

ANNUAL REPORT

For The Financial Year Ended 30 June 2018

PACIFIC DANA DIVIDEN



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 30 June 2018

Name Of Fund	: Pacific Dana Dividen
Manager Of Fund	: Pacific Mutual Fund Bhd (336059-U)
Launch Date	: 26 July 2007
	The Fund will continue its operations until terminated as provided under Part 12 of the Deed.
Category Of Fund	: Equity (Islamic)
Type Of Fund	: Growth and income
Investment Objective	: Pacific Dana Dividen aims to provide capital growth and steady and attractive income [□] in the medium* to long term* by investing in a portfolio of equities that are paying or have the potential to pay attractive dividends and that comply with Shariah requirements.
	[□] <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units.</i>
	[*] <i>Medium term is defined as a period of one to three years, and long term is a period of more than three years.</i>
Performance Benchmark	: Composite benchmark: Since inception until 31 October 2007 50% Syariah Index (KLSI) 50% Dow Jones Islamic Market World Index (DJIM) From 1 November 2007 onwards 50% Dow Jones Islamic Market World Index (DJIM) 50% FTSE Bursa Malaysia EMAS Shariah Index (FBMS)
Distribution Policy	: Investors may receive income once a year, but these are incidental.
Fund Size	: 15.78 million units

Breakdown Of Unitholdings	: Size Of Holdings	No. Of Unitholders	% Of Unitholders	No. Of Units (million)
	5,000 units & below	120	33.15	0.33
	5,001-10,000 units	47	12.98	0.35
	10,001-50,000 units	154	42.54	3.33
	50,001-500,000 units	37	10.22	3.86
	500,001 units & above	4	1.10	7.91
	Total	362	100.00	15.78

FUND PERFORMANCE

Financial Highlights

Category	As At 30.6.2018	As At 30.6.2017	As At 30.6.2016
Quoted Shariah-Compliant Equity Securities	%	%	%
Banks	-	2.49	2.08
Capital Goods	6.38	8.22	12.53
Consumer Durables & Apparel	1.49	2.34	2.67
Energy	-	1.39	1.24
Food & Beverage	5.06	1.19	2.60
Health Care Equipment & Services	2.95	-	-
Materials	-	3.19	1.65
Real Estate	10.01	8.93	11.44
Semiconductors & Semi. Equipment	-	0.92	1.16
Software & Services	-	0.52	-
Telecommunication Services	3.84	6.37	3.86
Transportation	1.41	1.60	2.21
Utilities	4.48	5.95	3.09
Foreign Shariah-Compliant Equity Securities:			
- Australia	2.63	2.20	-
- Great Britain	9.59	6.18	9.03
- Hong Kong	-	1.28	2.89
- Indonesia	5.97	4.37	3.24
- Singapore	-	5.32	4.66
- United States of America	25.17	11.01	17.43
	78.98	73.47	81.78
Shariah-Compliant Warrants	0.19	-	-
Shariah-Compliant Collective Investment Scheme	11.65	3.09	2.49
Cash And Islamic Money Market Instruments	9.18	23.44	15.73
Total	100.00	100.00	100.00
Net Asset Value (RM'000)	7,372	33,841	40,473
Number Of Units In Circulation (Units '000)	15,776	62,546	83,449
Net Asset Value Per Unit (RM)	0.4673	0.5411	0.4851
Management Expense Ratio ("MER") ¹	1.90%	1.79%	1.78%
Portfolio Turnover Ratio (times)	1.12	0.52	0.60

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

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

The Portfolio Turnover Ratio for the current financial year is higher mainly due to decrease in average net asset value attributable to unitholders.

Notes:

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

Performance Data

	Pacific Dana Dividen		Composite Benchmark [#]		
	Total Return	Average Annual Return	Total Return	Average Annual Return	
1 Year's Period (1.7.2017 to 30.6.2018)	-13.62%	-13.62%	0.23%	0.23%	
3 Years' Period (1.7.2015 to 30.6.2018)	-7.76%	-2.59%	16.85%	5.62%	
5 Years' Period (1.7.2013 to 30.6.2018)	0.32%	0.06%	41.39%	8.28%	
	1.7.2017 to 30.6.2018	1.7.2016 to 30.6.2017	1.7.2015 to 30.6.2016	1.7.2014 to 30.6.2015	1.7.2013 to 30.6.2014
Pacific Dana Dividen					
- Capital Return	-13.62%	11.54%	-4.26%	-6.03%	6.48%
- Income Return	0.00%	0.00%	0.00%	2.96%	5.56%
- Total Return	-13.62%	11.54%	-4.26%	-3.25%	12.40%
Composite Benchmark [#]	0.23%	14.05%	2.22%	3.73%	16.64%
	1.7.2017 to 30.6.2018	1.7.2016 to 30.6.2017	1.7.2015 to 30.6.2016		
Unit Prices					
Highest NAV (RM)	0.5426	0.5519	0.5223		
Lowest NAV (RM)	0.4626	0.4825	0.4557		
Distributions					
Gross Distribution Per Unit (sen)	-	-	-		
	(29.6.2018)	(30.6.2017)	(30.6.2016)		
Net Distribution Per Unit (sen)	-	-	-		
	(29.6.2018)	(30.6.2017)	(30.6.2016)		
Unit Splits	-	-	-		

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

Notes:

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

MANAGER'S REPORT
30 June 2018

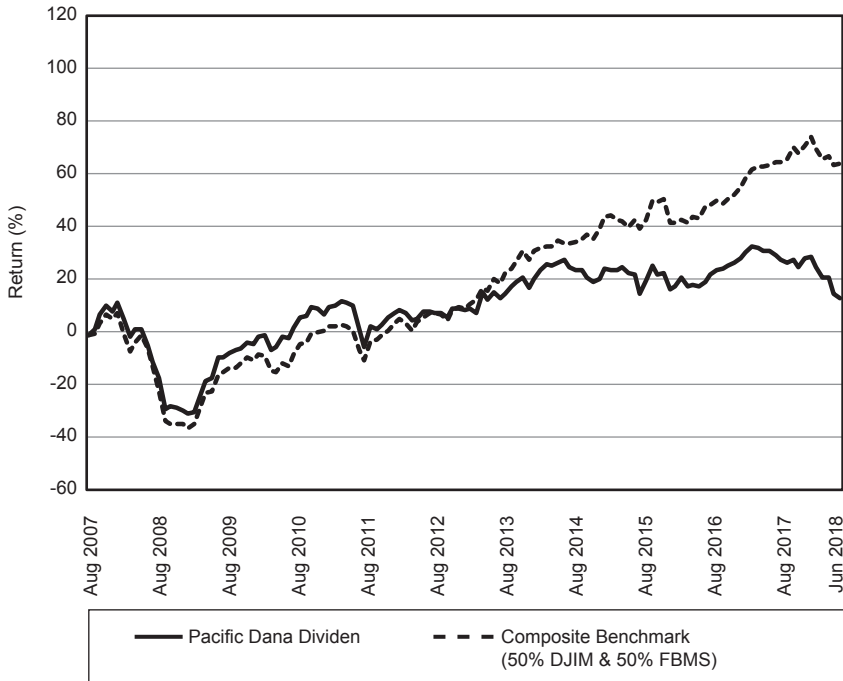
Performance Review

From 14 August 2007 (date of launch: 26 July 2007) to 30 June 2018, the Pacific Dana Dividen registered a total return of 13.88%, while its composite benchmark (50% Dow Jones Islamic Market World Index [DJIM] and 50% FTSE Bursa Malaysia EMAS Shariah Index [FBMS]), rose 65.10%.

For the financial year under review (1 July 2017 to 30 June 2018), the Fund registered a total return of -13.62%. In comparison, its benchmark rose 0.23%.

Based on the one year' and three years' average annual returns of the Fund, Pacific Dana Dividen did not meet its investment objective of providing capital growth, and steady and attractive income in the medium to long term.

Comparison Between Fund's Performance And Benchmark



Source: Lipper

Notes:

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

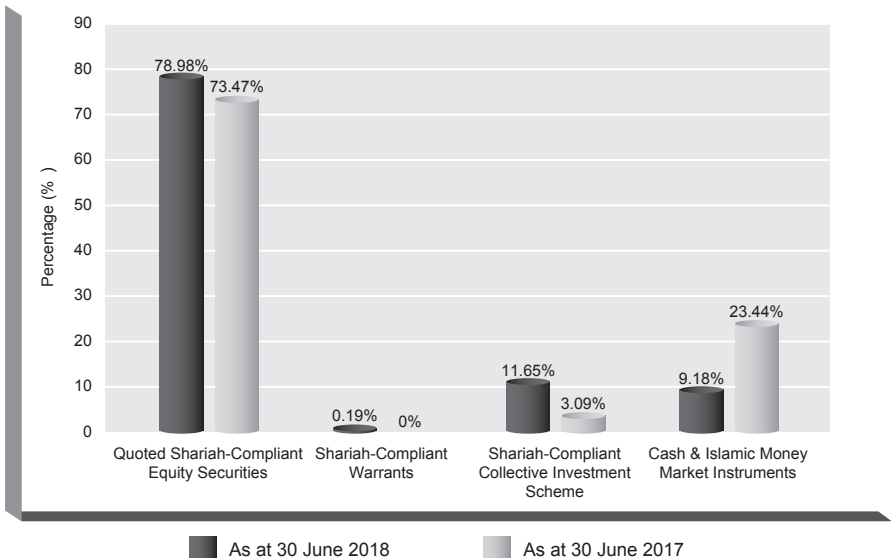
Investment Strategy Review

The financial year under review started with low energy prices and tensions in North Korea. The Pacific Dana Dividen increased positions in large cap stocks but stayed conservatively weighted in Construction, Property and Technology globally due to lofty valuations. The Fund however remained invested in Energy and Building Materials due to attractive valuations; these however underperformed the market due to negative investor sentiment and poor results. Relative underperformance against peers was exacerbated as momentum stocks such as Technology continued to rally. In August 2017, the Fund increased equity allocation on sell-offs that were fuelled by earnings disappointments. In November as the Ringgit strengthened the Fund reduced its underweight in foreign securities.

2018 started with upbeat global sentiment post the approval of the tax reform bill in the US and a rapid appreciation of the Ringgit after the Bank Negara governor indicated an interest rate hike. The Fund decreased local equity exposure after the surprise election win of Pakatan Harapan caused uncertainty over government policies, in line with the house call to become defensive. The Fund ended May with an equity allocation of 83%. Subsequently the Fund maintained a defensive stance throughout June as the threat of a trade war and domestic policy uncertainty loomed.

Going forward, the Fund will maintain a barbell strategy with big cap defensive stocks and selective undervalued names in the mid to small-cap space that have company specific catalysts.

Asset Allocation



The quoted Shariah-compliant equity securities allocation (inclusive of Shariah-compliant warrants) of Pacific Dana Dividen increased to 79.17% as at 30 June 2018 from 73.47% recorded at the beginning of the financial year under review due to net fund redemptions.

The 11.65% in Shariah-compliant collective investment scheme was placed in the Pacific Islamic Cash Fund, an Islamic money market fund managed by the Manager. Such investment is in line with the objective of Pacific Dana Dividen and is an efficient way to manage the exposure of Pacific Dana Dividen in fixed income securities. The exposure of Pacific Dana Dividen in the Shariah-compliant collective investment scheme is taken into account when assessing the asset allocation of Pacific Dana Dividen in placements in Islamic money markets. Management fee on the Shariah-compliant collective investment scheme managed by the Manager is rebated to the Fund.

Analysis Of Net Asset Value

The net asset value (NAV) per unit of Pacific Dana Dividen decreased from RM0.5411 to RM0.4673 during the financial year under review. Meanwhile, total NAV of the Fund decreased from RM33,841,167 to RM7,371,982 due to fund redemptions.

Market Review

Review Of Global Markets

The financial year under review began on strong note and continued to be so until the final few months which were marred by global trade war tensions initiated by the capricious President Trump. Fears built up towards the month of June 2018 as President Donald Trump threatened a full scale global trade war, causing markets worldwide to plummet. US +12.2%, Asia ex Japan +7.5%, Japan +11.3%, UK +4.4%, Europe -1.3% and Malaysia +4.1%.

Amidst the release of stronger-than-expected economic growth data in most countries, investor confidence was shaken in August 2017 by the rhetorical escalation of North Korea crisis, where the hermit kingdom threatened to attack US military bases in Guam and followed up with a missile launched over Hokkaido. Market's jitters continued into September when North Korea, in response to UN sanctions that followed its largest ever nuclear test at the start of the month, fired another missile over Hokkaido. Japanese equities however, performed well during the month, rising 3.6% supported by robust economic data and Abe's snap election call. Similar optimism was seen in Europe, where a comfortable win by Chancellor Angela Merkel's conservative alliance in Germany's general election instilled markets' confidence on the future of the European Union. Over in the US, the stock market recovered from earlier loss to end the month higher as investors shrugged off initial concerns on the economic impact of hurricane Harvey, Irma, and Jose, focusing instead on the release of the long-awaited tax reform plan by the Trump's administration.

Broad optimism returned to the market in October, as the US Senate adopted the fiscal 2018 budget resolution which marked the country's first step towards deeper tax cuts, while Corporate America beat analysts' expectations with a solid 3Q17 earnings season. In Europe, stock markets were also boosted by robust corporate earnings and European Central Bank's (ECB) decision to extend its bond-purchase programme until at least September 2018. The biggest winners during the month were Japanese equities investors who added an average return of 8% to their portfolios, helped by relief over the certainty of Prime Minister Shinzo Abe's policy continuation after his party's landslide victory in a snap general election.

Risk-on sentiment returned to the market in the last month of the year on strong economic data releases. The US stock market closed at a historical high after President Donald Trump won his first major legislative victory by pushing through a US tax overhaul which includes cutting the corporate tax rate from 35% to 21%. Amidst lower-than-target inflation, the Federal Reserve (Fed) raised interest rates for the third time by 25 basis points as guided.

The Dow Jones Industrial Average continued its surge to a record close at the start of 2018, driven by investor's optimism after the government's big tax cut and a strong start to the reporting season. However, the Dollar declined to a three-year low, losing 0.8% and 1% against the Euro and Japanese Yen, respectively. This was due to comments by US Treasury Secretary Steven Mnuchin that a weaker US Dollar would be good for the US economy. As expected, the Federal Reserve left its benchmark interest rate unchanged in a range of 1.25% to 1.5%, citing that a low rate would continue to support job growth and inflation. In Europe, the ECB left interest rates unchanged as well, in an effort to dampen the Euro strength and amid low inflation. On a separate note, WTI crude oil price soared 7.2% to USD64.73/barrel, fuelled by lower US stockpiles and production.

Trade tensions dominated news headlines between March and June when President Donald Trump signed two proclamations levying a 25% tariff on steel and a 10% tariff on aluminum. Canada and Mexico were exempted and would remain so, provided that the President is able to obtain a "fair" NAFTA agreement. Subsequently, the President signed an order that paved the way for imposing tariffs on at least USD60 billion of Chinese imports. The move was seen as a punishment on China for what the US perceived as intellectual property theft from American businesses. Consequently, China imposed tariffs of up to 25% on 128 US imports, affecting some USD3 billion worth of items. Separately, WTI crude oil price soared 6.5% to USD65/barrel, fuelled by OPEC's production cuts and global demand.

Trade tensions escalated after President Donald Trump directed the US Trade Representative to identify USD200 billion worth of Chinese goods for potential additional tariffs at a rate of 10% if China continues to fight back. Beijing vowed to retaliate with its own counter measures. As a result, global markets trended lower, especially the Shanghai stock exchange which fell into bear market territory, a more than 20% retracement from its recent high. On a positive note, President Donald Trump and North Korean leader Kim Jong Un signed an agreement to work towards complete denuclearization, potentially ending years of geopolitical tension. Separately, the Fed raised interest rates in June and signaled two further hikes to come this year, while the ECB announced that interest rates will not be going up until at least the summer of next year. WTI crude oil price increased 10.6% month-on-month in June due to fears that the US could impose sanctions on Iran.

Moving on to macro-economic data, the US' GDP growth increased 2.0%, slightly lower than 2.9% in 4Q17 and below market expectation of 2.2%. The slowdown was mainly due to weaker consumer spending as it registered its weakest reading in nearly five years. However, May retail sales rose 0.8% month-on-month, higher than expectations of 0.4% month-on-month due to low unemployment rate, rising wages and tax cuts which spur American's spending. Job creation increased sharply in May at 223,000 against 188,000 expected from economist. This brought unemployment rate down to 3.9%, levels last seen in April 2000.

In the Eurozone, the economy slowed to 0.4% quarter-on-quarter in the first quarter, from 0.7% quarter-on-quarter in the previous quarter. Consumer confidence in June to -0.5 from +0.2 in May, compared to expectations of a decline to 0.0, adding to signs in the second quarter of a cooling of the bloc's economy. On a positive note, unemployment rate was unchanged at 8.4%, better than consensus expectation of 8.5%.

In China, the economy expanded 6.8% year-on-year in 1Q18, slightly higher than consensus expectation of 6.7%. CPI accelerated to 1.8% year-on-year in April, on par with market expectation, largely due to an increase in non-food items. PPI in May was up 4.1% year-on-year, slightly higher than consensus of 3.9% year-on-year. The Caixin Manufacturing PMI in May held steady at 51.1 but was slightly lower than consensus expectations of 51.2. Both imports and exports grew faster than expected in May at 26% year-on-year and 12.6% year-on-year respectively. As a result, the country had a trade surplus of USD24.92 billion.

Income Distribution Nil

Unit Split Nil

Significant Changes In The State Of Affairs Of The Fund

Appended below are the changes to the Fund as per third supplementary master prospectus dated 30 January 2018:

	Previous Provision	New Provision
Investment Committee Members [^]	Gerard Lee How Cheng James Tan Thian Peng Mej. Jen. (B) Dato' Paduka Che Hasni bin Che Ahmad Dato' Ahmad Zahudi bin Haji Salleh Ong Eu Jin* Datuk Lee Say Tshin*	Gerard Lee How Cheng James Tan Thian Peng Muhammad 'Azmi bin Mohd Rafai Dato' Ahmad Zahudi bin Haji Salleh Ong Eu Jin* Datuk Lee Say Tshin*
Prudential Control	The Legal & Compliance department is responsible for compliance matters and liaises with the Securities Commission to ensure that all laws, regulations, code of conduct and prudential limits are followed. The Head of Legal & Compliance is the designated person responsible for compliance and she reports to the Board of Directors on compliance matters. In the event that the Head of Legal & Compliance is absent, or has resigned, the next-person-in-line will be the designated person responsible for compliance matters until such position is filled.	The Legal & Compliance department is responsible for compliance matters and liaises with the Securities Commission to ensure that all laws, regulations, code of conduct and prudential limits are followed. The Head of Legal & Compliance is the designated person responsible for compliance and reports to the Board of Directors on compliance matters. In the event that the Head of Legal & Compliance is absent, or has resigned, the next-person-in-line will be the designated person responsible for compliance matters until such position is filled.
List Of Pacific Mutual Fund Bhd Offices, Agency Offices And Institutional Unit Trust Advisers	There were 7 branches listed, located in Penang, Ipoh, Melaka, Johor, Miri, Kuching and Kota Kinabalu.	The Johor and Miri branches were removed as they are no longer in operation. Hence, there are now 5 branches in operation, located in Penang, Ipoh, Melaka, Kuching and Kota Kinabalu.

* Independent Investment Committee members

[^] Please refer to www.pacificmutual.com.my for further information on Investment Committee members.

Circumstances That Materially Affect Interest Of Unitholders Nil

Soft Commissions

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

REPORT OF THE TRUSTEE

To the Unitholders of **PACIFIC DANA DIVIDEN**

We have acted as Trustee of **PACIFIC DANA DIVIDEN** ("the Fund") for the financial period from 1 July 2017 to 30 September 2017 (date of termination). To the best of our knowledge, **PACIFIC MUTUAL FUND BHD** ("the Manager"), has operated and managed the Fund in accordance with the following:

- (a) limitations imposed on the investment powers of the Manager and the Trustee under the Deeds, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation/pricing is carried out in accordance with the Deeds and any regulatory requirements; and
- (c) creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirements.

For **HSBC (MALAYSIA) TRUSTEE BERHAD**



TAN BEE NIE
Head, Trustee Operations

Kuala Lumpur, Malaysia
1 August 2018

REPORT OF THE TRUSTEE

To the Unitholders of **PACIFIC DANA DIVIDEN**

We, **CIMB ISLAMIC TRUSTEE BERHAD** being the trustee of **PACIFIC DANA DIVIDEN** ("the Fund"), are of the opinion that **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 period from 1 October 2017 (date of appointment as new trustee) to 30 June 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; and
- (c) Creation and cancellation of units have been carried out in accordance with the Deeds and relevant regulatory requirements.

For and on behalf of
CIMB ISLAMIC TRUSTEE BERHAD



LIEW PIK YOONG
Chief Executive Officer

Kuala Lumpur, Malaysia
1 August 2018

SHARIAH ADVISER'S REPORT

To the Unitholders of **PACIFIC DANA DIVIDEN**

We have acted as the Shariah Adviser of **PACIFIC DANA DIVIDEN**. Our responsibility is to ensure that the procedures and processes employed by its fund manager, **PACIFIC MUTUAL FUND BHD** as well as the provisions of its Master Deed dated 22 May 2007 as amended by the Supplemental Master Deed dated 22 May 2009, Second Supplemental Master Deed dated 25 June 2010, Third Supplemental Master Deed and Fourth Supplemental Master Deed dated 12 July 2017 are in accordance with Shariah.

In our opinion based on the portfolio reports submitted to us, **PACIFIC MUTUAL FUND BHD** has managed and administered **PACIFIC DANA DIVIDEN** in accordance with Shariah and has complied with applicable guidelines, rulings and decisions issued by the Shariah Advisory Council of the Securities Commission of Malaysia ("SACSC") for the financial year ended 30 June 2018.

We confirm that the investment portfolio of **PACIFIC DANA DIVIDEN** comprises Shariah compliant Collective Investment Scheme and securities classified as Shariah-compliant by the SACSC or Shariah Supervisory Board of Dow Jones Islamic Market Indices ("SSB DJIM") except for Hume Industries Bhd and China Hongxing Sports Ltd ("CHSL") which have been reclassified as Shariah non-compliant by SACSC and SSB DJIM. The securities of CHSL were suspended from trading on the Singapore Exchange Limited on 28 February 2011. These Shariah non-compliant securities shall be disposed of according to the guidelines prescribed by the Securities Commission Malaysia. For securities which have not been screened by SACSC nor by SSB DJIM, the interim Shariah status of the securities has been determined by us in accordance with the SACSC's screening methodology.

We also confirm that financial instruments and cash deposits have been placed with Islamic Financial Institutions approved by Bank Negara Malaysia. In addition, we have taken note of and have no objection to the cash placement made in a conventional non-interest bearing account outside Malaysia, for the sole purpose of facilitating the purchase and sale of foreign securities, due to the non-existence of a Shariah compliant financial institution.

For **BIMB SECURITIES SDN BHD**



IR. DR. MUHAMAD FUAD ABDULLAH
Designated Shariah Person

Kuala Lumpur, Malaysia
1 August 2018

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 20 to 43 are prepared in accordance with the requirements of the Deeds, Malaysian Financial Reporting Standards, International Financial Reporting Standards and Securities Commission's Guidelines on Unit Trust Funds in Malaysia so as to give a true and fair view of the financial position of **PACIFIC DANA DIVIDEN** as at 30 June 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
1 August 2018

INDEPENDENT AUDITORS' REPORT

To the Unitholders of **PACIFIC DANA DIVIDEN**

Report On The Audit Of The Financial Statements

Opinion

We have audited the financial statements of **PACIFIC DANA DIVIDEN** ("the Fund"), which comprise the statement of financial position as at 30 June 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 20 to 43.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 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 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:

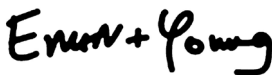
- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of 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 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
1 August 2018

STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

	Note	2018 RM	2017 RM
Assets			
Shariah-compliant investments	3	6,694,977	25,908,366
Dividend receivable		23,649	62,323
Profit receivable		66	234
Amount due from Manager	7	-	43,311
Amount due from brokers/dealers	8	77,375	500,919
Cash and cash equivalents	5	596,096	7,389,974
Total Assets		<u>7,392,163</u>	<u>33,905,127</u>
Liabilities			
Amount due to Manager	7	9,120	44,414
Other payables		11,061	19,546
Total Liabilities		<u>20,181</u>	<u>63,960</u>
Net Asset Value Of The Fund		<u>7,371,982</u>	<u>33,841,167</u>
Equity			
Unitholders' capital		11,448,368	36,065,880
Accumulated losses		(4,076,386)	(2,224,713)
Net Asset Value Attributable To Unitholders	15	<u>7,371,982</u>	<u>33,841,167</u>
Total Equity And Liabilities		<u>7,392,163</u>	<u>33,905,127</u>
Number Of Units In Circulation (Units)	16	<u>15,776,000</u>	<u>62,546,000</u>
Net Asset Value Per Unit	15	<u>RM0.4673</u>	<u>RM0.5411</u>

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

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 30 June 2018

	Note	2018 RM	2017 RM
Shariah-Compliant Investment (Loss)/Income			
Gross dividends from financial assets at fair value through profit or loss		334,282	757,497
Profit from Islamic money market instruments		21,310	24,053
Net (loss)/gain on Shariah-compliant investments:			
- Financial assets at fair value through profit or loss		(2,433,860)	1,435,134
- Foreign exchange		274,340	207,669
Net unrealised gains on foreign exchange		17,975	641,082
Net unrealised gains on changes in fair value of financial assets at fair value through profit or loss		354,489	2,058,788
		<u>(1,431,464)</u>	<u>5,124,223</u>
Expenses			
Audit fee		7,600	7,600
Tax agent's fee		3,450	2,872
Manager's fee	9	215,964	558,271
Trustee's fee	10	12,475	29,916
Custodian's fee	11	6,149	17,972
Brokerage and other transaction fees		144,244	183,502
Administration expenses		30,327	51,479
		<u>420,209</u>	<u>851,612</u>
Net (Loss)/Income Before Taxation		(1,851,673)	4,272,611
Taxation	14	-	-
Net (Loss)/Income After Taxation		<u>(1,851,673)</u>	<u>4,272,611</u>
Total Comprehensive (Loss)/Income		<u>(1,851,673)</u>	<u>4,272,611</u>
Total Comprehensive (Loss)/Income Is Made Up As Follows:			
Realised (loss)/income		(2,224,137)	1,572,741
Unrealised income		372,464	2,699,870
		<u>(1,851,673)</u>	<u>4,272,611</u>

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

STATEMENT OF CHANGES IN NET ASSET VALUE
For the financial year ended 30 June 2018

	Unitholders' Capital RM	Accumulated Losses RM	Net Asset Value Attributable To Unitholders RM
At 1 July 2016	46,970,336	(6,497,324)	40,473,012
Net income after taxation	-	4,272,611	4,272,611
Creation of units	1,596,099	-	1,596,099
Cancellation of units	(12,500,555)	-	(12,500,555)
At 30 June 2017	<u>36,065,880</u>	<u>(2,224,713)</u>	<u>33,841,167</u>
At 1 July 2017	36,065,880	(2,224,713)	33,841,167
Net loss after taxation	-	(1,851,673)	(1,851,673)
Creation of units	403,549	-	403,549
Cancellation of units	(25,021,061)	-	(25,021,061)
At 30 June 2018	<u>11,448,368</u>	<u>(4,076,386)</u>	<u>7,371,982</u>

STATEMENT OF CASH FLOWS
For the financial year ended 30 June 2018

	2018	2017
	RM	RM
Cash Flows From Operating And Investing Activities		
Proceeds from sale of investments	25,412,628	25,235,188
Purchase of investments	(7,474,405)	(13,416,067)
Dividends received	359,927	662,087
Profit from Islamic money market instruments	21,479	25,287
Manager's fee paid	(251,258)	(566,553)
Trustee's fee paid	(14,030)	(30,334)
Custodian's fee paid	(6,366)	(18,028)
Payment for other fees and expenses	(56,031)	(66,758)
Net cash generated from operating and investing activities	<u>17,991,944</u>	<u>11,824,822</u>
Cash Flows From Financing Activities		
Cash proceeds from units created	446,860	1,583,275
Cash paid on units cancelled	(25,021,061)	(12,529,482)
Net cash used in financing activities	<u>(24,574,201)</u>	<u>(10,946,207)</u>
Net (Decrease)/Increase In Cash And Cash Equivalents	(6,582,257)	878,615
Effect Of Exchange Rate Changes	(211,621)	224,298
Cash And Cash Equivalents At Beginning Of Financial Year	7,389,974	6,287,061
Cash And Cash Equivalents At End Of Financial Year	<u>596,096</u>	<u>7,389,974</u>
Cash And Cash Equivalents Comprise:		
Cash at banks	322,096	5,889,974
Islamic money market instruments	274,000	1,500,000
	<u>596,096</u>	<u>7,389,974</u>

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

1. The Fund, The Manager And Their Principal Activities

Pacific Dana Dividen (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 22 May 2007 as amended by the Supplemental Master Deed dated 22 May 2009, Second Supplemental Master Deed dated 25 June 2010, Third Supplemental Master Deed and its Fourth Supplemental Master Deed dated 12 July 2017 (hereinafter referred to as “the Deeds”), made between the Manager, Pacific Mutual Fund Bhd, the Trustees, HSBC (Malaysia) Trustee Berhad (the Trustee prior to 1 October 2017), CIMB Islamic Trustee Berhad (the new Trustee with effect from 1 October 2017) 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 Shariah-compliant securities listed on Bursa Malaysia Securities Berhad, foreign Shariah-compliant securities, unlisted Shariah-compliant securities, Islamic future contracts and any other Shariah-compliant investments approved by the Securities Commission from time to time. The Fund was launched on 26 July 2007 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 1 August 2018.

2. Summary Of Significant Accounting Policies

(a) Basis Of Preparation

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

The significant accounting policies adopted are consistent with those applied in the previous financial year end except for the adoption of Amendments to MFRSs which are effective for the financial year beginning on or after 1 January 2017. These Amendments to MFRSs did not give rise to any significant effect on the financial statements.

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 the initial application.

Pronouncements issued but not yet effective:

	Effective dates for financial periods beginning on or after
MFRS 9 - Financial Instruments (IFRS 9 - Financial Instruments as issued by International Accounting Standards Board in July 2014)	01-Jan-18
MFRS 15 - Revenue from Contracts with Customers*	01-Jan-18
IC Interpretation 22 - Foreign Currency Transactions and Advance Consideration	01-Jan-18
Clarifications to MFRS 15 Revenue from Contracts with Customers*	01-Jan-18
Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)*	01-Jan-18
Applying MFRS 9 - Financial Instruments with MFRS 4 - Insurance Contracts (Amendments to MFRS 4)*	01-Jan-18
Annual Improvements to MFRS Standards 2014-2016 Cycle	
(i) Amendments to MFRS 1 - First-time Adoption of MFRSs	01-Jan-18
(ii) Amendments to MFRS 128 - Investments in Associates and Joint Ventures*	01-Jan-18
Transfers of Investment Property (Amendments to MFRS 140)*	01-Jan-18
MFRS 16 - Leases*	01-Jan-19
Prepayment Features with Negative Compensation (Amendments to MFRS 9)*	01-Jan-19
Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119 Employee Benefits)*	01-Jan-19
Long-term Interests in Associates and Joint Ventures (Amendments to MFRS 128)*	01-Jan-19
Annual Improvements to MFRS Standards 2015-2017 Cycle	
(i) Previously Held Interest in a Joint Operation (Amendments to MFRS 3 Business Combinations)*	01-Jan-19
(ii) Previously Held Interest in a Joint Operation (Amendments to MFRS 11 Joint Arrangements)*	01-Jan-19
(iii) Income Tax Consequences of Payments on Financial Instruments Classified as Equity (Amendments to MFRS 112 Income Taxes)*	01-Jan-19
(iv) Borrowing Costs Eligible for Capitalisation (Amendments to MFRS 123 Borrowing Costs)*	01-Jan-19
IC Interpretation 23 - Uncertainty over Income Tax Treatments*	01-Jan-19

Amendments to References to the Conceptual Framework in MFRS Standards

(1) Amendments to MFRS 2 Share-Based Payment*	01-Jan-20
(2) Amendment to MFRS 3 Business Combinations*	01-Jan-20
(3) Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources*	01-Jan-20
(4) Amendment to MFRS 14 Regulatory Deferral Accounts*	01-Jan-20
(5) Amendments to MFRS 101 Presentation of Financial Statements	01-Jan-20
(6) Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	01-Jan-20
(7) Amendments to MFRS 134 Interim Financial Reporting	01-Jan-20
(8) Amendment to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	01-Jan-20
(9) Amendment to MFRS 138 Intangible Assets*	01-Jan-20
(10) Amendment to IC Interpretation 12 Service Concession Arrangements*	01-Jan-20
(11) Amendment to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	01-Jan-20
(12) Amendment to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine*	01-Jan-20
(13) Amendment to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	01-Jan-20
(14) Amendments to IC Interpretation 132 Intangible Assets - Web Site Costs*	01-Jan-20
MFRS 17 - Insurance Contracts*	01-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 Shariah-compliant investments in Islamic financial instruments are recognised on trade dates i.e. dates on which the Fund commits to purchase or sell the Islamic financial instruments.

The Fund 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, plus, in the case of Shariah-compliant investments not at fair value through profit or loss, directly attributable transaction costs.

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 Shariah-compliant investments are determined by reference to last done prices at the close of the business at the reporting date.

The fair value of the Shariah-compliant 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 cash and cash equivalents, amounts due from Manager, brokers/dealers and other receivables. Receivables are recognised initially at fair value including transaction costs. These are subsequently measured at amortised cost using the effective profit 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 profit method.

(e) Derecognition Of Financial Assets And Liabilities

Financial Assets

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

Financial Liabilities

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

(f) Impairment Of Financial Assets

The Fund assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial Assets Carried At Amortised Cost

If a financial asset carried at amortised cost is impaired, an impairment loss is recognised in profit or loss as the difference between the asset's carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective profit rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through profit or loss.

(g) Income Recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

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

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

(h) Unrealised Reserves/(Deficits)

The unrealised reserves/(deficits) represent the net gain or loss arising from carrying quoted Shariah-compliant investments at their fair value and are recognised in 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) Unitholders' Capital

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

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

(m) Significant Accounting Estimates And Judgments

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

No major estimates or judgments have been made by the Manager in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities at the reporting date.

3. Shariah-Compliant Investments

	2018 RM	2017 RM
Financial Assets At Fair Value Through Profit Or Loss		
Quoted Shariah-compliant investments		
- Equity securities	5,822,554	24,861,931
- Warrants	13,667	-
- Collective investment scheme	858,756	1,046,435
Total investments	<u>6,694,977</u>	<u>25,908,366</u>

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

SHARIAH-COMPLIANT EQUITY SECURITIES

Quantity	Name Of Counter	Cost RM	Fair Value RM	Fair Value As A % Of Net Asset Value
	<u>Malaysia</u>			
	Capital Goods			
41,400	Gamuda Berhad	220,953	135,378	1.84
181,700	GDB Holdings Berhad	59,070	59,053	0.80
171,400	Malaysian Resources Corporation Berhad	179,050	102,840	1.40
128,600	MMC Corporation Berhad	307,375	172,324	2.34
		<u>766,448</u>	<u>469,595</u>	<u>6.38</u>
	Consumer Durables & Apparel			
101,900	Hume Industries Bhd**	379,695	110,052	1.49
	Food & Beverage			
35,000	IOI Corporation Berhad	157,542	158,900	2.16
40,092	Sime Darby Plantation Berhad	221,893	213,690	2.90
		<u>379,435</u>	<u>372,590</u>	<u>5.06</u>
	Health Care Equipment & Services			
35,600	IHH Healthcare Bhd	204,041	217,160	2.95

** Please refer to Note 6(a) Reclassification of Shariah Status of the Fund's Investments

Quantity	Name Of Counter	Cost RM	Fair Value RM	Fair Value As A % Of Net Asset Value
Real Estate				
77,300	Axis Real Estate Investment Trust	110,539	112,858	1.53
380,144	LBS Bina Group Berhad	308,364	332,626	4.51
32,400	S P Setia Berhad	95,672	100,440	1.36
160,392	Sime Darby Property Berhad	219,251	192,470	2.61
		<u>733,826</u>	<u>738,394</u>	<u>10.01</u>
Telecommunication Services				
36,600	Axiata Group Berhad	203,181	139,080	1.89
34,700	Digi.Com Berhad	159,964	144,005	1.95
		<u>363,145</u>	<u>283,085</u>	<u>3.84</u>
Transportation				
17,600	MISC Berhad	131,427	104,192	1.41
Utilities				
22,600	Tenaga Nasional Berhad	324,609	330,864	4.48
	Total Equity Securities - Malaysia	<u>3,282,626</u>	<u>2,625,932</u>	<u>35.62</u>
Australia				
Telecommunication Services				
24,761	Telstra Corporation Limited	381,952	193,525	2.63
Great Britain				
Exchange Traded Fund				
5,347	iShares MSCI World Islamic UCITS ETF USD (Dist)	581,809	707,139	9.59
Indonesia				
Food & Beverage				
60,677	PT Astra Agro Lestari Tbk	311,411	191,438	2.60
634,100	PT Perusahaan Perkebunan London Sumatra Indonesia Tbk	418,745	176,840	2.40
		<u>730,156</u>	<u>368,278</u>	<u>5.00</u>
Real Estate				
161,500	PT Bumi Serpong Damai Tbk	94,691	71,199	0.97
	Total Equity Securities - Indonesia	<u>824,847</u>	<u>439,477</u>	<u>5.97</u>

Quantity	Name Of Counter	Cost RM	Fair Value RM	Fair Value As A % Of Net Asset Value
<u>Singapore</u>				
Consumer Durables & Apparel				
2,043,000	China Hongxing Sports Ltd**	-	-	-
<u>United States of America</u>				
Consumer Services				
1,158	Starbucks Corporation	274,708	228,395	3.10
Energy				
1,042	Schlumberger Limited	326,017	282,000	3.83
Food & Beverage				
534	PepsiCo Inc.	198,922	234,726	3.17
1,226	The Coca-Cola Company	190,919	217,106	2.95
		389,841	451,832	6.12
Household & Personal Products				
1,100	LOreal SA - Unsponsored ADR	199,053	218,465	2.96
692	The Procter & Gamble Company	200,008	218,096	2.96
		399,061	436,561	5.92
Pharma., Biotech. & Life Sciences				
648	Gilead Sciences Inc	200,624	185,339	2.51
Transportation				
635	United Parcel Service Inc	297,100	272,354	3.69
Total Equity Securities - United States of America		1,887,351	1,856,481	25.17
Total Equity Securities		6,958,585	5,822,554	78.98

** Please refer to Note 6(a) Reclassification of Shariah Status of the Fund's Investments

Quantity	Name Of Counter	Cost RM	Fair Value RM	Fair Value As A % Of Net Asset Value
SHARIAH-COMPLIANT WARRANTS				
	Malaysia			
65,080	Malaysian Resources Corporation Berhad - WB 29/10/2027	-	13,667	0.19
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME				
	Malaysia			
858,756	Pacific Islamic Cash Fund*	865,173	858,756	11.65
TOTAL QUOTED SHARIAH- COMPLIANT INVESTMENTS		7,823,758	6,694,977	90.82
UNREALISED LOSS FROM QUOTED SHARIAH-COMPLIANT INVESTMENTS			(1,128,781)	

* *Managed by 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	Total RM
2018		
Financial Assets At Fair Value Through Profit Or Loss		
Quoted Shariah-compliant investments	<u>6,694,977</u>	<u>6,694,977</u>
2017		
Financial Assets At Fair Value Through Profit Or Loss		
Quoted Shariah-compliant investments	<u>25,908,366</u>	<u>25,908,366</u>

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

5. Cash And Cash Equivalents

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

	2018 RM	2017 RM
Cash at banks:		
- Malaysia	10,917	31,074
- Outside Malaysia	<u>311,179</u>	<u>5,858,900</u>
	<u>322,096</u>	<u>5,889,974</u>
Islamic money market instruments with licensed financial institutions:		
- Commercial bank	<u>274,000</u>	<u>1,500,000</u>
Cash and cash equivalents	<u>596,096</u>	<u>7,389,974</u>

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

	Weighted Average Rate Of Return (% Per Annum)		Weighted Average Remaining Maturity (Days)	
	2018	2017	2018	2017
Islamic money market instruments with licensed financial institutions: - Commercial bank	3.07	2.95	3	4

6. Shariah Information Of The Fund

In accordance with the approved list of Shariah-compliant securities by the Shariah Advisory Council of the Securities Commission Malaysia, the Shariah Supervisory Board of Dow Jones Islamic Market Indexes and the advice of the Shariah Adviser, the following are the Shariah information of the Fund:

(a) Reclassification of Shariah Status of the Fund’s Investments

China Hongxing Sports Ltd was removed from Dow Jones Islamic Market Index on 2 January 2009 and the market value of the securities had been written off effective 6 August 2013. On 29 June 2018, the Fund received cash distribution of SGD4,882.77 from China Hongxing Sports Ltd, resulted from a capital reorganisation of the issuing company.

Equity securities listed on Bursa Malaysia have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission Malaysia except for Hume Industries Bhd.

As advised by the Shariah Adviser, these securities will be disposed of as soon as practicable, once the total amount of dividends received and the market value held equal the original investment cost.

Equity securities in foreign markets have been classified as Shariah-compliant either by the Shariah Supervisory Board of Dow Jones Islamic Market Indexes and duly verified by the Shariah Adviser and/or have been reviewed and classified as Shariah-compliant by the Shariah Adviser.

(b) Foreign Currencies Accounts

A portion of the cash placed outside Malaysia is meant to facilitate the purchase and selling of foreign securities. The cash is placed in a non-interest bearing account.

(c) Cash Placements and Liquid Assets

Cash placements and liquid assets in the local market are placed in Shariah-compliant investments and/or instruments.

7. 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.

8. Amount Due From Brokers/Dealers

The amount due from brokers/dealers relates to disposal of investments which remain outstanding at the reporting date. These are normally received within 3 business days of the transaction dates.

9. 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:

Name of Fund	Rate p.a.
Pacific Islamic Cash Fund	0.25%

10. Trustee's Fee

The Trustee's fee provided in the financial statements is computed as follows:

- (i) HSBC (Malaysia) Trustee Berhad (up to 30 September 2017): computed at 0.08% (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 RM18,000 per annum; and
- (ii) CIMB Islamic Trustee Berhad (effective 1 October 2017): computed at 0.06% 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.

11. Custodian's Fee

The custodian's fee provided in the financial statements is computed as follows:

- (i) HSBC (Malaysia) Trustee Berhad (up to 30 September 2017): ranges from 0.015% to 0.4% (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 on a daily basis. The monthly custodian fee charged to the Fund is subject to a minimum fee of USD50 per foreign market; and
- (ii) CIMB Islamic Trustee Berhad (effective 1 October 2017): ranges from 0.01% to 0.3% 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.

12. Portfolio Turnover Ratio

	2018	2017
Portfolio turnover ratio ("PTR")	<u>1.12 times</u>	<u>0.52 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 higher mainly due to decrease in average net asset value attributable to unitholders.

13. Management Expense Ratio

	2018	2017
Management expense ratio ("MER") ¹	<u>1.90%</u>	<u>1.79%</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 higher due to a lower percentage of decrease in expenses compared with average net asset value attributable to unitholders of the Fund.

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

14. Taxation

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

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

There was no taxation charge for the current 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:

	2018	2017
	RM	RM
Net (loss)/income before taxation	<u>(1,851,673)</u>	<u>4,272,611</u>
Taxation at Malaysian statutory rate of 24%	(444,402)	1,025,427
Tax effects of:		
Income not subject to tax	(240,575)	(1,229,813)
Losses not subject to tax	584,127	-
Expenses not deductible for tax purpose	45,180	66,897
Restriction on tax deductible expenses for unit trust funds	<u>55,670</u>	<u>137,489</u>
Tax expense for the financial year	<u>-</u>	<u>-</u>

15. Net Asset Value Attributable To Unitholders

	2018	2017
	RM	RM
Unitholders' capital	11,448,368	36,065,880
Accumulated losses		
- Realised deficits	(2,951,909)	(727,772)
- Unrealised deficits	<u>(1,124,477)</u>	<u>(1,496,941)</u>
Net asset value attributable to unitholders	<u>7,371,982</u>	<u>33,841,167</u>

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

16. Number Of Units In Circulation

	2018	2017
	No. Of Units	No. Of Units
At beginning of the financial year	62,546,000	83,449,000
Creation	752,000	3,044,000
Cancellation	<u>(47,522,000)</u>	<u>(23,947,000)</u>
At end of the financial year	<u>15,776,000</u>	<u>62,546,000</u>

17. Units Held By The Manager And Its Related Parties

	2018		2017	
	No. Of Units [^]	RM	No. Of Units [^]	RM
Manager	2,173	1,015	5,031	2,722
Substantial Shareholder Of The Manager	926,752	433,071	926,752	501,466

[^] All units are held legally by the Manager and its related parties as per the unitholders' register.

18. Transactions With Brokers/Dealers

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

Brokers/Dealers	Value Of Trade [#] RM	% Of Total Trades	Brokerage Fee* RM	% Of Total Brokerage Fees
J.P. Morgan Securities (Malaysia) Sdn Bhd	7,164,955	23.07	25,304	25.71
UOB Kay Hian Securities (M) Sdn Bhd	6,034,475	19.43	21,137	21.48
Instinet LLC	4,990,321	16.07	10,403	10.57
CIMB Investment Bank Bhd	3,229,863	10.40	9,519	9.67
Maybank Investment Bank Bhd	2,262,529	7.29	7,940	8.07
Hong Leong Investment Bank Bhd	2,079,503	6.70	7,039	7.15
RHB Investment Bank Bhd	2,017,405	6.50	7,095	7.21
DBS Vickers Securities (Singapore) Pte Ltd	1,796,135	5.78	5,022	5.10
Nomura Securities Malaysia Sdn Bhd	1,270,459	4.09	4,481	4.56
Alliance Investment Bank Bhd	207,571	0.67	467	0.48
	31,053,216	100.00	98,407	100.00

[#] Exclusive of brokerage and other transaction fees.

* Only applicable to equity securities.

The transactions above are with non related parties.

19. Financial Risk Management Objectives And Policies

The Fund is exposed to a variety of risks which include market risk, credit risk, liquidity risk, specific risk, single issuer risk and reclassification of Shariah status 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'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 Shariah-compliant 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/	334,749	1,295,418
(5)	<u>(334,749)</u>	<u>(1,295,418)</u>

(b) Profit Rate Risk

This risk refers to the effect of profit rate changes on placements in Islamic money market instruments. In the event of reduction in profit rates, the return on placements in Islamic money market instruments will decrease thus affecting the net asset value of the Fund. This risk will be minimised via the management of placements in Islamic money market instruments.

The Fund's exposure to profit rate risk with respect to placement in Islamic money market instruments is not considered to be significant at the reporting date and consequently no sensitivity analysis on profit 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 Shariah-compliant securities and other investments that are denominated in currencies other than the functional currency. Accordingly, the value of the Fund's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore subject to foreign exchange risks.

The table below indicates the currencies to which the Fund had significant exposure at the reporting date on its 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.

		Currency Risk Concentration As A % Of Net Asset Value	Changes In Currency Rates %	Effect On Net Asset Value Attributable To Unitholders RM
2018	RM			
USD	<u>2,171,831</u>	<u>29.46</u>	<u>+5</u>	<u>108,592</u>
2017				
USD	<u>10,097,343</u>	<u>29.84</u>	<u>+5</u>	<u>504,867</u>

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

(ii) Credit Risk

The Fund's principal exposure to credit risk arises primarily due to changes in the financial conditions of an issuer or a counterparty to make payment of principals, profit and proceeds from realisation of Shariah-compliant investments. Such events can lead to loss of capital or delayed or reduced profit 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 Shariah compliant investments, cash and cash equivalents and other receivables. The maximum exposure to credit risk is presented in the Statement of Financial Position. None of these balances are impaired. Cash and cash equivalents are placed in financial institutions with strong credit ratings.

(iii) Liquidity Risk

This risk occurs in thinly traded or illiquid Shariah-compliant securities. Should the Fund need to sell a relatively large amount of such Shariah-compliant 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 risk of the respective companies issuing Shariah-compliant securities which includes changes to the business performance of the company, consumer tastes and demands, lawsuits and management practices. This risk is minimised through the diversification of the portfolio of Shariah-compliant investments of the Fund.

(v) Single Issuer Risk

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

(vi) Reclassification of Shariah Status Risk

This risk refers to the risk that the currently held Shariah-compliant securities in the portfolio of Shariah-compliant Fund may be reclassified to be Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of the Securities Commission Malaysia ("SACSC"), the Shariah Adviser or the Shariah Boards of the relevant Islamic indices. If this occurs, the value of the Fund may be adversely affected where the Manager will take the necessary steps to dispose off such securities.

20. Operating Segment

The Fund is organised into one main operating segment for investment management purposes. The Investment Department takes a team approach to the investment process of the Fund. The decision-making process involves input from the entire team, with each team member (inclusive of analysts) contributing their respective expertise and views to yield fully informed conclusions. The Investment Committee is responsible for ensuring adherence to investment guidelines, both internal and external, as well as to assess strategy and implement effectiveness, and to oversee the entire investment function. Accordingly, significant operating decisions are based upon the analysis of the Fund as one operating segment. The financial results from this segment are equivalent to the financial statements of the Fund as a whole.

21. Capital Management

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

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

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