



**BOS WEALTH
MANAGEMENT**

A subsidiary of Bank of Singapore

PACIFIC GLOBAL STARS FUND

ANNUAL REPORT

For the financial year ended 30 September 2020

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FUND INFORMATION
As At 30 September 2020

Name Of Fund	: Pacific Global Stars Fund
Manager Of Fund	: BOS Wealth Management Malaysia Berhad (formerly known as Pacific Mutual Fund Bhd) 199501006861 (336059-U)
Launch Date	: 20 July 2006
	The Fund will continue its operations until terminated as provided under Part 12 of the Deed.
Category Of Fund	: Equity
Type Of Fund	: Growth and income
Investment Objective	: Pacific Global Stars Fund aims to provide capital growth and some income [□] in the medium* to long term* by investing in a portfolio of global securities.
	[□] <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units.</i>
	[*] <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	: Composite benchmark: 65% S&P 500 Index (SPX) 25% S&P Europe 350 Index (SPE) 10% S&P Asia 50 Index (SPA50)
Distribution Policy	: Investors may receive unit splits or income distributions once a year, but these are incidental.
Fund Size	: 8.98 million units

Breakdown Of Unitholdings	: Size Of Holdings	No. Of Unitholders	% Of Unitholders	No. Of Units (million)
	5,000 units & below	55	19.23	0.14
	5,001-10,000 units	43	15.03	0.31
	10,001-50,000 units	151	52.80	3.49
	50,001-500,000 units	37	12.94	5.04
	500,001 units & above	-	-	-
	Total	286	100.00	8.98

FUND PERFORMANCE

Financial Highlights

Category	As At 30.9.2020	As At 30.9.2019	As At 30.9.2018
Quoted Equity Securities	%	%	%
Automobiles & Components	-	-	0.98
Consumer Services	-	-	1.81
Energy	-	-	2.70
Household & Personal Products	-	1.94	-
Media & Entertainment	2.99	-	-
Real Estate	-	-	1.58
Foreign Equity Securities:			
- Australia	-	-	1.82
- France	-	-	2.20
- Germany	2.59	2.08	5.09
- Great Britain	9.02	5.74	6.57
- Hong Kong	30.05	26.46	16.39
- Indonesia	-	6.50	1.01
- Singapore	20.07	4.21	4.92
- South Korea	-	-	1.22
- United States of America	34.94	36.46	33.78
	99.66	83.39	80.07
Cash And Liquid Assets	0.34	16.61	16.97
Total	100.00	100.00	100.00
Net Asset Value (RM'000)	3,692	5,935	6,916
Number Of Units In Circulation (Units '000)	8,982	13,369	14,600
Net Asset Value Per Unit (RM)	0.4112	0.4440	0.4738
Management Expense Ratio ("MER") ¹	2.48%	2.28%	2.30%
Portfolio Turnover Ratio (times)	2.33	3.01	1.29

The Management Expense Ratio for the current financial year is higher due to a lower percentage of decrease in expenses compared with the average net asset value attributable to unitholders.

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

The Portfolio Turnover Ratio for the current financial year is lower due to decrease 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 Global Stars Fund		Composite Benchmark [#]		
	Total Return	Average Annual Return	Total Return	Average Annual Return	
1 Year's Period (1.10.2019 to 30.9.2020)	-7.39%	-7.39%	9.48%	9.48%	
3 Years' Period (1.10.2017 to 30.9.2020)	-14.06%	-4.69%	19.56%	6.52%	
5 Years' Period (1.10.2015 to 30.9.2020)	-4.68%	-0.94%	49.25%	9.85%	
	1.10.2019 to 30.9.2020	1.10.2018 to 30.9.2019	1.10.2017 to 30.9.2018	1.10.2016 to 30.9.2017	1.10.2015 to 30.9.2016
Pacific Global Stars Fund					
- Capital Return	-7.39%	-6.29%	-0.98%	10.23%	0.63%
- Income Return	-	-	-	-	-
- Total Return	-7.39%	-6.29%	-0.98%	10.23%	0.63%
Composite Benchmark [#]	9.48%	1.51%	7.58%	20.28%	3.79%
	1.10.2019 to 30.9.2020	1.10.2018 to 30.9.2019	1.10.2017 to 30.9.2018		
Unit Prices					
Highest NAV (RM)	0.4722	0.4755	0.4898		
Lowest NAV (RM)	0.3361	0.4124	0.4433		
Distributions					
Gross Distribution Per Unit (sen)	- (30.9.2020)	- (30.9.2019)	- (28.9.2018)		
Net Distribution Per Unit (sen)	- (30.9.2020)	- (30.9.2019)	- (28.9.2018)		
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 September 2020

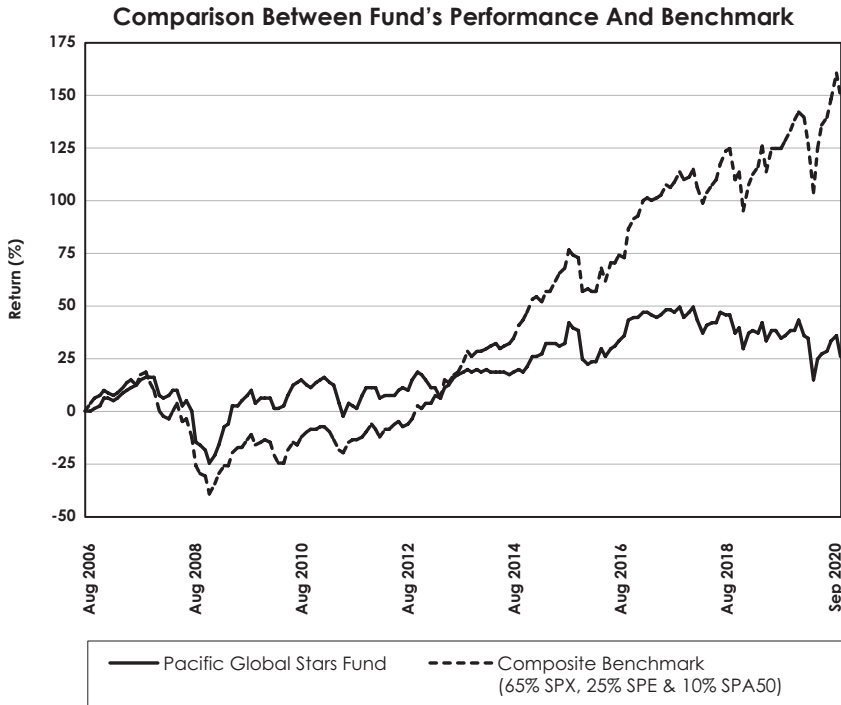
Performance Review

From 10 August 2006 (date of launch: 20 July 2006) to 30 September 2020, the Pacific Global Stars Fund registered a total return of 26.07%, while its composite benchmark (65% S&P 500 Index [SPX], 25% S&P Europe 350 Index [SPE] and 10% S&P Asia 50 Index [SPA50]), rose 149.69%.

For the financial year under review (1 October 2019 to 30 September 2020), the Fund registered a total return of -7.39%. In comparison, its benchmark rose 9.48%.

Based on the 1-year, 3-year and 5-year average annual returns of the Fund, the Pacific Global Stars Fund has not met its investment objective of providing capital growth. The Fund has not been providing income[□] distribution since 2014.

□ Income is in reference to the Fund's distribution, which could be in the form of cash or units.



Source: Lipper

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

Investment Strategy Review

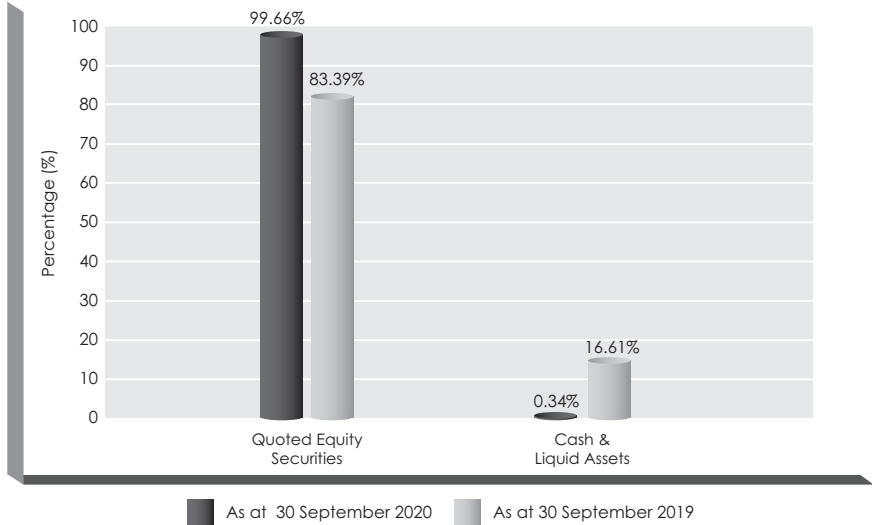
The Pacific Global Stars Fund started the financial year under review on a constructive stance but progressively raised its equity exposure from 88% in October 2019 to 93% in December 2019 on expectations of a trade deal between US-China. However, the Fund sold off high-beta US and Asian stocks in early January 2020 as they approached internal fair values, and switched into lower-beta Consumer Staples and Consumer Discretionary stocks. The Fund continued to trim its equity exposure to 86% at end-March 2020 as COVID-19 cases accelerated globally. Although the Fund nibbled on fundamentally solid US blue chips in technology and healthcare during the panic selling in March 2020, the Fund remained underweight in US stocks due to pricey valuations.

In subsequent months, the Fund bought into market weakness as actions by policy makers and central banks in major economies boosted investor confidence. Equity exposure was raised to 91% at end-May 2020 and remained around these levels until end-August 2020. However, from July 2020 until September 2020, the Fund trimmed its positions in selected Information Technology, Healthcare and Consumer Discretionary stocks where valuations had exceeded internal targets, and switched into stocks trading at less demanding valuations but with growth catalysts.

For the financial year under review, average equity exposure was at 91.0%.

In the near term, both fiscal and monetary policies remain supportive of global economies. However, following the sharp market rallies since March 2020 especially in the US, valuations are demanding with investors pricing in a V-shaped recovery. This may not be the case, given continued escalation in COVID-19 cases, sticky unemployment rates and US election uncertainty. US economic indicators also hint at a sharp slowdown in growth in the fourth quarter. Given potential downside risks, the Fund will continue to trim its equity exposure on strength.

Asset Allocation



The quoted equity securities allocation of Pacific Global Stars Fund increased to 99.66% as at 30 September 2020 from 83.39% recorded at the beginning of the financial year under review due to net redemption outflows that were marginally offset by net equity sales.

Analysis Of Net Asset Value

The net asset value (NAV) per unit of Pacific Global Stars Fund decreased from RM0.4440 to RM0.4112 during the financial year under review. Meanwhile, total NAV of the Fund decreased from RM5,935,487 to RM3,692,462 due mainly to net outflow of funds.

Market Review

Review Of Global Markets

Global markets made robust gains in the first quarter as US and China trade uncertainty faded. Both countries announced a phase one trade deal which is to be signed by mid-January 2020, eliminating any planned tariffs. President Trump also stated that talks on "Phase 2" would begin in Beijing. Central banks continued to be supportive as the Federal Reserve (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 second quarter, staging the biggest drop since 2008 and erasing all of 2019 gains. The COVID-19 pandemic was expected to cause a global recession as the global economy came 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 dealt 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 would 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 third quarter 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 PMI in the month of April 2020 plunged to an all-time low of 29.7 in March 2020 from 51.6 in February 2020. 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.

The rally continued into the fourth quarter as it gained 8% on the back of loose monetary policy, progress in COVID-19 vaccine development and synchronised economic recovery. Markets continued to climb higher earlier in the quarter as economic data posted by major economies showed signs of recovery. The Fed kept its dovish stance as they signalled that interest rates could be persistently low under the possibility that they would let inflation exceed its target figure. In Europe, PMI reading continues to improve for the third consecutive month. The European Central Bank (ECB) also unveiled a new 750 billion Euro fiscal stimulus package and its accommodative monetary policy. Unsurprisingly, China's recovery was ahead of its peers as it was the quickest to recover from the COVID-19, hence the Chinese equity markets saw a sturdy inflow of capital. Unfortunately, markets begin to pull back in September 2020. The US equities gave up its 5-month winning streak amidst a rising number of COVID-19 cases and the looming presidential elections. Economic data released also indicated a recovery less speedy than hoped for. Crucially, investors were also discouraged by the failure of Congress to pass an additional stimulus bill, as partisan friction was increased by skewed incentives created by the nearing elections in November 2020. Over in Europe, a pullback was similarly observed alongside rising COVID-19 cases and moderating economic data. China produced the most convincing appearance of a continued economic recovery but tension between the US and China continued to escalate after the US administration curb exports to Chinese largest chipmaker SMIC. This was after forcing the sale of social media app TikTok under national security concerns. How US-China relations develop in the foreseeable future is perceived to be also contingent on the results of the US elections, but pundits do not generally expect a major easing of restrictions even if the Trump administration is replaced.

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 GLOBAL STARS FUND**

We, **CIMB COMMERCE TRUSTEE BERHAD** being the Trustee for **PACIFIC GLOBAL STARS FUND** ("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 financial year 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 COMMERCE TRUSTEE BERHAD



LEE KOOI YOKE
Chief Executive Officer

Kuala Lumpur, Malaysia
2 November 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 17 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 GLOBAL STARS FUND** as at 30 September 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
2 November 2020

INDEPENDENT AUDITORS' REPORT

To the Unitholders of **PACIFIC GLOBAL STARS FUND**

Report On The Audit Of The Financial Statements

Opinion

We have audited the financial statements of **PACIFIC GLOBAL STARS FUND** ("the Fund"), which comprise the statement of financial position as at 30 September 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 17 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 September 2020, and of its financial performance and cash flows for the financial 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 Code of Ethics for Professional Accountants (including International Independence Standards) ("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.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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 Fund 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 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
2 November 2020

STATEMENT OF FINANCIAL POSITION
As At 30 September 2020

	Note	2020 RM	2019 RM
Assets			
Investments	3	3,680,005	4,949,553
Dividend receivable		5,882	4,737
Amount due from Manager	6	-	3,647
Amount due from brokers/dealers	7	102,177	215,958
Cash and cash equivalents	5	216,491	976,108
Total Assets		<u>4,004,555</u>	<u>6,150,003</u>
Liabilities			
Amount due to Manager	6	294,992	14,842
Amount due to brokers/dealers	7	-	178,747
Other payables		17,101	20,927
Total Liabilities		<u>312,093</u>	<u>214,516</u>
Net Asset Value ("NAV") Of The Fund		<u>3,692,462</u>	<u>5,935,487</u>
Equity			
Unitholders' capital		8,064,621	9,961,148
Accumulated losses		<u>(4,372,159)</u>	<u>(4,025,661)</u>
NAV Attributable To Unitholders	14	<u>3,692,462</u>	<u>5,935,487</u>
Total Equity And Liabilities		<u>4,004,555</u>	<u>6,150,003</u>
Number Of Units In Circulation (Units)	15	<u>8,981,570</u>	<u>13,369,463</u>
NAV Per Unit	14	<u>RM0.4112</u>	<u>RM0.4440</u>

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

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

	Note	2020 RM	2019 RM
Investment Loss			
Gross dividends from financial assets at fair value through profit or loss ("FVTPL")		117,190	172,114
Interest income		455	7,564
Net gain/(loss) on investments			
- Financial assets at FVTPL		334,031	(21,341)
- Foreign exchange		8,528	14,185
Net unrealised gain/(loss) on foreign exchange		3,532	(2,970)
Net unrealised loss on changes in value of financial assets at FVTPL		(571,188)	(297,439)
		<u>(107,452)</u>	<u>(127,887)</u>
Expenses			
Audit fee		8,000	8,000
Tax agent's fee		3,000	4,400
Manager's fee	8	88,031	105,546
Trustee's fee	9	8,400	8,400
Custodian's fee	10	1,093	1,037
Brokerage and other transaction fees		110,595	171,090
Administration expenses		19,927	14,296
		<u>239,046</u>	<u>312,769</u>
Net Loss Before Taxation		(346,498)	(440,656)
Taxation	13	-	-
Net Loss After Taxation		<u>(346,498)</u>	<u>(440,656)</u>
Total Comprehensive Loss		<u>(346,498)</u>	<u>(440,656)</u>
Total Comprehensive Loss Is Made Up As Follows:			
Realised income/(loss)		221,158	(140,247)
Unrealised loss		<u>(567,656)</u>	<u>(300,409)</u>
		<u>(346,498)</u>	<u>(440,656)</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 September 2020

	Unitholders'	Accumulated	NAV
	Capital	Losses	Attributable
	RM	RM	To Unitholders
	RM	RM	RM
At 1 October 2018	10,501,248	(3,585,005)	6,916,243
Net loss after taxation	-	(440,656)	(440,656)
Creation of units	488,445	-	488,445
Cancellation of units	(1,028,545)	-	(1,028,545)
At 30 September 2019	<u>9,961,148</u>	<u>(4,025,661)</u>	<u>5,935,487</u>
At 1 October 2019	9,961,148	(4,025,661)	5,935,487
Net loss after taxation	-	(346,498)	(346,498)
Creation of units	255,988	-	255,988
Cancellation of units	(2,152,515)	-	(2,152,515)
At 30 September 2020	<u>8,064,621</u>	<u>(4,372,159)</u>	<u>3,692,462</u>

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

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

	2020	2019
	RM	RM
Cash Flows From Operating And Investing Activities		
Proceeds from sale of investments	12,658,947	19,082,604
Purchase of investments	(11,692,047)	(18,581,735)
Dividends received	111,096	176,580
Interest received	455	7,672
Manager's fee paid	(90,406)	(106,669)
Trustee's fee paid	(7,691)	(8,400)
Custodian's fee paid	(1,093)	(1,037)
Payment for other fees and expenses	(85,855)	(79,869)
Net cash generated from operating and investing activities	<u>893,406</u>	<u>489,146</u>
Cash Flows From Financing Activities		
Cash proceeds from units created	259,636	495,749
Cash paid on units cancelled	(1,869,990)	(1,027,825)
Net cash used in financing activities	<u>(1,610,354)</u>	<u>(532,076)</u>
Net Decrease In Cash And Cash Equivalents	(716,948)	(42,930)
Effect Of Exchange Rate Changes	(42,669)	(22,669)
Cash And Cash Equivalents At Beginning Of Financial Year	976,108	1,041,707
Cash And Cash Equivalents At End Of Financial Year	<u>216,491</u>	<u>976,108</u>
Cash And Cash Equivalents Comprise:		
Cash at banks	216,491	976,108
Deposits with financial institutions	-	-
	<u>216,491</u>	<u>976,108</u>

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

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

Pacific Global Stars Fund (hereinafter referred to as "the Fund") was constituted pursuant to the execution of a Deed dated 23 June 2006 as amended by the First Supplemental Deed dated 28 June 2007, Supplemental Master Deed dated 22 May 2009, Second Supplemental Master Deed dated 25 June 2010 and its Third Supplemental Master Deed dated 12 July 2017 (hereinafter referred to as "the Deeds"), made between the Manager, BOS Wealth Management Malaysia Berhad and the Trustees, HSBC (Malaysia) Trustee Berhad (the Trustee prior to 1 October 2017), CIMB Commerce 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 stocks and shares of companies quoted on Bursa Malaysia Securities Berhad, foreign securities, unlisted securities, futures contracts and any other investments approved by the Securities Commission Malaysia. The Fund was launched on 20 July 2006 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 2 November 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") 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 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
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 (<i>Amendments to MFRS 3 Business Combinations</i>)*	1 January 2022
Property, Plant and Equipment-Proceeds before Intended Use (<i>Amendments to MFRS 116 Property, Plant and Equipment</i>)*	1 January 2022
Onerous Contracts–Cost of Fulfilling a Contract (<i>Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets</i>)	1 January 2022
Amendments to MFRS 101: <i>Presentation of Financial Statements Classification of Liabilities as Current or Non-Current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i> *	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i> *	1 January 2023
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 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 interest ("SPPI") 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.

(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 interest ("SPPI") 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 category 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 interest 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 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. interest receivable, dividend receivable and amount due from brokers/dealers), full impairment will be recognised on uncollected balances after the grace period is 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.

Interest income, accretion of discount and amortisation of premium are recognised using the effective interest 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 deposits with licensed financial institutions with original maturities of 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. Investments

	2020	2019
	RM	RM
Financial Assets At FVTPL		
Quoted investments		
- Equity securities	<u>3,680,005</u>	<u>4,949,553</u>
Total investments	<u>3,680,005</u>	<u>4,949,553</u>

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.

EQUITY SECURITIES

Quantity	Name Of Counter	Cost RM	Fair Value RM	Fair Value As A % Of NAV %
<u>Malaysia</u>				
Media & Entertainment				
145,293	Star Media Group Berhad	145,293	110,250	2.99
<u>Germany</u>				
Health Care Equipment & Services				
96,866	Fresenius SE & Co KGaA (DE)	96,866	95,591	2.59
<u>Great Britain</u>				
Banks				
208,172	Standard Chartered PLC	208,172	117,257	3.18
Energy				
250,131	Royal Dutch Shell PLC	250,131	115,033	3.11
Telecommunication Services				
123,393	Vodafone Group PLC	123,393	100,738	2.73
Total Equity Securities - Great Britain		581,696	333,028	9.02
<u>Hong Kong</u>				
Banks				
82,654	Bank of China Limited	82,654	63,057	1.71
Capital Goods				
150,335	China Railway Construction Corporation Limited	150,335	95,741	2.59

Quantity	Name Of Counter	Cost RM	Fair Value RM	Fair Value As A % Of NAV %
Consumer Services				
82,071	Wisdom Education International Holdings Co., Ltd.	82,071	71,529	1.94
121,513	Wynn Macau, Limited	121,513	103,388	2.80
		<u>203,584</u>	<u>174,917</u>	<u>4.74</u>
Energy				
249,671	China Petroleum & Chemical Corporation	249,670	133,407	3.61
217,329	PetroChina Company Limited	217,328	124,152	3.36
		<u>466,998</u>	<u>257,559</u>	<u>6.97</u>
Real Estate				
75,444	China Overseas Land & Investment Limited	75,443	72,816	1.97
Utilities				
160,502	China Gas Holdings Ltd.	160,502	136,838	3.71
Technology Hardware & Equipment				
39,528	Lenovo Group Limited	39,527	38,360	1.04
62,743	Sunny Optical Technology Group Co Limited	62,742	63,432	1.72
		<u>102,269</u>	<u>101,792</u>	<u>2.76</u>
Telecommunication Services				
92,977	China Tower Corporation Limited	92,977	87,658	2.37
169,880	China Mobile Limited	169,880	119,318	3.23
		<u>262,857</u>	<u>206,976</u>	<u>5.60</u>
Total Equity Securities - Hong Kong		<u>1,504,642</u>	<u>1,109,696</u>	<u>30.05</u>

Quantity	Name Of Counter	Cost RM	Fair Value RM	Fair Value As A % Of NAV %
Singapore				
Consumer Services				
137,092	Genting Singapore Limited	137,092	101,192	2.74
Food, Beverage & Tobacco				
129,478	First Resources Limited	129,478	111,192	3.01
88,895	Wilmar International Ltd	88,895	88,073	2.38
94,586	Thai Beverage Public Company Limited	94,586	84,403	2.28
121,690	Bumitama Agri Ltd	121,690	105,464	2.86
		434,649	389,132	10.53
Telecommunication Services				
109,140	Singapore Telecommunications Limited	109,140	90,014	2.44
Real Estate				
101,579	ESR-REIT	101,579	85,970	2.33
Diversified Financials				
68,971	Singapore Exchange Limited	68,971	74,925	2.03
Total Equity Securities - Singapore		851,431	741,233	20.07

Quantity	Name Of Counter	Cost RM	Fair Value RM	Fair Value As A % Of NAV %
United States of America				
Banks				
73,518	Citigroup Inc.	73,518	46,930	1.27
Capital Goods				
66,612	General Electric Company	66,612	64,999	1.76
Consumer Services				
101,792	Melco Resorts & Entertainment Limited	101,792	115,878	3.14
Energy				
125,256	Exxon Mobil Corporation	125,256	71,891	1.95
Exchange Traded Fund				
156,575	ProShares VIX Short-Term Futures ETF	156,575	114,146	3.09
93,331	United States Brent Oil Fund LP - ETF	93,331	75,138	2.03
		249,906	189,284	5.12
Food, Beverage & Tobacco				
261,164	Anheuser-Busch InBev SA/NV-SPN ADR	261,164	165,441	4.48
50,161	The Coca-Cola Company	50,161	54,975	1.49
		311,325	220,416	5.97
Media & Entertainment				
80,345	Baidu, Inc.- SPON ADR	80,345	90,469	2.45

Quantity	Name Of Counter	Cost RM	Fair Value RM	Fair Value As A % Of NAV %
	Pharma., Biotech. & Life Sciences			
115,451	Gilead Sciences, Inc.	115,451	94,782	2.57
44,950	Pfizer Inc.	44,950	46,509	1.26
		<u>160,401</u>	<u>141,291</u>	<u>3.83</u>
	Retailing			
68,966	Alibaba Group Holding Limited	68,966	95,276	2.58
	Semiconductors & Semi. Equipment			
86,473	Intel Corporation	86,473	91,437	2.48
	Technology Hardware & Equipment			
30,910	HP Inc.	30,910	36,296	0.98
	Telecommunication Services			
134,409	AT&T Inc.	134,409	126,040	3.41
	Total Equity Securities - United States of America	<u>1,489,913</u>	<u>1,290,207</u>	<u>34.94</u>
	TOTAL QUOTED INVESTMENTS	<u>4,669,841</u>	<u>3,680,005</u>	<u>99.66</u>
	UNREALISED LOSS FROM QUOTED INVESTMENTS		<u>(989,836)</u>	

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 investments	<u>3,680,005</u>	<u>3,680,005</u>
2019		
Financial Assets At FVTPL		
Quoted investments	<u>4,949,553</u>	<u>4,949,553</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 comprise cash at banks as follows:

	2020 RM	2019 RM
Cash at banks:		
- Malaysia	186,366	47,130
- Outside Malaysia	<u>30,125</u>	<u>928,978</u>
	<u>216,491</u>	<u>976,108</u>
Cash and cash equivalents	<u>216,491</u>	<u>976,108</u>

6. Amount Due From/To Manager

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

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

7. 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.

8. Manager's Fee

The Manager's fee provided in the financial statements is computed at 1.7% (2019: 1.7%) per annum of the NAV attributable to unitholders of the Fund, calculated on a daily basis.

9. 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.

10. Custodian's Fee

The custodian's fee provided in the financial statements ranges from 0.01% to 0.3% (2019: 0.01% to 0.3%) per annum, computed based on the NAV attributable to unitholders of the Fund of the respective foreign portfolio at the end of the month.

11. Portfolio Turnover Ratio

	2020	2019
Portfolio turnover ratio ("PTR")	<u>2.33 times</u>	<u>3.01 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 net asset value attributable to unitholders of the Fund calculated on a daily basis. The PTR for the current financial year is lower due to decrease in investing activities.

12. Management Expense Ratio

	2020	2019
Management expense ratio ("MER") ¹	<u>2.48%</u>	<u>2.28%</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 a lower percentage of decrease in expenses compared with the average NAV attributable to unitholders.

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

13. Taxation

	2020	2019
	RM	RM
Malaysian income tax:		
Current 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 before taxation at the statutory rate of taxation to income tax expense at the effective rate of taxation is as follows:

	2020	2019
	RM	RM
Net loss before taxation	<u>(346,498)</u>	<u>(440,656)</u>
Taxation at Malaysian statutory rate of 24%	(83,160)	(105,757)
Tax effects of:		
Income not subject to tax	(111,297)	(46,527)
Losses not subject to tax	137,085	77,220
Expenses not deductible for tax purpose	32,389	46,432
Restriction on tax deductible expenses for unit trust funds	24,983	28,632
Tax expense for the financial year	<u>-</u>	<u>-</u>

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

	2020	2019
	RM	RM
Unitholders' capital	8,064,621	9,961,148
- Realised deficits	(3,388,180)	(3,609,338)
- Unrealised deficits	<u>(983,979)</u>	<u>(416,323)</u>
Net asset value attributable to unitholders	<u>3,692,462</u>	<u>5,935,487</u>

The net asset value per unit is rounded up to four decimal places.

15. Number Of Units In Circulation

	2020	2019
	No. Of Units	No. Of Units
At beginning of the financial year	13,369,463	14,600,000
Creation	561,810	1,091,724
Cancellation	<u>(4,949,703)</u>	<u>(2,322,261)</u>
At end of the financial year	<u>8,981,570</u>	<u>13,369,463</u>

16. Units Held By The Manager And Its Related Parties

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

17. 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
Instinet LLC	10,100,348	41.99	8,569	19.12
Credit Suisse Securities (Singapore) Pte Ltd	8,793,898	36.56	22,304	49.77
DBS Vickers Securities (Singapore) Pte Ltd	3,765,369	15.65	9,694	21.63
CGS-CIMB Securities Sdn Bhd	504,192	2.10	1,388	3.10
UOB Kay Hian Securities (M) Sdn Bhd	254,644	1.06	904	2.02
Hong Leong Investment Bank Bhd	228,762	0.95	801	1.79
Alliance Investment Bank Berhad	228,349	0.95	514	1.15
Maybank Investment Bank Bhd	143,182	0.60	501	1.12
Nomura Securities Malaysia Sdn Bhd	28,340	0.12	99	0.22
RHB Investment Bank Bhd	8,426	0.02	40	0.08
	<u>24,055,510</u>	<u>100.00</u>	<u>44,814</u>	<u>100.00</u>

[#] Excludes brokerage and other transaction fees

* Only applicable to equity securities.

The transactions above are with non related parties.

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 and single issuer 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.

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 equities as a result of changes in the levels of equity indices and the value of individual shares. The price risk exposure arises from the Fund's quoted investments.

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

Change In Price (%)	Effect On Net Loss Before Tax And NAV Attributable To Unitholders	
	Decrease/(Increase)	
	2020	2019
+5/	RM 184,000	RM 247,478
(5)	<u>(184,000)</u>	<u>(247,478)</u>

(b) Interest Rate Risk

This risk refers to the effect of interest rate changes on returns on deposits with licensed financial institutions. In the event of reduction in interest rates, the returns on deposits with licensed financial institutions will decrease thus affecting the NAV of the Fund. This risk will be minimised via the management of the duration structure of deposits with licensed financial institutions.

The Fund's exposure to interest rate risk with respect to 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.

(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 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 As A % Of NAV	Changes In Currency Rates %	Effect On Net Loss Before Tax Decrease RM	Effect On NAV Attributable To Unitholders (Increase) RM	
2020	RM				
USD	1,393,145	37.73	+5	(69,657)	69,657
HKD	1,116,783	30.24	+5	(55,839)	55,839
2019					
USD	3,389,029	57.10	+5	(169,451)	169,451
HKD	1,547,429	26.07	+5	(77,371)	77,371

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, interest 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 net asset value 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 financial institutions with strong credit ratings.

(iii) Liquidity Risk

This risk occurs in thinly traded or illiquid securities. Should the Fund need to sell a relatively large amount of such securities, the act itself may significantly depress the selling price. The risk is minimised by maintaining a prudent level of 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.

(iv) Specific Risk

The Fund is exposed to the individual risks of the respective companies issuing 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 investments of the Fund.

(v) Single Issuer Risk

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

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.

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BOS WEALTH MANAGEMENT MALAYSIA BERHAD

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