



**BOS WEALTH
MANAGEMENT**

A subsidiary of Bank of Singapore

BOSWM DYNAMIC INCOME FUND

**SEMI-ANNUAL REPORT
For the six months ended
31 December 2023**

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FUND INFORMATION**As At 31 December 2023**

Name Of Fund	: BOSWM Dynamic Income Fund
Manager Of Fund	: BOS Wealth Management Malaysia Berhad 199501006861 (336059-U)
Launch Date	: 2 October 2019 (With effect from 20 November 2020, Class A had been changed to Class BOS MYR) The Fund will continue its operations until terminated as provided under Part 12 of the Deed.
Category Of Fund	: Fixed income
Type Of Fund	: Growth and income
Investment Objective	: BOSWM Dynamic Income Fund aims to deliver total return for its Unit Holder(s). Note: 'total return' refers to income (in the form of income distribution) and potential capital growth.
Performance Benchmark	: Maybank Overnight Deposit Rate
Distribution Policy	: Declaration of income distribution (if any) is at least once a year.
Fund Size	: Class BOS MYR – 158.50 million units

FUND PERFORMANCE

Financial Highlights

Category	As At	As At	As At	As At
	31.12.2023	30.6.2023	30.6.2022	30.6.2021
	%	%	%	%
Fixed Income Securities	42.88	37.17	-	-
Cash And Liquid Assets	57.12	62.83	100.00	-
Total	100.00	100.00	100.00	-
Net Asset Value (RM'000)	165,758	149,563	85,216	-
Number Of Units In Circulation (Units '000)	158,504	146,137	84,521	-
Net Asset Value Per Unit (RM)	1.0458	1.0235*	1.0083	-
Total Expense Ratio ("TER")	0.28%	0.56%	0.37%	0.31%
Portfolio Turnover Ratio (times)	0.08	0.37	#	0.65

The TER for the current interim period remains consistent with that of the previous interim period. The Fund does not charge any performance fee. (31 Dec 2022: 0.28%).

The Portfolio Turnover Ratio for the current interim period is lower due to decrease in investing activities (31 Dec 2022: 0.31 times).

Notes:

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

* Price quoted is ex-distribution.

The PTR for the previous financial year was nil as the Fund only had placements with licensed financial institutions.

Performance Data

	1.7.2023 - 31.12.2023	1.1.2023 - 31.12.2022	1.1.2021 - 31.12.2023	2.10.2019 - 31.12.2023
	6 Months' Period	1 Year's Period	3 Year's Period	Since Inception
BOSWM Dynamic Income Fund				
- Total Return	2.16%	4.27%	6.40%	8.65%
- Average Return	-	4.27%	2.13%	2.03%
Maybank Overnight Deposit Rate				
- Total Return	0.66%	1.24%	2.09%	3.14%
- Average Return	-	1.24%	0.70%	0.74%
				Since Inception
	1.7.2023 - 31.12.2023	1.7.2022 - 30.6.2023	1.7.2021 - 30.6.2022	2.10.2019 - 30.6.2022
BOSWM Dynamic Income Fund				
- Capital Return	2.16%	1.51%	0.83%	-1.55%
- Income Return	0.00%	1.76%	0.00%	0.00%
- Total Return	2.16%	3.29%	0.83%	-1.55%
Maybank Overnight Deposit Rate				
	0.66%	1.02%	2.02%	1.97%
				Since Inception
	1.7.2023 - 31.12.2023	1.7.2022 - 30.6.2023	1.7.2021 - 30.6.2022	2.10.2019 - 30.6.2022
Unit Prices				
Highest NAV (RM)	1.0454	1.0415	1.0083	1.0221
Lowest NAV (RM)	1.0237	1.0083	1.0000	1.0000
Unit Splits				
	-	-	-	-

Distributions

Gross Distribution Per Unit (sen)

1.7.2023 - 31.12.2023	1.7.2022 - 30.6.2023	1.7.2021 - 30.6.2022	1.7.2020 - 30.6.2021
31.12.2023 -	30.6.2023 1.80	30.6.2022 -	30.6.2021 -

Net Distribution Per Unit (sen)

1.7.2023 - 31.12.2023	1.7.2022 - 30.6.2023	1.7.2021 - 30.6.2022	1.7.2020 - 30.6.2021
31.12.2023 -	30.6.2023 1.80	30.6.2022 -	30.6.2021 -

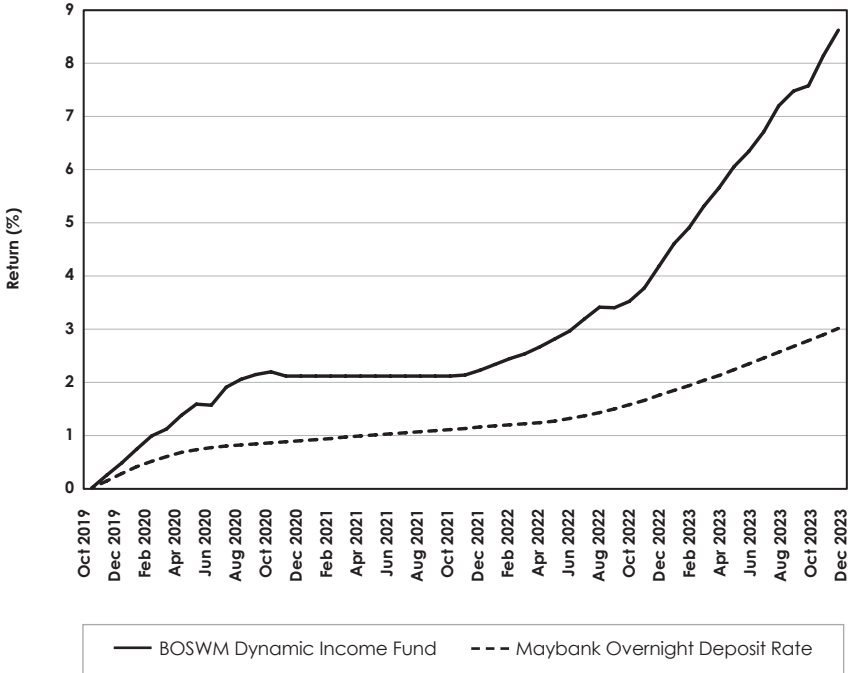
Notes:

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

MANAGER'S REPORT
31 December 2023

Performance Review

Comparison Between Fund's Performance And Benchmark

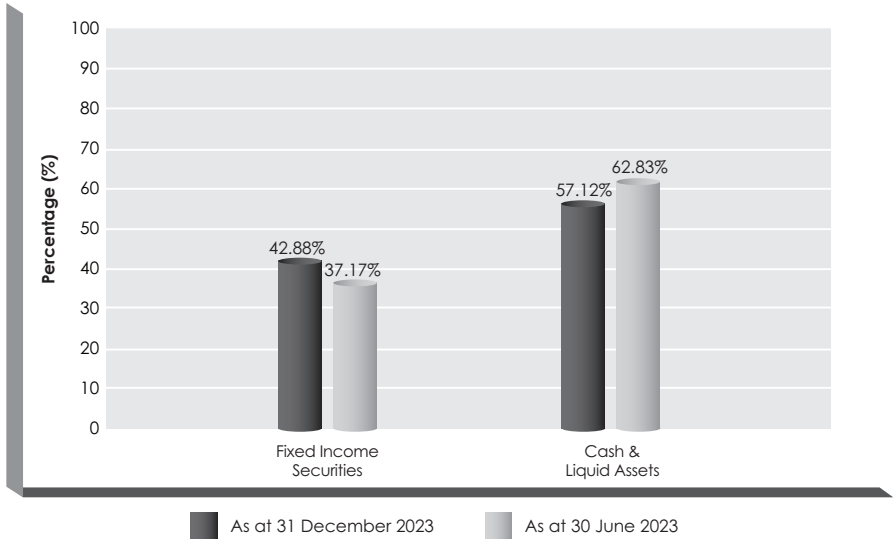


Source: Lipper

Investment Strategy Review

Investment decisions were focused on a combination of yield accumulation and intermediate duration strategies in providing the required return commensurate with the risk tolerance of the Fund. Credit selections were focused high rated Issuers within the AA-rated segment as the Fund sought yield enhancements given the still attractive credit spreads. The portfolio fixed income allocation was kept within the range of 35%-37% for most of 3Q2023 before increasing the allocation a tad above 40% towards end 4Q2023 as the Fund sought duration for capital appreciation on prospects of peak OPR coupled with a moderate growth outlook underpins the attractiveness of bond investments. Fundamentals of the underlying bond portfolio were satisfactory with decent earnings expectations and rating stability. During the period in review, the Fund experienced one positive outlook revision for a bond within the AA segment.

Asset Allocation



The fixed income securities allocation of BOSWM Dynamic Income Fund increased to 42.88% as at 31 December 2023 due to net purchasing activities. Gradual increase in the fund's NAV allowed accumulation of bonds while ensuring sufficient portfolio diversification during the financial period in review.

Securities Financing Transactions: Nil

Analysis Of Net Asset Value

The net asset value (NAV) per unit of BOSWM Dynamic Income Fund increased from RM1.0235 to RM1.0458 during the financial period under review. Meanwhile, total NAV of the Fund increased to RM165,757,544 from RM149,562,770 on net fund inflows and higher price valuations.

Market Review

Bond Market Review

The narrative driving the strong recovery in the investment markets in the first half of 2023 flipped in the third quarter, sending bond yields higher and stock prices lower. Optimism faded over the course of the quarter on resetting expectations about the magnitude, direction, and timing of the future Fed action. The mantra became “higher for longer,” and bonds responded with yields increasing across all segments with pressure intensifying in September and October as interest rates jumped to more than 16-year highs peaking 5.02% before moderating lower towards end-4Q2023 whereby a dovish Fed prompted a strong rally in UST. The updated economic projections showed lower inflation expectations for 2024 and the Fed discussed the timing of potential rate cuts for the first time. In the December policy statement, the central bank tweaked the language that could potentially signal that the officials are done with tightening policy, leaving investors cheering Powell's policy pivot. Over the interim period, the 2-year yield declined by 64bps to 4.25% while the 10-year was marginally lower by 4bps to 3.88%.

The local bond market ended the period on a strong footing despite market volatilities in 3Q2023 on expectations than BNM has fully normalized the OPR in the current rate cycle. Sentiment was also boosted by the rally in developed market yields along with strong buying as investors look to build inventory ahead of the new year. Demand for duration was evident as the yield curve bull flattened supported by higher real returns. The annual inflation rate in Malaysia fell to 1.5% in November 2023 from 1.8% in the prior month, less than market forecasts of 1.7%. It was the lowest point since February 2021, with food prices rising the least in near 2 years. Inflation is expected to remain a key theme in 2024 with the rollout of petrol subsidy rationalization. However, OPR should remain stable at 3% in 2024. Over the period, the 3-year MGS was unchanged at 3.45% supported by BNM's unchanged OPR decision while the 10-year declined 12bps to 3.72%.

Unit Split: Not applicable

Operational Review: Nil

Significant Changes In The State Of Affairs Of The Fund: Nil

Non-Significant Changes In The Fund's Prospectus: Nil

Circumstances That Materially Affect Interest Of Unitholders: Nil

Crossed Trade Transactions That Have Been Carried Out: Nil

Soft Commissions

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

TRUSTEE'S REPORT

To the Unitholders of **BOSWM DYNAMIC INCOME FUND** ("Fund")

We have acted as Trustee of the Fund for the semi-annual period ended 31 December 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **BOS WEALTH MANAGEMENT MALAYSIA BERHAD** has operated and managed the Fund during the period covered by these financial statements in accordance with the following:-

1. Limitations imposed on the investment powers of the management company under the deeds, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For and on behalf of
CIMB COMMERCE TRUSTEE BERHAD

DATIN EZREEN ELIZA BINTI ZULKIPLEE
Chief Executive Officer

Kuala Lumpur, Malaysia
15 February 2024

STATEMENT BY THE MANAGER

We, **OH JO ANN** and **LIM HIAH ENG**, being two of the Directors of **BOS WEALTH MANAGEMENT MALAYSIA BERHAD**, do hereby declare that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 11 to 30 are prepared in accordance with the requirements of the Deeds, Malaysian Financial Reporting Standards, International Financial Reporting Standards and Securities Commission's Guidelines on Unit Trust Funds in Malaysia so as to give a true and fair view of the financial position of **BOSWM DYNAMIC INCOME FUND** as at 31 December 2023 and of its results, changes in net asset value and cash flows for the semi annual period then ended.

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

OH JO ANN

Petaling Jaya, Malaysia
15 February 2024

LIM HIAH ENG

UNAUDITED STATEMENT OF FINANCIAL POSITION
As At 31 December 2023

	Note	31.12.2023 RM	30.6.2023 RM
Assets			
Investments	3	71,075,069	55,598,532
Deposits with licensed financial institutions	5	86,300,000	87,000,000
Interest receivable		3,201,947	1,908,323
Cash and bank balances	6	5,270,366	7,773,139
Total Assets		<u>165,847,382</u>	<u>152,279,994</u>
Liabilities			
Amount due to Manager	7	70,045	62,472
Other payables		19,793	24,292
Distribution payable	13	-	2,630,460
Total Liabilities		<u>89,838</u>	<u>2,717,224</u>
Net Asset Value ("NAV") Of The Fund		<u>165,757,544</u>	<u>149,562,770</u>
Net Assets Attributable to Unitholders Of The Fund Comprise:	13		
Unitholders' capital		159,649,827	146,835,508
Retained earnings		6,107,717	2,727,262
		<u>165,757,544</u>	<u>149,562,770</u>
Total Equity And Liabilities		<u>165,847,382</u>	<u>152,279,994</u>
Number Of Units In Circulation (Units)	14	<u>158,503,678</u>	<u>146,136,666</u>
NAV Per Unit	13	<u>RM1.0458</u>	<u>RM1.0235*</u>

* Ex-distribution NAV per unit

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

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
For The Semi-Annual Period Ended 31 December 2023

	Note	1.7.2023 to 31.12.2023 RM	1.7.2022 to 31.12.2022 RM
Investment Income			
Interest income		3,236,263	1,506,728
Net unrealised gain on changes in value of financial assets at FVTPL		473,475	98,168
		<u>3,810,156</u>	<u>1,604,896</u>
Expenses			
Audit fee		100	3,219
Tax agent's fee		-	1,292
Manager's fee	8	391,914	264,399
Trustee's fee	9	31,353	21,152
Administration expenses		6,334	5,563
		<u>429,701</u>	<u>295,625</u>
Net Income Before Taxation		3,380,455	1,309,271
Taxation	12	-	-
Net Income After Taxation, Representing Total Comprehensive Income For The Period		<u>3,380,455</u>	<u>1,309,271</u>
Total Comprehensive Income		<u>3,380,455</u>	<u>1,309,271</u>
Total Comprehensive Income Comprises The Following:			
Realised income		2,906,980	1,211,103
Unrealised income		473,475	98,168
		<u>3,380,455</u>	<u>1,309,271</u>

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

UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE
For The Semi-Annual Period Ended 31 December 2023

	Unitholders' Capital RM	Retained Earnings RM	NAV Attributable To Unitholders RM
At 1 July 2022	84,780,231	435,754	85,215,985
Net income after taxation	-	1,309,271	1,309,271
Creation of units	40,133,973	-	40,133,973
At 31 December 2022	<u>124,914,204</u>	<u>1,745,025</u>	<u>126,659,229</u>
At 1 July 2023	146,835,508	2,727,262	149,562,770
Net income after taxation	-	3,380,455	3,380,455
Creation of units	12,814,319	-	12,814,319
At 31 December 2023	<u>159,649,827</u>	<u>6,107,717</u>	<u>165,757,544</u>

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

UNAUDITED STATEMENT OF CASH FLOWS
For The Semi-Annual Period Ended 31 December 2023

	1.7.2023 to 31.12.2023 RM	1.7.2022 to 31.12.2022 RM
Cash Flows From Operating And Investing Activities		
Proceeds from sale of investments	5,000,000	10,000,000
Purchase of investments	(19,892,795)	(54,808,267)
Withdrawal of deposits from licensed financial institutions	87,000,000	-
Placement of deposits with licensed financial institutions	(86,300,000)	(24,000,000)
Interest received	1,932,789	894,117
Manager's fee paid	(384,340)	(245,694)
Trustee's fee paid	(30,747)	(19,656)
Payment for other fees and expenses	(11,539)	(11,843)
Net cash used in operating and investing activities	<u>(12,686,632)</u>	<u>(68,191,343)</u>
Cash Flows From Financing Activities		
Cash proceeds from units created	12,814,319	40,133,973
Net cash generated from financing activity	<u>10,183,859</u>	<u>40,133,973</u>
Net Decreases In Cash And Cash Equivalents	(2,502,773)	(28,057,370)
Cash And Cash Equivalents At Beginning Of Financial Period	<u>7,773,139</u>	<u>84,896,967</u>
Cash And Cash Equivalents At End Of Financial Period	<u><u>5,270,366</u></u>	<u><u>56,839,597</u></u>
Cash And Cash Equivalents Comprise:		
Cash at banks	10,366	39,597
Deposits with licensed financial institutions	5,260,000	56,800,000
	<u>5,270,366</u>	<u>56,839,597</u>

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**31 December 2023****1. The Fund, The Manager And Their Principal Activities**

BOSWM Dynamic Income Fund (hereinafter referred to as "the Fund") was constituted pursuant to the execution of a Deed dated 15 August 2019, its First Supplemental Deed dated 5 October 2020 and its Second Supplemental Deed dated 8 November 2022 (hereinafter referred to as "the Deeds"), made between the Manager, BOS Wealth Management Malaysia Berhad and the Trustee, CIMB Commerce Trustee Berhad for the registered holders of the Fund.

The principal activity of the Fund is to invest in "Permitted Investments" as defined in the Deeds, which include fixed income securities and money market instruments as approved by the Securities Commission Malaysia. The Fund was launched on 2 October 2019 and will continue its operations until terminated as provided in the Deeds.

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

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

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the Directors on 15 February 2024.

2. Summary Of Material Accounting Policies**(a) Basis Of Preparation**

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

The material accounting policies adopted are consistent with those applied in the previous financial year end except for the adoption of new Amendments to MFRSs which are effective for financial years beginning on or after 1 January 2023. These new Amendments to MFRSs did not give rise to any significant effect on the financial statements.

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

Standards issued but not yet effective:

	Effective for financial periods beginning on or after
<i>Amendments to MFRS 101: Presentation of Financial Statements Classification of Liabilities as Current and Non-Current</i>	1 January 2024
<i>Amendments to MFRS 101: Presentation of Financial Statements Non-Current Liabilities with Covenants</i>	1 January 2024
<i>Amendments to MFRS 16: Leases Lease liability in a Sale and Leaseback*</i>	1 January 2024
<i>Amendments to MFRS 107: Statement of Cash Flows and MFRS 7 Financial Instruments: Supplier Finance Arrangements</i>	1 January 2024
<i>Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates</i>	1 January 2025
<i>Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*</i>	Deferred

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

(b) Functional And Presentation Currency

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

(c) Financial Instruments

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

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

Financial Assets

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

(i) Financial Assets At Amortised Cost

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

(ii) Financial Assets At FVTPL

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

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest ("SPPI") on the principal amount outstanding; or
- (b) It is held within a business model whose objective is to sell; or

- (c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

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

Financial Liabilities

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

(d) Derecognition Of Financial Assets And Liabilities

Financial Assets

A financial asset is derecognised when the asset is disposed and the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial Liabilities

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liability is derecognised, and through the amortisation process.

(e) Impairment Of Financial Assets

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

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

(f) Income Recognition

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

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

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

(g) Unrealised Reserves/(Deficits)

The unrealised reserves/(deficits) represent the net gain or loss arising from carrying quoted investments at their fair value and are recognised in the statement of comprehensive income.

(h) Cash And Cash Equivalents

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

(i) Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

(j) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(k) Distributions

Distributions made by the Fund are accounted for as a deduction from realised reserves except where distributions are sourced out of distribution equalisation which are accounted for as a deduction from unitholders' capital. Distributions are recognised in the statement of changes in NAV when they are approved by the Manager and the Trustee.

(l) Unitholders' Capital

Unitholders' capital meets the conditions for the definition of puttable instruments classified as equity instruments.

Distribution equalisation is accounted for on the date of creation and cancellation of units. It represents the average distributable amount included in the creation and cancellation prices of units. This amount is either refunded to unitholders by way of distribution and/or adjusted accordingly when units are cancelled.

(m) Material Accounting Estimates And Judgments

The preparation of financial statements in accordance with MFRS and IFRS requires the use of certain accounting estimates and exercise of judgments. Estimates and judgments are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

No major estimates and judgments have been made by the Manager in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities at the reporting date.

3. Investments

	31.12.2023	30.6.2023
	RM	RM
Financial Assets At FVTPL		
Fixed income securities	<u>71,075,069</u>	<u>55,598,532</u>
Total Investments	<u>71,075,069</u>	<u>55,598,532</u>

Fixed Income Securities

The composition of fixed income securities at the reporting date is as detailed below:

Name Of Counter	Credit Rating	Nominal Value RM	Cost RM	Fair Value RM	Fair Value As A % Of
					NAV %
Cagamas Berhad	AAA	5,000,000	5,000,000	5,005,450	3.02
CIMB Bank Berhad	AA2	5,000,000	5,000,000	5,059,050	3.05
Gamuda Berhad	AA3	5,000,000	5,000,000	5,072,350	3.06
Amanat Lebuhraya Rakyat	AAA	5,000,000	5,000,000	5,021,500	3.03
Eco World Capital Bhd	AA-	5,000,000	5,000,000	5,273,950	3.18
Digi Telecommunications	AAA	5,000,000	5,008,684	5,204,050	3.14
Affin Bank Berhad	A1	5,000,000	5,000,000	5,086,550	3.07
Point Zone (M) Sdn Bhd	AA-	5,000,000	5,000,000	5,095,450	3.08
CGS CIMB Securities Bhd	AA	10,000,000	9,902,173	9,904,519	5.98
Imfiaz Sukuk II Berhad	AA2	5,000,000	5,000,000	5,010,050	3.02
YTL International Power Bhd	AA1	5,000,000	5,012,790	5,224,000	3.15
RHB Bank Berhad	AA2	5,000,000	5,000,000	5,056,400	3.05
OSK Holdings Bhd	AA	5,000,000	5,000,000	5,061,750	3.05
		<u>70,000,000</u>	<u>69,923,647</u>	<u>71,075,069</u>	<u>42.88</u>

**UNREALISED GAIN FROM
FIXED INCOME SECURITIES**

1,151,422

The weighted average rate of return and remaining maturity at the reporting date were as follows:

	Weighted Average Rate Of Return (% Per Annum)		Weighted Average Remaining Maturity (Days)	
	31.12.2023	30.6.2023	31.12.2023	30.6.2023
Fixed income securities	<u>4.15</u>	<u>4.56</u>	<u>1,519</u>	<u>1,733</u>

4. Fair Value Hierarchy

The Fund uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation techniques:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 2 RM	Total RM
31.12.2023		
Financial Assets At FVTPL		
Fixed income securities	<u>71,075,069</u>	<u>71,075,069</u>
30.6.2023		
Financial Assets At FVTPL		
Fixed income securities	<u>55,598,532</u>	<u>55,598,532</u>

The carrying amounts of other financial assets and financial liabilities, approximate fair values due to the relatively short term maturities of these financial instruments.

5. Deposits With Licensed Financial Institutions

	31.12.2023 RM	30.6.2023 RM
Deposits with licensed financial institutions:		
- Commercial bank	<u>86,300,000</u>	<u>87,000,000</u>

	Weighted Average Rate Of Return (% Per Annum)		Weighted Average Remaining Maturity (Days)	
	31.12.2023	30.6.2023	31.12.2023	30.6.2023
Deposits with licensed financial institutions:				
- Commercial bank	<u>4.15</u>	<u>4.17</u>	<u>92</u>	<u>205</u>

6. Cash And Bank Balances

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

	31.12.2023 RM	30.6.2023 RM
Cash at banks	<u>10,366</u>	<u>73,139</u>
Deposits with licensed financial institutions:		
- Commercial bank	5,260,000	-
- Investment bank (with maturity less than 3 months)	-	7,700,000
	<u>5,260,000</u>	<u>7,700,000</u>
Cash and cash balances	<u>5,270,366</u>	<u>7,773,139</u>

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

	Weighted Average Effective Interest Rate (% Per Annum)		Weighted Average Remaining Maturity (Days)	
	31.12.2023	31.12.2023	30.6.2023	30.6.2023
Deposits with licensed financial institutions:				
- Commercial bank	4.05	-	62	-
- Investment bank	<u>-</u>	<u>3.01</u>	<u>3</u>	<u>3</u>

7. Amount Due To Manager

The amount due to manager represents amount payable for management fee.

Management fee is payable on a monthly basis.

8. Manager's Fee

The Manager's fee provided in the financial statements is computed at 0.50% (2022: 0.50%) per annum of the NAV attributable to unitholders of the Fund, calculated on a daily basis.

9. Trustee's Fee

The Trustee's fee provided in the financial statements are computed at 0.04% (2022: 0.04%) per annum of the NAV attributable to unitholders of the Fund, calculated on a daily basis, subject to a minimum fee of RM8,400 per annum.

10. Portfolio Turnover Ratio ("PTR")

	1.7.2023	1.7.2022
	To	To
	31.12.2023	31.12.2022
Portfolio turnover ratio ("PTR")	<u>0.08 times</u>	<u>0.31 times</u>

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial period over the average NAV attributable to unitholders of the Fund calculated on a daily basis.

The PTR for the current financial period is lower due to decrease in investing activities.

11. Total Expense Ratio ("TER")

	1.7.2023	1.7.2022
	To	To
	31.12.2023	31.12.2022
Total expense ratio ("TER") ¹	<u>0.28%</u>	<u>0.28%</u>

TER is the ratio of expenses of the Fund expressed as a percentage of the average NAV attributable to unitholders of the Fund for the financial period calculated on a daily basis. The TER for the current financial period remains consistent with that of the previous financial period. The Fund does not charge performance fee.

¹ The TER does not include brokerage and other transaction fees.

12. Taxation

	1.7.2023 To 31.12.2023 RM	1.7.2022 To 31.12.2022 RM
Malaysian income tax:		
Current financial period's provision	<u>-</u>	<u>-</u>

Income tax is calculated at the Malaysian statutory rate of taxation of 24% (2022:24%) of the estimated assessable income for the financial period.

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

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

	1.7.2023 To 31.12.2023 RM	1.7.2022 To 31.12.2022 RM
Net income before taxation	<u>3,380,455</u>	<u>1,309,271</u>
Taxation at Malaysian statutory rate of 24%	811,309	314,225
Tax effects of:		
Income not subject to tax	(914,437)	(385,175)
Expenses not deductible for tax purpose	8,459	6,151
Restriction on tax deductible expenses for unit trust funds	94,669	64,799
Tax expense for the financial period	<u>-</u>	<u>-</u>

13. Net Asset Attributable To Unitholders

	31.12.2023 RM	30.6.2023 RM
Unitholders' capital	159,649,827	146,835,508
Retained earnings		
- Realised reserves	4,958,608	2,051,628
- Unrealised reserves	1,149,109	675,634
NAV attributable to unitholders	<u>165,757,544</u>	<u>149,562,770</u>

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

14. Number Of Units In Circulation

	31.12.2023	30.6.2023
	No. Of Units	No. Of Units
At beginning of the financial period	146,136,666	84,521,068
Creation	12,367,012	74,304,715
Cancellation	-	(12,689,117)
At end of the financial period	<u>158,503,678</u>	<u>146,136,666</u>

15. Units Held By The Manager And Its Related Parties

	31.12.2023		30.6.2023	
	No. Of Units	RM	No. Of Units	RM
Holding Company Of The Manager	<u>93,071,474</u>	<u>97,334,148</u>	<u>91,326,197</u>	<u>93,472,363</u>

16. Transactions With Brokers/Dealers

Details of transactions with the brokers/dealers for the financial period are as follows:

Brokers/Dealers	Value Of Trade RM	% Of Total Trades %
Public Investment Bank Bhd	300,570,000	46.77
Kenanga Investment Bank Bhd	150,080,000	23.34
Malayan Banking Bhd	152,800,000	23.78
CIMB Bank Bhd	14,892,795	2.32
Public Bank Bhd	10,000,000	1.56
AmBank (M) Bhd	9,300,000	1.45
CIMB Islamic Bank Bhd	5,000,000	0.78
	<u>642,642,795</u>	<u>100.00</u>

The transactions above are with non related parties.

17. Financial Risk Management Objectives And Policies

The Fund is exposed to a variety of risks which include market risk, credit risk, liquidity risk, specific risk and single issuer risk.

Financial risk management is carried out through policy reviews, internal control systems and adherence to the investment restrictions as stipulated in the Securities Commission Malaysia's Guidelines on Unit Trust Funds in Malaysia.

(i) Market Risk

The Fund's principal exposure to market risk arises primarily due to changes in the market environment, global economic and geo-political developments. The Fund seeks to diversify some of these risks by investing into different sectors to mitigate risk exposure to any single asset class.

Financial markets have experienced and may continue to experience significant volatility resulting from the spread of a novel coronavirus known as Covid-19. The outbreak of Covid-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The outcomes of global and local financial markets are highly uncertain and cannot be predicted at this point in time. Due to this, the Manager of the Fund is unable to reliably estimate the quantitative impact of Covid-19 towards the Fund's performance for the next twelve months. The Manager of the Fund will continue to actively monitor the developments in the market to minimise any potential impact to the Fund.

The Fund's market risk is affected primarily by the following risks:

(a) Interest Rate Risk

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

Change In Basis Point	Effect On Net Income Before Tax And NAV Attributable To Unitholders Increase/(Decrease)	
	31.12.2023 RM	30.6.2023 RM
+25/	188,835	111,391
(25)	<u>(188,835)</u>	<u>(111,391)</u>

(ii) Credit Risk

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

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

The following table sets out the credit risk concentration of the Fund at the end of each reporting period:

	Investment RM	Deposits with licensed financial institutions RM	Cash And Bank Balances RM	Total RM
31.12.2023				
Credit rating				
AAA	15,231,000	52,000,000	270,366	67,501,366
AA1	5,224,000	30,000,000	-	35,224,000
AA2/AA	30,091,769	4,300,000	5,000,000	39,391,769
AA3/AA-	15,441,750	-	-	15,441,750
A1	5,086,550	-	-	5,086,550
	<u>71,075,069</u>	<u>86,300,000</u>	<u>5,270,366</u>	<u>157,558,885</u>
30.6.2023				
Credit rating				
AAA/P1	20,138,132	42,000,000	7,773,139	69,911,271
AA1/AA+	5,126,900	40,000,000	-	45,126,900
AA2	10,066,400	-	-	10,066,400
AA3/AA-	15,209,550	5,000,000	-	20,209,550
A1	5,057,550	-	-	5,057,550
	<u>55,598,532</u>	<u>87,000,000</u>	<u>7,773,139</u>	<u>150,371,671</u>

(iii) Liquidity risk

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

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

The table below summarises the Fund's financial liabilities into the relevant maturity groupings based on remaining period as at end of each reporting period to the contractual maturity date. The amounts in the table below are the contractual undiscounted cash flows.

	Within 1 Month RM	Between 1 Month To 1 Year RM	Total RM
31.12.2023			
Amount due to manager	70,045	-	70,045
Other payables	19,793	-	19,793
Net asset value attributable to unitholders	165,757,544	-	165,757,544
	<u>165,847,382</u>	<u>-</u>	<u>165,847,382</u>
30.6.2023			
Amount due to manager	62,472	-	62,472
Other payables	24,292	-	24,292
Distribution payable	2,630,460	-	2,630,460
Net asset value attributable to unitholders	149,562,770	-	149,562,770
	<u>152,279,994</u>	<u>-</u>	<u>152,279,994</u>

(iv) Specific risk

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

18. Operating Segment

The Fund is organised into one main operating segment for investment management purposes. The Investment Department takes a team approach to the investment process of the Fund. The decision-making process involves input from the entire team, with each team member (inclusive of analysts) contributing their respective expertise and views to yield fully informed conclusions. The Investment Committee is responsible for ensuring adherence to investment guidelines, both internal and external, as well as to assess strategy and implementation effectiveness, and to oversee the entire investment function. Accordingly, significant operating decisions are based upon the analysis of the Fund as one operating segment. The financial results from this segment are equivalent to the financial statements of the Fund as a whole.

19. Capital Management

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

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

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INSTITUTIONAL UNIT TRUST ADVISERS (IUTA)

For more details on the list of appointed IUTA (if any), please contact the Manager. Our IUTA may not carry the complete set of our funds. Investments made via our IUTA may be subject to different terms and conditions.

IMPORTANT NOTICES

Beware of phishing scams

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

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

Update of particulars

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