



**BOS WEALTH
MANAGEMENT**

A subsidiary of Bank of Singapore

PACIFIC DANA DIVIDEN

ANNUAL REPORT
For the financial year ended 30 June 2020

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FUND INFORMATION
As At 30 June 2020

Name Of Fund	: Pacific Dana Dividen
Manager Of Fund	: BOS Wealth Management Malaysia Berhad (formerly known as Pacific Mutual Fund Bhd) 199501006861 (336059-U)
Launch Date	: 26 July 2007
	The Fund will continue its operations until terminated as provided under Part 12 of the Deed.
Category Of Fund	: Equity (Islamic)
Type Of Fund	: Growth and income
Investment Objective	: Pacific Dana Dividen aims to provide capital growth and steady and attractive income [□] in the medium* to long term* by investing in a portfolio of equities that are paying or have the potential to pay attractive dividends and that comply with Shariah requirements.
	<p>□ <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units.</i></p> <p>* <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></p>
Performance Benchmark	: Composite benchmark: Since inception until 31 October 2007 50% Syariah Index (KLSI) 50% Dow Jones Islamic Market World Index (DJIM) From 1 November 2007 onwards 50% Dow Jones Islamic Market World Index (DJIM) 50% FTSE Bursa Malaysia EMAS Shariah Index (FBMS)
Distribution Policy	: Investors may receive income once a year, but these are incidental.
Fund Size	: 11.56 million units

Breakdown Of Unitholdings	: Size Of Holdings	No. Of Unitholders	% Of Unitholders	No. Of Units (million)
	5,000 units & below	102	36.17	0.27
	5,001-10,000 units	39	13.83	0.29
	10,001-50,000 units	112	39.72	2.25
	50,001-500,000 units	25	8.87	2.54
	500,001 units & above	4	1.41	6.21
	Total	282	100.00	11.56

FUND PERFORMANCE

Financial Highlights

Category	As At 30.6.2020	As At 30.6.2019	As At 30.6.2018
Quoted Shariah-Compliant Equity Securities	%	%	%
Automobiles & Components	1.94	-	-
Banks	1.00	1.00	-
Capital Goods	2.81	-	6.38
Consumer Durables & Apparel	-	-	1.49
Diversified Financials	1.02	-	-
Energy	1.89	-	-
Food & Beverage	2.28	1.17	5.06
Health Care Equipment & Services	3.68	2.91	2.95
Materials	6.80	7.50	-
Media & Entertainment	5.54	5.67	-
Real Estate	6.79	7.64	10.01
Retailing	10.02	4.50	-
Telecommunication Services	4.85	-	3.84
Transportation	-	-	1.41
Utilities	8.41	6.51	4.48
Foreign Shariah-Compliant Equity Securities:			
- Australia	-	-	2.63
- Great Britain	-	-	9.59
- Hong Kong	12.72	9.68	-
- Indonesia	1.80	4.22	5.97
- Singapore	4.76	7.73	-
- United States of America	15.12	17.45	25.17
	91.43	75.98	78.98
Shariah-Compliant Warrants	-	-	0.19
Islamic Collective Investment Scheme	-	-	11.65
Cash And Islamic Money Market Instruments	8.57	24.02	9.18
Total	100.00	100.00	100.00
Net Asset Value (RM'000)	4,993	6,528	7,372
Number Of Units In Circulation (Units '000)	11,557	13,565	15,776
Net Asset Value Per Unit (RM)	0.4321	0.4813	0.4673
Management Expense Ratio ("MER") ¹	2.22%	1.99%	1.90%
Portfolio Turnover Ratio (times)	2.19	1.42	1.12

The Management Expense Ratio for the current financial year is higher due to an increase in expenses of the Fund.

¹ The MER does not include brokerage and other transaction fees.

The Portfolio Turnover Ratio for the current financial year is higher due to increase in investing activities.

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.

Performance Data

	Pacific Dana Dividen		Composite Benchmark [#]		
	Total Return	Average Annual Return	Total Return	Average Annual Return	
1 Year's Period (1.7.2019 to 30.6.2020)	-10.22%	-10.22%	8.68%	8.68%	
3 Years' Period (1.7.2017 to 30.6.2020)	-20.14%	-6.71%	13.86%	4.62%	
5 Years' Period (1.7.2015 to 30.6.2020)	-14.72%	-2.94%	32.75%	6.55%	
	1.7.2019 to 30.6.2020	1.7.2018 to 30.6.2019	1.7.2017 to 30.6.2018	1.7.2016 to 30.6.2017	1.7.2015 to 30.6.2016
Pacific Dana Dividen					
- Capital Return	-10.22%	2.97%	-13.62%	11.54%	-4.26%
- Income Return	-	-	-	-	-
- Total Return	-10.22%	2.97%	-13.62%	11.54%	-4.26%
Composite Benchmark [#]	8.68%	4.53%	0.23%	14.05%	2.22%
	1.7.2019 to 30.6.2020	1.7.2018 to 30.6.2019	1.7.2017 to 30.6.2018		
Unit Prices					
Highest NAV (RM)	0.4950	0.4974	0.5426		
Lowest NAV (RM)	0.3373	0.4287	0.4626		
Distributions					
Gross Distribution Per Unit (sen)	-	-	-		
	(30.6.2020)	(28.6.2019)	(29.6.2018)		
Net Distribution Per Unit (sen)	-	-	-		
	(30.6.2020)	(28.6.2019)	(29.6.2018)		
Unit Splits	-	-	-		

[#] The benchmark returns are adjusted by the movement of Ringgit Malaysia against foreign currencies.

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 JUNE 2020**

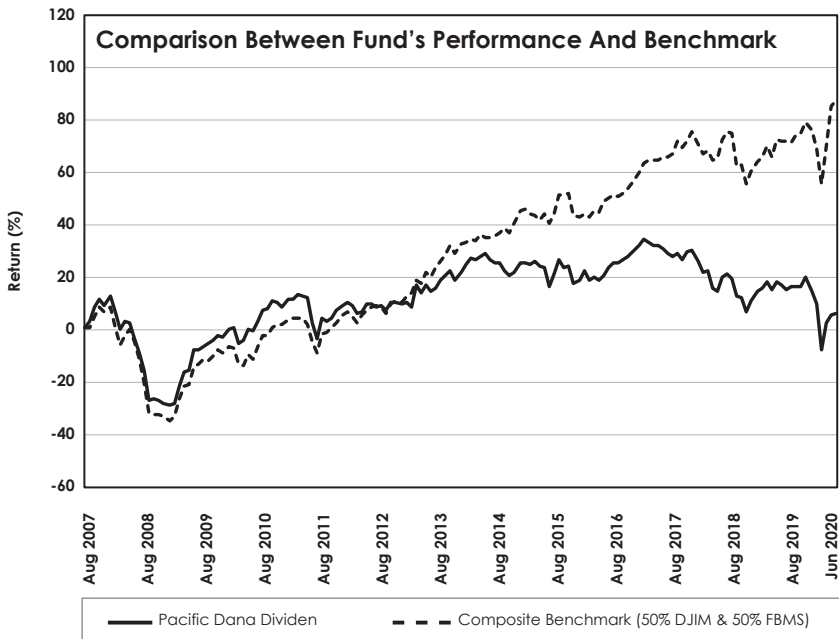
Performance Review

From 14 August 2007 (date of launch: 26 July 2007) to 30 June 2020, the Pacific Dana Dividen registered a total return of 5.28%, while its composite benchmark (50% Dow Jones Islamic Market World Index [DJIM] and 50% FTSE Bursa Malaysia EMAS Shariah Index [FBMS]), rose 87.56%.

For the financial year under review (1 July 2019 to 30 June 2020), the Fund registered a total return of -10.22%. In comparison, its composite benchmark rose 8.68%.

The Pacific Dana Dividen has met its investment objective of providing capital growth over the past 10 years and since inception. However, returns for 3 years and 5 years have been affected by portfolio restructuring.

The Fund has halted income distribution since FY2016 following a portfolio restructuring to ensure a more sustainable performance going forward.



Source: Lipper

Notes:

The benchmark returns are adjusted by the movement of Ringgit Malaysia against foreign currencies.

Investment Strategy Review

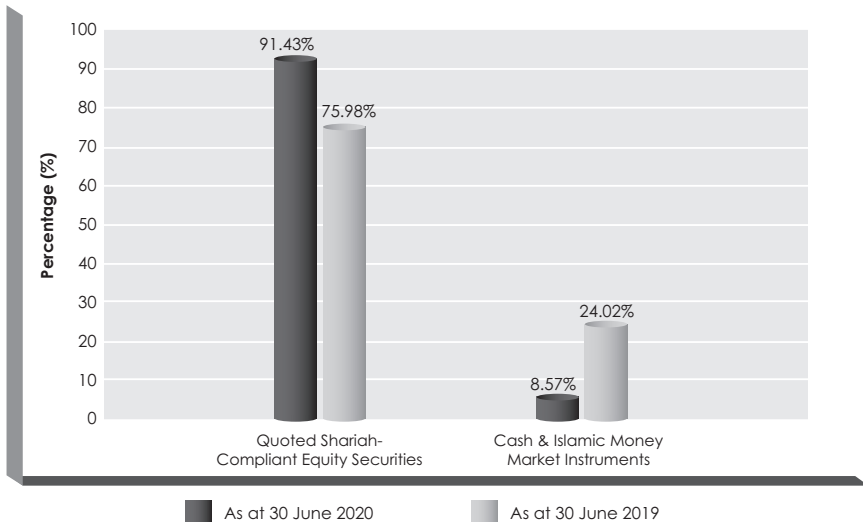
The Pacific Dana Dividen started the financial year under review with a conservative equity exposure of 76% due to heightened US-China trade tensions. However, as trade tensions eased and following resilient economic data, the Fund bought on dips in subsequent months and raised equity exposure to 91.4% at end-2019.

From January to March 2020, the Fund was a net seller of equities on concerns over the economic impact of the COVID-19 pandemic. Equity exposure was cut from 91.4% at end-2019 to 81% in March 2020. The Fund gradually increased equity exposure in May 2020 following the relaxation of lockdown in major economies, with purchases mainly on Communications, Consumer Staples, Energy, Healthcare and IT stocks trading at attractive valuations.

For the financial period under review, average equity exposure was 85%.

In the near term, the Fund will look to trim its equity exposure especially on high beta and/or stocks trading above internal fair values as markets may have rallied ahead of fundamentals. Despite depressed earnings and escalating COVID-19 cases in some major economies, the Dow Jones Islamic Index and FBM Emas Syariah have risen over 40% and almost 30% respectively since the low in March. Consequently, valuations are demanding at +2 and +3 standard deviations above mean 10Y price-earning ratios, respectively.

Asset Allocation



The quoted Shariah-compliant equity securities allocation of Pacific Dana Dividen increased to 91.43% as at 30 June 2020 from 75.98% recorded at the beginning of the financial year under review due to net redemption outflows.

Analysis Of Net Asset Value

The net asset value (NAV) per unit of Pacific Dana Dividen decreased from RM0.4813 to RM0.4321 during the financial year under review. Meanwhile, total NAV of the Fund decreased from RM6,527,909 to RM4,992,766 due to fund redemptions.

Market Review

Review Of Global Markets

Global markets saw mixed performance early in the first quarter of the financial year under review as US-China trade tensions escalated. Trade talks in Japan produced no concrete progress while a follow-up round of negotiations was set for September 2019. In the meantime, President Trump announced 10% tariffs to be implemented on a further USD300 billion of Chinese imports in early August 2019 and China retaliated with its own set of tariffs. Markets staged a rebound when a concession emerged as China issued tariff waivers on soybean imports; and the US delayed its scheduled tariff hike to 15 October 2019. On the monetary front, the Federal Reserve (Fed) reduced interest rates by 25 basis points (bps) in-line with market expectations and the ECB announced that it will restart bond purchase of EUR20 billion a month starting in November.

Global markets made robust gains in the second quarter of the financial year under review as US-China trade uncertainty faded. Both countries announced a Phase One trade deal which is to be signed by mid-January, eliminating any planned tariffs. President Trump also stated that talks on "Phase 2" will begin afterwards in Beijing. Central banks continued to be supportive as the Fed cut interest rates once more and the People's Bank of China (PBOC) lowered the reserve requirement ratio, freeing up an estimated CNY800 billion additional cash for local banks to lend out.

Unfortunately, global markets fell 20% in the third quarter of the financial year under review, staging the biggest drop since 2008 and erasing all of 2019 gains. The COVID-19 pandemic is expected to cause a global recession as the global economy comes to an abrupt halt. Oil was caught in a perfect storm with an agreement between OPEC and Russia to constrain supply breaking down just as the outlook for demand fell. This led the oil price to fall by more than 67%. Most encouraging has been how quick the policy response from central banks and governments around the world dealing with this kind of shock, giving those economies the best chance of rebounding sharply once the health situation is under control. The length and severity of this depression will therefore depend on the extent to which governments fill in the gaps in their current fiscal responses, coupled with the support of the central banks, to ensure that unemployment is prevented from spiralling higher and bankruptcies of sound businesses are prevented.

Global markets rebounded 20% in the fourth quarter of the financial year under review supported by a boost in global liquidity and optimism surrounding a speedy economic recovery as global lockdown measures ease. Early in the quarter, economic data released showed investors the extent of the damage caused by the pandemic. US unemployment benefit claims increased to 30.3 million in the week ending 25 April or 18.6% of the US labour force and the flash reading of Eurozone Markit composite Purchasing Managers' Index (PMI) in the month of April plunged to an all-time low of 29.7 in March from 51.6 in February. However, markets continue to trend higher despite the negative data due to ample fiscal support and notably loose liquidity conditions. The reopening of economies further boosted investor's confidence as economic data released started to show improvements giving hope for a meaningful rebound in the third quarter.

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 financial year 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.

REPORT OF THE TRUSTEE

To the Unitholders of **PACIFIC DANA DIVIDEN**

We, **CIMB ISLAMIC TRUSTEE BERHAD** being the Trustee of **PACIFIC DANA DIVIDEN** ("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 Manager of the Fund, has fulfilled its duties in the following manner for the financial year ended 30 June 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
11 August 2020

SHARIAH ADVISER'S REPORT

To the Unitholders of **PACIFIC DANA DIVIDEN**

We have acted as the Shariah Adviser of **PACIFIC DANA DIVIDEN** ("Fund") managed by **BOS WEALTH MANAGEMENT MALAYSIA BERHAD (formerly known as Pacific Mutual Fund Bhd)** ("Manager") for the financial year ended 30 June 2020.

Our responsibility is to ensure that the procedures and processes employed by the Manager as well as the provisions of the Fund's Master Deed dated 22 May 2007 as amended by the Supplemental Master Deed dated 22 May 2009, Second Supplemental Master Deed dated 25 June 2010, Third Supplemental Master Deed and its Fourth Supplemental Master Deed dated 12 July 2017 are all in accordance with Shariah principles.

In our opinion, based on the periodic reports submitted to us, the Manager has managed and administered the Fund in accordance with Shariah principles and has complied with applicable guidelines, rulings and decisions issued by the Shariah Advisory Council ("SAC") of the Securities Commission Malaysia ("SC") for the financial year ended 30 June 2020.

We confirm that the investment portfolio of the Fund comprises securities cited in the latest "List of Shariah-Compliant Securities" issued by the SAC of the SC and the latest "List of Approved Securities" issued by both the Shariah Supervisory Board ("SSB") of Dow Jones Islamic Market Index ("DJIM") and Yassar Limited, the Shariah Adviser of FTSE ST Singapore Shariah Index; and instruments which have been classified as Shariah-compliant by the SAC of Bank Negara Malaysia ("BNM").

The exception is the securities of China Hongxing Sports Ltd ("CHSL") which have been reclassified as Shariah non-compliant by the SSB of DJIM. The securities of CHSL were suspended from trading on the Singapore Exchange Limited on 28 February 2011. These reclassified Shariah non-compliant securities shall be disposed of according to the guidelines prescribed by the SC.

As for securities and instruments which have not been classified by the SAC of the SC, the SAC of BNM, the SSB of DJIM nor by Yassar Limited, we have reviewed and determined the Shariah status of the said securities and instruments.

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



IR. DR. MUHAMAD FUAD ABDULLAH
Designated Shariah Person

Kuala Lumpur
11 August 2020

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 financial statements set out on pages 16 to 39 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 DIVIDEN** as at 30 June 2020 and of its results, changes in net asset value and cash flows for the financial year 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
11 August 2020

INDEPENDENT AUDITORS' REPORT

to the unitholders of **PACIFIC DANA DIVIDEN**

Report On The Audit Of The Financial Statements

Opinion

We have audited the financial statements of **PACIFIC DANA DIVIDEN** ("the Fund"), which comprise the statement of financial position as at 30 June 2020, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 16 to 39.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2020, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis For Opinion

We conducted our audit in accordance with approved standards of auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence And Other Ethical Responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other Than The Financial Statements And Auditors' Report Thereon

The Manager of the Fund is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility Of The Manager And Trustee For The Financial Statements

The Manager of the Fund is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

Auditors' Responsibilities For The Audit Of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards of auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

This report is made solely to the unitholders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



ERNST & YOUNG PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants



BRANDON BRUCE STA MARIA
No. 02937/09/2021 J
Chartered Accountant

Kuala Lumpur, Malaysia
11 August 2020

STATEMENT OF FINANCIAL POSITION
As At 30 June 2020

	Note	2020 RM	2019 RM
Assets			
Shariah-compliant investments	3	4,564,873	4,959,776
Dividend receivable		7,107	15,734
Profit receivable		72	84
Amount due from brokers/dealers	8	-	309,743
Cash and cash equivalents	5	<u>497,237</u>	<u>1,531,989</u>
Total Assets		<u>5,069,289</u>	<u>6,817,326</u>
Liabilities			
Amount due to Manager	7	16,374	13,306
Amount due to brokers/dealers	8	45,127	262,206
Other payables		<u>15,022</u>	<u>13,905</u>
Total Liabilities		<u>76,523</u>	<u>289,417</u>
Net Asset Value ("NAV") Of The Fund		<u>4,992,766</u>	<u>6,527,909</u>
Equity			
Unitholders' capital		9,465,111	10,411,314
Accumulated losses		<u>(4,472,345)</u>	<u>(3,883,405)</u>
NAV Attributable To Unitholders	15	<u>4,992,766</u>	<u>6,527,909</u>
Total Equity And Liabilities		<u>5,069,289</u>	<u>6,817,326</u>
Number Of Units In Circulation (Units)	16	<u>11,556,778</u>	<u>13,565,236</u>
NAV Per Unit	15	<u>RM0.4321</u>	<u>RM0.4813</u>

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

STATEMENT OF COMPREHENSIVE INCOME
For The Financial Year Ended 30 June 2020

	Note	2020 RM	2019 RM
Shariah-Compliant Investment (Loss)/Income			
Gross dividends from financial assets at fair value through profit or loss ("FVTPL")		141,891	156,102
Profit from Islamic money market instruments		6,305	12,612
Net gain/(loss) on Shariah-compliant investments:			
- Financial assets at FVTPL		243,021	(818,591)
- Foreign exchange		25,595	(157,007)
Net unrealised gain on foreign exchange		17,781	8,924
Net unrealised (loss)/gain on changes in value of financial assets at FVTPL		(785,738)	1,209,849
		<u>(351,145)</u>	<u>411,889</u>
Expenses			
Audit fee		8,000	8,000
Tax agent's fee		3,000	3,350
Manager's fee	9	85,695	101,731
Trustee's fee	10	8,400	8,400
Custodian's fee	11	608	709
Brokerage and other transaction fees		111,313	82,829
Administration expenses		20,779	13,889
		<u>237,795</u>	<u>218,908</u>
Net (Loss)/Income Before Taxation		(588,940)	192,981
Taxation	14	<u>-</u>	<u>-</u>
Net (Loss)/Income After Taxation		<u>(588,940)</u>	<u>192,981</u>
Total Comprehensive (Loss)/Income		<u>(588,940)</u>	<u>192,981</u>
Total Comprehensive (Loss)/Income			
Comprises The Following:			
Realised income/(loss)		179,017	(1,025,792)
Unrealised (loss)/income		<u>(767,957)</u>	<u>1,218,773</u>
		<u>(588,940)</u>	<u>192,981</u>

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

STATEMENT OF CHANGES IN NET ASSET VALUE
For The Financial Year Ended 30 June 2020

	Unitholders' Capital RM	Accumulated Losses RM	NAV Attributable To Unitholders RM
At 1 July 2018	11,448,368	(4,076,386)	7,371,982
Net income after taxation	-	192,981	192,981
Creation of units	93,993	-	93,993
Cancellation of units	(1,131,047)	-	(1,131,047)
At 30 June 2019	<u>10,411,314</u>	<u>(3,883,405)</u>	<u>6,527,909</u>
At 1 July 2019	10,411,314	(3,883,405)	6,527,909
Net loss after taxation	-	(588,940)	(588,940)
Creation of units	20,820	-	20,820
Cancellation of units	(967,023)	-	(967,023)
At 30 June 2020	<u>9,465,111</u>	<u>(4,472,345)</u>	<u>4,992,766</u>

STATEMENT OF CASH FLOWS
For The Financial Year Ended 30 June 2020

	2020	2019
	RM	RM
Cash Flows From Operating And Investing Activities		
Proceeds from sale of Shariah-compliant investments	(12,803,217)	10,439,633
Purchase of Shariah-compliant investments	12,704,833	(8,504,955)
Dividends received	148,328	159,724
Profit from Islamic money market instruments	6,317	12,594
Manager's fee paid	(87,333)	(102,839)
Trustee's fee paid	(8,403)	(8,400)
Custodian's fee paid	(608)	(709)
Payment for other fees and expenses	(52,983)	(29,139)
Net cash (used in)/generated from operating and investing activities	<u>(93,066)</u>	<u>1,965,909</u>
Cash Flows From Financing Activities		
Cash proceeds from units created	20,820	93,993
Cash paid on units cancelled	(962,316)	(1,125,753)
Net cash used in financing activities	<u>(941,496)</u>	<u>(1,031,760)</u>
Net (decrease)/increase in cash and cash equivalents	(1,034,561)	934,149
Effect of exchange rate changes	(191)	1,744
Cash And Cash Equivalents At Beginning Of Financial Year	1,531,989	596,096
Cash And Cash Equivalents At End Of Financial Year	<u>497,237</u>	<u>1,531,989</u>
Cash And Cash Equivalents Comprise:		
Cash at banks	77,237	1,251,989
Islamic money market instruments	420,000	280,000
	<u>497,237</u>	<u>1,531,989</u>

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

NOTES TO THE FINANCIAL STATEMENTS**30 June 2020****1. The Fund, The Manager And Their Principal Activities**

Pacific Dana Dividen (hereinafter referred to as "the Fund") was constituted pursuant to the execution of a Master Deed dated 22 May 2007 as amended by the Supplemental Master Deed dated 22 May 2009, Second Supplemental Master Deed dated 25 June 2010, Third Supplemental Master Deed and its Fourth Supplemental Master Deed dated 12 July 2017 (hereinafter referred to as "the Deeds"), made between the Manager, BOS Wealth Management Malaysia Berhad, the Trustees, HSBC (Malaysia) Trustee Berhad (the Trustee prior to 1 October 2017), CIMB Islamic Trustee Berhad (the new Trustee with effect from 1 October 2017) 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, foreign Shariah-compliant securities, unlisted Shariah-compliant securities, Islamic future contracts and any other Shariah-compliant investments approved by the Securities Commission Malaysia. The Fund was launched on 26 July 2007 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 financial year.

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the Directors on 11 August 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, the Securities Commission Malaysia's Guidelines on Unit Trust Funds in Malaysia and Shariah principles.

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 2019. 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:

Description	Effective for annual periods beginning on or after
MFRS 17 <i>Insurance Contracts</i> *	1 January 2021
Amendments to MFRS 101: <i>Presentation of Financial Statements Classification of Liabilities as Current or Non-Current</i>	1 January 2022
Amendments to MFRSs contained in the document entitled " <i>Annual Improvements to MFRS Standards 2018-2020</i> "	1 January 2022
<i>Reference to the Conceptual Framework (Amendments to MFRS 3 Business Combinations)</i> *	1 January 2022
<i>Property, Plant and Equipment-Proceeds before Intended Use (Amendments to MFRS 116 Property, Plant and Equipment)</i> *	1 January 2022
<i>Onerous Contracts-Cost of Fulfilling a Contract (Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets)</i>	1 January 2022
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> *	Deferred

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

(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) Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated into RM at rates of exchange prevailing at the reporting date.

Transactions in foreign currencies are translated into RM at the rates of exchange ruling on the dates of transactions. Exchange differences arising are included in profit or loss.

(d) 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 Shariah-compliant investments in Islamic financial instruments are recognised on trade dates i.e. dates on which the Fund commits to purchase or sell the Islamic financial instruments.

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at 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.

*Financial Assets**(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 and other receivables. For the purposes of the investments 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 ("FVTPL") 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
- (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, 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.

(e) 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.

(f) 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.

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.

(g) 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.

(h) Unrealised Reserves/(Deficits)

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

(i) Cash And Cash Equivalents

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

(j) 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.

(k) 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.

(l) 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.

(m) 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

	2020 RM	2019 RM
Financial assets at FVTPL		
Quoted Shariah-compliant investments:		
- Shariah-compliant equity securities	<u>4,564,873</u>	<u>4,959,776</u>
Total Shariah-compliant investments	<u>4,564,873</u>	<u>4,959,776</u>
Total Shariah-compliant investments	<u>4,564,873</u>	<u>4,959,776</u>

Shariah-Compliant Equity Securities

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

Quantity	Name Of Counter	Cost RM	Fair Value RM	Fair Value As A % Of NAV %
	Malaysia			
	Automobiles & Components			
37,900	UMW Holdings Berhad	<u>131,537</u>	<u>96,645</u>	<u>1.94</u>
	Banks			
14,600	BIMB Holdings Berhad	<u>50,954</u>	<u>49,932</u>	<u>1.00</u>
	Capital Goods			
31,000	Sime Darby Berhad	65,116	66,650	1.34
153,100	WCT Holdings Berhad	<u>93,575</u>	<u>73,487</u>	<u>1.47</u>
		<u>158,691</u>	<u>140,137</u>	<u>2.81</u>
	Diversified Financials			
7,000	Bursa Malaysia Bhd	<u>51,030</u>	<u>50,960</u>	<u>1.02</u>
	Energy			
818,800	Icon Offshore Bhd	<u>55,532</u>	<u>94,161</u>	<u>1.89</u>
	Food & Beverage			
114,200	FGV Holdings Berhad	<u>120,492</u>	<u>113,629</u>	<u>2.28</u>
	Health Care Equipment & Services			
33,400	IHH Healthcare Bhd	<u>174,273</u>	<u>183,700</u>	<u>3.68</u>

Quantity	Name Of Counter	Cost RM	Fair Value RM	Fair Value As A % Of NAV %
Materials				
73,800	Chemical Company of Malaysia Berhad	102,167	87,822	1.76
28,500	Lotte Chemical Titan Holding Berhad	51,300	50,730	1.01
22,400	Petronas Chemicals Group Bhd	179,341	138,880	2.78
7,000	Scientex Berhad	61,371	62,300	1.25
		<u>394,179</u>	<u>339,732</u>	<u>6.80</u>
Media & Entertainment				
527,500	Media Chinese International Limited	116,218	92,313	1.85
526,300	Star Media Group Berhad	291,890	184,205	3.69
		<u>408,108</u>	<u>276,518</u>	<u>5.54</u>
Real Estate				
182	Axis Real Estate Investment Trust	304	375	0.01
119,944	LBS Bina Group Berhad	97,296	44,379	0.89
144,292	Sime Darby Property Berhad	175,992	98,119	1.96
73,300	Sunway Bhd	104,813	100,421	2.01
113,200	SP Setia Berhad	130,951	95,654	1.92
		<u>509,356</u>	<u>338,948</u>	<u>6.79</u>
Retailing				
157,900	Aeon Company (M) Berhad	214,254	159,479	3.19
117,000	Bermaz Auto Bhd	256,568	173,160	3.47
31,500	MBM Resources Berhad	112,983	102,060	2.04
26,400	Padini Holdings Berhad	88,534	65,736	1.32
		<u>672,339</u>	<u>500,435</u>	<u>10.02</u>
Telecommunication Services				
68,164	Axiata Group Berhad	287,532	241,982	4.85
Utilities				
149,700	Taliworks Corporation Berhad	133,808	125,748	2.52
25,300	Tenaga Nasional Berhad	311,820	293,986	5.89
		<u>445,628</u>	<u>419,734</u>	<u>8.41</u>
Total Shariah-Compliant Equity Securities - Malaysia		<u>3,459,651</u>	<u>2,846,513</u>	<u>57.03</u>

Quantity	Name Of Counter	Cost RM	Fair Value RM	Fair Value As A % Of NAV %
<u>Hong Kong</u>				
Utilities				
10,600	China Gas Holdings Ltd.	151,099	140,046	2.80
Telecommunication Services				
4,500	China Mobile Limited	160,752	130,102	2.60
Pharma., Biotech. & Life Sciences				
11,600	CSPC Pharmaceutical Group Limited	83,493	93,879	1.88
Automobiles & Components				
19,000	Geely Automobile Holdings Limited	134,699	128,139	2.57
Technology Hardware & Equipment				
20,200	Xiaomi Corporation	118,971	143,379	2.87
Total Equity Securities - Hong Kong		649,014	635,545	12.72
<u>Indonesia</u>				
Energy				
42,400	Indo Tambangraya Megah Tbk PT	148,649	89,921	1.80
Total Equity Securities - Indonesia		148,649	89,921	1.80
<u>Singapore</u>				
Consumer				
2,043,000	China Hongxing Sports Ltd. *	-	-	-
Food & Beverage				
20,500	First Resources Limited	89,282	87,374	1.75
Telecommunication Services				
19,900	Singapore Telecommunications Limited	170,431	150,108	3.01
Total Equity Securities - Singapore		259,713	237,482	4.76

* Please refer to Note 6 (b).

Quantity	Name Of Counter	Cost RM	Fair Value RM	Fair Value As A % Of NAV %
United States of America				
Retailing				
131	Alibaba Group Holding Limited	105,752	121,052	2.42
Media				
361	Baidu, Inc.- SPON ADR	168,895	185,413	3.71
Energy				
379	Exxon Mobil Corporation	105,863	72,609	1.45
Pharma., Biotech. & Life Sciences				
378	Gilead Sciences, Inc.	124,345	124,593	2.50
981	Pfizer Inc.	144,782	137,425	2.75
		269,127	262,018	5.25
Technology Hardware & Equipment				
1,531	HP Inc.	102,878	114,320	2.29
Total Equity Securities - United States Of America		752,515	755,412	15.12
TOTAL QUOTED SHARIAH-COMPLIANT INVESTMENTS		5,269,542	4,564,873	91.43
UNREALISED LOSS FROM SHARIAH-COMPLIANT INVESTMENTS			(704,669)	

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	Total RM
2020		
Financial Assets At FVTPL		
Quoted Shariah-compliant investments	<u>4,564,873</u>	<u>4,564,873</u>
2019		
Financial Assets At FVTPL		
Quoted Shariah-compliant investments	<u>4,959,776</u>	<u>4,959,776</u>

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.

	2020 RM	2019 RM
Cash at banks	<u>77,237</u>	<u>1,251,989</u>
Islamic money market instruments with licensed financial institutions:		
- Commercial banks	<u>420,000</u>	<u>280,000</u>
	<u>420,000</u>	<u>280,000</u>
Cash and cash equivalents	<u>497,237</u>	<u>1,531,989</u>

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)	
	2020	2019	2020	2019
Islamic money market instruments with licensed financial institutions:				
- Commercial banks	1.82	2.85	2	2

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 that have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission Malaysia;
- (b) Securities listed on foreign markets that have been classified as Shariah-compliant by the Shariah Supervisory Board ("SSB") of Dow Jones Islamic Market Index ("DJIM") and Yassar Limited, the Shariah Adviser of FTSE ST Singapore Shariah Index except for China Hongxing Sports Ltd ("CHSL") which was reclassified as Shariah non-compliant by the SSB of DJIM on 2 January 2009. The securities of CHSL were suspended from trading on the Singapore Exchange Limited on 28 February 2011. The market value of the securities had been written off effective 6 August 2013. On 29 June 2018, the Fund received cash distribution of SGD4,882.77 from CHSL, resulted from a capital reorganisation of the issuing company.

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 effective date of Reclassification. The Fund is allowed to keep dividends received and capital gains from the disposal of the securities up to the effective date of Reclassification. However, any dividends received and excess capital gains from the disposal of the Shariah non-compliant securities after the effective date of Reclassification should be channelled to *baitulmal* and/or approved charitable bodies;

- (c) Cash placements and liquid assets in local market that are placed in Shariah-compliant investments and/or instruments; and
- (d) A portion of the cash placed outside Malaysia that is meant to facilitate the purchase and selling of foreign securities. The cash is placed in a non-interest bearing account.

7. Amount Due To Manager

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

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

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.

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 RM8,400 per annum.

11. Custodian's Fee

The Custodian's fee provided in the financial statements ranges from 0.01% to 0.30% (2019: 0.01% to 0.30%) per annum, computed based on the NAV attributable to unitholders of the Fund of the respective foreign portfolio at the end of the month.

12. Portfolio Turnover Ratio ("PTR")

	2020	2019
Portfolio turnover ratio ("PTR")	<u>2.19 times</u>	<u>1.42 times</u>

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

13. Management Expense Ratio ("MER")

	2020	2019
Management expense ratio ("MER") ¹	<u>2.22%</u>	<u>1.99%</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 financial year calculated on a daily basis. The MER for the current financial year is higher due to an increase in expenses of the Fund.

¹ The MER does not include brokerage and other transaction fees.

14. Taxation

	2020 RM	2019 RM
Malaysian income tax: Current financial year'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 financial year.

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

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

	2020 RM	2019 RM
Net (loss)/income before taxation	<u>(588,940)</u>	<u>192,981</u>
Taxation at Malaysian statutory rate of 24%	(141,346)	46,315
Tax effects of:		
Income not subject to tax	(104,302)	(332,997)
Loss not subject to tax	188,577	234,144
Expenses not deductible for tax purpose	32,974	24,679
Restriction on tax deductible expenses for unit trust funds	24,097	27,859
Tax expense for the financial year	<u>-</u>	<u>-</u>

15. Net Asset Value Attributable ("NAV") To Unitholders

	2020	2019
	RM	RM
Unitholders' capital	9,465,111	10,411,314
Accumulated losses		
- Realised deficits	(3,798,684)	(3,977,701)
- Unrealised (deficits)/reserves	<u>(673,661)</u>	<u>94,296</u>
NAV attributable to unitholders	<u>4,992,766</u>	<u>6,527,909</u>

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

16. Number Of Units In Circulation

	2020	2019
	No. Of Units	No. Of Units
At beginning of the financial year	13,565,236	15,776,000
Creation	44,679	199,436
Cancellation	<u>(2,053,137)</u>	<u>(2,410,200)</u>
At end of the financial year	<u>11,556,778</u>	<u>13,565,236</u>

17. Units Held By The Manager And Its Related Parties

There were no units held by the Manager and other related parties during the financial year.

18. Transactions With Brokers/Dealers

Details of transactions with the brokers/dealers for the financial year are as follows:

Brokers/Dealers	Value Of Trade[#] RM	% Of Total Trades	Brokerage Fee* RM	% Of Total Brokerage Fees
Credit Suisse Securities (Singapore) Pte Ltd	6,688,024	26.75	16,826	25.39
Instinet LLC	3,765,664	15.06	1,724	2.60
DBS Vickers Securities (Singapore) Pte Ltd	3,085,478	12.34	8,211	12.39
Maybank Investment Bank Bhd	2,669,445	10.68	9,399	14.18
CIMB Investment Bank Bhd	2,243,046	8.97	7,864	11.87
Hong Leong Investment Bank Bhd	2,134,188	8.54	7,498	11.32
RHB Investment Bank Bhd	1,842,188	7.37	6,497	9.80
UOB Kay Hian Securities (M) Sdn Bhd	1,798,875	7.19	6,369	9.61
Alliance Investment Bank Bhd	689,104	2.76	1,575	2.38
Nomura Securities Malaysia Sdn Bhd	84,796	0.34	306	0.46
	25,000,808	100.00	66,269	100.00

[#] Excludes brokerage and other transaction fees.

* Only applicable to Shariah-compliant equity securities.

The transactions above are with non related parties.

19. 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.

The Fund's market risk is affected primarily by the following risks:

(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 (loss)/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 (Loss)/Income Before Tax And NAV Attributable To Unitholders	
	Decrease/ (Increase) 2020 RM	Increase/ (Decrease) 2019 RM
+5	228,244	247,989
(5)	<u>(228,244)</u>	<u>(247,989)</u>

(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.

The above 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 are carried out for the Fund are in accordance with Shariah requirements.

(c) Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund invests in Shariah-compliant securities and other investments that are denominated in currencies other than the functional currency. Accordingly, the value of the Fund's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore subject to foreign exchange risks.

The table below indicates the currencies to which the Fund had significant exposure at the reporting date on its NAV. The analysis shows the currency risk concentration and calculates the effect on NAV attributable to unitholders due to fluctuations in currency rates against the functional currency, with all other variables held constant.

	Currency Risk Concentration		Changes In Currency Rates	Effect On Net Loss Before Tax Decrease	Effect On NAV Attributable To Unitholders
	RM	As A % Of NAV %	%	RM	(Increase) RM
2020					
USD	791,879	15.86	+5	(39,594)	39,594
				Effect On Net Income Before Tax Increase	Effect On NAV Attributable To Unitholders Increase
				RM	RM
2019					
USD	2,614,766	40.06	+5	130,738	130,738

An equivalent decrease in the currency rates shown above would have resulted in an equivalent, but opposite impact.

(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 Shariah-compliant 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 Shariah-compliant 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 Islamic 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 falls due within three (3) months while the NAV attributable to unitholders are payable on demand.

(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

This risk refers to the risk that the currently held Shariah-compliant equity securities in the Fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council ("SAC") of the Securities Commission Malaysia ("SC"), the Shariah Adviser or the Shariah Boards of the relevant Islamic Indices. 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:

- (a) to dispose 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 effective date of Reclassification of the List of Shariah-compliant securities ("Reclassification") by the SAC of the SC, the Shariah Adviser or the Shariah Supervisory Boards of relevant Islamic Indices. The Fund is allowed to keep dividends received and capital gains from the disposal of the securities up to the effective date of Reclassification. However, any dividends received and excess capital gains from the disposal of the Shariah non-compliant securities after the effective date of Reclassification should be channelled to *baitulmal* and/or approved charitable bodies;
- (b) to hold such securities if the value of the said securities is below the investment cost on the effective date of Reclassification 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 approved charitable bodies; or
- (c) to dispose such securities at a price lower than the investment cost which will result in a decrease in the Fund's value.

20. 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.

21. 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.

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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

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 portal at www.boswealthmanagement.com.my. Alternatively, you may call or email us as above.