

BOSWM CASH FUND

ANNUAL REPORT
For the financial year ended 30 September 2021

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FUND INFORMATION**As At 30 September 2021**

Name Of Fund	: BOSWM Cash Fund (formerly known as Pacific Cash Fund)
Manager Of Fund	: BOS Wealth Management Malaysia Berhad 199501006861 (336059-U)
Launch Date	: 7 October 2005 The Fund will continue its operations until terminated as provided under Part 12 of the Deed.
Category Of Fund	: Money market
Type Of Fund	: Income
Investment Objective	: BOSWM Cash Fund aims to provide regular income [□] potentially higher than prevailing money market and savings rates, stability of capital and a high level of liquidity. [□] <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units.</i>
Performance Benchmark	: Since inception to 30 June 2007 – 3-Month Kuala Lumpur Interbank Offer Rate (KLIBOR) 1 July 2007 onwards – Maybank Overnight Repo Rate
Distribution Policy	: Income, if any, will be distributed monthly.
Fund size	: 1,997.25 million units

Breakdown Of Unitholdings	Size Of Holdings	No. Of Unitholders	% Of Unitholders	No. Of Units (million)
	5,000 units & below	19	16.52	0.05
	5,001-10,000 units	12	10.44	0.09
	10,001-50,000 units	37	32.17	0.99
	50,001-500,000 units	32	27.83	4.42
	500,001 units & above	15	13.04	1,991.70
	Total	115	100.00	1,997.25

FUND PERFORMANCE

Financial Highlights

Category	As At 30.9.2021	As At 30.9.2020	As At 30.9.2019
	%	%	%
Cash And Liquid Assets	100.00	100.00	100.00
Total	100.00	100.00	100.00
Net Asset Value (RM'000) - ex distribution	1,041,038	900,074	765,789
Number Of Units In Circulation (Units '000)	1,997,249	1,725,235	1,464,043
Net Asset Value Per Unit (RM)*	0.5213	0.5218	0.5231
Management Expense Ratio ("MER")	0.32%	0.32%	0.32%
Portfolio Turnover Ratio (times)	-#	-#	0.04

The Management Expense Ratio for the current financial year remains consistent with that of the previous financial year.

**The Fund only has placements with licensed financial institutions.*

Notes:

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

** Price quoted is ex-distribution.*

Performance Data

	01/10/2020 - 30/09/2021 1 Year's Period	01/10/2018 - 30/09/2021 3 Years' Period	01/10/2016 - 30/09/2021 5 Years' Period
BOSWM Cash Fund			
- Total Return	1.90%	8.56%	16.12%
- Average Return	1.90%	2.85%	3.22%
Maybank Overnight Repo Rate			
- Total Return	0.25%	3.02%	6.76%
- Average Return	0.25%	1.01%	1.35%

	01/10/2020 - 30/09/2021	01/10/2019 - 30/09/2020	01/10/2018 - 30/09/2019	01/10/2017 - 30/09/2018	01/10/2016 - 30/09/2017
BOSWM Cash Fund					
- Capital Return	-0.10%	-0.25%	0.06%	0.29%	0.33%
- Income Return	1.99%	3.23%	3.41%	3.10%	3.11%
- Total Return	1.90%	2.97%	3.47%	3.40%	3.45%
Maybank Overnight Repo Rate					
	0.25%	0.97%	1.78%	1.85%	1.75%

	01/10/2020 - 30/09/2021	01/10/2019 - 30/09/2020	01/10/2018 - 30/09/2019
Unit Prices			
Highest NAV (RM)	0.5227	0.5245	0.5277
Lowest NAV (RM)	0.5207*	0.5218	0.5230

Unit Splits	-	-	-
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Distributions

Gross Distribution Per Unit (sen)

01/10/2020 - 30/09/2021		01/10/2019 - 30/09/2020		01/10/2018 - 30/09/2019	
30/10/2020	0.110	31/10/2019	0.160	31/12/2018	0.400
30/11/2020	0.110	29/11/2019	0.160	29/03/2019	0.400
31/12/2020	0.110	31/12/2019	0.160	30/04/2019	0.160
29/01/2021	0.100	31/01/2020	0.155	31/05/2019	0.160
26/02/2021	0.090	28/02/2020	0.155	28/06/2019	0.160
31/03/2021	0.090	31/03/2020	0.140	31/07/2019	0.160
30/04/2021	0.090	30/04/2020	0.130	30/08/2019	0.160
31/05/2021	0.010	29/05/2020	0.130	30/09/2019	0.160
30/06/2021	0.080	30/06/2020	0.125		
30/07/2021	0.080	30/07/2020	0.115		
30/08/2021	0.080	28/08/2020	0.115		
30/09/2021	0.080	30/09/2020	0.115		

Net Distribution Per Unit (sen)

01/10/2020 - 30/09/2021		01/10/2019 - 30/09/2020		01/10/2018 - 30/09/2019	
30/10/2020	0.110	31/10/2019	0.160	31/12/2018	0.400
30/11/2020	0.110	29/11/2019	0.160	29/03/2019	0.400
31/12/2020	0.110	31/12/2019	0.160	30/04/2019	0.160
29/01/2021	0.100	31/01/2020	0.155	31/05/2019	0.160
26/02/2021	0.090	28/02/2020	0.155	28/06/2019	0.160
31/03/2021	0.090	31/03/2020	0.140	31/07/2019	0.160
30/04/2021	0.090	30/04/2020	0.130	30/08/2019	0.160
31/05/2021	0.010	29/05/2020	0.130	30/09/2019	0.160
30/06/2021	0.080	30/06/2020	0.125		
30/07/2021	0.080	30/07/2020	0.115		
30/08/2021	0.080	28/08/2020	0.115		
30/09/2021	0.080	30/09/2020	0.115		

* Price quoted is ex-distribution price.

Notes:

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

MANAGER'S REPORT
30 September 2021

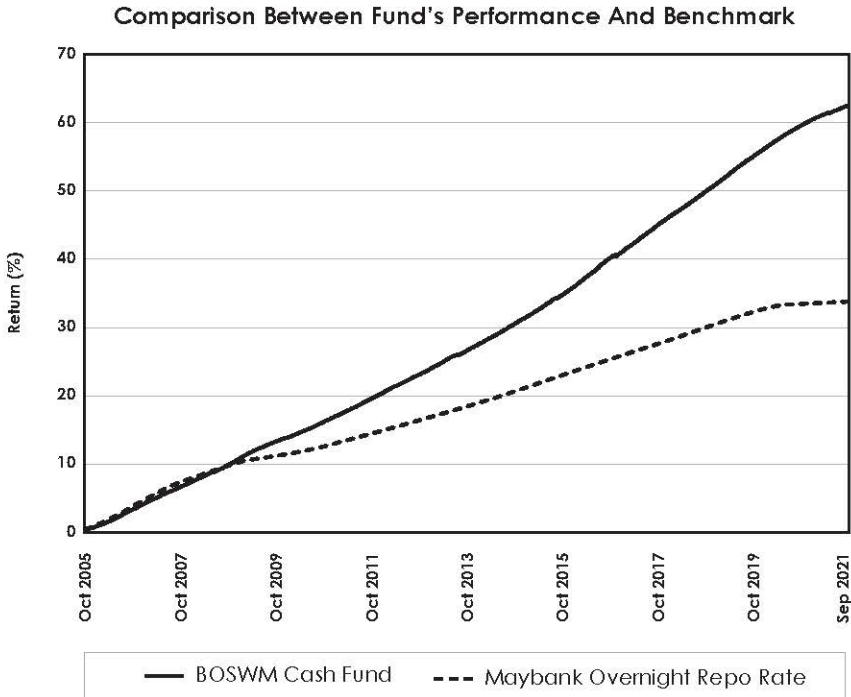
Performance Review

From 10 October 2005 (date of launch: 7 October 2005) to 30 September 2021, the BOSWM Cash Fund registered a total return of 62.58%, while its benchmark, the Maybank Overnight Repo rate, rose 33.64%.

For the financial year under review (1 October 2020 to 30 September 2021), the Fund registered a total return of 1.90%. In comparison, its benchmark rose 0.25%.

During the financial year under review, the Fund has met its investment objective of providing regular income[□] potentially higher than prevailing money market and savings rates, stability of capital and a high level of liquidity.

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

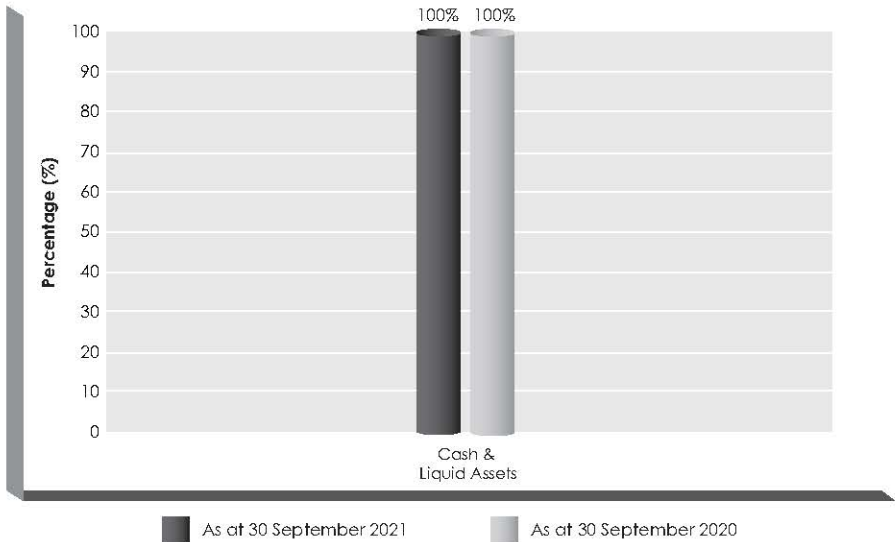


Source: Lipper

Investment Strategy Review

As at 30 September 2021, the portfolio was 100% invested in cash deposits. Cash rates were stable during the financial year as overnight policy rate (OPR) continues to hold at a record low level of 1.75%. The Fund sustained its outperformance due to its duration lengthening and active management along the maturity spectrum.

Asset Allocation



As at 30 September 2021, the BOSWM Cash Fund was 100% invested in cash deposits.

Analysis Of Net Asset Value

The net asset value (NAV) per unit of BOSWM Cash Fund decreased from RM0.5218 to RM0.5213 during the financial year under review. Meanwhile, total NAV of the Fund increased from RM900,074,248 to RM1,041,037,968 due to net fund inflows.

Market Review**Bond Market Review**

In line with upward trends in global rates underpinned by the reflationary narrative, local bond yields have risen sharply higher over the financial year. While trading momentum took a cue from stronger economic releases, selling pressures were largely contained by concerns over the spread of the Delta variant of COVID-19 and renewed nationwide lockdown which dampened economic activities for most of the second half of the financial year. The yield curve however settled higher with the 3-year rising by 47 basis points (bps) to 2.45% while the 10-year rose by 70 bps to 3.39% as market adjusted for supply expectations in addition to the Federal Reserve's (Fed) tapering plan which is expected to commence in November. Meanwhile, Bank Negara Malaysia maintained its policy accommodation throughout the financial year and remained encouraged by the rapid progress of the domestic vaccination programme and expectations of continued expansion in global demand to support the growth momentum going into 2022. Cash rates were mostly offered at a tight range as OPR was held steady at 1.75%.

Income Distribution

	<u>BOSWM Cash Fund</u>
Gross distribution per unit	1.030 sen (30.10.2020: 0.110 sen 30.11.2020: 0.110 sen 31.12.2020: 0.110 sen 29.1.2021: 0.100 sen 26.2.2021: 0.090 sen 31.3.2021: 0.090 sen 30.4.2021: 0.090 sen 31.5.2021: 0.010 sen 30.6.2021: 0.080 sen 30.7.2021: 0.080 sen 30.8.2021: 0.080 sen 30.9.2021: 0.080 sen)
Net distribution per unit	1.030 sen (30.10.2020: 0.110 sen 30.11.2020: 0.110 sen 31.12.2020: 0.110 sen 29.1.2021: 0.100 sen 26.2.2021: 0.090 sen 31.3.2021: 0.090 sen 30.4.2021: 0.090 sen 31.5.2021: 0.010 sen 30.6.2021: 0.080 sen 30.7.2021: 0.080 sen 30.8.2021: 0.080 sen 30.9.2021: 0.080 sen)
NAV per unit before declaration (as at 30 September 2021)	RM0.5221
NAV per unit after declaration (as at 30 September 2021)	RM0.5213
Unit Split Not applicable	

Significant Changes In The State Of Affairs Of The Fund

The following key changes were made to the Fund as per its first supplementary prospectus dated 6 October 2021:

	Prior	Amended
Minimum initial and additional investment amount	Initial = RM500 Additional = RM100	Initial = RM1,000,000 Additional = RM200,000 (Effective 31 October 2021)
Minimum balance of units	500 units or such sum as may be decided by the Trustee and the Manager from time to time.	2,000,000 units or such sum as may be decided by the Manager from time to time. (Effective 31 October 2021)

Other updates i.e. list of deeds, and segregation/split of Fund into two classes which will take effect on 15 December 2021 have also been included in the first supplementary prospectus of the Fund.

Circumstances That Materially Affect Interest Of Unitholders Nil

Soft Commissions

During the financial year under review, the Fund did not receive any soft commissions.

REPORT OF THE TRUSTEE

To the Unitholders of **BOSWM CASH FUND (formerly known as Pacific Cash Fund)**

We, **MTRUSTEE BERHAD**, being the Trustee of **BOSWM CASH FUND (formerly known as Pacific Cash Fund)** ("the Fund"), are of the opinion that in its capacity as Manager of the Fund, **BOS WEALTH MANAGEMENT MALAYSIA BERHAD** ("the Manager"), has managed the Fund for the financial year ended 30 September 2021 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 has been carried out in accordance with the Deeds and relevant regulatory requirements;
- (c) creation and cancellation of units are carried out in accordance with the Deeds and relevant regulatory requirements; and
- (d) the distribution of income by the Fund is appropriate and reflects the investment objectives of the Fund.

For and on behalf of the Trustee
MTRUSTEE BERHAD



NURIZAN JALIL
Chief Executive Officer

Selangor, Malaysia
17 November 2021

STATEMENT BY THE MANAGER

We, **TEH CHI-CHEUN** and **TAN AI CHIN**, being two of the Directors of **BOS WEALTH MANAGEMENT MALAYSIA BERHAD**, do hereby declare that, in the opinion of the Manager, the accompanying financial statements set out on pages 18 to 34 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 **BOSWM CASH FUND (formerly known as Pacific Cash Fund)** as at 30 September 2021 and of its results, changes in net asset value and cash flows for the financial year then ended.

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

**TEH CHI-CHEUN****TAN AI CHIN**

Kuala Lumpur, Malaysia
17 November 2021

INDEPENDENT AUDITORS' REPORT

To the Unitholders of **BOSWM CASH FUND (formerly known as Pacific Cash Fund)**

Report On The Audit Of The Financial Statements

Opinion

We have audited the financial statements of BOSWM Cash Fund (formerly known as Pacific Cash Fund ("the Fund")), which comprise the statement of financial position as at 30 September 2021, statement of comprehensive income, statement of changes in net asset value and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 18 to 34.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 September 2021, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis For Opinion

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

Independence And Other Ethical Responsibilities

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

Information Other Than The Financial Statements And Auditors' Report Thereon

The Manager 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 is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities For The Audit Of The Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other Matters

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

Ernst & Young PLT

ERNST & YOUNG PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
17 November 2021

Brandon Bruce Sta Maria

BRANDON BRUCE STA MARIA
No. 02937/09/2023 J
Chartered Accountant

STATEMENT OF FINANCIAL POSITION
As At 30 September 2021

	Note	2021 RM	2020 RM
Assets			
Interest receivable		3,961,490	10,433,821
Cash and cash equivalents	3	1,038,960,245	891,845,685
Total Assets		<u>1,042,921,735</u>	<u>902,279,506</u>
Liabilities			
Amount due to Manager	4	253,400	197,018
Other payables		32,568	24,219
Distribution payable	10	1,597,799	1,984,021
Total Liabilities		<u>1,883,767</u>	<u>2,205,258</u>
Net Asset Value ("NAV") Of The Fund		<u>1,041,037,968</u>	<u>900,074,248</u>
Equity			
Unitholders' capital		1,017,303,369	884,792,256
Retained earnings		23,734,599	15,281,992
NAV Attributable To Unitholders	11	<u>1,041,037,968</u>	<u>900,074,248</u>
Total Equity And Liabilities		<u>1,042,921,735</u>	<u>902,279,506</u>
Number Of Units In Circulation (Units)	12	<u>1,997,248,974</u>	<u>1,725,234,800</u>
Net Asset Value Per Unit (ex-distribution)	11	<u>RM0.5213</u>	<u>RM0.5218</u>

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

STATEMENT OF COMPREHENSIVE INCOME
For The Financial Year Ended 30 September 2021

	Note	2021 RM	2020 RM
Investment Income			
Interest income		<u>25,882,527</u>	<u>25,580,911</u>
		<u>25,882,527</u>	<u>25,580,911</u>
Expenses			
Audit fee		7,100	7,100
Tax agent's fee		3,000	3,000
Manager's fee	5	3,600,305	2,373,321
Trustee's fee	6	240,020	158,221
Administration expenses		12,706	7,367
		<u>3,863,131</u>	<u>2,549,009</u>
Net Income Before Taxation		22,019,396	23,031,902
Taxation	9	-	-
Net Income After Taxation		<u>22,019,396</u>	<u>23,031,902</u>
Total Comprehensive Income		<u>22,019,396</u>	<u>23,031,902</u>
Total Comprehensive Income			
Is Made Up As Follows:			
Realised income		<u>22,019,396</u>	<u>23,031,902</u>
		<u>22,019,396</u>	<u>23,031,902</u>

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

STATEMENT OF CHANGES IN NET ASSET VALUE
For The Financial Year Ended 30 September 2021

	Note	Unitholders' Capital RM	Retained Earnings RM	NAV Attributable To Unitholders RM
At 1 October 2019		754,813,08	10,976,148	765,789,228
Net income after taxation		-	23,031,902	23,031,902
Creation of units		308,683,826	-	308,683,826
Cancellation of units		(172,024,750)	-	(172,024,750)
Distribution	10	(6,679,900)	(18,726,058)	(25,405,958)
At 30 September 2020		<u>884,792,256</u>	<u>15,281,992</u>	<u>900,074,248</u>
At 1 October 2020		884,792,256	15,281,992	900,074,248
Net income after taxation		-	22,019,396	22,019,396
Creation of units		2,068,454,279	-	2,068,454,279
Cancellation of units		(1,924,858,465)	-	(1,924,858,465)
Distribution	10	(11,084,701)	(13,566,789)	(24,651,490)
At 30 September 2021		<u>1,017,303,369</u>	<u>23,734,599</u>	<u>1,041,037,968</u>

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

STATEMENT OF CASH FLOWS
For The Financial Year Ended 30 September 2021

	2021 RM	2020 RM
Cash Flows From Operating And Investing Activities		
Interest received	32,354,858	25,115,164
Manager's fee paid	(3,535,801)	(2,385,900)
Trustee's fee paid	(235,720)	(159,060)
Payment for other fees and expenses	(18,758)	(16,619)
Net cash generated from operating and investing activities	<u>28,564,579</u>	<u>22,553,585</u>
Cash Flows From Financing Activities		
Cash proceeds from units created	2,068,454,279	308,683,826
Cash paid on units cancelled	(1,924,866,587)	(214,566,331)
Distributions paid	(25,037,711)	(25,764,407)
Net cash generated from financing activities	<u>118,549,981</u>	<u>68,353,088</u>
Net Increase In Cash And Cash Equivalents	147,114,560	90,906,673
Cash And Cash Equivalents At Beginning Of Financial Year	891,845,685	800,939,012
Cash And Cash Equivalents At End Of Financial Year	<u>1,038,960,245</u>	<u>891,845,685</u>
Cash And Cash Equivalents Comprise:		
Cash at banks	56,560,245	129,355,685
Deposits with financial institutions	982,400,000	762,490,000
	<u>1,038,960,245</u>	<u>891,845,685</u>

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

NOTES TO THE FINANCIAL STATEMENTS**30 September 2021****1. The Fund, The Manager And Their Principal Activities**

BOSWM Cash Fund (formerly known as Pacific Cash Fund) (hereinafter referred to as "the Fund") was constituted pursuant to the execution of a Deed dated 23 September 2005 as amended by the First Supplemental Deed dated 14 February 2006, Second Supplemental Deed dated 28 June 2007, Supplemental Master Deed dated 22 May 2009, Second Supplemental Master Deed dated 14 December 2009, Third Supplemental Master Deed dated 26 April 2010, Fourth Supplemental Master Deed dated 8 January 2014, Fifth Supplemental Master Deed dated 7 July 2017, Sixth Supplemental Master Deed dated 22 November 2018, Seventh Supplemental Master Deed dated 22 January 2019, Eighth Supplemental Master Deed dated 20 May 2020, Ninth Supplemental Master Deed dated 6 November 2020, Tenth Supplemental Master Deed dated 25 November 2020 and Eleventh Supplemental Master Deed dated 17 Aug 2021 (hereinafter referred to as "the Deeds") made between the Manager, BOS Wealth Management Malaysia Berhad, the Trustee, MTrustee Berhad for the registered holders of the Fund.

The principal activity of the Fund is to invest in "Permitted Investments" as defined in the Deeds, which include deposits with financial institutions and money market instruments as approved by the Securities Commission Malaysia. The Fund was launched on 7 October 2005 and will continue its operations until terminated as provided in the Deeds.

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

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

The principal activities of the Manager are the establishment and management of unit trust funds as well as the management of private investment mandates. The Manager received approval from the Securities Commission Malaysia to include the regulated activity of investment advice under the variation of its Capital Markets Services License on 25 October 2019. The Manager registered to be an Institutional Unit Trust Adviser with the Federation of Investment Managers Malaysia on 13 November 2019. As at end of the current financial year, no transactions relating to investment advice and marketing and distribution of third party funds were performed by the Manager.

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the Directors on 17 November 2021.

2. Summary Of Significant Accounting Policies

(a) Basis Of Preparation

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

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

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

Standards issued but not yet effective:

	Effective for annual periods beginning on or after
Amendments to MFRS 16 <i>Covid-19-Related Rent Concessions beyond 30 June 2021*</i>	1 April 2021
Amendments to MFRSs contained in the document entitled " <i>Annual Improvements to MFRS Standards 2018-2020</i> "	1 January 2022
Reference to the Conceptual Framework (<i>Amendments to MFRS 3 Business Combinations</i>)*	1 January 2022
Property, Plant and Equipment – Proceeds before Intended Use (<i>Amendments to MFRS 116 Property, Plant and Equipment</i>)*	1 January 2022
Onerous Contracts - Cost of Fulfilling a Contract (<i>Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets</i>)	1 January 2022
Amendments to MFRS 101: <i>Presentation of Financial Statements Classification of Liabilities as Current or Non-Current</i>	1 January 2023

Amendments to MFRS 101: <i>Disclosure of Accounting Policies</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i> *	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i> *	1 January 2023
Amendments to MFRS 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> *	Deferred

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

(b) Functional And Presentation Currency

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

(c) Financial Instruments

The Fund recognises financial assets and financial liabilities in the Statement of Financial Position on the date it becomes a party to the contractual provisions of the instruments.

Regular way purchase and sales of all categories of investments in financial instruments are recognised on trade dates i.e. dates on which the Fund commits to purchase or sell the financial instruments.

Financial Assets

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss ("FVTPL") on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(i) *Financial Assets At Amortised Cost*

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Receivables are classified as financial assets at amortised cost. They are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These include cash and cash equivalents, amount due from Manager, broker/dealers and other receivables.

(ii) *Financial Assets At FVTPL*

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest ("SPPI") on the principal amount outstanding; or
- (b) It is held within a business model whose objective is to sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Fund includes in this category its Permitted Investments. These include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

Financial Liabilities

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

(d) 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.

(e) Impairment Of Financial Assets

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

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

(f) Income Recognition

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

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

Interest income, accretion of discount and amortisation of premium are recognised using the effective interest method on an accrual basis.

(g) Cash And Cash Equivalents

Cash and cash equivalents comprise cash at banks and deposits with licensed financial institutions with original maturities of 3 months or less which have an insignificant risk of changes in value.

(h) 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.

(i) 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.

(j) Distribution

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

(k) 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.

(l) 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. Cash And Cash Equivalents

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

	2021 RM	2020 RM
Cash at bank with a financial institution related to the Manager, OCBC Bank (M) Berhad	<u>56,560,245</u>	<u>129,355,685</u>
Deposits with licensed financial institutions:		
- Commercial banks	882,400,000	753,790,000
- Investment bank	<u>100,000,000</u>	<u>8,700,000</u>
	<u>982,400,000</u>	<u>762,490,000</u>
Cash and cash equivalents	<u>1,038,960,245</u>	<u>891,845,685</u>

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

	Weighted Average Effective Interest Rate (% Per Annum)		Weighted Average Remaining Maturity (Days)	
	2021	2020	2021	2020
	Deposits with licensed financial institutions:			
- Commercial banks	2.16	2.97	69	143
- Investment bank	<u>2.03</u>	<u>3.30</u>	<u>41</u>	<u>75</u>

4. Amount Due To Manager

The amount due to Manager represents amount payable for units cancelled and amount payable for management fee.

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

5. Manager's Fee

The Manager's fee provided in the financial statements is computed at 0.3% (2020: 0.3%) per annum of the NAV attributable to unitholders of the Fund, calculated on a daily basis as agreed by the Trustee and the Manager.

6. Trustee's Fee

The Trustee's fee provided in the financial statements is computed at 0.02% (2020: 0.02%) per annum of the NAV attributable to unitholders of the Fund, calculated on a daily basis.

7. Portfolio Turnover Ratio

	2021	2020
Portfolio turnover ratio ("PTR")	_*	_*

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 Fund only has placements with licensed financial institutions.*

8. Management Expense Ratio

	2021	2020
Management expense ratio ("MER")	0.32%	0.32%

MER is the ratio of expenses of the Fund expressed as a percentage of the average NAV attributable to unitholders of the Fund for the financial year calculated on a daily basis. The MER for the current financial year remains consistent with that of the previous financial year.

The MER does not include brokerage and other transaction fees.

9. Taxation

	2021 RM	2020 RM
Malaysian income tax: Current financial year's provision	-	-

Income tax is calculated at the Malaysian statutory rate of taxation of 24% (2020: 24%) of the estimated assessable income for the financial year.

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

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

	2021 RM	2020 RM
Net income before taxation	<u>22,019,396</u>	<u>23,031,902</u>
Taxation at Malaysian statutory rate of 24%	5,284,655	5,527,656
Tax effects of:		
Income not subject to tax	(6,211,807)	(6,139,419)
Expenses not deductible for tax purpose	59,595	39,471
Restriction on tax deductible expenses for unit trust funds	867,557	572,292
Tax expense for the financial year	<u>-</u>	<u>-</u>

10. Distribution

Distributions paid/payable to unitholders during the financial year are as follows:

Payment Dates	Gross Distribution Per Unit (sen)	Net Distribution Per Unit (sen)	Distribution Amount RM
2021			
1 November 2020	0.11	0.11	1,982,289
1 December 2020	0.11	0.11	1,975,192
4 January 2021	0.11	0.11	2,177,709
2 February 2021	0.10	0.10	2,214,464
1 March 2021	0.09	0.09	2,257,214
1 April 2021	0.09	0.09	4,256,718
3 May 2021	0.09	0.09	2,724,216
1 June 2021	0.01	0.01	229,152
1 July 2021	0.08	0.08	1,985,421
2 Aug 2021	0.08	0.08	1,661,763
1 Sept 2021	0.08	0.08	1,589,553
1 October 2021	0.08	0.08	1,597,799
Total	<u>1.03</u>	<u>1.03</u>	<u>24,651,490</u>

Payment dates	Gross Distribution Per Unit (sen)	Net Distribution Per Unit (sen)	Distribution Amount RM
2020			
1 November 2019	0.16	0.16	2,377,344
3 December 2019	0.16	0.16	2,382,265
2 January 2020	0.16	0.16	2,393,817
3 February 2020	0.16	0.16	2,350,297
2 March 2020	0.16	0.16	2,286,314
1 April 2020	0.14	0.14	2,155,824
30 April 2020	0.13	0.13	2,016,729
29 May 2020	0.13	0.13	2,021,987
30 June 2020	0.13	0.13	1,964,790
31 July 2020	0.12	0.12	1,756,079
28 August 2020	0.12	0.12	1,716,492
01 October 2020	0.12	0.12	1,984,020
Total	<u>1.66</u>	<u>1.66</u>	<u>25,405,958</u>

	2021 RM	2020 RM
Interest income	15,875,702	20,763,495
Previous financial years' realised income	-	342,826
Distribution equalisation	11,084,701	6,679,900
	<u>26,960,403</u>	<u>27,786,221</u>
Less:		
Expenses	<u>(2,308,913)</u>	<u>(2,380,263)</u>
	<u>24,651,490</u>	<u>25,405,958</u>

Gross distribution per unit (sen)	1.03	1.66
Net distribution per unit (sen)	1.03	1.66

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

	2021 RM	2020 RM
Unitholders' capital	1,017,303,369	884,792,256
- Realised reserves	23,734,599	15,281,992
NAV attributable to unitholders	<u>1,041,037,968</u>	<u>900,074,248</u>

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

12. Number Of Units In Circulation

	2021	2020
	No. Of Units	No. Of Units
At beginning of the financial year	1,725,234,800	1,464,043,274
Creation	3,963,745,305	590,326,564
Cancellation	<u>(3,691,731,131)</u>	<u>(329,135,038)</u>
At end of the financial year	<u>1,997,248,974</u>	<u>1,725,234,800</u>

13. Units Held By The Manager And Its Related Parties

	2021		2020	
	No. Of Units	RM	No. Of Units	RM
Holding Company Of The Manager	<u>1,377,126,843</u>	<u>717,896,224</u>	<u>1,321,370,360</u>	<u>689,491,054</u>

There were no units held by the Manager.

14. 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 %
Public Investment Bank Berhad	1,586,490,000	27.74
Public Bank Bhd	1,014,000,000	17.73
AmBank (M) Bhd	668,190,000	11.68
Amlslamic Bank Berhad	649,600,000	11.36
CIMB Bank Berhad	438,890,000	7.67
RHB Bank Bhd	373,700,000	6.53
RHB Islamic Bank Berhad	359,100,000	6.28
China Construction Bank (Malaysia) Berhad	343,300,000	6.00
Kenanga Investment Bank Berhad	164,700,000	2.88
Kuwait Finance House (Malaysia) Berhad	105,600,000	1.85
KAF Investment Bank Bhd	16,000,000	0.28
	<u>5,719,570,000</u>	<u>100.00</u>

The transactions above are with non related parties.

15. 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 various financial institutions and ensuring optimal tenure allocation of deposits with licensed financial institutions.

(a) Interest Rate Risk

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

(ii) Credit Risk

The Fund's principal exposure to credit risk arises primarily due to changes in the financial conditions of an issuer or a counterparty to make payment of principals, interest and proceeds from realisation of investments. Such events can lead to loss of capital or delayed or reduced income for the Fund resulting in a reduction in the Fund's NAV and thus, unit price. This risk is mitigated by setting counterparty limits and vigorous credit analyses.

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

(iii) Liquidity Risk

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

The maturity of the Fund's financial liabilities fall due within three months while the NAV attributable to unitholders are payable on demand.

(iv) Specific Risk

The Fund is exposed to the individual risks of the respective companies issuing securities which includes changes to the business performance of the company, consumer tastes and demands, lawsuits and management practices. This risk is minimised through the diversification of the portfolio of investments of the Fund.

(v) Single Issuer Risk

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

16. Operating Segment

All of the Fund's investments are in local money market instruments and, as such, there are no separately identifiable business and geographical segments.

17. Capital Management

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

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

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BOS WEALTH MANAGEMENT MALAYSIA BERHAD 199501006861 (336059-U)

A subsidiary of Bank of Singapore

1001, Level 10, Uptown 1,
No. 1 Jalan SS21/58, Damansara Uptown,
47400 Petaling Jaya, Selangor
Tel: 03-7712 3000 Fax: 03-7712 3001
customercare@boswm.com
www.boswealthmanagement.com.my

INSTITUTIONAL UNIT TRUST ADVISER

Phillip Mutual Bhd 200201002746 (570409-K)

Tel: 03-2783 0300

Our IUTA may not carry the complete set of our Funds. Investments made via our IUTA may be subject to different terms and conditions.

IMPORTANT NOTICES

Beware of phishing scams

Kindly be alert of any email or SMS that requires you to provide your personal information and/or to login to your account via an unsolicited link. Do not click on email links or URLs without verifying the sender of the email. Please ensure the actual internet address is displayed i.e. www.boswealthmanagement.com.my

If you suspect your account may be compromised and/or would like to seek clarification, please contact us as above.

Update of particulars

Investors are advised to furnish us with updated personal details on a timely basis. You may do so by downloading and completing the Update of Particulars Form available at www.boswealthmanagement.com.my, and e-mail to customercare@boswm.com. Alternatively, you may call us as above.