

# 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 31 May 2018

Size of holdings	No. of unitholders	% of unitholders	No. of units held (million)
5,000 and below	538	10.40	2
5,001 to 10,000	777	15.02	6
10,001 to 50,000	2,568	49.62	64
50,001 to 500,000	1,268	24.50	142
500,001 and above	24	0.46	24
<b>Total</b>	<b>5,175</b>	<b>100.00</b>	<b>238</b>

*Note: Excluding Manager's Stock.*

## Fund Performance

### Average Total Return for the Following Years Ended 31 May 2018

	Average Total Return of PSA30F (%)
1 Year	-3.09
3 Years	0.77
5 Years	0.86

## 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
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:

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

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
<b>Unit Prices (MYR)</b>			
Highest NAV per unit for the period	0.3132	0.2998	0.2715
Lowest NAV per unit for the period	0.2850	0.2633	0.2554
<b>Net Asset Value (NAV) and Units in Circulation (UIC) as at the End of the Period</b>			
Total NAV (MYR'000)	67,916	79,790	77,230
UIC (in '000)	238,090	271,031	298,661
NAV per unit (MYR)	0.2853	0.2944	0.2586
<b>Total Return for the Period (%)</b>	<b>-1.79</b>	<b>11.18</b>	<b>-1.68</b>
Capital growth (%)	-2.16	10.54	-2.29
Income (%)	0.38	0.58	0.62
<b>Management Expense Ratio (%)</b>	<b>1.59</b>	<b>1.61</b>	<b>1.63</b>
<b>Portfolio Turnover Ratio (time)</b>	<b>0.08</b>	<b>0.09</b>	<b>0.30</b>

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 %
<b>EQUITY SECURITIES</b>			
<b>Quoted</b>			
<b>Malaysia</b>			
Communications	11.4	18.2	8.2
Consumer, Cyclical	5.0	5.2	6.6
Consumer, Non-cyclical	14.1	12.7	10.6
Diversified	-	5.6	4.5
Energy	-	1.4	1.3
Financial	29.3	27.5	24.7
Industrial	13.0	10.3	9.7
Technology	4.0	4.8	4.8
	<b>76.8</b>	<b>85.7</b>	<b>70.4</b>
<b>Outside Malaysia</b>			
<b>Hong Kong</b>			
Communications	-	2.1	2.1
Financial	1.6	1.6	2.9
	<b>1.6</b>	<b>3.7</b>	<b>5.0</b>
<b>Singapore</b>			
Technology	-	-	2.6
<b>Taiwan</b>			
Industrial	1.0	1.3	1.1
	<b>79.4</b>	<b>90.7</b>	<b>79.1</b>
<b>TOTAL QUOTED EQUITY SECURITIES</b>			
<b>COLLECTIVE INVESTMENT FUNDS</b>			
<b>Quoted</b>			
<b>Outside Malaysia</b>			
<b>Korea</b>			
Funds	0.6	-	-
	<b>0.6</b>	<b>-</b>	<b>-</b>
<b>TOTAL QUOTED COLLECTIVE INVESTMENT FUNDS</b>			
	<b>0.6</b>	<b>-</b>	<b>-</b>
<b>DEPOSITS WITH FINANCIAL INSTITUTIONS</b>	<b>12.2</b>	<b>3.7</b>	<b>16.0</b>
<b>OTHER ASSETS &amp; LIABILITIES</b>	<b>7.8</b>	<b>5.6</b>	<b>4.9</b>

## Manager's Report

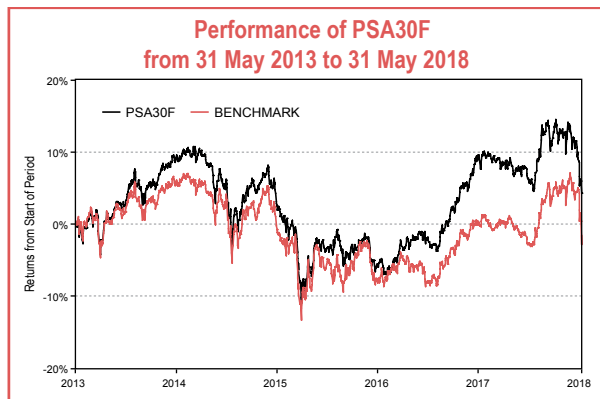
### Overview

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

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 period under review, the Fund registered a return of -1.79% as compared to its Benchmark's return of +1.32%. The Fund's equity portfolio registered a return of -1.34% while its money market portfolio registered a return of +1.60% 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 generated a total return of +4.32% as compared to its Benchmark's total return of -1.62% over the same 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 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	87.4%	80.0%	-7.4%	84.91%
Money Market	12.6%	20.0%	+7.4%	15.09%

## Manager's Report

### Returns Breakdown by Asset Class

	Returns On Investments	Market / Benchmark Returns	Benchmark Index Used	Average Exposure	Attributed Returns
Equities & Related Securities	-1.34%	1.32%	FBM KLCI Overnight Rate	84.91%	-1.14%
Money Market	1.60%	1.54%		15.09%	0.24%
less: Expenses					-0.89%
<b>Total Net Return for the Period</b>					<b>-1.79%</b>
FBM KLCI	= FTSE Bursa Malaysia KLCI				
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 -1.34% as compared to the Benchmark's return of +1.32%. The Fund's equity portfolio registered a lower return as compared to the Benchmark as its investment in selected stocks in the Communications sector retraced amid policy uncertainties in the sector.

The Fund commenced the financial period under review with an equity exposure of 87.4% and its equity exposure was reduced to below 85% in March 2018 to weather the consolidation phase in the domestic and regional markets. The Fund ended the financial period under review with an equity exposure of 80.0%. Based on an average equity exposure of 84.91%, the Fund's equity portfolio is deemed to have registered a return of -1.14% 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.

### Sector Allocation

In terms of sector allocation within the equity portfolio, the top 5 sectors accounted for 72.8% of the Net Asset Value (NAV) of the Fund and 91.0% of the Fund's equity portfolio. The weightings of the top 5 sectors in Malaysia (unless otherwise indicated) are in the following order: Financial (29.3%), Consumer, Non-cyclical (14.1%), Industrial (13.0%), Communications (11.4%) and Consumer, Cyclical (5.0%).

### Money Market Portfolio Review

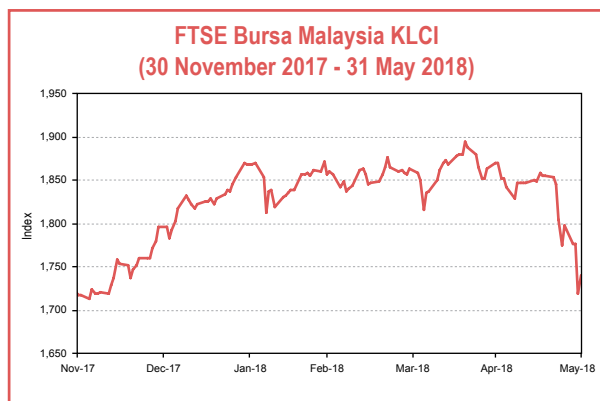
During the financial period under review, the Fund's money market portfolio, which was invested primarily in deposits, yielded a return of +1.60%. In comparison, the Bank Negara Weighted Average Overnight Interbank Rate (Overnight Rate) registered a return of +1.54% over the same period.

## Manager's Report

During the financial period under review, the Fund's exposure to money market investments increased from 12.6% to 20.0% following the disposal of selected equity investments. Based on an average exposure of 15.09%, the money market portfolio is estimated to have contributed +0.24% to the Fund's overall return for the financial period under review.

### Stock Market Review

Commencing the financial period under review at 1,717.86 points, the 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 FEExJ) 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 FEExJ 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 FEExJ 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 and Korea markets registered returns of +1.19%, +0.33% and -3.87% (in Ringgit terms) respectively for the financial period under review.

## Manager's Report

### 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

Malaysia's GDP growth eased from 5.9% in 2017 to 5.4% in 1Q 2018 on the back of slower investment spending and export growth. Growth in the services sector rose from 6.2% in 2017 to 6.5% in 1Q 2018. Meanwhile, growth in manufacturing activities moderated from 6.0% to 5.3% over the same period.

Malaysia's export growth decelerated to 5.8% in 1Q 2018 from 18.9% in 2017 due mainly to slower exports of electrical and electronic products. Imports declined by 0.8% compared to a growth of 19.9% over the same period on the back of lower imports of capital and intermediate goods. Malaysia's cumulative trade surplus widened to RM33.4 billion in 1Q 2018 compared to RM18.9 billion in the corresponding period of the prior year. Due to capital inflows, Malaysia's foreign reserves increased to US\$109.5 billion as at end-April 2018 compared to US\$96.1 billion a year ago.

Malaysia's inflation rate slowed to 1.7% in the first four months of 2018 from 3.7% in 2017 amid moderating food prices and transportation costs. On 25 January 2018, Bank Negara Malaysia (BNM) raised the Overnight Policy Rate (OPR) by 25 basis points (bps) from 3.00% to 3.25% on the back of resilient economic growth. Loans growth climbed to 4.8% in the first four months of 2018 from 4.1% in 2017 due to higher demand from the household sector.

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. 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.

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. Meanwhile, Taiwan's GDP growth inched up from 2.9% in 2017 to 3.0% in 1Q 2018 amid higher consumer and government spending.

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.

## Manager's Report

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.

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.

On the domestic front, Malaysia's GDP growth is estimated to ease from 5.9% in 2017 to 5.4% in 2018 amid moderating export growth. However, domestic demand is projected to be supported by sustained consumer spending.

As at end-May 2018, the local stock market was trading at a prospective P/E ratio of 15.8x, which was below its 10-year average of 16.5x. The market's dividend yield was 3.52%.

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.

## Manager's Report

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: 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, 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 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
<b>Assets</b>		
Investments	54,334	63,905
Due from brokers/financial institutions, net	-	204
Due from the Manager, net	-	183
Other receivables	25	-
Deposits with financial institutions	8,319	4,586
Cash at banks	5,497	4,314
	68,175	73,192
<b>Liabilities</b>		
Due to the Manager, net	236	-
Due to the Trustee	4	4
Other payables	19	42
	259	46
<b>Total net assets</b>	67,916	73,146
<b>Net asset value ("NAV") attributable to unitholders (Total equity)</b>	67,916	73,146
<b>Units in circulation (in '000)</b>	238,090	251,805
<b>NAV per unit (in sen)</b>	28.53	29.05

## 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
<b>Income</b>		
Interest income	98	60
Distribution income	1	-
Dividend income	784	1,062
Net (loss)/gain from investments	(1,247)	7,858
Net realised/unrealised foreign exchange (loss)/gain	(92)	55
	(456)	9,035
<b>Less: Expenses</b>		
Trustee's fee	23	25
Management fee	582	623
Audit fee	3	3
Tax agent's fee	1	1
Brokerage fee	39	42
Administrative fees and expenses	9	16
	657	710
<b>Net (loss)/income before taxation</b>	(1,113)	8,325
<b>Taxation</b>	-	-
<b>Net (loss)/income after taxation</b>	(1,113)	8,325
<b>Net (loss)/income after taxation is made up as follows:</b>		
Realised	(2,347)	1,466
Unrealised	1,234	6,859
	(1,113)	8,325

## 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	79,785	(3,711)	76,074
Creation of units	1,667	-	1,667
Cancellation of units	(6,276)	-	(6,276)
Net income after taxation	-	8,325	8,325
As at 31 May 2017	75,176	4,614	79,790
As at 1 December 2017	69,483	3,663	73,146
Creation of units	2,513	-	2,513
Cancellation of units	(6,630)	-	(6,630)
Net loss after taxation	-	(1,113)	(1,113)
As at 31 May 2018	65,366	2,550	67,916

## 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
<b>Cash flows from operating activities</b>		
Proceeds from sale of investments	10,087	7,452
Purchase of investments	(1,595)	(7,383)
Maturity of deposits	738,476	489,332
Placement of deposits	(742,209)	(485,250)
Interest income received	97	61
Net distribution income received	1	-
Net dividend income received	760	959
Trustee's fee paid	(23)	(24)
Management fee paid	(582)	(614)
Audit fee paid	(4)	(4)
Payment of other fees and expenses	(32)	(13)
<b>Net cash inflow from operating activities</b>	4,976	4,516
<b>Cash flows from financing activities</b>		
Cash proceeds from units created	2,825	1,657
Cash paid on units cancelled	(6,523)	(6,389)
<b>Net cash outflow from financing activities</b>	(3,698)	(4,732)
<b>Net increase/(decrease) in cash and cash equivalents</b>	1,278	(216)
<b>Effect of changes in foreign exchange rates</b>	(95)	83
<b>Cash and cash equivalents at the beginning of the financial period</b>	4,314	4,599
<b>Cash and cash equivalents at the end of the financial period</b>	5,497	4,466