

CIMB Islamic DALI Equity Growth Fund

Unaudited Interim Report

For The Six Months Financial Period Ended 30 November 2019

CIMB ISLAMIC DALI EQUITY GROWTH FUND

UNAUDITED INTERIM REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019

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INVESTORS' LETTER

Dear Valued Investor,

As we begin 2020, allow me to wish you a Happy New Year! Selamat Tahun Baru!

2019 was a year of heightened risk velocity in markets, due to external factors - both globally and domestically, such as the US-China trade tensions, uncertainties in US monetary policy, China economic growth slowdown and weak earnings in Malaysia markets.

Going into 2020, we continue to see pockets of opportunities in the equity market. This is on the back of supportive central banks policies, stabilising earnings estimate and some progressive outcome coming from US and China trade tension.

We believe you should remain fully invested, focus on long-terms returns and look to diversify your investments across a full spectrum of asset classes depending on your risk appetite. We believe that fixed income returns will be more moderate and thus, we encourage diversifying allocations to assets like Asia Pacific equities, Global equities or Global REITs. Equity markets like ASEAN and Malaysia which have underperformed in 2019 may now set to improve in 2020.

Lastly, we wish to thank you for the trust you've put in us. We achieved much this year because of the trust you placed in us:



Serve over 1 million customers in Malaysia, Indonesia, Singapore and Thailand.



Manage over RM88.1 billion in assets.



Numerous awards –

- Five outstanding funds (based on performance and consistency of returns) - Fundsupermart.com
- Two outstanding funds - Lipper Fund Awards from Refinitiv 2019
- Best Asset Management House in ASEAN and Fund Launch of the Year - Asia Asset Management, 2019.



Offer our Unit Trust Funds on EPF's i-Invest online platform with 0.0% sales fee. The online facility enables EPF i-Akaun members to invest in unit trust funds using their EPF savings - anytime, anywhere.



Rolled out several core funds, including Principal Global Sukuk Fund, Principal Global Real Estate Fund and Principal Greater Bay Fund. These Funds provided investors an opportunity to increase their investment potential with a diversified global portfolio.

As you consider your ongoing investment needs, we hope you continue to turn to us for guidance and solutions. Please check-out www.principal.com.my for information and consider following us on Facebook! @PrincipalAssetMY

INVESTORS' LETTER (CONTINUED)

In our effort to serve you better, we would like to encourage you to update us with your latest contact information. Please call our customer care hotline at 03-7718 3000 to speak to our representative.

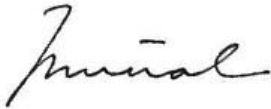
Please be informed that effective 31 December 2019, the Fund has changed its name from CIMB Islamic DALI Equity Growth Fund to Principal DALI Equity Growth Fund following the issuance of the replacement Master Prospectus (Islamic Funds) for the Fund on 31 December 2019.

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

May 2020 be a good year for you!

Thank you.

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



Munirah Khairuddin
Chief Executive Officer

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to achieve consistent capital growth over the medium to long-term.

Has the Fund achieved its objective?

For the financial period under review, the Fund has achieved its stated objective.

What are the Fund investment policy and principal investment strategy?

The Fund may invest a minimum of 70% and up to a maximum of 98% of its Net Asset Value ("NAV") principally in Shariah-compliant equities aimed to provide growth and up to 28% of its NAV in other permissible investments, such as Sukuk with a minimum credit rating of "A3" or "P2" by RAM Ratings ("RAM") or equivalent rating by Malaysian Rating Corporation Berhad ("MARC") or by local rating agency(ies) of the country of issuance; or "BBB-" by Standard & Poor's ("S&P") or equivalent rating by Moody's or Fitch. The Fund may also opt to seek investment exposure via Shariah-compliant collective investment scheme that is in line with the Fund's objective, subject to the requirements of the SC Guidelines. In line with its objective, the investment strategy and policy of the Fund is to rebalance the portfolio to suit market conditions in order to reduce short-term volatility and provide consistency in capital growth.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in Shariah-compliant equities;
- up to 28% of the Fund's NAV in other permissible investments; and
- at least 2% of the Fund's NAV will be invested in Shariah-compliant liquid assets.

Fund category/type

Equity (Shariah-compliant)/Growth

How long should you invest for?

Recommended three (3) years or more

When was the Fund launched?

7 May 1998

What was the size of the Fund as at 30 November 2019?

RM3,152.41 million (3,019.26 million units)

What is the Fund's benchmark?

Financial Times Stock Exchange ("FTSE") Bursa Malaysia ("FBM") EMAS Shariah ("FBMS") Index.

Note: The Fund's benchmark is for performance comparison purpose only. You are cautioned that the risk profile of the Fund is higher than the benchmark.

What is the Fund distribution policy?

The Manager has the discretion to distribute a part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.

What was the net income distribution for the six months financial period ended 30 November 2019?

The Fund distributed a total net income of RM66.17 million to unit holders, as a result, the NAV per unit dropped from RM1.1068 to RM1.0852 on 18 July 2019 for the six months financial period ended 30 November 2019

PERFORMANCE DATA

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

	30.11.2019	30.11.2018	30.11.2017
	%	%	%
Shariah-compliant quoted securities			
- Construction	5.19	3.66	9.79
- Consumer Products & Services	11.98	14.12	0.94
- Energy	7.52	5.43	-
- Finance	-	-	2.28
- Financial Services	1.23	1.84	-
- Health Care	4.88	7.78	-
- Industrials	-	-	12.95
- Industrial Products & Services	12.62	11.18	-
- Infrastructure Project Company ("IPC")	-	-	4.83
- Plantation	9.45	6.93	13.17
- Properties	-	-	7.10
- Property	3.55	3.49	-
- Real Estate Investment Trusts ("REITs")	3.33	0.77	0.80
- Technology	3.92	3.24	2.07
- Telecommunications & Media	10.14	7.98	-
- Trading/Services	-	-	42.02
- Transportation & Logistics	3.83	4.62	-
- Utilities	13.41	12.67	-
Unquoted Sukuk	0.03	0.04	0.03
Cash and other net assets	8.92	16.25	4.02
	<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:

	30.11.2019	30.11.2018	30.11.2017
NAV (RM Million)	3,152.41	3,389.56	4,255.01
Units in circulation (Million)	3,019.26	3,203.32	3,359.96
NAV per unit (RM)	1.0440	1.0581	1.2663
	01.06.2019 to 30.11.2019	01.06.2018 to 30.11.2018	01.06.2017 to 30.11.2017
Highest NAV per unit (RM)	1.1288	1.2199	1.3428
Lowest NAV per unit (RM)	1.0440	1.0581	1.2358
Total return (%)	(1.11)	(5.28)	0.52
- Capital growth (%)	3.10	(10.44)	(4.45)
- Income distribution (%)	1.99	5.78	5.20
Management Expense Ratio ("MER") (%)	0.79	0.79	0.84
Portfolio Turnover Ratio ("PTR") (times) #	0.17	0.23	0.24

The Fund's PTR decreased from 0.23 times to 0.17 times as there was less trading activities during the financial period under review.

	18.07.2019	12.07.2018	13.07.2017
Date of distribution			
Gross distribution per unit (sen)	2.16	6.50	6.50
Net distribution per unit (sen)	2.16	6.50	6.50

PERFORMANCE DATA (CONTINUED)

	30.11.2019	30.11.2018	30.11.2017	30.11.2016	30.11.2015
	%	%	%	%	%
Annual total return	0.66	(11.60)	7.00	(3.94)	(0.82)

(Launch date: 7 May 1998)

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 JUNE 2019 to 30 NOVEMBER 2019)

The FBMS Index declined by 203.27 points or 1.72% to 11,592.50 points during the financial period under review.

Following a sharp sell-down in the month of May 2019, Malaysian equities benefitted from relief rally in June stemming from expectation of the US Federal Reserve (the “Fed”) rate cuts and de-escalation of US-China trade war. Domestic factors which also helped to boost the market include dissipating concern over regulatory risk particularly for airport operator Malaysia Airports Holdings Bhd (“MAHB”) following the release of the latest consultation paper on the implementation of Regulatory Asset Base (“RAB”) framework. The rally was led by FBM Small Cap (“FBMSCAP”) Index’s gain of 3.6% in June 2019 which pointing to improving investors’ risk appetite.

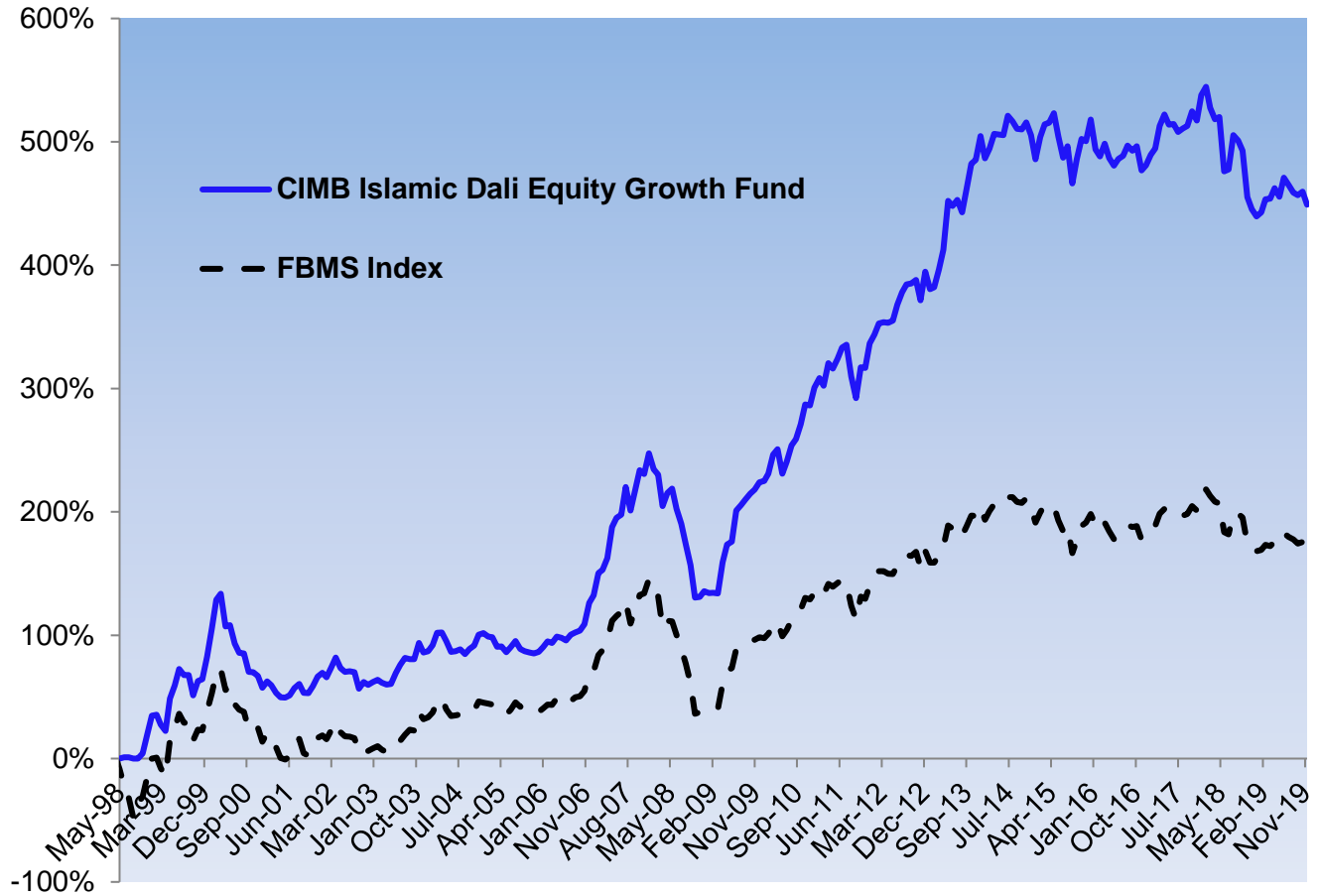
However, the rally did not last whereby FBMS Index shed 5.91% in July 2019 and August 2019 combined and stayed range bound for the month of September 2019. Subsequently, FBMS Index suffered a mini-dip due to the breakdown in Axiata Group Bhd and Norway's Telenor SA (“Axiata-Telenor”) merger talks before staging a rebound. Risk appetite returned on the back of easing US-China trade war concern, and the Fed’s further monetary easing. In addition, financial results from companies related to 5G, Internet-of-Things and oil and gas are showing signs of recoveries, hence, the outperformance of FBMSCAP Index as compared to FBM Kuala Lumpur Composite Index (“KLCI”). The latter’s underperformance was due to the facts that Financials, Telecommunications and Petrochemical companies were still showing margin compressions. However, the rally was dented towards the end of November 2019 due to persisting concerns on US-China trade deal and ongoing civil unrest in Hong Kong. Furthermore, Malaysia along with other the Association of South East Asian Nations (“ASEAN”) markets were facing fund outflows in November 2019 due to Morgan Stanley Capital International (“MSCI”) rebalancing as the weightage for ASEAN was reduced to accommodate higher weighting for China and Saudi Arabia.

FUND PERFORMANCE

	6 months	1 year	3 years	5 years	Since
	to 30.11.2019	to 30.11.2019	to 30.11.2019	to 30.11.2019	inception
	%	%	%	%	%
Income	1.99	1.99	13.49	24.74	122.23
Capital	(3.10)	(1.33)	(8.70)	(34.03)	326.93
Total Return	(1.11)	0.66	(4.79)	(9.29)	449.16
Benchmark	(1.72)	(0.35)	(2.59)	(11.07)	170.10
Average Total Return	N/A	0.66	(1.62)	(1.93)	8.27

For the six months financial period under review, the Fund’s total return dropped by 1.11% and outperformed the benchmark marginally by 0.61%. The outperformance was mainly driven by Utilities, Industrials and Health-Care sectors.

FUND PERFORMANCE (CONTINUED)



Changes in NAV

	30.11.2019	31.05.2019 Audited	Changes %
NAV (RM Million)	3,152.41	3,340.12	(5.62)
NAV/Unit (RM)	1.0440	1.0770	(3.06)

During the financial period under review, the Fund's NAV declined by 5.62% due to unit redemptions, while NAV per unit decreased by 3.06% due to the investment performance and distribution of income.

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)	30.11.2019	31.05.2019
		Audited
Shariah-compliant quoted securities	91.05	94.33
Unquoted Sukuk	0.03	0.03
Cash and other net assets	8.92	5.64
TOTAL	100.00	100.00

Asset allocation in Shariah-compliant quoted securities fell from 94.33% as at 31 May 2019 to 91.05% as at 30 November 2019 as we embarked on capital preservation and turn more cautious on the market given concerns on domestic earnings growth and global macro uncertainties.

MARKET OUTLOOK*

Going into 2020, we expect Malaysian economic growth to remain moderate due to external headwinds from the ongoing US-China trade tension. That said, this will be mitigated by more growth-oriented Budget 2020 and accommodating monetary policy. While political and regulatory risks remain elevated, we do not believe that this will deteriorate further. Recent by-election loss of the ruling Government will potentially be the catalyst for more market friendly policies going forward. We expect Government-Linked Companies (“GLCs”) reforms to take center stage again following a slew of leadership changes in Government-Linked Investment Companies (“GLICs”) and GLCs since the General Election in May 2018. Malaysia is also benefiting from trade diversion with the increase in Foreign Direct Investments (“FDIs”) flow, but the Government would need to do more to restore business and consumer confidence in order to boost both domestic investment and consumption. On corporate earnings, we take comfort from the stabilisation in consensus earnings expectation following earlier sharp cuts. In fact, we expect FBMKLCI Index earnings to rebound by 6.9% in 2020 driven by the banks and plantation sectors. Year-to-date (“YTD”), Malaysia saw the largest net outflow of USD2.39 billion among ASEAN markets. Positively, foreign shareholding in Malaysia has declined to 22.9% in September 2019, which is close to a 10-year low. This suggests that foreign net outflow should ease going forward.

* 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

Despite moderate growth outlook, we upgrade Malaysia to overweight as we turn constructively more positive going into 2020. FBMKLCI Index valuation has now dipped to 15.4 times which is at -1 standard deviation. We believe earnings downside risk has narrowed significantly following recent cuts which is further supported by undemanding valuation now. As such, we take a barbell approach on high yield sectors like REITs, Telecommunication-related and utilities-related and increasing our exposure on cyclical growth sectors like plantation, oil and gas and the technology sectors

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 30 November 2019 are as follows:

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	243,838	127.02	4.20
5,001-10,000	28,859	210.63	6.98
10,001-50,000	52,346	1,165.36	38.60
50,001-500,000	12,478	1,208.33	40.02
500,001 and above	75	307.92	10.20
Total	337,596	3,019.26	100.00

SOFT COMMISSIONS & REBATES

Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the “Manager”) 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 Manager and Trustee did not receive any rebates from the brokers or dealers but the Manager 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 MANAGER TO THE UNIT HOLDERS OF
CIMB ISLAMIC DALI EQUITY GROWTH FUND**

We, being the Directors of Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 12 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 30 November 2019 and of its financial performance, changes in equity and cash flows for the financial period then ended in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting.

For and on behalf of the Manager

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
16 January 2020

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF
CIMB ISLAMIC DALI EQUITY GROWTH FUND**

We, MTrustee Berhad, being the Trustee of CIMB Islamic DALI Equity Growth Fund (the "Fund"), are of the opinion that Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "Manager"), has managed the Fund for the six months financial period ended 30 November 2019 in accordance with the following:

- (a) limitations imposed on the investment powers of the Manager and the Trustee under the Deeds, the Securities Commission's Guidelines on the Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation/pricing for the Fund has been carried out in accordance with the Deeds and applicable regulatory requirements; and
- (c) creation and cancellation of units is carried out in accordance with the Deeds and applicable regulatory requirements.
- (d) during the financial period, a total distribution of 2.16 sen per unit (gross) has been distributed to the unit holders of the Fund. We are of the view that the distribution of returns by the Fund is appropriate and reflects the investment objective of the Fund.

For and on behalf of the Trustee
MTrustee Berhad

NURIZAN JALIL
Chief Executive Officer

Selangor
14 January 2020

**SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF
CIMB ISLAMIC DALI EQUITY GROWTH FUND**

For the Financial Period from 1 June 2019 to 30 November 2019

We have acted as the Shariah Adviser of CIMB Islamic DALI Equity Growth Fund (the "Fund"). Our responsibility is to ensure that the procedures and processes employed by Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*), (the "Manager") are in accordance with Shariah principles.

In our opinion, the Manager has managed and administered the Fund in accordance with Shariah principles and complied with applicable guidelines, rulings or decisions issued by the Securities Commission ("SC") pertaining to Shariah matters.

In addition, we confirm that the investment portfolio of the Fund comprises securities and/or instruments which have been classified as Shariah compliant by the Shariah Advisory Council ("SAC") of the SC and/or SAC of Bank Negara Malaysia ("BNM"), where applicable. For securities and/or instruments which are not classified as Shariah-compliant by the SAC of the SC and/or SAC of BNM, we have determined that such securities and/or instruments are in accordance with Shariah principles and have complied with the applicable Shariah Guidelines.

This report is made solely to the unit holders of the Fund, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report and we shall not be liable for any errors or non-disclosure on the part of the Manager.

For **Amanie Advisors Sdn Bhd**,

DATUK DR MOHD DAUD BAKAR
Executive Chairman

Kuala Lumpur
14 January 2020

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019**

		01.06.2019 to 30.11.2019	01.06.2018 to 30.11.2018
	Note	RM	RM
LOSS			
Dividend income		44,807,032	48,174,321
Profit income from deposits with Shariah-compliant licensed financial institutions at amortised cost and Hibah		3,920,767	7,831,187
Profit income from unquoted Sukuk		48,839	71,953
Net loss on financial assets at fair value through profit or loss	8	<u>(55,405,464)</u>	<u>(211,676,993)</u>
		<u>(6,628,826)</u>	<u>(155,599,532)</u>
EXPENSES			
Management fee	4	24,912,650	27,635,065
Trustee's fee	5	996,506	1,105,402
Audit fee		8,550	2,250
Tax agent's fee		14,381	1,750
Transaction costs		1,863,124	3,672,501
Other expenses		407,345	251,626
		<u>28,202,556</u>	<u>32,668,594</u>
LOSS BEFORE TAXATION		(34,831,382)	(188,268,126)
Taxation	7	<u>-</u>	<u>(30,149)</u>
LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD		<u>(34,831,382)</u>	<u>(188,298,275)</u>
Loss after taxation is made up as follows:			
Realised amount		100,998,029	10,163,752
Unrealised amount		<u>(135,829,411)</u>	<u>(198,462,027)</u>
		<u>(34,831,382)</u>	<u>(188,298,275)</u>

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2019**

		30.11.2019	31.05.2019
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents	9	283,309,608	191,178,665
Financial assets at fair value through profit or loss (Shariah-compliant)	8	2,871,102,468	3,151,770,750
Amount due from stockbrokers		23,737,423	7,082,126
Amount due from Manager		3,118,668	5,282,334
Dividends receivable		4,688,184	2,019,917
Tax recoverable		-	1,421,498
TOTAL ASSETS		<u>3,185,956,351</u>	<u>3,358,755,290</u>
LIABILITIES			
Amount due to stockbrokers		23,533,215	7,313,424
Amount due to Manager		5,836,493	6,915,912
Accrued management fee		3,986,238	4,205,299
Amount due to Trustee		159,450	168,212
Other payables and accruals		31,584	28,521
TOTAL LIABILITIES		<u>33,546,980</u>	<u>18,631,368</u>
NET ASSET VALUE OF THE FUND		<u>3,152,409,371</u>	<u>3,340,123,922</u>
EQUITY			
Unit holders' capital		3,401,194,571	3,487,914,465
Accumulated losses		<u>(248,791,200)</u>	<u>(147,790,543)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>3,152,409,371</u>	<u>3,340,123,922</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	10	<u>3,019,261,518</u>	<u>3,101,085,727</u>
NET ASSET VALUE PER UNIT (RM)		<u>1.0440</u>	<u>1.0770</u>

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

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019**

	Note	Unit holders' capital RM	Accumulated loss RM	Total RM
Balance as at 1 June 2019		3,487,914,465	(147,790,543)	3,340,123,922
Movement in unit holders' contributions:				
- Creation of units from applications		130,806,398	-	130,806,398
- Creation of units from distribution		65,890,180	-	65,890,180
- Cancellation of units		(283,416,472)	-	(283,416,472)
Total comprehensive loss for the financial period		-	(34,831,382)	(34,831,382)
Distribution	6	-	(66,169,275)	(66,169,275)
Balance as at 30 November 2019		<u>3,401,194,571</u>	<u>(248,791,200)</u>	<u>3,152,403,371</u>
Balance as at 1 June 2018		3,478,466,643	182,118,918	3,660,585,561
Movement in unit holders' contributions:				
- Creation of units from applications		154,643,594	-	154,643,594
- Creation of units from distribution		201,001,274	-	201,001,274
- Cancellation of units		(236,578,856)	-	(236,578,856)
Total comprehensive loss for the financial period		-	(188,298,275)	(188,298,275)
Distribution	6	-	(201,796,916)	(201,796,916)
Balance as at 30 November 2018		<u>3,597,532,655</u>	<u>(207,976,273)</u>	<u>3,389,556,382</u>

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

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019**

	01.06.2019 to 30.11.2019	01.06.2018 to 30.11.2018
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of Shariah-compliant quoted securities	649,636,187	885,955,656
Purchases of Shariah-compliant quoted securities	(426,737,610)	(801,648,857)
Proceeds from redemption unquoted Sukuk	63,818	-
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah earned	3,920,767	7,831,187
Profit income received from unquoted Sukuk	50,632	50,354
Dividend income received	41,955,179	48,333,103
Management fees paid	(25,131,711)	(28,256,412)
Trustee's fees paid	(1,005,268)	(1,130,256)
Payments of other fees and expenses	(237,627)	(563,673)
Tax received	1,421,498	-
Net cash generated from operating activities	243,935,865	110,571,102
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	132,970,064	154,747,307
Payments for cancellation of units	(284,495,891)	(241,611,408)
Distribution paid	(279,095)	(795,642)
Net cash used in financing activities	(151,804,922)	(87,659,743)
Net increase in cash and cash equivalents	92,130,943	22,911,359
Cash and cash equivalents at the beginning of the financial period	191,178,665	523,872,646
Cash and cash equivalents at the end of the financial period	283,309,608	546,784,005
<u>Cash and cash equivalents comprised of:</u>		
Shariah-compliant deposits with licensed Islamic financial institutions	283,240,579	546,739,787
Bank balances	69,029	44,218
Cash and cash equivalents at the end of the financial period	283,309,608	546,784,005

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 30 NOVEMBER 2019**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

CIMB Islamic DALI Equity Growth Fund (the “Fund”) is governed by a Principal Master Deed dated 15 May 2008, a Fourth Supplemental Master Deed dated 25 June 2008, a Sixth Supplemental Master Deed dated 14 July 2008, a Seventh Supplemental Master Deed dated 19 November 2008, a Fifteenth Supplemental Master Deed dated 21 September 2012 and a Seventeenth Supplemental Master Deed dated 25 March 2015 (collectively referred to as the “Deeds”), made between Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the “Manager”) and MTrustee Berhad (the “Trustee”).

The Fund may invest a minimum of 70% and up to a maximum of 98% of its NAV principally in Shariah-compliant equities aimed to provide growth and up to 28% of its NAV in other permissible investments, such as Sukuk with a minimum credit rating of “A3” or “P2” by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance; or “BBB-” by S&P or equivalent rating by Moody’s or Fitch. At least 2% of the Fund’s NAV will be invested in Shariah-compliant liquid assets. The Fund may also opt to seek investment exposure via Shariah compliant collective investment scheme that is in line with the Fund’s objective, subject to the requirements of the SC Guidelines. In line with its objective, the investment strategy and policy of the Fund is to rebalance the portfolio to suit market conditions in order to reduce short-term volatility and provide consistency in capital growth.

All investments are subjected to the SC Guidelines on Unit Trust Funds, 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 Manager, 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.

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 Manager to exercise their judgement in the process of applying the Fund’s accounting policies. Although these estimates and judgement are based on the Manager’s best knowledge of current events and actions, actual results may differ.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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(k).

Standard that is effective and relevant:

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

(i) Financial year beginning on/after 1 June 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 June 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 through 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 at fair value through OCI. The contractual cash flows of the Fund's debt 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 measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from stockbrokers, amount due from Manager and dividends receivable as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

The Fund classifies amount due to stockbrokers, amount due to Manager, accrued management fee, amount due to Trustee, 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. Shariah-compliant 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 Shariah-compliant 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.

Shariah-compliant quoted securities in Malaysia are valued at the last done 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 Shariah-compliant 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 Shariah-compliant quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the Shariah-compliant quoted securities are valued as determined in good faith by the Manager, 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 Sukuk denominated in 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 Unit Trust Funds. Refer to Note 2(k) for further explanation.

Shariah-compliant deposits with licensed Islamic financial institutions are stated at cost plus accrued profit calculated on the effective profit method over the financial 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 subsequently carried at amortised cost using the effective profit 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.

Profit income from Shariah-compliant deposits with licensed Islamic financial institutions and unquoted Sukuk are recognised on a time proportionate basis using the effective profit method on an accrual basis.

Realised gain or loss on disposal of Shariah-compliant quoted securities is accounted for as the difference between the net disposal proceeds and the carrying amount of Shariah-compliant quoted securities, determined on a weighted average cost basis.

Realised gain or loss on disposal of unquoted Sukuk is accounted for as the difference between the net disposal proceeds and the carrying amount of unquoted Sukuk, 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) Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise bank balances and Shariah-compliant deposits 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.

(f) 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 investments 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.

(g) Distribution

A distribution to the Fund's unit holders is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the financial period in which it is approved by the Trustee.

(h) 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)

(i) Unit holders' capital

The unit holders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the holder to a proportionate share of the Fund's NAV;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial period if unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

(j) Amount due from/to stockbrokers

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund measure the loss allowance on amounts due from Manager of collective investment schemes 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, profit 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.

(k) 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 Funds' results and financial position are tested for sensitivity to changes in the underlying parameters.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Critical accounting estimates and judgements in applying accounting policies (continued)

Estimate of fair value of unquoted Sukuk

In undertaking any of the Fund's Shariah-compliant investment, the Manager 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 Unit Trust Funds.

Ringgit-denominated unquoted Sukuk are valued using fair value prices quoted by a BPA. Where the Manager is of the view that the price quoted by BPA for a specific unquoted Sukuk differs from the market price by more than 20 bps, the Manager may use market price, provided that the Manager 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 adopting the use of non-BPA price.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is to achieve consistent capital growth over the medium to long-term.

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

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

(a) Market risk

(i) Price risk

This is the risk that the fair value of an investment in Shariah-compliant quoted securities and unquoted Sukuk will fluctuate because of changes in market prices (other than those arising from interest rate risk). The value of Shariah-compliant quoted securities and unquoted Sukuk 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 Shariah-compliant quoted securities, unquoted Sukuk and other financial instruments within specified limits according to the Deeds.

(ii) Interest rate risk

In general, when interest rates rise, unquoted Sukuk prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund holds an unquoted Sukuk till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity. In order to mitigate interest rates rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rates rate trend of the Manager, which is based on its continuous fundamental research and analysis.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(a) Market risk (continued)****(ii) Interest rate risk (continued)**

Although unquoted Sukuk is a non-interest bearing instrument, investors should note that movement in prices of unquoted Sukuk and Shariah-compliant money market instruments are correlated to the movement in interest rates rates. As such, the investments are exposed to the movement of the interest rates rates. Even though the Fund does not invest in interest bearing instruments, the interest rate referred herein is to the general interest rate of the country, which may affect the value of the investment of the Fund. However, it does not in any way suggest that this Fund will invest in conventional financial instruments. All investments carried out for the Fund including placements and deposits are in accordance with Shariah.

This risk is crucial since unquoted Sukuk depends on forecasting interest rates movements. Prices of unquoted Sukuk move inversely to interest rates movements, therefore as interest rates rise, the prices of unquoted Sukuk decrease and vice versa. Furthermore, unquoted Sukuk with longer maturity and lower yield coupon rates are more susceptible to interest rates movements.

Such investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuers to meet obligation under the instrument, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.

The Fund's exposure to interest rates associated with Shariah-compliant deposits with licensed Islamic financial institutions is not material as the Shariah-compliant deposits are held on short-term basis.

(b) Credit risk

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

Investment in unquoted Sukuk 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 Sukuk 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 Manager 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 Sukuk investments must satisfy a minimum rating requirement of at least "A3" or "P2" rating by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance or; "BBB-" by S&P or equivalent rating by Moody's or Fitch.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(b) Credit risk (Continued)**

The credit risk arising from placements of Shariah-compliant deposits in licensed Islamic financial institutions is managed by ensuring that the Fund will only place Shariah-compliant deposits in reputable licensed Islamic financial institutions.

For amount due from Manager, the settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC Guidelines on Unit Trust Funds.

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 Shariah-compliant quoted securities are settled/paid upon delivery using approved stockbrokers.

(c) Liquidity risk

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

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances, Shariah-compliant deposits with licensed Islamic financial institutions and other instruments, 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 Manager 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 potentials.

(d) Capital risk management

The capital of the Fund is represented by equity consisting of unit holders' capital and retained earnings. 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 unit holders. 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 unit holders 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 value 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 Manager will determine the point within the bid-ask spread that is most representative of the fair value.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (Continued)

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.

(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
30.11.2019				
Financial assets at fair value through profit or loss:				
- Shariah- compliant quoted securities	2,870,113,181	-	-	2,870,113,181
- Unquoted Sukuk	-	989,287	-	989,287
	<u>2,870,113,181</u>	<u>989,287</u>	<u>-</u>	<u>2,871,102,468</u>

3. 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
31.05.2019				
Audited				
Financial assets at fair value through profit or loss:				
- Shariah- compliant quoted securities	3,150,636,599	-	-	3,150,636,599
- Unquoted Sukuk	-	1,134,151	-	1,134,151
	<u>3,150,636,599</u>	<u>1,134,151</u>	<u>-</u>	<u>3,151,770,750</u>

Shariah-compliant investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities. 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. This includes unquoted Sukuk. 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 Manager, dividends receivable and all current liabilities are a reasonable approximation of their fair values due to their short term nature.

4. MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to a maximum management fee of 2.25% per annum, calculated daily based on the NAV of the Fund.

For the six months financial period ended 30 November 2019, the management fee is recognised at a rate of 1.50% per annum (30.11.2018: 1.50% per annum).

There is no further liability to the Manager in respect of management fee other than amounts recognised above.

5. TRUSTEE'S FEE

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.06% per annum, calculated daily based on the NAV of the Fund.

For the six months financial period ended 30 November 2019, the Trustee's fee is recognised at a rate of 0.06% per annum (30.11.2018: 0.06% per annum).

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

6. DISTRIBUTION

Distribution to unit holders is derived from the following sources:

	01.06.2019 to 30.11.2019 RM	01.06.2018 to 30.11.2018 RM
Dividend income	9,695,477	65,603,570
Profit income	788,042	4,657,542
Net realised gain from disposal of Shariah-compliant investments	45,144,885	101,485,472
Prior financial period's realised income	10,617,301	36,514,593
	66,245,705	208,261,177
Less:		
Expenses	(72,770)	(6,349,170)
Taxation	(3,660)	(115,091)
Net distribution amount	66,169,275	201,796,916
Distribution on 18 July 2019		
Gross/Net distribution per unit (sen)	2.16	-
Distribution on 12 July 2018		
Gross/Net distribution per unit (sen)	-	6.50

Gross distribution is derived using total income less total expenses. Net distribution above is mainly sourced from current and prior financial period's realised income.

Gross distribution per unit is derived from gross realised income less expenses, divided by the number of units in circulation. Net distribution per unit is derived from gross realised income less expenses and taxation, divided by the number of units in circulation.

During the six months financial period ended 30 November 2019, the Fund incurred unrealised loss of RM135,829,411 (30.11.2018: RM198,462,027).

7. TAXATION

	01.06.2019 to 30.11.2019 RM	01.06.2018 to 30.11.2018 RM
Tax charged for the financial period:		
- Withholding tax	<u>-</u>	<u>(30,149)</u>

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

	01.06.2019 to 30.11.2019 RM	01.06.2018 to 30.11.2018 RM
Loss before taxation	<u>(34,831,382)</u>	<u>(188,268,126)</u>
Taxation at Malaysian statutory rate of 24% (30.11.2018: 24%)	(8,359,532)	(45,184,350)
Tax effects of:		
Investment loss not deductible for tax purposes	1,590,918	37,343,888
Expenses not deductible for tax purposes	775,536	1,207,506
Restriction on tax deductible expenses for Unit Trust Funds	5,993,078	6,632,956
Investment income subject to withholding tax	<u>-</u>	<u>(30,149)</u>
Taxation	<u>-</u>	<u>(30,149)</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT)

	30.11.2019 RM	31.05.2019 Audited RM
At fair value through profit or loss at inception:		
- Shariah-compliant quoted securities	2,870,113,181	3,150,636,599
- Unquoted Sukuk	<u>989,287</u>	<u>1,134,151</u>
	<u>2,871,102,468</u>	<u>3,151,770,750</u>

	01.06.2019 to 30.11.2019 RM	01.06.2018 to 30.11.2018 RM
Net loss on financial assets at fair value through profit or loss:		
- Realised gain/(loss) on disposals	80,424,677	(13,193,410)
- Unrealised fair value loss	<u>(135,830,141)</u>	<u>(198,483,583)</u>
	<u>(55,405,464)</u>	<u>(211,676,993)</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT) (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2019				
SHARIAH-COMPLIANT QUOTED SECURITIES				
Construction				
Econpile Holdings Bhd	25,902,200	22,681,774	19,685,672	0.62
Gabungan AQRS Bhd	17,481,290	25,538,997	21,152,361	0.67
Gamuda Bhd	9,856,700	30,520,515	37,061,192	1.18
IJM Corportion Bhd	21,961,500	70,607,262	45,899,535	1.46
Kerjaya Prospek Group Bhd	7,779,340	12,864,197	10,268,729	0.33
MGB Bhd	9,222,900	12,014,576	5,948,771	0.19
Muhibbah Engineering (M) Bhd	6,719,200	18,159,678	15,857,312	0.50
Sunway Construction Group Bhd	4,223,000	9,669,765	7,685,860	0.24
	<u>103,146,130</u>	<u>202,056,764</u>	<u>163,559,432</u>	<u>5.19</u>
Consumer Products & Services				
Bermaz Auto Bhd	7,929,900	17,393,211	16,732,089	0.53
DRB-Hicom Bhd	20,754,600	47,122,313	47,943,126	1.52
Fraser & Neave Holdings Bhd	931,200	27,349,374	32,349,888	1.03
MBM Resources Bhd	2,430,300	9,943,432	9,283,746	0.29
Nestle Malaysia Bhd	497,900	65,078,847	71,349,070	2.26
Padini Holdings Bhd	3,055,700	11,922,041	10,542,165	0.33
Petronas Dagangan Bhd	2,941,500	75,416,244	67,360,350	2.14
Sime Darby Bhd	40,048,203	89,633,454	90,108,457	2.86
UMW Holdings Bhd	7,327,800	45,376,223	32,022,486	1.02
	<u>85,917,103</u>	<u>389,235,139</u>	<u>377,691,377</u>	<u>11.98</u>
Energy				
Dayang Enterprise Holdings Bhd	1,816,500	3,597,495	3,705,660	0.12
Hibiscus Petroleum Bhd	36,160,252	110,418,688	121,136,844	3.84
Sapura Energy Bhd	23,461,700	24,386,023	20,998,222	0.67
Serba Dinamik Holdings Bhd	25,763,000	48,592,235	7,084,825	0.22
Wah Seong Corporation Bhd	10,695,000	40,957,184	46,630,200	1.48
Yinson Holdings Bhd	5,769,900	23,016,979	37,504,350	1.19
	<u>103,666,352</u>	<u>250,968,604</u>	<u>237,060,101</u>	<u>7.52</u>
Financial Services				
BIMB Holdings Bhd	9,110,760	31,229,385	37,900,762	1.20
BIMB Holdings Bhd - Warrant	3,056,860	-	810,068	0.03
	<u>12,167,620</u>	<u>31,229,385</u>	<u>38,710,830</u>	<u>1.23</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT) (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2019 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Health Care				
Hartalega Holdings Bhd	6,667,900	36,095,767	35,006,475	1.11
IHH Healthcare Bhd	9,899,500	57,008,051	53,160,315	1.69
Kossan Rubber Industries Bhd	3,878,300	13,427,816	16,211,294	0.51
Top Glove Corporation Bhd	11,027,400	51,407,963	49,623,300	1.57
	<u>31,473,100</u>	<u>157,939,597</u>	<u>154,001,384</u>	<u>4.88</u>
Industrial Products & Services				
Cahaya Mata Sarawak Bhd	7,314,000	28,304,958	17,553,600	0.56
Cypark Resources Bhd	8,872,250	14,287,913	11,800,093	0.37
Petronas Chemicals Group Bhd	31,425,800	251,552,601	221,866,148	7.04
Press Metal Aluminium Holding Bhd	4,082,400	19,408,599	19,187,280	0.61
SKP Resources Bhd	20,145,500	25,992,526	24,778,965	0.79
Sunway Bhd	19,370,073	31,565,344	34,091,328	1.08
Uchi Technologies Bhd	5,674,700	16,942,905	15,945,907	0.51
UEM Edgenta Bhd	12,952,700	40,279,727	38,080,938	1.21
V.S. Industry Bhd	10,668,150	18,891,671	14,295,321	0.45
	<u>120,505,573</u>	<u>447,226,244</u>	<u>397,599,580</u>	<u>12.62</u>
Plantation				
FGV Holdings Bhd	38,433,900	48,476,325	51,117,087	1.62
Genting Plantations Bhd	1,187,300	11,328,305	12,252,936	0.39
IOI Corporation Bhd	19,927,817	93,164,097	86,686,004	2.75
Kuala Lumpur Kepong Bhd	2,063,200	49,205,706	48,155,088	1.53
Sime Darby Plantation Bhd	20,022,703	111,157,439	99,713,061	3.16
	<u>81,634,920</u>	<u>313,331,872</u>	<u>297,924,176</u>	<u>9.45</u>
Properties				
Eastern and Oriental Bhd	18,512,993	37,221,716	10,367,276	0.33
LBS Bina Group Bhd	54,245,530	45,933,695	26,851,537	0.85
Malaysian Resources Corporation Bhd	46,267,600	43,557,296	34,469,362	1.09
Sime Darby Property Bhd	19,957,503	29,936,255	15,666,640	0.50
S P Setia Bhd	18,972,654	61,109,939	24,664,450	0.78
	<u>157,956,280</u>	<u>217,758,901</u>	<u>112,019,265</u>	<u>3.55</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT) (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2019 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
REITs				
Axis REIT	25,717,200	46,294,350	45,776,616	1.45
KLCCP Stapled Group	7,400,900	56,855,874	59,207,200	1.88
	<u>33,118,100</u>	<u>103,150,224</u>	<u>104,983,816</u>	<u>3.33</u>
Technology				
Frontken Corporation Bhd	5,550,700	4,182,829	4,024,258	0.13
Globetronics Technology Bhd	11,675,900	11,511,723	23,118,282	0.73
Inari Amertron Bhd	15,553,933	32,168,700	32,663,259	1.04
JHM Consolidation Bhd	20,075,100	38,689,617	36,536,682	1.16
Pentamaster Corporation Bhd	5,891,300	7,186,787	7,894,342	0.25
Vitrox Corporation Bhd	2,493,500	16,481,727	19,324,625	0.61
	<u>61,240,433</u>	<u>110,221,383</u>	<u>123,561,448</u>	<u>3.92</u>
Telecommunications & Media				
Axiata Group Bhd	34,636,155	187,798,047	143,047,320	4.54
Digi.com Bhd	18,070,500	82,026,736	80,955,840	2.57
Telekom Malaysia Bhd	15,031,803	93,728,764	56,519,579	1.79
Time Dotcom Bhd	4,293,120	27,724,541	39,067,392	1.24
	<u>72,031,578</u>	<u>391,278,088</u>	<u>319,590,131</u>	<u>10.14</u>
Transportation & Logistics				
MISC Bhd	9,376,200	67,570,081	76,416,030	2.42
Pos Malaysia Bhd	24,828,900	105,708,435	35,257,038	1.12
Westports Holdings Bhd	2,212,200	7,315,968	9,224,874	0.29
	<u>36,417,300</u>	<u>180,594,484</u>	<u>120,897,942</u>	<u>3.83</u>
Utilities				
Malakoff Corporation Bhd	33,171,800	28,349,208	29,688,760	0.94
Petronas Gas Bhd	5,978,800	113,581,132	92,671,400	2.94
Ranhill Holdings Bhd	37,754,420	40,184,974	43,040,039	1.37
Tenaga Nasional Bhd	19,537,500	258,579,333	257,113,500	8.16
	<u>96,442,520</u>	<u>440,694,647</u>	<u>422,513,699</u>	<u>13.41</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT) (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2019 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
TOTAL SHARIAH-COMPLIANT QUOTED SECURITIES	<u>995,717,009</u>	3,235,685,332	<u>2,870,113,181</u>	<u>91.05</u>

ACCUMULATED UNREALISED LOSS ON SHARIAH-COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

(365,572,151)

TOTAL SHARIAH-COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

2,870,113,181

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2019 (CONTINUED)				
UNQUOTED SUKUK				
Talam Transform Bhd 0.00% 28/12/2020 (C)*	<u>1,039,113</u>	<u>35,591</u>	<u>989,287</u>	<u>0.03</u>
TOTAL UNQUOTED SUKUK	<u>1,039,113</u>	<u>35,591</u>	<u>989,287</u>	<u>0.03</u>

ACCUMULATED UNREALISED GAIN ON UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS

953,696

TOTAL UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS

989,287

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT) (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2019				
Audited				
SHARIAH-COMPLIANT				
QUOTED SECURITIES				
Construction				
Econpile Holdings Bhd	16,647,900	15,635,639	11,070,853	0.33
Gabungan AQRS Bhd	16,197,090	23,887,050	21,218,188	0.63
Gamuda Bhd	9,928,200	29,026,217	34,649,418	1.04
IJM Corportion Bhd	21,961,500	70,607,262	48,754,530	1.46
Kerjaya Prospek Group Bhd	7,779,340	12,864,197	9,568,588	0.29
MGB Bhd	9,222,900	12,014,576	6,594,373	0.20
Muhibbah Engineering (M) Bhd	11,540,100	31,165,652	31,735,275	0.95
Sunway Construction Group Bhd	4,223,000	9,669,764	8,277,080	0.25
WCT Holdings Bhd	9,223,884	20,451,787	8,762,690	0.26
	<u>106,723,914</u>	<u>225,322,144</u>	<u>180,630,995</u>	<u>5.41</u>
Consumer Products & Services				
Aeon Co. (M) Bhd	(2,621,300)	7,998,535	3,958,163	0.12
Bermaz Auto Bhd	9,977,500	21,831,111	22,948,250	0.68
DRB-Hicom Bhd	15,055,500	32,935,766	31,315,440	0.94
Fraser & Neave Holdings Bhd	682,700	18,644,865	23,348,340	0.70
Nestle Malaysia Bhd	468,300	60,817,267	68,840,100	2.06
Padini Holdings Bhd	5,197,400	20,350,941	19,334,328	0.58
Petronas Dagangan Bhd	2,982,700	76,472,559	76,834,352	2.30
Sime Darby Bhd	36,038,203	80,567,366	83,608,631	2.50
UMW Holdings Bhd	10,753,700	66,590,557	54,736,333	1.64
	<u>83,777,303</u>	<u>386,208,967</u>	<u>384,923,937</u>	<u>11.52</u>
Energy				
Dialog Group Bhd	39,785,052	84,923,558	132,086,373	3.95
Hibiscus Petroleum Bhd	9,278,200	10,085,745	9,649,328	0.29
Sapura Energy Bhd	25,763,000	48,592,235	7,600,085	0.23
Serba Dinamik Holdings Bhd	21,814,100	81,171,609	89,437,810	2.68
Yinson Holdings Bhd	8,973,200	32,502,347	44,237,876	1.32
	<u>105,613,552</u>	<u>257,275,494</u>	<u>283,011,472</u>	<u>8.47</u>
Financial Services				
BIMB Holdings Bhd	12,997,660	44,152,369	59,919,213	1.80
BIMB Holdings Bhd - Warrant	3,056,860	-	1,008,764	0.03
Syarikat Takaful Malaysia Keluarga Bhd	3,031,600	4,109,586	19,068,764	0.57
	<u>19,086,120</u>	<u>48,261,955</u>	<u>79,996,741</u>	<u>2.40</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT) (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2019 (CONTINUED)				
Audited (Continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Health Care				
Hartalega Holdings Bhd	6,667,900	36,095,767	34,673,080	1.04
IHH Healthcare Bhd	10,706,200	61,653,578	58,884,100	1.76
Kossan Rubber Industries Bhd	4,780,200	16,550,460	18,929,592	0.57
KPJ Healthcare Bhd	16,549,400	18,011,767	15,390,942	0.46
Top Glove Corporation Bhd	11,004,300	51,295,928	55,571,715	1.66
	<u>49,708,000</u>	<u>183,607,500</u>	<u>183,449,429</u>	<u>5.49</u>
Industrial Products & Services				
Cahaya Mata Sarawak Bhd	7,646,700	29,592,497	23,628,303	0.71
Cypark Resources Bhd	5,907,150	10,107,334	9,215,154	0.27
Petronas Chemicals Group Bhd	31,425,800	251,552,601	261,462,656	7.83
SKP Resources Bhd	23,589,600	30,436,241	30,666,480	0.92
Sunway Bhd	16,676,211	26,987,042	28,182,797	0.84
Uchi Technologies Bhd	5,674,700	16,942,905	16,286,389	0.49
UEM Edgenta Bhd	9,898,700	30,209,999	26,528,516	0.79
V.S. Industry Bhd	10,668,150	18,891,671	10,561,468	0.32
	<u>111,487,011</u>	<u>414,720,290</u>	<u>406,531,763</u>	<u>12.17</u>
Plantation				
FGV Holdings Bhd	38,433,900	48,476,325	43,814,646	1.31
Genting Plantations Bhd	3,196,400	30,497,595	33,114,704	0.99
IOI Corporation Bhd	24,865,817	116,373,181	107,171,671	3.21
Kuala Lumpur Kepong Bhd	2,063,200	49,205,706	51,167,360	1.53
Sime Darby Plantation Bhd	21,608,303	119,960,009	100,694,692	3.02
	<u>90,167,620</u>	<u>364,512,816</u>	<u>335,963,073</u>	<u>10.06</u>
Properties				
Eastern and Oriental Bhd	18,512,993	37,221,716	15,365,784	0.46
LBS Bina Group Bhd	54,245,530	45,933,695	28,207,676	0.85
Malaysian Resources Corporation Bhd	46,267,600	43,557,296	43,028,868	1.29
Sime Darby Property Bhd	23,658,403	35,487,604	25,077,907	0.75
S P Setia Bhd	17,099,854	60,160,541	37,448,680	1.12
UOA Development Bhd	1,466,700	3,354,279	3,432,078	0.10
	<u>161,251,080</u>	<u>225,715,131</u>	<u>152,560,993</u>	<u>4.57</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT) (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2019 (CONTINUED)				
Audited (Continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
REITs				
Axis REIT	11,303,400	19,819,000	19,328,814	0.58
KLCCP Stapled Group	6,509,700	49,598,251	50,189,787	1.50
	<u>17,813,100</u>	<u>69,417,251</u>	<u>69,518,601</u>	<u>2.08</u>
Technology				
Frontken Corporation Bhd	27,427,000	27,041,344	34,558,020	1.04
Globetronics Technology Bhd	13,835,033	28,509,387	21,859,352	0.65
Inari Amertron Bhd	17,029,800	32,572,206	26,225,892	0.79
JHM Consolidation Bhd	903,400	1,029,605	1,020,842	0.03
Pentamaster Corporation Bhd	4,289,704	10,352,569	17,802,272	0.53
Vitrox Corporation Bhd	1,349,300	8,107,725	9,431,607	0.28
	<u>64,834,237</u>	<u>107,612,836</u>	<u>110,897,985</u>	<u>3.32</u>
Telecommunications & Media				
Axiata Group Bhd	31,713,655	172,917,276	148,737,042	4.45
Digi.com Bhd	21,963,300	98,825,923	109,157,601	3.27
Telekom Malaysia Bhd	15,031,803	93,728,764	54,264,809	1.62
Time Dotcom Bhd	4,498,820	26,159,656	39,949,522	1.20
	<u>73,207,578</u>	<u>391,631,619</u>	<u>352,108,974</u>	<u>10.54</u>
Transportation & Logistics				
MISC Bhd	13,267,800	95,568,418	92,211,210	2.76
Pos Malaysia Bhd	26,716,400	113,744,420	35,799,976	1.07
Westports Holdings Bhd	4,416,600	14,606,141	17,136,408	0.52
	<u>44,400,800</u>	<u>223,918,979</u>	<u>145,147,594</u>	<u>4.35</u>
Utilities				
Malakoff Corporation Bhd	33,171,800	28,349,208	27,532,594	0.83
Petronas Gas Bhd	6,055,300	115,034,427	106,936,598	3.20
Ranhill Holdings Bhd	21,690,120	20,936,078	25,377,440	0.76
Tenaga Nasional Bhd	24,098,300	317,684,441	306,048,410	9.16
	<u>85,015,520</u>	<u>482,004,154</u>	<u>465,895,042</u>	<u>13.95</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT) (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2019 (CONTINUED) Audited (Continued) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
TOTAL SHARIAH-COMPLIANT QUOTED SECURITIES	<u>1,013,085,835</u>	3,380,209,136	<u>3,150,636,599</u>	<u>94.33</u>
ACCUMULATED UNREALISED LOSS ON SHARIAH-COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(229,572,537)</u>		
TOTAL SHARIAH-COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>3,150,636,599</u>		

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2019 (CONTINUED) Audited (Continued) UNQUOTED SUKUK				
Talam Transform Bhd 0.00% 28/12/2020 (C)*	<u>1,102,931</u>	<u>349,928</u>	<u>1,134,151</u>	<u>0.03</u>
TOTAL UNQUOTED SUKUK	<u>1,102,931</u>	<u>349,928</u>	<u>1,134,151</u>	<u>0.03</u>
ACCUMULATED UNREALISED GAIN ON UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>784,223</u>		
TOTAL UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>1,134,151</u>		

* The maturity date of Talam Transform Bhd has been extended from 28 June 2019 to 28 December 2020. The rating was downgraded to C since September 2018. The Fund continues to hold the said security as there is no liquidity in view of its below investment grade rating.

9. CASH AND CASH EQUIVALENTS

	30.11.2019	31.05.2019
	RM	Audited RM
Shariah-compliant deposits with licensed Islamic financial institutions	283,240,579	189,094,238
Bank balances	69,029	2,084,427
	<u>283,309,608</u>	<u>191,178,665</u>

The weighted average effective profit rate per annum is as follows:

	30.11.2019	31.05.2019
	%	Audited %
Shariah-compliant deposits with licensed Islamic financial institutions	<u>3.17</u>	<u>3.14</u>

Shariah-compliant deposits with licensed Islamic financial institutions of the Fund have an average maturity of 12 days (31.05.2019: 10 days).

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.06.2019 to 30.11.2019	01.06.2018 to 31.05.2019
	No. of units	Audited No. of units
At the beginning of the financial period/year	3,101,085,727	3,097,243,881
Add: Creation of units from applications	121,361,774	234,217,978
Add: Creation of units from distributions	60,717,084	178,810,848
Less: Cancellation of units	(263,903,067)	(409,186,980)
At the end of the financial period/year	<u>3,019,261,518</u>	<u>3,101,085,727</u>

11. MANAGEMENT EXPENSE RATIO ("MER")

	01.06.2019 to 30.11.2019	01.06.2018 to 30.11.2018
	%	%
MER	<u>0.79</u>	<u>0.79</u>

MER is derived from the following calculation:

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

- A = Management fee
- B = Trustee's fee
- C = Audit fee
- D = Tax Agent's fee
- E = Other expenses excluding withholding tax
- F = 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 RM3,312,363,526 (30.11.2018: RM3,676,912,997).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.06.2019	01.06.2018
	to 30.11.2019	to 30.11.2018
PTR (times)	<u>0.17</u>	<u>0.23</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 = RM442,197,840 (30.11.2018: RM791,613,904)

total disposal for the financial period = RM667,395,046 (30.11.2018: RM1,458,459,838)

13. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER, AND SIGNIFICANT RELATED PARTY 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 Manager
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the Manager
Principal International (Asia) Ltd	Shareholder of the Manager
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 Manager
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the Manager
CIMB Group Sdn Bhd	Shareholder of the Manager
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 Manager
CIMB Islamic Bank Bhd	Fellow related party to the Manager
CIMB Investment Bank Bhd	Fellow related party to the Manager
CGS-CIMB Securities Sdn Bhd	Fellow related party to the Manager

13. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER, AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Units held by the Manager and parties related to the Manager

	30.11.2019		31.05.2019	
	No. of units	RM	No. of units	Audited RM
Manager				
Principal Asset Management Berhad (<i>formerly known as CIMB-Principal Asset Management Berhad</i>)	<u>483,558</u>	<u>504,835</u>	<u>764,827</u>	<u>823,719</u>

In the opinion of the Manager, the above units were transacted at the prevailing market price.

The units are held beneficially by the Manager for booking purposes. Other than the above, there were no units held by the Directors or parties related to the Manager.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The Manager 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.

	01.06.2019 to 30.11.2019 RM	01.06.2018 to 30.11.2018 RM
<u>Significant related party transactions</u>		
Profit income from Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	<u>573,617</u>	<u>1,948,786</u>
Cash placements with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	<u>484,680,000</u>	<u>1,513,197,000</u>
	30.11.2019	31.05.2019
	RM	Audited RM
<u>Significant related party balances</u>		
Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	<u>10,016,658</u>	<u>-</u>

14. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 30 November 2019 are as follows:

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of brokerage fees %
UBS Securities (M) Sdn Bhd	162,058,523	14.61	149,324	10.12
Maybank Investment Bank Bhd	158,174,362	14.26	235,906	15.99
Macquarie Capital Securities (Malaysia) Sdn Bhd	138,368,659	12.47	151,288	10.26
CLSA Securities (Malaysia) Sdn Bhd	130,955,478	11.80	115,855	7.85
Credit Suisse Securities (Malaysia) Sdn Bhd	123,158,594	11.10	169,605	11.5
KAF-Seagroatt & Campbell Securities Sdn Bhd	107,397,754	9.68	223,367	15.14
JPMorgan Securities (Malaysia) Sdn Bhd	68,412,755	6.17	63,942	4.33
CGS-CIMB Securities Sdn Bhd #	57,200,382	5.16	54,423	3.69
Kenanga Investment Bank Bhd	53,974,861	4.86	92,681	6.28
RHB Investment Bank Bhd	47,063,074	4.24	98,349	6.67
Others	62,828,444	5.65	120,472	8.17
	<u>1,109,592,886</u>	<u>100.00</u>	<u>1,475,212</u>	<u>100.00</u>

14. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 30 November 2018 are as follows:

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of brokerage fees %
Macquarie Capital Securities (Malaysia) Sdn Bhd	329,445,459	19.63	670,604	20.33
KAF-Seagroatt & Campbell Securities Sdn Bhd	219,688,290	13.09	395,418	11.99
RHB Investment Bank Bhd	208,833,951	12.44	421,653	12.79
Maybank Investment Bank Bhd	167,473,988	9.98	336,878	10.21
Citigroup Global Markets Malaysia Sdn Bhd	137,407,345	8.19	275,733	8.36
Credit Suisse Securities (Malaysia) Sdn Bhd	135,602,363	8.08	219,833	6.67
JPMorgan Securities (Malaysia) Sdn Bhd	120,095,335	7.15	245,254	7.44
CLSA Securities (Malaysia) Sdn Bhd	118,108,325	7.04	239,702	7.27
CIMB Investment Bank Bhd #	100,787,411	6.00	202,856	6.15
UBS Securities (M) Sdn Bhd	69,866,484	4.16	141,485	4.29
Others	71,370,871	4.24	148,523	4.50
	<u>1,678,679,822</u>	<u>100.00</u>	<u>3,297,939</u>	<u>100.00</u>

14. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

Included in the transactions are trades conducted with CIMB Investment Bank Bhd and CGS-CIMB Securities Sdn Bhd, fellow related party to the Manager amounting to Nil (30.11.2018: RM100,787,411) and RM57,200,382 (30.11.2018: Nil). The Manager 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.

15. SUBSEQUENT EVENTS

Effective 31 December 2019, the Fund has changed its name from CIMB Islamic DALI Equity Growth Fund to Principal DALI Equity Growth Fund following the issuance of the replacement Master Prospectus (Islamic Funds) for the Fund on 31 December 2019.

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