

ANNUAL REPORT

For The Financial Year Ended 31 March 2019

PACIFIC GLOBAL AGRICULTURE, INFRASTRUCTURE AND RESOURCES FUND



www.pacificmutual.com.my

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

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FUND INFORMATION
As at 31 March 2019

Name Of Fund : Pacific Global Agriculture, Infrastructure And Resources Fund (Pacific Global A.I.R. Fund)

Manager Of Fund : Pacific Mutual Fund Bhd (336059-U)

Launch Date : 12 April 2010

The Fund will continue its operations until terminated as provided under Clause 12 of the Deed.

Category Of Fund : Equity

Type Of Fund : Growth and income

Investment Objective : Pacific Global A.I.R. Fund aims to achieve attractive capital growth and income^a in the medium* to long term* by investing in a portfolio of global investments that are related to sectors that provide support to global trade and production, integral to human life and economic growth.

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

* *Medium term is defined as a period of one to three years, and long term is a period of more than three years.*

Performance Benchmark : Composite benchmark:
 50% MSCI World Net Energy & Materials 10/40 Index (MWNEM)
 25% MSCI World Net Telecommunications Services Index (MWNTS)
 25% MSCI World Net Utilities Index (MWNU)

Distribution Policy : Once a year, if any.

Fund Size : 4.02 million units

Breakdown Of Unitholdings	: Size Of Holdings	No. Of	% Of	No. Of Units
		Unitholders	Unitholders	(million)
	5,000 units & below	36	28.35	0.09
	5,001-10,000 units	16	12.60	0.13
	10,001-50,000 units	62	48.82	1.36
	50,001-500,000 units	12	9.45	1.45
	500,001 units & above	1	0.78	0.99
	Total	127	100.00	4.02

FUND PERFORMANCE

Financial Highlights

Category	As At 31.3.2019	As At 31.3.2018	As At 31.3.2017
Quoted Equity Securities	%	%	%
Automobiles & Components	-	-	1.98
Capital Goods	-	1.98	1.72
Consumer Durables & Apparel	-	-	0.49
Energy	-	-	3.87
Health Care Equipment & Services	2.67	-	-
Materials	0.95	3.45	0.98
Real Estate	-	1.13	-
Transportation	1.01	1.50	0.92
Utilities	-	-	4.80
Foreign Equity Securities:			
- Australia	-	2.73	10.03
- Great Britain	8.63	7.41	-
- Hong Kong	15.43	14.56	14.90
- Indonesia	5.30	4.48	8.58
- Japan	5.71	7.01	2.71
- Singapore	9.94	19.82	10.93
- South Korea	-	1.79	2.30
- Thailand	-	3.61	4.77
- United States of America	31.50	13.10	16.85
	81.14	82.57	85.83
Cash And Liquid Assets	18.86	17.43	14.17
Total	100.00	100.00	100.00
Net Asset Value (RM'000)	1,575	2,363	3,037
Number Of Units In Circulation (Units '000)	4,016	5,963	6,500
Net Asset Value Per Unit (RM)	0.3923	0.3964	0.4672
Management Expense Ratio ("MER") ¹	3.24%	2.92%	3.52%
Portfolio Turnover Ratio (times)	2.24	1.73	1.21

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.

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

The Portfolio Turnover Ratio for the current financial year is higher due to a lower percentage of decrease in investing activities compared with 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 Global A.I.R. Fund			Composite Benchmark [#]	
	Total Return	Average Annual Return		Total Return	Average Annual Return
1 Year's Period (1.4.2018 to 31.3.2019)	-1.01%	-1.01%		11.27%	11.27%
3 Years' Period (1.4.2016 to 31.3.2019)	3.05%	1.02%		28.48%	9.49%
5 Years' Period (1.4.2014 to 31.3.2019)	-10.86%	-2.17%		39.21%	7.84%
	1.4.2018 to 31.3.2019	1.4.2017 to 31.3.2018	1.4.2016 to 31.3.2017	1.4.2015 to 31.3.2016	1.4.2014 to 31.3.2015
Pacific Global A.I.R. Fund					
- Capital Return	-1.01%	-15.15%	22.69%	-6.51%	-7.47%
- Income Return	0.00%	0.00%	0.00%	0.00%	0.00%
- Total Return	-1.01%	-15.15%	22.69%	-6.51%	-7.47%
Composite Benchmark [#]	11.27%	-7.88%	25.35%	1.25%	7.02%

	1.4.2018 to 31.3.2019	1.4.2017 to 31.3.2018	1.4.2016 to 31.3.2017
Unit Prices			
Highest NAV (RM)	0.4120	0.4698	0.4699
Lowest NAV (RM)	0.3671	0.3964	0.3788
Distributions			
Gross Distribution Per Unit (sen)	- (29.3.2019)	- (30.3.2018)	- (31.3.2017)
Net Distribution Per Unit (sen)	- (29.3.2019)	- (30.3.2018)	- (31.3.2017)
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
31 March 2019

Performance Review

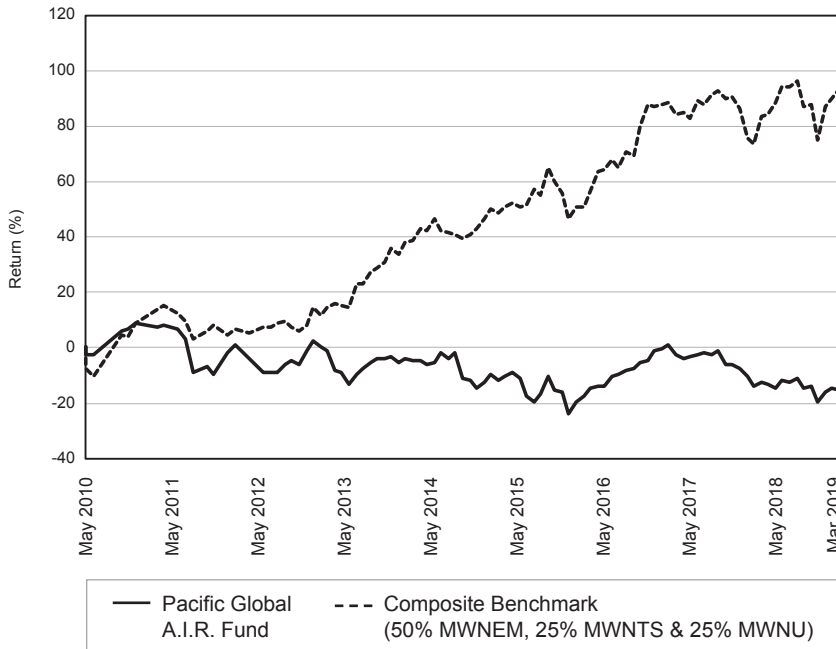
From 3 May 2010 (date of launch: 12 April 2010) to 31 March 2019, the Pacific Global A.I.R. Fund registered a total return of -14.99%, while its composite benchmark (50% MSCI World Net Energy & Materials 10/40 Index [MWNEM], 25% MSCI World Net Telecommunications Services Index [MWNTS] and 25% MSCI World Net Utilities Index [MWNU]), rose 93.47%.

For the financial year under review (1 April 2018 to 31 March 2019), the Fund registered a total return of -1.01%. In comparison, its benchmark rose 11.27%.

Based on the total returns of the Pacific Global A.I.R. Fund for the last five years’ and three years’ period, the Fund did not meet its investment objective of achieving attractive capital growth and income[□] in the medium and long term mainly due to overweight positions in underperforming sectors such as Oil & Gas and underweight positions in Technology.

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

Comparison Between Fund’s Performance And Benchmark



Source: Lipper

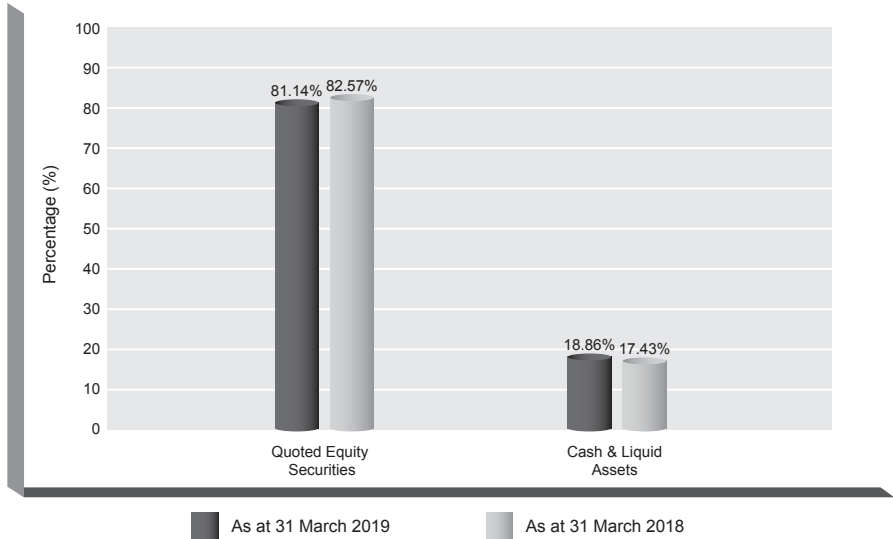
Notes:
 The benchmark returns are adjusted by the movement of Ringgit Malaysia against foreign currencies.

Investment Strategy Review

The Pacific Global A.I.R. Fund started the six-month period under review with an equity exposure of 83% but raised it to 89% in May 2018 in line with the positive stance on equity markets amid resilient economic data. However, the Fund cut equity exposure to an average 83% during July-August due to escalating trade tensions between the US and its trading partners and a sell-off in commodities amid concerns of slower China growth. In addition, emerging market currencies also weakened against the US Dollar amid the US Federal Reserve's (Fed) hawkish stance. The Fed raised interest rates in June 2018 and signalled two more rate hikes by end-2018. Equity exposure remained low at an average 82% over September to December 2018 on poor earnings guidance in the US, continued US-China trade tensions, softening economic data in Eurozone and China, and yield curve inversion in the US that sparked recessionary fears. Following the sharp sell-off in December 2018 and January 2019, the Fund raised equity exposure to 92% at end-January 2019. Net purchases were mainly in oil & gas and plantation stocks on attractive valuations and potential supply disruptions ahead. For the financial year under review, average equity exposure was at 85%.

In the near term, there is room for further upside but global market rallies year-to-date drove excessive buying of equities and valuations are no longer compelling. Recent strength in economic data especially China's Purchasing Managers Index (PMI) added to investor confidence, but we are watchful whether this economic strength is sustainable and not merely a seasonal blip (i.e. to the Lunar New Year effect). Other downside catalysts may come from the upcoming earnings season in April to May, impact of rising crude oil prices on inflation and central banks' dovishness, Brexit developments (a no-deal Brexit is still a risk) and US-China trade developments (where much investor optimism has been factored in). The Fund will likely maintain equity exposure at current levels pending greater visibility on the economic and geopolitical developments.

Asset Allocation



The quoted equity securities allocation of Pacific Global A.I.R. Fund decreased to 81.14% as at 31 March 2019 from 82.57% recorded at the beginning of the financial year under review mainly due to net sales of equities.

Analysis Of Net Asset Value

The net asset value (NAV) per unit of Pacific Global A.I.R. Fund decreased from RM0.3964 to RM0.3923 during the financial year under review. Meanwhile, total NAV of the Fund decreased from RM2,363,395 to RM1,575,448 mainly due to fund redemptions.

Market Review

Review Of Global Markets

The financial year under review began on a weaker note due to an escalation of trade tensions when the US amplified the possible tariff pool by an additional USD200 billion worth of Chinese goods at a rate of 10%. The US also announced that it will impose tariffs on steel and aluminium imports coming from EU, Canada and Mexico after the US failed to secure concessions from its trading partners. On a positive note, President Donald Trump and North Korean leader Kim Jong-Un signed an agreement to work towards complete denuclearization.

Markets rebounded early in the third quarter of 2018 as investors sentiment improved despite much political back and forth by global leaders on various forums including social media. Anxiety over global trade eased after the US and EU agreed to work towards zero tariffs, zero non-tariff barriers and zero subsidies on non-auto industrial goods. Elsewhere, US, Mexico and Canada clinched a last-minute deal at the end of the quarter for a new NAFTA deal renamed as the US-Mexico-Canada agreement. However, mid-level Sino-US trade talks faltered in August with no breakthrough and both countries elevated the tariff war on a total of USD250 billion Chinese goods and USD110 billion American goods. Elsewhere, concerns over twin deficits, foreign currency debt levels and high inflation numbers caused sharp depreciation in the Turkish Lira, Argentine Peso and Brazilian Real while also triggering an emerging market sell-off.

Global markets were mostly negative in the fourth quarter of 2018 as the US equity market succumbed to the pressures already faced by most other indices on worries of slowing growth both domestically and globally. This, alongside a slow run-up towards resolution talks between US and China and a percolating stalemate in Europe on Brexit, elevated risk-off behaviour.

Despite a stellar US reporting season with 83% of reporting companies outperforming expectations, corporate optimism on business outlook declined on little visibility of a Sino-US resolution while retail sales numbers also caused reflection on consumer sentiment. Global investors also contended with rising US central bank interest rates and falling growth rates in Europe and China. By early December, an inverted yield curve emerged among shorter-tenor Treasury notes, which typically is associated with an impending economic downturn. Risk aversion was further evidenced by 10-year Treasury note yields compressing from 3% to below 2.7%.

Global markets staged a recovery over the first quarter of 2019 as the US Federal Reserve observed slowing growth and the achievement of “near-neutral” rates, leading to a willingness to hold rates steady. Expectations of a similar pause in the European Central Bank’s modest attempts towards tightening as well as more conciliatory communication between the US and China further improved investor sentiment. This backdrop further enhanced expectations that stimulus efforts in China through tax cuts, infrastructure spending and better liquidity would take hold. Consequently, emerging markets also observed a rebound as investor risk appetite improved.

Income Distribution Nil

Unit Split Not applicable

Significant Changes In The State Of Affairs Of The Fund

Appended below are the changes to the Fund as per 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"> • 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. • There were 5 branches listed, located in Penang, Ipoh, Melaka, Kuching and Kota Kinabalu. 	<ul style="list-style-type: none"> • 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. • The list of branches was removed. Latest contact details are available at www.pacificmutual.com.my.
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>	<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>

	<ul style="list-style-type: none"> • From a zero sales charge fund to a low/reduced/normal sales charge fund; or • From a low sales charge fund to a reduced/normal sales charge fund. <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>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>
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* 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

[^] Based on the notification to unitholders dated 20 February 2019, the applicable sales charges should be 0.50% instead of 0.05% and a replacement master prospectus dated 1 April 2019 was published to reflect the correct disclosure.

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

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

REPORT OF THE TRUSTEE

To the Unitholders of **PACIFIC GLOBAL AGRICULTURE, INFRASTRUCTURE AND RESOURCES FUND**

We, **CIMB COMMERCE TRUSTEE BERHAD** being the Trustee of **PACIFIC GLOBAL AGRICULTURE, INFRASTRUCTURE AND RESOURCES 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 March 2019.

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

For and on behalf of

CIMB COMMERCE TRUSTEE BERHAD



LEE KOOI YOKE

Chief Executive Officer

Kuala Lumpur, Malaysia

7 May 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 18 to 39 are prepared in accordance with the requirements of the Deeds, Malaysian Financial Reporting Standards, International Financial Reporting Standards and Securities Commission's Guidelines on Unit Trust Funds in Malaysia so as to give a true and fair view of the financial position of **PACIFIC GLOBAL AGRICULTURE, INFRASTRUCTURE AND RESOURCES FUND** as at 31 March 2019 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
7 May 2019

INDEPENDENT AUDITORS' REPORT

To the Unitholders of **PACIFIC GLOBAL AGRICULTURE, INFRASTRUCTURE AND RESOURCES FUND**

Report On The Audit Of The Financial Statements

Opinion

We have audited the financial statements of Pacific Global Agriculture, Infrastructure and Resources Fund ("the Fund"), which comprise the statement of financial position as at 31 March 2019, 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 18 to 39.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 March 2019, 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 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

Kuala Lumpur, Malaysia
7 May 2019



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

STATEMENT OF FINANCIAL POSITION
As at 31 March 2019

	Note	2019 RM	2018 RM
Assets			
Investments	3	1,278,309	1,951,367
Dividend receivable		1,627	1,754
Interest receivable		26	-
Amount due from brokers/dealers	7	34,793	17,652
Cash and cash equivalents	5	282,701	441,046
Total Assets		<u>1,597,456</u>	<u>2,411,819</u>
Liabilities			
Amount due to Manager	6	2,053	3,284
Amount due to brokers/dealers	7	-	28,509
Other payables		19,955	16,631
Total Liabilities		<u>22,008</u>	<u>48,424</u>
Net Asset Value Of The Fund		<u>1,575,448</u>	<u>2,363,395</u>
Equity			
Unitholders' capital		2,769,047	3,543,020
Accumulated losses		(1,193,599)	(1,179,625)
Net Asset Value Attributable To Unitholders	14	<u>1,575,448</u>	<u>2,363,395</u>
Total Equity And Liabilities		<u>1,597,456</u>	<u>2,411,819</u>
Number Of Units In Circulation (Units)	15	<u>4,016,000</u>	<u>5,963,000</u>
Net Asset Value Per Unit	14	<u>RM0.3923</u>	<u>RM0.3964</u>

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

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2019

	Note	2019 RM	2018 RM
Investment Income/(Loss)			
Gross dividends from financial assets at fair value through profit or loss		55,555	53,806
Interest income		1,492	6,734
Net (loss)/gain on investments			
- Financial assets at fair value through profit or loss		(196,304)	80,814
- Foreign exchange		22,555	(74,199)
Net unrealised gain/(loss) on foreign exchange		10,129	(4,980)
Net unrealised gain/(loss) on changes in value of financial assets at fair value through profit or loss		227,289	(350,078)
		<u>120,716</u>	<u>(287,903)</u>
Expenses			
Audit fee		8,000	7,600
Tax agent's fee		4,300	2,950
Manager's fee	8	31,498	42,475
Trustee's fee	9	12,000	12,510
Custodian's fee	10	779	552
Brokerage and other transaction fees		66,793	66,743
Administration expenses		11,320	16,593
		<u>134,690</u>	<u>149,423</u>
Net Losses Before Taxation		(13,974)	(437,326)
Taxation	13	-	-
Net Losses After Taxation		<u>(13,974)</u>	<u>(437,326)</u>
Total Comprehensive Losses		<u>(13,974)</u>	<u>(437,326)</u>
Total Comprehensive Losses Is Made Up As Follows:			
Realised losses		(251,392)	(82,268)
Unrealised income/(loss)		237,418	(355,058)
		<u>(13,974)</u>	<u>(437,326)</u>

STATEMENT OF CHANGES IN NET ASSET VALUE
For the financial year ended 31 March 2019

	Unitholders' Capital	Accumulated Losses	Net Asset Value
	RM	RM	Attributable To Unitholders
	RM	RM	RM
At 1 April 2017	3,778,978	(742,299)	3,036,679
Net loss after taxation	-	(437,326)	(437,326)
Creation of units	287,032	-	287,032
Cancellation of units	(522,990)	-	(522,990)
At 31 March 2018	<u>3,543,020</u>	<u>(1,179,625)</u>	<u>2,363,395</u>
At 1 April 2018	3,543,020	(1,179,625)	2,363,395
Net loss after taxation	-	(13,974)	(13,974)
Creation of units	31,234	-	31,234
Cancellation of units	(805,207)	-	(805,207)
At 31 March 2019	<u>2,769,047</u>	<u>(1,193,599)</u>	<u>1,575,448</u>

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2019

	2019	2018
	RM	RM
Cash Flows From Operating And Investing Activities		
Proceeds from sale of investments	5,028,561	5,039,695
Purchase of investments	(4,385,875)	(4,713,337)
Dividends received	55,873	54,547
Interest received	1,466	6,765
Manager's fee paid	(32,729)	(43,254)
Trustee's fee paid	(12,000)	(13,019)
Custodian's fee paid	(401)	(548)
Payment for other fees and expenses	(52,118)	(56,159)
Net cash generated from operating and investing activities	<u>602,777</u>	<u>274,690</u>
Cash Flows From Financing Activities		
Cash proceeds from units created	31,234	287,032
Cash paid on units cancelled	(805,207)	(522,990)
Net cash used in financing activities	<u>(773,973)</u>	<u>(235,958)</u>
Net (Decrease)/Increase In Cash And Cash Equivalents	(171,196)	38,732
Effect Of Exchange Rate Changes	12,851	(34,141)
Cash And Cash Equivalents At Beginning Of Financial Year	441,046	436,455
Cash And Cash Equivalents At End Of Financial Year	<u>282,701</u>	<u>441,046</u>
Cash And Cash Equivalents Comprise:		
Cash at banks	182,701	441,046
Deposits with financial institutions	100,000	-
	<u>282,701</u>	<u>441,046</u>

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

NOTES TO THE FINANCIAL STATEMENTS**31 March 2019****1. The Fund, The Manager And Their Principal Activities**

Pacific Global Agriculture, Infrastructure and Resources Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Master Deed dated 26 October 2009, Supplemental Master Deed dated 27 April 2011, Second Supplemental Master Deed dated 2 June 2011 and its Third Supplemental Master Deed dated 4 March 2013 (hereinafter referred to as “the Deeds”), made between the Manager, Pacific Mutual Fund Bhd, the Trustee, CIMB Commerce Trustee Berhad 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, foreign securities, unlisted securities, futures contracts and any other investments approved by the Securities Commission Malaysia. The Fund was launched on 12 April 2010 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 7 May 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.

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 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 Cost	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.

Receivables

Receivables are classified as financial assets at amortised cost. They are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These include amounts due from brokers/dealers and other receivables. Receivables are recognised initially at fair value including transaction costs.

Financial Liabilities

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

(e) Derecognition Of Financial Assets And Liabilities

Financial Assets

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

Financial Liabilities

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

(f) Impairment Of Financial Assets

Credit losses are recognised based on the expected credit loss (“ECL”) model. The Fund recognises loss allowances for ECL on financial instruments that are not measured at fair value through profit or loss (“FVTPL”), either on a 12-month or lifetime basis based on the significant increase in credit risk since initial recognition. The impairment model does not apply to equity investments.

Given the limited exposure of the Fund to credit risk, there is no material impact on the Fund’s financial statements. For balances which are short-term in nature and with no financing component (e.g. interest receivable, dividend receivable and amount due from brokers/dealers), full impairment will be recognised on uncollected balances after the grace period is exceeded.

(g) Income Recognition

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

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

Interest income is recognised using the effective interest method on an accrual basis.

(h) Unrealised Reserves/(Deficits)

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

(i) Cash And Cash Equivalents

Cash and cash equivalents comprise cash at banks and deposits with 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 and 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

	2019	2018
	RM	RM
Financial Assets At Fair Value Through Profit Or Loss		
Quoted investments		
- Equity securities	<u>1,278,309</u>	<u>1,951,367</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
	<u>Malaysia</u>			
	Health Care Equipment & Services			
9,100	Top Glove Corporation Bhd	42,569	42,042	2.67
	Materials			
56,700	Hiap Teck Venture Berhad	18,173	15,025	0.95
	Transportation			
2,200	Malaysia Airports Holdings Berhad	16,038	15,928	1.01
	Total Equity Securities - Malaysia	76,780	72,995	4.63
	<u>Great Britain</u>			
	Energy			
471	Royal Dutch Shell PLC	59,792	60,790	3.86
	Exchange Traded Fund			
1,258	ETFS Soybean Oil	21,030	16,316	1.04
	Household & Personal Products			
80	Reckitt Benckiser Group PLC	27,256	27,140	1.72
	Telecommunication Services			
4,253	Vodafone Group PLC	40,269	31,606	2.01
	Total Equity Securities - Great Britain	148,347	135,852	8.63
	<u>Hong Kong</u>			
	Automobiles & Components			
8,000	Xinyi Glass Holdings Ltd	37,090	37,433	2.38
	Capital Goods			
7,000	China Railway Construction Corporation Limited	39,764	37,412	2.37

Quantity	Name Of Counter	Cost RM	Fair Value RM	Fair Value As A % Of Net Asset Value
Energy				
10,000	China Petroleum & Chemical Corporation	33,363	32,182	2.04
14,000	PetroChina Company Limited	38,302	37,048	2.35
		<u>71,665</u>	<u>69,230</u>	<u>4.39</u>
Exchange Traded Fund				
1,900	ValueGold ETF	30,491	30,968	1.97
Technology Hardware & Equipment				
8,000	Xiaomi Corporation	58,070	47,332	3.00
Telecommunication Services				
500	China Mobile Limited	21,216	20,796	1.32
	Total Equity Securities - Hong Kong	<u>258,296</u>	<u>243,171</u>	<u>15.43</u>
<u>Indonesia</u>				
Energy				
522,200	PT Soechi Lines Tbk	72,962	23,190	1.47
Food, Beverage & Tobacco				
10,100	PT Astra Agro Lestari Tbk	36,843	32,481	2.06
93,500	PT Perusahaan Perkebunan London Sumatra Indonesia Tbk	35,173	27,859	1.77
		<u>72,016</u>	<u>60,340</u>	<u>3.83</u>
Materials				
4,136,000	PT Borneo Lumbung Energi & Metal Tbk**	-	-	-
	Total Equity Securities - Indonesia	<u>144,978</u>	<u>83,530</u>	<u>5.30</u>

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

Quantity	Name Of Counter	Cost RM	Fair Value RM	Fair Value As A % Of Net Asset Value
<u>Japan</u>				
Automobiles & Components				
100	Toyota Motor Corporation	24,211	23,880	1.52
Capital Goods				
700	JGC Corporation	45,269	37,905	2.41
Consumer Durables & Apparel				
800	Panasonic Corporation	31,266	28,101	1.78
Total Equity Securities - Japan		100,746	89,886	5.71
<u>Singapore</u>				
Food, Beverage & Tobacco				
16,900	Bumitama Agri Ltd	34,475	33,849	2.15
3,500	First Resources Limited	17,908	17,288	1.10
4,600	Wilmar International Ltd	45,165	45,859	2.91
		97,548	96,996	6.16
Telecommunication Services				
1,900	Singapore Telecommunications Limited	17,443	17,282	1.10
Transportation				
14,000	Singapore Post Limited	54,882	42,167	2.68
Total Equity Securities - Singapore		169,873	156,445	9.94
<u>United States of America</u>				
Capital Goods				
640	General Electric Company	25,751	26,092	1.66
Energy				
410	Halliburton Company	63,597	49,025	3.11
242	Schlumberger Limited	54,843	43,030	2.73
		118,440	92,055	5.84

Quantity	Name Of Counter	Cost RM	Fair Value RM	Fair Value As A % Of Net Asset Value
Exchange Traded Fund				
165	SPDR S&P Pharmaceuticals ETF	29,500	27,998	1.78
470	United States Brent Oil Fund LP ETF	38,458	36,865	2.34
		<u>67,958</u>	<u>64,863</u>	<u>4.12</u>
Materials				
470	Barrick Gold Corporation	24,815	26,297	1.67
120	DowDuPont Inc.	26,696	26,107	1.66
654	Freeport-McMoRan Inc.	35,800	34,403	2.18
		<u>87,311</u>	<u>86,807</u>	<u>5.51</u>
Pharma., Biotech. & Life Sciences				
137	Bristol-Myers Squibb Company	28,440	26,674	1.69
160	Gilead Sciences, Inc.	47,878	42,449	2.69
		<u>76,318</u>	<u>69,123</u>	<u>4.38</u>
Semiconductors & Semi. Equipment				
152	Intel Corporation	29,368	33,311	2.11
Telecommunication Services				
314	AT&T Inc.	39,590	40,186	2.55
Transportation				
46	FedEx Corp.	33,399	34,055	2.16
Utilities				
1,924	Enel SpA - UNSPON ADR	48,192	49,938	3.17
Total Equity Securities - United States Of America				
		<u>526,327</u>	<u>496,430</u>	<u>31.50</u>
TOTAL QUOTED INVESTMENTS		<u>1,425,347</u>	<u>1,278,309</u>	<u>81.14</u>
UNREALISED LOSS FROM QUOTED INVESTMENTS			<u>(147,038)</u>	

4. Fair Value Hierarchy

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

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

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

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

	Level 1 RM	Total RM
2019		
Financial Assets At Fair Value Through Profit Or Loss		
Quoted investments	<u>1,278,309</u>	<u>1,278,309</u>
2018		
Financial Assets At Fair Value Through Profit Or Loss		
Quoted investments	<u>1,951,367</u>	<u>1,951,367</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 licensed financial institutions.

	2019 RM	2018 RM
Cash at banks:		
- Malaysia	15,518	60,934
- Outside Malaysia	<u>167,183</u>	<u>380,112</u>
	<u>182,701</u>	<u>441,046</u>
Deposits with licensed financial institution:		
- Commercial bank	<u>100,000</u>	<u>-</u>
Cash and cash equivalents	<u>282,701</u>	<u>441,046</u>

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

	Weighted Average Rate Of Return (% Per Annum)		Weighted Average Remaining Maturity (Days)	
	2019	2018	2019	2018
Deposits with licensed financial institutions:				
- Commercial bank	<u>3.20</u>	<u>-</u>	<u>1</u>	<u>-</u>

6. Amount Due To Manager

The amount due to Manager represents amount payable for management fee which is payable on a monthly basis.

7. Amount Due From/To Brokers/Dealers

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

8. Manager’s Fee

The Manager’s fee provided in the financial statements is computed at 1.5% (2018: 1.5%) per annum of the net asset value attributable to unitholders of the Fund, calculated on a daily basis.

9. Trustee’s Fee

The Trustee’s fee provided in the financial statements is computed at 0.06% (2018: 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 RM12,000 per annum.

10. Custodian’s Fee

The Custodian’s fee provided in the financial statements ranges from 0.01% to 0.3% (2018: 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.

11. Portfolio Turnover Ratio

	2019	2018
Portfolio turnover ratio (“PTR”)	<u>2.24 times</u>	<u>1.73 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 due to a lower percentage of decrease in investing activities compared with average net asset value attributable to unitholders.

12. Management Expense Ratio

	2019	2018
Management expense ratio ("MER") ¹	<u>3.24%</u>	<u>2.92%</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.

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

13. Taxation

	2019	2018
	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% (2018: 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 losses before taxation at the statutory rate of taxation to income tax expense at the effective rate of taxation is as follows:

	2019	2018
	RM	RM
Net losses before taxation	<u>(13,974)</u>	<u>(437,326)</u>
Taxation at Malaysian statutory rate of 24%	(3,354)	(104,958)
Tax effects of:		
Income not subject to tax	(76,085)	(33,925)
Losses not subject to tax	47,113	103,022
Expenses not deductible for tax purpose	21,889	22,335
Restriction on tax deductible expenses for unit trust funds	10,437	13,526
Tax expense for the financial year	<u>-</u>	<u>-</u>

14. Net Asset Value Attributable To Unitholders

	2019	2018
	RM	RM
Unitholders' capital	2,769,047	3,543,020
Accumulated losses		
- Realised deficits	(1,051,175)	(799,783)
- Unrealised deficits	(142,424)	(379,842)
Net asset value attributable to unitholders	<u>1,575,448</u>	<u>2,363,395</u>

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

15. Number Of Units In Circulation

	2019	2018
	No. Of Units	No. Of Units
At beginning of the financial year	5,963,000	6,500,000
Creation	79,000	644,000
Cancellation	(2,026,000)	(1,181,000)
At end of the financial year	<u>4,016,000</u>	<u>5,963,000</u>

16. Units Held By The Manager And Its Related Parties

	2019		2018	
	No. Of Units[^]	RM	No. Of Units[^]	RM
Manager	<u>2,664</u>	<u>1,045</u>	<u>1,615</u>	<u>640</u>

There were no units held by other related parties.

[^] 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 [#] RM	% Of Total Trades	Brokerage Fee* RM	% Of Total Brokerage Fees
J.P. Morgan Securities (Asia Pacific) Limited	3,138,333	33.74	11,215	39.70
DBS Vickers Securities (Singapore) Pte Ltd	3,024,975	32.52	7,665	27.13
Instinet LLC	1,247,023	13.40	2,089	7.39
CIMB Investment Bank Bhd	835,805	8.98	3,409	12.07
UOB Kay Hian Securities (M) Sdn Bhd	277,659	2.98	999	3.54
Hong Leong Investment Bank Bhd	249,851	2.69	920	3.26
RHB Investment Bank Bhd	216,470	2.33	772	2.73
Maybank Investment Bank Bhd	152,974	1.64	564	2.00
Nomura Securities Malaysia Sdn Bhd	148,963	1.60	575	2.04
Alliance Investment Bank Berhad	10,920	0.12	40	0.14
	9,302,973	100.00	28,248	100.00

[#] 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)	
	2019	2018
	RM	RM
+5/	63,915/	97,568/
(5)	<u>(63,915)</u>	<u>(97,568)</u>

(b) Interest Rate Risk

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

(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.

	Currency Risk Concentration		Changes In	Effect On Net
	RM	As A % Of	Currency	Asset Value
		Net Asset	Rates	Attributable To
		Value	%	Unitholders
				RM
2019				
USD	709,801	45.05	+5	35,490
HKD	243,171	15.44	+5	12,159
2018				
USD	826,044	34.95	+5	41,302
SGD	401,989	17.01	+5	20,099
HKD	361,667	15.30	+5	18,083

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 asset value and thus unit price. This risk is mitigated by setting counterparty limits and vigorous credit analyses.

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

(iii) Liquidity Risk

This risk occurs in thinly traded or illiquid securities. Should the Fund need to sell a relatively large amount of such securities, the act itself may significantly depress the selling price. The risk is minimised by maintaining a prudent level of liquid assets that allows the Fund to meet daily redemption of units without jeopardising potential returns.

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

20. Capital Management

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

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

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Growing Together

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

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growing together with
Pacific Mutual
for a brighter future.

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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 any e-mail or SMS that requires you to provide your personal information or to log in to Pacific Mutual's website through an e-mail link. Please ensure that the website you are accessing contains the correct address as below:
<https://www.pacificmutual.com.my/>

If in doubt or if you wish to clarify, please contact Pacific Mutual at 03-7712 3000 / 3197.

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 or call 03-7712 3197 | e-mail customer-care@pacificmutual.com.my