

CIMB-PRINCIPAL PRS PLUS CONSERVATIVE

UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019

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MEMBERS' LETTER

Dear Valued Members,

We have recently announced through the media our collaboration with the Employee Provident Fund ("EPF") that consumers can now invest in our Unit Trust Funds at 0% sales fee*, as part of our offering for the EPF's newly launched i-Invest online platform within the i-Akaun (Member) portal facility.

The online facility enables EPF i-Akaun members to invest in Unit Trust Funds using their EPF savings without needing to complete and submit physical forms and enables them to perform various transactions including purchase, redeem and switch funds - anytime, anywhere.

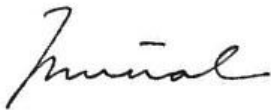
In today's era of dynamic change, there is a growing need to accommodate the emergence of more tech savvy investors. We're glad to have the opportunity to partner with the EPF and are excited to bring our global experience and expertise to make saving for retirement faster and easier for those who prefer to manage their money, their way. The Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) ("Principal Malaysia") online platform is just one more tool we offer to help you save enough and have enough in retirement and complements our other methods of investing. To find out more on how you can maximise your retirement savings, please visit www.principal.com.my.

As of July 2019, our Assets under Management ("AUM") stood at RM56.5 billion. Going forward we will be launching a new global Fund with a unique combination that will help cushion the impact of any unforeseen eventualities. We look forward to introducing it to you.

Thank you for your continuous support and allowing us to help you achieve your financial goals and live your best life.

Thank you.

Yours faithfully,
for **Principal Asset Management Berhad**
(*formerly known as CIMB-Principal Asset Management Berhad*)



Munirah Khairuddin
Chief Executive Officer

*The 0% sales fee is subject to change

PRS PROVIDER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund seeks to provide Members with capital preservation* through investment primarily in fixed income instruments.

*The Fund is neither a capital guaranteed fund nor a capital protected fund.

Has the Fund achieved its objective?

For the financial period under review, the Fund has performed in line with its objective as stated under the Fund Performance section.

What are the Fund investment policy and principal investment strategy?

The Fund aims to invest in a diversified portfolio of primarily fixed income instruments with some exposure in equities.

The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The Fund may opt to invest in fixed income instruments, money market instruments and equities either directly or via collective investment schemes.

At least 80% of the Fund's Net Asset Value ("NAV") will be invested in fixed income instruments and money market instruments, of which a minimum 20% of the Fund's NAV will be invested in money market instruments, all of which have a minimum credit rating of "BBB3" or "P2" by RAM Ratings ("RAM") or equivalent rating by Malaysian Rating Corporation Berhad ("MARC"). The investments in equities shall not exceed 20% of the Fund's NAV.

Fund category/type

Core (Conservative)

When was the Fund launched?

12 November 2012

What was the size of the Fund as at 31 July 2019?

RM30.53 million (48.01 million units)

What is the Fund's benchmark?

60% Quant shop Malaysian Government Securities ("MGS") Short Index + 20% CIMB Bank 1-Year Fixed Deposit Rate + 20% Financial Times Stock Exchange ("FTSE") Bursa Malaysia ("FBM") Top 100 ("FBM100") Index

Note: The risk profile of the Fund is not the same as the risk profile of the benchmark.

What is the Fund distribution policy?

The Fund is not expected to pay any distribution.

PERFORMANCE DATA

Details of portfolio composition of the Fund for the last three unaudited financial periods are as follows:

	31.07.2019	31.07.2018	31.07.2017
	%	%	%
Collective investment schemes	-	-	99.87
Quoted securities			
- Construction	-	0.52	-
- Consumer products	-	0.74	-
- Consumer products & services	1.73	-	-
- Energy	2.44	-	-
- Finance	-	6.32	-
- Financial services	2.99	-	-
- Health Care	0.92	-	-
- Industrials	-	1.30	-
- Industrials products & services	1.46	-	-
- Infrastructure Project Companies ("IPC")	-	0.25	-
- Plantation	0.45	0.65	-
- Real Estate Investment Trust ("REIT")	1.01	-	-
- Technology	1.53	2.63	-
- Telecommunications & media	0.97	-	-
- Trading/Services	-	6.76	-
- Transportation & logistics	1.24	-	-
- Utilities	0.53	-	-
Unquoted fixed income securities	83.64	80.08	-
Cash and other net assets	1.09	0.75	0.13
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Note: Effective 24 September 2018, Bursa Malaysia has changed its sectoral index and classification.

Performance details of the Fund for the last three unaudited financial periods are as follows:

	31.07.2019	31.07.2018	31.07.2017
NAV (RM Million)			
- Class A	23.91	18.72	16.63
- Class C	1.00	0.34	0.28
- Class X	5.62	4.02	2.56
Units in circulation (Million)			
- Class A	37.60	30.91	28.44
- Class C	1.58	0.56	0.48
- Class X	8.83	6.64	4.38
NAV per unit (RM)			
- Class A	0.6359	0.6057	0.5847
- Class C	0.6356	0.6058	0.5849
- Class X	0.6359	0.6057	0.5847

PERFORMANCE DATA (CONTINUED)

Performance details of the Fund for the last three unaudited financial periods are as follows:
(continued)

	01.02.2019 to 31.07.2019	01.02.2018 to 31.07.2018	01.02.2017 to 31.07.2017
Highest NAV per unit (RM)			
- Class A	0.6378	0.6509	0.5852
- Class C	0.6375	0.6061	0.5854
- Class X	0.6378	0.6059	0.5853
Lowest NAV per unit (RM)			
- Class A	0.6133	0.5945	0.5671
- Class C	0.6133	0.5947	0.5673
- Class X	0.6134	0.5945	0.5672
Total return (%)			
- Class A	3.72	1.05	3.03
- Class C	3.67	1.03	3.01
- Class X	3.70	1.03	3.03
Capital growth (%)			
- Class A	3.72	1.05	3.03
- Class C	3.67	1.03	3.01
- Class X	3.70	1.03	3.03
Income distribution (%)			
- Class A	-	-	-
- Class C	-	-	-
- Class X	-	-	-
Management Expense Ratio ("MER") (%) ^	0.78	0.09	0.10
Portfolio Turnover Ratio ("PTR") (times) #	0.21	0.12	0.18

^ The Fund's MER increased from 0.09% to 0.78% mainly due to higher total expenses incurred during the financial period.

The Fund's PTR increased from 0.12 times to 0.21 times due to higher trading activities carried out during the financial period under review.

	31.07.2019	31.07.2018	31.07.2017	31.07.2016	31.07.2015
	%	%	%	%	%
Annual total return					
- Class A	4.98	3.54	4.33	3.37	2.38
- Class C	4.92	3.54	4.31	3.37	2.38
- Class X	4.98	3.54	4.31	3.37	2.40

(Launch date: 12 November 2012)

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up. All performance figures for the financial period have been extracted from Lipper.

MARKET REVIEW (1 FEBRUARY 2019 TO 31 JULY 2019)**Fixed Income**

On 7 May 2019, Bank Negara Malaysia's ("BNM") Monetary Policy Committee ("MPC") cut the Overnight Policy Rate ("OPR") by 25 basis points ("bps") to 3.00% as widely anticipated by the market. The MPC statement highlighted that while domestic monetary and financial conditions remain supportive of economic growth, there are some signs of tightening of financial conditions. The adjustment of OPR is therefore intended to preserve the degree of monetary accommodativeness. BNM also announced that it was taking several development initiatives to improve domestic foreign exchange ("FX") and bond market liquidity, likely in response to FTSE Russell's action whereby Malaysia was placed on the watch list for their World Government Bond Index ("WGBI"). At the most recent MPC meeting held on 9 July 2019, the MPC kept the OPR unchanged but continued to reiterate the downside risks from ongoing uncertainties in the global and domestic environment, worsening trade tensions and extended weakness in commodity related sectors.

In the month of February 2019, the Consumer Price Index ("CPI") had declined by 0.4% year-on-year ("y-o-y") as it did in the prior month mainly due to the drop in the CPI's transport component on the back of cheaper fuel. In the month of April 2019, inflation then inched up by 0.2% y-o-y matching the same pace in March 2019. Generally, apart from the cost of transport which declined by 2.6% in April 2019, the other segments registered stable inflation or saw moderation during the month. It remained steady at 0.2% for the third straight month in May 2019. However, a sharp pick-up was seen in the month of June 2019 whereby it rose by 1.5% y-o-y, due entirely to the low base in June 2018 following the removal of the Goods and Services Tax ("GST") and the start of the three-month tax holiday. It continued to pick-up further in July 2019 as it registered an increase of 1.4% y-o-y driven by the index of furnishings, household equipment & routine household maintenance, food and non-alcoholic beverages, recreation services & culture, alcoholic beverages & tobacco as well as communication.

The Malaysian economy grew by 4.5% in the first quarter of the 2019, driven mainly by private sector activity and firm private consumption growth. It then grew by 4.9% in the second quarter of the 2019 which beat market consensus of 4.7% as compiled by Bloomberg. The growth in the second quarter of 2019 was supported by continued expansion in domestic demand supported by firm household spending and slightly higher private investment. Private consumption in the country expanded by 7.8% and private investment expanded at 1.8% supported by increased capital spending in the services and manufacturing sectors. As for export numbers, it rebounded to a slight positive figure of 0.2% in the second quarter of 2019 supported by commodities exports amid sustained manufacturing exports.

In BNM's 2018 annual report, the Central Bank downgraded 2019 growth to in between 4.3% and 4.8% (2018: 4.7%), below Ministry of Finance's ("MoF") forecast of 4.9% in October 2018. 2019 headline CPI forecast was also revised down to in between 0.7% and 1.7% (i.e. in between 2.5% and 3.5% during Budget 2019 projection) given the lower oil prices and price ceiling mechanism on domestic retail fuel prices. The Central Bank expects average headline inflation to be broadly stable in 2019 compared to 2018.

Local Equity

The FBM Kuala Lumpur Composite Index ("FBMKLCI") shed 2.2% in July 2019, extending year-to-date ("YTD") loss to 3.3%. This was mainly due to the sell down in Public Bank Bhd (-4.8%), Petronas Chemicals Group Bhd (-10.8%), CIMB Group Holdings Bhd (-5.6%), Malayan Banking Bhd (-2.6%) and Sime Darby Plantation Bhd (-6.3%), which was moderated by gains in Genting Malaysia Bhd (+19.4%) and Dialog Group Bhd (+5.8%). Weak petrochemical and crude palm oil ("CPO") prices, and lower loans growth have been a drag on FBKLCI's performance. We expect another mixed set of corporate results in second quarter of 2019 as weak commodity prices dampen the earnings outlook for the petrochemical and plantation sectors.

MARKET REVIEW (1 FEBRUARY 2019 TO 31 JULY 2019) (CONTINUED)

Local Equity (Continued)

Malaysia's Nikkei Purchasing Manager's Index ("PMI") fell to 47.8 in June 2019 versus 48.8 in May 2019, while the Industrial Production Index ("IPI") increased by 4% y-o-y in May 2019, above consensus' expectation of 3.5%. June 2019 CPI rose to a 13-month high of 1.5% y-o-y (versus May's 2019 0.2%) due to previous year low base effect.

FUND PERFORMANCE

	6 months to 31.07.2019			1 year to 31.07.2019		
	Class A	Class C	Class X	Class A	Class C	Class X
	%	%	%	%	%	%
Income	-	-	-	-	-	-
Capital	3.72	3.67	3.70	4.98	4.92	4.98
Total Return	3.72	3.67	3.70	4.98	4.92	4.98
Benchmark	1.47	1.47	1.47	1.52	1.52	1.52
Average Total Return	N/A	N/A	N/A	4.98	4.92	4.98

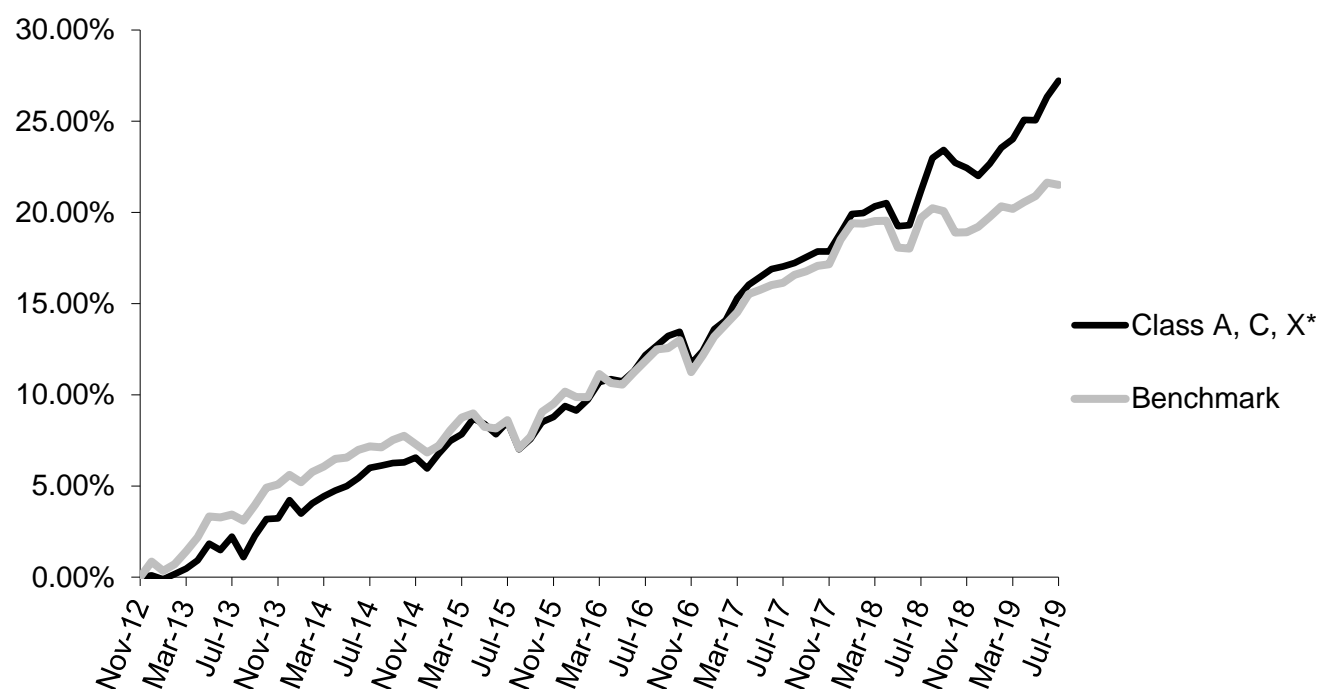
	3 years to 31.07.2019			5 years to 31.07.2019		
	Class A	Class C	Class X	Class A	Class C	Class X
	%	%	%	%	%	%
Income	-	-	-	-	-	-
Capital	13.41	13.31	13.39	20.02	19.92	20.02
Total Return	13.41	13.31	13.39	20.02	19.92	20.02
Benchmark	8.64	8.64	8.64	13.38	13.38	13.38
Average Total Return	4.28	4.25	4.28	3.72	3.70	3.72

	Since inception to 31.07.2019		
	Class A	Class C	Class X
	%	%	%
Income	-	-	-
Capital	27.22	27.16	27.22
Total Return	27.22	27.16	27.22
Benchmark	21.51	21.51	21.51
Average Total Return	3.65	3.64	3.65

For the financial period under review, Class A gained by 3.72% whilst both Class C and X gained by 3.67% and 3.70%, respectively. Meanwhile, the benchmark appreciated by 1.47% over the same period. The outperformance of the Fund relative to its benchmark was driven mainly by the allocation into unquoted fixed income securities.

The slight variation in the performance between Class A, Class C and Class X, if any, was due to different timing of units created for each class.

FUND PERFORMANCE (CONTINUED)



* Performance of Class A, Class C and Class X are almost the same. Slight variant was due to different timing of units created for each of the class.

Changes in NAV

	31.07.2019	31.01.2019 Audited	Changes %
CLASS A			
NAV (RM Million)	23.91	21.30	12.25
NAV/Unit (RM)	0.6359	0.6132	3.70
CLASS C			
NAV (RM Million)	1.00	0.99	1.01
NAV/Unit (RM)	0.6356	0.6132	3.65
CLASS X			
NAV (RM Million)	5.62	4.68	20.09
NAV/Unit (RM)	0.6359	0.6132	3.70

The Fund recorded positive net inflow from unit creations over the financial period under review for all the three classes - Class A, Class C and Class X. The NAV per unit for Class A, Class B and Class C were increased by 3.70%, 3.65% and 3.70% respectively which driven mainly by the allocation into unquoted fixed income securities.

For the 6-month period, the Fund ranked 7th in Quartile 2 under the Mixed Asset Ringgit Malaysia ("RM") Conservative category in the Lipper rankings.

Performance data represents the combined income and capital return as a result of holding units in the Fund for the specified length of time, based on NAV to NAV price. The performance data assumes that all earnings from the Fund are reinvested and are net of management and trustee fees. Past performance is not reflective of future performance and income distributions are not guaranteed. Unit prices and income distributions, if any, may fall and rise. All performance figures for the financial period have been extracted from Lipper.

PORTFOLIO STRUCTURE**Asset allocation**

(% of NAV)	31.07.2019	31.01.2019 Audited
Quoted securities	15.27	17.49
Unquoted fixed income securities	83.64	81.26
Cash and other net assets	1.09	1.25
	100.00	100.00

The Fund was fully invested during the six months financial period under review. A minimal level of liquid assets was maintained primarily for redemption purposes.

MARKET OUTLOOK***Fixed Income**

On 7 May 2019, the MPC cut the OPR by 0.25% to 3.00% as widely anticipated by the market. We believe the current monetary policy remains accommodative and are of the view that BNM will maintain its OPR unchanged for the remainder of 2019 unless the trade wars worsen significantly, or domestic growth is significantly lower than expected.

We expect the bond market to remain well supported due to the ample domestic liquidity as well as the lack of primary issuances. Apart from BNM's upcoming MPC meetings in September 2019 and November 2019, another potential event to look out for in the upcoming months would be FTSE Russell's decision on the the potential Malaysian Government Securities ("MGS") exclusion from their WGBI in September 2019. We are expecting some primary issuances in the second half of 2019 but supply seems to be fairly limited in the near term.

Local Equity

We expect another mixed set of corporate results in second quarter of 2019 as weak commodity prices dampens the earnings outlook for the petrochemical and plantation sectors. That said, there may be some positive surprises too. After a positive surprise in first quarter of 2019, another strong showing in second quarter of 2019 (if any) will further restore sentiment in the telco space, particularly for fixed line operators. On the regulatory front, uncertainty is fast receding as the Federal Government is poised to unveil new regulatory frameworks for many regulated industries such as airport, utilities and telco over the next few months. Expectations are rising that incumbents within these industries will not be as severely impacted as previously anticipated.

* This market outlook does not constitute an offer, invitation, commitment, advice or recommendation to make a purchase of any investment. The information given in this article represents the views of Principal Malaysia or based on data obtained from sources believed to be reliable by Principal Malaysia. Whilst every care has been taken in preparing this, Principal Malaysia makes no guarantee, representation or warranty and is under no circumstances liable for any loss or damage caused by reliance on, any opinion, advice or statement made in this market outlook.

INVESTMENT STRATEGY

Fixed Income

As the yield curve continued to flatten in July 2019, we believe the long-end yields are too rich and the risk and reward of staying long duration is no longer attractive. We continue to prefer credit over sovereign bonds, particularly in the AA-rated space with strong fundamentals for better total return and yield pick-up.

Local Equity

We make no changes to our core strategy as we maintain our “Neutral” stance on Malaysia. We will continue with our stock picking and rotational strategy where we will add growth companies with yield support. We will increase the overall beta for portfolio and the preference is to accumulate selective growth stocks in the utilities, basic material, auto, oil and gas, and construction sectors. We remain cautious on the technology sector (which is vulnerable to re-escalation of US-China trade war) and plantation (as muted CPO prices could potentially lead to downward earnings revision).

MEMBERS STATISTICS AS AT 31 JULY 2019

CLASS A

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	1,454	2.41	6.41
5,001-10,000	904	5.62	14.95
10,001-50,000	976	19.83	52.74
50,001-500,000	58	6.97	18.54
500,001 and above	2	2.77	7.36
Total	3,394	37.60	100.00

CLASS C

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	234	0.53	33.54
5,001-10,000	44	0.30	18.99
10,001-50,000	37	0.67	42.41
50,001-500,000	1	0.08	5.06
500,001 and above	-	-	-
Total	316	1.58	100.00

CLASS X

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	425	0.50	5.66
5,001-10,000	77	0.53	6.00
10,001-50,000	131	3.00	33.98
50,001-500,000	43	4.80	54.36
500,001 and above	-	-	-
Total	676	8.83	100.00

SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the “PRS Provider”) and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Funds unless the soft commission received is retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. All dealings with brokers are executed on best available terms.

During the financial period under review, the PRS Provider and Trustee did not receive any rebates from the brokers or dealers but the PRS Provider has retained soft commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds.

**STATEMENT BY THE PRS PROVIDER TO THE MEMBERS OF
CIMB-PRINCIPAL PRS PLUS CONSERVATIVE**

We, being the Directors of Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "PRS Provider"), do hereby state that, in the opinion of the PRS Provider, the accompanying unaudited financial statements set out on pages 13 to 41 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 July 2019 and of its financial performance, changes in net assets attributable to members and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting and International Accounting Standards ("IAS") 34 - Interim Financial Reporting.

For and on behalf of the PRS Provider

Principal Asset Management Berhad (Company No.: 304078-K)

(formerly known as CIMB-Principal Asset Management Berhad)

MUNIRAH KHAIRUDDIN

Chief Executive Officer/Executive Director

JUAN IGNACIO EYZAGUIRRE BARAONA

Director

Kuala Lumpur

24 September 2019

**TRUSTEE'S REPORT
TO THE MEMBERS OF CIMB-PRINCIPAL PRS PLUS CONSERVATIVE**

We have acted as Trustee for CIMB-Principal PRS Plus Conservative (the "Fund") for the financial period ended 31 July 2019. To the best of our knowledge, for the financial period under review, Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "PRS Provider") has operated and managed the Fund in accordance with the following:-

- (a) limitations imposed on the investment powers of the PRS Provider under the Deed(s), the Securities Commission's Guidelines on Private Retirement Schemes, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation and pricing for the Fund is carried out in accordance with the Deed(s) of the Fund and any regulatory requirements; and
- (c) creation and cancellation of units for the Fund are carried out in accordance with the Deed(s) of the Fund and any regulatory requirement.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Trustee Operations

Richard Lim Hock Seng
Chief Executive Officer

Kuala Lumpur
24 September 2019

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2019**

		01.02.2019 to 31.07.2019	01.02.2018 to 31.07.2018
	Note	RM	RM
INCOME			
Dividend income		87,728	61,967
Interest income from unquoted fixed income securities at fair value through profit or loss		521,166	397,617
Interest income from deposits with licensed financial institutions at amortised cost		4,451	2,906
Net gain/(loss) on financial assets at fair value through profit or loss	7	696,627	(190,654)
		1,309,972	271,836
EXPENSES			
Management fee	4	202,662	-
Private Pension Administrator's fee	4	5,777	4,457
Trustee's and custodian fees	5	7,439	6,117
Audit fee		6,150	4,100
Tax agent's fee		2,300	2,900
Transaction costs		24,084	16,410
Other expenses		3,194	1,984
		251,606	35,968
PROFIT BEFORE TAXATION		1,058,366	235,868
Taxation	6	-	-
INCREASE IN NET ASSETS ATTRIBUTABLE TO MEMBERS		1,058,366	235,868
Increase in net assets attribution to members is made up as follows:			
Realised amount		652,356	314,914
Unrealised amount		406,010	(79,046)
		1,058,366	235,868

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2019**

		31.07.2019	31.01.2019
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents	8	302,639	88,389
Financial assets at fair value through profit or loss	7	30,197,082	26,632,531
Amount due from the PRS Provider	9	115,912	294,892
Tax recoverable		78	78
TOTAL ASSETS		<u>30,615,711</u>	<u>27,015,890</u>
LIABILITIES			
Amount due to the PRS Provider	9	69,027	31,798
Amount due to Trustee		1,036	906
Amount due to Private Pension Administrator		1,036	906
Other payables and accruals		13,832	14,097
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS)		<u>84,931</u>	<u>47,707</u>
NET ASSET VALUE OF THE FUND		<u>30,530,780</u>	<u>26,968,183</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>30,530,780</u>	<u>26,968,183</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- Class A		23,910,077	21,302,699
- Class C		1,005,024	985,986
- Class X		5,615,679	4,679,498
		<u>30,530,780</u>	<u>26,968,183</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class A		37,599,642	34,737,767
- Class C		1,581,187	1,607,831
- Class X		8,830,634	7,630,446
	10	<u>48,011,463</u>	<u>43,976,044</u>
NET ASSET VALUE PER UNIT (RM)			
- Class A		0.6359	0.6132
- Class C		0.6356	0.6132
- Class X		0.6359	0.6132

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

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2019**

	01.02.2019 to 31.07.2019	01.02.2018 to 31.07.2018
	RM	RM
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE BEGINNING OF THE FINANCIAL PERIOD	26,968,183	21,806,409
Movement due to units created and cancelled during the financial period:		
Creation of units from applications		
- Class A	3,087,291	979,578
- Class C	242,336	176,268
- Class X	806,463	825,040
	4,136,090	1,980,886
Cancellation of units		
- Class A	(1,318,749)	(701,124)
- Class C	(256,933)	(156,339)
- Class X	(56,177)	(82,049)
	(1,631,859)	(939,512)
Increase in net assets attributable to members during the financial period	1,058,366	235,868
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL PERIOD	30,530,780	23,083,651

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

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2019**

	01.02.2019 to 31.07.2019	01.02.2018 to 31.07.2018
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of quoted securities	4,562,216	2,220,650
Purchase of quoted securities	(4,116,329)	(2,727,215)
Proceeds from redemption of unquoted fixed income securities	450,000	-
Purchase of unquoted fixed income securities	(3,781,800)	(969,495)
Dividend income received	86,231	61,711
Interest income received from deposits with licensed financial institutions and current account	4,451	2,907
Interest income received from unquoted fixed income securities	515,071	415,102
Management fee paid	(198,110)	-
Private Pension Administrator's fee paid	(5,647)	(4,424)
Trustee's fee paid and custodian fee	(7,309)	(6,084)
Payments for other fees and expenses	(10,412)	(11,302)
Net cash used in operating activities	(2,501,638)	(1,018,150)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from unit created	4,315,070	1,967,187
Payments for cancellation of units	(1,599,182)	(961,622)
Net cash generated from financing activities	2,715,888	1,005,565
Net increase/(decrease) in cash and cash equivalents	214,250	(12,585)
Cash and cash equivalents at the beginning of the financial period	88,389	123,756
Cash and cash equivalents at the end of the financial period	302,639	111,171
<u>Cash and cash equivalents comprised of:</u>		
Deposit with licensed financial institutions	270,022	-
Bank balance	32,617	111,171
Cash and cash equivalents at the end of the financial period	302,639	111,171

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019****1. THE FUND, THE PRS PROVIDER AND ITS PRINCIPAL ACTIVITIES**

CIMB-Principal PRS Plus Conservative (the "Fund") is governed by a Deed dated 8 November 2012, a First Supplemental Deed dated 2 January 2014 and a Second Supplemental Deed dated 25 November 2014 (collectively referred to as the "Deeds") between Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "PRS Provider") and Deutsche Trustees Malaysia Berhad (the "Trustee").

The Fund offers three classes of units known respectively as Class A, Class C and Class X. In accordance with the Disclosure Document, Class A and Class C are for Members who have attained the age 18 years of age as of the date of opening a private pension account. Class A and C have different sales charge and management fee. Class X is for Members who participate via respective employers and is subject to a minimum of 200 participating employees per employer or 50 participating employees under payroll deduction per employer.

The Fund aims to provide members with capital preservation through investment primarily in fixed income instruments.

The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The Fund may opt to invest in fixed income instruments, money market instruments and equities either directly or via collective investment schemes.

At least 80% of the Fund's NAV will be invested in fixed income instruments and money market instruments, of which a minimum 20% of the Fund's NAV will be invested in money market instruments, all of which have a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC. The investments in equities shall not exceed 20% of the Fund's NAV.

All investments will be subjected to the Securities Commission Malaysia ("SC") Guidelines on PRS, SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund's objective.

The PRS Provider, is a joint venture between Principal Financial Group®, a member of the FORTUNE 500® and a Nasdaq-listed global financial services and CIMB Group Holdings Berhad, one of Southeast Asia's leading universal banking groups. The principal activities of the Manager are the establishment and management of unit trust funds and fund management activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements:

(a) Basis of preparation

The financial statements have been prepared in accordance with the provisions of the MFRS and International Financial Reporting Standards ("IFRS").

The financial statements have been prepared under the historical cost convention, as modified by financial assets at fair value through profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period.

It also requires the PRS Provider to exercise their judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the PRS Provider's best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(l).

Standard that is effective:

The Fund has applied the following standard for the first time for the financial period beginning 1 February 2019:

(i) Financial year beginning on/after 1 February 2019

- Amendments to MFRS 112 'Income Taxes' (effective from 1 January 2019) clarify that where income tax consequences of dividends on financial instruments classified as equity is recognised (either in profit or loss, other comprehensive income ("OCI") or equity) depends on where the past transactions that generated distributable profits were recognised.

Accordingly, the tax consequences are recognised in profit or loss when an entity determines payments on such instruments are distribution of profits (that is, dividends). Tax on dividend should not be recognised in equity merely on the basis that it is related to a distribution to owners.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 February 2019 that have a material effect on the financial statements of the Fund.

(b) Financial assets and financial liabilities

Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value profit or loss, and
- those to be measured at amortised cost.

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through OCI.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Classification (continued)

The contractual cash flows of the Funds' unquoted fixed income securities are solely principal and profit. However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measure at fair value through profit or loss.

The Fund classifies cash and cash equivalents and amount due from the PRS Provider as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies amount due to the PRS Provider and other payables and accruals as financial liabilities measured at amortised cost.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

Financial liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Unrealised gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the statement of comprehensive income within net gain or loss on financial assets at fair value through profit or loss in the financial period which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income when the Fund's right to receive payments is established.

Quoted securities in Malaysia are valued at the last traded market price quoted on Bursa Malaysia Securities Bhd ("Bursa Securities") at the date of the statement of financial position.

If a valuation based on the market price does not represent the fair value of the quoted securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted securities are valued as determined in good faith by the PRS Provider, based on the methods or basis approved by the Trustee after appropriate technical consultation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Recognition and measurement (continued)

Unquoted fixed income securities denominated in Ringgit Malaysia (“RM”) are revalued on a daily basis based on fair value prices quoted by a Bond Pricing Agency (“BPA”) registered with the SC as per the SC Guidelines on PRS. Refer to Note 2(l) for further explanation.

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest method over the period from the date of placement to the date of maturity of the respective deposits.

Financial assets at amortised cost and other financial liabilities are carried at amortised cost using the effective interest method.

Impairment for assets carried at amortised costs

The Fund measures credit risk and expected credit loss (“ECL”) using probability of default, exposure at default and loss given default. The Manager consider both historical analysis and forward looking information in determining any ECL. The Manager consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month ECL as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by the Manager as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

Any contractual payment which is more than 90 days past due is considered credit impaired.

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor’s sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(c) Income recognition**

Dividend income is recognised on the ex-dividend date when the right to receive payment is established.

Interest income from deposits with licensed financial institutions and unquoted fixed income securities are calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Realised gain or loss on disposal of collective investment schemes is accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

Realised gain or loss on disposal of unquoted fixed income securities is accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on cost adjusted for accretion of discount or amortisation of premium.

(d) Functional and presentation currency

Items included in 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 RM, which is the Fund's functional and presentation currency.

(e) Creation and cancellation of units

The members' contributions to the Fund meet the definition of puttable instruments classified as financial liability under MFRS 132 "Financial Instruments: Presentation".

The Fund issues cancellable units, in three classes of units, known respectively as the Class A, Class C and Class X, which are cancelled at the member's option and do not have identical features subject to restrictions as stipulated in the Disclosure Document and SC Guidelines on PRS. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the member exercises the right to put back the unit to the Fund.

Units are created and cancelled at the member's option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to members of respective classes with the total number of outstanding units of respective classes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(f) Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances and deposits with licensed financial institutions held in highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Taxation

Current tax expense is determined according to Malaysian tax laws at the current rate based upon the taxable profit earned during the financial period.

Withholding taxes on investment income from investment are based on tax regime of the respective countries that the Fund invests in. Such withholding taxes are not "income tax" in nature and are recognised and measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

(h) Segment information

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

(i) Increase/Decrease in net assets attributable to members

Income not distributed is included in net assets attributable to members.

(j) Transactions costs

Transaction costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(k) Amount due from/to stockbrokers**

Amounts due from and amount due to stockbrokers represent receivables for investments sold and payables for investments purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are measured at amortised cost. At each reporting date, the Fund measure the loss allowance on amounts due from broker at an amount equal to the lifetime ECL if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month ECL. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

Any contractual payment which is more than 90 days past due is considered credit impaired.

(l) Critical accounting estimates and judgements in applying accounting policies

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgement are continually evaluated by the PRS Provider and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimate of fair value of unquoted fixed income securities

In undertaking any of the Fund's investment, the PRS Provider will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the SC Guidelines on PRS.

Ringgit-denominated unquoted fixed income securities are valued using fair value prices quoted by a BPA. Where the PRS Provider is of the view that the price quoted by BPA for a specific unquoted fixed income securities differs from the market price by more than 20 bps, the PRS Provider may use market price, provided that the PRS Provider records its basis for using a non-BPA price, obtains necessary internal approvals to use the non-BPA price, and keeps an audit trail of all decisions and basis for adoption the use of non-BPA price.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The objective of the Fund is to provide Members with capital preservation through investment primarily in fixed income instruments.

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk), credit risk and liquidity risk.

Financial risk management is carried out through internal control process adopted by the PRS Provider and adherence to the investment restrictions as stipulated in the Deeds and SC Guidelines on PRS.

(a) Market risk

(i) Price risk

This is the risk that the fair value of quoted securities, unquoted securities and investments in collective investment schemes will fluctuate because of changes in market prices. The value of investments may fluctuate according to the activities of individual companies, sector and overall political and economic conditions. Such fluctuation may cause the Fund's NAV and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.

The price risk is managed through diversification and selection of quoted securities, unquoted securities and collective investment schemes other financial instruments within specified limits according to the Deeds.

(b) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Fund.

Investment in unquoted fixed income securities may involve a certain degree of credit/default risk with regards to the issuers. Generally, credit risk or default risk is the risk of loss due to the issuer's non-payment or untimely payment of the investment amount as well as the returns on investment. This will cause a decline in value of the defaulted unquoted fixed income securities and subsequently depress the NAV of the Fund. Usually credit risk is more apparent for an investment with a longer tenure, i.e. the longer the duration, the higher the credit risk.

Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer. In addition, the PRS Provider imposes a minimum rating requirement as rated by either local and/or foreign rating agencies and manages the duration of the investment in accordance with the objective of the Fund. For this Fund, the unquoted fixed income securities must satisfy a minimum rating requirement of at least "BBB3" or "P2" by RAM or equivalent rating by MARC.

The credit risk arising from placements of deposits with licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions. The settlement terms of the proceeds from the creation of units' receivable from the PRS Provider are governed by the SC Guidelines on PRS.

For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective stock exchange. The credit risk is minimal as all transactions in unquoted fixed income securities are settled/paid upon delivery using approved brokers.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (Continued)

For amount due from the PRS Providers, the settlement terms of the proceeds from the creation of units receivable from the PRS Providers are governed by the SC Guidelines on PRS.

(c) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations.

The PRS Provider manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by members. Liquid assets comprise bank balances and deposits with licensed financial institutions, which are capable of being converted into cash within 7 business days. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the PRS Provider will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potential.

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to members. The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of members. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to members and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

Fair value is defined as 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 (i.e. an exit price).

The fair values of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial period end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the PRS Provider will determine the point within the bid-ask spread that is most representative of the fair value.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.07.2019				
Financial assets at fair value through profit or loss:				
- Quoted securities	4,660,589	-	-	4,660,589
- Unquoted fixed income securities	-	25,536,493	-	25,536,493
	<u>4,660,589</u>	<u>25,536,493</u>	<u>-</u>	<u>30,197,082</u>

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.01.2019				
Audited				
Financial assets at fair value through profit or loss:				
- Quoted securities	4,717,293	-	-	4,717,293
- Unquoted fixed income securities	-	21,915,238	-	21,915,238
	<u>4,717,293</u>	<u>21,915,238</u>	<u>-</u>	<u>26,632,531</u>

Investments which values are based on quoted market prices in active markets, and are therefore classified within Level 1, include collective investments schemes. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted fixed income securities. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

- (ii) The carrying values of cash and cash equivalents, amount due from stockbrokers, amount due from the PRS Provider, dividends receivable and all current liabilities are a reasonable approximation of their fair values due to their short term nature.

4. MANAGEMENT FEE AND PRIVATE PENSION ADMINISTRATOR'S FEE

In accordance with the Deeds, the PRS Provider is entitled to a maximum management fee of 3.00% per annum for each unit class, calculated daily based on the NAV of the Fund.

For the financial period ended 31 July 2019, the management fee for the respective classes is recognised at the following rates:

Class A	Class C	Class X
1.40%	1.50%	1.40%

Nonetheless, no management fee is charged on the Fund up until 15 November 2018 as the management fee has been waived by the PRS Provider. Effective from 16 November 2018, the fee is charged to the Fund.

4. MANAGEMENT FEE AND PRIVATE PENSION ADMINISTRATOR'S FEE (CONTINUED)

The Private Pension Administrator's fee is recognised at a rate of 0.04% per annum (31.07.2018: 0.04% per annum) for each unit class, calculated daily based on the NAV of the Fund.

There is no further liability in respect of management fee and Private Pension Administrator's fee other than the amount recognised above.

5. TRUSTEE'S AND CUSTODIAN FEES

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.04% per annum for each unit class, calculated daily based on the NAV of the Fund. The Trustee's fee includes local custodian fees and charges but excluding foreign custodian fees.

For the financial period ended 31 July 2019, the Trustee's fee is recognised at a rate of 0.04% per annum (31.07.2018: 0.04% per annum) for each unit class.

There is no further liability to the Trustee in respect of Trustee's fee other than the amount recognised above.

6. TAXATION

	01.02.2019 to 31.07.2019 RM	01.02.2018 to 31.07.2018 RM
Tax charged for the financial period		
- Current taxation	<u>-</u>	<u>-</u>

A numerical reconciliation between the profit before taxation multiplied by the Malaysian statutory income tax rate and tax expense of the Fund is as follows:

	01.02.2019 to 31.07.2019 RM	01.02.2018 to 31.07.2018 RM
Profit before taxation	<u>1,058,366</u>	<u>235,868</u>
Taxation at Malaysian statutory rate of 24% (31.07.2018: 24%)	254,008	56,608
Tax effects of:		
Investment income not subject to tax	(314,393)	(65,241)
Expenses not deductible for tax purposes	10,160	7,479
Restriction on tax deductible expenses for PRS Funds	<u>50,225</u>	<u>1,154</u>
Taxation	<u>-</u>	<u>-</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.07.2019 RM	31.01.2019 Audited RM
At fair value through profit or loss at inception:		
- Quoted securities	4,660,589	4,717,293
- Unquoted fixed income securities	<u>25,536,493</u>	<u>21,915,238</u>
	<u>30,197,082</u>	<u>26,632,531</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

	01.02.2019 to 31.07.2019 RM	01.02.2018 to 31.07.2018 RM
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised gain/(loss) on disposals	295,195	(107,297)
- Unrealised fair value gain/(loss)	401,432	(83,357)
	<u>696,627</u>	<u>(190,654)</u>

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.07.2019				
QUOTED SECURITIES				
Consumer Products & Services				
Bermaz Auto Bhd	29,400	76,043	74,970	0.25
Genting Bhd	22,600	189,801	155,262	0.51
Petronas Dagangan Bhd	6,900	179,701	162,150	0.53
Sime Darby Property Bhd	137,400	148,941	133,965	0.44
	<u>196,300</u>	<u>594,486</u>	<u>526,347</u>	<u>1.73</u>
Energy				
Dayang Enterprise Holdings Bhd	53,700	76,018	77,328	0.25
Dialog Group Bhd	69,400	185,513	239,430	0.78
Sapura Energy Bhd	301,100	103,879	90,330	0.30
Yinson Holdings Bhd	48,600	223,800	337,770	1.11
	<u>472,800</u>	<u>589,210</u>	<u>744,858</u>	<u>2.44</u>
Financial Services				
CIMB Group Holdings Bhd	56,293	293,030	285,968	0.94
Malayan Banking Bhd	38,416	362,866	332,298	1.09
Public Bank Bhd	6,700	152,950	146,730	0.48
RHB Bank Bhd	26,600	152,899	146,300	0.48
	<u>128,009</u>	<u>961,745</u>	<u>911,296</u>	<u>2.99</u>
Health Care				
Hartalega Holdings Bhd	29,300	154,426	145,035	0.47
IHH Healthcare Bhd	23,800	123,634	136,612	0.45
	<u>53,100</u>	<u>278,060</u>	<u>281,647</u>	<u>0.92</u>
Industrial Products & Services				
Petronas Chemicals Group Bhd	59,600	512,792	446,404	1.46
Plantation				
FGV Holdings Bhd	120,300	148,582	135,939	0.45

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.07.2019 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
REIT				
IGB REIT	160,400	272,074	307,968	1.01
Technology				
Frontken Corporation Bhd	58,400	55,462	91,104	0.30
Pentamaster Corporation Bhd	64,650	115,305	226,922	0.74
Revenue Group Bhd	92,700	111,761	150,174	0.49
	<u>215,750</u>	<u>282,528</u>	<u>468,200</u>	<u>1.53</u>
Telecommunications & Media				
Axiata Group Bhd	29,400	156,846	147,882	0.48
Digi.com Bhd	30,100	149,577	150,500	0.49
	<u>59,500</u>	<u>306,423</u>	<u>298,382</u>	<u>0.97</u>
Transportation & Logistics				
Malaysia Airports Holdings Bhd	11,100	88,881	93,129	0.30
MISC Bhd	20,900	143,458	151,525	0.50
Westports Holdings Bhd	33,300	121,968	133,200	0.44
	<u>65,300</u>	<u>354,307</u>	<u>377,854</u>	<u>1.24</u>
Utilities				
Tenaga Nasional Bhd	11,700	176,565	161,694	0.53
TOTAL QUOTED SECURITIES	<u>1,542,759</u>	<u>4,476,772</u>	<u>4,660,589</u>	<u>15.27</u>
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>183,817</u>		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>4,660,589</u>		

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.07.2019 (CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES				
Bandar Serai Development Sdn Bhd 4.78% 27/10/2020 (AA3)	500,000	508,362	511,860	1.68
Bank Islam Malaysia Bhd 5.50% 15/12/2025 (A1)	350,000	358,327	360,413	1.18
Bank Pembangunan Malaysia Bhd 4.28% 02/03/2022 (AAA)	1,000,000	1,014,167	1,028,641	3.37
Bumitama Agri Ltd 5.00% 02/09/2019 (AA3)	2,750,000	2,807,358	2,809,367	9.20
Celcom Networks Sdn Bhd 4.85% 29/08/2022 (AA1)	500,000	511,918	523,941	1.72
Fortune Premiere Sdn Bhd 4.65% 21/12/2022 (AA2)	550,000	552,382	565,369	1.85
Fortune Premiere Sdn Bhd 4.80% 13/03/2023 (AA2)	1,050,000	1,071,048	1,099,743	3.60
Genting Capital 4.42% 08/06/2022 (AAA)	2,000,000	2,000,622	2,047,894	6.71
Imtiaz Sukuk II Bhd 4.58% 27/05/2022 (AA2)	750,000	756,634	770,558	2.52
Perbadanan Kemajuan Negeri Selangor 5.00% 10/08/2021 (AA3)	800,000	822,303	833,424	2.73
Perbadanan Kemajuan Negeri Selangor 5.15% 10/08/2023 (AA3)	2,300,000	2,378,960	2,437,175	7.98
RHB Islamic Bank Bhd 4.88% 27/04/2027 (AA3)	200,000	204,130	206,814	0.68
Sabah Credit Corporation 4.70% 08/05/2020 (AA1)	2,050,000	2,084,501	2,085,783	6.83
Tanjung Bin Power Sdn Bhd 4.54% 16/08/2019 (AA2)	2,750,000	2,806,396	2,807,197	9.19
Telekom Malaysia Bhd 4.20% 13/09/2021 (AAA)	750,000	763,185	772,826	2.53
UEM Edgenta Bhd 4.85% 26/04/2022 (AA3)	3,600,000	3,664,460	3,724,989	12.20
UEM Sunrise Bhd 4.75% 22/03/2024 (AA3)	20,000	20,959	21,003	0.07
UMW Holdings Bhd 4.83% 22/06/2022 (AA2)	200,000	202,347	206,560	0.68
United Growth Bhd 4.73% 21/06/2022 (AA2)	450,000	455,249	464,064	1.52
WCT Holdings Bhd 5.32% 11/05/2022 (AA3)	200,000	203,362	204,512	0.67
YTL Corporation Bhd 4.38% 25/04/2023 (AA1)	2,000,000	2,006,654	2,054,360	6.73

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.07.2019 (CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
TOTAL UNQUOTED FIXED INCOME SECURITIES	<u>24,770,000</u>	25,193,324	<u>25,536,493</u>	<u>83.64</u>
ACCUMULATED UNREALISED GAIN ON UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>343,169</u>		
TOTAL UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>25,536,493</u>		

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.01.2019				
Audited				
QUOTED SECURITIES				
Consumer Products & Services				
Genting Bhd	17,700	155,472	122,838	0.46
Genting Malaysia Bhd	37,800	115,354	124,362	0.46
Petronas Dagangan Bhd	6,900	179,701	182,022	0.67
UMW Holdings Bhd	21,900	113,692	127,896	0.47
	<u>84,300</u>	<u>564,219</u>	<u>557,118</u>	<u>2.06</u>
Energy				
Dialog Group Bhd	55,700	140,851	167,100	0.62
Yinson Holdings Bhd	29,500	117,603	120,950	0.45
	<u>85,200</u>	<u>258,454</u>	<u>288,050</u>	<u>1.07</u>
Financial Services				
AMMB Holdings Bhd	20,500	90,425	92,250	0.34
Bursa Malaysia Bhd	14,000	113,228	102,200	0.38
Hong Leong Bank Bhd	12,200	215,504	251,808	0.93
Malayan Banking Bhd	27,817	262,836	265,374	0.98
Public Bank Bhd	24,000	547,881	594,720	2.21
	<u>98,517</u>	<u>1,229,874</u>	<u>1,306,352</u>	<u>4.84</u>
Health Care				
Hartalega Holdings Bhd	10,800	57,901	58,320	0.22
IHH Healthcare Bhd	23,800	123,634	133,280	0.49
	<u>34,600</u>	<u>181,535</u>	<u>191,600</u>	<u>0.71</u>
Industrial Products & Services				
Petronas Chemicals Group Bhd	31,300	271,246	264,485	0.98
Plantation				
Genting Plantations Bhd	5,600	60,032	57,232	0.21
IOI Corporation Bhd	21,100	95,161	98,115	0.36
	<u>26,700</u>	<u>155,193</u>	<u>155,347</u>	<u>0.57</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.01.2019 (CONTINUED)				
Audited (Continued)				
QUOTED SECURITIES (CONTINUED)				
REITs				
IGB REIT	230,000	390,131	409,400	1.52
Sunway REIT	155,100	255,118	271,425	1.01
	<u>385,100</u>	<u>645,249</u>	<u>680,825</u>	<u>2.53</u>
Technology				
Globetronics Technology Bhd	63,300	109,218	121,536	0.45
Inari Amertron Bhd	75,450	172,399	113,175	0.42
Pentamaster Corporation Bhd	30,800	76,191	96,712	0.36
Revenue Group Bhd	51,900	30,901	63,837	0.24
Revenue Group Bhd - Warrant	46,600	-	18,873	0.07
	<u>268,050</u>	<u>388,709</u>	<u>414,133</u>	<u>1.54</u>
Telecommunications & Media				
Axiata Group Bhd	<u>26,531</u>	<u>143,725</u>	<u>106,389</u>	<u>0.39</u>
Transportation & Logistics				
Malaysia Airports Holdings Bhd	8,200	70,426	65,928	0.24
MISC Bhd	35,500	243,673	240,690	0.89
Westports Holdings Bhd	<u>33,300</u>	<u>121,968</u>	<u>123,876</u>	<u>0.46</u>
	<u>77,000</u>	<u>436,067</u>	<u>430,494</u>	<u>1.59</u>
Utilities				
Tenaga Nasional Bhd	<u>25,000</u>	<u>377,276</u>	<u>322,500</u>	<u>1.21</u>
TOTAL QUOTED SECURITIES	<u>1,142,298</u>	<u>4,651,547</u>	<u>4,717,293</u>	<u>17.49</u>
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>65,746</u>		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>4,717,293</u>		

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.01.2019 (CONTINUED)				
Audited (Continued)				
UNQUOTED FIXED INCOME SECURITIES				
Bandar Serai				
Development Sdn Bhd 4.78% 27/10/2020 (AA3)	500,000	509,290	509,711	1.89
Bank Pembangunan Malaysia Bhd 4.28% 02/03/2022 (AAA)	1,000,000	1,013,787	1,014,375	3.76
Bumitama Agri Ltd 5.00% 02/09/2019 (AA3)	2,750,000	2,815,003	2,817,251	10.45
Celcom Networks Sdn Bhd 4.85% 29/08/2022 (AA1)	500,000	512,304	518,139	1.92
Fortune Premiere Sdn Bhd 4.65% 21/12/2022 (AA2)	550,000	552,390	554,230	2.06
Fortune Premiere Sdn Bhd 4.80% 13/03/2023 (AA2)	1,050,000	1,071,236	1,077,262	3.99
Genting Capital 4.42% 08/06/2022 (AAA)	2,000,000	1,998,956	2,000,476	7.42
Imtiaz Sukuk II Bhd 4.58% 27/05/2022 (AA2)	750,000	756,742	760,606	2.82
Perbadanan Kemajuan Negeri Selangor 5.00% 10/08/2021 (AA3)	800,000	823,367	825,623	3.06
Perbadanan Kemajuan Negeri Selangor 5.15% 10/08/2023 (AA3)	1,000,000	1,033,170	1,036,788	3.84
RHB Islamic Bank Bhd 4.88% 27/04/2027 (AA3)	200,000	204,431	205,157	0.76
Tanjung Bin Power Sdn Bhd 4.54% 16/08/2019 (AA2)	2,750,000	2,812,041	2,814,187	10.44
Telekom Malaysia Bhd 4.20% 13/09/2021(AAA)	750,000	763,418	763,608	2.83
UEM Edgenta Bhd 4.85% 26/04/2022 (AA3)	3,600,000	3,668,021	3,688,027	13.68
UMW Holding Bhd 4.83% 22/06/2022 (AA2)	200,000	202,588	203,458	0.75
UniTapah Sdn Bhd 5.01% 12/06/2019 (AA1)	450,000	454,479	454,847	1.69
United Growth Bhd 4.73% 21/06/2022 (AA2)	450,000	455,764	459,100	1.70
WCT Holdings Bhd 5.32% 11/5/2022 (AA3)	200,000	203,563	204,853	0.76
YTL Corpotation Bhd 4.38% 25/04/2023 (AA1)	2,000,000	2,004,880	2,007,540	7.44

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.01.2019 (CONTINUED)				
Audited (Continued)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
TOTAL UNQUOTED FIXED INCOME SECURITIES	<u>21,500,000</u>	21,855,430	<u>21,915,238</u>	<u>81.26</u>
ACCUMULATED UNREALISED GAIN ON UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>59,808</u>		
TOTAL UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>21,915,238</u>		

8. CASH AND CASH EQUIVALENTS

	31.07.2019	31.01.2019
	RM	Audited RM
Deposits with licensed financial institutions	270,022	-
Bank balance	<u>32,617</u>	<u>88,389</u>
	<u>302,639</u>	<u>88,389</u>

9. AMOUNT DUE FROM/TO THE PRS PROVIDER

	31.07.2019	31.01.2019
	RM	Audited RM
Amount due from the PRS Provider:		
- Creation of units	<u>-</u>	<u>294,892</u>
Amount due to the PRS Provider:		
- Management fees	36,335	31,783
- Cancellation of units	<u>32,692</u>	<u>15</u>
	<u>69,027</u>	<u>31,798</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.02.2019 to 31.07.2019	01.02.2018 to 31.01.2019 Audited
	No. of units	No. of units
Class A (i)	37,599,642	34,737,767
Class C (ii)	1,581,187	1,607,831
Class X (iii)	8,830,634	7,630,446
	<u>48,011,463</u>	<u>43,976,044</u>

(i) Class A

	01.02.2019 to 31.07.2019	01.02.2018 to 31.01.2019 Audited
	No. of units	No. of units
At the beginning of the financial period/year	34,737,767	30,441,631
Add: Creation of units from applications	4,966,837	6,342,364
Less: Cancellation of units	(2,104,962)	(2,046,228)
At the end of the financial period/year	<u>37,599,642</u>	<u>34,737,767</u>

(ii) Class C

	01.02.2019 to 31.07.2019	01.02.2018 to 31.01.2019 Audited
	No. of units	No. of units
At the beginning of the financial period/year	1,607,831	527,534
Add: Creation of units from applications	386,257	1,560,914
Less: Cancellation of units	(412,901)	(480,617)
At the end of the financial period/year	<u>1,581,187</u>	<u>1,607,831</u>

(iii) Class X

	01.02.2019 to 31.07.2019	01.02.2018 to 31.01.2019 Audited
	No. of units	No. of units
At the beginning of the financial period/year	7,630,446	5,402,579
Add: Creation of units from applications	1,289,620	2,520,318
Less: Cancellation of units	(89,432)	(292,451)
At the end of the financial period/year	<u>8,830,634</u>	<u>7,630,446</u>

11. MANAGEMENT EXPENSE RATIO (“MER”)

	01.02.2019 to 31.07.2019	01.02.2018 to 31.07.2018
	%	%
MER	<u>0.78</u>	<u>0.09</u>

MER is derived from the following calculation:

$$\text{MER} = \frac{(A + B + C + D + E + F) \times 100}{G}$$

- A = Management fee
- B = Private Pension Administrator’s fee
- C = Trustee’s fee
- D = Tax agent’s fee
- E = Audit fee
- F = Other expenses excluding withholding tax
- G = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM29,136,302 (31.07.2018: RM22,474,135).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.02.2019 to 31.07.2019	01.02.2018 to 31.07.2018
PTR (times)	<u>0.21</u>	<u>0.12</u>

PTR is derived based on the following calculation:

$$\frac{(\text{Total acquisition for the financial period} + \text{total disposal for the financial period}) \div 2}{\text{Average NAV of the Fund for the financial period calculated on a daily basis}}$$

where:

- total acquisition for the financial period = RM7,864,301 (31.07.2018: RM3,566,669)
- total disposal for the financial period = RM4,576,025 (31.07.2018: RM2,040,968)

13. UNITS HELD BY THE PRS PROVIDER AND PARTIES RELATED TO THE PRS PROVIDER, AND SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

The related parties and their relationship with the Fund are as follows:

<u>Related parties</u>	<u>Relationship</u>
Principal Asset Management Berhad <i>(formerly known as CIMB-Principal Asset Management Berhad)</i>	The PRS Provider
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the PRS Provider
Principal International (Asia) Ltd	Shareholder of the PRS Provider
Subsidiaries and associates of Principal Financial Group Inc., other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the PRS Provider
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the PRS Provider
CIMB Group Sdn Bhd	Shareholder of the PRS Provider
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the shareholder of the PRS Provider
CIMB Bank Bhd	Fellow related party to the PRS Provider
CIMB Investment Bank Bhd	Fellow related party to the PRS Provider

Units held by the PRS Provider and parties related to the PRS Provider

There were no units held by the PRS Provider, the Directors or parties related to the PRS Provider as at the end of the financial period.

In addition to related party disclosure mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The PRS Provider is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

<u>Significant related party transactions</u>	01.02.2019 to 31.07.2019 RM	01.02.2018 to 31.07.2018 RM
Dividend income from collective investment schemes managed by the PRS Provider	-	61,967

14. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 31 July 2019 are as follows:

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
RHB Investment Bank Bhd	5,410,997	43.53	3,719	26.61
J.P. Morgan Sec (M) Sdn Bhd	1,301,835	10.47	1,125	8.05
Macquarie Capital Securities (M) Sdn Bhd	1,168,115	9.40	1,087	7.78
Alliance Investment Bank Bhd	1,065,061	8.57	2,396	17.14
CGS-CIMB Securities Sdn Bhd #	913,918	7.35	764	5.47
CLSA Securities (M) Sdn Bhd	618,227	4.97	735	5.26
Hong Leong Investment Bank Bhd	617,977	4.97	1,390	9.95
KAF-Seagroatt & Campbell Securities Sdn Bhd	585,044	4.71	1,316	9.42
Affin Hwang Investment Bank Bhd	570,054	4.59	1,283	9.18
UBS Securities (M) Sdn Bhd	157,056	1.26	110	0.79
Others	22,714	0.18	51	0.35
	<u>12,430,998</u>	<u>100.00</u>	<u>13,976</u>	<u>100.00</u>

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 31 July 2018 are as follows:

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
CIMB Investment Bank Bhd #	956,702	17.06	2,151	20.52
Hong Leong Investment Bank Bhd	901,644	16.08	1,346	12.85
Affin Hwang Investment Bank Bhd	886,730	15.81	2,010	19.17
KAF-Seagroatt & Campbell Securities Sdn Bhd	803,995	14.34	1,809	17.26

14. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 31 July 2018 are as follows: (continued)

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
J.P. Morgan Sec (M) Sdn Bhd	398,792	7.11	897	8.56
Macquarie Capital Securities (M) Sdn Bhd	271,944	4.85	612	5.84
Kenanga Investment Bank Bhd	243,537	4.34	548	5.23
Maybank Investment Bank Bhd	196,482	3.50	442	4.22
CLSA Securities (M) Sdn Bhd	127,153	2.27	289	2.76
Credit Suisse Securities (M) Sdn Bhd	10,122	0.18	40	0.38
Others	810,537	14.46	338	3.21
	<u>5,607,638</u>	<u>100.00</u>	<u>10,482</u>	<u>100.00</u>

Included in the transactions are trades conducted with CGS-CIMB Securities Sdn Bhd and CIMB Investment Bank Bhd, fellow related parties to the PRS provider amounting to RM913,918 (31.07.2018: Nil) and Nil (31.07.2018: RM956,702). The PRS Provider is of the opinion that all transactions have been entered into in the normal course of business at agreed terms between the related parties.

15. SEGMENT INFORMATION

The internal reporting provided to the chief operating decision-maker for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS. The chief operating decision-maker is responsible for the performance of the Fund and considers the business to have a single operating segment located in Malaysia. Asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The investment objective of the Fund is to provide Members with capital preservation through investment primarily in fixed income instruments. The reportable operating segment derives its income by seeking investments to achieve targeted returns commensurate with an acceptable level of risk within the portfolio. These returns consist of interest income and dividend income earned from investments and gains on the appreciation in the value of investments, which are derived from Ringgit denominated deposits with licensed financial institutions in Malaysia, quoted securities listed on Bursa Securities, Malaysia and unquoted fixed income securities traded in Malaysia.

There were no changes in reportable operating segment during the financial period.

DIRECTORY

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