

Fund Information

Fund Name

Public Far-East Alpha-30 Fund (PFA30F)

Fund Category

Equity

Fund Investment Objective

To achieve capital appreciation over the medium to long term period by investing in the domestic and regional markets.

Fund Performance Benchmark

The benchmarks of the Fund and their respective percentages are 80% customised index by MSCI based on the Top 30 constituents of MSCI AC Far-East Ex-Japan Index, 10% Tokyo Stock Price Index (TOPIX) and 10% 3-Month Kuala Lumpur Interbank Offered Rate (KLIBOR).

Source: MSCI. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, Public Mutual Berhad. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all the warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Fund Distribution Policy

Incidental

Breakdown of Unitholdings of PFA30F as at 31 May 2018

| Size of holdings | No. of unitholders | % of unitholders | No. of units held (million) |
|-------------------|--------------------|------------------|-----------------------------|
| 5,000 and below | 2,173 | 16.88 | 7 |
| 5,001 to 10,000 | 1,549 | 12.03 | 11 |
| 10,001 to 50,000 | 5,725 | 44.47 | 145 |
| 50,001 to 500,000 | 3,332 | 25.88 | 420 |
| 500,001 and above | 96 | 0.74 | 124 |
| Total | 12,875 | 100.00 | 707 |

Note: Excluding Manager's Stock.

Fund Performance

Average Total Return for the Following Years Ended 31 May 2018

| | Average Total Return of PFA30F (%) |
|---------|------------------------------------|
| 1 Year | 11.35 |
| 3 Years | 14.50 |
| 5 Years | 18.99 |

Fund Performance

For the Financial Period Ended 31 May 2018

Annual Total Return for the Financial Years Ended 30 November

| Year | 2017 | 2016 | 2015 | 2014 | 2013 |
|------------|-------|-------|-------|------|-------|
| PFA30F (%) | 23.10 | 15.08 | 19.07 | 5.98 | 16.37 |

The calculation of the above returns is based on computation methods of Lipper.

Notes:

- Total return** of the Fund is derived by this formulae:

$$\left(\frac{\text{End of Period FY}_{\text{Current Year}} \text{ NAV per unit}}{\text{End of Period FY}_{\text{Previous Year}} \text{ NAV per unit}} \right) - 1$$

(Adjusted for unit split and distribution paid out for the period)

The above total return of the Fund was sourced from Lipper.

- Average total return is derived by this formulae:

$$\frac{\text{Total Return}}{\text{Number of Years Under Review}}$$

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

Other Performance Data for the Past Three Financial Periods Ended 31 May

| | 2018 | 2017 | 2016 |
|---|--------------|--------------|--------------|
| Unit Prices (MYR) | | | |
| Highest NAV per unit for the period | 0.4755 | 0.4068 | 0.3217 |
| Lowest NAV per unit for the period | 0.4296 | 0.3513 | 0.2746 |
| Net Asset Value (NAV) and Units in Circulation (UIC) as at the End of the Period | | | |
| Total NAV (MYR'000) | 317,097 | 158,372 | 97,772 |
| UIC (in '000) | 707,114 | 393,241 | 318,758 |
| NAV per unit (MYR) | 0.4484 | 0.4027 | 0.3067 |
| Total Return for the Period (%) | -0.18 | 10.36 | -3.67 |
| Capital growth (%) | 0.11 | 10.64 | -3.42 |
| Income (%) | -0.29 | -0.25 | -0.26 |
| Management Expense Ratio (%) | 1.65 | 1.71 | 1.72 |
| Portfolio Turnover Ratio (time) | 0.18 | 0.21 | 0.18 |

Notes: Management Expense Ratio is calculated by taking the total management expenses expressed as an annual percentage of the Fund's average net asset value.

Portfolio Turnover Ratio is calculated by taking the average of the total acquisitions and disposals of the investments in the Fund for the period over the average net asset value of the Fund calculated on a daily basis.

Fund Performance

For the Financial Period Ended 31 May 2018

Asset Allocation for the Past Three Financial Periods

| | As at 31 May (Percent of NAV) | | |
|---------------------------------------|----------------------------------|-------------|-------------|
| | 2018 % | 2017 % | 2016 % |
| EQUITY SECURITIES | | | |
| Quoted | | | |
| Outside Malaysia | | | |
| Hong Kong | | | |
| Communications | 9.7 | 13.9 | 16.8 |
| Consumer, Cyclical | 1.0 | 0.8 | 2.7 |
| Diversified | 1.7 | 2.2 | 2.8 |
| Energy | 1.9 | 1.2 | 1.9 |
| Financial | 23.7 | 23.4 | 22.2 |
| Industrial | 1.1 | 2.5 | 1.0 |
| Technology | - | - | 0.9 |
| | 39.1 | 44.0 | 48.3 |
| Indonesia | | | |
| Industrial | - | 0.8 | - |
| Korea | | | |
| Communications | - | - | 1.6 |
| Consumer, Cyclical | - | 1.3 | 2.5 |
| Technology | 10.0 | 8.9 | 8.1 |
| | 10.0 | 10.2 | 12.2 |
| Singapore | | | |
| Communications | 1.0 | - | 2.1 |
| Diversified | 1.2 | 1.0 | - |
| Financial | 4.0 | 1.5 | 0.9 |
| | 6.2 | 2.5 | 3.0 |
| Taiwan | | | |
| Consumer, Cyclical | - | - | 2.4 |
| Industrial | 2.1 | 2.8 | 0.7 |
| Technology | 7.8 | 7.9 | 9.8 |
| | 9.9 | 10.7 | 12.9 |
| United States | | | |
| Communications | 14.1 | 11.3 | 3.2 |
| Technology | 0.7 | 1.1 | - |
| | 14.8 | 12.4 | 3.2 |
| TOTAL QUOTED EQUITY SECURITIES | 80.0 | 80.6 | 79.6 |

Fund Performance

For the Financial Period Ended 31 May 2018

Asset Allocation for the Past Three Financial Periods (cont'd)

| | As at 31 May (Percent of NAV) | | |
|---|----------------------------------|------------|-------------|
| | 2018 % | 2017 % | 2016 % |
| COLLECTIVE INVESTMENT FUNDS | | | |
| Quoted | | | |
| Outside Malaysia | | | |
| Japan | | | |
| Funds | 9.8 | 9.3 | 10.1 |
| TOTAL QUOTED COLLECTIVE INVESTMENT FUNDS | 9.8 | 9.3 | 10.1 |
| DEPOSITS WITH FINANCIAL INSTITUTIONS | 6.0 | 8.2 | 8.4 |
| OTHER ASSETS & LIABILITIES | 4.2 | 1.9 | 1.9 |

Manager's Report

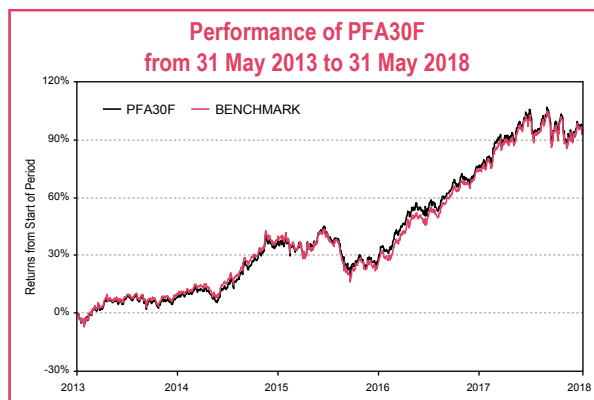
Overview

This Interim Report covers the financial period from 1 December 2017 to 31 May 2018.

Public Far-East Alpha-30 Fund (PFA30F or the Fund) aims to achieve capital appreciation over the medium to long term period by investing in the domestic and regional markets.

For the financial period under review, the Fund registered a return of -0.18% as compared to its Benchmark's return of +0.24%. The Fund's equity portfolio registered a return of +0.71% while its money market portfolio registered a return of +1.59% during the financial period under review. A detailed performance attribution analysis is provided in the sections below.

For the five financial years ended 31 May 2018, the Fund registered a total cumulative return of +95.00% and outperformed its Benchmark's return of +93.96% over the same period.



The Fund's Benchmark is a composite index of 80% customised index by MSCI based on the Top 30 constituents of MSCI AC Far-East Ex-Japan Index, 10% Tokyo Stock Price Index and 10% 3-Month Kuala Lumpur Interbank Offered Rate (KLIBOR).

Effect of Distribution Reinvestment on Portfolio Exposures

There were no distributions declared for the period ended 31 May 2018.

Change in Portfolio Exposures from 30-Nov-17 to 31-May-18

| | 30-Nov-17 | 31-May-18 | Change | Average Exposure |
|-------------------------------|-----------|-----------|--------|------------------|
| Equities & Related Securities | 90.1% | 89.8% | -0.3% | 89.63% |
| Money Market | 9.9% | 10.2% | +0.3% | 10.37% |

Manager's Report

Returns Breakdown by Asset Class

| | Returns On Investments | Market / Benchmark Returns | Benchmark Index Used | Average Exposure | Attributed Returns |
|---------------------------------|------------------------|----------------------------|---------------------------------|------------------|--------------------|
| Equities & Related Securities | 0.71% | 0.01% | Equity Benchmark Overnight Rate | 89.63% | 0.64% |
| Money Market | 1.59% | 1.54% | | 10.37% | 0.16% |
| less: Expenses | | | | | -0.98% |
| Total Net Return for the Period | | | | | -0.18% |

Overnight Rate = Bank Negara Weighted Average Overnight Interbank Rate

Equity Portfolio Review

For the financial period under review, the Fund's equity portfolio registered a return of +0.71% and outperformed the Benchmark's return of +0.01%. The Fund's equity portfolio outperformed the equity Benchmark as the Fund's selected holdings within the Financial and Industrial sectors outperformed the broader markets during the financial period under review.

The Fund commenced the financial period under review with an equity weight of 90.1% and maintained a relatively high equity weight of over 85% over the financial period under review to capitalise on investment opportunities in the regional markets. The Fund ended the financial period under review with an equity exposure of 89.8%. Based on an average equity exposure of 89.63%, the Fund's equity portfolio is deemed to have registered a return of +0.64% to the Fund as a whole for the financial period under review. A full review of the performance of the equity markets is tabled in the following sections.

Country Allocation

In terms of country allocation within the equity portfolio, the top 5 countries accounted for 83.6% of the Net Asset Value (NAV) of the Fund and 93.1% of the Fund's equity portfolio. The weightings of the top 5 countries are in the following order: Hong Kong (39.1%), the United States (14.8%), Korea (10.0%), Taiwan (9.9%) and Japan (9.8%).

Money Market Portfolio Review

During the financial period under review, the Fund's money market portfolio, which was invested primarily in deposits, yielded a return of +1.59%. In comparison, the Bank Negara Weighted Average Overnight Interbank Rate (Overnight Rate) registered a return of +1.54% over the same period.

During the financial period under review, the Fund's exposure to money market investments increased from 9.9% to 10.2% following the inflow of new funds. Based on an average exposure of 10.37%, the money market portfolio is estimated to have contributed +0.16% to the Fund's overall return for the financial period under review.

Manager's Report

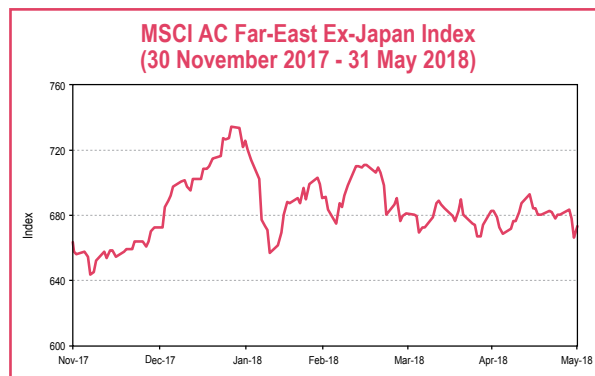
Stock Market Review

Commencing the financial period under review at 1,717.86 points, the FTSE Bursa Malaysia KLCI (FBM KLCI) strengthened in December 2017 and January 2018 on the back of firmer oil prices and buying interest from foreign investors. In early February 2018, the Index fell in tandem with global equity markets due to concerns over the prospect of higher-than-expected interest rates in the U.S. The Index subsequently rebounded to an all-time closing high of 1,895.18 points on 19 April 2018 amid net foreign inflows before easing in early May 2018 on cautious sentiment in the run-up to Malaysia's 14th General Election. Post-election, the local market moved in a trading range before trending lower in late May 2018, weighed by foreign selling amid the outflow of funds from the emerging markets. The FBM KLCI closed at 1,740.62 points to register a gain of 1.32% for the financial period under review.

The regional equity markets, as proxied by the Morgan Stanley Capital International All Country Far-East Ex-Japan (MSCI FExJ) Index, commenced the financial period under review at 657.62 points. The Index moved higher in December 2017, driven by improving liquidity conditions in China, a rosier global economic outlook, robust corporate earnings as well as the strengthening of regional currencies against the U.S. Dollar.

The MSCI FExJ Index started 2018 on a strong note but retreated in February to May 2018, weighed by concerns over the prospect of faster-than-expected interest rate hikes in the U.S. as well as trade tensions between the U.S. and China. The MSCI FExJ Index closed at 673.29 points to register a gain of 2.38% (-0.36% in Ringgit terms) for the financial period under review.

Regional markets, namely the Hong Kong, Taiwan, Singapore, Japan, Korea and Indonesia markets, registered returns of +1.19%, +0.33%, -2.14%, -2.25%, -3.87% and -4.76% (in Ringgit terms) respectively for the financial period under review.



The U.S. equity market, as proxied by the Standard & Poor's (S&P) 500 Index, commenced the financial period under review at 2,647.58 points. The Index rallied in December 2017 as the U.S. tax reform bill was approved by Congress and signed into law by President Trump. Optimism over the impact of the new tax legislation as well as upward corporate earnings revisions bolstered the Index to a record high of 2,872.87 points on 26 January 2018.

Manager's Report

The S&P 500 Index corrected in February 2018 amid concerns over inflationary pressures and the prospect of faster-than-expected interest rate hikes in the U.S. The Index slid further in March 2018 amid escalating trade tensions between the U.S. and China before rebounding in April and May 2018 as trade tensions eased and corporate earnings remained robust. The S&P 500 Index closed at 2,705.27 points to register a gain of 2.18% (-0.56% in Ringgit terms) for the financial period under review.

Money Market Review

The Overnight Rate commenced the financial period under review at 2.99% and ended the financial period under review higher at 3.22%.

Economic Review

Singapore's GDP growth strengthened from 3.6% in 2017 to 4.4% in 1Q 2018, helped by robust services activities. Singapore's inflation rate edged down to 0.2% in the first four months of 2018 from 0.6% in 2017 amid moderating transportation costs and food prices.

Indonesia's economic growth was sustained at 5.1% in 1Q 2018 compared to a similar growth rate in 2017 on the back of resilient domestic demand. The inflation rate eased to 3.3% in the first four months of 2018 from 3.8% in 2017 due to moderating housing and transportation costs. To stabilise the Rupiah and stem capital outflows, Bank Indonesia (BI) raised its benchmark interest rate by 50 basis points (bps) to 4.75% in May 2018.

In North Asia, China's GDP growth inched down from 6.9% in 2017 to 6.8% in 1Q 2018 following a moderation in the services sector. The services sector's growth eased from 8.0% in 2017 to 7.5% in 1Q 2018 amid softer growth in financial activities and trade. Driven by higher food prices, China's inflation rate climbed to 2.1% in the first four months of 2018 from 1.6% in 2017. To support China's economic activities, the People's Bank of China (PBoC) maintained its lending rate at 4.35%.

Hong Kong's GDP growth gained pace from 3.8% in 2017 to 4.7% in 1Q 2018 due to higher consumer and investment spending. The inflation rate firmed to 2.3% in the first four months of 2018 from 1.5% in 2017 on the back of higher food prices and housing costs. To curb elevated residential property prices, Hong Kong's government introduced additional tightening measures in May 2017.

Japan's GDP growth eased from 1.7% in 2017 to 1.0% in 1Q 2018 amid slower consumer spending and export growth. Driven by higher food prices and transportation costs, the inflation rate climbed to 1.1% in the first four months of 2018 from 0.5% in 2017. To support economic growth, the Bank of Japan left its interest rate unchanged at -0.1%.

Weighed by slower investment spending and export growth, South Korea's GDP growth eased from 3.1% in 2017 to 2.8% in 1Q 2018. The inflation rate softened to 1.3% in the first four months of 2018 from 1.9% in 2017 due to moderating food prices and transportation costs. To maintain economic growth, the Bank of Korea held its benchmark interest rate at 1.50%.

Taiwan's GDP growth inched up from 2.9% in 2017 to 3.0% in 1Q 2018 amid higher consumer and government spending. Taiwan's inflation rate climbed to 1.7% in the first four months of 2018 from 0.6% in 2017 on the back of higher food prices and housing costs. Taiwan's central bank left its discount rate unchanged at 1.375% to support domestic demand.

Manager's Report

Led by higher investment spending and export growth, U.S. GDP growth rose from 2.3% in 2017 to 2.8% in 1Q 2018. Investment spending increased from 3.3% in 2017 to 5.8% in 1Q 2018 due to higher investment in equipment. Likewise, export growth expanded from 3.4% to 4.2% over the same period. At the Federal Open Market Committee (FOMC) meeting on 1-2 May 2018, the Federal Reserve maintained the Federal funds rate target range at 1.50%-1.75%.

Eurozone GDP growth was sustained at 2.5% in 1Q 2018 compared to a similar growth rate in 2017, backed by resilient economic activities in Germany and France. At its monetary policy meeting on 26 April 2018, the European Central Bank (ECB) kept its main refinancing and deposit rates at 0.00% and -0.40% respectively. The ECB extended its quantitative-easing program from January 2018 until at least September 2018. However, it reduced the monthly pace of bond-buying from €60 billion to €30 billion with effect from January 2018.

In a referendum held on 23 June 2016, British voters voted in favour of exiting the European Union (EU). The United Kingdom (UK) formally notified of its exit from the EU under Article 50 on 29 March 2017, which commences a 2-year process of trade negotiations with the EU.

Outlook and Investment Strategy

Global and regional equity markets experienced volatile trading conditions in the first five months of 2018 on concerns over the prospect of higher U.S. interest rates and the U.S. government's proposed protectionist measures. This caused profit-taking across selected equity markets after a strong start to the year. Fund outflows from emerging markets to the developed markets were seen in April and May on the back of weaker local currencies. While concerns over rising interest rates in the U.S. as well as U.S.-China trade tensions may result in volatile market conditions in the near term, the performance of equity markets over the longer term will depend on the economic outlook and market valuations of the U.S., Europe and the Asia Pacific region.

U.S. economic growth is projected to edge up from 2.3% in 2017 to 2.8% in 2018, driven by higher investment spending on the back of tax reform measures.

In the Eurozone, economic growth is envisaged to ease from 2.5% in 2017 to 2.3% in 2018 on expectations of a moderation in consumer and investment spending.

In North Asia, China's GDP growth is estimated to moderate from 6.9% in 2017 to 6.5% in 2018 as China continues to transform from a manufacturing-driven and export-led economy to one underpinned by services and domestic consumption. Meanwhile, China's inflation rate is projected to increase from 1.6% in 2017 to 2.2% in 2018.

Hong Kong's GDP growth is expected to slow from 3.8% in 2017 to 3.0% in 2018 amid moderating export growth. Going forward, the Hong Kong government is anticipated to maintain its tightening stance on the residential property market. However, ample liquidity, demand for better living standards and resilient economic growth should lend support to Hong Kong's property market over the long term.

Manager's Report

Japan's economic growth is projected to ease from 1.7% in 2017 to 1.3% in 2018 amid moderating consumer spending and export growth. South Korea's GDP growth is anticipated to edge lower from 3.1% in 2017 to 2.9% in 2018 due to a slowdown in investment spending. Meanwhile, Taiwan's GDP growth is envisaged to inch down from 2.9% in 2017 to 2.7% in 2018 due to slower export growth.

In South-East Asia, Singapore's GDP growth is estimated to ease from 3.6% in 2017 to 3.0% in 2018 on expectations of moderating export growth. Indonesia's GDP growth is expected to expand from 5.1% in 2017 to 5.3% in 2018 due to robust domestic demand.

Valuation of regional markets in North-East and South-East Asia were generally mixed relative to their historical averages following their respective performances over the same period.

Given the above factors, the Fund will continue to rebalance its investment portfolio accordingly with the objective of achieving capital appreciation over the medium to long term period by investing in the domestic and regional markets.

Note: Q = Quarter

Policy on Soft Commissions

The management company may receive goods or services which include research materials, data and quotation services and investment related publications by way of soft commissions provided they are of demonstrable benefit to the Fund and unitholders.

During the financial period under review, PFA30F has received data and quotation services by way of soft commissions. These services were used to provide financial data on securities and price quotation information to the Fund Manager during the financial period under review.

Extracts Of Financial Statements

The following pages are extracts of the audited financial statements of the Fund for the financial period ended 31 May 2018. The full set of the audited financial statements together with the Independent Auditors' Report is available upon request without charge.

Statement of Assets and Liabilities

As at 31 May 2018

| | 31.5.2018 MYR'000 | 30.11.2017 MYR'000 |
|---|----------------------|-----------------------|
| Assets | | |
| Investments | 284,745 | 267,455 |
| Due from the Manager, net | - | 2,390 |
| Other receivables | 740 | 11 |
| Deposits with financial institutions | 19,113 | 23,253 |
| Cash at banks | 12,572 | 4,020 |
| | 317,170 | 297,129 |
| Liabilities | | |
| Due to the Manager, net | 21 | - |
| Due to the Trustee | 17 | 15 |
| Other payables | 35 | 72 |
| | 73 | 87 |
| Total net assets | 317,097 | 297,042 |
| Net asset value ("NAV") attributable to unitholders (Total equity) | 317,097 | 297,042 |
| Units in circulation (in '000) | 707,114 | 661,266 |
| NAV per unit (in sen) | 44.84 | 44.92 |

Extracts Of Financial Statements (cont'd)

Statement of Income and Expenditure

For the Financial Period Ended 31 May 2018

| | 1.12.2017 to 31.5.2018 MYR'000 | 1.12.2016 to 31.5.2017 MYR'000 |
|--|---|---|
| Income | | |
| Interest income | 323 | 152 |
| Dividend income | 1,594 | 683 |
| Net gain from investments | 463 | 13,583 |
| Net realised/unrealised foreign exchange loss | (213) | (88) |
| | 2,167 | 14,330 |
| Less: Expenses | | |
| Trustee's fee | 99 | 41 |
| Management fee | 2,557 | 1,100 |
| Audit fee | 3 | 3 |
| Tax agent's fee | 1 | 1 |
| Brokerage fee | 338 | 162 |
| Administrative fees and expenses | 44 | 33 |
| | 3,042 | 1,340 |
| Net (loss)/income before taxation | (875) | 12,990 |
| Taxation | (109) | (49) |
| Net (loss)/income after taxation | (984) | 12,941 |
| Net (loss)/income after taxation is made up as follows: | | |
| Realised | 5,076 | 1,986 |
| Unrealised | (6,060) | 10,955 |
| | (984) | 12,941 |

Extracts Of Financial Statements (cont'd)

Statement of Changes in Net Asset Value

For the Financial Period Ended 31 May 2018

| | Unitholders' capital MYR'000 | Retained earnings MYR'000 | Total MYR'000 |
|---------------------------|------------------------------------|---------------------------------|------------------|
| As at 1 December 2016 | 83,003 | 32,889 | 115,892 |
| Creation of units | 32,970 | - | 32,970 |
| Cancellation of units | (3,431) | - | (3,431) |
| Net income after taxation | - | 12,941 | 12,941 |
| As at 31 May 2017 | 112,542 | 45,830 | 158,372 |
| As at 1 December 2017 | 231,284 | 65,758 | 297,042 |
| Creation of units | 40,574 | - | 40,574 |
| Cancellation of units | (19,535) | - | (19,535) |
| Net loss after taxation | - | (984) | (984) |
| As at 31 May 2018 | 252,323 | 64,774 | 317,097 |

Extracts Of Financial Statements (cont'd)

Statement of Cash Flows

For the Financial Period Ended 31 May 2018

| | 1.12.2017 to 31.5.2018 MYR'000 | 1.12.2016 to 31.5.2017 MYR'000 |
|---|---|---|
| Cash flows from operating activities | | |
| Proceeds from sale of investments | 46,418 | 12,369 |
| Purchase of investments | (63,571) | (41,786) |
| Maturity of deposits | 2,451,711 | 1,217,533 |
| Placement of deposits | (2,447,571) | (1,223,251) |
| Interest income received | 323 | 152 |
| Net dividend income received | 764 | 313 |
| Trustee's fee paid | (97) | (39) |
| Management fee paid | (2,511) | (1,034) |
| Audit fee paid | (4) | (4) |
| Payment of other fees and expenses | (77) | (24) |
| Net cash outflow from operating activities | (14,615) | (35,771) |
| Cash flows from financing activities | | |
| Cash proceeds from units created | 42,867 | 32,388 |
| Cash paid on units cancelled | (19,463) | (3,553) |
| Distribution paid | - | (475) |
| Net cash inflow from financing activities | 23,404 | 28,360 |
| Net increase/(decrease) in cash and cash equivalents | 8,789 | (7,411) |
| Effect of changes in foreign exchange rates | (237) | (130) |
| Cash and cash equivalents at the beginning of the financial period | 4,020 | 10,364 |
| Cash and cash equivalents at the end of the financial period | 12,572 | 2,823 |