Fund Information

Fund Name

Public Far-East Property & Resorts Fund (PFEPRF)

Fund Category

Equity

Fund Investment Objective

Seeks to achieve capital growth over the medium to long term period by investing in companies that are principally engaged in property investment and development, hotel and resorts development and investment and real estate investment trusts (REITs) in domestic and regional markets. The Fund may also invest in companies which have significant* property or real estate assets.

* *Companies which have at least 70% of their assets comprised of property or real estate assets.*

Fund Performance Benchmark

The benchmark of the Fund is a customised benchmark by S&P Dow Jones Indices, LLC based on the constituents within the real estate sector of S&P BMI Asia Pacific Index which is customised to the following weights i.e. 20% Japan, 20% Australia, 20% Malaysia and the balance of the 40% for the rest of the countries within the index universe currently including China 'H' Shares, Hong Kong, Indonesia, New Zealand, Philippines, Singapore, Taiwan, South Korea and Thailand. The real estate sector is as defined by the then-current Global Industry Classification Standard (GICS).

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Fund Distribution Policy

Annual

Breakdown of Unitholdings of PFEPRF as at 31 January 2018

Size of holdings	No. of unitholders	% of unitholders	No. of units held (million)
5,000 and below	967	4.90	2
5,001 to 10,000	3,170	16.05	21
10,001 to 50,000	9,282	46.99	221
50,001 to 500,000	6,198	31.38	683
500,001 and above	134	0.68	122
Total	**19,751**	**100.00**	**1,049**

Note: Excluding Manager's Stock.

Average Total Return for the Following Years Ended 31 January 2018

	Average Total Return of PFEPRF (%)
1 Year	9.08
3 Years	6.47
5 Years	6.97

Annual Total Return for the Financial Years Ended 31 July

Year	2017	2016	2015	2014	2013
PFEPRF (%)	12.31	5.70	4.29	2.71	25.30

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 January

	2018	2017	2016
Unit Prices (MYR)			
Highest NAV per unit for the period	0.3098	0.2987	0.2963
Lowest NAV per unit for the period	0.2907	0.2808	0.2636
Net Asset Value (NAV) and Units in Circulation (UIC) as at the End of the Period			
Total NAV (MYR'000)	320,432	313,855	291,246
UIC (in '000)	1,048,757	1,062,386	1,087,683
NAV per unit (MYR)	0.3055	0.2954	0.2678
Total Return for the Period (%)	**0.56**	**3.55**	**-3.72**
Capital growth (%)	-0.07	2.89	-4.22
Income (%)	0.63	0.64	0.52
Management Expense Ratio (%)	**1.79**	**1.79**	**1.80**
Portfolio Turnover Ratio (time)	**0.15**	**0.19**	**0.14**

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.

Asset Allocation for the Past Three Financial Periods

	As at 31 January (Per Cent of Net Asset Value)		
	2018 %	2017 %	2016 %
EQUITY SECURITIES			
Quoted			
Malaysia			
Real Estate	7.9	6.5	4.8
Agriculture / Real Estate	2.1	2.5	2.8
Investment Companies / Real Estate	0.4	1.0	-
Lodging	0.9	0.8	0.8
	11.3	10.8	8.4
Outside Malaysia			
Australia			
Engineering & Construction / Real Estate	2.0	1.0	-
Lodging	-	2.1	-
	2.0	3.1	-
Hong Kong			
Real Estate	24.1	15.7	12.5
Commercial Services / Real Estate	-	1.3	1.4
Holding Companies - Diversified / Real Estate	-	1.5	0.9
Investment Companies / Real Estate	-	1.9	3.8
Lodging	1.8	1.6	2.9
	25.9	22.0	21.5
Indonesia			
Real Estate	0.8	1.4	3.2
Agriculture / Real Estate	-	-	0.3
	0.8	1.4	3.5
Japan			
Real Estate	10.5	11.6	6.8
Entertainment / Lodging (Resorts)	-	-	1.9
Home Builders	2.7	2.7	-
Transportation	1.6	1.6	1.3
	14.8	15.9	10.0
Philippines			
Real Estate	2.1	2.0	2.8

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

As at 31 January (Per Cent of Net Asset Value)

	2018 %	2017 %	2016 %
Singapore			
Real Estate	0.9	0.8	0.7
Lodging	0.3	-	-
	1.2	0.8	0.7
Thailand			
Real Estate	1.0	-	-
Home Builders	-	0.9	1.3
	1.0	0.9	1.3
TOTAL QUOTED EQUITY SECURITIES	**59.1**	**56.9**	**48.2**
COLLECTIVE INVESTMENT FUNDS			
Quoted			
Malaysia			
REITS	5.8	7.1	6.4
Outside Malaysia			
Australia			
REITS	12.4	11.0	6.6
Real Estate	2.5	3.9	5.2
	14.9	14.9	11.8
Hong Kong			
REITS	3.7	2.8	1.7
Japan			
REITS	0.8	1.1	3.0
Singapore			
REITS	4.3	5.1	7.1
Real Estate	-	0.7	0.3
	4.3	5.8	7.4
TOTAL QUOTED COLLECTIVE INVESTMENT FUNDS	**29.5**	**31.7**	**30.3**
WARRANTS			
Quoted			
Malaysia			
Warrants	0.7	0.9	0.9

Fund Performance
For the Financial Period Ended 31 January 2018

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

As at 31 January (Per Cent of Net Asset Value)

	2018 %	2017 %	2016 %
Outside Malaysia			
Thailand			
Warrants	-	-	0.1
TOTAL QUOTED WARRANTS	**0.7**	**0.9**	**1.0**
FIXED INCOME SECURITIES			
Quoted			
Outside Malaysia			
Indonesia			
Sovereign Bonds	4.4	4.6	4.2
TOTAL QUOTED FIXED INCOME SECURITIES	**4.4**	**4.6**	**4.2**
DEPOSITS WITH FINANCIAL INSTITUTIONS	**3.3**	**4.9**	**3.5**
OTHER ASSETS & LIABILITIES	**3.0**	**1.0**	**12.8**

Overview

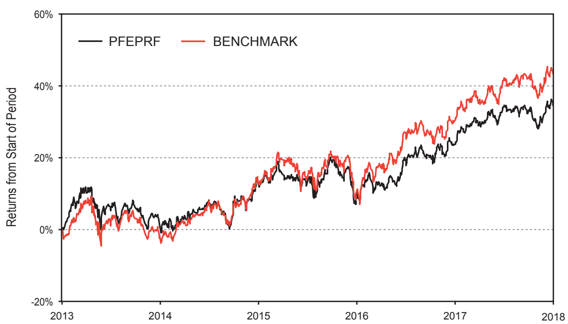
This Interim Report covers the financial period from 1 August 2017 to 31 January 2018.

Public Far-East Property & Resorts Fund (PFEPRF or the Fund) seeks to achieve capital growth over the medium to long term period by investing in companies that are principally engaged in property investment and development, hotel and resorts development and investment and real estate investment trusts (REITs) in domestic and regional markets. The Fund may also invest in companies which have significant property or real estate assets.

For the financial period under review, PFEPRF registered a return of +0.56% as compared to its Benchmark's return of +1.37%. The Fund's equity portfolio registered a return of +1.79% while its bond and money market portfolios registered returns of -1.82% and +1.53% respectively during the financial period under review. A detailed performance attribution analysis is provided in the sections below.

For the five financial years ended 31 January 2018, the Fund registered a total cumulative return of +34.84% as compared to the Benchmark's return of +43.51% over the same period.

Performance of PFEPRF from 31 January 2013 to 31 January 2018



The Benchmark of the Fund is a customised index by S&P Dow Jones Indices, LLC based on constituents within the real estate sector of the Standard & Poor's BMI Asia Pacific Index which is customised to the following weights, i.e. 20% Japan, 20% Australia, 20% Malaysia and the balance of 40% for the rest of the countries within the index universe currently including China 'H' Shares, Hong Kong, Indonesia, New Zealand, the Philippines, Singapore, Taiwan, South Korea and Thailand. The real estate sector is defined by the then-current Global Industry Classification Standard (GICS).

Effect of Distribution Reinvestment on Portfolio Exposures

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

Manager's Report

Change in Portfolio Exposures from 31-Jul-17 to 31-Jan-18

	31-Jul-17	31-Jan-18	Change	Average Exposure
Equities & Related Securities	92.2%	89.3%	-2.9%	91.13%
Bonds & Other Fixed Income Securities	4.4%	4.4%	0.0%	4.56%
Money Market	3.4%	6.3%	+2.9%	4.31%

Returns Breakdown by Asset Class

	Returns On Investments	Market / Benchmark Returns	Benchmark Index Used	Average Exposure	Attributed Returns
Equities & Related Securities	1.79%	1.37%	Benchmark	91.13%	1.63%
Bonds & Other Fixed Income Securities	-1.82%	n.a.	-	4.56%	-0.08%
Money Market	1.53%	1.47%	Overnight Rate	4.31%	0.07%
less: Expenses					-1.06%
Total Net Return for the Period					0.56%

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 +1.79% and outperformed the Benchmark's return of +1.37%. The Fund's equity portfolio outperformed the Benchmark as the Fund's selected holdings in the Hong Kong market outperformed the broader markets during the financial period under review.

The Fund commenced the financial period under review with an equity exposure of 92.2% and the Fund reduced its equity exposure to below 90% in December 2017 to lock-in profits. The Fund ended the financial period under review with an equity exposure of 89.3%. Based on an average equity exposure of 91.13%, the Fund's equity portfolio is deemed to have registered a return of +1.63% 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 Fund's equity investments in Malaysia accounted for 17.8% of the Net Asset Value (NAV) of the Fund. Other than Malaysia, the top 5 countries accounted for 69.7% of the NAV of the Fund and 78.1% of the Fund's equity portfolio. The weightings of the top 5 countries excluding Malaysia are in the following order: Hong Kong (29.6%), Australia (16.9%), Japan (15.6%), Singapore (5.5%) and the Philippines (2.1%).

Bonds and Other Fixed Income Securities Portfolio Review

For the financial period under review, the Fund's bond portfolio, which comprises Indonesian government bonds, registered a return of -1.82%. The return of the Fund's bond portfolio was impacted by the depreciation in the Rupiah against the Ringgit over the financial period under review.

The Fund's bond exposure remained unchanged at 4.4% at the end of the financial period under review. Based on an average exposure of 4.56%, the bond portfolio is estimated to have contributed -0.08% to the Fund's overall return for the financial period under review. For a full review of the bond market, please refer to the following sections of this report.

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 +1.53%. In comparison, the Bank Negara Weighted Average Overnight Interbank Rate (Overnight Rate) registered a return of +1.47% over the same period.

During the financial period under review, the Fund's exposure to money market investments increased from 3.4% to 6.3% following the disposal of selected equity investments. Based on an average exposure of 4.31%, the money market portfolio is estimated to have contributed +0.07% to the Fund's overall return for the financial period under review.

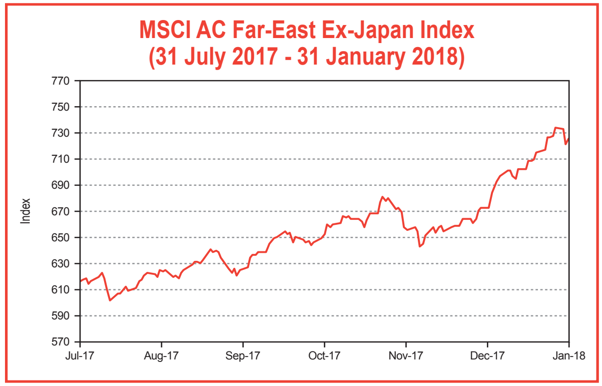
Stock Market Review

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 616.67 points. The Index moved higher in 2017, driven by improving liquidity conditions in China, an improving 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 stronger note amid positive earnings revisions and subsequently closed at 726.25 points to register a gain of 17.77% (+7.21% in Ringgit terms) for the financial period under review.

Regional markets, namely the Thailand, Hong Kong, Malaysia, Japan, Indonesia, Singapore, Philippines and Australia markets registered returns of +12.11%, +9.41%, +6.17%, +4.57%, +2.46%, +0.17%, -2.12% and -2.54% (in Ringgit terms) respectively for the financial period under review.

Manager's Report



The real estate sector of the S&P BMI Asia Pacific Index, which measures the returns of property stocks and REITs listed in regional markets, registered a gain of 11.35% (+1.37% in Ringgit terms) for the financial period under review.

Despite the ongoing property-tightening measures, Hong Kong property stocks delivered decent performances during the review period as house prices climbed to record highs in January 2018, supported by ample liquidity in the system and the strong holding power of house owners.

The Chinese government has implemented a series of tightening measures in a number of cities since 2016 to prevent excessive property price surges. However, property stocks in China continued to perform well amid robust contracted sales by developers and strong buying interest from mainland Chinese investors through southbound flows of the Stock Connect programs.

Real estate stocks in Japan rebounded in 2H 2017 after having consolidated since the beginning of 2017. The residential property sector's supply and demand situation in major cities remained tight, driven by relocation demand from redevelopment projects and the demolition of old buildings. Meanwhile, office demand remained firm due to slower-than-expected supply. As for the retail property sector, the decline in consumer sentiment was mitigated by stabilising demand for hotel accommodation as tourist arrivals continue to increase.

Rising inflation outlook as well as the higher interest rate environment following four hikes of 25 basis points (bps) each for the U.S. Federal funds rate since December 2016 have caused prices of Australian REITs to consolidate. Nonetheless, Australian REITs will remain a key investment vehicle for the Fund as they own quality assets which generate sustainable rental income with decent annual rental growth over the long term.

The prospects of the Malaysian property market remain challenging as local banks continue to tighten mortgage lending amid rising household debt and affordability issues. The supply-demand imbalance in the property market has increased since 2015, with the number of unsold units at a decade-high. Due to oversupply concerns, most property companies are slowing their launches and lowering their sales targets while focusing on the low- to mid-range property segment to accommodate demand from the mass market. Bank Negara Malaysia's (BNM) recent move to raise the Overnight Policy Rate (OPR) by 25 bps to 3.25% in January 2018 is also anticipated to dampen sentiment of house buyers.

PFEPRF

In other South-East Asian countries such as Indonesia and Thailand, their accommodative monetary policies, rising middle-income class and ongoing implementation of infrastructure projects have continued to support property demand in these markets. Meanwhile, the Singapore property market may have bottomed out with quarterly property sales seeing sequential growth.

Bond Market and Money Market Review

The Indonesian bond market started the financial period under review on a firm note, as Bank Indonesia (BI) cut its benchmark policy rate in August and September 2017 by 25 bps each from 4.75% to 4.25%.

The Indonesian bond market consolidated briefly in October 2017 in tandem with higher U.S. Treasury yields, before rebounding in November and December 2017 on the back of a stronger 3Q 2017 economic growth, a lower inflationary outlook as well as Fitch Ratings' upgrade of Indonesia's sovereign credit rating from BBB- to BBB with a stable outlook.

In January 2018, the Indonesian bond market resumed its rally but experienced selling pressure in the second half of the month amid profit-taking activities as U.S. Treasury yields moved higher.

For the financial period under review, the yields of 3-year and 10-year Indonesian government bonds fell by 98 bps and 66 bps respectively to 5.76% and 6.27%. Over the same period, the Rupiah depreciated by 0.5% from Rp13,324 to Rp13,389 against the U.S. Dollar.

The Overnight Rate commenced the financial period under review at 2.99% and ended the financial period under review higher at 3.17%.

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.

Malaysia's export growth accelerated to 20.4% in the first 11 months of 2017 from 1.2% in 2016 due mainly to higher exports of electrical and electronic products. Import growth surged to 21.2% from 1.9% over the same period. Malaysia's cumulative trade surplus widened to RM90.0 billion in the first 11 months of 2017 compared to RM79.2 billion for the corresponding period of the prior year. Due to capital inflows, Malaysia's foreign reserves rose to US$102.4 billion as at end-December 2017 compared to US$94.5 billion a year ago.

Malaysia's inflation rate gained pace to 3.7% in 2017 from 2.1% in 2016 on the back of higher transportation costs and food prices. On 25 January 2018, BNM raised the OPR by 25 bps from 3.00% to 3.25% amid resilient economic growth. Loans growth eased to 4.1% in 2017 from 5.3% in 2016 due to slower demand from the household sector.

On the regional front, Singapore's GDP growth expanded from 2.0% in 2016 to 3.5% in 2017, helped by robust growth in the services sector. Singapore's inflation rate turned positive at 0.6% in 2017 compared to -0.5% in 2016 amid higher transportation costs.

Indonesia's economic growth was sustained at 5.0% in the first three quarters of 2017 compared to a similar growth rate in 2016 on the back of resilient domestic demand. Driven by higher housing and transportation costs, the inflation rate firmed to 3.8% in 2017 from 3.5% in 2016.

To support domestic economic activities, Bank Indonesia (BI) reduced its benchmark interest rate by 50 bps to 4.25% during the August-September 2017 period.

Led by resilient consumer spending and higher export growth, Thailand's GDP growth increased from 3.2% in 2016 to 3.8% in the first three quarters of 2017. The inflation rate rose to 0.7% in 2017 from 0.2% in 2016 due to higher transportation costs. The Bank of Thailand maintained its policy interest rate at 1.50% to support economic growth.

The Philippines' GDP growth eased from 6.9% in 2016 to 6.7% in 2017 amid moderating domestic demand. The inflation rate climbed to 3.2% in 2017 from 1.8% in 2016 on the back of higher food prices and transportation costs.

In North Asia, China's GDP growth expanded from 6.7% in 2016 to 6.9% in 2017, driven by firmer growth in the services sector. The services sector's growth increased from 7.8% in 2016 to 8.0% in 2017 as wholesale and retail trade picked up. Meanwhile, China's inflation rate softened to 1.6% in 2017 from 2.0% in 2016 amid lower food prices. 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 2.0% in 2016 to 3.9% in the first three quarters of 2017 due to higher consumer spending and export growth. The inflation rate slowed to 1.5% in 2017 from 2.4% in 2016 on the back of moderating food and housing costs. To curb elevated residential property prices, Hong Kong's government introduced additional tightening measures in May 2017.

Japan's GDP growth increased from 0.9% in 2016 to 1.7% in the first three quarters of 2017 amid higher investment spending and export growth. Led by higher transportation costs, the inflation rate turned positive at 0.5% in 2017 compared to -0.1% in 2016. To support economic growth and mitigate deflationary pressures, the Bank of Japan left its interest rate unchanged at -0.1%.

Down under, Australia's GDP growth eased from 2.6% in 2016 to 2.2% in the first three quarters of 2017 due to moderating consumer spending and export growth. Driven by higher housing and transportation costs, Australia's inflation rate picked up from 1.3% in 2016 to 1.9% in 2017. To support domestic demand, the Reserve Bank of Australia (RBA) maintained its cash rate at 1.50%.

Led by higher investment spending and export growth, U.S. GDP growth rose from 1.5% in 2016 to 2.3% in 2017. Investment spending increased by 3.2% in 2017 compared to a contraction of 1.6% in 2016 due to higher investment in equipment. Meanwhile, exports expanded by 3.1% compared to a decline of 0.3% over the same period. At the Federal Open Market Committee (FOMC) meeting on 30-31 January 2018, the Federal Reserve maintained the Federal funds rate at the target range of 1.25%-1.50%.

Eurozone GDP growth gained pace from 1.8% in 2016 to 2.5% in 2017 on the back of higher exports. At its monetary policy meeting on 25 January 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 traded on a positive note in January 2018 amid an improved outlook for the global economy. However, concerns over inflationary pressures in the U.S. may result in volatile market conditions in the near term. Looking ahead, the performance of equity markets 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 2.6% 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 2.2% in 2018 on expectations of slower export growth.

Down under, Australia's economic growth is expected to rise from 2.3% in 2017 to 2.8% in 2018 due to higher investment spending. The financial and insurance services sector should maintain its current growth trajectory as low interest rates continue to underpin housing demand.

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 2.3% in 2018.

Hong Kong's GDP growth is expected to ease from 3.7% in 2017 to 2.8% 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.

Japan's economic growth is projected to moderate from 1.7% in 2017 to 1.3% in 2018 on the back of slower consumer spending and export growth.

In South-East Asia, Singapore's GDP growth is estimated to ease from 3.5% 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.

Meanwhile, Thailand's GDP growth is envisaged to inch down from 3.8% in 2017 to 3.7% in 2018 on the back of slower export growth. The Philippines' GDP growth is anticipated to edge lower from 6.7% in 2017 to 6.6% in 2018 as export growth moderates.

On the domestic front, Malaysia's GDP growth is projected to ease from 5.8% in 2017 to 5.3% 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-January 2018, the local stock market was trading at a prospective P/E ratio of 16.7x, which was above its 10-year average of 16.5x. The market's dividend yield was 3.22%.

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.

Property Market Outlook and Investment Strategy

Over the past few years, the low interest rate environment has led to sustained demand for properties in the Far-East region. Consequently, several countries have imposed tightening measures on the property sector to contain asset inflationary pressures and restrain increases in household debt. In addition to raising the down-payment requirements for residential home buyers, local authorities in several regional countries also imposed higher stamp duties to curb short-term speculative demand and increased the land supply for residential development to stabilise residential property prices.

Over the medium to long term, demand for residential properties remains supported by the high savings rate, ample liquidity, demographic changes and resilient economic growth in the Far-East region. Property markets in the region are also supported by rising urbanisation as well as demand for better living standards among the middle-income group.

At the end of the review period, the Fund held investments in selected markets including Japan, where monetary policy remains accommodative and Indonesia, where monetary easing measures continue to support domestic property demand. Apart from these two countries, the Fund also invested in property stocks listed in Malaysia, Australia, China, Hong Kong, Singapore, Thailand and the Philippines.

The Fund will continue to review and rebalance its portfolio of investments accordingly with the objective of achieving capital growth over the medium to long term period by investing in companies that are principally engaged in property investment and development, hotel and resorts development and investment and REITs in domestic and regional markets. The Fund may also invest in companies which have significant property or real estate assets.

Notes: Q = Quarter
H = Half

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, PFEPRF 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 January 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 January 2018

	31.1.2018 MYR'000	31.7.2017 MYR'000
Assets		
Investments	300,252	322,838
Due from brokers/financial institutions, net	-	623
Tax recoverable	334	334
Other receivables	671	760
Deposits with financial institutions	10,450	9,101
Cash at banks	10,814	1,851
	322,521	335,507
Liabilities		
Due to brokers/financial institutions, net	1,398	977
Due to the Manager, net	621	247
Due to the Trustee	17	18
Other payables	53	64
Distribution payable	-	15,715
	2,089	17,021
Total net assets	320,432	318,486
Net asset value ("NAV") attributable to unitholders (Total equity)	320,432	318,486
Units in circulation (in '000)	1,048,757	1,047,648
NAV per unit (in sen)	30.55	30.40

Statement of Income and Expenditure
For the Financial Period Ended 31 January 2018

	1.8.2017 to 31.1.2018 MYR'000	1.8.2016 to 31.1.2017 MYR'000
Income		
Interest income	713	746
Dividend income	4,750	4,558
Net gain from investments	97	10,101
Amortisation of premium, net of accretion of discount	(51)	(51)
Net realised/unrealised foreign exchange (loss)/gain	(317)	767
	5,192	16,121
Less: Expenses		
Trustee's fee	104	101
Management fee	2,943	2,844
Audit fee	3	3
Tax agent's fee	1	1
Brokerage fee	329	373
Administrative fees and expenses	45	49
	3,425	3,371
Net income before taxation	1,767	12,750
Taxation	(360)	(315)
Net income after taxation	1,407	12,435
Net income after taxation is made up as follows:		
Realised	12,040	10,934
Unrealised	(10,633)	1,501
	1,407	12,435

Extracts Of Financial Statements (cont'd)

Statement of Changes in Net Asset Value
For the Financial Period Ended 31 January 2018

	Unitholders' capital MYR'000	Retained earnings MYR'000	Total MYR'000
As at 1 August 2016	253,312	51,334	304,646
Creation of units	11,942	-	11,942
Cancellation of units	(15,168)	-	(15,168)
Net income after taxation	-	12,435	12,435
As at 31 January 2017	250,086	63,769	313,855
As at 1 August 2017	245,561	72,925	318,486
Creation of units	16,632	-	16,632
Cancellation of units	(16,093)	-	(16,093)
Net income after taxation	-	1,407	1,407
As at 31 January 2018	246,100	74,332	320,432

Statement of Cash Flows

For the Financial Period Ended 31 January 2018

	1.8.2017 to 31.1.2018 MYR'000	1.8.2016 to 31.1.2017 MYR'000
Cash flows from operating activities		
Proceeds from sale of investments	58,903	64,195
Purchase of investments	(35,553)	(61,710)
Maturity of deposits	1,118,087	1,210,695
Placement of deposits	(1,119,436)	(1,214,616)
Interest income received	634	707
Net dividend income received	4,475	4,433
Trustee's fee paid	(105)	(101)
Management fee paid	(2,952)	(2,833)
Audit fee paid	(4)	(4)
Payment of other fees and expenses	(55)	(52)
Net cash inflow from operating activities	23,994	714
Cash flows from financing activities		
Cash proceeds from units created	17,342	11,942
Cash paid on units cancelled	(16,420)	(15,642)
Distribution paid	(15,715)	(10,729)
Net cash outflow from financing activities	(14,793)	(14,429)
Net increase/(decrease) in cash and cash equivalents	9,201	(13,715)
Effect of change in foreign exchange rates	(238)	410
Cash and cash equivalents at the beginning of the financial period	1,851	16,233
Cash and cash equivalents at the end of the financial period	10,814	2,928