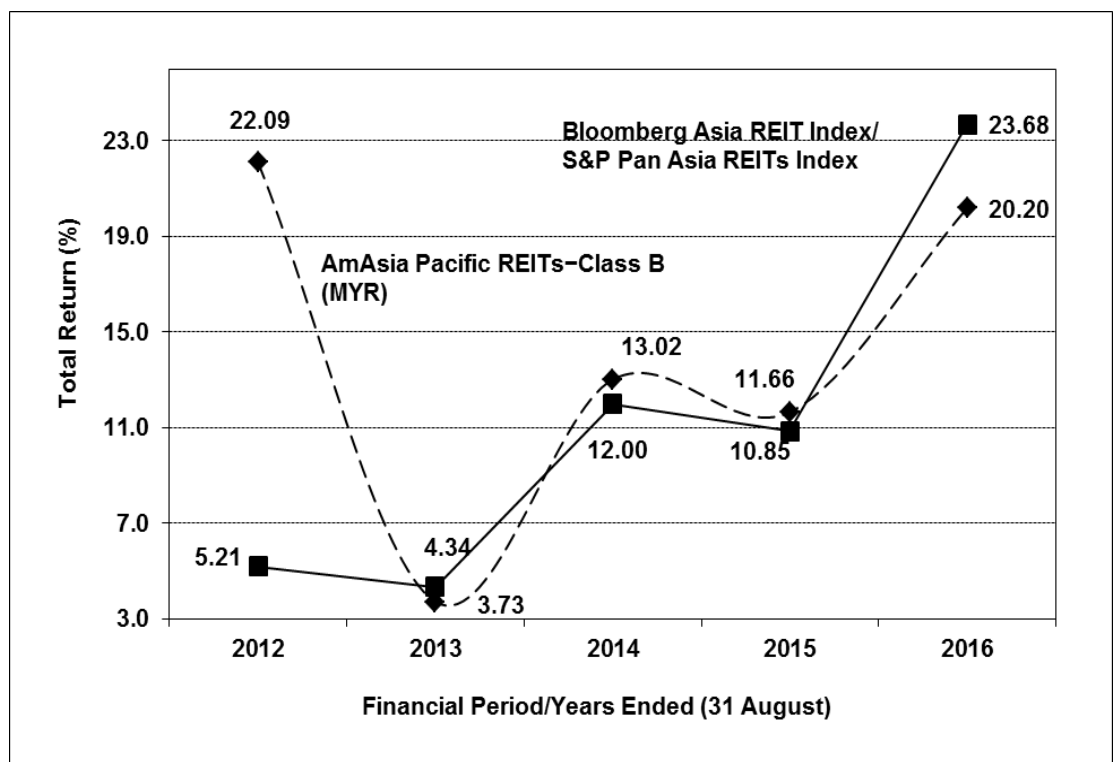
Thus, the Fund's return of 4.24% has outperformed the benchmark's return of 1.57% by 2.67%.

As compared with the financial year ended 31 August 2016, the net asset value ("NAV") per unit of the Fund increased by 2.18% from RM0.7628 to RM0.7794, while units in circulation increased by 41.10% from 339,020,879 units to 478,374,315 units.

Class A (USD), Class B (AUD) and Class B (SGD)

For the financial period under review, there were no returns for the Class A (USD), Class B (AUD) and Class B (SGD).

The line chart below shows comparison between the annual performances of AmAsia Pacific REITs-Class B (MYR) and its benchmark, Bloomberg Asia REIT Index/S&P Pan Asia REITs Index, for the financial period/years ended 31 August.



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

Strategies and Policies Employed

For the financial year under review, the Fund achieved its investment objective, where 70% to 98% of the Fund's Net Asset Value ("NAV") was invested in REITs listed in the Asia Pacific region, being Australia, Hong Kong, Japan, Malaysia, Singapore and Thailand. In addition to country diversification, the Fund also diversified its sector exposure in residential, retail, commercial and industrial REITs. The Fund holds between 2% to 30% of its NAV in liquid assets. These strategies will continue to be applied going forward.

The Manager employs an active allocation strategy, which means the asset allocation decisions will be made after reviewing the macroeconomic trends and sector outlook of the respective countries in the Asia Pacific region. The Manager will be targeting REITs with strong track records in generating regular income returns and which have

potential for capital growth. In evaluating the suitability of a REIT, the Manager, amongst other factors, will review the track record, portfolio of assets, financial status, income distribution policy and cost factors of the REITs.

In an adverse market condition, the Manager may switch its asset allocation to lower risk assets such as liquid assets to preserve the Fund's capital. During this period, the Fund's investment may differ from the stipulated investment strategy.

Portfolio Structure

This table below is the asset allocation of the Fund for Class B (MYR) for the financial period/year under review.

	As at 28-2-2017 %	As at 31-8-2016 %	Changes %
Real Estate Investment Trust	79.92	82.63	-2.71
Real Estate	1.52	-	1.52
Utilities	2.27	2.00	0.27
Cash and others	16.29	15.37	0.92
Total	100.00	100.00	

For the financial period under review, the lower equity weighting was due to profit-taking as part of regular portfolio restructuring, with some effects from fund inflows.

Distribution/ Unit split

During the financial period under review, the Fund declared the following income distributions, detailed as follows:

1.56 sen per unit income distribution	Change in the unit price prior and subsequent to the income distribution	Before income distribution on 20 February 2017 (RM)	After income distribution on 20 February 2017 (RM)
	Net asset value per unit	0.7878	0.7722

There was no unit split declared for the financial period under review.

State of Affairs

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

Rebates and Soft Commission

It is our policy to pay all rebates to the Fund. Soft commission received from brokers/dealers is retained by the Manager only if the goods and services provided are of demonstrable benefit to unitholders of the Fund.

During the financial period under review, the Manager had received on behalf of the Fund, soft commissions in the form of fundamental database, financial wire services, technical analysis software and stock quotation system incidental to investment management of the Fund. These soft commissions received by the Manager are deemed to be beneficial to the unitholders of the Fund.

Market Review

In 4Q16, global REITs, along with yield plays, faced selling pressure on expectation that the US Fed would raise interest rates. Investors switched out of defensive stocks into Cyclical. Although the rate hike did not take place in September, the Fed eventually pulled the trigger on another 25bps hike in December 2016. In addition, the outcome of the US Presidential elections underpinned the more bullish outlook on

	<p>anticipation the new President would embark on an aggressive fiscal spending programme.</p> <p>In January 2017, Donald Trump was inaugurated as the 45th President of the USA. BOJ maintained its policy rate at 0.1% and the 10-year JGB yield at 0% as expected. Performances were mixed across markets during the month - Australia REITs declined 4.8% although there were no notable announcements to cause the sell-down. Singapore REITs +3.57% while Japan REITs -0.67%. Singapore REITs reported 4Q16 results – broadly speaking quality Industrial was more resilient vs. Retail while it remains to be seen how strong future Office demand will be. Japan office REITs outperformed modestly on healthy demand. AmAsia Pacific REITs -0.42% in February 2017 vs. the benchmark +1.71%. Australia REITs +4.1% as they reported their 1HFY17 results. Singapore REITs +0.92%, holding up relatively well even as 10-year bond yields +50bps since end-3Q16. Japanese REITs -1.41% with a lack of catalysts and the market holding back on macroeconomic outlook in Japan and the US.</p> <p>Australia REITs +4.1% as they reported their 1HFY17 results in February 2017. Singapore REITs +0.92%, holding up relatively well even as 10-year bond yields +50bps since end-3Q16. Japanese REITs -1.41% with a lack of catalysts and the market holding back on macroeconomic outlook in Japan and the US.</p>
<p>Market Outlook</p>	<p>The portfolio strategy has not changed with the fund manager remaining invested in the core markets Australia, Japan and Singapore given the growth opportunities in selective segments. While on the whole the macroeconomic backdrop is challenging in that there are global policy and political headwinds, global economic growth is picking up as indicated by PMI data; as such we would not be too pessimistic on the whole, especially if this growth has a positive knock-on effect on the ability to raise rental rates in line with inflation.</p>

Kuala Lumpur, Malaysia
AmFunds Management Berhad

31 March 2017

AmAsia Pacific REITs

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2017

	Note	28-2-2017 (unaudited) RM	31-8-2016 (audited) RM
ASSETS			
Investments	4	312,113,588	218,845,696
Deposits with financial institutions	5	52,612,868	32,272,841
Net amount due from Manager	6	255,687	8,201,397
Distributions receivable		2,798,601	1,731,673
Sundry receivables	7	1,594,418	343,299
Cash at banks		4,255,922	1,247,679
TOTAL ASSETS		373,631,084	262,642,585
LIABILITIES			
Amount due to Trustee	8	16,819	12,866
Distribution payable		168,805	-
Sundry payables and accrued expenses	7	601,136	4,039,593
TOTAL LIABILITIES		786,760	4,052,459
EQUITY			
Unitholders' capital	11(a)	291,482,434	184,560,095
Retained earnings	11(b)(c)	81,361,890	74,030,031
TOTAL EQUITY	11	372,844,324	258,590,126
TOTAL EQUITY AND LIABILITIES		373,631,084	262,642,585
UNITS IN CIRCULATION	11(a)	478,374,315	339,020,879
NET ASSET VALUE PER UNIT – EX DISTRIBUTION		77.94 sen	76.28 sen

The accompanying notes form an integral part of the financial statements.

AmAsia Pacific REITs

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2016 TO 28 FEBRUARY 2017**

	Note	1-9-2016 to 28-2-2017 RM	1-9-2015 to 29-2-2016 RM
INVESTMENT INCOME/(LOSS)			
Distribution income		8,321,438	3,968,242
Interest income		783,227	435,330
Net gain from investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	9	9,060,715	14,081,219
Other unrealised foreign exchange gain/(loss)		52,406	(83,454)
Gross Income		<u>18,217,786</u>	<u>18,401,337</u>
EXPENDITURE			
Manager’s fee	6	(2,429,183)	(1,475,695)
Trustee’s fee	8	(97,167)	(59,028)
Auditors’ remuneration – current financial period		(4,987)	(4,044)
Auditors’ remuneration – under provision in prior financial year		(2,000)	-
Tax agent’s fee		(2,493)	(2,527)
Custodian’s fee		(240,821)	(81,609)
Other expenses	10	(175,727)	(105,808)
Total Expenditure		<u>(2,952,378)</u>	<u>(1,728,711)</u>
NET INCOME BEFORE TAX		15,265,408	16,672,626
LESS: INCOME TAX	13	(649,621)	(296,822)
NET INCOME AFTER TAX		14,615,787	16,375,804
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>14,615,787</u>	<u>16,375,804</u>
Total comprehensive income comprises the following:			
Realised income		9,310,185	6,358,261
Unrealised gain		5,305,602	10,017,543
		<u>14,615,787</u>	<u>16,375,804</u>

(Forward)

AmAsia Pacific REITs

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (*Unaudited*)
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2016 TO 28 FEBRUARY 2017
(CONT'D.)

	Note	1-9-2016 to 28-2-2017 RM	1-9-2015 to 29-2-2016 RM
Distributions for the financial period:			
Net distributions	14	<u>7,283,928</u>	<u>3,537,134</u>
Gross/net distributions per unit (sen)	14	<u>1.56</u>	<u>1.31</u>

The accompanying notes form an integral part of the financial statements.

AmAsia Pacific REITs

**CONDENSED STATEMENT OF CHANGES IN EQUITY (Unaudited)
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2016 TO 28 FEBRUARY 2017**

	Note	Unitholders' capital RM	Retained earnings RM	Total equity RM
At 1 September 2015		157,758,849	46,880,293	204,639,142
Total comprehensive income for the financial period		-	16,375,804	16,375,804
Creation of units		10,066,249	-	10,066,249
Reinvestment of distributions	14	3,424,106	-	3,424,106
Cancellation of units		(37,263,738)	-	(37,263,738)
Distributions	14	-	(3,537,134)	(3,537,134)
Balance at 29 February 2016		<u>133,985,466</u>	<u>59,718,963</u>	<u>193,704,429</u>
At 1 September 2016		184,560,095	74,030,031	258,590,126
Total comprehensive income for the financial period		-	14,615,787	14,615,787
Creation of units	11(a)	144,891,560	-	144,891,560
Reinvestment of distributions	11(a),14	7,115,123	-	7,115,123
Cancellation of units	11(a)	(45,084,344)	-	(45,084,344)
Distributions	14	-	(7,283,928)	(7,283,928)
Balance at 28 February 2017		<u>291,482,434</u>	<u>81,361,890</u>	<u>372,844,324</u>

The accompanying notes form an integral part of the financial statements.

AmAsia Pacific REITs

**CONDENSED STATEMENT OF CASH FLOWS (Unaudited)
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2016 TO 28 FEBRUARY 2017**

	1-9-2016 to 28-2-2017 RM	1-9-2015 to 29-2-2016 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investments	35,838,457	71,283,559
Capital repayment received	333,615	268,300
Distributions received	6,669,797	4,364,423
Interest received	783,227	435,330
Manager's fee paid	(2,330,339)	(1,481,619)
Trustee's fee paid	(93,214)	(59,265)
Custodian's fee paid	(240,821)	(81,609)
Payments for other expenses	(180,801)	(106,502)
Purchase of investments	<u>(125,085,733)</u>	<u>(29,347,016)</u>
Net cash (used in)/generated from operating and investing activities	<u>(84,305,812)</u>	<u>45,275,601</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	151,235,459	10,066,249
Payments for cancellation of units	(43,581,377)	(43,924,664)
Distributions paid	-	(113,028)
Net cash generated from/(used in) financing activities	<u>107,654,082</u>	<u>(33,971,443)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	23,348,270	11,304,158
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	<u>33,520,520</u>	<u>25,393,140</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u><u>56,868,790</u></u>	<u><u>36,697,298</u></u>
Cash and cash equivalents comprise:		
Deposits with financial institutions	52,612,868	35,117,671
Cash at banks	<u>4,255,922</u>	<u>1,579,627</u>
	<u><u>56,868,790</u></u>	<u><u>36,697,298</u></u>

The accompanying notes form an integral part of the financial statements.

AmAsia Pacific REITs

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

AmAsia Pacific REITs (“the Fund”) was established pursuant to a Deed dated 5 April 2011 as amended by Deeds Supplemental thereto (“the Deed”), between AmFunds Management Berhad as the Manager, Deutsche Trustees Malaysia Berhad as the Trustee and all unitholders.

The Fund aims to provide regular income and to a lesser extent capital appreciation over the medium to long term by investing in real estate investment trusts (REITs). As provided in the Deed, the “accrual period” or financial year shall end on 31 August. The units in the Fund for Class B (MYR) were first offered for sale on 18 July 2011, while Class A (USD), Class B (AUD) and Class B (SGD) were first offered for sale on 16 July 2014. There were no units in circulation for Class A (USD), Class B (AUD) and Class B (SGD) since its offer date.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards 134: Interim Financial Reporting (“MFRS 134”) as issued by the Malaysian Accounting Standards Board (“MASB”).

The financial statements of the Fund have been prepared under the historical cost convention, unless otherwise stated in the accounting policies.

Standards effective during the financial period

The adoption of MFRS which have been effective during the financial period did not have any material financial impact to the financial statements.

Standards issued but not yet effective

As at the date of authorisation of these financial statements, the following Standards, which are relevant to the Fund, have been issued by MASB but are not yet effective and have not been adopted by the Fund.

	Effective for financial periods beginning on or after
MFRS 9 : Financial Instruments	1 January 2018
MFRS 15: Revenue From Contracts With Customers	1 January 2018

The Fund plans to adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are expected to have no significant impact to the financial statements of the Fund upon their initial application except as described below:

MFRS 9 Financial Instruments

MFRS 9 reflects International Accounting Standards Board's ("IASB") work on the replacement of MFRS 139 Financial Instruments: Recognition and Measurement ("MFRS 139"). MFRS 9 will be effective for financial year beginning on or after 1 January 2018. The Fund is in the process of quantifying the impact of the first adoption of MFRS 9.

3. **SIGNIFICANT ACCOUNTING POLICIES**

Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

Distribution income is recognised when the Fund's right to receive payment is established. Interest income on short-term deposits is recognised on an accrual basis using the effective interest method.

Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Functional and presentation currency

Functional currency is the currency of the primary economic environment in which the Fund operates that most faithfully represents the economic effects of the underlying transactions. The functional currency of the Fund is Ringgit Malaysia which reflects the currency in which the Fund competes for funds, issues and redeems units. The Fund has also adopted Ringgit Malaysia as its presentation currency.

Foreign currency conversion

Transactions in currencies other than the Fund's functional currency (foreign currencies) are recorded in the functional currency using exchange rates prevailing at the transaction dates. At each reporting date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at the reporting date. All exchange gains or losses are recognised in profit or loss.

Statement of cash flows

The Fund adopts the direct method in the preparation of the statement of cash flows.

Cash equivalents are short-term, highly liquid investments that are readily convertible to cash with insignificant risk of changes in value.

Distribution

Distributions are at the discretion of the Fund. A distribution to the Fund's unitholders is accounted for as a deduction from realised reserves. A proposed distribution is recognised as a liability in the period in which it is approved.

Unitholders' capital

The unitholders' capital of the Fund meets the definition of puttable instruments and is classified as equity instruments under MFRS 132 Financial Instruments: Presentation ("MFRS 132").

Financial assets

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Fund determines the classification of its financial assets at initial recognition, and the categories applicable to the Fund include financial assets at fair value through profit or loss ("FVTPL") and loans and receivables.

(i) Financial assets at FVTPL

Financial assets are classified as financial assets at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading by the Fund include collective investment schemes acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in 'Net gain or loss on financial assets at fair value through profit or loss'. Distribution revenue and interest earned elements of such instruments are recorded separately in 'Distribution income' and 'Interest income' respectively. Exchange differences, if any, on financial assets at FVTPL are not recognised separately in profit or loss but are included in net gains or net losses on changes in fair value of financial assets at FVTPL.

For investments in local quoted securities, market value is determined based on the closing price quoted on Bursa Malaysia Securities Berhad. For investments in foreign listed securities, which are quoted in the respective stock exchanges, market value will be determined based on the published market price quoted by the respective stock exchanges at the end of each business day. Unrealised gains or losses recognised in profit or loss are not distributable in nature.

On disposal of investments, the net realised gain or loss on disposal is measured as the difference between the net disposal proceeds and the carrying amount of the investments. The net realised gain or loss is recognised in profit or loss.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Impairment of financial assets

The Fund assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Loans and receivables carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Fund considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced through the use of an allowance account. When loans and receivables become uncollectible, they are written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

The Fund's financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Classification of realised and unrealised gains and losses

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised (i.e. sold, redeemed or matured) during the reporting period.

Realised gains and losses on disposals of financial instruments classified at fair value through profit or loss are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount.

Significant accounting estimates and judgments

The preparation of the Fund's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

The Fund classifies its investments as financial assets at FVTPL as the Fund may sell its investments in the short-term for profit-taking or to meet unitholders' cancellation of units.

No major judgments have been made by the Manager in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

4. INVESTMENTS

	28-2-2017	31-8-2016
	RM	RM
Financial assets at FVTPL		
Collective investment scheme denominated in Australian Dollar ("AUD")	87,997,361	56,059,898
Collective investment scheme denominated in Hong Kong Dollar ("HKD")	24,745,759	21,972,988
Collective investment scheme denominated in Japanese Yen Dollar ("JPY")	79,121,081	51,986,386
Collective investment scheme denominated in Ringgit Malaysia ("RM")	24,262,827	19,116,089
Collective investment scheme denominated in Singapore Dollar ("SGD")	74,954,616	55,955,353
Collective investment scheme denominated in Thai Baht ("THB")	8,936,707	7,143,060
Collective investment scheme denominated in United States Dollar ("USD")	12,095,237	6,611,922
	<u>312,113,588</u>	<u>218,845,696</u>

Details of investment as at 28 February 2017 are as follows:

Name of Trust	Number of units	Market value RM	Purchase cost RM	Market value as a percentage of net asset value %
Collective investment scheme denominated in Australian Dollar				
Real Estate Investment Trust				
Arena REIT	205,280	1,477,443	1,002,523	0.40
Aventus Retail Property Fund	1,398,571	11,353,851	9,790,318	3.05
Centuria Industrial REIT	827,500	7,028,280	6,608,834	1.89
Charter Hall Group	620,283	11,129,031	8,782,419	2.98
Charter Hall Retail REIT	443,689	6,492,585	5,457,053	1.74
Dexus Property Group	189,929	6,115,683	4,107,249	1.64
Folkestone Education Trust	203,282	1,941,506	1,428,989	0.52
Generation Healthcare REIT	328,618	2,180,182	1,742,180	0.58
Goodman Group	230,129	5,926,524	3,588,190	1.59
Iron Mountain Incorporated	42,416	6,898,389	6,369,029	1.85
Mirvac Group	263,500	1,932,417	1,726,663	0.52
Scentre Group	252,107	3,749,325	2,610,570	1.01
Stockland Corporation Limited	125,400	2,018,930	1,727,226	0.54
The GPT Group	266,990	4,489,765	3,324,476	1.20
Viva Energy REIT Limited	1,444,362	11,824,125	11,118,950	3.17
Westfield Corporation	114,580	3,439,325	2,573,781	0.92
Total collective investment scheme denominated in AUD	6,956,636	87,997,361	71,958,450	23.60
Collective investment scheme denominated in Hong Kong Dollar				
Real Estate Investment Trust				
Prosperity Real Estate Investment Trust	4,543,000	8,267,090	4,814,780	2.22
Sunlight Real Estate Investment Trust	2,948,300	7,710,289	4,108,857	2.07
The Link Real Estate Investment Trust	286,139	8,768,380	5,119,137	2.35
Total collective investment scheme denominated in HKD	7,777,439	24,745,759	14,042,774	6.64

(Forward)

Name of Trust	Number of units	Market value RM	Purchase cost RM	Market value as a percentage of net asset value %
Collective investment scheme denominated in Japanese Yen				
Real Estate Investment Trust				
GLP J-REIT	1,281	6,523,293	4,584,108	1.75
Healthcare & Medical Investment Corporation	1,470	5,830,020	5,955,297	1.56
Japan Prime Realty Investment Corporation	412	7,287,604	5,408,214	1.96
Japan Real Estate Investment Corporation	309	7,585,808	6,984,907	2.04
LaSalle Logiport REIT	2,581	10,922,074	10,342,552	2.93
Mori Hills REIT Investment Corporation	1,251	7,655,542	7,083,709	2.05
Nippon Accommodations Fund Inc.	547	10,554,141	8,232,015	2.83
Nippon Building Fund Inc.	240	5,977,555	5,394,647	1.60
Nippon Prologis REIT Inc.	1,159	11,100,775	9,709,414	2.98
	9,250	73,436,812	63,694,863	19.70
Real Estate				
Industrial & Infrastructure Fund Investment Corporation	273	5,684,269	5,445,090	1.52
Total collective investment scheme denominated in JPY	9,523	79,121,081	69,139,953	21.22

Collective investment scheme denominated in Ringgit Malaysia

Real Estate Investment Trust				
Axis Real Estate Investment Trust	1,535,000	2,502,050	2,651,475	0.67
CapitaMalls Malaysia Trust	1,398,000	2,166,900	2,436,258	0.58
IGB Real Estate Investment Trust	2,404,700	3,991,802	3,507,190	1.07
KLCC Property Holdings Berhad	839,432	6,547,570	6,125,380	1.76
Pavilion Real Estate Investment Trust	3,404,750	5,890,217	5,031,256	1.58

(Forward)

Name of Trust	Number of units	Market value RM	Purchase cost RM	Market value as a percentage of net asset value %
Collective investment scheme denominated in Ringgit Malaysia				
Real Estate Investment Trust				
YTL Hospitality REIT	2,681,600	3,164,288	2,850,029	0.85
Total collective investment scheme denominated in RM	12,263,482	24,262,827	22,601,588	6.51
Collective investment scheme denominated in Singapore Dollar				
Real Estate Investment Trust				
Ascendas India Trust	846,300	2,926,896	2,200,611	0.78
Ascendas Real Estate Investment Trust	1,145,400	9,085,599	7,959,645	2.44
CapitaLand Retail China Trust	954,400	4,315,208	3,744,445	1.16
Frasers Logistics & Industrial Trust	3,609,600	11,166,577	10,456,741	2.99
Keppel DC REIT	2,401,358	8,990,737	8,125,185	2.41
Mapletree Commercial Trust	1,807,500	8,602,526	8,286,222	2.31
Mapletree Greater China Commercial Trust	1,066,100	3,331,889	2,896,616	0.89
Parkway Life Real Estate Investment Trust	1,274,300	9,825,040	9,189,969	2.64
RHT Health Trust	2,943,900	7,939,595	8,303,385	2.13
Viva Industrial Trust	131,000	317,972	310,483	0.08
	16,179,858	66,502,039	61,473,302	17.83
Utilities				
Keppel Infrastructure Trust	5,381,800	8,452,577	7,927,473	2.27
Total collective investment scheme denominated in SGD	21,561,658	74,954,616	69,400,775	20.10

(Forward)

Name of Trust	Number of units	Market value RM	Purchase cost RM	Market value as a percentage of net asset value %
Collective investment scheme denominated in Thai Baht				
Real Estate Investment Trust				
Tesco Lotus Retail Growth Freehold and Leasehold Property Fund	4,108,604	8,936,707	6,445,385	2.40
Total collective investment scheme denominated in THB	4,108,604	8,936,707	6,445,385	2.40
Collective investment scheme denominated in United States Dollar				
Real Estate Investment Trust				
Manulife US Real Estate Investment Trust	3,244,500	12,095,237	11,169,796	3.24
Total collective investment scheme denominated in USD	3,244,500	12,095,237	11,169,796	3.24
Total financial assets at FVTPL	55,921,842	312,113,588	264,758,721	83.71
Excess of market value over cost		47,354,867		

5. DEPOSITS WITH FINANCIAL INSTITUTIONS

	28-2-2017 RM	31-8-2016 RM
At nominal value:		
Short-term deposits with licensed banks	52,608,400	32,270,100
At carrying value:		
Short-term deposits with licensed banks	52,612,868	32,272,841

Details of deposits with financial institutions as at 28 February 2017 are as follows:

Maturity date	Bank	Nominal value RM	Carrying value RM	Purchase cost RM	Carrying value as a percentage of net asset value %
Short-term deposits with licensed banks					
01.03.2017	Malayan Banking Berhad	24,608,400	24,610,490	24,608,400	6.60
01.03.2017	Public Bank Berhad	28,000,000	28,002,378	28,000,000	7.51
		<u>52,608,400</u>	<u>52,612,868</u>	<u>52,608,400</u>	<u>14.11</u>

6. NET AMOUNT DUE FROM MANAGER

	28-2-2017 RM	31-8-2016 RM
Net creation of units*	676,174	8,523,040
Manager's fee payable	<u>(420,487)</u>	<u>(321,643)</u>
	<u>255,687</u>	<u>8,201,397</u>

* The amount represents net amount receivable from the Manager for units created.

Manager's fee is at 1.00% (2016: 1.00%) per annum for Class A and 1.50% (2016: 1.50%) per annum for Class B on the net asset value of the Fund, calculated on a daily basis. However, no Manager's fee was charged for Class A (USD), Class B (AUD) and Class B (SGD) in the previous financial year and current financial period.

The normal credit period in the previous financial year and current financial period for creation and redemption of units is three business days.

The normal credit period in the previous financial year and current financial period for Manager's fee payable is one month.

7. SUNDRY RECEIVABLES/PAYABLES AND ACCRUED EXPENSES

Included in sundry receivables/payables and accrued expenses were amounts owing from/to brokers for outstanding contracts where settlement were not due as follows:

	28-2-2017	31-8-2016
	RM	RM
Amount owing from brokers	1,278,014	259,136
Amount owing to brokers	<u>(558,955)</u>	<u>(4,000,010)</u>

The normal trade credit period is three business days.

8. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.06% (2016: 0.06%) for both Class A and Class B per annum on the net asset value of the Fund, calculated on a daily basis, subject to a minimum fee of RM10,000 per annum. However, no Trustee's fee was charged for Class A (USD), Class B (AUD) and Class B (SGD) in the previous financial year and current financial period.

The normal credit period in the previous financial year and current financial period for Trustee's fee payable is one month.

9. NET GAIN FROM INVESTMENTS

	1-9-2016 to	1-9-2015 to
	28-2-2017	29-2-2016
	RM	RM
Net gain on financial assets at FVTPL comprised:		
– Net realised gain/(loss) on sale of investments	1,258,851	(2,844,342)
– Net realised gain on foreign currency exchange	2,548,668	6,824,564
– Net unrealised (loss)/gain on changes in fair values of investments	(6,997,642)	13,986,626
– Net unrealised gain/(loss) on foreign currency fluctuation of investments denominated in foreign currency	<u>12,250,838</u>	<u>(3,885,629)</u>
	<u>9,060,715</u>	<u>14,081,219</u>

10. OTHER EXPENSES

Included in other expenses is Goods and Services Tax incurred by the Fund during the financial period amounting to RM167,045 (2016: RM97,234).

11. TOTAL EQUITY

Total equity is represented by:

	Note	28-2-2017 RM	31-8-2016 RM
Unitholders' capital	(a)	291,482,434	184,560,095
Retained earnings			
– Realised income	(b)	33,941,349	31,915,092
– Unrealised gain	(c)	47,420,541	42,114,939
		<u>372,844,324</u>	<u>258,590,126</u>

(a) UNITHOLDERS' CAPITAL/UNITS IN CIRCULATION

	28-2-2017		31-8-2016	
	Number of units	RM	Number of units	RM
At beginning of the financial period/ year	339,020,879	184,560,095	308,402,138	157,758,849
Creation during the financial period/year	189,133,482	144,891,560	107,923,642	81,128,654
Distribution reinvested	9,214,093	7,115,123	12,955,941	9,549,343
Cancellation during the financial period/ year	(58,994,139)	(45,084,344)	(90,260,842)	(63,876,751)
At end of the financial period/year	<u>478,374,315</u>	<u>291,482,434</u>	<u>339,020,879</u>	<u>184,560,095</u>

(b) REALISED – DISTRIBUTABLE

	28-2-2017 RM	31-8-2016 RM
At beginning of the financial period/year	31,915,092	28,021,392
Total comprehensive income for the financial period/year	14,615,787	37,006,642
Net unrealised gain attributable to investments held and others transferred to unrealised reserve [Note 11(c)]	(5,305,602)	(23,256,038)
Distributions out of realised reserve	(7,283,928)	(9,856,904)

(Forward)

	28-2-2017	31-8-2016
	RM	RM
Net increase in realised reserve for the financial period/year	<u>2,026,257</u>	<u>3,893,700</u>
At end of the financial period/year	<u><u>33,941,349</u></u>	<u><u>31,915,092</u></u>

(c) UNREALISED – NON-DISTRIBUTABLE

	28-2-2017	31-8-2016
	RM	RM
At beginning of the financial period/year	42,114,939	18,858,901
Net unrealised gain attributable to investments held and others transferred from realised reserve [Note 11(b)]	<u>5,305,602</u>	<u>23,256,038</u>
At end of the financial period/year	<u><u>47,420,541</u></u>	<u><u>42,114,939</u></u>

12. UNITS HELD BY RELATED PARTIES

The Manager and parties related to the Manager did not hold any units in the Fund as at 28 February 2017 and 31 August 2016.

13. INCOME TAX

	1-9-2016 to	1-9-2015 to
	28-2-2017	29-2-2016
	RM	RM
Current financial period – local tax	43,586	235,066
Current financial period – foreign tax	<u>606,035</u>	<u>61,756</u>
	<u><u>649,621</u></u>	<u><u>296,822</u></u>

Income tax payable is calculated on investments income less deduction for permitted expenses as provided for under Section 63B of the Income Tax Act, 1967.

Pursuant to Schedule 6 of the Income Tax Act, 1967, local interest income derived by the Fund is exempted from tax.

A reconciliation of income tax expense applicable to net income before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	1-9-2016 to 28-2-2017 RM	1-9-2015 to 29-2-2016 RM
Net income before tax	<u>15,265,408</u>	<u>16,672,626</u>
Taxation at Malaysian statutory rate of 24%	3,663,698	4,001,430
Tax effects of:		
Income not subject to tax	(4,986,002)	(5,422,398)
Effect of different tax rate in other countries	(416,080)	(332,323)
Loss not deductible for tax purposes	1,679,434	1,635,222
Restriction on tax deductible expenses for unit trust fund	527,794	321,245
Non-permitted expenses for tax purposes	122,133	57,952
Permitted expenses not used and not available for future financial periods	<u>58,644</u>	<u>35,694</u>
Tax expense for the financial period	<u>649,621</u>	<u>296,822</u>

14. DISTRIBUTIONS

Distributions to unitholders declared on 20 February 2017 (declared on 19 February 2016 for the previous financial period) are from the following sources:

	1-9-2016 to 28-2-2017 RM	1-9-2015 to 29-2-2016 RM
Distribution income	7,066,600	1,965,955
Interest income	665,119	215,672
Net realised gain on sale of investments	1,069,021	-
Net realised gain on foreign currency exchange	<u>2,085,187</u>	<u>3,381,040</u>
	10,885,927	5,562,667
Less: Expenses	(2,952,378)	(1,728,711)
Tax	<u>(649,621)</u>	<u>(296,822)</u>
Total amount of distributions	<u>7,283,928</u>	<u>3,537,134</u>
Gross/net distributions per unit (sen)	<u>1.56</u>	<u>1.31</u>
Distributions made out of:		
– Realised reserve	<u>7,283,928</u>	<u>3,537,134</u>
(Forward)		

	1-9-2016 to 28-2-2017 RM	1-9-2015 to 29-2-2016 RM
Comprising:		
Distributions reinvested	7,115,123	3,424,106
Distributions payable	168,805	-
Cash distributions	-	113,028
	<u>7,283,928</u>	<u>3,537,134</u>

15. MANAGEMENT EXPENSE RATIO (“MER”)

The Fund’s MER is as follows:

	1-9-2016 to 28-2-2017 %	1-9-2015 to 29-2-2016 %
Manager’s fee	1.50	1.50
Trustee’s fee	0.06	0.06
Fund’s other expenses	<u>0.26</u>	<u>0.20</u>
Total MER	<u>1.82</u>	<u>1.76</u>

The MER of the Fund is the ratio of the sum of annualised fees and expenses incurred by the Fund to the average net asset value of the Fund calculated on a daily basis.

16. PORTFOLIO TURNOVER RATIO (“PTR”)

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of investments to the average net asset value of the Fund calculated on a daily basis, is 0.24 times (2016: 0.25 times).

17. SEGMENTAL REPORTING

In accordance with the objective of the Fund, substantially all of the Fund’s investments are made in the form of quoted Real Estate Investment Trust (REITs). The Manager is of the opinion that the risk and rewards from these investments are not individually or segmentally distinct.

18. TRANSACTIONS WITH BROKERS AND FINANCIAL INSTITUTIONS

Details of transactions with brokers and financial institutions for the financial period ended 28 February 2017 are as follows:

Brokers/Financial institutions	Transaction value		Brokerage fee, stamp duty and clearing fee	
	RM	%	RM	%
CIMB Bank Berhad	2,484,397,800	39.83	-	-
Malayan Banking Berhad	1,586,572,828	25.43	1,338	0.30
RHB Bank Berhad	1,019,183,000	16.34	-	-
Public Bank Berhad	949,990,600	15.23	-	-
AmBank (M) Berhad*	40,000,000	0.64	-	-
Instinet Europe Limited	29,246,260	0.47	77,422	17.29
Macquarie Bank Limited	22,854,245	0.37	72,522	16.20
Instinet Singapore Services Pte Ltd	16,434,103	0.26	50,525	11.28
Credit Suisse (Hong Kong) Limited	12,827,427	0.21	24,729	5.52
J.P. Morgan Securities Limited	10,037,371	0.16	28,042	6.26
Other brokers and financial institutions	66,177,729	1.06	193,191	43.15
Total	<u>6,237,721,363</u>	<u>100.00</u>	<u>447,769</u>	<u>100.00</u>

* A financial institution related to the Manager. The Manager and the Trustee are of the opinion that the above transactions have been entered in the normal course of business and have been established under terms that are no less favourable than those arranged with independent third parties.

The above transactions were in respect of listed securities and money market deposits. Transactions in money market deposits do not involve any commission or brokerage.

19. RISK MANAGEMENT POLICIES

The Fund is exposed to a variety of risks that include market risk, credit risk, liquidity risk, single issuer risk, regulatory risk, country risk, management risk and non-compliance risk.

Risk management is carried out by closely monitoring, measuring and mitigating the above said risks, careful selection of investments coupled with stringent compliance to investments restrictions as stipulated by the Capital Market and Services Act 2007, Securities Commission's Guidelines on Unit Trust Funds and the Deed as the backbone of risk management of the Fund.

Market risk

Market risk, in general, is the risk that the value of a portfolio would decrease due to changes in market risk factors such as equity prices, interest rates, foreign exchange rates and commodity prices.

(i) **Price risk**

Price risk refers to the uncertainty of an investment's future prices. In the event of adverse price movements, the Fund might endure potential loss on its quoted investments. In managing price risk, the Manager actively monitors the performance and risk profile of the investment portfolio.

(ii) **Interest rate risk**

Interest rate risk will affect the value of the Fund's investments, given the interest rate movements, which are influenced by regional and local economic developments as well as political developments.

Domestic interest rates on deposits and placements with licensed financial institutions are determined based on prevailing market rates.

(iii) **Currency risk**

Currency risk is associated with the Fund's assets and liabilities that are denominated in currencies other than the Fund's functional currency. Currency risk refers to the potential loss the Fund might face due to unfavorable fluctuations of currencies other than the Fund's functional currency against the Fund's functional currency.

The net unhedged financial assets and financial liabilities of the Fund that are not denominated in Fund's functional currency are as follows:

Assets and liabilities denominated in	28-2-2017		31-8-2016	
	RM equivalent	% of net asset value	RM equivalent	% of net asset value
Australian Dollar				
Investments	87,997,361	23.60	56,059,898	21.68
Distributions receivable	989,623	0.27	510,340	0.20
Cash at bank	17	-*	407,216	0.16
Sundry payables	(166,670)	(0.05)	(560,533)	(0.22)
	<u>88,820,331</u>	<u>23.82</u>	<u>56,416,921</u>	<u>21.82</u>
Hong Kong Dollar				
Investments	24,745,759	6.64	21,972,988	8.50
Distributions receivable	204,855	0.05	191,301	0.07
Cash at bank	52	-*	47	-*
Sundry payables	(76,887)	(0.02)	(19,088)	(0.01)
	<u>24,873,779</u>	<u>6.67</u>	<u>22,145,248</u>	<u>8.56</u>

(Forward)

Assets and liabilities denominated in	28-2-2017		31-8-2016	
	RM equivalent	% of net asset value	RM equivalent	% of net asset value
Japanese Yen				
Investments	73,436,812	19.7	51,986,386	20.10
Sundry receivables	1,293,317	0.35	338	-*
Distributions receivable	824,352	0.22	535,137	0.21
Cash at bank	673,826	0.18	669,086	0.26
Sundry payables	(315,397)	(0.08)	(1,361,792)	(0.53)
	<u>75,912,910</u>	<u>20.37</u>	<u>51,829,155</u>	<u>20.04</u>
Singapore Dollar				
Investments	74,954,616	20.10	55,955,353	21.64
Sundry receivables	96,345	0.03	342,961	0.13
Distributions receivable	509,343	0.14	303,462	0.12
Cash at bank	1,653,028	0.44	151,675	0.06
Sundry payables	-	-	(1,642,330)	(0.64)
	<u>77,213,332</u>	<u>20.71</u>	<u>55,111,121</u>	<u>21.31</u>
Thai Baht				
Investments	8,936,707	2.40	7,143,060	2.76
Sundry payables	-	-	(34,755)	(0.01)
	<u>8,936,707</u>	<u>2.40</u>	<u>7,108,305</u>	<u>2.75</u>
United States Dollar				
Investments	12,095,237	3.24	6,611,922	2.56
Sundry receivables	204,757	0.06	-	-
Distributions receivable	241,186	0.07	-	-
Cash at bank	13,276	-*	12,110	-*
Sundry payables	-	-	(381,512)	(0.15)
	<u>12,554,456</u>	<u>3.37</u>	<u>6,242,520</u>	<u>2.41</u>

* represents less than 0.01%

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. Credit risk applies to short-term deposits and distributions receivable. The issuer of such instruments may not be able to fulfill the required interest payments or repay the principal invested or amount owing. These risks may cause the Fund's investment to fluctuate in value.

For deposits with financial institutions, the Fund makes placements with financial institutions with sound rating of P1/MARC-1 and above. Cash at banks are held for liquidity purposes and are not exposed to significant credit risk.

Liquidity risk

Liquidity risk is defined as the risk of being unable to raise funds or borrowings to meet payment obligations as they fall due. This is also the risk of the Fund experiencing large redemptions, when the Investment Manager could be forced to sell large volumes of its holdings at unfavourable prices to meet redemption requirements.

The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unitholders. Liquid assets comprise of deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 5 to 7 days. The Fund's policy is to always maintain a prudent level of liquid assets so as to reduce liquidity risk.

Single issuer risk

Internal policy restricts the Fund from investing in securities issued by any issuer of not more than a certain percentage of its net asset value. Under such restriction, the risk exposure to the securities of any single issuer is diversified and managed based on internal/external ratings.

Regulatory risk

Any changes in national policies and regulations may have effects on the capital market and the net asset value of the Fund.

Country risk

The risk of price fluctuation in foreign securities may arise due to political, financial and economic events in foreign countries. If this occurs, there is a possibility that the net asset value of the Fund may be adversely affected.

Management risk

Poor management of the Fund may cause considerable losses to the Fund that in turn may affect the net asset value of the Fund.

Non-compliance risk

This is the risk of the Manager, the Trustee or the Fund not complying with internal policies, the Deed of the Fund, securities law or guidelines issued by the regulators. Non-compliance risk may adversely affect the investments of the Fund when the Fund is forced to rectify the non-compliance.

AmAsia Pacific REITs

STATEMENT BY THE MANAGER

I, **DATIN MAZNAH MAHBOB**, for and on behalf of the Manager, AmFunds Management Berhad, for **AmAsia Pacific REITs** do hereby state that in the opinion of the Manager, the accompanying condensed statement of financial position, condensed statement of comprehensive income, condensed statement of changes in equity, condensed statement of cash flows and the accompanying notes are drawn up in accordance with Malaysian Financial Reporting Standards so as to give a true and fair view of the financial position of the Fund as at 28 February 2017 and the comprehensive income, the changes in equity and cash flows of the Fund for the half year then ended.

DATIN MAZNAH MAHBOB

For and on behalf of the Manager
AmFunds Management Berhad

Kuala Lumpur, Malaysia
31 March 2017

TRUSTEE'S REPORT

Deutsche Bank



Deutsche Trustees Malaysia Berhad
(Company No. 763590-H)

Level 18-20 Menara IMC
8 Jalan Sultan Ismail
50250 Kuala Lumpur

Tel +603 2053 7522
Fax +603 2053 7526

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF AMASIA PACIFIC REITS

We have acted as Trustee for AmAsia Pacific REITs (the "Fund") for the financial period from 01 September 2016 to 28 February 2017. To the best of our knowledge, for the financial period under review, AmFunds Management Berhad (the "Manager") has operated and managed the Fund in accordance with the following:-

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

We are of the view that the distributions made during this financial period from 01 September 2016 to 28 February 2017 by the Manager are not inconsistent with the objectives of the Fund.

For Deutsche Trustees Malaysia Berhad

Soon Lai Ching
Senior Manager, Trustee Operations

Richard Lim Hock Seng
Chief Executive Officer

Date: 31 March 2017

Kuala Lumpur

DIRECTORY

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Related Institutional Unit Trust Agent

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Company No. 8515-D

Head Office
31st Floor, Menara AmBank
No. 8 Jalan Yap Kwan Seng, 50450 Kuala Lumpur

AmInvestment Bank Berhad
Company No. 23742-V

Head Office
22nd Floor, Bangunan AmBank Group
55 Jalan Raja Chulan, 50200 Kuala Lumpur

For more details on the list of IUTAs, please contact the Manager.

*For enquiries about this or any of the other Funds offered by AmFunds Management Berhad
Please call 2032 2888 between 8.45 a.m. to 5.45 a.m. (Monday to Thursday),
Friday (8.45 a.m. to 5.00 p.m.)*

