

BOSWM DYNAMIC INCOME FUND

**SEMI-ANNUAL REPORT
For the six months ended
31 December 2024**

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FUND INFORMATION**As At 31 December 2024**

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 – 170.40 million units

FUND PERFORMANCE

Financial Highlights

Category	As At 31.12.2024	As At 30.6.2024	As At 30.6.2023	As At 30.6.2022
	%	%	%	%
Fixed Income Securities	34.04	35.17	37.17	-
Cash And Liquid Assets	65.96	64.83	62.83	100.00
Total	100.00	100.00	100.00	100.00
Net Asset Value (RM'000)	178,860	174,226	149,563	85,216
Number Of Units In Circulation (Units '000)	170,398	168,635	146,137	84,521
Net Asset Value Per Unit (RM)	1.0497	1.0332*	1.0235*	1.0083
Total Expense Ratio ("TER")	0.28%	0.56%	0.56%	0.37%
Portfolio Turnover Ratio (times)	0.09	0.20	0.37	#

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 2023: 0.28%)

The Portfolio Turnover Ratio for the current interim period is higher due to increase in investing activities (31 Dec 2023: 0.08 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 Fund only makes deposit placements with licensed financial institutions and does not engage in the acquisition or disposal of securities.

Source of Distributions	1.7.2024 To 31.12.2024 RM'000	1.7.2023 To 30.6.2024 RM'000	1.7.2022 To 30.6.2023 RM'000	1.7.2021 To 30.6.2022 RM'000
- Net realised income	-	4,548	2,077	-
- Capital (distribution equalisation)	-	848	553	-
Total distributions	-	5,396	2,630	-
- Net realised income	-	84.28%	78.97%	-
- Capital (distribution equalisation)	-	15.72%	21.03%	-
Total distributions	-	100.00%	100.00%	-

Performance Data

	1.7.2024 - 31.12.2024 6 Months' Period	1.1.2024 - 31.12.2024 1 Year's Period	1.1.2022 - 31.12.2024 3 Year's Period	1.1.2020 - 31.12.2024 5 Year's Period
BOSWM Dynamic Income Fund				
- Total Return	1.62%	3.50%	10.00%	11.92%
- Average Return	-	3.50%	3.33%	2.38%
Maybank Overnight Deposit Rate				
- Total Return	0.66%	1.31%	3.17%	4.08%
- Average Return	-	1.31%	1.06%	0.82%

	1.7.2024 - 31.12.2024	1.7.2023 - 30.6.2024	1.7.2022 - 30.6.2023	1.7.2021 - 30.6.2022	1.7.2020 - 30.6.2021	Since Inception 2.10.2019 - 30.6.2020
BOSWM Dynamic Income Fund						
- Capital Return	1.62%	0.93%	1.51%	0.83%	-1.55%	1.57%
- Income Return	0.00%	3.10%	1.76%	0.00%	0.00%	0.00%
- Total Return	1.62%	4.05%	3.29%	0.83%	-1.55%	1.57%
Maybank Overnight Deposit Rate	0.66%	1.31%	1.02%	2.02%	1.97%	2.02%

	1.7.2024 - 31.12.2024	1.7.2023 - 30.6.2024	1.7.2022 - 30.6.2023	1.7.2021 - 30.6.2022	1.7.2020 - 30.6.2021	Since Inception 2.10.2019 - 30.6.2020
Unit Prices						
Highest NAV (RM)	1.0497	1.0649	1.0415	1.0083	1.0221	1.0179
Lowest NAV (RM)	1.0333	1.0236	1.0083	1.0000	1.0000	1.0000

Unit Splits	-	-	-	-	-	-
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Distributions

Gross Distribution Per Unit (sen)

1.7.2024 - 31.12.2024	1.7.2023 - 30.6.2024	1.7.2022 - 30.6.2023	1.7.2021 - 30.6.2022
- -	28.6.2024 3.20	30.6.2023 1.80	30.6.2022 -

Net Distribution Per Unit (sen)

1.7.2024 - 31.12.2024	1.7.2023 - 30.6.2024	1.7.2022 - 30.6.2023	1.7.2021 - 30.6.2022
- -	28.6.2024 3.20	30.6.2023 1.80	30.6.2022 -

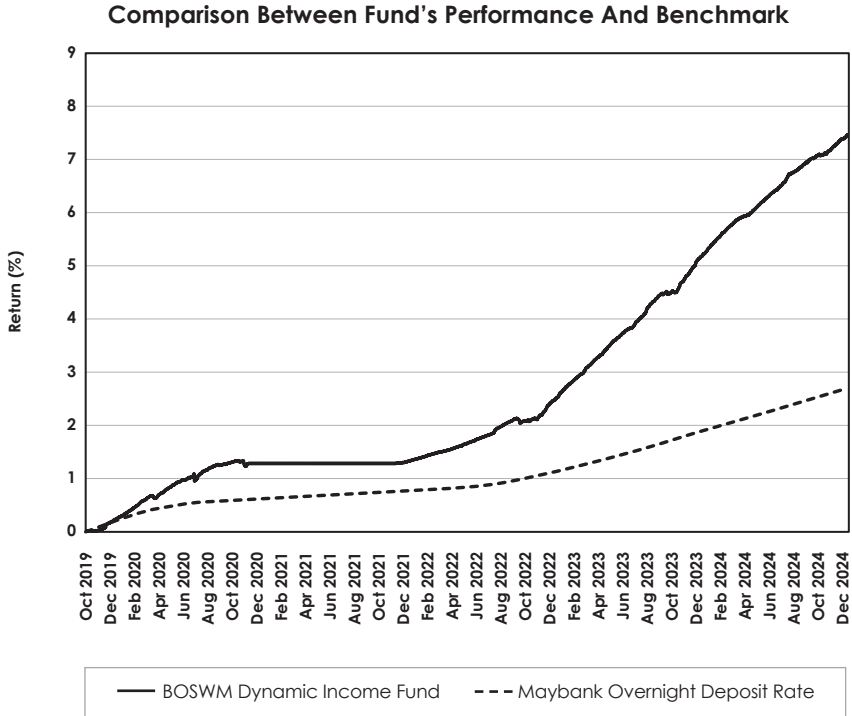
* Price quoted is ex-distribution price.

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 2024

Performance Review



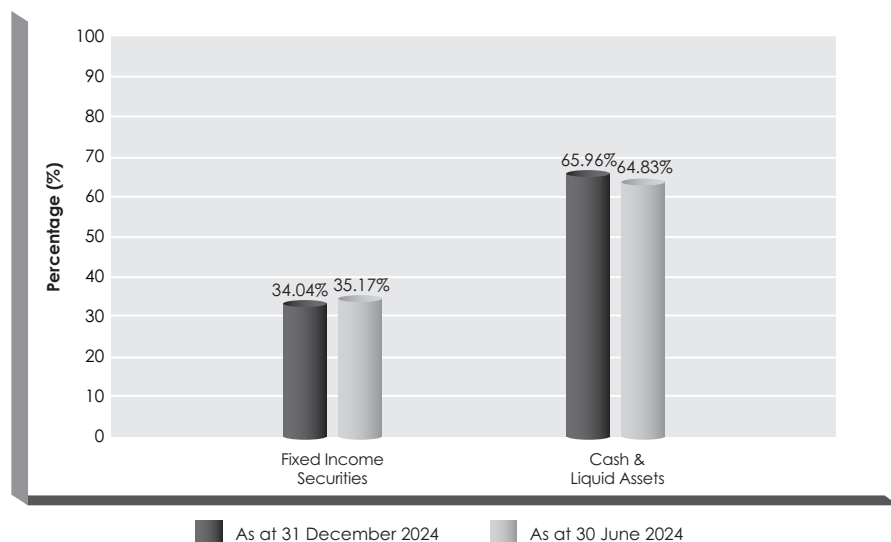
Source: Lipper

Investment Strategy Review

Investment decisions during the interim period were mostly focused on yield enhancements along the intermediate duration strategies while providing the required return commensurate with the risk profile of the Fund.

Credit selections were tilted towards quality with selection focused on Issuers within the AA-rated segment for yield enhancements. The portfolio fixed income allocation was kept within the range of 30%-40% as the Fund sought duration for capital appreciation on prospects of peak Overnight Policy Rate (OPR). During the interim period in review, OPR was kept unchanged at 3% on moderate economic expansion amidst supportive consumption and inflationary trend. The overall bond composition exhibited a stable rating trend, highlighted by two instances of positive credit rating migration within the portfolio during the period.

Asset Allocation



The fixed income securities allocation of BOSWM Dynamic Income Fund decreased to 34.04% from 35.17% as at 31 December 2024 due to net selling activities.

Securities Financing Transactions: Nil

Analysis Of Net Asset Value

The net asset value (NAV) per unit of BOSWM Dynamic Income Fund increased from RM1.0332 to RM1.0497. Meanwhile, total NAV of the Fund increased to RM178,860,493 from RM174,226,254 on net inflow of funds.

Market Review**Bond Market Review**

Following the September Federal Open Market Committee (FOMC) meeting, it became evident that the federal funds rate was on a trajectory toward 3.00%. However, in the wake of the general election and the subsequent Republican sweep, market expectations shifted significantly, recalibrating towards an anticipated fed funds rate of 4.00%. Currently, investors are preparing for the possibility of no further rate cuts from the existing range of 4.25% to 4.5%. The rhetoric emerging from the Trump 2.0 administration focuses on four major policy initiatives: fiscal stimulus through tax cuts, tariffs, immigration reform, and deregulation. Extensions of the Tax Cuts and Jobs Act, along with deregulation efforts, are perceived as beneficial for economic growth. Conversely, the proposed tariffs and immigration policies are likely to exert upward pressure on prices and disrupt the labor market, potentially exacerbating inflationary trends.

Into 3Q2024, local government bonds were supported by gains in US Treasuries (UST) coupled with supportive local monetary policy. Bank Negara Malaysia (BNM) left the Overnight Policy Rate (OPR) unchanged at 3.00% for the eighth consecutive meeting and confirmed that the current OPR level is supportive of the economy and aligns with present assessment of inflation and growth prospects. Resilient bond buying by foreign investors, encouraged by these positive economic indicators, has helped lower local yields despite uncertainty in the US economic and political landscape. The recent announcement by the Prime Minister regarding Malaysia's application to join BRICS, coupled with a strengthening ringgit has also bolstered demand for local bonds. For the full year, inflation is expected to average at 2.00%-3.50% leaving BNM limited necessity to adjust the OPR anytime this year. Over the period, the 3-year Malaysian Government Securities (MGS) declined 3bps to 3.50% while the 10-year decreased 16bps to 3.82%. Elsewhere, cash rates were seen adjusting lower following expectations of peak OPR in the current rate cycle.

Unit Split: Nil

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.

REPORT OF THE TRUSTEE

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

We have acted as Trustee of the Fund for the semi-annual period ended 31 December 2024 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

17 February 2025

STATEMENT BY THE MANAGER

We, **NAJMUDDIN BIN MOHD LUTFI** and **TONG HON KEONG**, 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 31 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 2024 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

NAJMUDDIN BIN MOHD LUTFI**TONG HON KEONG**

Kuala Lumpur, Malaysia
17 February 2025

UNAUDITED STATEMENT OF FINANCIAL POSITION
As At 31 December 2024

	Note	31.12.2024 RM	30.6.2024 RM
Assets			
Investments	3	60,884,021	61,270,600
Deposits with licensed financial institutions	5	112,000,000	77,000,000
Interest receivable		2,875,760	1,641,786
Cash and bank balances	6	3,195,717	39,810,436
Total Assets		<u>178,955,498</u>	<u>179,722,822</u>
Liabilities			
Amount due to Manager	7	72,293	72,410
Other payables		22,712	27,836
Distribution payable	13	-	5,396,322
Total Liabilities		<u>95,005</u>	<u>5,496,568</u>
Net Asset Value ("NAV") Of The Fund		<u>178,860,493</u>	<u>174,226,254</u>
Equity			
Unitholders' capital		171,555,286	169,710,511
Retained earnings		7,305,207	4,515,743
Net Assets Attributable To Unitholders	13	<u>178,860,493</u>	<u>174,226,254</u>
Total Equity And Liabilities		<u>178,955,498</u>	<u>179,722,822</u>
Number Of Units In Circulation (Units)	14	<u>170,398,047</u>	<u>168,635,055</u>
NAV Per Unit	13	<u>RM1.0497</u>	<u>RM1.0332*</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 2024

		1.7.2024 to 31.12.2024 RM	1.7.2023 to 31.12.2023 RM
	Note		
Investment Income			
Interest income		3,465,047	3,236,263
Net unrealised (loss)/gain on changes in value of financial assets at FVTPL		(323,059)	473,475
		<u>3,275,238</u>	<u>3,810,156</u>
Expenses			
Audit fee		2,856	100
Manager's fee	8	439,355	391,914
Trustee's fee	9	35,148	31,353
Administration expenses		8,415	6,334
		<u>485,774</u>	<u>429,701</u>
Net Income Before Taxation		2,789,464	3,380,455
Taxation	12	-	-
Net Income After Taxation, Representing Total Comprehensive Income For The Period		<u>2,789,464</u>	<u>3,380,455</u>
Total Comprehensive Income		<u>2,789,464</u>	<u>3,380,455</u>
Total Comprehensive Income Comprises The Following:			
Realised income		3,112,523	2,906,980
Unrealised (loss)/income		(323,059)	473,475
		<u>2,789,464</u>	<u>3,380,455</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 2024

	Unitholders'	Retained	NAV
	Capital	Earnings	Attributable
	RM	RM	To Unitholders
			RM
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	159,649,827	6,107,717	165,757,544
At 1 July 2024	169,710,511	4,515,743	174,226,254
Net income after taxation	-	2,789,464	2,789,464
Creation of units	46,844,775	-	46,844,775
Cancellation of units	(45,000,000)	-	(45,000,000)
At 31 December 2024	171,555,286	7,305,207	178,860,493

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

UNAUDITED STATEMENT OF CASH FLOWS**For The Semi-Annual Period Ended 31 December 2024**

	1.7.2024 to 31.12.2024 RM	1.7.2023 to 31.12.2023 RM
Cash Flows From Operating Activities		
Proceeds from sale of investments	45,133,250	5,000,000
Purchase of investments	(14,905,260)	(19,892,795)
Withdrawal of deposits from licensed financial institutions	77,000,000	87,000,000
Placement of deposits with licensed financial institutions	(112,000,000)	(86,300,000)
Interest received	2,199,854	1,932,789
Manager's fee paid	(439,471)	(384,340)
Trustee's fee paid	(29,631)	(30,747)
Payment for other fees and expenses	(21,914)	(11,539)
Net cash used in operating activities	<u>(3,063,172)</u>	<u>(12,686,632)</u>
Cash Flows From Financing Activities		
Cash proceeds from units created	16,844,775	12,814,319
Cash paid on units cancelled	(45,000,000)	-
Distributions paid	(5,396,322)	(2,630,460)
Net cash (used in)/generated from financing activity	<u>(33,551,547)</u>	<u>10,183,859</u>
Net Decreases In Cash And Cash Equivalents	<u>(36,614,719)</u>	<u>(2,502,773)</u>
Cash And Cash Equivalents At Beginning Of Financial Period	<u>39,810,436</u>	<u>7,773,139</u>
Cash And Cash Equivalents At End Of Financial Period	<u><u>3,195,717</u></u>	<u><u>5,270,366</u></u>
Cash And Cash Equivalents Comprise:		
Cash at banks	95,717	10,366
Deposits with licensed financial institutions	3,100,000	5,260,000
	<u><u>3,195,717</u></u>	<u><u>5,270,366</u></u>

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**31 December 2024****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 17 February 2025.

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 significant 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 2024. 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:

(i) Amendments to MFRS 121 "Lack of Exchangeability" (effective 1 January 2025)

- The amendments clarify that currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- When a currency is not exchangeable into another currency, the spot exchange rate needs to be estimated, i.e. to determine the rate at which an orderly exchange transaction would take place at that date between market participants under prevailing economic conditions.
- The amendments do not specify how an entity estimates the spot exchange rate, but permit an entity to use observable exchange rate without adjustment or another estimation technique, provided it could meet the objective of estimating the spot exchange rate set out in the amendments.

(ii) Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026)

- The amendments clarify that financial assets are derecognised when the rights to the cash flows expire or when the asset is transferred, and financial liabilities are derecognised at the settlement date (i.e. when the liability is extinguished or qualifies for derecognition).

- There is an optional exception to derecognise a financial liability at a date earlier than the settlement date if the cash transfer takes place through an electronic payment system, provided that all the specified criteria are met;
 - The amendments also clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion;
 - There are additional new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
 - The amendments update the disclosures for equity instruments designated at fair value through other comprehensive income ("FVOCI").
- (iii) MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'
- The new MFRS introduces a new structure of profit or loss statement.
 - a) Income and expenses are classified into 3 new main categories:
 - Operating category which typically includes results from the main business activities;
 - Investing category that presents the results of investments in associates and joint ventures and other assets that generate return largely independently of other resources; and
 - Financing category that presents income and expenses from financing liabilities.
 - b) Entities are required to present two new specified subtotals:
 - 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.
 - Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.
 - Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

(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) Critical 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

	31.12.2024	30.6.2024
	RM	RM
Financial Assets At FVTPL		
Fixed income securities	<u>60,884,021</u>	<u>61,270,600</u>
Total Investments	<u>60,884,021</u>	<u>61,270,600</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 %	
ALLIANCEI IMTN 3.930% 10/08/2029	A1	5,000,000	5,000,000	4,987,950	2.79	
SHT IMTN 4.000% 27/04/2029	AA	5,000,000	5,000,000	5,018,650	2.81	
EWCB IMTN01 5.69% 29/10/2027	AA-	5,000,000	5,000,000	5,227,950	2.92	
DIGI TELECOMMUNICATIONS 4.99% 02/12/2027	AAA	5,000,000	5,006,537	5,160,450	2.89	
DIGI IMTN 3.930% 27/06/2031	AAA	5,000,000	5,000,000	4,990,900	2.79	
SUNREIT MTN MTN 2556D 22/07/2031	AA1	5,000,000	5,000,000	4,986,550	2.79	
Affin Bank Subordinated MTN 3653D 5.00% 26/07/2027	A1	5,000,000	5,000,000	5,083,050	2.84	
POINT ZONE 4.50% 13/03/2028	AA	5,000,000	5,000,000	5,091,050	2.84	
OSK RATED IMTN 4.490% 13.09.2030 (Series 004)	AA	5,000,000	5,000,000	5,102,200	2.85	
YTL POWER IMTN 4.880% 22/03/2030	AA1	5,000,000	5,010,922	5,220,200	2.92	
PASB ICP 182D 30.04.2025 - Tranche 4 Series 1	A1	5,000,000	4,938,521	4,938,521	2.76	
GAMUDA IMTN 4.310% 20/06/2030	AA3	5,000,000	5,000,000	5,076,550	2.84	
		<u>60,000,000</u>	<u>59,955,980</u>	<u>60,884,021</u>	<u>34.04</u>	

**UNREALISED GAIN FROM
FIXED INCOME SECURITIES**

928,041

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)	
	31.12.2024	30.6.2024	31.12.2024	30.6.2024
Fixed income securities	<u>4.46</u>	<u>4.56</u>	<u>1,528</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
31.12.2024		
Financial Assets At FVTPL		
Fixed income securities	<u>60,884,021</u>	<u>60,884,021</u>
30.6.2024		
Financial Assets At FVTPL		
Fixed income securities	<u>61,270,600</u>	<u>61,270,600</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

	31.12.2024		30.6.2024	
	RM		RM	
Deposits with licensed financial institutions:				
- Commercial bank		<u>112,000,000</u>		<u>77,000,000</u>
	Weighted Average Rate Of Return (% Per Annum)		Weighted Average Remaining Maturity (Days)	
	31.12.2024	30.6.2024	31.12.2024	30.6.2024
Deposits with licensed financial institutions:				
- Commercial bank	<u>3.87</u>	<u>3.86</u>	<u>144</u>	<u>215</u>

6. Cash And Bank Balances

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

	31.12.2024		30.6.2024	
	RM		RM	
Cash at banks		<u>95,717</u>		<u>10,436</u>
Deposits with licensed financial institutions:				
- Commercial bank		-		19,800,000
- Investment bank (with maturity less than 3 months)		<u>3,100,000</u>		<u>20,000,000</u>
		<u>3,100,000</u>		<u>39,800,000</u>
Cash and cash balances		<u>3,195,717</u>		<u>39,810,436</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 Effective Interest Rate (% Per Annum)	
	Remaining Maturity (Days)		Remaining Maturity (Days)	
	31.12.2024	31.12.2024	30.6.2024	30.6.2024
Deposits with licensed financial institutions:				
- Commercial bank	-	3.38	3	33
- Investment bank	<u>3.00</u>	<u>3.33</u>	<u>3</u>	<u>7</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% (2023: 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% (2023: 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")

	1.7.2024 To 31.12.2024	1.7.2023 To 31.12.2023
Portfolio turnover ratio ("PTR")	<u>0.09 times</u>	<u>0.08 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 higher due to increase in investing activities.

11. Total Expense Ratio ("TER")

	1.7.2024 To 31.12.2024	1.7.2023 To 31.12.2023
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

	1.7.2024 To 31.12.2024 RM	1.7.2023 To 31.12.2023 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% (2023:24%) 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:

	1.7.2024 To 31.12.2024 RM	1.7.2023 To 31.12.2023 RM
Net income before taxation	<u>2,789,464</u>	<u>3,380,455</u>
Taxation at Malaysian statutory rate of 24%	669,471	811,309
Tax effects of:		
Income not subject to tax	(863,591)	(914,437)
Expenses not deductible for tax purpose	9,838	8,459
Restriction on tax deductible expenses for unit trust funds	106,748	94,669
Tax expense for the financial period	<u>-</u>	<u>-</u>

13. Net Asset Attributable To Unitholders

	31.12.2024 RM	30.6.2024 RM
Unitholders' capital	171,555,286	169,710,511
Retained earnings		
- Realised reserves	6,377,167	3,264,644
- Unrealised reserves	928,040	1,251,099
NAV attributable to unitholders	<u>178,860,493</u>	<u>174,226,254</u>

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

14. Number Of Units In Circulation

	31.12.2024	30.6.2024
	No. Of Units	No. Of Units
At beginning of the financial period	168,635,055	146,136,666
Creation	45,052,111	37,293,362
Cancellation	(43,289,119)	(14,794,973)
At end of the financial period	<u>170,398,047</u>	<u>168,635,055</u>

15. Units Held By The Manager And Its Related Parties

	31.12.2024	30.6.2024
	No. Of Units	No. Of Units
	RM	RM
Holding Company Of The Manager	<u>84,333,373</u>	<u>113,225,337</u>
	<u>88,524,741</u>	<u>116,984,418</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	269,620,000	42.41
Malayan Banking Bhd	224,538,000	35.32
Public Bank Bhd	33,600,000	5.29
Kenanga Investment Bank Bhd	25,000,000	3.93
CIMB Islamic Bank Bhd	24,000,000	3.78
Bank Islam Bhd	17,000,000	2.67
Hong Leong Bank Bhd	10,095,250	1.59
AmBank Bhd	10,000,000	1.57
CIMB Bank Bhd	9,905,260	1.56
Hong Leong Islamic Bank Bhd	7,000,000	1.10
Others	5,000,000	0.78
	<u>635,758,510</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)	
	31.12.2024	30.6.2024
	RM	RM
+25/	129,281	100,001
(25)	<u>(129,281)</u>	<u>(100,001)</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.

Fixed income securities are either government-guaranteed or rated by RAM Rating Services Berhad ("RAM") or Malaysian Rating Corporation Berhad ("MARC").

The following table analyses the Fund's portfolio of fixed income securities by rating categories at the reporting date:

	Investment RM	Deposits with licensed financial institutions RM	Cash And Bank Balances RM	Total RM
31.12.2024				
Credit rating				
AAA	10,151,350	80,000,000	3,195,717	93,347,067
AA1/AA+	10,206,750	10,000,000	-	20,206,750
AA2/AA	15,211,900	5,000,000	-	20,211,900
AA3/AA-	10,304,500	17,000,000	-	27,304,500
A1	15,009,521	-	-	-
	<u>60,884,021</u>	<u>112,000,000</u>	<u>3,195,717</u>	<u>161,070,217</u>
30.6.2024				
Credit rating				
AAA/P1	15,217,400	57,000,000	39,810,436	112,027,836
AA1/AA+	5,244,550	-	-	5,244,550
AA2/AA	20,253,100	10,000,000	-	30,253,100
AA3/AA-	15,462,950	-	-	15,462,950
A1/A+	5,092,600	-	-	5,092,600
A	-	10,000,000	-	10,000,000
	<u>61,270,600</u>	<u>77,000,000</u>	<u>39,810,436</u>	<u>178,081,036</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	Total RM
31.12.2024		
Amount due to manager	72,293	72,293
Other payables	22,712	22,712
Net asset value attributable to unitholders	178,860,493	178,860,493
	<u>178,955,498</u>	<u>178,955,498</u>
30.6.2024		
Amount due to manager	72,410	72,410
Other payables	27,836	27,836
Distribution payable	5,396,322	5,396,322
Net asset value attributable to unitholders	174,226,254	174,226,254
	<u>179,722,822</u>	<u>179,722,822</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.boswm.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.boswm.com.my, and email to ContactUs@boswm.com. Alternatively, you may call us as above.