



**BOS WEALTH
MANAGEMENT**

A subsidiary of Bank of Singapore

PACIFIC FOCUS CHINA FUND

INTERIM REPORT

For the six months ended 30 September 2020

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FUND INFORMATION
As At 30 September 2020

Name Of Fund	:	Pacific Focus China Fund
Manager Of Fund	:	BOS Wealth Management Malaysia Berhad (formerly known as Pacific Mutual Fund Bhd) 199501006861 (336059-U)
External Investment Manager	:	Lion Global Investors Limited (198601745D) (formerly known as Lion Capital Management Limited)
Launch Date	:	19 May 2009
		The Fund will continue its operations until terminated as provided under Clause 12 of the Deed.
Category Of Fund	:	Equity
Type Of Fund	:	Growth
Investment Objective	:	Pacific Focus China Fund aims to achieve attractive capital growth in the medium* to long term* by investing predominantly in equities and equity-related securities of companies listed in the greater China region which covers China, Hong Kong S.A.R. and Taiwan markets and may invest in companies listed in other markets that have significant or potentially significant business in the greater China region.
		* <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	:	MSCI Golden Dragon Index (MXGD)
Distribution Policy	:	Income distribution, annually, subject to availability of income.
Fund Size	:	39.93 million units

Breakdown Of Unitholdings	:	Size Of Holdings	No. Of Unitholders	% Of Unitholders	No. Of Units (million)
		5,000 units & below	66	11.42	0.18
		5,001-10,000 units	81	14.01	0.58
		10,001-50,000 units	256	44.29	6.06
		50,001-500,000 units	165	28.55	20.73
		500,001 units & above	10	1.73	12.38
		Total	578	100.00	39.93

FUND PERFORMANCE**Financial Highlights**

Category	As At 30.9.2020	As At 31.3.2020	As At 31.3.2019	As At 31.3.2018
Quoted Foreign Equity Securities	%	%	%	%
- Hong Kong	64.11	62.29	62.03	57.08
- Taiwan	20.60	20.80	18.37	19.79
- United States of America	13.53	11.90	14.46	16.73
	98.24	94.99	94.86	93.60
Cash And Liquid Assets	1.76	5.01	5.14	6.40
Total	100.00	100.00	100.00	100.00
Net Asset Value (RM'000)	14,572	13,222	17,487	16,695
Number Of Units In Circulation (Units '000)	39,932	43,650	52,280	46,863
Net Asset Value Per Unit (RM)	0.3650	0.3030*	0.3345 *	0.3563*
Management Expense Ratio ("MER") ¹	1.02%	1.96%	1.92%	2.02%
Portfolio Turnover Ratio (times)	0.17	0.32	0.41	0.42

The Management Expense Ratio for the current interim period is higher due to a lower percentage of decrease in expenses compared with the average net asset value attributable to unitholders. (30 September 2019: 0.97%)

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

The Portfolio Turnover Ratio for the current interim period is higher due to increase in investing activities. (30 September 2019: 0.14 times)

Notes:

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

**Price quoted is ex-distribution.*

Performance Data

	<u>Pacific Focus China Fund</u>				<u>MXGD[#]</u>	
	Total Return	Average Annual Return	Total Return	Average Annual Return	Total Return	Average Annual Return
6 Months' Period (1.4.2020 to 30.9.2020)	20.46%	-	22.26%	-		
1 Year's Period (1.4.2019 to 31.3.2020)	-4.21%	-4.21%	-4.02%	-4.02%		
3 Years' Period (1.4.2017 to 31.3.2020)	6.57%	2.19%	5.83%	1.94%		
5 Years' Period (1.4.2015 to 31.3.2020)	25.09%	5.02%	23.72%	4.74%		
	1.4.2020	1.4.2019	1.4.2018	1.4.2017	1.4.2016	1.4.2015
	to	to	to	to	to	to
	30.9.2020	31.3.2020	31.3.2019	31.3.2018	31.3.2017	31.3.2016
Pacific Focus China Fund						
- Capital Return	20.46%	-9.44%	-6.09%	3.01%	23.27%	-17.10%
- Income Return	-	5.78%	7.47%	7.02%	7.23%	7.13%
- Total Return	20.46%	-4.21%	0.93%	10.23%	32.18%	-11.20%
MXGD [#]	22.26%	-4.02%	-0.66%	10.99%	32.25%	-11.60%

	1.4.2020	1.4.2019	1.4.2018	1.4.2017
	to	to	to	to
	30.9.2020	31.3.2020	31.3.2019	31.3.2018
Unit Prices				
Highest NAV (RM)	0.3813	0.3673	0.3830	0.4196
Lowest NAV (RM)	0.3014	0.2967	0.3047	0.3428
Distributions				
Gross Distribution Per Unit (sen)	-	1.75	2.50	2.50
	(30.9.2020)	(31.3.2020)	(29.3.2019)	(30.3.2018)
Net Distribution Per Unit (sen)	-	1.75	2.50	2.50
	(30.9.2020)	(31.3.2020)	(29.3.2019)	(30.3.2018)
Unit Splits	-	-	-	-

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

Notes:

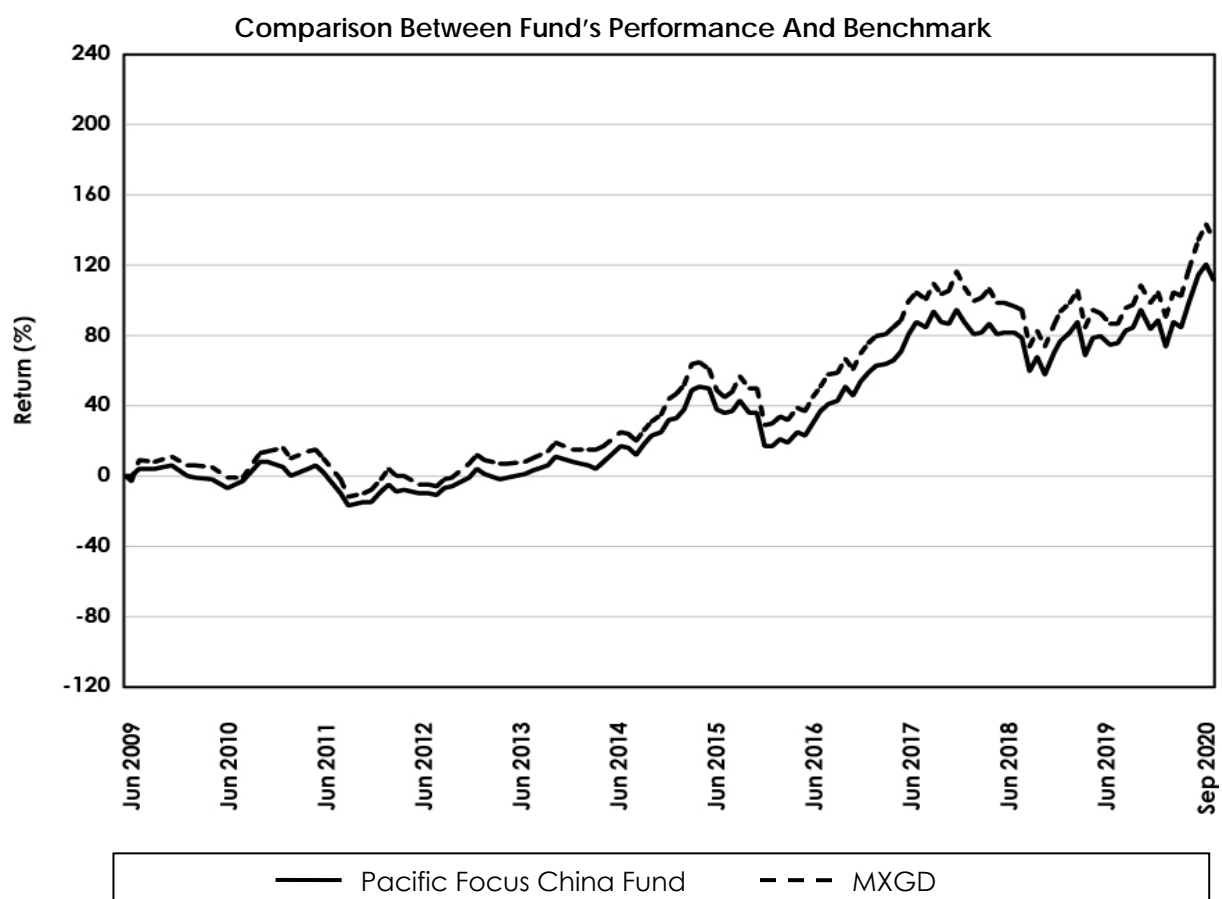
1. All figures pertaining to the Fund's return were extracted from Lipper.
2. The net asset value per unit of the Fund is largely determined by market factors. Therefore past performance figures shown are only a guide and should not be taken as indicative of future performance. Net asset value per unit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

MANAGER'S REPORT 30 September 2020

Performance Review

From 12 June 2009 (date of launch: 19 May 2009) to 30 September 2020, the Pacific Focus China Fund registered a total return of 104.03%, while its benchmark, the MSCI Golden Dragon Index (MXGD), rose 125.54%.

For the interim period under review (1 April 2020 to 30 September 2020), the Fund registered a total return of 20.46%. In comparison, its benchmark rose 22.26%.



Source: Lipper

Notes:

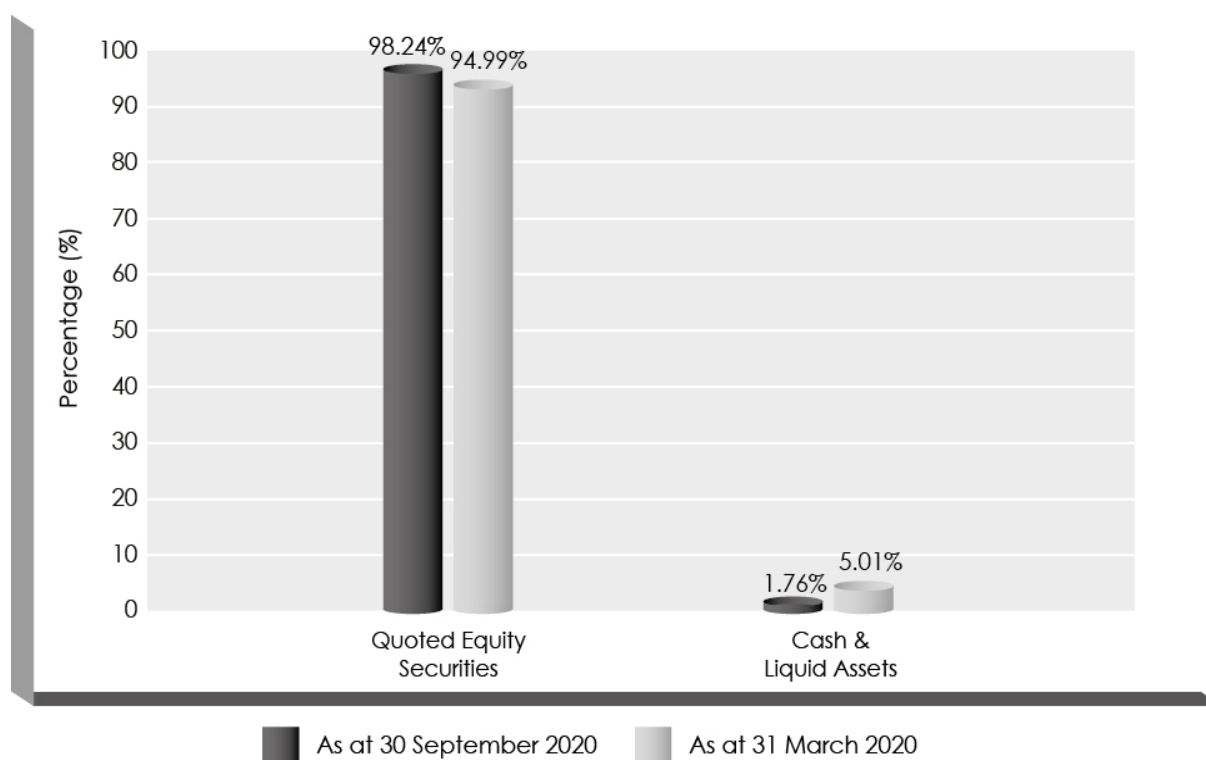
The benchmark returns are adjusted by the movement of Ringgit Malaysia against foreign currencies.

Investment Strategy Review

The Pacific Focus China Fund underperformed the benchmark, MSCI Golden Dragon Index, during the period under review. The underweight position in China, due to limitations on the Fund's access to China A-shares, was the key factor that impacted performance. At the sector level, the overweight position in Health Care, and positive stock selection in the Industrials sector, contributed to the fund performance. The main detractors on performance were the underweight positions in Consumer Staples and Consumer Discretionary sectors.

The largest positive contributions from stock selection came from Wuxi Biologics, Semiconductor Manufacturing, ICBC and Taiwan Semiconductor. The largest detractors were China Construction Bank, Largan Precision as well as our zero weight in Meituan Dianping.

Asset Allocation



The quoted equity securities allocation of Pacific Focus China Fund increased to 98.24% as at 30 September 2020 from 94.99% recorded at the beginning of the interim period under review due to net equity purchases.

Analysis Of Net Asset Value

The net asset value (NAV) per unit of Pacific Focus China Fund increased from RM0.3030 to RM0.3650 during the interim period under review. Meanwhile, total NAV of the Fund increased from RM13,222,041 to RM14,571,638 due to share price changes.

Market Review

Review Of Greater China Equity Markets

For the six-month period under review, the benchmark MSCI Golden Dragon Index rose 24.53% in Ringgit terms. MSCI Taiwan was the strongest performer, appreciating by 36.07%, followed by MSCI China at 24.90% and MSCI Hong Kong rising only 6.56%.

During the period under review, the markets staged a strong rebound from the pandemic-driven weakness earlier in the year. With COVID-19 lockdowns gradually being eased, industries resuming production and consumption recovering, investor sentiment improved. Global central banks and policy makers also provided fiscal stimulus and supportive monetary policies to combat the economic impact of the lockdowns.

Initially, China had been worst hit by COVID-19, but with strong policy support, had returned to almost normal activity levels by the end of September 2020. Fixed asset investment and industrial production drove the improvements, while exports surprised on the upside. Consumption recovered at a relatively slower pace. However, the re-emergence of US-China tensions was a cloud over the markets, with the US imposing new restrictions on Huawei. This led to diverging performance among potential winners and losers in the technology supply chain. It has also resulted in a greater focus by the Chinese leadership on self-sufficiency in key resources and technologies, as well as the return of some large China ADRs to seek dual listing in Hong Kong.

Taiwan's technology supply chain benefitted from increasing demand for tech hardware coming from a large number of people working from home. Restrictions on Chinese companies supplying into the US also benefitted their Taiwanese competitors. The rollout of 5G also provided a boost for Taiwan's semiconductor makers.

The relative underperformance of Hong Kong was mostly due to the continued political uncertainty. Hong Kong was caught in the geopolitical crossfire between US and China when China decided to impose the National Security Law which resulted in the US revoking Hong Kong's special trade status. Hong Kong's open economy which is more dependent on trade and tourism has also been hurt by the ongoing restrictions on travel.

Income Distribution Nil

Unit Split Not applicable

Significant Changes In The State Of Affairs Of The Fund Nil

Circumstances That Materially Affect Interest Of Unitholders Nil

Soft Commissions

During the interim period under review, the external investment manager has received soft commissions from brokers in compliance with applicable legal, regulatory and industry standards. Soft commissions are received by the external investment manager where the same can reasonably be expected to assist in the provision of investment services to its clients. Examples of goods and services under such soft commission arrangement include research and advisory services, computer software or any other information facilities to the extent that they are used to support the investment decision making process, data and quotation as well as custodial services.

**TRUSTEE'S REPORT
TO THE UNIT HOLDERS OF PACIFIC FOCUS CHINA FUND**

We, **CIMB Commerce Trustee Berhad** being the trustee for **Pacific Focus China 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 six months ended 30 September 2020.

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

For and on behalf of
CIMB Commerce Trustee Berhad



Lee Kooi Yoke
Chief Executive Officer

Kuala Lumpur, Malaysia
02 November 2020

PACIFIC FOCUS CHINA FUND

STATEMENT BY THE MANAGER

We, **Teh Chi-cheun** and **Tan Ai Chin**, being two of the Directors of **BOS Wealth Management Malaysia Berhad (formerly known as Pacific Mutual Fund Bhd)** do hereby declare that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 11 to 36 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 Focus China Fund** as at 30 September 2020 and of its results, changes in net asset value and cash flows for the interim period then ended.

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



TEH CHI-CHEUN



TAN AI CHIN

Kuala Lumpur, Malaysia
2 November 2020

PACIFIC FOCUS CHINA FUND

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

	Note	30.9.2020 RM	31.3.2020 RM
ASSETS			
Investments	3	14,313,341	12,558,238
Dividend receivable		26,334	13,763
Interest receivable		-	10
Amount due from Manager	6	9,753	-
Amount due from brokers/dealers	7	-	708,880
Cash and cash equivalents	5	547,872	757,202
TOTAL ASSETS		<u>14,897,300</u>	<u>14,038,093</u>
LIABILITIES			
Amount due to Manager	6	286,414	19,533
Other payables		39,248	32,650
Distribution payable		-	763,869
TOTAL LIABILITIES		<u>325,662</u>	<u>816,052</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>14,571,638</u>	<u>13,222,041</u>
EQUITY			
Unitholders' capital		3,960,314	5,439,550
Retained earnings		10,611,324	7,782,491
NAV ATTRIBUTABLE TO UNITHOLDERS	14	<u>14,571,638</u>	<u>13,222,041</u>
TOTAL EQUITY AND LIABILITIES		<u>14,897,300</u>	<u>14,038,093</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	15	<u>39,932,024</u>	<u>43,649,648</u>
NAV PER UNIT (*ex-distribution)	14	<u>RM0.3650</u>	<u>RM0.3030*</u>

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

PACIFIC FOCUS CHINA FUND

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

	Note	1.4.2020 to 30.9.2020 RM	1.4.2019 to 30.9.2019 RM
INVESTMENT INCOME/(LOSS)			
Gross dividends from financial assets at fair value through profit or loss		291,832	349,187
Interest income		4,671	10,567
Net income on investments			
- Financial assets at fair value through profit or loss		877,333	93,485
- Foreign exchange		76,515	38,778
Net unrealised (loss)/gain on foreign exchange		(13,227)	34,832
Net unrealised gain/(loss) on changes in value of financial assets at FVTPL		1,775,319	(969,182)
		<u>3,012,443</u>	<u>(442,333)</u>
EXPENSES			
Audit fee		4,011	4,000
Tax agent's fee		7,038	7,313
Manager's fee	8	124,308	140,906
Trustee's fee	9	6,017	6,001
Custodian's fee	10	1,662	2,164
Brokerage and other transaction fees		25,232	20,055
Administration expenses		15,342	10,786
		<u>183,610</u>	<u>191,225</u>
Net income/(loss) before taxation		2,828,833	(633,558)
Taxation	13	-	-
Net income/(loss) after taxation		<u>2,828,833</u>	<u>(633,558)</u>
Total comprehensive income/(loss)		<u>2,828,833</u>	<u>(633,558)</u>
Total comprehensive income/(loss) is made up as follows:			
Realised income		1,066,741	300,792
Unrealised income/(loss)		1,762,092	(934,350)
		<u>2,828,833</u>	<u>(633,558)</u>

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

PACIFIC FOCUS CHINA FUND

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

	Unitholders' capital RM	Retained earnings RM	NAV attributable to unitholders RM
At 1 April 2019	7,817,880	9,669,498	17,487,378
Net loss after taxation	-	(633,558)	(633,558)
Creation of units	2,894,331	-	2,894,331
Cancellation of units	(2,400,493)	-	(2,400,493)
At 30 September 2019	<u>8,311,718</u>	<u>9,035,940</u>	<u>17,347,658</u>
At 1 April 2020	5,439,550	7,782,491	13,222,041
Net income after taxation	-	2,828,833	2,828,833
Creation of units	1,870,969	-	1,870,969
Cancellation of units	(3,350,205)	-	(3,350,205)
At 30 September 2020	<u>3,960,314</u>	<u>10,611,324</u>	<u>14,571,638</u>

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

PACIFIC FOCUS CHINA FUND

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

	1.4.2020 to 30.9.2020 RM	1.4.2019 to 30.9.2019 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investments	3,815,124	2,710,936
Purchase of investments	(2,092,157)	(2,153,365)
Dividends received	262,344	313,421
Interest received	4,681	10,844
Manager's fee paid	(123,715)	(142,775)
Trustee's fee paid	(5,027)	(7,416)
Custodian's fee paid	(1,662)	(2,164)
Payment for other fees and expenses	(24,408)	(24,586)
Net cash generated from operating and investing activities	<u>1,835,180</u>	<u>704,895</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	1,861,216	3,085,631
Cash paid on units cancelled	(3,083,918)	(2,394,876)
Distributions paid	(763,869)	(1,307,000)
Net cash used in financing activities	<u>(1,986,571)</u>	<u>(616,245)</u>
Net increase in cash and cash equivalents	(151,391)	88,650
Effect of exchange rate changes	(57,939)	31,134
Cash and cash equivalents at beginning of interim period	757,202	2,061,090
Cash and cash equivalents at end of interim period	<u>547,872</u>	<u>2,180,874</u>
Cash and cash equivalents comprise:		
Cash at banks	547,872	1,550,874
Deposits with licensed financial institutions	-	630,000
	<u>547,872</u>	<u>2,180,874</u>

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

PACIFIC FOCUS CHINA FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS 30 SEPTEMBER 2020

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Pacific Focus China Fund (hereinafter referred to as "the Fund") was constituted pursuant to the execution of a Master Deed dated 24 February 2009, Supplemental Master Deed dated 27 April 2011, Second Supplemental Master Deed dated 2 June 2011 and its Third Supplemental Master Deed dated 4 March 2013 (hereinafter referred to as "the Deeds") made between the Manager, BOS Wealth Management Malaysia Berhad and the Trustee, CIMB Commerce Trustee Berhad for the registered holders of the Fund.

The principal activity of the Fund is to invest in "Permitted Investments" as defined in the Deeds, which include 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 19 May 2009 and will continue its operations until terminated as provided in the Deeds.

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

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

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

PACIFIC FOCUS CHINA FUND

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

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

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

Standards issued but not yet effective:

	Effective for interim 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 (Amendments to <i>MFRS 3 Business Combinations</i>)*	1 January 2022
<i>Property, Plant and Equipment – Proceeds before Intended Use</i> (Amendments to <i>MFRS 116 Property, Plant and Equipment</i>)*	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to <i>MFRS 137 Provisions, Contingent Liabilities and</i> <i>Contingent Assets</i>)	1 January 2022
Amendments to MFRS 101: Presentation of Financial Statements <i>Classification of Liabilities as Current or Non-Current</i>	1 January 2023
<i>MFRS 17 Insurance Contracts</i> *	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i> *	1 January 2023
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution</i> <i>of Assets between an Investor and its Associate or Joint</i> <i>Venture</i> *	Deferred

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

PACIFIC FOCUS CHINA FUND

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

30 SEPTEMBER 2020

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

(b) Functional and presentation currency

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

(c) 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.

PACIFIC FOCUS CHINA FUND

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

30 SEPTEMBER 2020

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

(d) Financial instruments (Cont'd.)

Financial Assets (cont'd.)

(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 debt instruments. 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.

PACIFIC FOCUS CHINA FUND

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

30 SEPTEMBER 2020

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

(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.

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 and fixed income securities 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.

PACIFIC FOCUS CHINA FUND

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

30 SEPTEMBER 2020

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

(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

	30.9.2020	31.3.2020
	RM	RM
Financial assets at FVTPL		
Quoted investments		
- Equity securities	14,313,341	12,558,238
Total investments	<u>14,313,341</u>	<u>12,558,238</u>

PACIFIC FOCUS CHINA FUND

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

30 SEPTEMBER 2020

3. INVESTMENTS (CONT'D.)

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

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV
EQUITY SECURITIES				
<u>Hong Kong</u>				
Automobiles & Components				
7,000	Geely Automobile Holdings Limited	76,429	57,802	0.40
Banks				
10,500	BOC Hong Kong (Holdings) Limited	150,529	114,854	0.79
204,320	China Construction Bank Corporation	568,447	549,972	3.77
9,000	China Merchants Bank Co., Ltd	120,564	176,383	1.21
		839,540	841,209	5.77
Capital Goods				
4,500	Techtronic Industries Co Ltd	141,318	245,151	1.68
17,000	Weichai Power Co., Ltd	157,190	141,471	0.97
		298,508	386,622	2.65
Commercial & Professional Services				
5,250	A-Living Services Co., Ltd	129,501	110,350	0.76
Consumer Durables & Apparel				
9,000	Haier Electronics Group Co., Ltd	97,333	135,122	0.93
Consumer Services				
3,000	Galaxy Entertainment Group Limited	76,683	83,567	0.57
3,600	Sands China Ltd	72,127	57,620	0.40
		148,810	141,187	0.97
Diversified Financials				
13,000	CITIC Securities Co., Ltd	123,336	120,034	0.82
1,700	Hong Kong Exchanges & Clearing Limited	218,854	329,795	2.26
		342,190	449,829	3.08
Energy				
20,000	China Oilfield Services Limited	114,961	57,695	0.39
51,000	CNOOC Limited	392,876	203,729	1.40
30,000	PetroChina Company Limited	67,024	36,515	0.25
		574,861	297,939	2.04

PACIFIC FOCUS CHINA FUND

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

3. INVESTMENTS (CONT'D.)

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV
EQUITY SECURITIES				
<u>Hong Kong (cont'd.)</u>				
Exchange Traded Fund				
24,600	ChinaAMC CSI 300 Index ETF	619,376	700,680	4.81
Food, Beverage & Tobacco				
Health and Happiness H&H				
3,500	International Holdings Ltd	74,109	62,588	0.43
17,000	Uni-President China Holdings Ltd	70,866	64,537	0.44
		144,975	127,125	0.87
Health Care Equipment & Services				
Alibaba Health Information				
8,000	Technology Limited	86,696	80,988	0.56
Insurance				
17,600	AIA Group Limited	263,615	716,277	4.92
31,000	China Life Insurance Company Ltd	366,149	288,229	1.98
		629,764	1,004,506	6.90
Materials				
Anhui Conch Cement Company				
4,000	Limited	96,680	114,318	0.78
418,000	China Forestry Holdings Company Ltd*	-	-	-
40,000	China Resources Cement Holdings Limited	134,884	226,920	1.56
		231,564	341,238	2.34
Media & Entertainment				
600	NetEase, Inc.	40,723	44,365	0.30
5,300	Tencent Holdings Limited	333,334	1,453,611	9.98
		374,057	1,497,976	10.28
Pharma., Biotech. & Life Sciences				
1,600	Hangzhou Tigermed Consulting Co.,Ltd	95,551	94,714	0.65
28,500	Sino Biopharmaceutical Limited	41,814	128,978	0.88
6,000	WuXi Biologics (Cayman) Inc.	243,765	606,764	4.16
		381,130	830,456	5.69

* This security was suspended from trading and the cost and fair value had been written down to nil as there was no further news on this security.

PACIFIC FOCUS CHINA FUND

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

30 SEPTEMBER 2020

3. INVESTMENTS (CONT'D.)

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV
EQUITY SECURITIES				
<u>Hong Kong (cont'd.)</u>				
Real Estate				
8,000	China Resources Land Limited	142,537	149,707	1.03
38,000	CIFI Holdings Group Co Ltd	102,139	116,141	0.80
20,000	Logan Group Co Limited	136,308	131,047	0.90
7,000	Sunac China Holdings Limited	131,556	113,353	0.78
		512,540	510,248	3.51
Retailing				
1,000	Alibaba Group Holding Limited	93,808	147,777	1.01
19,000	China Yongda Automobiles Services Holdings Ltd	83,235	93,422	0.64
2,450	JD.com, Inc.	324,153	385,962	2.65
		501,196	627,161	4.30
Semiconductors & Semi. Equipment				
Semiconductor Manufacturing				
14,500	International Corporation	72,995	140,881	0.97
Software & Services				
8,000	Kingdee International Software Group Company Limited	77,950	85,792	0.59
Technology Hardware & Equipment				
3,500	AAC Technologies Holdings Inc	124,766	78,352	0.54
32,000	Lenovo Group Limited	91,057	87,679	0.60
		215,823	166,031	1.14
Telecommunication Services				
2,500	China Mobile Limited	109,027	66,288	0.45
84,000	China Telecom Corporation Limited	162,469	104,495	0.72
10,000	China Unicom (Hong Kong) Limited	47,970	27,078	0.19
20,500	HKBN Ltd	140,036	162,024	1.11
		459,502	359,885	2.47

PACIFIC FOCUS CHINA FUND

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

30 SEPTEMBER 2020

3. INVESTMENTS (CONT'D.)

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV
EQUITY SECURITIES				
Hong Kong (cont'd.)				
Utilities				
7,500	CK Infrastructure Holdings Limited	241,970	145,377	1.00
4,100	ENN Energy Holdings Ltd	84,656	185,547	1.27
18,000	Guangdong Investment Limited	132,833	118,329	0.81
		<u>459,459</u>	<u>449,253</u>	<u>3.08</u>
	Total equity securities - Hong Kong	<u>7,274,199</u>	<u>9,342,280</u>	<u>64.11</u>
Taiwan				
Banks				
40,768	E.Sun Financial Holding Company Ltd	103,406	149,139	1.02
180	First Financial Holding Co., Ltd	579	530	0.01
		<u>103,985</u>	<u>149,669</u>	<u>1.03</u>
Capital Goods				
1,030	Hiwin Technologies Corp	45,330	41,948	0.29
Diversified Financials				
10,587	Chailease Holding Co Ltd	160,011	198,188	1.36
Insurance				
23,000	Fubon Financial Holding Co., Ltd	152,979	137,713	0.95
Materials				
13,000	Formosa Plastics Corporation	162,699	146,015	1.00
Semiconductors & Semi. Equipment				
15,000	ASE Technology Holding Co., Ltd	155,170	126,895	0.87
2,000	Globalwafers Co., Ltd.	122,214	109,747	0.75
3,000	MediaTek Inc.	121,381	260,221	1.79
3,000	Novatek Microelectronics Corporation	65,227	113,820	0.78
23,349	Taiwan Semiconductor Manufacturing Company, Ltd	313,395	1,444,736	9.91
		<u>777,387</u>	<u>2,055,419</u>	<u>14.10</u>

PACIFIC FOCUS CHINA FUND

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

30 SEPTEMBER 2020

3. INVESTMENTS (CONT'D.)

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV
EQUITY SECURITIES				
Taiwan (cont'd.)				
Technology Hardware & Equipment				
12,907	Hon Hai Precision Industry Co., Ltd	133,375	142,757	0.98
12,000	Quanta Computer Inc	94,888	129,639	0.89
		<u>228,263</u>	<u>272,396</u>	<u>1.87</u>
	Total equity securities - Taiwan	<u>1,630,654</u>	<u>3,001,348</u>	<u>20.60</u>
United States of America				
Consumer Services				
New Oriental Education & Technology				
438	Group Inc	164,846	272,074	1.87
Media & Entertainment				
379	Baidu, Inc.- SPON ADR	298,166	199,347	1.37
Real Estate				
75	KE Holdings Inc.	6,288	19,103	0.13
Retailing				
1,152	Alibaba Group Holding Limited	521,551	1,407,153	9.66
456	Trip.com Group Ltd. - ADR	84,306	59,000	0.41
		<u>605,857</u>	<u>1,466,153</u>	<u>10.07</u>
Software & Services				
73	Agora Inc - ADR	6,252	13,036	0.09
	Total equity securities - United States of America	<u>1,081,409</u>	<u>1,969,713</u>	<u>13.53</u>
	Total equity securities	<u>9,986,262</u>	<u>14,313,341</u>	<u>98.24</u>
	TOTAL QUOTED INVESTMENTS	<u>9,986,262</u>	<u>14,313,341</u>	<u>98.24</u>
	UNREALISED GAIN FROM QUOTED INVESTMENTS		<u>4,327,079</u>	

PACIFIC FOCUS CHINA FUND

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

30 SEPTEMBER 2020

4. FAIR VALUE HIERARCHY

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

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

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

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

	Level 1 RM	Level 2 RM	Total RM
30.9.2020			
Financial assets at FVTPL			
Quoted investments	14,313,341	-	14,313,341
31.3.2020			
Financial assets at FVTPL			
Quoted investments	12,558,238	-	12,558,238

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 deposits with licensed financial institutions.

	30.9.2020 RM	31.3.2020 RM
Cash at banks:		
- Malaysia	59,166	23,861
- Outside Malaysia	488,706	585,341
Cash at banks	<u>547,872</u>	<u>609,202</u>
Deposits with licensed financial institutions:		
- Commercial bank	-	148,000
Cash and cash equivalents	<u>547,872</u>	<u>757,202</u>

PACIFIC FOCUS CHINA FUND

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

30 SEPTEMBER 2020

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

The weighted average rate of return and remaining maturity of deposits with licensed financial institutions at the reporting date were as follows:

	Weighted average effective interest rate (% per annum)		Weighted average remaining maturity (Days)	
	30.9.2020	31.3.2020	30.9.2020	31.3.2020
Deposits with licensed financial institutions:				
- Commercial bank	-	2.45	-	1

6. AMOUNT DUE FROM/TO MANAGER

The amount due from/to manager represents amount receivable/payable for units created/cancelled and/or amount 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 BROKER/DEALER

The amount due from brokers/dealers relates to disposal of investments which remain outstanding as at the reporting date. These are normally received 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 1.60% (2019: 1.60%) per annum of the NAV attributable to unitholders of the Fund, calculated on a daily basis.

PACIFIC FOCUS CHINA FUND

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

30 SEPTEMBER 2020

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 RM12,000 per annum.

10. 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.

11. PORTFOLIO TURNOVER RATIO ("PTR")

	1.4.2020 to 30.9.2020	1.4.2019 to 30.9.2019
Portfolio turnover ratio ("PTR")	<u>0.17 times</u>	<u>0.14 times</u>

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

12. MANAGEMENT EXPENSE RATIO ("MER")

	1.4.2020 to 30.9.2020	1.4.2019 to 30.9.2019
Management expense ratio ("MER") ¹	<u>1.02%</u>	<u>0.97%</u>

MER is the ratio of expenses of the Fund expressed as a percentage of the average NAV attributable to unitholders of the Fund for the interim period calculated on a daily basis. The MER for the current financial year is higher due to a lower percentage of decrease in expenses compared with average NAV attributable to unitholders.

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

PACIFIC FOCUS CHINA FUND

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

30 SEPTEMBER 2020

13. TAXATION

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

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

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

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

	1.4.2020 to 30.9.2020 RM	1.4.2019 to 30.9.2019 RM
Net income/(loss) before taxation	2,828,833	(633,558)
Taxation at Malaysian statutory rate of 24%	678,920	(152,054)
Tax effects of:		
Income not subject to tax	(726,161)	(126,444)
Loss not subject to tax	3,174	232,604
Expenses not deductible for tax purpose	12,127	9,755
Restriction on tax deductible expenses for unit trust funds	31,940	36,139
Tax expense for the interim period	-	-

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

	30.9.2020 RM	31.3.2020 RM
Unitholders' capital	3,960,314	5,439,550
Retained earnings		
- Realised reserves	6,206,984	5,140,243
- Unrealised reserves	4,404,340	2,642,248
NAV attributable to unitholders	14,571,638	13,222,041

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

PACIFIC FOCUS CHINA FUND

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

15. NUMBER OF UNITS IN CIRCULATION

	30.9.2020	31.3.2020
	No. of units	No. of units
At beginning of the period	43,649,648	52,280,000
Creation	5,619,056	9,705,178
Cancellation	(9,336,680)	(18,335,530)
At end of the period	<u>39,932,024</u>	<u>43,649,648</u>

16. UNITS HELD BY THE MANAGER AND ITS RELATED PARTIES

	30.9.2020		31.3.2020	
	No. of units	RM	No. of units	RM
Key Management Personnel of the Manager	<u>9,063</u>	<u>3,308</u>	<u>-</u>	<u>-</u>

There were no units held by the Manager.

PACIFIC FOCUS CHINA FUND

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

30 SEPTEMBER 2020

17. TRANSACTIONS WITH BROKERS/DEALERS

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

Brokers/Dealers	Value of trade# RM	% of total trades	Brokerage fee* RM	% of total brokerage fees
CLSA (Singapore) Pte Ltd	945,576	18.45	2,556	18.25
Morgan Stanley & Co. Ltd	895,541	17.47	2,239	15.99
Instinet LLC	757,614	14.78	2,273	16.23
Citigroup Global Markets Ltd	614,521	11.99	1,696	12.11
Merrill Lynch Pierce Fenner & Smith Credit Suisse Securities (Hong Kong) Ltd	449,953	8.78	1,118	7.98
UBS Security Asia Ltd	434,539	8.48	1,609	11.49
Jefferies International Ltd	399,067	7.79	997	7.12
China International Capital Corporation	286,692	5.59	717	5.12
The Hongkong and Shanghai Banking Corporation	175,879	3.43	440	3.14
Other brokers/dealers	65,941	1.29	165	1.18
	100,556	1.95	195	1.39
	<u>5,125,879</u>	<u>100.00</u>	<u>14,005</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.

PACIFIC FOCUS CHINA FUND

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

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

(i) Market Risk (cont'd.)

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 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 investments.

The table below summarises the effect on net income/(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 income/(loss) before tax and NAV attributable to unitholders	
	Increase/ (Decrease) 30.9.2020 RM	Decrease (Increase)/ 31.3.2020 RM
+5/	715,667	627,912
(5)	<u>(715,667)</u>	<u>(627,912)</u>

(b) Interest rate risk

The Fund does not have any deposits with licensed financial institutions as at 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.

PACIFIC FOCUS CHINA FUND

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

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

(c) Currency risk (cont'd.)

The table below indicates the currency 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 Income before tax Increase	Effect on NAV attributable to unitholders (Decrease)
	RM	%	RM	RM
30.9.2020				
HKD	9,360,551	64.24	+5	468,028
TWD	3,312,497	22.73	+5	165,625
USD	2,128,367	14.61	+5	106,418

	Currency risk concentration as a % of NAV	Changes in currency rates	Effect on net loss before tax (Decrease)	Effect on NAV attributable to unitholders Increase
	RM	%	RM	RM
31.3.2020				
HKD	8,543,207	64.61	+5	(427,160)
TWD	2,997,113	22.67	+5	(149,856)
USD	2,306,558	17.44	+5	(115,328)

(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 NAV and thus, unit price. This risk is mitigated by setting counterparty limits and vigorous credit analyses.

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

PACIFIC FOCUS CHINA FUND

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

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

(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 NAV. Under such restriction, the risk exposure to the securities of any issuer is minimised.

19. OPERATING SEGMENT

The Fund is jointly managed by the external investment manager, Lion Global Investors Limited (formerly known as Lion Capital Management Limited) and the Manager. The external investment manager will oversee the equity, equity related securities and collective investment schemes of the Fund while the Manager has control over the Malaysian fixed income securities, collective investment scheme and money market instruments of the Fund. Accordingly, the Fund's investment income and segment asset, are analysed by the two segments:

- (i) Equity, equity related securities and collective investment schemes.
- (ii) Malaysian fixed income securities (if any), collective investment scheme and money market instruments.

Expenses of the Fund are not considered as part of the performance of any operating income segment.

Certain assets and liabilities are not considered to be part of the net assets or liabilities of an individual segment.

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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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.