

# ANNUAL REPORT

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For The Financial Year Ended 31 December 2018

## PACIFIC ASIAPAC INCOME FUND



*GROWING TOGETHER*

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PACIFIC MUTUAL FUND BHD (336059-U)  
A member of the OCBC Group



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**FUND INFORMATION**

**As at 31 December 2018**

Name Of Fund	: Pacific AsiaPac Income Fund
Manager Of Fund	: Pacific Mutual Fund Bhd (336059-U)
External Investment Manager	: Lion Global Investors Limited (198601745D) (formerly known as Lion Capital Management Limited)
Launch Date	: 28 November 2006
	The Fund will continue its operations until terminated as provided under Part 12 of the Deed.
Category Of Fund	: Balanced
Type Of Fund	: Income and growth
Investment Objective	: Pacific AsiaPac Income Fund aims to provide steady and attractive income <sup>□</sup> and moderate growth in the medium* to long term* by investing in a portfolio of Malaysian and foreign securities.
	<sup>□</sup> <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units.</i>
	<sup>*</sup> <i>Medium term is defined as a period of one to three years, and long term is a period of more than three years.</i>
Performance Benchmark	: Composite benchmark: 40% MSCI All Countries Asia Pacific Ex-Japan Index (MXAPJ) 60% 3-Month Kuala Lumpur Interbank Offer Rate (KLIBOR)
Distribution Policy	: Investors may receive income distributions once a year, but these are incidental.
Fund Size	: 33.86 million units

Breakdown Of Unitholdings	: Size Of Holdings	No. Of	% Of	No. Of Units
		Unitholders	Unitholders	(million)
	5,000 units & below	110	15.90	0.30
	5,001-10,000 units	123	17.77	0.85
	10,001-50,000 units	359	51.88	7.91
	50,001-500,000 units	95	13.73	11.65
	500,001 units & above	5	0.72	13.15
	<b>Total</b>	<b>692</b>	<b>100.00</b>	<b>33.86</b>

## FUND PERFORMANCE

### Financial Highlights

Category	As At 31.12.2018	As At 31.12.2017	As At 31.12.2016
<b>Quoted Equity Securities</b>	%	%	%
Consumer Services	0.28	0.85	1.19
Foreign Equity Securities:			
- Australia	8.54	6.79	9.26
- Hong Kong	15.64	19.20	18.57
- Indonesia	1.84	0.99	1.80
- Philippines	0.41	-	-
- Singapore	0.85	1.38	1.75
- South Korea	6.15	6.67	7.11
- Thailand	-	-	0.81
	33.71	35.88	40.49
<b>Fixed Income Securities</b>	32.02	27.22	26.43
<b>Collective Investment Scheme</b>	28.41	27.94	26.68
<b>Cash And Liquid Assets</b>	5.86	8.96	6.40
<b>Total</b>	100.00	100.00	100.00
Net Asset Value (RM'000) – ex-distribution	17,513	20,948	21,748
Number Of Units In Circulation (Units '000)	33,859	36,439	41,391
Net Asset Value Per Unit (RM)*	0.5173	0.5749	0.5255
Management Expense Ratio (“MER”) <sup>1</sup>	1.46%	1.59%	1.57%
Portfolio Turnover Ratio (times)	0.25	0.49	0.99

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

<sup>1</sup> 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.

\* Price quoted is ex-distribution.

**Performance Data**

	Pacific AsiaPac Income Fund		Composite Benchmark#		
	Total Return	Average Annual Return	Total Return	Average Annual Return	
1 Year's Period (1.1.2018 to 31.12.2018)	-5.67%	-5.67%	-3.77%	-3.77%	
3 Years' Period (1.1.2016 to 31.12.2018)	16.02%	5.34%	11.84%	3.95%	
5 Years' Period (1.1.2014 to 31.12.2018)	26.86%	5.37%	23.98%	4.80%	
	<b>1.1.2018 to 31.12.2018</b>	<b>1.1.2017 to 31.12.2017</b>	<b>1.1.2016 to 31.12.2016</b>	<b>1.1.2015 to 31.12.2015</b>	<b>1.1.2014 to 31.12.2014</b>
Pacific AsiaPac Income Fund					
- Capital Return	-10.02%	9.40%	3.79%	1.50%	-2.25%
- Income Return	4.83%	4.35%	3.81%	3.95%	6.01%
- Total Return	-5.67%	14.16%	7.74%	5.51%	3.63%
Composite Benchmark#	-3.77%	9.99%	5.67%	5.73%	4.85%
	<b>1.1.2018 to 31.12.2018</b>	<b>1.1.2017 to 31.12.2017</b>	<b>1.1.2016 to 31.12.2016</b>		
<b>Unit Prices</b>					
Highest NAV (RM)	0.5819	0.6034	0.5530		
Lowest NAV (RM)	0.5173*	0.5283	0.4771		
<b>Distributions</b>					
Gross Distribution Per Unit (sen)	2.50	2.50	2.00		
	(31.12.2018)	(29.12.2017)	(31.12.2016)		
Net Distribution Per Unit (sen)	2.50	2.50	2.00		
	(31.12.2018)	(29.12.2017)	(31.12.2016)		
<b>Unit Splits</b>	-	-	-		

\* Price quoted is ex-distribution price.

# 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**  
**31 December 2018**

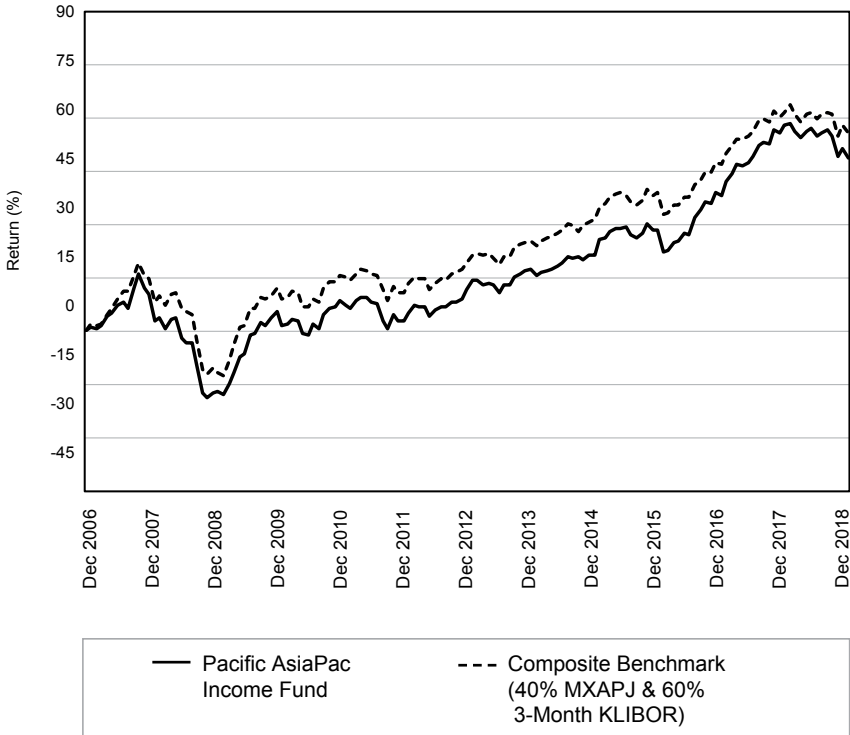
**Performance Review**

From 14 December 2006 (date of launch: 28 November 2006) to 31 December 2018, the Pacific AsiaPac Income Fund registered a total return of 48.33%, while its composite benchmark (40% MSCI All Countries Asia Pacific Ex-Japan Index [MXAPJ] and 60% 3-Month Kuala Lumpur Interbank Offer Rate [KLIBOR]), rose 55.06%.

For the financial year under review (1 January 2018 to 31 December 2018), the Fund registered a total return of -5.67%. In comparison, its benchmark fell 3.77%.

The Fund has met its investment objective of providing steady and attractive income, as well as moderate growth.

**Comparison Between Fund’s Performance And Benchmark**



Source: Lipper

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



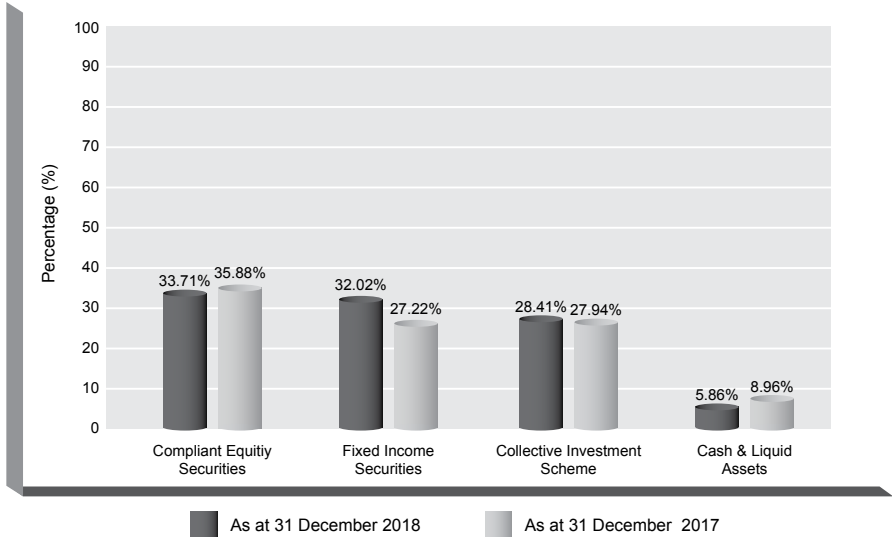
## Investment Strategy Review

Key detractors at the country level were China, Hong Kong and Malaysia. At the sector level, detractors were the stocks in technology, healthcare and consumer discretionary sectors. The Pacific AsiaPac Income Fund's holding in AAC Technology did badly over the year as concerns over the company's haptics and acoustics businesses kept rising in tandem with weak global smartphone shipments over the year. In part, this also reflected the slowdown in consumer discretionary spending in China, which also affected BAIC Motor. In addition, for BAIC, investors read the announcement of removing the 50/50 joint-venture requirement for auto companies in China negatively, concluding that profits will ultimately accrue more to the foreign partner. Genting Malaysia was also among the largest detractors to performance over the year, having suffered from a hike in its annual casino license fees and casino duties and as well as the termination by Fox for Genting to use the Fox brand in its upcoming theme park. Key contributors to performance were Goodman Group (Australia), lack of holdings in Alibaba and JD.Com (China) and the overweight in China Vanke (China).

As at 31 December 2018, fixed income allocation of the Pacific AsiaPac Income Fund increased to 52.89% from 48.42% in the previous year. Higher allocation was due to net buying activities and maintaining target weight within its constructive allocation.

During the financial year under review, investment decisions were focused on a combination of yield accumulation and intermediate duration strategies in providing the required return commensurate with the risk tolerance of the Fund. Trading positions were also sought from the sovereign segment for capital gains potential while reinvestment activities were mainly targeted at yield enhancers. The fixed income allocation of the Fund was kept within the range of 46-55%. Fundamentals of the underlying bond portfolio were satisfactory with decent earnings expectations and rating stability.

**Asset Allocation**



The quoted equity securities allocation (inclusive of collective investment scheme) of Pacific AsiaPac Income Fund decreased to 41.25% as at 31 December 2018 from 42.73% recorded at the beginning of the financial year under review due to net equity sales.

The fixed income securities allocation (inclusive of collective investment scheme) of Pacific AsiaPac Income Fund increased to 52.89% as at 31 December 2018 from 48.32% recorded at the beginning of the financial year under review. Higher allocation was due to net buying activities and maintaining target weight within its constructive allocation.

The 28.41% in collective investment scheme was placed in the Pacific Dana Murni (20.87%), LionGlobal India Fund (3.81%) and LionGlobal Taiwan Fund (3.73%). The Pacific Dana Murni, a sukuk fund, is managed by the Manager, while the LionGlobal India Fund and LionGlobal Taiwan Fund are single country equity funds managed by the Fund’s external investment manager, Lion Global Investors Limited.

Such investments are in line with the objective of Pacific AsiaPac Income Fund and are an efficient way to manage the exposure of Pacific AsiaPac Income Fund in Malaysian fixed income securities and equities in India and Taiwan. In addition, the Investment Management Agreement of Pacific AsiaPac Income Fund specifically prohibits the Fund from investing directly in equities listed on these two stock markets.

The exposure of Pacific AsiaPac Income Fund in the collective investment scheme is taken into account when assessing the asset allocation of Pacific AsiaPac Income Fund in fixed income and equity securities. Management fees on the collective investment scheme managed by the Manager and external investment manager are rebated to the Fund.

### **Analysis Of Net Asset Value**

The net asset value (NAV) per unit of Pacific AsiaPac Income Fund decreased from RM0.5749 to RM0.5173 during the financial year under review. Meanwhile, total NAV of the Fund decreased from RM20,947,861 to RM17,512,887 mainly due to net fund redemption and price depreciation of the portfolio.

### **Market Review**

#### **Review Of Asia Pacific Ex Japan Equity Markets**

Although November 2018 saw a rebound off an oversold October 2018, December 2018 still posted a negative 3.6% return in the MSCI Asia ex Japan index in the face of an almost 10% decline in the S&P 500 Index. Markets appeared to have moved to price in a widening global economic slowdown, exacerbated by the Federal Reserve (Fed) rate hike cycle as well as global quantitative tightening. The oil price reflected these concerns, having fallen 10% during the month (and 34% in the last quarter) despite OPEC and Russia announcing production cuts. China remains the epicentre in terms of underperformance, as concerns deepen over a sharp slowdown after it posted weak consumer and factory data in the middle of the month. Retail sales grew at the slowest pace since 2003 and industrial output rose the least over the past three years as domestic demand softened. A weaker-than-expected manufacturing Purchasing Manager's Index (PMI) data at the end of the month also served to confirm an earlier view that Chinese exports will be hit significantly in 2019 by the higher tariff imposed as part of the trade war with the US. In all, China's weak performance was caused by Energy, Healthcare and Internet, while ASEAN as a whole did relatively well. The fall in risk appetite favoured Health & Personal Care and Food & Beverage and Utilities while Retail, Healthcare, Energy and Tech Hardware were the worst performers.

Asian markets started 2018 on a strong note, building on 2017's optimism, China's sustained industrial growth momentum and a further weakening of the USD. In February 2018, the US jobs report showed job growth above expectations, stoking concerns that the Fed will raise interest rates faster than expected to fight inflation, triggering a correction and sending bond yields sharply higher. Whereas the US managed to regain lost ground by August 2018 driven by strong earnings delivery, Asia continued to fall after President Trump threatened to put on more tariffs on Chinese exports. For China, this came at a stage when it was facing a domestic slowdown amidst rising doubts in the stability of the Renminbi which had been weakening. Investors had expected China to ease financial conditions to boost economic growth but were disappointed repeatedly when only paltry measures were announced. At the same time, smart phone sales volume and dynamic random access memory prices moved into a downtrend, adversely affecting the supply chains which sit across Asia.

Thus, volatility and risk aversion in Asia surged, particularly in the fourth quarter. At this stage, markets appeared to have moved to price in a widening global economic slowdown, exacerbated by the Fed rate hike cycle as well as global quantitative tightening. The oil price reflected these concerns, having fallen 34% in the last quarter despite OPEC and Russia announcing production cuts. Over the year, the MSCI Asia ex Japan index was down 14.7% with Korea as the worst performer followed by China and Philippines. ASEAN and India did relatively well only from the second half as the market grew more discerning over the degree of trade war impact confronting each country. At the sector level, Consumer Discretionary, Technology and Healthcare underperformed the most, with all other sector posting negative returns other than utilities.

A weak China PMI reading at the end of December 2018 ensured a wobbly start for Asian markets for 2019. Following closely was the US ISM manufacturing data point, which grew at the slowest pace in two years, intensifying concerns that the US economy is running out of steam along with other large economies in Asia and Europe. Another key negative and particularly impactful data point for Asia was Apple slashing its quarterly revenue forecast for the first time in more than 15 years, further damaging the already fragile sentiment prevalent among the smart phone supply chain stocks. Also, a survey among global chief financial officers (Source: Bank of America Merrill Lynch (BofAML), 31 December 2018) suggested that their confidence in the global economy has declined to levels below early 2016 and about the same levels of late-2011/early-2012. Importantly, this survey leads the PMI data series, which indicates further manufacturing data point weakness ahead. This implies earnings expectations will continue to be revised down. As it is, Asian earnings revision has seen downgrades for most of 2018, with the period from August to December 2018 even seeing revisions moving into negative territory at an increasingly alarming pace, propelled by weaknesses in both sales and margins.

At this point, it is extremely easy to conclude negatively about Asian equities, as what the consensus is pushing us to believe. But there is no value-add in us doing so as expectations are extremely low. Our sense is that there would be at least a compromise to the US/China trade war to be reached by 1 March 2019 – a deadline agreed in principle by the presidents of both sides and a face-to-face meeting between the two seems to be imminent. In the near term, market breadth indicators are suggesting a rebound. One such indicator tracked by Bank of America Merrill Lynch, has just moved into “extreme bear” territory, triggering a buy signal. This indicator last triggered a sell signal back in January 2018. Further into the year, the unusually high US growth rate for 2018 will likely be rebased downwards in 2019 following last year’s fiscally-driven acceleration. A weakening US growth outlook thus raises the prospects of not only an end to Fed tightening, but also an end to USD strength, which is good for Asia and Emerging Markets. A number of general elections are slated for a few countries in Asia, namely, India, Indonesia and Thailand and these are usually associated with increased fiscal stimulus and thus should benefit these markets.

**Bond Market Review**

US Treasury yields rose across all maturities during the third quarter of 2018 due to positive economic data, particularly from the US. This outweighed a bout of safe haven demand in August caused by concerns related to emerging market instability, trade tensions and political issues in Europe. The yield on the benchmark 10-year Treasury has consistently traded above 3.00% from mid-September onwards while the 2-year yields touched the 2.80% level for the first time since 2008 causing the yield curve to flatten to its lowest level in more than 10 years. Thereafter, the market rebounded nicely over the month of December causing a brief inversion in yield curve as yield on the 3-year US Treasury fell below the yield on the 5-year Treasury amid concerns over the Federal Reserve's (Fed) path towards raising short-term interest rates and geopolitical risk. Flight to quality trades have sent yields across the Treasury curve lower with declines more pronounced for the 10-year Treasury which decreased by 55 basis points from a peak of 3.23% to 2.68% during the interim period. Stability in growth and employment figures allowed the Fed to enact its widely anticipated increase in the Fed funds rate by a cumulative 50 basis points during the review period to a range of 2.25-2.50%.

The local bond market was generally on a cautious mode in the third quarter as trade tensions periodically weighed on sentiment. However, yields were rather resilient downplaying higher global yields and headwinds across emerging markets. Sentiment remained cautious ahead of the mid-term review of the 11<sup>th</sup> Malaysian Plan as a prelude to the Malaysian 2019 Budget announcement in early November. Thereafter, yields were mildly higher as investors digested the increased supply risk following the higher budget deficit targets at the Budget 2019 announcement. Sentiment were also affected by the Ringgit weakness which was further compounded by the sharp decline in crude oil price. Towards year-end, buoyant sentiment in the primary market and lower Treasury yields fuelled buying interest across the curve. Strong domestic liquidity, as evident from the good demand from the remaining government auctions further offset supply risk concerns. Overall, the yield curve flattened as the 3-year MGS was relatively unchanged given the steady overnight policy rate while the 10-year MGS declined by 13 basis points to 4.07%. Longer-end saw support in absence of upbeat inflation data aided by the year-end rally in Treasuries.

**Income Distribution**

	<b><u>Pacific AsiaPac Income Fund</u></b>
<b>Gross distribution per unit</b>	2.50 sen
<b>Net distribution per unit</b>	2.50 sen
<b>NAV per unit before declaration</b> (as at 31 December 2018)	RM0.5423
<b>NAV per unit after declaration</b> (as at 31 December 2018)	RM0.5173
<b>Unit Split Nil</b>	

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

1. Appended below are the changes to the Fund as per fourth supplementary master prospectus dated 28 September 2018 and fifth supplementary master prospectus dated 1 January 2019:

	Previous Provision	New Provision
List Of Pacific Mutual Fund Bhd Offices, Agency Offices And Institutional Unit Trust Advisers	<ul style="list-style-type: none"> <li>The telephone and facsimile numbers of Pacific Mutual Fund Bhd's head office were listed as "Tel: 03-7725 9877" and "Fax: 03-7725 9860" respectively.</li> <li>There were 5 branches listed, located in Penang, Ipoh, Melaka, Kuching and Kota Kinabalu.</li> </ul>	<ul style="list-style-type: none"> <li>The telephone and facsimile numbers of Pacific Mutual Fund Bhd's head office were revised to "Tel: 03-7712 3000" and "Fax: 03-7712 3001" respectively.</li> <li>The list of branches was removed. Latest contact details are available at <a href="http://www.pacificmutual.com.my">www.pacificmutual.com.my</a>.</li> </ul>
Switching Facility*	<p>The following statements were printed in the 'Switching Facility' section:</p> <p>Should the sales charge of a Fund to be switched into be more than the sales charge imposed on a Fund to be switched from, then a difference in the sales charge between the two (2) Funds shall be borne by you. There will be no sales charge imposed if the Funds to be switched into has a lower sales charge.</p> <p>Subject to the terms set out herein, if you are the primary account holders for certain Funds, you are entitled to three (3) switching transactions per account during a calendar year without having to pay the applicable differences in sales charges save for the following first switching transaction:</p> <ul style="list-style-type: none"> <li>From a zero sales charge fund to a low/reduced/normal sales charge fund; or</li> <li>From a low sales charge fund to a reduced/normal sales charge fund.</li> </ul> <p>You will have to pay the applicable differences in the sales charge (if any) for subsequent switching transactions carried out in the same calendar year.</p>	<p>The said statements were replaced as follows:</p> <p>Should the sales charge of a Fund to be switched into is higher than the sales charge imposed on a Fund to be switched from, then the difference in the sales charge between the two (2) Funds shall be borne by you. There will be no sales charge imposed if the Funds to be switched into has a lower sales charge than the Fund you are switching out from.</p> <p>If you have been imposed the highest sales charge in your switching transaction among our Funds, you are no longer required to bear any sales charge difference for subsequent switch transactions involving this specific batch of your investments.</p>

\* Under the 'Switching Facility' section, further revision was made to the applicable differences in sales charges to be borne by unitholders as follows:

Previous Provision

Current Fund	Target Fund			
	Zero Sales Charge Fund (Fund with no sales charge)	Low Sales Charge Fund (Fund with maximum sales charge of 2.00% of NAV per unit)	Reduced Sales Charge Fund (Fund with maximum sales charge of 5.00% of NAV per unit)	Normal Sales Charge Fund (Fund with maximum sales charge of 5.50% of NAV per unit)
Zero Sales Charge Fund	Nil	2.00% (2.00% for EPF Plan)	5.00% (3.00% for EPF Plan)	5.50% (3.00% for EPF Plan)
Low Sales Charge Fund	Nil	Nil	2.00% (Nil for EPF Plan)	2.00% (Nil for EPF Plan)
Reduced Sales Charge Fund	Nil	Nil	Nil	Nil
Normal Sales Charge Fund	Nil	Nil	Nil	Nil



**New Provision**

The applicable differences in sales charges to be borne by unitholders as tabulated below shall take effect from 1 May 2019:

Current Fund	Target Fund			
	Zero Sales Charge Fund (Fund with no sales charge)	Low Sales Charge Fund (Fund with maximum sales charge of 2.00% of NAV per unit)	Reduced Sales Charge Fund (Fund with maximum sales charge of 5.00% of NAV per unit)	Normal Sales Charge Fund (Fund with maximum sales charge of 5.50% of NAV per unit)
Zero Sales Charge Fund	Nil	2.00% (2.00% for EPF Plan)	5.00% (3.00% for EPF Plan)	5.50% (3.00% for EPF Plan)
Low Sales Charge Fund	Nil	Nil	3.00% (1.00% for EPF Plan)	3.50% (1.00% for EPF Plan)
Reduced Sales Charge Fund	Nil	Nil	Nil	0.05%
Normal Sales Charge Fund	Nil	Nil	Nil	Nil

- Any reference to the Goods and Services Tax (“GST”) and Goods and Services Tax Act 2014 herein is hereby removed with effect from 1 September 2018.

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

**Soft Commissions**

During the financial year 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.

## REPORT OF THE TRUSTEE

To the Unitholders of **PACIFIC ASIAPAC INCOME FUND**

We, **CIMB COMMERCE TRUSTEE BERHAD**, being the Trustee of **PACIFIC ASIAPAC INCOME FUND** (“the Fund”), are of the opinion that **PACIFIC MUTUAL FUND BHD** (“the Manager”), acting in the capacity as Manager of the Fund, has fulfilled its duties in the following manner for the financial year ended 31 December 2018.

- (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;
- (c) Creation and cancellation of units have been carried out in accordance with the Deeds and relevant regulatory requirements; and
- (d) The distribution of returns by the Fund is relevant and reflects the investment objectives of the Fund.

For and on behalf of  
**CIMB COMMERCE TRUSTEE BERHAD**



**LEE KOOI YOKE**  
Chief Operating Officer

Kuala Lumpur, Malaysia  
30 January 2019

**STATEMENT BY THE MANAGER**

We, **TEH CHI-CHEUN** and **ONG EU JIN**, being two of the directors of **PACIFIC MUTUAL FUND BHD**, do hereby declare that, in the opinion of the Manager, the accompanying financial statements set out on pages 21 to 49 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 ASIAPAC INCOME FUND** as at 31 December 2018 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**



**ONG EU JIN**

Kuala Lumpur, Malaysia  
30 January 2019

## **INDEPENDENT AUDITORS' REPORT**

To the Unitholders of **PACIFIC ASIAPAC INCOME FUND**

### **Report On The Audit Of The Financial Statements**

#### *Opinion*

We have audited the financial statements of Pacific AsiaPac Income Fund ("the Fund"), which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows of the Fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 21 to 49.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2018, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### *Basis For Opinion*

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

#### *Independence And Other Ethical Responsibilities*

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

#### *Information Other Than The Financial Statements And Auditors' Report Thereon*

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

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

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 have no realistic alternative but to do so.

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

#### *Auditors' Responsibilities For The Audit Of The Financial Statements*

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

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

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

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

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

### Other Matters

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



**ERNST & YOUNG**  
AF: 0039  
Chartered Accountants



**BRANDON BRUCE STA MARIA**  
No. 02937/09/2019 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
30 January 2019

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018**

	Note	2018 RM	2017 RM
<b>Assets</b>			
Investments	3	16,487,905	19,072,906
Dividend receivable		2,426	1,506
Interest receivable		84,488	71,441
Amount due from Manager	6	542	5,386
Other receivables		4,148	4,594
Cash and cash equivalents	5	1,848,200	2,760,012
<b>Total Assets</b>		<u>18,427,709</u>	<u>21,915,845</u>
<b>Liabilities</b>			
Amount due to Manager	6	54,660	44,167
Other payables		13,687	12,842
Distribution payable	13	846,475	910,975
<b>Total Liabilities</b>		<u>914,822</u>	<u>967,984</u>
<b>Net Asset Value Of The Fund</b>		<u>17,512,887</u>	<u>20,947,861</u>
<b>Equity</b>			
Unitholders' capital		13,195,088	14,323,784
Retained earnings		4,317,799	6,578,704
Available-for-sale reserve		-	45,373
<b>Net Asset Value Attributable To Unitholders</b>	14	<u>17,512,887</u>	<u>20,947,861</u>
<b>Total Equity And Liabilities</b>		<u>18,427,709</u>	<u>21,915,845</u>
<b>Number Of Units In Circulation (Units)</b>	15	<u>33,859,000</u>	<u>36,439,000</u>
<b>Net Asset Value Per Unit (ex-distribution)</b>	14	<u>RM0.5173</u>	<u>RM0.5749</u>

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

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the financial year ended 31 December 2018**

	Note	2018 RM	2017 RM
<b>Investment (Loss)/Income</b>			
Gross dividends from financial assets at fair value through profit or loss		301,463	328,081
Interest income		366,955	353,760
Net gains on investments			
- Financial assets at fair value through profit or loss		428,731	1,346,111
- Foreign exchange		(114,694)	216,820
- Available-for-sale financial assets		-	(1,821)
Net unrealised gain/(loss) on foreign exchange		8,889	(9,245)
Net unrealised (loss)/gain on changes in value of financial assets at fair value through profit or loss		(1,833,821)	1,080,472
		<u>(842,477)</u>	<u>3,314,178</u>
<b>Expenses</b>			
Audit fee		8,000	7,600
Tax agent's fee		4,400	2,907
Manager's fee	7	247,564	271,481
Trustee's fee	8	12,136	16,718
Custodian's fee	9	1,498	15,329
Brokerage and other transaction fees		23,835	82,140
Administration expenses		20,847	36,487
		<u>318,280</u>	<u>432,662</u>
<b>Net (Loss)/Income Before Taxation</b>		(1,160,757)	2,881,516
<b>Taxation</b>	12	-	-
<b>Net (Loss)/Income After Taxation</b>		<u>(1,160,757)</u>	<u>2,881,516</u>
<b>Other Comprehensive Income</b>			
Net changes in fair value of available-for-sale financial assets		-	52,125
<b>Total Comprehensive (Loss)/Income</b>		<u>(1,160,757)</u>	<u>2,933,641</u>
<b>Total Comprehensive (Loss)/Income Is Made Up As Follows:</b>			
Realised income		664,175	1,810,289
Unrealised (loss)/income		(1,824,932)	1,123,352
		<u>(1,160,757)</u>	<u>2,933,641</u>

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



**STATEMENT OF CHANGES IN NET ASSET VALUE**  
**For the financial year ended 31 December 2018**

		Unitholders'	Retained	Available-	Net Asset
	Note	Capital	Earnings	For-Sale	Value
		RM	RM	Reserve	Attributable
				RM	To Unitholders
					RM
<b>At 1 January 2017</b>		16,888,057	4,866,322	(6,752)	21,747,627
Net income after taxation		-	2,881,516	-	2,881,516
Other comprehensive income		-	-	52,125	52,125
Creation of units		2,930,168	-	-	2,930,168
Cancellation of units		(5,752,600)	-	-	(5,752,600)
Distribution	<b>13</b>	258,159	(1,169,134)	-	(910,975)
<b>At 31 December 2017</b>		<b>14,323,784</b>	<b>6,578,704</b>	<b>45,373</b>	<b>20,947,861</b>
<b>At 1 January 2018, previously stated</b>		14,323,784	6,578,704	45,373	20,947,861
Transfer of available-for-sale reserve to retained earnings upon adoption of MFRS 9	<b>2(a)</b>	-	45,373	(45,373)	-
At 1 January 2018, restated		14,323,784	6,624,077	-	20,947,861
Net loss after taxation		-	(1,160,757)	-	(1,160,757)
Creation of units		1,287,968	-	-	1,287,968
Cancellation of units		(2,715,710)	-	-	(2,715,710)
Distribution	<b>13</b>	299,046	(1,145,521)	-	(846,475)
<b>At 31 December 2018</b>		<b>13,195,088</b>	<b>4,317,799</b>	<b>-</b>	<b>17,512,887</b>

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

**STATEMENT OF CASH FLOWS**  
**For the financial year ended 31 December 2018**

	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
<b>Cash Flows From Operating And Investing Activities</b>		
Proceeds from sale of investments	5,626,012	13,052,333
Purchase of investments	(4,425,841)	(10,064,699)
Dividends received	170,572	198,827
Interest received	353,010	340,232
Manager's fee paid	(252,165)	(275,662)
Trustee's fee paid	(12,296)	(17,131)
Custodian's fee paid	(1,942)	(15,172)
Payment for other fees and expenses	(41,698)	(111,621)
Net cash generated from operating and investing activities	<u>1,415,652</u>	<u>3,107,107</u>
<b>Cash Flows From Financing Activities</b>		
Cash proceeds from units created	1,292,812	2,924,782
Cash paid on units cancelled	(2,700,163)	(5,763,992)
Distributions paid	(910,975)	(827,820)
Net cash used in financing activities	<u>(2,318,326)</u>	<u>(3,667,030)</u>
<b>Net Decrease In Cash And Cash Equivalents</b>	(902,674)	(559,923)
<b>Effect Of Exchange Rate Changes</b>	(9,138)	(36,768)
<b>Cash And Cash Equivalents At Beginning Of Financial Year</b>	2,760,012	3,356,703
<b>Cash And Cash Equivalents At End Of Financial Year</b>	<u>1,848,200</u>	<u>2,760,012</u>
<b>Cash And Cash Equivalents Comprise:</b>		
Cash at banks	728,200	382,012
Deposits with financial institutions	1,120,000	2,378,000
	<u>1,848,200</u>	<u>2,760,012</u>

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

**NOTES TO THE FINANCIAL STATEMENTS****31 December 2018****1. The Fund, The Manager And Their Principal Activities**

Pacific AsiaPac Income Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 6 November 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, Pacific Mutual Fund Bhd, 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) and 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, fixed income securities, foreign securities, unlisted securities, futures contracts and any other investments approved by the Securities Commission Malaysia. The Fund was launched on 28 November 2006 and will continue its operations until terminated as provided in the Deeds.

The Manager is a 70% owned subsidiary of Lion Global Investors Limited (formerly known as Lion Capital Management Limited), a company incorporated in Singapore. The remaining 30% of the share capital of the Manager is held by Koperasi Angkatan Tentera Malaysia Bhd. The ultimate holding company is Oversea-Chinese Banking Corporation Limited, a public listed company incorporated in Singapore.

The principal activities of Pacific Mutual Fund Bhd are the establishment and management of unit trust funds as well as the management of private investment mandates.

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the directors on 30 January 2019.

**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, Amendments to MFRSs and IC Interpretations which are effective for the financial year beginning on or after 1 January 2018. These new MFRSs, Amendments to MFRSs and IC Interpretations did not give rise to any significant effect on the financial statements except for MFRS 9 of which the key areas impacted are as follows:

**Classification And Measurement Of Financial Assets**

Fixed income securities which are previously classified as available-for-sale financial assets and measured at fair value through other comprehensive income are reclassified as financial assets at fair value through profit and loss under MFRS 9. Accordingly, the available-for-sale reserve of RM45,373 as at 31 December 2017 is transferred to retained earnings on 1 January 2018.

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

**Pronouncements issued but not yet effective:**

	<b>Effective dates for financial periods beginning on or after</b>
MFRS 16 - Leases*	1-Jan-19
Prepayment Features with Negative Compensation (Amendments to MFRS 9)*	1-Jan-19
Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119 Employee Benefits)*	1-Jan-19
Long-term Interests in Associates and Joint Ventures (Amendments to MFRS 128)*	1-Jan-19
Annual Improvements to MFRS Standards 2015-2017 Cycle	
(i) Previously Held Interest in a Joint Operation (Amendments to MFRS 3 Business Combinations)*	1-Jan-19
(ii) Previously Held Interest in a Joint Operation (Amendments to MFRS 11 Joint Arrangements)*	1-Jan-19
(iii) Income Tax Consequences of Payments on Financial Instruments Classified as Equity (Amendments to MFRS 112 Income Taxes)*	1-Jan-19
(iv) Borrowing Costs Eligible for Capitalisation (Amendments to MFRS 123 Borrowing Costs)*	1-Jan-19
IC Interpretation 23 - Uncertainty over Income Tax Treatments*	1-Jan-19
Amendments to References to the Conceptual Framework in MFRS Standards	
(1) Amendments to MFRS 2 Share-Based Payment*	1-Jan-20
(2) Amendment to MFRS 3 Business Combinations*	1-Jan-20
(3) Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources*	1-Jan-20
(4) Amendment to MFRS 14 Regulatory Deferral Accounts*	1-Jan-20

(5) Amendments to MFRS 101 Presentation of Financial Statements	1-Jan-20
(6) Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1-Jan-20
(7) Amendments to MFRS 134 Interim Financial Reporting	1-Jan-20
(8) Amendment to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1-Jan-20
(9) Amendment to MFRS 138 Intangible Assets*	1-Jan-20
(10) Amendment to IC Interpretation 12 Service Concession Arrangements*	1-Jan-20
(11) Amendment to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1-Jan-20
(12) Amendment to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine*	1-Jan-20
(13) Amendment to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1-Jan-20
(14) Amendments to IC Interpretation 132 Intangible Assets - Web Site Costs*	1-Jan-20
MFRS 17 - Insurance Contracts*	1-Jan-21
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)*	To be announced

\* These MFRSs, Amendments to MFRSs and IC Interpretations 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.

The Fund determines the classification of its financial assets and financial liabilities at initial recognition, and the categories include financial assets at fair value through profit or loss, receivables and financial liabilities.

When financial assets are recognised initially, they are measured at fair value.

***Financial Assets At Fair Value Through Profit Or Loss***

Financial assets classified as financial assets at fair value through profit or loss are all financial assets acquired for the purpose of generating a profit from short-term fluctuations in price, or part of a portfolio with a pattern of short-term profit taking (held for trading); or those financial assets designated in this category by the Manager.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value with gain and loss recognised in profit or loss. Transaction costs are recognised in profit or loss as incurred. Exchange differences on financial assets at fair value through profit or loss are not recognised separately in profit or loss but are included in net gains or net losses on changes in fair value of financial assets at fair value through profit or loss.

The fair values of quoted investments are determined by reference to last done prices at the close of the business at the reporting date.

The fair values of fixed income securities are determined by reference to prices quoted by a bond pricing agency (BPA) registered with the Securities Commission Malaysia on a daily basis.

The fair value of collective investment scheme is determined from last published repurchase price at the reporting date as reported by the management company of such funds and as agreed by the Trustee and the Manager so as to reflect its fair value.

### *Receivables*

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These include amount due from Manager and other receivables. Receivables are recognised initially at fair value including transaction costs. These are subsequently measured at amortised cost using the effective interest method, less impairment.

### *Financial Liabilities*

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

### *Financial Assets Carried At Amortised Cost*

MFRS 9 requires the Fund to record expected credit losses (“ECLs”) on all financial assets, either on a 12-month or lifetime basis. Given the limited exposure of the Fund to credit risk, there is no material impact on the Fund’s financial statements. The Fund only holds receivables with no financing component and which have maturities of less than 12 months at amortised cost and therefore has adopted an approach similar to the simplified approach to ECLs.

## **(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 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) Distribution**

Distributions made by the Fund are accounted for as a deduction from realised reserves except where distributions are sourced out of distribution equalisation which are accounted for as a deduction from Unitholders' Capital. Distributions are recognised in the Statement of Changes in Net Asset Value when they are approved by the Manager and the Trustee.

**(m) 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.



**(n) 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**

	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
<b>Available-For-Sale Financial Assets</b>		
Fixed income securities	-	<u>5,703,250</u>
<b>Financial Assets At Fair Value Through Profit Or Loss</b>		
Fixed income securities	<u>5,608,391</u>	-
Quoted investments		
- Equity securities	5,903,884	7,516,262
- Collective investment scheme	<u>4,975,630</u>	<u>5,853,394</u>
	<u>10,879,514</u>	<u>13,369,656</u>
<b>Total investments</b>	<u>16,487,905</u>	<u>19,072,906</u>

**FIXED INCOME SECURITIES**

The composition of fixed income securities at the reporting date is as detailed below:

Name Of Counter	Credit Rating	Nominal Value RM	Cost RM	Fair Value RM	Fair Value As A % Of Net Asset Value
BEWG (M) Sdn Bhd	AA	900,000	901,483	908,145	5.19
Golden Assets International Finance Limited	A1	350,000	348,546	351,173	2.00
WCT Holdings Berhad	AA-	900,000	898,640	901,215	5.15
Bank Muamalat Malaysia Berhad	A	1,000,000	1,001,978	1,011,440	5.77
Danainfra Nasional Berhad	GG	1,000,000	1,000,000	1,010,360	5.77
Affin Bank Berhad	A1	1,000,000	1,000,000	1,019,010	5.82
Alliance Bank (Malaysia) Berhad	A2	400,000	400,000	407,048	2.32
		<u>5,550,000</u>	<u>5,550,647</u>	<u>5,608,391</u>	<u>32.02</u>

**UNREALISED GAIN FROM  
FIXED INCOME SECURITIES**

57,744

The weighted average rate of return and remaining maturity of fixed income securities at the reporting date were as follows:

	Weighted Average Rate Of Return (% Per Annum)		Weighted Average Remaining Maturity (Days)	
	2018	2017	2018	2017
Fixed income securities	<u>5.15</u>	<u>5.20</u>	<u>1,119</u>	<u>1,368</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 Net Asset Value
<b><u>Malaysia</u></b>				
<b>Consumer Services</b>				
16,000	Genting Malaysia Berhad	77,571	48,320	0.28
<b><u>Australia</u></b>				
<b>Banks</b>				
1,841	Commonwealth Bank of Australia	421,725	389,495	2.22
758	Westpac Banking Corporation	84,438	55,472	0.32
		506,163	444,967	2.54
<b>Commercial &amp; Professional Services</b>				
24,855	Bingo Industries Limited	193,661	134,749	0.77
<b>Energy</b>				
1,065	Oil Search Limited	25,292	22,286	0.13
1,624	Whitehaven Coal Limited	15,280	20,504	0.12
		40,572	42,790	0.25
<b>Food &amp; Staples Retailing</b>				
1,459	Woolworths Group Limited	119,186	125,449	0.72
<b>Food, Beverage &amp; Tobacco</b>				
4,818	Treasury Wine Estates Limited	166,818	208,400	1.19
<b>Materials</b>				
1,776	BHP Group Ltd	103,960	177,672	1.01
626	BlueScope Steel Limited	24,916	20,052	0.11
930	Sandfire Resources NL	16,985	18,156	0.10
		145,861	215,880	1.22

Quantity	Name Of Counter	Cost RM	Fair Value RM	Fair Value As A % Of Net Asset Value
<b>Real Estate</b>				
4,954	Goodman Group	115,359	153,907	0.88
<b>Transportation</b>				
10,075	Qantas Airways Limited	181,022	170,488	0.97
<b>Total Equity Securities - Australia</b>				
		<b>1,468,642</b>	<b>1,496,630</b>	<b>8.54</b>
<b><u>Hong Kong</u></b>				
<b>Banks</b>				
49,000	China Construction Bank Corporation	170,186	167,070	0.95
15,000	China Merchants Bank Co., Ltd.	138,390	227,218	1.30
		<b>308,576</b>	<b>394,288</b>	<b>2.25</b>
<b>Capital Goods</b>				
19,000	CRRC Corporation Limited	82,156	76,615	0.44
<b>Consumer Durables &amp; Apparel</b>				
7,000	ANTA Sports Products Limited	121,874	138,732	0.79
<b>Consumer Services</b>				
15,600	Wynn Macau, Limited	132,781	140,631	0.80
<b>Energy</b>				
126,000	China Coal Energy Company Limited	236,510	204,829	1.17
14,000	China Petroleum & Chemical Corporation	44,175	41,306	0.24
		<b>280,685</b>	<b>246,135</b>	<b>1.41</b>
<b>Insurance</b>				
8,000	AIA Group Limited	181,843	274,456	1.57
9,000	China Life Insurance Company Ltd.	112,992	79,043	0.45
4,500	Ping An Insurance (Group) Company of China Limited	70,514	164,238	0.94
		<b>365,349</b>	<b>517,737</b>	<b>2.96</b>

Quantity	Name Of Counter	Cost RM	Fair Value RM	Fair Value As A % Of Net Asset Value
<b>Materials</b>				
5,000	Anhui Conch Cement Company Limited	60,187	100,282	0.57
<b>Media &amp; Entertainment</b>				
3,300	Tencent Holdings Limited	195,405	546,906	3.12
<b>Pharma., Biotech. &amp; Life Sciences</b>				
28,000	Sino Biopharmaceutical Limited	64,115	76,257	0.43
2,500	WuXi Biologics (Cayman) Inc.	111,386	66,173	0.38
		175,501	142,430	0.81
<b>Real Estate</b>				
9,800	China Vanke Co., Ltd.	129,299	137,587	0.79
<b>Technology Hardware &amp; Equipment</b>				
2,500	AAC Technologies Holdings Inc	101,843	59,971	0.34
<b>Telecommunication Services</b>				
26,000	China Unicom (Hong Kong) Limited	142,350	114,723	0.66
<b>Transportation</b>				
28,000	Beijing Capital International Airport Company Limited	113,763	122,809	0.70
<b>Total Equity Securities - Hong Kong</b>		<b>2,209,769</b>	<b>2,738,846</b>	<b>15.64</b>

Quantity	Name Of Counter	Cost RM	Fair Value RM	Fair Value As A % Of Net Asset Value
<b><u>Indonesia</u></b>				
<b>Automobiles &amp; Components</b>				
41,200	PT Astra International Tbk	99,341	97,256	0.55
<b>Banks</b>				
101,000	PT Bank Rakyat Indonesia (Persero) Tbk	72,079	106,092	0.61
<b>Telecommunication Services</b>				
110,100	PT Telekomunikasi Indonesia Persero Tbk	121,002	118,495	0.68
<b>Total Equity Securities - Indonesia</b>		<b>292,422</b>	<b>321,843</b>	<b>1.84</b>
<b><u>Philippines</u></b>				
<b>Diversified Financials</b>				
1,020	Ayala Corporation	73,574	72,063	0.41
<b><u>Singapore</u></b>				
<b>Banks</b>				
2,003	United Overseas Bank Limited	110,630	149,378	0.85
<b><u>South Korea</u></b>				
<b>Automobiles &amp; Components</b>				
43	Hyundai Motor Company	24,156	18,936	0.11
<b>Banks</b>				
773	KB Financial Group Inc	181,489	133,577	0.76
<b>Capital Goods</b>				
361	Korea Aerospace Industries, Ltd.	79,648	42,795	0.24
<b>Energy</b>				
62	SK Innovation Co., Ltd.	37,182	41,358	0.24
<b>Food &amp; Staples Retailing</b>				
28	E-Mart Inc.	22,410	18,990	0.11

Quantity	Name Of Counter	Cost RM	Fair Value RM	Fair Value As A % Of Net Asset Value
<b>Household &amp; Personal Products</b>				
123	Cosmax, Inc.	51,198	59,422	0.34
<b>Materials</b>				
35	POSCO	44,478	31,606	0.18
<b>Media &amp; Entertainment</b>				
195	NAVER Corporation	111,894	88,408	0.50
<b>Semiconductors &amp; Semi. Equipment</b>				
566	SK Hynix Inc.	53,581	127,254	0.73
<b>Technology Hardware &amp; Equipment</b>				
3,150	Samsung Electronics Co., Ltd.	363,019	453,023	2.59
<b>Transportation</b>				
76	CJ Logistics Corporation	45,878	47,166	0.27
<b>Utilities</b>				
116	Korea Electric Power Corporation	21,868	14,269	0.08
<b>Total Equity Securities - South Korea</b>		<b>1,036,801</b>	<b>1,076,804</b>	<b>6.15</b>
<b>Total Equity Securities</b>		<b>5,269,409</b>	<b>5,903,884</b>	<b>33.71</b>

**COLLECTIVE INVESTMENT SCHEME**

Quantity	Name Of Counter	Cost RM	Fair Value RM	Fair Value As A % Of Net Asset Value
	<b><u>Malaysia</u></b>			
6,684,868	Pacific Dana Murni*	3,498,488	3,655,286	20.87
	<b><u>Singapore</u></b>			
	<b>Unit Trust</b>			
152,294	LionGlobal India Fund SGD Class**	436,975	666,577	3.81
326,841	LionGlobal Taiwan Fund SGD Class**	366,876	653,767	3.73
		<u>803,851</u>	<u>1,320,344</u>	<u>7.54</u>
	<b>Total Collective Investment Scheme</b>	<u>4,302,339</u>	<u>4,975,630</u>	<u>28.41</u>
	<b>TOTAL QUOTED INVESTMENTS</b>	<u>9,571,748</u>	<u>10,879,514</u>	<u>62.12</u>
	<b>UNREALISED GAIN FROM QUOTED INVESTMENTS</b>		<u>1,307,766</u>	

\* Managed by the Manager

\*\* Managed by the holding company of the Manager



#### 4. Fair Value Hierarchy

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

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

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

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

	Level 1 RM	Level 2 RM	Total RM
<b>2018</b>			
<b>Financial Assets At Fair Value Through Profit Or Loss</b>			
Fixed income securities	-	5,608,391	5,608,391
Quoted investments	<u>10,879,514</u>	<u>-</u>	<u>10,879,514</u>
<b>2017</b>			
<b>Available-For-Sale Financial Assets</b>			
Fixed income securities	<u>-</u>	<u>5,703,250</u>	<u>5,703,250</u>
<b>Financial Assets At Fair Value Through Profit Or Loss</b>			
Quoted investments	<u>13,369,656</u>	<u>-</u>	<u>13,369,656</u>

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

## 5. Cash And Cash Equivalents

Cash and cash equivalents include cash at banks and deposits with financial institutions.

	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
Cash at banks:		
- Malaysia	118,048	35,502
- Outside Malaysia	<u>610,152</u>	<u>346,510</u>
	<u>728,200</u>	<u>382,012</u>
Deposits with licensed financial institution:		
- Commercial bank	120,000	478,000
- Investment bank	<u>1,000,000</u>	<u>1,900,000</u>
	<u>1,120,000</u>	<u>2,378,000</u>
Cash and cash equivalents	<u>1,848,200</u>	<u>2,760,012</u>

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

	<b>Weighted Average Rate Of Return (% Per Annum)</b>		<b>Weighted Average Remaining Maturity (Days)</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Deposits with licensed financial institutions:				
- Commercial bank	3.20	3.05	2	5
- Investment bank	<u>3.25</u>	<u>2.95</u>	<u>2</u>	<u>2</u>

## 6. Amount Due From/To Manager

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

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

## 7. Manager's Fee

The Manager's fee provided in the financial statements is computed at 1.5% (2017: 1.5%) per annum of the net asset value attributable to unitholders of the Fund, calculated on a daily basis net of Manager's fee rebate on the collective investment scheme as agreed by the Trustee and the Manager as follows:

<b>Name of Funds</b>	<b>Rate p.a.</b>
LionGlobal India Fund SGD Class	1.25%
LionGlobal Taiwan Fund SGD Class	1.25%
Pacific Dana Murni	1.00%

## 8. Trustee's Fee

The Trustee's fee provided in the financial statements is computed at 0.06% (2017: 0.08%) per annum of the net asset value attributable to unitholders of the Fund, calculated on a daily basis, subject to a minimum fee of RM8,400 per annum.

## 9. Custodian's Fee

The custodian's fee provided in the financial statements ranges from 0.01% to 0.3% (2017: 0.015% to 0.4%) per annum, computed based on the net asset value attributable to unitholders of the Fund of the respective foreign portfolio at the end of the month.

## 10. Portfolio Turnover Ratio

	<b>2018</b>	<b>2017</b>
Portfolio turnover ratio ("PTR")	<u>0.25 times</u>	<u>0.49 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.

## 11. Management Expense Ratio

	<b>2018</b>	<b>2017</b>
Management expense ratio ("MER") <sup>1</sup>	<u>1.46%</u>	<u>1.59%</u>

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

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

**12. Taxation**

	<b>2018 RM</b>	<b>2017 RM</b>
Malaysian income tax:		
Current year's provision	<u>-</u>	<u>-</u>

Income tax is calculated at the Malaysian statutory rate of taxation of 24% (2017: 24%) of the estimated assessable income for the financial year.

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

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

	<b>2018 RM</b>	<b>2017 RM</b>
Net (loss)/income before taxation	<u>(1,160,757)</u>	<u>2,881,516</u>
Taxation at Malaysian statutory rate of 24%	(278,582)	691,564
Tax effects of:		
Income not subject to tax	(265,449)	(798,059)
Losses not subject to tax	467,644	2,656
Expenses not deductible for tax purpose	13,105	34,521
Restriction on tax deductible expenses for unit trust funds	<u>63,282</u>	<u>69,318</u>
Tax expense for the financial year	<u>-</u>	<u>-</u>

### 13. Distribution

	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
Net final distribution, to be paid on 7 January 2019/ paid on 5 January 2018	<u>846,475</u>	<u>910,975</u>
Distribution to unitholders is from the following sources:		
Dividend income	301,463	211,927
Interest income	366,955	227,335
Realised gain on sale of investments	314,037	1,008,304
Previous years' realised income	1,454,826	-
Distribution equalisation	<u>(299,046)</u>	<u>(258,159)</u>
	2,138,235	1,189,407
Less:		
Expenses	<u>(1,291,760)</u>	<u>(278,432)</u>
	<u>846,475</u>	<u>910,975</u>
Gross distribution per unit (sen)	2.50	2.50
Net distribution per unit (sen)	2.50	2.50

The unrealised gains arising from investments at the reporting date was RM1,365,510 (2017: RM3,199,330).

### 14. Net Asset Value Attributable To Unitholders

	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
Unitholders' capital	13,195,088	14,323,784
Retained earnings		
- Realised reserves	2,957,223	3,438,569
- Unrealised reserves	1,360,576	3,140,135
Available-for-sale reserve	-	45,373
Net asset value attributable to unitholders	<u>17,512,887</u>	<u>20,947,861</u>

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

### 15. Number Of Units In Circulation

	<b>2018</b>	<b>2017</b>
	<b>No. Of Units</b>	<b>No. Of Units</b>
At beginning of the financial year	36,439,000	41,391,000
Creation	2,250,000	5,223,000
Cancellation	<u>(4,830,000)</u>	<u>(10,175,000)</u>
At end of the financial year	<u>33,859,000</u>	<u>36,439,000</u>

## 16. Units Held By The Manager And Its Related Parties

	2018		2017	
	No. Of Units <sup>^</sup>	RM	No. Of Units <sup>^</sup>	RM
Manager	3,457	1,875	2,858	1,715

There were no units held by other related parties.

<sup>^</sup> All units are held legally by the Manager as per the unitholders' register.

## 17. Transactions With Brokers/Dealers

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

Brokers/Dealers	Value Of Trade <sup>#</sup> RM	% Of Total Trades	Brokerage Fee* RM	% Of Total Brokerage Fees
RHB Investment Bank Bhd	2,402,280	29.55	-	-
China International Capital Corporation HK Sec	1,210,179	14.89	3,025	28.60
Standard Chartered Bank Malaysia Bhd	1,008,000	12.40	-	-
Bell Potter Securities Limited	770,707	9.48	1,541	14.57
Hong Leong Bank Bhd	503,400	6.19	-	-
Morgan Stanley & Co. Ltd	448,369	5.52	1,201	11.35
Deutsche Securities Asia Ltd	315,900	3.89	863	8.16
CLSA (Singapore) Pte Ltd	190,938	2.35	477	4.51
Daiwa Sec SMBC Singapore Ltd	181,488	2.23	454	4.29
UBS Security Asia Ltd	175,255	2.16	424	4.01
Others	921,799	11.34	2,593	24.51
	<b>8,128,315</b>	<b>100.00</b>	<b>10,578</b>	<b>100.00</b>

<sup>#</sup> 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.

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

#### (a) Equity Price Risk

Equity 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 equity price risk exposure arises from the Fund's quoted investments.

The table below summarises the effect on the net asset value of the Fund at the reporting date due to possible changes in equity prices, with all other variables held constant:

Change In Equity Price (%)	Effect On Net Asset Value Attributable To Unitholders	
	Increase/(Decrease)	
	2018	2017
	RM	RM
+5/	543,976/	668,483/
(5)	<u>(543,976)</u>	<u>(668,483)</u>

#### (b) Interest Rate Risk

This risk refers to the effect of interest rate changes on the market value of fixed income securities and returns on deposits with financial institutions. In the event of reduction in interest rates, the returns on deposits with financial institutions will decrease while prices of fixed income securities will increase, thus affecting the net asset value of the Fund. This risk will be minimised via the management of the duration structure of the portfolio of fixed income securities and deposits with financial institutions.

The Fund's exposure to interest rate risk with respect to fixed income securities and deposits with 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 net asset value. The analysis shows the currency risk concentration and calculates the effect on net asset value attributable to unitholders due to fluctuations in currency rates against the functional currency, with all other variables held constant.

	<b>Currency Risk Concentration</b>		<b>Changes In</b>	<b>Effect On Net</b>
		<b>As A % Of</b>	<b>Currency</b>	<b>Asset Value</b>
		<b>Net Asset</b>	<b>Rates</b>	<b>Attributable To</b>
		<b>Value</b>		<b>Unitholders</b>
<b>2018</b>	<b>RM</b>		<b>%</b>	<b>RM</b>
HKD	2,738,888	15.64	+5	136,944
<b>2017</b>				
HKD	4,025,686	19.22	+5	201,284

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 generally arises 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.



Fixed income securities are either government-guaranteed or rated by RAM Rating Services Berhad ("RAM") or Malaysian Rating Corporation Berhad ("MARC").

The following table analyses the Fund's portfolio of fixed income securities by rating categories at the reporting date:

**2018**

<b>RAM Credit Rating</b>	<b>MARC Credit Rating</b>	<b>Government Guaranteed</b>	<b>As A % Of Net Asset Value</b>
-	-	GG	5.77
-	AA	-	5.19
-	AA-	-	5.15
A1	-	-	7.82
A2	A	-	8.09
			32.02

**2017**

<b>RAM Credit Rating</b>	<b>MARC Credit Rating</b>	<b>As A % Of Net Asset Value</b>
AA1	AA	7.21
AA3	AA-	6.68
A1	-	6.55
A2	A	6.78
		27.22

(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 net asset value attributable to unitholders are repayable 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 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, 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.

	2018			2017		
	Equity, Equity Related Securities And Collective Investment Schemes RM	Fixed Income Securities, Collective Investment Scheme And Money Market Instruments RM	Total RM	Equity, Equity Related Securities And Collective Investment Schemes RM	Fixed Income Securities, Collective Investment Scheme And Money Market Instruments RM	Total RM
<b>Profit Or Loss</b>						
Total segment operating (loss)/income	(1,377,072)	534,595	(842,477)	2,795,020	519,158	3,314,178
Unallocated expenses	-	-	(318,280)	-	-	(432,662)
Net (loss)/income before taxation	<u>(1,377,072)</u>	<u>534,595</u>	<u>(1,160,757)</u>	<u>2,795,020</u>	<u>519,158</u>	<u>2,881,516</u>

	2018			2017		
	Equity, Equity Related Securities And Collective Investment Schemes RM	Fixed Income Securities, Collective Investment Scheme And Money Market Instruments RM	Total RM	Equity, Equity Related Securities And Collective Investment Schemes RM	Fixed Income Securities, Collective Investment Scheme And Money Market Instruments RM	Total RM
<b>Assets</b>						
Investments	7,224,228	9,263,677	16,487,905	8,951,155	10,121,751	19,072,906
Cash and cash equivalents	710,529	1,137,671	1,848,200	370,926	2,389,086	2,760,012
Other assets	<u>6,574</u>	<u>84,488</u>	<u>91,062</u>	<u>6,100</u>	<u>71,441</u>	<u>77,541</u>
Total segment assets	<u>7,941,331</u>	<u>10,485,836</u>	<u>18,427,167</u>	<u>9,328,181</u>	<u>12,582,278</u>	<u>21,910,459</u>
Unallocated assets	-	-	<u>542</u>	-	-	<u>5,386</u>
Total Assets	<u>7,941,331</u>	<u>10,485,836</u>	<u>18,427,709</u>	<u>9,328,181</u>	<u>12,582,278</u>	<u>21,915,845</u>
<b>Liabilities</b>						
Total segment liabilities	-	-	-	-	-	-
Unallocated liabilities	-	-	914,822	-	-	967,984
Total Liabilities	<u>-</u>	<u>-</u>	<u>914,822</u>	<u>-</u>	<u>-</u>	<u>967,984</u>

## 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.

# Growing Together

To reach out for excellence,  
to persevere, to mutually trust  
and support.

That's the essence of  
growing together with  
Pacific Mutual  
for a brighter future.

**PACIFIC MUTUAL FUND BHD** (336059-U)

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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

We wish to remind all our clients to be alert of e-mails and SMS that require you to provide your personal information or to log in to Pacific Mutual's website through an e-mail link.

Pacific Mutual does not send out e-mails or SMS requesting clients to provide or to verify personal information. Please avoid logging in through website links contained in e-mails supposedly from Pacific Mutual and do not complete any forms that request for your personal information from such e-mails.

Please ensure that the website you are accessing contains the correct address as below:

<https://www.pacificmutual.com.my/>

### Update Of Particulars

Investors are advised to provide updated personal details to Pacific Mutual on a timely basis. You may update your details via our E-Service at [www.pacificmutual.com.my](http://www.pacificmutual.com.my) or call 03-7712 3197 | e-mail [customercare@pacificmutual.com.my](mailto:customercare@pacificmutual.com.my)