



**BOS WEALTH  
MANAGEMENT**

*A subsidiary of Bank of Singapore*

# **PACIFIC DANA AMAN**

**INTERIM REPORT**

**For the six months ended 30 September 2020**



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## FUND INFORMATION

### As At 30 September 2020

Name Of Fund	:	Pacific Dana Aman
Manager Of Fund	:	BOS Wealth Management Malaysia Berhad (formerly known as Pacific Mutual Fund Bhd) 199501006861 (336059-U)
Launch Date	:	16 April 1998
		The Fund will continue its operations until terminated as provided under Clause 12 of the Deed.
Category Of Fund	:	Equity (Islamic)
Type Of Fund	:	Growth and income
Investment Objective	:	Pacific Dana Aman aims to provide the unitholders with consistently above average returns in both income <sup>□</sup> 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.
		<sup>□</sup> <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units.</i>
		<sup>*</sup> <i>Medium term is defined as a period of one to three years, and long term is a period of more than three years.</i>
Performance Benchmark	:	Since inception to 17 July 2005 – RHB Islamic Index  18 July 2005 to 30 June 2007 – Syariah Index (KLSI)  1 July 2007 to 31 October 2007 – Composite benchmark: 75% Syariah Index (KLSI) 25% 3-Month Islamic Interbank Money Market (IIMM) Rate  1 November 2007 to 14 November 2009 – Composite benchmark: 75% FTSE Bursa Malaysia EMAS Shariah Index (FBMS) 25% 3-Month Islamic Interbank Money Market (IIMM) Rate  From 15 November 2009 onwards – Composite benchmark: 95% FTSE Bursa Malaysia EMAS Shariah Index (FBMS) 5% 3-Month Islamic Interbank Money Market (IIMM) Rate
Distribution Policy	:	Distribution of income, if any, will be made once a year.
Fund Size	:	133.58 million units

Breakdown Of Unitholdings :	Size Of Holdings	No. Of Unitholders	% Of Unitholders	No. Of Units (million)
	5,000 units & below	416	16.15	1.19
	5,001-10,000 units	386	14.98	2.80
	10,001-50,000 units	1,157	44.91	27.87
	50,001-500,000 units	592	22.98	70.66
	500,001 units & above	25	0.98	31.06
	Total	2,576	100.00	133.58

## FUND PERFORMANCE

### Financial Highlights

Category	As At 30.9.2020	As At 31.3.2020	As At 31.3.2019	As At 31.3.2018
<b>Quoted Shariah-Compliant Equity Securities</b>	%	%	%	%
Automobiles & Components	-	-	0.94	2.58
Banks	2.89	2.85	1.02	-
Capital Goods	17.17	13.76	19.22	11.52
Consumer Durables & Apparel	0.20	-	1.49	4.55
Diversified Financials	2.02	2.39	-	-
Energy	9.62	12.12	14.34	10.61
Food & Beverage	2.73	2.00	3.91	12.09
Health Care Equipment & Services	16.97	8.80	8.39	2.70
Household & Personal Products	0.94	-	-	-
Materials	6.28	1.45	4.63	5.65
Media & Entertainment	-	-	-	1.75
Pharma., Biotech. & Life Sciences	0.46	1.65	-	0.78
Real Estate	2.94	4.45	4.30	4.80
Retailing	3.60	8.01	5.58	-
Semiconductors & Semi. Equipment	3.49	1.07	2.57	-
Software & Services	-	-	-	2.06
Technology Hardware & Equipment	0.78	0.87	2.39	-
Telecommunication Services	7.19	8.76	7.25	8.88
Transportation	3.96	1.40	1.48	4.01
Utilities	7.34	6.52	11.16	17.04
	88.58	76.10	88.67	89.02
<b>Shariah-Compliant Warrants</b>	0.25	0.22	-	0.44
<b>Islamic Collective Investment Scheme</b>	9.40	11.91	9.06	9.65
<b>Cash And Islamic Money Market Instruments</b>	1.77	11.77	2.27	0.89
<b>Total</b>	100.00	100.00	100.00	100.00
Net Asset Value (RM'000)	50,951	42,230	64,177	77,083
Number Of Units In Circulation (Units '000)	133,584	147,169	170,465	179,997
Net Asset Value Per Unit (RM)	0.3815	0.2870	0.3765	0.4283*
Management Expense Ratio ("MER") <sup>1</sup>	0.78%	1.54%	1.54%	1.63%
Portfolio Turnover Ratio (times)	0.66	0.78	1.12	0.95

The Management Expense Ratio for the current interim period remains consistent with that of the previous interim period. (30 September 2019: 0.77%)

<sup>1</sup> The MER does not include brokerage and other transaction fees.

The Portfolio Turnover Ratio for the current interim period is higher due to increase in investing activities. (30 September 2019: 0.46 times)

*Notes:*

*The net asset value per unit of the Fund is largely determined by market factors. Therefore past performance figures shown are only a guide and should not be taken as indicative of future performance. Net asset value per unit and investment returns may go up or down.*

*\*Price quoted is ex-distribution.*

## Performance Data

	<u>Pacific Dana Aman</u>		<u>Composite Benchmark</u>			
	Total Return	Average Annual Return	Total Return	Average Annual Return		
6 Months' Period (1.4.2020 to 30.9.2020)	32.93%	-	26.24%	-		
1 Year's Period (1.4.2019 to 31.3.2020)	-23.79%	-23.79%	-12.72%	-12.72%		
3 Years' Period (1.4.2017 to 31.3.2020)	-34.52%	-11.51%	-19.68%	-6.56%		
5 Years' Period (1.4.2015 to 31.3.2020)	-35.21%	-7.04%	-21.17%	-4.23%		
	<b>1.4.2020 to 30.9.2020</b>	<b>1.4.2019 to 31.3.2020</b>	<b>1.4.2018 to 31.3.2019</b>	<b>1.4.2017 to 31.3.2018</b>	<b>1.4.2016 to 31.3.2017</b>	<b>1.4.2015 to 31.3.2016</b>
Pacific Dana Aman						
- Capital Return	32.93%	-23.79%	-11.78%	-8.00%	-5.56%	-9.90%
- Income Return	-	-	-	5.86%	7.54%	8.14%
- Total Return	32.93%	-23.79%	-11.78%	-2.61%	1.57%	-2.57%
Composite Benchmark	26.24%	-12.72%	-10.92%	3.30%	2.56%	-4.31%

	<b>1.4.2020 to 30.9.2020</b>	<b>1.4.2019 to 31.3.2020</b>	<b>1.4.2018 to 31.3.2019</b>	<b>1.4.2017 to 31.3.2018</b>
<b>Unit Prices</b>				
Highest NAV (RM)	0.4033	0.4098	0.4284	0.4869
Lowest NAV (RM)	0.2847	0.2597	0.3413	0.4283*
<b>Distributions</b>				
Gross Distribution Per Unit (sen)	- (30.9.2020)	- (31.3.2020)	- (29.3.2019)	2.50 (30.3.2018)
Net Distribution Per Unit (sen)	- (30.9.2020)	- (31.3.2020)	- (29.3.2019)	2.36 (30.3.2018)
<b>Unit Splits</b>	-	-	-	-

\* Price quoted is ex-distribution price.

### Notes:

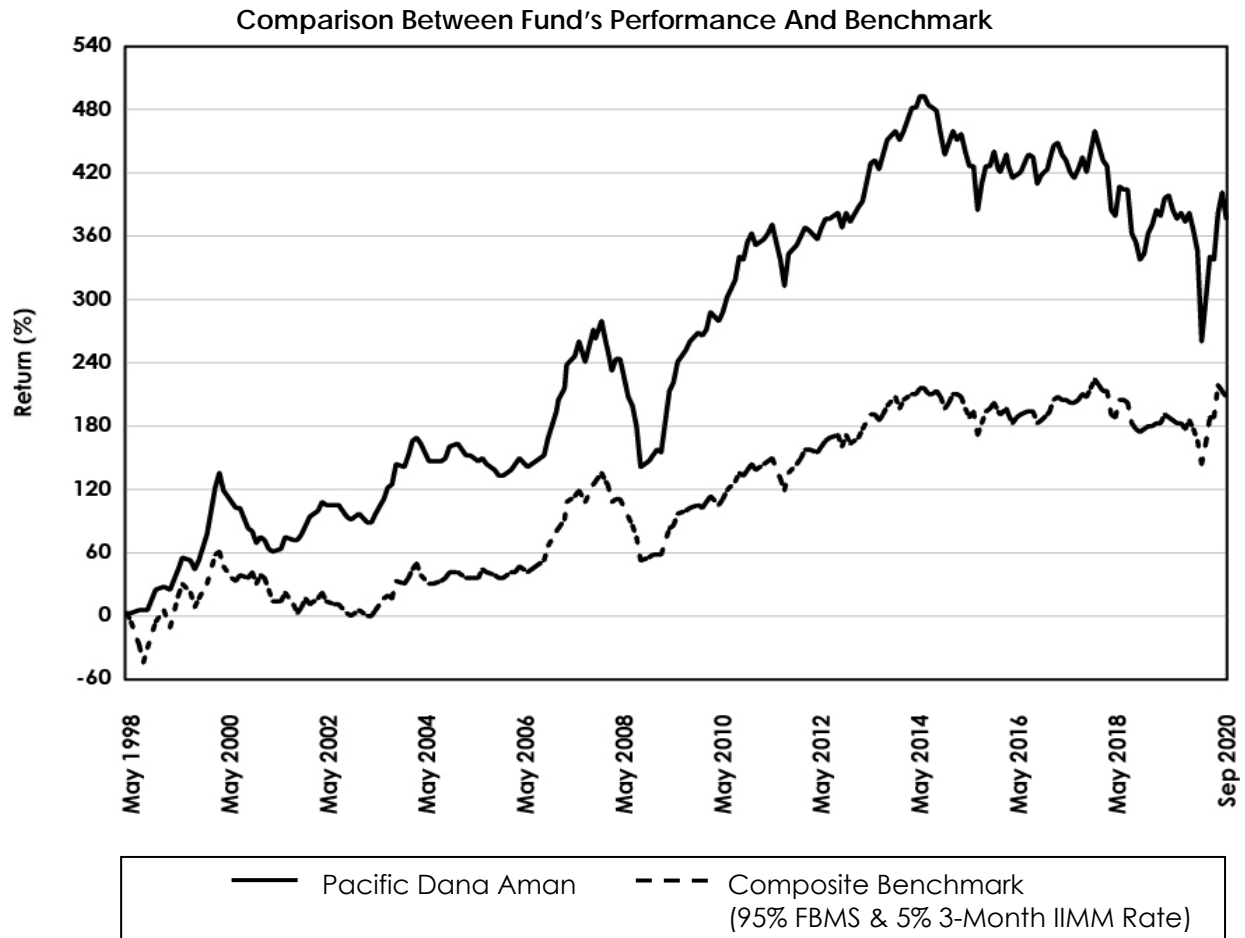
1. All figures pertaining to the Fund's return were extracted from Lipper.
2. The net asset value per unit of the Fund is largely determined by market factors. Therefore past performance figures shown are only a guide and should not be taken as indicative of future performance. Net asset value per unit and investment returns may go up or down.

## MANAGER'S REPORT 30 September 2020

### Performance Review

From 7 May 1998 (date of launch: 16 April 1998) to 30 September 2020, the Pacific Dana Aman registered a total return of 381.71%, while its composite benchmark (95% FTSE Bursa Malaysia EMAS Shariah Index [FBMS] and 5% 3-Month Islamic Interbank Money Market [IIMM] rate), rose 209.95%.

For the interim period under review (1 April 2020 to 30 September 2020), the Fund registered a total return of 32.93%. In comparison, its benchmark rose 26.24%.



Source: Lipper



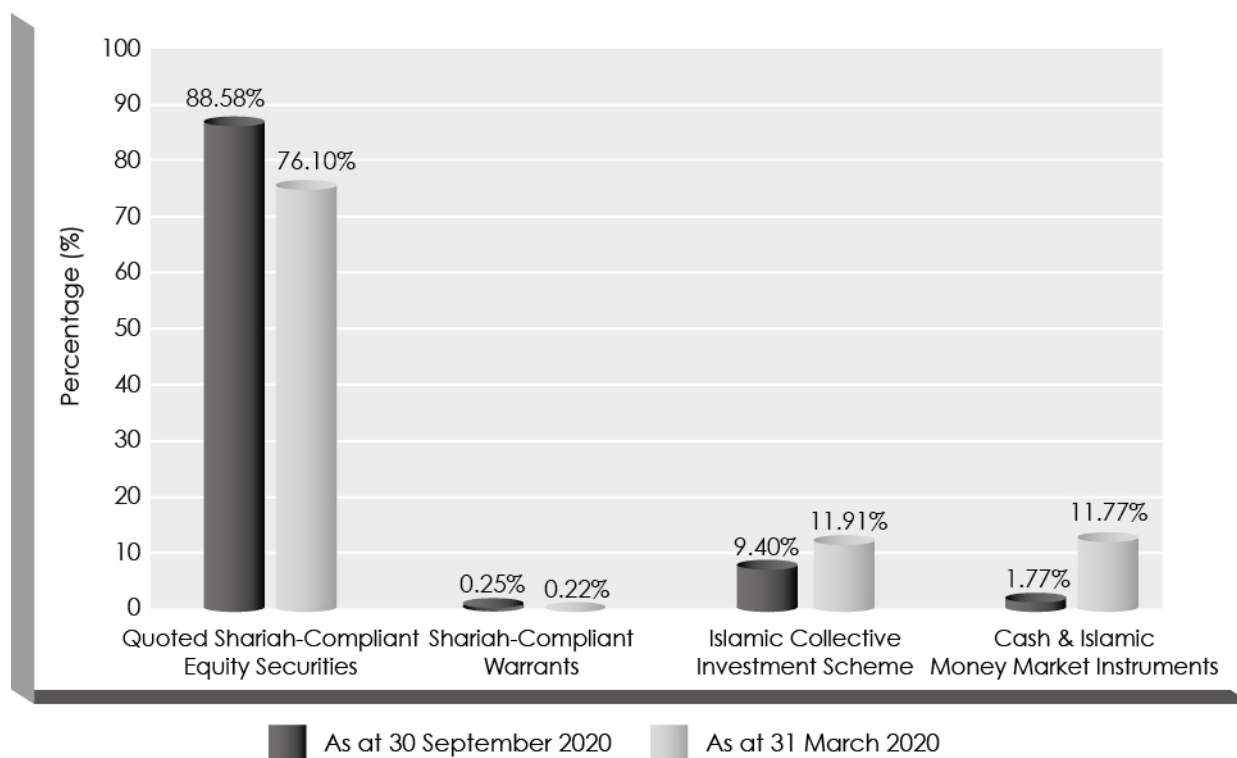
### **Investment Strategy Review**

The period under review for the Pacific Dana Aman began with high uncertainty on the back of a trio of negative events hitting the local market; namely an unexpected change in Malaysian government, the accelerating spread of the COVID-19 coronavirus pandemic and a breakdown in oil cartel cooperation impacting oil prices and economic growth. However, rapid reactions by central banks and governments across the world to provide monetary and fiscal stimulus to stem the drastic economic pressure from pandemic control actions fuelled a rise in equity markets that belied many market participants and economic views. In this context, the Fund gradually raised equity exposure in the second quarter of 2020 from 76% to 84% by the end of June 2020, favouring defensive stocks and attractively valued companies with growth prospects.

The third quarter of 2020 revealed more of the same with broad-based asset price reflation was broad (stocks, bonds, commodities ascended in tandem) but with divergent views on the prospects of different sectors – technology and ‘new economy’ stocks surged to new all-time highs; while more COVID-19-impacted sectors like travel and financials remained battered down. The Malaysian market also benefited from an idiosyncratic rise in the rubber glove makers, which are set to enjoy multi-fold profit hikes following the demand surge for PPE (personal protective equipment). A surge in local retail participation also offset the severe foreign equity outflows, which reached RM22.3 billion for nine-months 2020, almost on par with the total net outflows for the two years of 2018 and 2019 combined. The Fund continued on a trading strategy with a general uplift in asset allocation towards 89% equity allocation by 30 September 2020.

Going forward, a renewed pick-up in volatility is expected as global economic data begins to falter after moving past the low-base rebounds. Cautious sentiment will also prevalent as multiple countries begin experiencing new waves of increased COVID-19 infections. The Fund will be shifting towards more defensive footing, while maintaining focus on fundamentally robust companies and good yield prospects.

## Asset Allocation



The Shariah-compliant equity exposure (inclusive of Shariah-compliant warrants) of Pacific Dana Aman increased to 88.83% as at 30 September 2020 from 76.32% recorded at the beginning of the interim period under review due to net purchases of equities.

The 9.40% in Islamic collective investment scheme was placed in Pacific Dana Murni, a sukuk fund managed by the Manager. Such investment is in line with the objective of Pacific Dana Aman and is an efficient way to manage the exposure of Pacific Dana Aman in Islamic fixed income securities. The exposure of Pacific Dana Aman in the Islamic collective investment scheme is taken into account when assessing the asset allocation of Pacific Dana Aman in Islamic fixed income securities. Management fee on the Islamic collective investment scheme managed by the Manager is rebated to the Fund.

### Analysis Of Net Asset Value

The net asset value (NAV) per unit of Pacific Dana Aman increased from RM0.2870 to RM0.3815 during the interim period under review. Meanwhile, total NAV of the Fund increased from RM42,230,298 to RM50,950,968 due to fund inflows.

## **Market Review**

### **Equity Market Review**

The FBMKLCI surged 12% quarter-on-quarter (QoQ) in the first quarter under review driven by ample liquidity, rallies in the glove sector and strong retail participation. Despite a spat of discouraging 1Q2020 corporate results, the index entered into a bull market territory as glove manufacturers single-handedly lifted the market. Share prices of glove manufacturers continue to break new highs as investors bet on the higher consumption of glove amidst the pandemic. Separately, Bank Negara cut the overnight policy rate (OPR) by 50 basis points (bps) in early-May 2020, the most since early 2009, as it seeks to bolster the reopening of the economy. Surprisingly, Malaysia's GDP grew at a slower pace of 0.6% in the first quarter, but better than expected on the back of stronger exports and domestic demand. Market sentiment could continue to improve as lockdown measures are reduced and as infection rates of COVID-19 continue to trend downwards.

The rally continued into the second quarter as the FBMKLCI increased +13%. The surge was driven by a 25bps cut in the OPR to an all-time low of 1.75% and abundance in retail support due to extension of loan moratorium. However, 2Q2020 corporate earnings painted a stark contrast against the market as earnings came in at record low, reflecting the lower-than-expected 2Q2020 GDP figure impacted by the MCO. As we approach towards the end of September 2020, the index pulled back due to rotation from the glove sector as news of vaccine becomes more apparent and higher perceived risk as the loan moratorium approaches its expiry. The government did announce additional fiscal stimulus with a sum of RM10 billion for small business support and wage subsidies, but it was overshadowed by political risk as Anwar claimed to have the support of majority MPS, capable of forming a new government, just before the Sabah Election.

**Income Distribution Nil**

**Unit Split Nil**

**Significant Changes In The State Of Affairs Of The Fund Nil**

**Circumstances That Materially Affect Interest Of Unitholders Nil**

### **Soft Commissions**


During the interim period under review, the Fund has received soft commissions from brokers. Soft commissions received from brokers are retained by the Manager for purchasing goods and services which are of demonstrable benefit to the unitholders and in the form of research and advisory services that assist in the decision-making process relating to the investment of the Fund such as research materials, data and quotation services, computer software, investment advisory services, and investment related publications.

**TRUSTEE'S REPORT  
TO THE UNIT HOLDERS OF PACIFIC DANA AMAN**

We, **CIMB Islamic Trustee Berhad** being the trustee for **Pacific Dana Aman** ("the Fund"), are of the opinion that **BOS Wealth Management Malaysia Berhad (formerly known as Pacific Mutual Fund Bhd)** ("the Manager"), acting in the capacity as the Manager of the Fund, has fulfilled its duties in the following manner for the six months ended 30 September 2020.

- a) The Fund has been managed in accordance with the limitations imposed on the investment powers of the Manager under the Deeds, the Securities Commission Malaysia's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 (as amended from time to time) and other applicable laws;
- b) Valuation and pricing for the Fund has been carried out in accordance with the Deeds and relevant regulatory requirements; and
- c) Creation and cancellation of units have been carried out in accordance with the Deeds and relevant regulatory requirements.

For and on behalf of  
**CIMB Islamic Trustee Berhad**



**Lee Kooi Yoke**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
02 November 2020



## SHARIAH ADVISER'S REPORT

### TO THE UNITHOLDERS OF PACIFIC DANA AMAN ("Fund")

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, BOS Wealth Management Malaysia Berhad (formerly known as Pacific Mutual Fund Bhd) has operated and managed the Fund during the period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia ("SC") pertaining to Shariah matters; and
2. The asset of the Fund comprises instruments that have been classified as Shariah compliant except for the securities of Hume Industries Berhad which have been reclassified as Shariah non-compliant by the Shariah Advisory Council of the SC. This reclassified Shariah non-compliant instrument shall be disposed of in accordance with the Fund's Shariah investment guidelines as provided in the Fund's deed and disclosed in the Fund's prospectus.

For and on behalf of the Shariah Adviser,  
**BIMB SECURITIES SDN BHD**

**IR. DR. MUHAMAD FUAD ABDULLAH**  
Designated Shariah Person


16 November 2020

## PACIFIC DANA AMAN

### STATEMENT BY THE MANAGER

We, **Teh Chi-cheun** and **Tan Ai Chin**, being two of the Directors of **BOS Wealth Management Malaysia Berhad (formerly known as Pacific Mutual Fund Bhd)** do hereby declare that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 13 to 35 are prepared in accordance with the requirements of the Deeds, Malaysian Financial Reporting Standards, International Financial Reporting Standards and Securities Commission's Guidelines on Unit Trust Funds in Malaysia so as to give a true and fair view of the financial position of **Pacific Dana Aman** as at 30 September 2020 and of its results, changes in net asset value and cash flows for the interim period then ended.

Signed on behalf of the Manager in accordance with a resolution of the Directors



**TEH CHI-CHEUN**



**TAN AI CHIN**

Kuala Lumpur, Malaysia  
2 November 2020

**PACIFIC DANA AMAN**

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2020**

	Note	30.9.2020 RM	31.3.2020 RM
<b>ASSETS</b>			
Shariah-compliant investments	3	50,048,003	37,257,938
Dividend receivable		111,235	187,582
Profit receivable		50	1,305
Amount due from brokers/dealers	8	693,674	11,456
Cash and cash equivalents	5	1,143,445	5,001,566
<b>TOTAL ASSETS</b>		<u>51,996,407</u>	<u>42,459,847</u>
<b>LIABILITIES</b>			
Amount due to Manager	7	485,944	52,994
Amount due to brokers/dealers	8	541,168	160,152
Other payables		18,327	16,403
<b>TOTAL LIABILITIES</b>		<u>1,045,439</u>	<u>229,549</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<u>50,950,968</u>	<u>42,230,298</u>
<b>EQUITY</b>			
Unitholders' capital		60,382,456	65,525,612
Accumulated losses		(9,431,488)	(23,295,314)
<b>NAV ATTRIBUTABLE TO UNITHOLDERS</b>	14	<u>50,950,968</u>	<u>42,230,298</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>51,996,407</u>	<u>42,459,847</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	15	<u>133,584,103</u>	<u>147,168,925</u>
<b>NAV PER UNIT</b>	14	<u>RM0.3815</u>	<u>RM0.2870</u>

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

**PACIFIC DANA AMAN**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020**

	Note	1.4.2020 to 30.9.2020 RM	1.4.2019 to 30.9.2019 RM
<b>INVESTMENT INCOME</b>			
Gross dividends from financial assets at fair value through profit or loss		624,090	875,726
Profit from Islamic money market instruments		34,940	33,858
Net gain/(loss) from sale of financial assets at FVTPL		1,572,325	(3,621,399)
Net unrealised gain on changes in value of financial assets at FVTPL		12,323,955	4,545,719
		<u>14,555,310</u>	<u>1,833,904</u>
<b>EXPENSES</b>			
Audit fee		4,011	4,000
Tax agent's fee		2,106	2,501
Manager's fee	9	360,101	452,091
Trustee's fee	10	15,433	19,116
Brokerage and other transaction fees		291,614	261,279
Administration expenses		18,219	14,955
		<u>691,484</u>	<u>753,942</u>
<b>Net income before taxation</b>		13,863,826	1,079,962
<b>Taxation</b>	13	-	-
<b>Net income after taxation</b>		<u>13,863,826</u>	<u>1,079,962</u>
<b>Total comprehensive income</b>		<u>13,863,826</u>	<u>1,079,962</u>
<b>Total comprehensive income is made up as follows:</b>			
Realised income/(loss)		1,539,871	(3,465,757)
Unrealised income		12,323,955	4,545,719
		<u>13,863,826</u>	<u>1,079,962</u>

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



**PACIFIC DANA AMAN**

**UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020**

	<b>Unitholders' capital RM</b>	<b>Accumulated losses RM</b>	<b>NAV attributable to unitholders RM</b>
<b>At 1 April 2019</b>	74,443,119	(10,265,740)	64,177,379
Net income after taxation	-	1,079,962	1,079,962
Creation of units	325,609	-	325,609
Cancellation of units	(4,987,981)	-	(4,987,981)
<b>At 30 September 2019</b>	<u>69,780,747</u>	<u>(9,185,778)</u>	<u>60,594,969</u>
<b>At 1 April 2020</b>	65,525,612	(23,295,314)	42,230,298
Net income after taxation	-	13,863,826	13,863,826
Creation of units	141,270	-	141,270
Cancellation of units	(5,284,426)	-	(5,284,426)
<b>At 30 September 2020</b>	<u>60,382,456</u>	<u>(9,431,488)</u>	<u>50,950,968</u>

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

**PACIFIC DANA AMAN**

**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020**

	1.4.2020 to 30.9.2020 RM	1.4.2019 to 30.9.2019 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	33,433,931	31,694,145
Purchase of investments	(32,730,441)	(28,228,206)
Dividends received	509,175	612,435
Profit received	36,196	34,648
Manager's fee paid	(352,278)	(457,861)
Trustee's fee paid	(12,323)	(19,379)
Payment for other fees and expenses	(24,351)	(23,249)
Net cash generated from operating and investing activities	<u>859,909</u>	<u>3,612,533</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from units created	141,270	325,609
Cash paid on units cancelled	(4,859,300)	(5,025,126)
Net cash used in financing activities	<u>(4,718,030)</u>	<u>(4,699,517)</u>
<b>Net decrease in cash and cash equivalents</b>	(3,858,121)	(1,086,984)
<b>Cash and cash equivalents at beginning of interim period</b>	5,001,566	2,027,852
<b>Cash and cash equivalents at end of interim period</b>	<u>1,143,445</u>	<u>940,868</u>
<b>Cash and cash equivalents comprise:</b>		
Cash at banks	13,445	60,868
Islamic deposits with licensed financial institutions	1,130,000	880,000
	<u>1,143,445</u>	<u>940,868</u>

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

## **PACIFIC DANA AMAN**

### **NOTES TO THE UNAUDITED FINANCIAL STATEMENTS 30 SEPTEMBER 2020**

#### **1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES**

Pacific Dana Aman (hereinafter referred to as "the Fund") was constituted pursuant to the execution of a Deed dated 15 April 1998 as amended by the First Supplemental Deed dated 3 December 1999, Second Supplemental Deed dated 29 June 2000, Third Supplemental Deed dated 11 September 2002, Fourth Supplemental Deed dated 30 August 2007, Supplemental Master Deed dated 11 February 2011, Second Supplemental Master Deed dated 8 March 2016 and its Third Supplemental Master Deed dated 27 October 2016 (hereinafter referred to as "the Deeds") made between the Manager, BOS Wealth Management Malaysia Berhad and the Trustee, CIMB Islamic Trustee Berhad for the registered holders of the Fund.

The principal activity of the Fund is to invest in "Permitted Investments" as defined in the Deeds, which include Shariah-compliant securities listed on Bursa Malaysia Securities Berhad, Islamic fixed income securities and Islamic money market instruments as approved by the Securities Commission Malaysia. The Fund was launched on 16 April 1998 and will continue its operations until terminated as provided in the Deeds.

Prior to 29 November 2019, the Manager, a company incorporated in Malaysia was a 70% owned subsidiary of Lion Global Investors Limited, a company incorporated in Singapore. The remaining 30% of the share capital of the Manager was held by Koperasi Angkatan Tentera Malaysia Bhd.

On 29 November 2019, the Manager became a wholly owned subsidiary of Bank of Singapore Limited, a private bank based in Singapore. The ultimate holding company is Oversea-Chinese Banking Corporation Limited, a public listed company incorporated in Singapore.

The principal activities of the Manager are the establishment and management of unit trust funds as well as the management of private investment mandates. The Manager received approval from the Securities Commission Malaysia to include the regulated activity of investment advice under the variation of its Capital Markets Services License on 25 October 2019. The Manager registered to be an Institutional Unit Trust Adviser with the Federation of Investment Managers Malaysia on 13 November 2019. The Manager has not commenced activities relating to investment advice and marketing and distribution of third party funds as of the end of the interim period.

## PACIFIC DANA AMAN

### NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONT'D.) 30 SEPTEMBER 2020

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (a) Basis of preparation

The financial statements of the Fund have been prepared on a historical cost basis, except as otherwise stated in the accounting policies and comply with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), the Deeds and the Securities Commission Malaysia's Guidelines on Unit Trust Funds in Malaysia.

The significant accounting policies adopted are consistent with those applied in the previous financial year end except for the adoption of new MFRSs and Amendments to MFRSs which are effective for the financial year beginning on or after 1 January 2020. These new MFRSs and Amendments to MFRSs did not give rise to any significant effect on the financial statements.

The Fund will adopt the following MFRS and Amendments to MFRSs when they become effective in the respective financial periods and these MFRS and Amendments to MFRSs are not expected to have any material impact to the financial statements of the Fund upon initial application.

##### Standards issued but not yet effective:

	<b>Effective for interim periods beginning on or after</b>
Amendments to MFRSs contained in the document entitled <i>"Annual Improvements to MFRS Standards 2018–2020"</i>	1 January 2022
Reference to the Conceptual Framework (Amendments to <i>MFRS 3 Business Combinations</i> )*	1 January 2022
<i>Property, Plant and Equipment—Proceeds before Intended Use</i> (Amendments to <i>MFRS 116 Property, Plant and Equipment</i> )*	1 January 2022
Onerous Contracts—Cost of Fulfilling a Contract (Amendments to <i>MFRS 137 Provisions, Contingent Liabilities and</i> <i>Contingent Assets</i> )	1 January 2022
Amendments to MFRS 101: Presentation of Financial Statements <i>Classification of Liabilities as Current or Non-Current</i>	1 January 2023
<i>MFRS 17 Insurance Contracts</i> *	1 January 2023
Amendments to <i>MFRS 17 Insurance Contracts</i> *	1 January 2023
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution</i> <i>of Assets between an Investor and its Associate or Joint</i> <i>Venture</i> *	Deferred

\* These MFRS and Amendments to MFRSs are not relevant to the Fund.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONT'D.)  
30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(b) Functional and presentation currency

The financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Fund's functional currency.

(c) Financial instruments

The Fund recognises financial assets and financial liabilities in the statement of financial position on the date it becomes a party to the contractual provisions of the instruments.

Regular way purchase and sales of all categories of investments in financial instruments are recognised on trade dates i.e. dates on which the Fund commits to purchase or sell the financial instruments.

*Financial Assets*

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss ("FVTPL") on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(i) *Financial assets at amortised cost*

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit ("SPPP") on the principal amount outstanding. Receivables are classified as financial assets at amortised cost. They are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These include cash and cash equivalents, amount due from Manager, brokers/dealers and other receivables. For the purpose of the investment made by the Fund, debt instrument refers to sukuk.

(ii) *Financial assets at FVTPL*

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and profit ("SPPP") on the principal amount outstanding; or
- (b) It is held within a business model whose objective is to sell; or

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONT'D.)  
30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(c) Financial instruments (Cont'd.)

*Financial Assets (cont'd.)*

(ii) *Financial assets at FVTPL (cont'd.)*

- (c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Fund includes in this its Permitted Investments. These include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

*Financial liabilities*

Financial liabilities are recognised initially at fair value i.e. the consideration for goods and services received and subsequently stated at amortised cost. These include amounts due to Manager, brokers/dealers, Trustee and other payables. The difference between the proceeds and the amount payable is recognised over the period of the payable using the effective profit method.

(d) Derecognition of financial assets and liabilities

*Financial assets*

A financial asset is derecognised when the asset is disposed and the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

*Financial liabilities*

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

(e) Impairment of financial assets

Credit losses are recognised based on the expected credit loss ("ECL") model. The Fund recognises loss allowances for ECL on financial instruments that are not measured at fair value through profit or loss ("FVTPL"), either on a 12-month or lifetime basis based on the significant increase in credit risk since initial recognition. The impairment model does not apply to equity investments.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONT'D.)  
30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(e) Impairment of financial assets (cont'd.)

Given the limited exposure of the Fund to credit risk, there is no material impact on the Fund's financial statements. For balances which are short-term in nature and with no financing component (e.g. profit receivable, dividend receivable and amount due from brokers/dealers), full impairment will be recognised on uncollected balances after the grace period exceeded.

(f) 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.

Dividend income is recognised when the Fund's right to receive payment is established.

Profit income is recognised using the effective profit method on an accrual basis.

(g) Unrealised reserves/(deficits)

The unrealised reserves/(deficits) represent the net gain or loss arising from carrying quoted investments and fixed income securities at their fair value and are recognised in the statement of comprehensive income.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and placements in Islamic money market instruments with original maturities of 3 months or less which have an insignificant risk of changes in value.

(i) Taxation

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

(j) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONT'D.)  
30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(k) Unitholders' capital

Unitholders' capital meets the conditions for the definition of puttable instruments classified as equity instruments.

Distribution equalisation is accounted for on the date of creation and cancellation of units. It represents the average distributable amount included in the creation and cancellation prices of units. This amount is either refunded to unitholders by way of distribution and/or adjusted accordingly when units are cancelled.

(l) Significant accounting estimates and judgments

The preparation of financial statements in accordance with MFRS and IFRS requires the use of certain accounting estimates and exercise of judgments. Estimates and judgments are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

No major estimates or 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 at the reporting date.

3. SHARIAH-COMPLIANT INVESTMENTS

	30.9.2020 RM	31.3.2020 RM
<b>Financial assets at FVTPL</b>		
Quoted Shariah-compliant investments		
- Shariah-compliant equity securities	45,131,628	32,137,252
- Shariah-compliant warrants	125,527	93,000
- Islamic collective investment scheme	4,790,848	5,027,686
	<u>50,048,003</u>	<u>37,257,938</u>
<b>Total investments</b>	<u>50,048,003</u>	<u>37,257,938</u>



PACIFIC DANA AMAN

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONT'D.)  
30 SEPTEMBER 2020

3. SHARIAH-COMPLIANT INVESTMENTS (CONT'D.)

The composition of quoted investments at the reporting date is as detailed below. The industry classifications are based on MSCI's Global Industry Classification Standard.

SHARIAH-COMPLIANT EQUITY SECURITIES

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV
<b>Banks</b>				
420,800	BIMB Holdings Berhad	1,677,841	1,472,800	2.89
<b>Capital Goods</b>				
157,400	Chin Hin Group Berhad	165,158	218,786	0.43
2,614,100	Econpile Holdings Bhd	1,678,306	1,267,839	2.49
1,157,162	Gabungan AQRS Bhd	1,267,127	775,299	1.52
179,010	Gamuda Berhad	617,359	624,745	1.23
841,300	IJM Corporation Berhad	1,140,372	1,211,472	2.38
1,739,300	Malaysian Resources Corporation Berhad	1,479,699	817,470	1.60
1,344,800	Naim Holdings Berhad	1,162,107	1,075,840	2.11
645,400	P.I.E. Industrial Berhad	923,989	961,646	1.89
124,400	Pentamaster Corporation Berhad	542,451	597,120	1.17
237,200	Sime Darby Berhad	531,011	590,628	1.16
600,000	Success Transformer Corp Bhd	536,949	336,000	0.66
134,500	Supercomnet Technologies Bhd	262,605	269,000	0.53
		10,307,133	8,745,845	17.17
<b>Consumer Durables &amp; Apparel</b>				
43,000	Magni-Tech Industries Berhad	84,264	100,620	0.20
<b>Diversified Financials</b>				
121,200	Bursa Malaysia Bhd	854,035	1,027,776	2.02
<b>Energy</b>				
541,700	Dialog Group Berhad	1,754,981	2,063,877	4.05
603,500	Hibiscus Petroleum Berhad	369,325	304,768	0.60
100,000	Perdana Petroleum BHD	14,500	15,000	0.03
545,460	Serba Dinamik Holdings Berhad	967,141	894,554	1.76
		4,711,117	4,899,399	9.62

PACIFIC DANA AMAN

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONT'D.)  
30 SEPTEMBER 2020

3. INVESTMENTS (CONT'D.)

SHARIAH-COMPLIANT EQUITY SECURITIES

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV
<b>Food &amp; Beverage</b>				
422,300	Guan Chong Bhd	1,154,794	1,393,590	2.73
<b>Health Care Equipment &amp; Services</b>				
2,403,400	Focus Point Holdings Bhd	1,249,419	1,237,751	2.43
98,400	Kossan Rubber Industries Berhad	1,285,516	1,346,112	2.64
246,200	Supermax Corporation Berhad	1,527,232	2,073,004	4.07
480,600	Top Glove Corporation Bhd	1,567,638	3,988,980	7.83
		5,629,805	8,645,847	16.97
<b>Household &amp; Personal Products</b>				
774,100	NTPM Holdings Berhad	408,887	479,942	0.94
<b>Materials</b>				
300,000	Hume Industries Bhd*	1,028,864	237,000	0.47
1,565,200	Jaya Tiasa Holdings Berhad	1,085,038	1,064,336	2.08
2,151,400	Lion Industries Corporation Berhad	699,483	559,364	1.10
260,700	Lotte Chemical Titan Holding Berhad	464,175	555,291	1.09
140,100	Petronas Chemicals Group Bhd	758,088	785,961	1.54
		4,035,648	3,201,952	6.28
<b>Pharma., Biotech. &amp; Life Sciences</b>				
73,749	Duopharma Biotech Berhad	108,196	233,047	0.46
<b>Real Estate</b>				
279,652	Axis Real Estate Investment Trust	520,775	604,048	1.19
1,538,690	Sime Darby Property Berhad	1,630,289	892,440	1.75
		2,151,064	1,496,488	2.94
<b>Retailing</b>				
1,379,500	Aeon Company (M) Berhad	2,314,388	1,096,702	2.15
534,400	Bermaz Auto Bhd	1,245,675	737,472	1.45
		3,560,063	1,834,174	3.60
<b>Semiconductors &amp; Semi. Equipment</b>				
238,200	Globetronics Technology Berhad	536,649	631,230	1.24
169,000	Greotech Technology Berhad	1,084,053	1,147,510	2.25
		1,620,702	1,778,740	3.49

\* Please refer to Note 6(a)

PACIFIC DANA AMAN

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONT'D.)  
30 SEPTEMBER 2020

3. INVESTMENTS (CONT'D.)

SHARIAH-COMPLIANT EQUITY SECURITIES

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV
<b>Technology Hardware &amp; Equipment</b>				
235,100	JHM Consolidation Bhd	367,048	397,319	0.78
<b>Telecommunication Services</b>				
759,406	Axiata Group Berhad	3,514,048	2,240,248	4.40
230,600	DiGi.Com Berhad	1,035,831	929,318	1.82
120,000	Telekom Malaysia Berhad	512,400	495,600	0.97
		5,062,279	3,665,166	7.19
<b>Transportation</b>				
3,973,000	GD Express Carrier Bhd	1,478,167	1,311,090	2.57
966,100	MMC Corporation Berhad	1,268,588	710,083	1.39
		2,746,755	2,021,173	3.96
<b>Utilities</b>				
1,600,000	Puncak Niaga Holdings Berhad	1,818,425	320,000	0.63
325,500	Tenaga Nasional Berhad	4,150,040	3,417,750	6.71
		5,968,465	3,737,750	7.34
	<b>Total equity securities</b>	50,448,096	45,131,628	88.58
<b>SHARIAH-COMPLIANT WARRANT</b>				
865,700	Gabungan AQRS Bhd - WB 26/09/2023 - WB 26/09/2023	299,845	125,527	0.25
<b>ISLAMIC COLLECTIVE INVESTMENT SCHEME</b>				
8,452,447	Pacific Dana Murni*	4,443,733	4,790,848	9.40
	<b>TOTAL QUOTED INVESTMENTS</b>	55,191,674	50,048,003	98.23
	<b>UNREALISED LOSS FROM QUOTED INVESTMENTS</b>		(5,143,671)	

\* Managed by the Manager

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONT'D.)  
30 SEPTEMBER 2020

4. FAIR VALUE HIERARCHY

The Fund uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation techniques:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM	Level 2 RM	Total RM
<b>30.9.2020</b>			
<b>Financial assets at FVTPL</b>			
Quoted Shariah-compliant investments	50,048,003	-	50,048,003
<b>31.3.2020</b>			
<b>Financial assets at FVTPL</b>			
Quoted Shariah-compliant investments	37,257,938	-	37,257,938

The carrying amounts of other financial assets and financial liabilities, approximate fair values due to the relatively short term maturities of these financial instruments.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at banks and placements in Islamic money market instruments.

	30.9.2020 RM	31.3.2020 RM
Cash at banks	13,445	51,566
Islamic money market instruments with licensed financial institutions:		
- Commercial bank	1,130,000	2,430,000
- Investment bank	-	2,520,000
	1,130,000	4,950,000
Cash and cash equivalents	1,143,445	5,001,566

## PACIFIC DANA AMAN

### NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONT'D.)

30 SEPTEMBER 2020

#### 5. CASH AND CASH EQUIVALENTS (CONT'D.)

The weighted average rate of return and remaining maturity of placements in Islamic money market instruments at the reporting date were as follows:

	Weighted average effective profit rate (% per annum)		Weighted average remaining maturity (Days)	
	30.9.2020	31.3.2020	30.9.2020	31.3.2020
Islamic money market instruments with licensed financial institutions:				
- Commercial bank	1.60	2.35	1	8
- Investment bank	-	2.50	-	4
	<hr/>	<hr/>	<hr/>	<hr/>

#### 6. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises:

- (a) Securities listed on Bursa Malaysia Securities Berhad which have been classified as Shariah-compliant by the SAC of the SC, except for the securities of Hume Industries Berhad which have been reclassified as Shariah non-compliant by the SAC of the SC.

The above securities have to be disposed of with immediate effect or within one (1) calendar month if the value of the securities exceeds or is equal to the investment cost on the last trading day before the effective date of Reclassification. The Fund is allowed to keep dividends received and capital gains from the disposal of the securities up to the last trading day before the effective date of Reclassification. However, any dividends received and excess capital gains from the disposal of the Shariah non-compliant securities on and after the effective date of Reclassification should be channelled to baitulmal and/or charitable bodies approved by the Shariah Adviser

- (b) Liquid assets in local market which are placed in Shariah-compliant instruments; and
- (c) Collective investment scheme which is verified as Shariah-compliant by the Shariah Adviser.

#### 7. AMOUNT DUE TO MANAGER

The amount due to Manager represents amount payable for units cancelled and/or amount payable for management fee.

Management fee is payable on a monthly basis and amount payable for units cancelled is paid within 10 days of the transaction dates.

## PACIFIC DANA AMAN

### NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONT'D.)

30 SEPTEMBER 2020

#### 8. AMOUNT DUE FROM/TO BROKERS/DEALERS

The amount due from/to brokers/dealers relates to disposal/purchase of investments which remain outstanding at the reporting date. These are normally received/paid within two (2) business days of the transaction dates.

#### 9. MANAGER'S FEE

The Manager's fee provided in the financial statements is computed at 1.50% (2019: 1.50%) per annum of the NAV attributable to unitholders of the Fund, calculated on a daily basis net of Manager's fee rebate on the Islamic collective investment scheme as agreed by the Trustee and the Manager as follows:

Name of Funds	Rate p.a.
Pacific Dana Murni	1.00%

#### 10. TRUSTEE'S FEE

The Trustee's fee provided in the financial statements is computed at 0.06% (2019: 0.06%) per annum of the NAV attributable to unitholders of the Fund, calculated on a daily basis, subject to a minimum fee of RM12,000 per annum.

#### 11. PORTFOLIO TURNOVER RATIO ("PTR")

	1.4.2020 to 30.9.2020	1.4.2019 to 30.9.2019
Portfolio turnover ratio ("PTR")	0.66 times	0.46 times

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the interim period over the average NAV attributable to unitholders of the Fund calculated on a daily basis. The PTR for the current interim period is higher due to increase in investing activities.

PACIFIC DANA AMAN

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONT'D.)  
30 SEPTEMBER 2020

12. MANAGEMENT EXPENSE RATIO ("MER")

	1.4.2020 to 30.9.2020	1.4.2019 to 30.9.2019
Management expense ratio ("MER") <sup>1</sup>	<u>0.78%</u>	<u>0.77%</u>

MER is the ratio of expenses of the Fund expressed as a percentage of the average NAV attributable to unitholders of the Fund for the interim period calculated on a daily basis. The MER for the current interim period remains consistent with that of the previous interim period.

<sup>1</sup> The MER does not include brokerage and other transaction fees.

13. TAXATION

	1.4.2020 to 30.9.2020 RM	1.4.2019 to 30.9.2019 RM
Malaysian income tax: Current interim period's provision	<u>-</u>	<u>-</u>

Income tax is calculated at the Malaysian statutory rate of taxation of 24% (2019: 24%) of the estimated assessable income for the interim period.

There was no taxation charge for the current and previous interim periods due to tax exempt income received.

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

PACIFIC DANA AMAN

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONT'D.)  
30 SEPTEMBER 2020

13. TAXATION (CONT'D.)

	1.4.2020 to 30.9.2020 RM	1.4.2019 to 30.9.2019 RM
Net income before taxation	13,863,826	1,079,962
Taxation at Malaysian statutory rate of 24%	3,327,318	259,191
Tax effects of:		
Income not subject to tax	(3,493,275)	(1,309,273)
Loss not subject to tax	-	869,136
Expenses not deductible for tax purpose	75,280	69,713
Restriction on tax deductible expenses for unit trust funds	90,677	111,233
Tax expense for the interim period	-	-

14. NET ASSET VALUE ATTRIBUTABLE ("NAV") TO UNITHOLDERS

	30.9.2020 RM	31.3.2020 RM
Unitholders' capital	60,382,456	65,525,612
Retained earnings		
- Realised deficits	(4,287,820)	(5,827,691)
- Unrealised deficits	(5,143,668)	(17,467,623)
NAV attributable to unitholders	50,950,968	42,230,298

The NAV per unit is rounded up to four decimal places.

15. NUMBER OF UNITS IN CIRCULATION

	30.9.2020 No. of units	31.3.2020 No. of units
At beginning of the period	147,168,925	170,465,000
Creation	417,813	993,993
Cancellation	(14,002,635)	(24,290,068)
At end of the period	133,584,103	147,168,925



PACIFIC DANA AMAN

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONT'D.)  
30 SEPTEMBER 2020

16. UNITS HELD BY THE MANAGER AND ITS RELATED PARTIES

	30.9.2020		31.3.2020	
	No. of units	RM	No. of units	RM
Key Management Personnel of the Manager	19,331	7,375	16,815	4,826

There were no units held by the Manager.

17. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with the brokers/dealers for the interim period are as follows:

Brokers/Dealers	Value of trade# RM	% of total trades	Brokerage fee* RM	% of total brokerage fees
Hong Leong Investment Bank Bhd	13,193,570	19.77	45,607	19.91
CGS-CIMB Securities Sdn Bhd	12,531,035	18.75	43,256	18.88
Maybank Investment Bank Bhd	10,849,846	16.25	38,085	16.62
RHB Investment Bank Bhd	10,760,414	16.11	37,791	16.50
Credit Suisse Securities (Malaysia) Sdn Bhd	7,343,431	11.00	25,765	11.24
UOB Kay Hian Securities (M) Sdn Bhd	7,059,416	10.57	24,786	10.82
Alliance Investment Bank Berhad	3,149,443	4.72	7,149	3.11
Nomura Securities Malaysia Sdn Bhd	1,898,032	2.83	6,661	2.92
	<u>66,785,187</u>	<u>100.00</u>	<u>229,100</u>	<u>100.00</u>

# Excludes brokerage and other transaction fees.

\* Only applicable to Shariah-compliant equity securities.

The transactions above are with non related parties.

## PACIFIC DANA AMAN

### NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONT'D.) 30 SEPTEMBER 2020

#### 18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks which include market risk, credit risk, liquidity risk, specific risk, single issuer risk and Shariah status reclassification risk.

Financial risk management is carried out through policy reviews, internal control systems and adherence to the investment restrictions as stipulated in the Securities Commission Malaysia's Guidelines on Unit Trust Funds in Malaysia.

(i) Market Risk

The Fund's principal exposure to market risk arises primarily due to changes in the market environment, global economic and geo-political developments. The Fund seeks to diversify some of these risks by investing into different sectors to mitigate risk exposure to any single asset class.

Financial markets have experienced and may continue to experience significant volatility resulting from the spread of a novel coronavirus known as Covid-19. The outbreak of Covid-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The outcomes of global and local financial markets are highly uncertain and cannot be predicted at this point in time. Due to this, the Manager of the Fund is unable to reliably estimate the quantitative impact of Covid-19 towards the Fund's performance for the next twelve months. The Manager of the Fund will continue to actively monitor the developments in the market to minimise any potential impact to the Fund.

(a) Price risk

Price risk is the adverse changes in the fair value of securities as a result of changes in the levels of equity indices and the value of individual securities. The price risk exposure arises from the Fund's quoted Shariah-compliant investments.

The table below summarises the effect on the net income before tax and NAV attributable to the unitholders of the Fund at the reporting date due to possible changes in prices, with all other variables held constant:

Change in price (%)	Effect on net income before tax and NAV attributable to unitholders	
	Increase/ (Decrease) 30.9.2020 RM	Increase/ (Decrease) 31.3.2020 RM
+5/	2,502,400	1,862,897
(5)	<u>(2,502,400)</u>	<u>(1,862,897)</u>

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONT'D.)  
30 SEPTEMBER 2020**

**18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**

(i) Market Risk (cont'd.)

(b) Interest rate risk

This risk refers to the effect of interest rate changes on the returns on placements in Islamic money market instruments. In the event of reduction in interest rates, the returns on placements in Islamic money market instruments will decrease, thus affecting the NAV of the Fund. This risk will be minimised via the management of the duration structure of the placements in Islamic money market instruments.

The Fund's exposure to interest rate risk with respect to Islamic deposits with licensed financial institutions is not considered to be significant at the reporting date and consequently no sensitivity analysis on interest rate risk has been presented.

Interest rate is a general economic indicator that will have an impact on the management of the Fund regardless whether it is an Islamic unit trust fund or otherwise. It does not in any way suggest that the Fund will invest in conventional financial instruments. All the investments carried out for the Fund are in accordance with Shariah requirements.

(ii) Credit risk

The Fund's principal exposure to credit risk arises primarily due to changes in the financial conditions of an issuer or a counterparty to make payment of principals, profit and proceeds from realisation of investments. Such events can lead to loss of capital or delayed or reduced income for the Fund resulting in a reduction in the Fund's NAV and thus, unit price. This risk is mitigated by setting counterparty limits and vigorous credit analyses.

Credit risk is generally arising from investments, cash and cash equivalents and other receivables. The maximum exposure to credit risk is presented in the statement of financial position. None of these balances are impaired. Cash and cash equivalents are placed in licensed financial institutions with strong credit ratings.

(iii) Liquidity risk

This risk occurs in thinly traded or illiquid Shariah-compliant securities. Should the Fund need to sell a relatively large amount of Shariah-compliant securities, the act itself may significantly depress the selling price. The risk is minimised by maintaining a prudent level of Islamic liquid assets that allows the Fund to meet daily redemption of units without jeopardising potential returns.

The maturity of the Fund's financial liabilities fall due within three months while the NAV attributable to unitholders are payable on demand.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONT'D.)  
30 SEPTEMBER 2020**

**18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**

(iv) Specific risk

The Fund is exposed to the individual risks of the respective companies issuing Shariah-compliant securities which includes changes to the business performance of the company, consumer tastes and demands, lawsuits and management practices. This risk is minimised through the diversification of the portfolio of Shariah-compliant investments of the Fund.

(v) Single issuer risk

The Fund's exposure to Shariah-compliant securities issued by any issuer is limited to not more than a certain percentage of the Fund's NAV. Under such restriction, the risk exposure to the Shariah-compliant securities of any issuer is minimised.

(vi) Shariah status reclassification risk

The risk refers to the risk that the currently held Shariah-compliant equity securities in the portfolio of Islamic funds may be reclassified as Shariah non-compliant in the periodic review of the securities by the SAC of the SC or the Shariah Adviser. If this occurs, the Manager will take the necessary steps to dispose of such securities.

Opportunity loss could occur due to the restriction on the Fund to retain the excess capital gains derived from the disposal of the reclassified Shariah non-compliant securities. In such an event, the Fund is required:

- (i) to dispose of such securities with immediate effect or within one (1) calendar month if the value of the securities exceeds or is equal to the investment cost on the last trading day before the effective date of reclassification of the list of Shariah-compliant securities ("Reclassification") by the SAC of the SC or date of review ("Review") by the Shariah Adviser. The Fund is allowed to keep dividends received and capital gains from the disposal of the securities up to the last trading day before the effective date of Reclassification or Review. However, any dividends received and excess capital gains from the disposal of the Shariah non-compliant securities on and after the effective date of Reclassification or Review should be channelled to baitulmal and/or charitable bodies approved by the Shariah Adviser;
- (ii) to hold such securities if the value of the said securities is below the investment cost on the last trading day before the effective date of Reclassification or Review until the total subsequent dividends received (if any) and the market price of the securities is equal to the cost of investment at which time disposal has to take place within one (1) calendar month, capital gains (if any) from the disposal of the securities should be channelled to baitulmal and/or charitable bodies approved by the Shariah Adviser; or
- (iii) to dispose of such securities at a price lower than the investment cost which will result in a decrease in the Fund's value.

**19. OPERATING SEGMENT**

The Fund is organised into one main operating segment for investment management purposes. The Investment Department takes a team approach to the investment process of the Fund. 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. The Investment Committee is responsible for ensuring adherence to investment guidelines, both internal and external, as well as to assess strategy and implementation effectiveness and to oversee the entire investment function. Accordingly, significant operating decisions are based upon the analysis of the Fund as one operating segment. The financial results from this segment are equivalent to the financial statements of the Fund as a whole.

**20. CAPITAL MANAGEMENT**

The Fund's capital comprises unitholders' subscription to the Fund. The unitholders' capital fluctuates according to the daily subscription and redemption of units at the discretion of unitholders.

The Fund aims to achieve its investment objective and at the same time maintain sufficient liquidity to meet unitholders' redemptions.





**BOS WEALTH MANAGEMENT MALAYSIA BERHAD**

(formerly known as Pacific Mutual Fund Bhd) 199501006861 (336059-U)  
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Areca Capital Sdn Bhd 200601021087 (740840-D)	Tel: 03-7956 3111

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

**IMPORTANT NOTICES****Beware of phishing scams**

Kindly be alert of any email or SMS that requires you to provide your personal information and/or to login to your account via an unsolicited link. Do not click on email links or URLs without verifying the sender of the email. Please ensure the actual internet address is displayed i.e. [www.boswealthmanagement.com.my](http://www.boswealthmanagement.com.my)

If you suspect your account may be compromised and/or would like to seek clarification, please contact us as above.

**Update of particulars**

Investors are advised to furnish us updated personal details on a timely basis. You may do so via the E-Service at [www.boswealthmanagement.com.my](http://www.boswealthmanagement.com.my) Alternatively, you may call or email us as above.

**Certificates of unitholdings**

Please be informed that notwithstanding any certificates issued to any unitholder on the holdings of units in the Pacific Dana Aman, the final and conclusive proof of ownership and details to the units of the Funds shall be according to the Register of Unitholders as required to be kept and maintained by the Manager.

The information stated on the certificate may not reflect the latest information on the holdings of units in the Funds due to subsequent transactions that were entered into between the unitholder and the Manager such as the sale of units, repurchase of units, transfer of units, and creation of additional units due to distribution of the funds. Unitholders may refer to the Statement of Account and/or Transaction Advice Slip for details of the transactions made with the Manager.