

Fund Information

Fund Name

Public Select Alpha-30 Fund (PSA30F)

Fund Category

Equity

Fund Investment Objective

To achieve capital growth over the medium to long-term period by investing in up to a maximum of 30 stocks primarily listed on Bursa Securities.

Fund Performance Benchmark

The benchmark of the Fund is the FTSE Bursa Malaysia KLCI (FBM KLCI).

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Fund Distribution Policy

Incidental

Breakdown of Unitholdings of PSA30F as at 30 November 2017

| Size of holdings | No. of unitholders | % of unitholders | No. of units held (million) |
|-------------------|--------------------|------------------|-----------------------------|
| 5,000 and below | 527 | 9.65 | 2 |
| 5,001 to 10,000 | 805 | 14.75 | 6 |
| 10,001 to 50,000 | 2,754 | 50.46 | 69 |
| 50,001 to 500,000 | 1,347 | 24.68 | 151 |
| 500,001 and above | 25 | 0.46 | 24 |
| Total | 5,458 | 100.00 | 252 |

Note: Excluding Manager's Stock.

Fund Performance

Average Total Return for the Following Years Ended 30 November 2017

| | Average Total Return of PSA30F (%) |
|---------|------------------------------------|
| 1 Year | 9.71 |
| 3 Years | 0.38 |
| 5 Years | 3.91 |

Fund Performance

For the Financial Year Ended 30 November 2017

Annual Total Return for the Financial Years Ended 30 November

| Year | 2017 | 2016 | 2015 | 2014 | 2013 |
|------------|------|------|-------|------|-------|
| PSA30F (%) | 9.71 | 0.68 | -8.43 | 1.59 | 16.34 |

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

Notes:

1. **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.

2. Average total return is derived by this formulae:

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

Other Performance Data for the Past Three Financial Years Ended 30 November

| | 2017 | 2016 | 2015 |
|---|-------------|-------------|--------------|
| Unit Prices (MYR)* | | | |
| Highest NAV per unit for the year | 0.3011 | 0.2715 | 0.3180 |
| Lowest NAV per unit for the year | 0.2633 | 0.2542 | 0.2618 |
| Net Asset Value (NAV) and Units in Circulation (UIC) as at the End of the Year | | | |
| Total NAV (MYR'000) | 73,146 | 76,074 | 72,555 |
| UIC (in '000) | 251,805 | 287,282 | 275,954 |
| NAV per unit (MYR) | 0.2905 | 0.2648 | 0.2629 |
| Total Return for the Year (%) | 9.71 | 0.68 | -8.43 |
| Capital growth (%) | 8.62 | -0.59 | -9.49 |
| Income (%) | 1.00 | 1.28 | 1.17 |
| Management Expense Ratio (%) | 1.61 | 1.63 | 1.59 |
| Portfolio Turnover Ratio (time) | 0.15 | 0.36 | 0.39 |

* All prices quoted are ex-distribution.

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 year over the average net asset value of the Fund calculated on a daily basis.

The Portfolio Turnover Ratio for the financial year 2017 dropped to 0.15 time from 0.36 time in the previous financial year on account of lower level of rebalancing activities performed by the Fund during the year.

Fund Performance

For the Financial Year Ended 30 November 2017

Distribution and Unit Split

| Financial year | 2017 | 2016 | 2015 |
|------------------------------|----------|----------|----------|
| Date of distribution | 30.11.17 | 30.11.16 | 30.11.15 |
| Distribution per unit | | | |
| Gross (sen) | - | - | 2.00 |
| Net (sen) | - | - | 2.00 |
| Unit split | - | - | - |

Impact on NAV Arising from Distribution (Final) for the Financial Years

| | 2017 Sen per unit | 2016 Sen per unit | 2015 Sen per unit |
|-------------------------------------|-------------------------|-------------------------|-------------------------|
| Net asset value before distribution | 29.05 | 26.48 | 28.29 |
| Less: Net distribution per unit | - | - | (2.00) |
| Net asset value after distribution | 29.05 | 26.48 | 26.29 |

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

Asset Allocation for the Past Three Financial Years

| | As at 30 November (Per Cent of Net Asset Value) | | |
|--------------------------|--|-----------|-----------|
| | 2017 % | 2016 % | 2015 % |
| EQUITY SECURITIES | | | |
| Quoted | | | |
| Malaysia | | | |
| Basic Materials | - | - | 3.2 |
| Communications | 19.0 | 11.8 | 5.3 |
| Consumer, Cyclical | 6.0 | 8.2 | 3.2 |
| Consumer, Non-cyclical | 14.9 | 10.1 | 12.0 |
| Diversified | 1.3 | 4.9 | 5.1 |
| Energy | 1.1 | 1.2 | 3.8 |
| Financial | 26.5 | 25.2 | 27.9 |
| Industrial | 10.3 | 11.2 | 10.6 |
| Technology | 3.6 | 3.2 | - |
| Utilities | - | - | 8.1 |
| | 82.7 | 75.8 | 79.2 |
| Outside Malaysia | | | |
| Hong Kong | | | |
| Communications | 2.0 | 2.3 | - |
| Consumer, Non-cyclical | - | - | 1.2 |
| Financial | 1.5 | 3.7 | 2.1 |
| | 3.5 | 6.0 | 3.3 |

Fund Performance

For the Financial Year Ended 30 November 2017

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

| | As at 30 November (Per Cent of Net Asset Value) | | |
|---|--|-------------|-------------|
| | 2017 % | 2016 % | 2015 % |
| Singapore Technology | - | 2.7 | 2.1 |
| Taiwan Industrial | 1.2 | 1.3 | - |
| TOTAL QUOTED EQUITY SECURITIES | 87.4 | 85.8 | 84.6 |
| DEPOSITS WITH FINANCIAL INSTITUTIONS | 6.3 | 9.2 | 20.0 |
| OTHER ASSETS & LIABILITIES | 6.3 | 5.0 | -4.6 |

Manager's Report

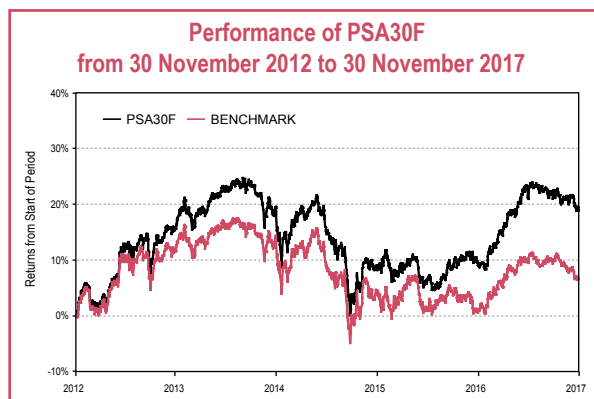
Overview

This Annual Report covers the financial year from 1 December 2016 to 30 November 2017.

Public Select Alpha-30 Fund (PSA30F or the Fund) seeks to achieve capital growth over the medium to long-term period by investing in up to a maximum of 30 stocks primarily listed on Bursa Securities.

For the financial year under review, the Fund registered a return of +9.71% and outperformed its Benchmark's return of +6.10%. The Fund's equity portfolio registered a return of +12.51% while its money market portfolio registered a return of +3.03% during the financial year under review. A detailed performance attribution analysis is provided in the sections below.

For the five financial years ended 30 November 2017, the Fund generated a total return of +19.54% and outperformed its Benchmark's total return of +6.64% over the same period. Consequently, it is the opinion of the Manager that the Fund has met its objective to achieve capital growth over the said period.



The Benchmark of the Fund is the FTSE Bursa Malaysia KLCI (FBM KLCI) which comprises the 30 largest companies by full market capitalisation listed on the Bursa Malaysia Main Market.

Effect of Distribution Reinvestment on Portfolio Exposures

There were no distributions declared for the year ended 30 November 2017.

Change in Portfolio Exposures from 30-Nov-16 to 30-Nov-17

| | 30-Nov-16 | 30-Nov-17 | Change | Average Exposure |
|----------------------------------|-----------|-----------|--------|---------------------|
| Equities & Related Securities | 85.8% | 87.4% | +1.6% | 89.45% |
| Money Market | 14.2% | 12.6% | -1.6% | 10.55% |

Manager's Report

Returns Breakdown by Asset Class

| | Returns On Investments | Market / Benchmark Returns | Benchmark Index Used | Average Exposure | Attributed Returns |
|-------------------------------|------------------------|----------------------------|-------------------------|------------------|--------------------|
| Equities & Related Securities | 12.51% | 6.10% | FBM KLCI Overnight Rate | 89.45% | 11.19% |
| Money Market | 3.03% | 2.98% | | 10.55% | 0.32% |
| less: Expenses | | | | | -1.80% |
| Total Net Return for the Year | | | | | 9.71% |

FBM KLCI = FTSE Bursa Malaysia KLCI
Overnight Rate = Bank Negara Weighted Average Overnight Interbank Rate

Equity Portfolio Review

For the financial year under review, the Fund's equity portfolio registered a return of +12.51% and outperformed the equity Benchmark's return of +6.10%. The Fund outperformed the equity Benchmark as its investments in Technology, Industrial and Consumer stocks outperformed the broader market during the financial year under review.

The Fund commenced the financial year under review with an equity exposure of 85.8% and its equity weight was generally maintained at above 85% over the financial year under review to capitalise on investment opportunities in the domestic and regional markets. The Fund ended the financial year under review with an equity weight of 87.4%. Based on an average equity exposure of 89.45%, the Fund's equity portfolio is deemed to have registered a return of +11.19% to the Fund as a whole for the financial year under review. A full review of the performance of the equity markets is tabled in the following sections.

Sector Allocation

In terms of sector allocation within the equity portfolio, the top 5 sectors accounted for 76.7% of the Net Asset Value (NAV) of the Fund and 87.8% of the Fund's equity portfolio. The weightings of the top 5 sectors in Malaysia (unless otherwise indicated) are in the following order: Financial (26.5%), Communications (19.0%), Consumer, Non-cyclical (14.9%), Industrial (10.3%) and Consumer, Cyclical (6.0%).

Money Market Portfolio Review

During the financial year under review, the Fund's money market portfolio, which was invested primarily in deposits, yielded a return of +3.03%. In comparison, the Bank Negara Weighted Average Overnight Interbank Rate (Overnight Rate) registered a return of +2.98% over the same period.

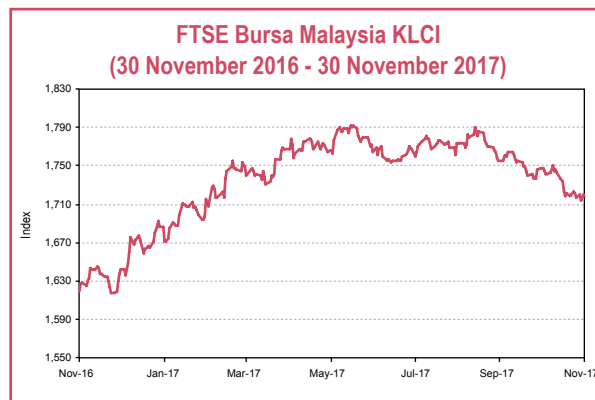
Manager's Report

During the financial year under review, the Fund's exposure to money market investments decreased from 14.2% to 12.6% as funds were mobilised into equity investments. Based on an average exposure of 10.55%, the money market portfolio is estimated to have contributed +0.32% to the Fund's overall return for the financial year under review.

Stock Market Review

Starting the financial year under review at 1,619.12 points, the FBM KLCI rebounded in December 2016 in tandem with rising oil prices and the stronger U.S. market. The Index moved higher in January 2017 and continued strengthening until April 2017, largely due to positive sentiment arising from the new U.S. president's pro-growth policies. The FBM KLCI traded range-bound in May 2017 on the back of softer global energy prices.

The market edged higher in early June 2017 amid sustained buying interest in selected blue chips before moving lower in mid-July 2017 due to softer oil prices and a lack of fresh leads. After rising in early September 2017 on the back of buying support for selected blue chips, the Index retraced in November 2017 as market sentiment was dampened by a lack of fresh catalysts and a sell-down in selected blue chips. The FBM KLCI closed at 1,717.86 points to register a gain of 6.10% for the financial year 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 year under review at 496.29 points. Regional markets continued to consolidate in December 2016 as funds flowed back to developed markets after the unexpected outcome of the U.S. presidential election.

The MSCI FExJ Index started 2017 on a stronger note, supported by a weaker U.S. Dollar and better economic data from China. Driven by improving liquidity conditions in China, an improving global economic outlook as well as robust corporate earnings, the Index strengthened for most of the first 11 months of 2017. The MSCI FExJ Index closed at 657.62 points to register a gain of 32.51% (+21.34% in Ringgit terms) for the financial year under review.

Manager's Report

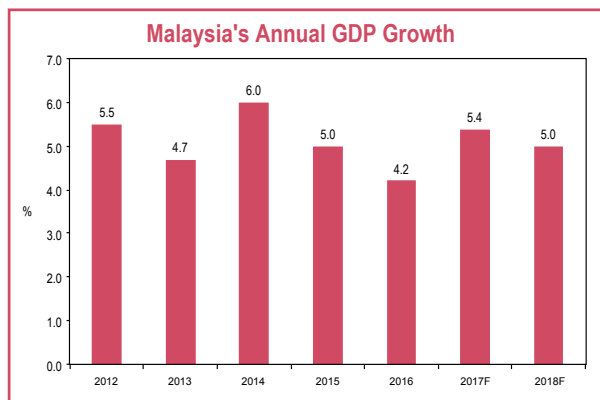
Regional markets, namely the Hong Kong, Singapore and Taiwan markets registered returns of +16.43%, +15.09% and +11.20% (in Ringgit terms) respectively for the financial year under review.

Money Market Review

The Overnight Rate commenced the financial year under review at 2.99% and ranged between 2.90% and 3.00% over the 12-month period, before ending the financial year under review unchanged at 2.99%.

Economic Review

Malaysia's GDP growth gained pace from 4.2% in 2016 to 5.9% in the first three quarters of 2017 on the back of higher domestic demand and export growth. Growth in the services sector rose from 5.6% in 2016 to 6.2% in the first three quarters of 2017. Meanwhile, growth in manufacturing activities increased from 4.4% to 6.2% over the same period.



Source: Bloomberg

Malaysia's export growth accelerated to 21.3% in the first nine months of 2017 from 1.2% in 2016 due mainly to higher exports of electrical and electronic products. Import growth surged to 22.0% from 1.9% over the same period. Malaysia's cumulative trade surplus widened to RM69.6 billion in the first nine months of 2017 compared to RM60.2 billion for the corresponding period of the prior year. Due to capital inflows, Malaysia's foreign reserves rose to US\$101.5 billion as at end-October 2017 compared to US\$97.8 billion a year ago.

Malaysia's inflation rate climbed to 4.0% in the first 10 months of 2017 from 2.1% in 2016 amid higher transportation costs arising from elevated fuel prices. Bank Negara Malaysia (BNM) maintained the Overnight Policy Rate (OPR) at 3.00% to support economic activities. Loans growth inched lower to 4.6% in the first 10 months of 2017 from 5.3% in 2016 on the back of slower demand from the household sector.

On the regional front, Singapore's GDP growth expanded from 2.0% in 2016 to 3.5% in the first three quarters of 2017 due to higher output from the manufacturing and services sectors.

Manager's Report

In North Asia, China's GDP growth expanded from 6.7% in 2016 to 6.9% in the first three quarters of 2017, driven by firmer growth in the industrial sector. Hong Kong's GDP growth gained pace from 2.0% in 2016 to 3.9% in the first three quarters of 2017 due to higher consumer spending and export growth. Taiwan's GDP growth strengthened from 1.4% in 2016 to 2.7% in the first three quarters of 2017 amid higher export growth.

Led by higher investment spending and export growth, U.S. GDP growth rose from 1.5% in 2016 to 2.2% in the first three quarters of 2017. Investment spending increased by 3.1% in the first three quarters of 2017 compared to a contraction of 1.6% in 2016 due to higher investment in equipment. Meanwhile, exports expanded by 2.9% compared to a decline of 0.3% over the same period. At the Federal Open Market Committee (FOMC) meeting on 31 October – 1 November 2017, the Federal Reserve maintained the Federal funds rate target range at 1.00%-1.25%.

Eurozone GDP growth gained pace from 1.8% in 2016 to 2.3% in the first three quarters of 2017 on the back of higher growth in Germany and France. At its monetary policy meeting on 26 October 2017, the European Central Bank (ECB) kept its main refinancing and deposit rates at 0.00% and -0.40% respectively. The ECB has extended its quantitative-easing program from January 2018 until September 2018 or beyond, if necessary. However, it will reduce 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

After trading on a mixed note in 1H 2016, global and regional markets strengthened in 2H 2016 amid an improved outlook for the U.S. and global economies. Global and regional equity markets continued to trend higher in the first 11 months of 2017 on expectations that the global economy would grow at a resilient pace. Looking ahead, the performance of the equity markets will depend on the economic growth momentum and market valuations of the U.S., Europe and the Asia Pacific region.

U.S. economic growth is projected to edge up from 2.2% in 2017 to 2.5% in 2018, driven by higher investment spending.

In the Eurozone, economic growth is envisaged to ease from 2.2% in 2017 to 1.9% in 2018 on expectations of slower export growth.

China's GDP growth is estimated to moderate from 6.8% in 2017 to 6.4% 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 ease from 3.4% in 2017 to 2.5% 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

Taiwan's GDP growth is envisaged to firm from 2.2% in 2017 to 2.3% in 2018, driven by higher investment spending.

In South-East Asia, Singapore's GDP growth is estimated to edge down from 2.7% in 2017 to 2.4% in 2018 on expectations of moderating export growth.

On the domestic front, Malaysia's GDP growth is projected to ease from 5.4% in 2017 to 5.0% in 2018 amid moderating export growth. However, domestic demand will be supported by sustained consumer and investment spending backed by government measures to increase disposable incomes as well as the ongoing implementation of infrastructure projects.

The budget deficit is projected to narrow to RM39.8 billion (2.8% of GDP) in 2018 from the RM39.9 billion (3.0% of GDP) estimated for 2017 while the federal revenue is forecast to expand by 6.4% to RM239.9 billion in 2018. Meanwhile, operating expenditure and net development expenditure are expected to grow by 6.5% to RM234.3 billion and 0.2% to RM45.4 billion respectively in 2018.

As at end-November 2017, the local stock market was trading at a prospective P/E ratio of 15.6x, which was below its 10-year average P/E ratio of 16.4x. The market's dividend yield was 3.33%.

Among the regional markets, South-East Asian markets were trading at premiums while North Asian markets were generally trading at discounts 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 growth over the medium to long-term period by investing in up to a maximum of 30 stocks primarily listed on Bursa Securities.

Note: H = Half

Cross-Trade Transactions

Cross-trade transactions were undertaken by PSA30F during portfolio rebalancing activities over the financial year under review.

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 year under review, PSA30F 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 year under review.

Statement Of Assets And Liabilities

As at 30 November 2017

| | 2017 MYR'000 | 2016 MYR'000 |
|---|-----------------|-----------------|
| Assets | | |
| Investments | 63,905 | 65,300 |
| Due from brokers/financial institutions, net | 204 | - |
| Due from the Manager, net | 183 | - |
| Other receivables | - | 99 |
| Deposits with financial institutions | 4,586 | 6,984 |
| Cash at banks | 4,314 | 4,599 |
| | 73,192 | 76,982 |
| Liabilities | | |
| Due to brokers/financial institutions, net | - | 619 |
| Due to the Manager, net | - | 251 |
| Due to the Trustee | 4 | 4 |
| Other payables | 42 | 34 |
| | 46 | 908 |
| Total net assets | 73,146 | 76,074 |
| Net asset value ("NAV") attributable to unitholders (Total equity) | 73,146 | 76,074 |
| Units in circulation (in '000) | 251,805 | 287,282 |
| NAV per unit (in sen) | 29.05 | 26.48 |

Statement Of Income And Expenditure

For the Financial Year Ended 30 November 2017

| | 2017 MYR'000 | 2016 MYR'000 |
|---|-----------------|-----------------|
| Income | | |
| Interest income | 105 | 373 |
| Dividend income | 1,984 | 1,952 |
| Net gain/(loss) from investments | 6,839 | (548) |
| Net realised/unrealised foreign exchange (loss)/gain | (131) | 248 |
| | 8,797 | 2,025 |
| Less: Expenses | | |
| Trustee's fee | 50 | 50 |
| Management fee | 1,239 | 1,245 |
| Audit fee | 7 | 7 |
| Tax agent's fee | 3 | 3 |
| Brokerage fee | 70 | 172 |
| Administrative fees and expenses | 36 | 44 |
| | 1,405 | 1,521 |
| Net income before taxation | 7,392 | 504 |
| Taxation | (18) | 19 |
| Net income after taxation | 7,374 | 523 |
| Net income after taxation is made up as follows: | | |
| Realised | (317) | (1,880) |
| Unrealised | 7,691 | 2,403 |
| | 7,374 | 523 |

Statement Of Changes In Net Asset Value

For the Financial Year Ended 30 November 2017

| | Unitholders' capital MYR'000 | (Accumulated loss)/ retained earnings MYR'000 | Total MYR'000 |
|---------------------------|------------------------------------|---|------------------|
| As at 1 December 2015 | 76,789 | (4,234) | 72,555 |
| Creation of units | 9,522 | - | 9,522 |
| Cancellation of units | (6,526) | - | (6,526) |
| Net income after taxation | - | 523 | 523 |
| As at 30 November 2016 | 79,785 | (3,711) | 76,074 |
| As at 1 December 2016 | 79,785 | (3,711) | 76,074 |
| Creation of units | 3,107 | - | 3,107 |
| Cancellation of units | (13,409) | - | (13,409) |
| Net income after taxation | - | 7,374 | 7,374 |
| As at 30 November 2017 | 69,483 | 3,663 | 73,146 |

Statement Of Cash Flows

For the Financial Year Ended 30 November 2017

| | 2017 MYR'000 | 2016 MYR'000 |
|---|-----------------|-----------------|
| Cash flows from operating activities | | |
| Proceeds from sale of investments | 15,508 | 25,518 |
| Purchase of investments | (8,195) | (29,517) |
| Maturity of deposits | 860,777 | 2,794,884 |
| Placement of deposits | (858,379) | (2,787,326) |
| Interest income received | 106 | 373 |
| Net dividend income received | 2,063 | 1,872 |
| Trustee's fee paid | (50) | (50) |
| Management fee paid | (1,243) | (1,246) |
| Audit fee paid | (7) | (7) |
| Tax agent's fee paid | (3) | (6) |
| Taxation recovered | - | 32 |
| Payment of other fees and expenses | (27) | (38) |
| Net cash inflow from operating activities | 10,550 | 4,489 |
| Cash flows from financing activities | | |
| Cash proceeds from units created | 2,801 | 9,758 |
| Cash paid on units cancelled | (13,533) | (6,359) |
| Distribution paid | - | (5,519) |
| Net cash outflow from financing activities | (10,732) | (2,120) |
| Net (decrease)/increase in cash and cash equivalents | (182) | 2,369 |
| Effect of change in foreign exchange rates | (103) | 249 |
| Cash and cash equivalents at the beginning of the financial year | 4,599 | 1,981 |
| Cash and cash equivalents at the end of the financial year | 4,314 | 4,599 |