

**PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**  
**ANNUAL REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022**

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**INVESTORS' LETTER**

Dear Valued Investor,

Greetings from Principal Asset Management Berhad ("Principal Malaysia") and thank you for investing with us!

We are pleased to bring you a copy of the Annual Fund Report of the Principal Dali Asia Pacific Equity Growth Fund for the financial year ended 31 October 2022. You may also download this report from our website at [www.principal.com.my](http://www.principal.com.my).

We are pleased to share that Principal Malaysia was accorded with the ESG Asset Management Company of the Year-Highly Commended (Malaysia) award at The Asset Triple A Sustainable Investing Awards 2022 for Institutional Investor, ETF, and Asset Servicing Providers 2022. Principal Malaysia was also awarded the Top Investment House, Asset Manager-Highly Commended (Malaysia) award at the Asset Benchmark Research Asian Local Currency Bond Benchmark Review 2022.

Digital innovation is central to our strategy, as we use data and technology to develop the right solutions for you. We will continue to advance our digital capabilities to provide easy access to your investment portfolio and enable you to carry out transactions seamlessly. Please continue to check out our website ([www.principal.com.my](http://www.principal.com.my)), like our Facebook page (@PrincipalAssetMY) and follow us on our Instagram account (@principalassetmanagement\_my) and LinkedIn page (Principal Asset Management Berhad) for the latest updates, market insights and investment articles.

We appreciate your continuous support and the trust you place in us.

Yours faithfully,  
for **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 provide investors with long-term capital growth by investing principally in equities. The Fund also seeks to outperform the benchmark.

#### Has the Fund achieved its objective?

Yes, the Fund has achieved its long-term objective.

#### What are the Fund investment policy and principal investment strategy?

The Fund will invest a minimum of 70% and up to a maximum of 98% of its Net Asset Value ("NAV") in Shariah-compliant equities in order to gain long-term capital growth and up to 28% of its NAV in other permissible Shariah-compliant investments. The Fund may opt to invest in foreign Shariah-compliant equities up to a maximum of 70% of its NAV. Such foreign Shariah-compliant equities must be securities of companies domiciled in, listed in, and/or have significant operations in countries in Asia Pacific ex Japan. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business and/or operations in Thailand but listed on the New York Stock Exchange ("NYSE"). The threshold for 'significant operations' would be if more than 25% of total group revenue derives from countries in Asia Pacific ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). Notwithstanding, up to 20% of the Fund's investment in foreign Shariah-compliant equities may be from companies that are listed globally with some operations or businesses within the Asia Pacific ex Japan region to capture growth opportunities with effect from 16 August 2021. The Fund may also opt to seek investment exposure via Islamic collective investment scheme that is in line with the Fund's objective, subject to the requirements of the Guidelines on Unit Trust Funds ("GUTF") issued by the SC. In addition, Islamic liquid assets may be strategically used if the Manager feel that the market downside risk is high in the short-term. In line with its objective, the investment strategy and policy of the Fund is to have a diversified portfolio of the Shariah-compliant stocks that aims to outperform the market at different cycles of the market.

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 Shariah-compliant investments; and
- at least 2% of the Fund's NAV in Islamic liquid assets.

#### Base Currency

Malaysian Ringgit ("MYR")

#### Fund category/type

Equity (Shariah-compliant)/Growth

#### When was the Fund launched?

8 October 2004

#### What was the size of the Fund as at 31 October 2022?

RM1,281.48 million (2,504.21 million units)

#### What is the Fund's benchmark?

30% FTSE Bursa Malaysia ("FBM") EMAS Shariah ("FBMS") Index + 70% Morgan Stanley Capital International ("MSCI") All Country ("MSCI AC") Asia ex Japan Islamic Index.

Note: The benchmark is for performance comparison purpose only. The benchmark is customised as such to align it closer to the structure of the portfolio and to reflect the composition of the portfolio in line with the markets they operate in and its objectives. Investors are cautioned that the risk profile of the Fund is higher than the benchmark.

**FUND OBJECTIVE AND POLICY (CONTINUED)**

**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 financial year ended 31 October 2022?**

The Fund distributed a total net income of RM40.83 million to unit holders. As a result, the NAV per unit dropped from RM0.5299 to RM0.5131 on 07 October 2022 for the financial year ended 31 October 2022.

**PERFORMANCE DATA**

Details of portfolio composition of the Fund for the last three financial years were as follows:

	<b>31.10.2022</b>	<b>31.10.2021</b>	<b>31.10.2020</b>
	%	%	%
Shariah-compliant collective investment scheme	2.17	1.50	1.39
Shariah-compliant quoted securities			
- Communication Services	7.09	10.13	10.69
- Consumer Discretionary	6.39	12.54	18.20
- Consumer Staples	8.77	4.85	4.79
- Energy	10.63	6.15	9.53
- Financials	1.22	1.27	1.06
- Health Care	6.38	6.36	7.32
- Industrials	10.67	7.34	7.20
- Information Technology	23.64	31.84	26.13
- Materials	11.36	11.64	4.22
- Real Estate	1.70	1.03	0.69
- Utilities	1.32	-	4.60
Cash and other assets	9.02	6.09	4.89
Liabilities	(0.36)	(0.74)	(0.71)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	<b>31.10.2022</b>	<b>31.10.2021</b>	<b>31.10.2020</b>
NAV (RM Million)	1,281.48	1,623.76	1,507.99
Units in circulation (Million)	2,504.21	2,478.58	1,429.51
NAV per unit (RM)	0.5117	0.6551	1.0548
Highest NAV per unit (RM)	0.6625	1.3004	1.1262
Lowest NAV per unit (RM)	0.4993	0.6476	0.7683
Total return (%)	(19.32)	15.58	16.92
- Capital growth (%)	(21.87)	11.78	13.55
- Income distribution (%)	3.27	3.40	2.96

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

	<b>31.10.2022</b>	<b>31.10.2021</b>	<b>31.10.2020</b>
Total Expense Ratio ("TER") (%) ^	1.55	1.62	1.61
Portfolio Turnover Ratio ("PTR") (times) #	0.64	0.69	0.85

^ The Fund's TER decreased from 1.62% to 1.55% was mainly due to a decrease in average NAV during the financial year under review.

# The Fund's PTR has decreased from 0.69 times to 0.64 times due to less trades during the financial year under review.

**PERFORMANCE DATA (CONTINUED)**

	<b>01.11.2021 to 31.10.2022</b>	<b>01.11.2020 to 31.10.2021</b>	<b>01.11.2019 to 31.10.2020</b>	
<b>Gross/Net distribution per unit (sen)</b>				
Distribution on 07 October 2022	1.68	-	-	
Distribution on 15 October 2021	-	2.20	-	
Distribution on 15 October 2020	-	-	3.20	
	<b>31.10.2022</b>	<b>31.10.2021</b>	<b>31.10.2020</b>	<b>31.10.2019</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Annual total return	(19.32)	15.58	16.92	9.64 (15.95)

(Launch date: 8 October 2004)

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 year have been extracted from Lipper.

**MARKET REVIEW (1 NOVEMBER 2021 TO 31 OCTOBER 2022)**

**Local Equity**

For the financial year under review, the FBMS Index decreased by 17.32% from 12,591.59 points to 10,411.11 points.

After the rally in October 2021, the market went into consolidation mode post-Budget 2022 mainly due to the punitive tax measures and the hike in stamp duty. The discovery of a seemingly more virulent variant of the Coronavirus Disease (“COVID-19”) virus in South Africa named Omicron and the new wave of infections in several parts of the world dashed hopes of an uninterrupted reopening and triggered another round of broad-based sell-off. Glove stocks dominated the gainers leaderboard, while the broader market languished.

In December 2022, FBMS Index rallied 134.48 points or 1.11% partially reversing the Omicron triggered sell-off in November 2022. Investors sighed a relief as encouraging findings on the severity of the latest COVID-19 variant were published and data pointing to a decoupling of new cases and hospitalization rates. Reopening plays and Technology dominated the leaderboard, while Glove stocks gave up some of their earlier gains.

Volatility remained as FBMS Index lost 5.66% in January 2022 alone, fully undoing previous month’s gain. Inflation fears trumped the positive sentiment on reopening aided by data points showing Omicron being less fatal than previous variants. Commodities dominated gainers during the month, while Technology, Healthcare and to lesser extent Telecommunications languished.

Subsequently, FBMS Index rebounded 4.74%. The index benefited from the rally in commodities, namely Plantations, Energy, Aluminum and Steel, further stoked by the Russian-Ukraine conflict exacerbating supply worries. Technology, Healthcare, and select Telecommunications languished.

Market entered into profit-taking mode in the month of March 2022 before ending the financial period under review with a rally in April led by commodities related, partly fueled by the prolonged Russian-Ukraine conflict which has now entered its third month. Tourism plays also saw interest with the 1 April border reopening.

The FBMS Index fell 4.26% in May 2022 despite the short month due to the Eid celebrations. Plantations, Healthcare and Property languished, while Energy shined, fuelled by elevated oil prices amidst the prolonged Russian-Ukraine conflict which has now entered its fourth month and European Unions (“EU’s”) proposed ban on Russian oil. Performance of the other sectors were quite mixed.

**MARKET REVIEW (1 NOVEMBER 2021 TO 31 OCTOBER 2022) (CONTINUED)**

**Local Equity (continued)**

The FBMS Index slumped further by 8.74% in June 2022, precipitated by the release of the US May 2022 inflation data with the Consumer Price Index (“CPI”) at 8.6% which was a fresh 40-year high and renewed fears that the US Federal Reserve (the “Fed”) could over-tighten and landing the world’s largest economy into a recession. Commodities-related stocks were the most battered – Energy and Plantations – while Gloves also languished.

FBMS Index rebounded 2.20% in July 2022, mainly on the back of easing inflation concerns and rising hopes that a hard landing of the US economy may be avoided. The compression in bond yields also raised the appeal of equities. Technology, Telecommunications and Consumer led the gains, while Glove stocks continued to languish despite the World Health Organization (“WHO”) declaring the rapidly spreading Monkeypox a global health emergency and the resurgence of COVID-19 cases.

FBMS Index extended gains by 0.73% in August 2022. Sentiment was lifted by a cooler US inflation print of 8.5% in July vs 9.1% in June, but subsequently dented by comments from Jerome Powell that the Fed will continue to hike interest rates to cool the economy further. Commodities, Utilities and Telecommunications gained at the expense of Technology and Glove stocks.

FBMS Index slumped 7.45% in September 2022. Markets reeled from renewed fears of a global recession stoked by the Fed which remained adamant about sustaining hikes to cool the economy further. The strong USD also triggered flows out of emerging markets and commodities. Commodities and Telecommunications were among the key losers, with modest gains seen in Construction, Transport and real estate investment trust (“REIT”)s.

FBMS Index jumped 4.03% in October 2022 in tandem with the rebound in global and regional markets. Investors shrugged off recent hot inflation print and strong employment data in the US, and instead focused on pockets of softness in the economy and expect the Fed to ease off its aggressive rate hikes soon. Recent corporate earnings in the US were also quite robust, albeit glaring weakness in some of the Technology giants. Consequently, the USD strength waned and treasury yields compressed, helping Emerging Markets flows and currencies. Glove, Transport and Commodities and Telecommunications were among the key winners for the month.

**Foreign Equities**

During the period under review, Asian equities as measured by the MSCI Asia ex Japan Islamic rose by 4.41% in USD terms and 5.68% in MYR terms. Topical issues were: a) Tightening monetary policy environment led by the Fed b) Loosening COVID-19 restrictions in China and c) Concerns on China property sector which has implications on the wider economic growth.

Asian equities declined in November 2021 with the discovery of the Omicron variant which was first identified in South Africa. The Omicron variant has been classified as a “variant of concern” and has prompted many countries to tighten border restrictions. Markets rebounded in December after more information on Omicron was discovered. Initial data showed that while highly transmissible, the cases were less severe than the Delta variant. Meanwhile, more countries in Asia herd immunity towards end 2022.

Simultaneously, the Fed started its tapering in November 2021 but narrative turned more hawkish with accelerating pace of tapering give the high inflation print. After much self-inflicted slowdown in the economy in 2021, China has started to show signs of easing with the reduction in the reserve requirement ratio and loan prime rate.

Markets corrected again from January 2022 onwards with a broad-based selloff in Asia with concerns of tightening monetary policy and Russia-Ukraine tensions. This led to a spike in global energy prices and complicated the near-term inflation print globally. The US 10-year bond yield also rose significantly from March 2022 onwards together with the USD strength.

**MARKET REVIEW (1 NOVEMBER 2020 TO 31 OCTOBER 2021) (CONTINUED)**

**Foreign Equities**

In China, the government attempted to keep the stock market stable amidst the rout with efforts to support overseas share listing as well as easing regulatory actions on internet platform companies. However, sentiment deteriorated with the COVID-19 situation leading to various lockdowns such as that observed in Shanghai, impacting economic activity.

As China reopened in early June 2022, there was renewed optimism on economic recovery. However, globally, inflation looks set to remain elevated for longer and the US economy showed signs of a slowdown.

In July 2022 and August 2022, US inflation though broad-based and persistent appears to be peaking. The Fed remains focused on fighting inflation, despite signs of weaker economic growth. In China, the recent wave of mortgage payment suspensions is casting a shadow on its economic recovery.

The People's Bank of China cut policy rates and the State Council announced a Rmb1 trillion fiscal stimulus. It will be important to monitor how consumer confidence evolves. In the meantime, stimulus is broadly offsetting the drag from property, lockdowns and softening global demand.

In September 2022, the Fed has signaled they will continue to tighten until inflation convincingly slows. While we see signs of slowing, particularly in the housing sector, labour markets remain very tight and suggest an economy that is still growing at or above potential.

In October 2022, we see signs that the largest contributors such as shelter (rent), transportation and food could be peaking. The big unknown is the possible second order effects of wage-price spiral, i.e., demand driven inflation from wage growth.

China held its 20<sup>th</sup> National Congress wherein President Xi cemented a third term. Policies are slowly shifting to be more pragmatic, specifically on zero-COVID-19. We also expect more stimulus to areas at risk (e.g., property) and to promote investment in strategic sectors.

**FUND PERFORMANCE**

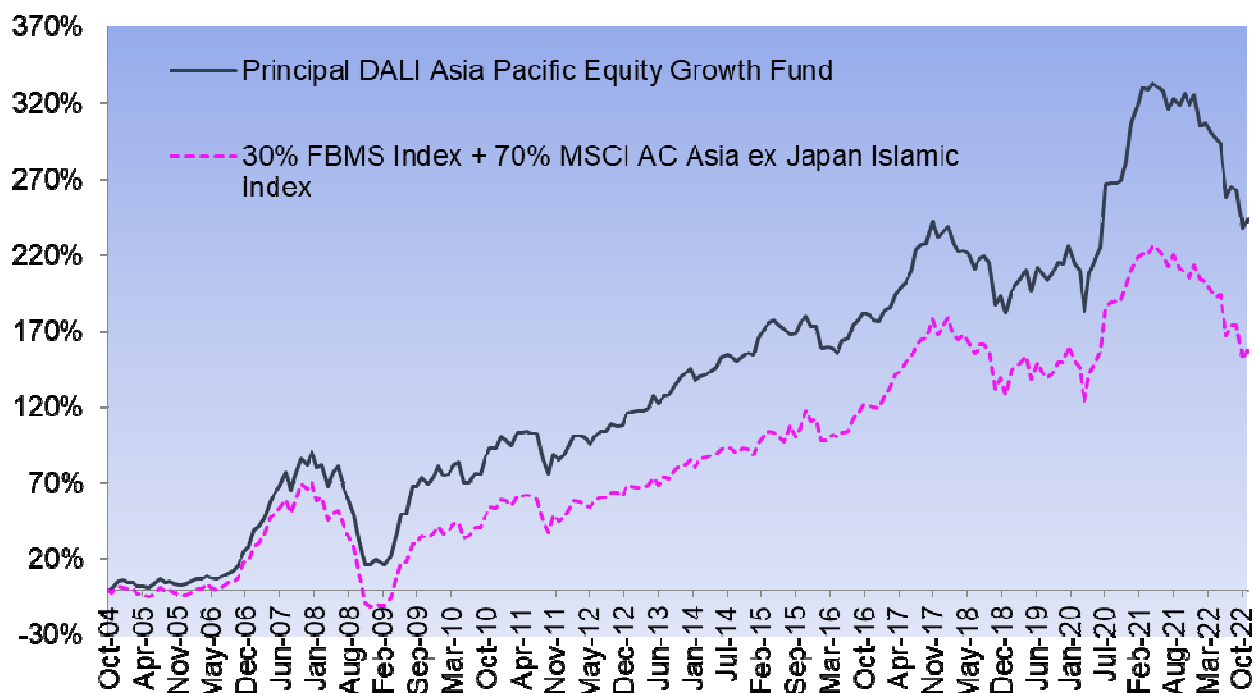
	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>Since</b>
	<b>to 31.10.2022</b>	<b>to 31.10.2022</b>	<b>to 31.10.2022</b>	<b>inception</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>to 31.10.2022</b>
				<b>%</b>
Income Distribution	3.27	9.95	9.95	75.16
Capital Growth	(21.87)	(0.84)	(8.62)	96.22
Total Return	(19.32)	9.03	0.47	243.69
Benchmark	(16.18)	3.63	(6.78)	158.69
Average Total Return	(19.32)	2.92	0.09	7.07

During the financial year under review, the Fund achieved a negative return of 19.32%, underperforming the benchmark's return of -16.18%. The Fund has also outperformed the benchmark in the last 3 years, 5 years and since inception.



FUND PERFORMANCE (CONTINUED)

Since inception



Changes in NAV

	31.10.2022	31.10.2021	Changes %
NAV (RM Million)	1,281.48	1,623.76	(21.08)
NAV/Unit (RM)	0.5117	0.6551	(21.89)

The NAV and NAV per Unit have decreased by 21.08% and 21.89%, respectively, due to negative investment performance during the financial year under review.

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 year have been extracted from Lipper.

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.10.2022	31.10.2021
Shariah-compliant collective investment scheme	2.17	1.50
Shariah-compliant quoted securities - local	25.05	28.56
Shariah-compliant quoted securities – foreign	64.12	64.59
Cash and other assets	9.02	6.09
Liabilities	(0.36)	(0.74)
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

During the financial year under review, allocation towards local equities decreased whilst maintaining the exposure on foreign equities to weather the external and domestic volatility.

## **MARKET OUTLOOK\***

### **Local Equities**

Malaysia's manufacturing sector slowed further in October with a Purchasing Managers' Index ("PMI") reading of 48.7pts vs 49.1pts in September, representing the second straight month of contraction. The weak reading stemmed from sluggish global market conditions and muted customer demand – new orders softened for the second month while demand for overseas moderated at the strongest pace in 16 months. Spare capacity persisted, with backlogs depleted for the fifth consecutive month. Employment decreased following growth in the previous month. Positively, inflationary pressures eased with rates of input cost and output prices dipping to 2-year lows. According to S&P Global, sentiment remained positive from hopes for global market recovery and successful production launches.

During the Budget 2023 announcement, Malaysia's Gross domestic product ("GDP") growth forecast for 2022 was revised upwards to 6.5% to 7.0% from of 5.3% to 6-3% previously, and headline inflation raised to 3.3%. The government expects GDP growth to decelerate to 4-5% in 2023. Budget 2023 was expansionary, and the government remains on a gradual fiscal consolidation path. Bank Negara Malaysia ("BNM") may raise Overnight Policy Rate ("OPR") by another 25 basis points ("bps") in the upcoming Monetary Policy Committee ("MPC") meeting in November 2023, translating to a cumulative hike of 100bps to end the year at 2.75%. Malaysia's CPI decelerated to 4.5% in September from 4.7% yoy in August 2022, as food inflation increased at a slower pace.

### **Foreign Equities**

Key issues for the market are (1) when will US inflation pressures start to ease; (2) will the US economy see a soft or hard landing; and (3) when will China recover.

While US inflation could peak in 4Q22, the question is whether it could ease quickly enough during the first half of 2023 ("1H23"). Chair Powell now sees policy rates peaking at a higher rate than previously thought in Sep. Preventing a wage-price spiral is probably an unspoken objective.

Post the China congress meeting, we are now looking out for clarity on wide-ranging policies especially with regards to its approach towards zero-COVID-19 for economic repair. We remain stock selective in China, favoring sectors that have secular tailwinds and reopening plays.

\*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 Asset Management Berhad ("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**

### **Local Equities**

We continue to adopt a balanced approach. In consideration of the current macro environment, we remain wary in the commodities space. We would focus on companies with firm fundamentals, strong cash flows generation and defensive in nature. We have trimmed exposure to companies with relative high borrowings, USD cost components whilst raising exposure to companies with strong balance sheet and ability to pass on the rising cost. Key risks are derailment of Malaysia's macro recovery and corporate earnings growth due to a larger-than-expected impact of rising inflation, slower global economic growth as well as heightened geopolitical risks.

## **INVESTMENT STRATEGY (CONTINUED)**

### **Foreign Equities (Continued)**

The Fund is structurally positioned in: 1) Quality companies that have a proven ability to innovate, e.g. semiconductor, internet, renewables 2) Consumption stocks in China and India which are positioned in growing sub-sectors, e.g., decorative paints, jewellery. These are countries with deep domestic economies with a large population 3) Market share consolidators, e.g. India's digital economy, selected industrials. Tactically we also favor reopening plays such as airports or hospitals and beneficiaries of underinvestment.

## **SOFT COMMISSIONS AND REBATES**

Principal Asset Management Berhad (the "Manager"), the sub-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 Principal Malaysia Funds ("Funds") unless the soft commission received is retained in the form of goods and services such as research and advisory services that assist in the decision making process relating to the Fund's investments. All dealings with brokers are executed on most favourable terms available for the Fund.

During the financial year under review, the Manager, the sub-manager and the 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 and there was no churning of trades.

## **SECURITIES FINANCING TRANSACTIONS**

The Fund has not undertaken any securities lending or repurchase transactions during the financial year under review.

## **STATE OF AFFAIR OF THE FUND**

Latest changes to the statement by Manager's signatory as follows:

Mr. Juan Ignacio Eyzaguirre Baraona (retired on 30 June 2022)

Mr. Uday Jayaram (appointed on 30 June 2022)

There were no other significant changes in the state of affairs of the Fund during the financial year and up to the date of Manager's report, not otherwise disclosed in the financial statements.

## **CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS**

There were no circumstances that had materially affected the interest of the unit holders during the financial year under review.

## **CROSS TRADE**

No cross-trade transactions have been carried out during the financial year under review.

## **UNIT SPLIT**

No unit split exercise has been carried out during the financial year under review.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF  
PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 8 to 49 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 October 2022 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

**Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))**

**MUNIRAH KHAIRUDDIN**

Chief Executive Officer/Executive Director

**UDAY JAYARAM**

Director

Kuala Lumpur  
16 December 2022

**TRUSTEE'S REPORT**

To The Unit Holders of **PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND** ("Funds"),

We have act as Trustee of the Fund for the financial year ended 31 October 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **PRINCIPAL ASSET MANAGEMENT BERHAD** has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

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

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For **AMANAHRAYA TRUSTEES BERHAD**

**ZAINUDIN BIN SUHAIMI**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
15 December 2022

**Shariah Adviser's Report**

**To the Unit Holders of Principal DALI Asia Pacific Equity Growth Fund**

**For the Financial Year Ended 31 October 2022**

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the financial year covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The asset of the Fund comprises of instruments that have been classified as Shariah compliant.

For **Amanie Advisors Sdn Bhd**

**Tan Sri Dr. Mohd Daud Bakar**  
Executive Chairman

Kuala Lumpur  
15 December 2022

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**

**Report on the audit of the financial statements**

*Opinion*

We have audited the financial statements of Principal DALI Asia Pacific Equity Growth Fund (the "Fund"), which comprise the statement of financial position as at 31 October 2022, and statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows of the Fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 8 to 49.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 October 2022, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

*Basis for opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Independence and other ethical responsibilities*

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND (CONTINUED)**

**Report on the audit of the financial statements (cont'd.)**

*Information other than the financial statements and auditors' report thereon*

The Manager of the Fund (the "Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the Manager for the financial statements*

The Manager is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.



**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND (CONTINUED)**

**Report on the audit of the financial statements (cont'd.)**

*Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND (CONTINUED)**

**Other matters**

This report is made solely to the unit holders of the Fund, as a body, in accordance with the GUTF issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Yeo Beng Yean  
No. 03013/10/2024 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
16 December 2022

**PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022**

	<b>Note</b>	<b>2022 RM</b>	<b>2021 RM</b>
<b>(LOSS)/INCOME</b>			
Dividend income		30,707,491	32,315,501
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions at amortised cost and Hibah earned		307,824	191,337
Net (loss)/gain on financial assets at fair value through profit or loss	<b>8</b>	(308,554,640)	245,632,104
Net foreign exchange gain/(loss)		<u>1,130,092</u>	<u>(5,019,645)</u>
		<u>(276,409,233)</u>	<u>273,119,297</u>
<b>EXPENSES</b>			
Management fee	<b>4</b>	21,869,405	24,350,626
Trustee and custodian fees	<b>5</b>	874,776	1,848,986
Audit fee		9,400	8,700
Tax agent's fee		30,101	41,237
Transaction costs		3,358,716	4,505,000
Other expenses		<u>2,429,363</u>	<u>1,912,300</u>
		<u>28,571,761</u>	<u>32,666,849</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(304,977,994)	240,452,448
Taxation	<b>7</b>	<u>(5,212,642)</u>	<u>(5,736,103)</u>
<b>(LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR</b>		<u>(310,190,636)</u>	<u>234,716,345</u>
(Loss)/Profit after taxation is made up as follows:			
Realised amount		80,037,213	127,612,837
Unrealised amount		<u>(390,230,849)</u>	<u>107,103,508</u>
		<u>(310,190,636)</u>	<u>234,716,345</u>

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

**PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 OCTOBER 2022**

	Note	2022 RM	2021 RM
<b>ASSETS</b>			
Cash and cash equivalents	9	112,090,165	90,723,578
Financial assets at fair value through profit or loss (Shariah-compliant)	8	1,170,963,120	1,536,883,647
Amount due from stockbroker		1,153,846	2,962,114
Amount due from Manager		2,068,939	4,211,258
Amount due from Manager of collective investment scheme			
- Management fee rebate		143,511	135,486
Dividends receivable		167,660	769,946
<b>TOTAL ASSETS</b>		<u>1,286,587,241</u>	<u>1,635,686,029</u>
<b>LIABILITIES</b>			
Amount due to stockbrokers		-	5,311,456
Amount due to Manager		2,492,379	4,504,013
Accrued management fee		1,600,954	1,996,064
Amount due to Trustee		64,757	81,122
Other payables and accruals		33,800	28,800
Tax payable		912,300	-
<b>TOTAL LIABILITIES</b>		<u>5,104,190</u>	<u>11,921,455</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>1,281,483,051</u>	<u>1,623,764,574</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	10	<u>1,281,483,051</u>	<u>1,623,764,574</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	11	<u>2,504,207,467</u>	<u>2,478,578,493</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.5117</u>	<u>0.6551</u>

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

**PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS  
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022**

	<b>Note</b>	<b>2022 RM</b>	<b>2021 RM</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<u>1,623,764,574</u>	<u>1,507,985,628</u>
Movement due to units created and cancelled during the financial year:			
- Creation of units from applications		159,646,853	271,885,889
- Creation of units from distributions		40,784,401	52,797,306
- Cancellation of units		<u>(191,685,307)</u>	<u>(390,751,027)</u>
		<u>8,745,947</u>	<u>(66,067,832)</u>
Total comprehensive (loss)/income for the financial year		(310,193,636)	234,716,345
Distribution	<b>6</b>	<u>(40,833,834)</u>	<u>(52,869,567)</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR</b>	<b>10</b>	<u>1,281,483,051</u>	<u>1,623,764,574</u>

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

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022**

	Note	2022 RM	2021 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from disposal of Shariah-compliant quoted securities		967,462,924	1,199,409,351
Purchase of Shariah-compliant quoted securities		(918,965,919)	(1,051,067,266)
Dividend income received		28,913,178	29,956,803
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah earned		307,824	191,337
Management fee paid		(22,264,515)	(24,286,765)
Management fee rebates received		277,988	473,395
Trustee and custodian fees paid		(891,141)	(1,845,581)
Payments for other fees and expenses		(64,005)	(89,707)
Foreign tax paid		(4,300,341)	(5,736,103)
Net realised foreign exchange loss		(1,557,029)	(3,798,178)
<b>Net cash generated from operating activities</b>		<b>48,918,964</b>	<b>143,207,286</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		161,789,172	271,876,474
Payments for cancellation of units		(193,696,941)	(392,019,156)
Distribution paid		(49,432)	(72,261)
<b>Net cash used in financing activities</b>		<b>(31,957,201)</b>	<b>(120,214,943)</b>
Net increase in cash and cash equivalents		16,961,763	22,992,343
Effects of foreign exchange differences		4,404,824	(1,196,129)
Cash and cash equivalents at the beginning of the financial year		90,723,578	68,927,364
Cash and cash equivalents at the end of the financial year	<b>9</b>	<b>112,090,165</b>	<b>90,723,578</b>
<u>Cash and cash equivalents comprised of:</u>			
Shariah-compliant deposits with licensed Islamic financial institutions		24,944,743	1,965,283
Bank balances		87,145,422	88,758,295
Cash and cash equivalents at the end of the financial year	<b>9</b>	<b>112,090,165</b>	<b>90,723,578</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022**

**1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

Principal DALI Asia Pacific Equity Growth (the “Fund”) is governed pursuant to a Master Deed dated 15 May 2008, a Fourth Supplemental Master Deed dated 25 June 2008, a Fifth 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 Fourteenth Supplemental Master Deed dated 26 June 2012, a Seventeenth Supplemental Master Deed dated 25 March 2015, an Eighteenth Supplemental Master Deed dated 29 April 2015 and a Nineteenth Supplemental Master Deed dated 18 June 2019 (collectively referred to as the “Deeds”) made between Principal Asset Management Berhad (the “Manager”) and AmanahRaya Trustees Berhad (the “Trustee”).

The Fund will invest a minimum of 70% and up to a maximum of 98% of its Net Asset Value (“NAV”) in Shariah-compliant equities in order to gain long-term capital growth and up to 28% of its NAV in other permissible Shariah-compliant investments. The Fund may opt to invest in foreign Shariah-compliant equities up to a maximum of 70% of its NAV. Such foreign Shariah-compliant equities must be securities of companies domiciled in, listed in, and/or have significant operations in countries in Asia Pacific ex Japan. ‘Significant operations’ means major businesses of the company. For example, the Fund can invest in a company with significant business and/or operations in Thailand but listed on the New York Stock Exchange (“NYSE”). The threshold for ‘significant operations’ would be if more than 25% of total group revenue derives from countries in Asia Pacific ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). Notwithstanding, up to 20% of the Fund’s investment in foreign Shariah-compliant equities may be from companies that are listed globally with some operations or businesses within the Asia Pacific ex Japan region to capture growth opportunities with effect from 16 August 2021. The Fund may also opt to seek investment exposure via Islamic collective investment scheme that is in line with the Fund’s objective, subject to the requirements of the GUTF by SC. In addition, Islamic liquid assets may be strategically used if the Manager feel that the market downside risk is high in the short-term. In line with its objective, the investment strategy and policy of the Fund is to have a diversified portfolio of the Shariah-compliant stocks that aims to outperform the market at different cycles of the market.

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 Shariah-compliant investments; and
- at least 2% of the Fund’s NAV in Islamic liquid assets.

All investments are subjected to the GUTF, 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 as issued by the Malaysian Accounting Standards Board (“MASB”) and IFRS as issued by the International Accounting Standards Board (“IASB”).

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 year.

It also requires the Manager to exercise their judgement in the process of applying the Fund’s accounting policies. Although these estimates and assumptions are based on the Manager’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 estimates and assumptions are significant to the financial statements are disclosed in Note 2(m).

There are no standards, amendments to standards or interpretations that are effective for financial year beginning on 1 November 2021 that have a material effect on the financial statements of the Fund.

There are no new applicable standards, amendments to standards or interpretations that are effective for financial year beginning on/after 1 November 2022 that are applicable to 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 as fair value through OCI.

Investment in Shariah-compliant collective investment schemes have contractual cash flow that do not represent solely payment of principal and interest<sup>1</sup> (“SPPI”) and therefore are classified as fair value through profit or loss.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Classification (continued)

The contractual cash flows of the Fund's debt securities are SPPI. 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 stockbroker, amount due from Manager, amount due from Manager of Shariah-compliant collective investment scheme - management fee rebate 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.

All of the Fund's financial liabilities (excluding the Net Assets Attributable to Unit Holders) are 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.

Financial instruments 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 year 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 collective investment scheme is valued based on the most recent published NAV per unit or share of such Shariah-compliant collective investment scheme or, if unavailable, the last published price of such unit or share (excluding any sales charge included in such selling price).

Shariah-compliant 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.

<sup>1</sup>For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Recognition and measurement (continued)

Foreign Shariah-compliant quoted securities are valued at the last traded market price quoted on the respective foreign stock exchanges at the close of the business day of the respective foreign stock exchanges.

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.

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

Impairment for assets carried at amortised cost

The Fund measures credit risk and expected credit losses (“ECL”) using probability of default, exposure at default and loss given default. The Manager considers both historical analysis and forward-looking information in determining any ECL. The Manager considers 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 year.

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 is recognised on a time proportionate basis using the effective profit method on an accrual basis.

Profit income is calculated by applying the effective profit 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 profit 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 Shariah-compliant quoted securities and Shariah-compliant collective investment scheme are accounted for as the difference between the net disposal proceeds and the carrying amount of Shariah-compliant quoted securities and Shariah-compliant collective investment scheme, determined on a weighted average cost basis.

(d) **Foreign currency**

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 MYR, which is the Fund’s functional and presentation currency.

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in MYR primarily due to the following factors:

- i) Units of the Fund are denominated in MYR;
- ii) Significant portion of the Fund’s expenses are denominated in MYR

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(e) **Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances and Shariah-compliant deposits with licensed Islamic financial institutions held in highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(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 year.

Tax on income from foreign Shariah-compliant investments is based on the tax regime of the respective countries that the Fund invests in.

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.

**(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 year in which it is approved by the Trustee.

**(h) Amount due from/to stockbrokers**

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

**(i) Transaction 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.

**(j) Management fee rebate**

Management fee rebate is derived from the Shariah-compliant collective investment scheme held by the Fund on an accrual basis to ensure no double charging of management fee. It is accrued daily based on the fair value of Shariah-compliant collective investment scheme held.

**(k) Realised and unrealized portions of profit or loss after tax**

The analysis of realised and unrealised profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with GUTF.

**(l) Unit holders' contributions**

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 are no contractual obligations to deliver cash or another financial asset

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(l) Unit holders' contributions (continued)**

- 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 year if a 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.

**(m) 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.

In undertaking any of the Fund's 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 GUTF.

However, the Manager is of the opinion that in applying these accounting policies, no significant judgement was required.

**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES**

Financial instruments of the Fund were as follows:

	<b>Financial assets at fair value through profit or loss RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Total RM</b>
<b>2022</b>			
Cash and cash equivalents (Note 9)	-	112,090,165	112,090,165
Shariah-compliant collective investment scheme (Note 8)	27,753,842	-	27,753,842
Shariah-compliant quoted securities (Note 8)	1,143,209,278	-	1,143,209,278
Amount due from Stockbroker	-	1,153,846	1,153,846
Amount due from Manager	-	2,068,939	2,068,939
Amount due from Manager of collective investment scheme			
- Management fee rebate	-	143,511	143,511
Dividends receivable	-	167,660	167,660
	<u>1,170,963,120</u>	<u>115,624,121</u>	<u>1,286,587,241</u>

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

	<b>Financial assets at fair value through profit or loss RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Total RM</b>
<b>2021</b>			
Cash and cash equivalents (Note 9)	-	90,723,578	90,723,578
Shariah-compliant collective investment scheme (Note 8)	24,345,410	-	24,345,410
Shariah-compliant quoted securities (Note 8)	1,512,538,237	-	1,512,538,237
Amount due from Stockbroker	-	2,962,114	2,962,114
Amount due from Manager	-	4,211,258	4,211,258
Amount due from Manager of collective investment scheme			
- Management fee rebate	-	135,486	135,486
Dividends receivable	-	769,946	769,946
	<u>1,536,883,647</u>	<u>98,802,382</u>	<u>1,635,686,029</u>

Current liabilities are financial liabilities which are carried at amortised cost.

The Fund aims to provide investors with long-term capital growth by investing principally in Shariah-compliant equities. The Fund also seeks to outperform the benchmark.

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk, interest rate risk and currency 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 Deed and GUTF.

**(a) Market risk**

**(i) Price risk**

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

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

**(a) Market risk (continued)**

The Fund's overall exposure to price risk was as follows:

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Financial assets at fair value through profit or loss:		
- Shariah-compliant collective investment schemes	27,753,842	24,345,410
- Shariah-compliant quoted securities - local	321,256,587	463,747,786
- Shariah-compliant quoted securities - foreign	821,952,691	1,048,790,451
	<b>1,170,963,120</b>	<b>1,536,883,647</b>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to movements in prices of Shariah-compliant collective investment schemes and Shariah-compliant quoted securities at the end of each reporting year. The analysis is based on the assumptions that the price of the Shariah-compliant collective investment schemes and Shariah-compliant quoted securities fluctuates by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the Shariah-compliant collective investment schemes and Shariah-compliant quoted securities, having regard to the historical volatility of the prices.

<b>% Change in price of Shariah-compliant collective investment schemes and Shariah-compliant quoted securities</b>	<b>Market value</b>	<b>Impact on profit or loss/NAV</b>
	<b>RM</b>	<b>RM</b>
<b>2022</b>		
-5%	1,138,781,114	(58,548,156)
0%	1,170,963,120	-
5%	1,229,511,276	58,548,156
<b>2021</b>		
-5%	1,460,039,465	(76,844,182)
0%	1,536,883,647	-
5%	1,613,727,829	76,844,182

**(ii) Interest rate risk**

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market profit rates.

Interest rate is a general economic indicator that will have an impact on the management of the Fund. It does not in any way suggest that this Fund will invest in conventional financial instruments. All investment carried out for the Fund including placements and deposits are in accordance with Shariah.

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

**(a) Market risk (continued)**

**(i) Interest rate risk (continued)**

The Fund's exposure to fair value interest rate risk arises from Shariah-compliant investments in money market instruments. The interest rate risk is expected to be minimal as the Fund's investments comprise mainly Shariah-compliant short-term deposits with approved licensed Islamic financial institutions.

Cash flow interest rate risk is the risk that the future cash flow of a financial statement will fluctuate because of changes in market interest rates.

The Fund is not exposed to cash flow interest rate risk as the Fund does not hold any financial instruments at variable profit rate.

As at the end of each financial year, the Fund is not exposed to a material level of interest rate risk.

The Fund's exposure to interest rate risk associated with Shariah-compliant deposits with licensed Islamic financial institutions is expected to be minimal as the deposits are held on short-term basis. The weighted average effective interest rate per annum is as follows:

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

	<b>2022</b>	<b>2021</b>
	%	%
Shariah-compliant deposits with licensed Islamic financial institutions	1.00	1.75

**(iii) Currency risk**

Currency risk of the Fund is associated with Shariah-compliant investments that are quoted and/or priced in foreign currency denomination. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Manager will evaluate the likely directions of a foreign currency versus RM based on considerations of economic fundamentals such as profit rate differentials, balance of payments position, debt levels, and technical chart considerations.

The following table sets out the foreign currency risk concentrations arising from the denomination of the Fund's financial instruments in foreign currencies:



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

(a) Market risk (continued)

(i) Currency risk (continued)

Financial assets	Cash and cash equivalents RM	Financial assets at fair value through profit or loss RM	Dividends receivable RM	Total RM
<b>2022</b>				
AUD	34,472	62,619,822	-	62,654,294
CNY	3,719,172	76,737,466	-	80,456,638
GBP	-	33,289,450	-	33,289,450
HKD	21,048	86,218,879	-	86,239,927
IDR	6,783,597	25,229,632	-	32,013,229
INR	400	196,704,706	46,385	196,751,491
JPY	8,890,283	-	-	8,890,283
KRW	472	179,680,387	-	179,680,859
PHP	5	-	-	5
SGD	17,906	43,925,147	-	43,943,053
THB	-	49,622,800	-	49,622,800
TWD	-	51,614,418	-	51,614,418
USD	67,657,160	44,063,826	-	111,720,986
	<u>87,124,515</u>	<u>849,706,533</u>	<u>46,385</u>	<u>936,877,433</u>
<b>2021</b>				
AUD	39,028	67,494,752	-	67,533,780
CNY	2,732,841	84,188,151	-	86,920,993
HKD	4,177	157,296,829	-	157,301,006
IDR	6,284,394	30,262,280	-	36,546,674
INR	387,494	192,104,025	21,983	192,513,502
JPY	11,110,265	-	-	11,110,265
KRW	(5,894)	85,627,125	-	85,621,231
PHP	5	-	-	5
SGD	21,386	34,417,445	-	34,438,830
THB	-	17,551,758	165,936	17,717,695
TWD	25,518	185,393,374	-	185,418,892
USD	69,262,624	218,800,123	-	288,062,747
	<u>89,861,840</u>	<u>1,073,135,861</u>	<u>187,919</u>	<u>1,163,185,620</u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes in foreign exchange movements at the end of each reporting year. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remain constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

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

**(a) Market risk (continued)**

**(iii) Currency risk (continued)**

	Change in foreign exchange rate	Impact on profit or loss/NAV	
		2022	2021
	%	RM	RM
AUD	+/- 5	+/-3,132,715	+/-3,376,689
CNY	+/- 5	+/-3,628,833	+/-4,346,050
GBP	+/- 5	+/-1,664,473	-
HKD	+/- 5	+/-4,705,995	+/-7,865,050
IDR	+/- 5	+/-1,600,661	+/-1,827,334
INR	+/- 5	+/-9,837,574	+/-9,625,675
JPY	+/- 5	+/-444,514	+/-555,513
KRW	+/- 5	+/-8,984,043	+/-4,281,062
SGD	+/- 5	+/-2,197,153	+/-1,721,942
THB	+/- 5	+/-2,481,140	+/-885,885
TWD	+/- 5	+/-2,580,721	+/-9,270,945
USD	+/- 5	+/-5,586,049	+/-14,403,137
		+/-46,843,871	+/-58,159,282

**(b) Credit risk**

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

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 exchanges. The credit risk is minimal as all transactions in Shariah-compliant quoted securities are settled/paid upon delivery using approved stockbrokers.

For amount due from Manager of collective investment schemes, the Fund will invest with an investment management company of the collective investment schemes which is authorised or approved by the relevant regulatory authority in its home jurisdiction.

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

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

(b) Credit risk (continued)

	Cash and cash equivalents RM	Amount due from stockbroker RM	Amount due from Manager RM	Amount due from Manager of collective investment scheme – management fee rebate RM	Dividends receivable RM	Total RM
<b>2022</b>						
AAA	112,090,165	-	-	-	-	112,090,165
NR	-	1,153,846	2,068,939	143,511	167,660	3,533,956
	<u>112,090,165</u>	<u>1,153,846</u>	<u>2,068,939</u>	<u>143,511</u>	<u>167,660</u>	<u>115,624,121</u>
<b>2021</b>						
AAA	90,723,578	-	-	-	-	90,723,578
NR	-	2,962,114	4,211,258	135,486	769,946	8,078,804
	<u>90,723,578</u>	<u>2,962,114</u>	<u>4,211,258</u>	<u>135,486</u>	<u>769,946</u>	<u>98,802,382</u>

Shariah-compliant deposits with licensed Islamic financial institutions have an average maturity of 1 day (2021: 1 day).

(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 and 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.

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

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

**(c) Liquidity risk (continued)**

	<b>Less than 1 month RM</b>	<b>Between 1 month to 1 year RM</b>	<b>Total RM</b>
<b>2022</b>			
Amount due to Manager	2,492,379	-	2,492,379
Accrued management fee	1,600,954	-	1,600,954
Amount due to Trustee	64,757	-	64,757
Other payables and accruals	-	33,800	33,800
Tax payable	-	912,300	912,300
<b>Contractual undiscounted cash Flows</b>	<u>4,158,090</u>	<u>946,100</u>	<u>5,104,190</u>
<b>2021</b>			
Amount due to stockbrokers	5,311,456	-	5,311,456
Amount due to Manager	4,504,013	-	4,504,013
Accrued management fee	1,996,064	-	1,996,064
Amount due to Trustee	81,122	-	81,122
Other payables and accruals	-	28,800	28,800
<b>Contractual undiscounted cash Flows</b>	<u>11,892,655</u>	<u>28,800</u>	<u>11,921,455</u>

**(d) Capital risk management**

The capital of the Fund is represented by net assets attributable to unit holders of RM1,281,483,051 (2021: RM1,623,764,574). 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) is based on quoted market prices at the close of trading on the financial year 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 market 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.

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.

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

**(e) Fair value estimation**

**(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.

	<b>Level 1 RM</b>	<b>Level 2 RM</b>	<b>Level 3 RM</b>	<b>Total RM</b>
<b>2022</b>				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	27,753,842	-	-	27,753,842
- Shariah-compliant quoted securities - local	321,256,587	-	-	321,256,587
- Shariah-compliant quoted securities - foreign	821,952,691	-	-	821,952,691
	<u>1,170,963,120</u>	<u>-</u>	<u>-</u>	<u>1,170,963,120</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
<b>2021</b>				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	24,345,410	-	-	24,345,410
- Shariah-compliant quoted securities - local	463,747,786	-	-	463,747,786
- Shariah-compliant quoted securities - foreign	1,048,790,451	-	-	1,048,790,451
	<u>1,536,883,647</u>	<u>-</u>	<u>-</u>	<u>1,536,883,647</u>

Shariah-compliant investments which values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities and collective investment 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).

- (ii) The carrying values of cash and cash equivalents, amount due from Manager, amount due from Manager of collective investment scheme - management fee rebate, 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 3.00% per annum, calculated daily based on the NAV of the Fund.

For the financial year ended 31 October 2022, the management fee is recognised at a rate of 1.50% per annum (2021: 1.50% per annum).

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

**5. TRUSTEE AND CUSTODIAN FEES**

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. The foreign sub-custodian fee is dependent on the country invested and is charged monthly.

For the financial year ended 31 October 2022, the Trustee fee is recognised at a rate of 0.06% per annum (2021: 0.06% per annum). The foreign custodian fee is recognised at RM874,776 (2021: RM874,970).

There was no further liability to the Trustee and custodian in respect of Trustee and custodian fees other than the amount recognised above.

**6. DISTRIBUTION**

Distribution to unit holders was derived from the following sources:

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Dividend income	3,523,335	12,183,344
Profit income	29,134	64,909
Net realised gain on disposal of Shariah-compliant investments	14,557,969	52,616,972
Prior financial years' realised income	26,858,130	-
	<u>44,968,568</u>	<u>64,865,225</u>
Less:		
Expenses	4,134,734	11,995,658
Net distribution amount	<u>40,833,834</u>	<u>52,869,567</u>
<b>Gross/Net distribution per unit (sen)</b>		
Distribution on 07 October 2022	1.68	-
Distribution on 13 October 2021	-	<u>2.20</u>

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

Gross distribution per unit is derived from gross realised income less expense, 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 financial year ended 31 October 2022, the Fund incurred unrealised loss of RM390,230,849.

**7. TAXATION**

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Tax charged for the financial year:		
- Capital gain tax	3,052,842	5,736,103
- Tax on foreign source income	2,159,800	-
- Current taxation	<u>5,212,642</u>	<u>5,736,103</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:

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
(Loss)/Profit before taxation	<u>(304,980,994)</u>	<u>240,452,448</u>
Taxation at Malaysian statutory rate of 24% (2021: 24%)	(73,195,439)	57,708,588
Tax effects of:		
Loss not deductible for tax purpose/(Investment income not subject to tax)	66,338,216	(65,548,631)
Expenses not deductible for tax purposes	1,602,926	1,990,181
Restriction on tax deductible expenses for Unit Trust Funds	5,254,297	5,849,862
Income tax	<u>(5,212,642)</u>	<u>(5,736,103)</u>
Taxation	<u>(5,212,642)</u>	<u>(5,736,103)</u>

**PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**

**8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
At fair value through profit or loss at inception:		
- Shariah-compliant collective investment schemes	27,753,842	24,345,410
- Shariah-compliant quoted securities - local	321,256,587	463,747,786
- Shariah-compliant quoted securities - foreign	821,952,691	1,048,790,451
	<u>1,170,963,120</u>	<u>1,536,883,647</u>
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	85,793,040	136,977,417
- Unrealised fair value (loss)/gain	(394,633,693)	108,298,782
- Management fees rebate #	286,013	355,905
	<u>(308,554,640)</u>	<u>245,632,104</u>

# Management fee rebate is derived from the collective investment schemes held by the Fund on an accrual basis to ensure no double charging of management fee. It is accrued daily based on the fair value of collective investment scheme held.

For the financial year ended 31 October 2022, the rebate is recognised at a rate of 1.50% for RD Principal Islamic Equity Growth Syariah and 0.50% for Principal Islamic Asia Pacific Dynamic Income & Growth Fund, calculated and accrued daily based on the NAV of the Shariah-compliant collective investment scheme.

<b>Name of counter</b>	<b>Quantity</b>	<b>Aggregate</b>	<b>Market</b>	<b>Percentage</b>
	<b>Units</b>	<b>cost</b>	<b>value</b>	<b>of NAV</b>
		<b>RM</b>	<b>RM</b>	<b>%</b>
<b>2022</b>				
<b>SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES</b>				
<b>INDONESIA</b>				
RD Principal Islamic Equity Growth Syariah	21,712,831	10,057,497	8,054,693	0.63
<b>TOTAL INDONESIA</b>	<u><b>21,712,831</b></u>	<u><b>10,057,497</b></u>	<u><b>8,054,693</b></u>	<u><b>0.63</b></u>
<b>IRELAND</b>				
Principal Islamic Asia Pacific Dynamic Income & Growth Fund	346,900	14,363,395	13,607,430	1.06
Principal Islam Global Responsible Equity Fund	154,000	6,498,030	6,091,719	0.48
<b>TOTAL IRELAND</b>	<u><b>500,900</b></u>	<u><b>20,861,425</b></u>	<u><b>19,699,149</b></u>	<u><b>1.54</b></u>
<b>TOTAL SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES</b>	<u><b>22,213,731</b></u>	<u><b>30,918,922</b></u>	<u><b>27,753,842</b></u>	<u><b>2.17</b></u>



**PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**

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

<b>Name of counter</b>	<b>Quantity Units</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>2022</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - LOCAL</b>				
<b>Communication Services</b>				
Telekom Malaysia Bhd	2,378,100	11,998,111	13,222,236	1.03
<b>Consumer Discretionary</b>				
Bermaz Auto Berhad	1,504,400	2,616,522	2,978,712	0.23
Mr D.I.Y. Group (M) Bhd	6,183,850	12,428,129	12,491,377	0.97
	<u>7,688,250</u>	<u>15,044,651</u>	<u>15,470,089</u>	<u>1.20</u>
<b>Consumer Staples</b>				
Genting Plantations Bhd	1,297,800	10,920,592	7,942,536	0.62
IOI Corporation Bhd	4,763,600	21,221,840	19,435,488	1.52
Kuala Lumpur Kepong Bhd	1,045,600	25,054,882	22,668,608	1.77
PPB Group Bhd	15,400	266,420	257,180	0.02
Sime Darby Plantation Bhd	6,505,100	29,725,030	28,622,440	2.23
	<u>13,627,500</u>	<u>87,188,764</u>	<u>78,926,252</u>	<u>6.16</u>
<b>Energy</b>				
Dayang Enterprise Holding Bhd	764,900	1,121,100	948,476	0.07
Hibiscus Petroleum Bhd	4,012,700	2,905,036	3,892,319	0.30
	<u>4,777,600</u>	<u>4,026,136</u>	<u>4,840,795</u>	<u>0.37</u>
<b>Financials</b>				
Bank Islam Malaysia Bhd	6,154,900	18,405,119	15,571,897	1.22
<b>Health Care</b>				
IHH Healthcare Bhd	1,877,700	11,980,779	11,172,315	0.87
<b>Industrials</b>				
Frontken Corporation Bhd	5,148,600	19,151,971	12,614,070	0.98
MISC Bhd	1,444,000	10,967,661	10,440,120	0.81
Sime Darby Bhd	5,116,700	12,361,872	11,512,575	0.90
	<u>11,709,300</u>	<u>42,481,504</u>	<u>34,566,765</u>	<u>2.69</u>
<b>Information Technology</b>				
Genetec Technology Bhd	6,466,600	16,158,729	13,515,194	1.05
Inari Amertron Bhd	6,907,200	22,151,837	17,198,928	1.34
JHM Consolidation	297,700	416,338	257,511	0.02
MI Technovation Bhd	2,282,000	8,899,800	2,669,940	0.21
My E.G Services Bhd	30,457,400	32,488,386	26,954,799	2.10
V.S. Industry Bhd	7,563,200	10,143,781	6,390,904	0.50
	<u>53,974,100</u>	<u>90,258,871</u>	<u>66,987,276</u>	<u>5.22</u>

**PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**

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

<b>Name of counter</b>	<b>Quantity Units</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>2022 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES – LOCAL (CONTINUED)</b>				
<b>Materials</b>				
Ancom Nylex Bhd	6,356,300	5,473,991	5,911,359	0.46
Petronas Chemicals Group Bhd	4,818,600	40,039,026	42,018,192	3.28
Press Metal Aluminum Holding Bhd	6,589,400	37,255,748	28,663,890	2.24
	<u>17,764,300</u>	<u>82,768,765</u>	<u>76,593,441</u>	<u>5.98</u>
<b>Real Estate</b>				
Sime Darby Property Bhd	4,460,100	3,308,056	2,029,346	0.16
SP Setia Bhd	3,908,700	4,605,347	1,876,176	0.15
	<u>8,368,800</u>	<u>7,913,403</u>	<u>3,905,522</u>	<u>0.31</u>
<b>TOTAL SHARIAH - COMPLIANT QUOTED SECURITIES - LOCAL</b>	<b><u>128,320,550</u></b>	<b><u>372,066,103</u></b>	<b><u>321,256,587</u></b>	<b><u>25.05</u></b>
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - FOREIGN</b>				
<b>AUSTRALIA</b>				
<b>Energy</b>				
Santos Ltd	<u>1,020,397</u>	<u>21,735,691</u>	<u>23,776,240</u>	<u>1.86</u>
<b>Health Care</b>				
CSL Ltd	27,018	23,252,998	22,931,812	1.79
Ramsay Health Care Ltd	42,927	9,358,521	7,608,325	0.59
	<u>69,945</u>	<u>32,611,519</u>	<u>30,540,137</u>	<u>2.38</u>
<b>Materials</b>				
BHP Group Ltd	<u>73,446</u>	<u>8,493,888</u>	<u>8,303,445</u>	<u>0.65</u>
<b>TOTAL AUSTRALIA</b>	<b><u>1,163,788</u></b>	<b><u>62,841,098</u></b>	<b><u>62,619,822</u></b>	<b><u>4.89</u></b>

**PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**

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

<b>Name of counter</b>	<b>Quantity Units</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>2022 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES – FOREIGN (CONTINUED)</b>				
<b>CAYMAN ISLANDS</b>				
<b>Consumer Discretionary</b>				
Alibaba Group Holding Ltd	492,900	48,616,553	18,233,800	1.42
<b>TOTAL CAYMAN ISLANDS</b>	<b>492,900</b>	<b>48,616,553</b>	<b>18,233,800</b>	<b>1.42</b>
<b>CHINA</b>				
<b>Consumer Discretionary</b>				
BYD Company LTD	74,500	10,463,935	7,879,969	0.61
<b>Industrials</b>				
NARI Tech Dev Co Ltd A	1,084,705	20,315,842	17,126,403	1.34
Shanghai Intl Airport A	477,584	17,812,836	16,496,546	1.29
Shenzhen Inovance Technology C	252,270	9,250,485	10,888,201	0.85
	1,814,559	47,379,163	44,511,150	3.48
<b>Information Technology</b>				
LONGi Green Energy Technology	237,300	9,661,429	7,367,543	0.57
<b>Utilities</b>				
China Yangtze Power Co A	1,295,099	20,190,841	16,978,804	1.32
<b>TOTAL CHINA</b>	<b>3,421,458</b>	<b>87,695,368</b>	<b>76,737,466</b>	<b>5.98</b>
<b>HONG KONG, CHINA</b>				
<b>Communication Services</b>				
Tencent Holding Ltd	133,200	36,062,473	16,486,324	1.29
<b>Consumer Discretionary</b>				
Shenzhou International Group	146,600	8,610,306	4,800,974	0.37

**PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**

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

<b>Name of counter</b>	<b>Quantity Units</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>2022 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES – FOREIGN (CONTINUED)</b>				
<b>HONG KONG, CHINA (CONTINUED)</b>				
<b>Consumer Staples</b>				
China Mengniu Dairy Co. Ltd	932,000	20,917,820	14,110,760	1.10
<b>Industrials</b>				
Techtronic Industries Co	206,000	14,755,478	9,220,292	0.72
<b>Information Technology</b>				
Kingboard Laminates Holding Ltd	1,441,500	6,259,931	5,440,999	0.42
<b>Real Estate</b>				
China Resources Land Ltd	724,000	14,052,566	10,721,861	0.84
Link REIT	257,900	9,114,239	7,203,869	0.56
	981,900	23,166,805	17,925,730	1.40
<b>TOTAL HONG KONG, CHINA</b>	<b>3,841,200</b>	<b>109,772,813</b>	<b>67,985,079</b>	<b>5.30</b>
<b>INDIA</b>				
<b>Consumer Discretionary</b>				
Maruti Suzuki India Ltd	27,961	13,977,373	15,211,510	1.19
Titan Co Ltd	130,001	10,050,944	20,498,772	1.60
	157,962	24,028,317	35,710,282	2.79
<b>Consumer Staples</b>				
Dabur India Ltd	610,791	17,823,218	19,345,809	1.51
<b>Energy</b>				
Reliance Industries Ltd	510,616	44,159,335	74,336,580	5.80
<b>Health Care</b>				
Sun Pharma Industries Ltd	249,076	13,454,966	14,462,596	1.13
<b>Industrials</b>				
Container Corp of India Ltd	536,419	17,571,275	24,442,361	1.91

**PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**

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

Name of counter	Quantity	Aggregate cost	Market value	Percentage of NAV
	Units	RM	RM	%
<b>2022 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT</b>				
<b>QUOTED SECURITIES –</b>				
<b>FOREIGN (CONTINUED)</b>				
<b>INDIA (CONTINUED)</b>				
<b>Information Technology</b>				
Tata Consultancy Services Ltd	58,636	7,511,924	10,691,035	0.83
<b>Materials</b>				
Asian Paints Ltd	99,837	17,359,180	17,716,043	1.38
<b>TOTAL INDIA</b>	<b>2,223,337</b>	<b>141,908,215</b>	<b>196,704,706</b>	<b>15.35</b>
<b>INDONESIA</b>				
<b>Communication Services</b>				
Telekomunikasi TBK PT	12,916,100	14,568,068	17,174,939	1.34
<b>TOTAL INDONESIA</b>	<b>12,916,100</b>	<b>14,568,068</b>	<b>17,174,939</b>	<b>1.34</b>
<b>SINGAPORE</b>				
<b>Communication Services</b>				
NetLink NBN Trust Singapore	3,193,800	9,692,604	9,122,992	0.71
Telecommunications	4,166,800	32,450,984	34,802,155	2.72
	7,360,600	42,143,588	43,925,147	3.43
<b>TOTAL SINGAPORE</b>	<b>7,360,600</b>	<b>42,143,588</b>	<b>43,925,147</b>	<b>3.43</b>
<b>SOUTH KOREA</b>				
<b>Information Technology</b>				
Samsung Electronics Co. Ltd	543,467	134,159,350	107,056,597	8.35
Samsung Electronics-PFD	113,176	25,468,051	20,004,853	1.56
SK Hynix Inc	124,006	51,722,122	34,009,639	2.65
	780,649	211,349,523	161,071,089	12.56
<b>Materials</b>				
LG Chem Ltd	8,964	20,120,207	18,609,298	1.45

**PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2022 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT</b>				
<b>QUOTED SECURITIES –</b>				
<b>FOREIGN (CONTINUED)</b>				
<b>SOUTH KOREA</b>				
<b>(CONTINUED)</b>				
<b>TOTAL SOUTH KOREA</b>	<b>789,613</b>	<b>231,469,730</b>	<b>179,680,387</b>	<b>14.01</b>
<b>TAIWAN</b>				
<b>Information Technology</b>				
E Ink Holding Incorporation	505,000	6,077,697	15,193,026	1.19
MediaTek Inc.	187,000	18,689,950	16,152,312	1.26
Taiwan Semiconductor Manufacturing Co Ltd	355,000	13,882,024	20,269,080	1.58
	<u>1,047,000</u>	<u>38,649,671</u>	<u>51,614,418</u>	<u>4.03</u>
<b>TOTAL TAIWAN</b>	<b>1,047,000</b>	<b>38,649,671</b>	<b>51,614,418</b>	<b>4.03</b>
<b>THAILAND</b>				
<b>Health Care</b>				
Bangkok Dusit Medical Service - NVDR <sup>1</sup>	6,977,800	21,447,270	25,540,848	1.99
<b>Industrials</b>				
Airports Of Thailand	2,622,800	22,297,624	24,081,952	1.88
<b>TOTAL THAILAND</b>	<b>9,600,600</b>	<b>43,744,894</b>	<b>49,622,800</b>	<b>3.87</b>

**PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**

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

<b>Name of counter</b>	<b>Quantity Units</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>2022 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES – FOREIGN (CONTINUED)</b>				
<b>UNITED KINGDOM</b>				
<b>Energy</b>				
Shell PLC	253,381	30,038,480	33,289,450	2.60
<b>TOTAL UNITED KINGDOM</b>	<b>253,381</b>	<b>30,038,480</b>	<b>33,289,450</b>	<b>2.60</b>
<b>UNITED STATES</b>				
<b>Materials</b>				
LINDE PLC	17,338	22,531,868	24,364,677	1.90
<b>TOTAL UNITED STATES</b>	<b>17,338</b>	<b>22,531,868</b>	<b>24,364,677</b>	<b>1.90</b>
<b>TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES - FOREIGN</b>	<b>43,127,315</b>	<b>873,980,346</b>	<b>821,952,691</b>	<b>64.12</b>
<b>TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES</b>	<b>193,661,596</b>	<b>1,276,046,449</b>	<b>1,170,963,120</b>	<b>91.34</b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>(106,002,251)</b>		
<b>TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>1,170,963,120</b>		

**PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**

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

<b>Name of counter</b>	<b>Quantity Units</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>2021</b>				
<b>SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES</b>				
<b>INDONESIA</b>				
RD Principal Islamic Equity Growth Syariah	21,712,831	10,057,496	7,704,267	0.47
<b>TOTAL INDONESIA</b>	<b>21,712,831</b>	<b>10,057,496</b>	<b>7,704,267</b>	<b>0.47</b>
<b>IRELAND</b>				
Principal Islamic Asia Pacific Dynamic Income & Growth Fund	346,900	14,363,395	16,641,143	1.03
<b>TOTAL IRELAND</b>	<b>346,900</b>	<b>14,363,395</b>	<b>16,641,143</b>	<b>1.03</b>
<b>TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEMES</b>	<b>22,059,731</b>	<b>24,420,891</b>	<b>24,345,410</b>	<b>1.50</b>
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - LOCAL</b>				
<b>Communication Services</b>				
Telekom Malaysia Bhd	3,505,000	17,672,473	20,293,950	1.25
<b>Consumer Discretionary</b>				
Mr D.I.Y. Group (M) Bhd	6,672,100	21,234,864	25,153,817	1.55
<b>Consumer Staples</b>				
Genting Plantations Bhd	1,143,600	9,791,602	8,348,280	0.51
IOI Corporation Bhd	2,900,600	13,061,010	11,399,358	0.70
Kuala Lumpur Kepong Bhd	540,400	12,321,279	11,683,448	0.72
Sime Darby Plantation Bhd	6,505,100	29,725,030	26,085,451	1.61
	<u>11,089,700</u>	<u>64,898,921</u>	<u>57,516,537</u>	<u>3.54</u>
<b>Energy</b>				
Dayang Enterprise Holding Bhd	14,975,800	21,949,752	14,751,163	0.91
Hibiscus Petroleum Bhd	9,854,600	5,294,092	8,869,140	0.55
	<u>24,830,400</u>	<u>27,243,844</u>	<u>23,620,303</u>	<u>1.46</u>



**PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**

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

<b>Name of counter</b>	<b>Quantity Units</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>2021 SHARIAH-COMPLIANT QUOTED SECURITIES - LOCAL</b>				
<b>Financials</b>				
Bank Islam Malaysia Bhd	6,450,900	19,290,253	20,642,880	1.27
<b>Health Care</b>				
IHH Healthcare Bhd	4,151,300	26,371,793	27,149,502	1.67
<b>Industrials</b>				
Frontken Corporation Bhd	6,256,400	22,957,204	23,836,884	1.47
Greotech Technology Bhd	166,800	1,177,258	1,195,956	0.07
IJM Corporation Bhd	3,514,200	6,899,691	6,501,270	0.40
	<u>9,937,400</u>	<u>31,034,153</u>	<u>31,534,110</u>	<u>1.94</u>
<b>Information Technology</b>				
Genetec Technology Bhd	272,400	8,094,225	12,666,600	0.78
Inari Amertron Bhd	16,548,900	53,222,923	64,044,243	3.94
Malaysian Pacific Industries Bhd	35,700	1,172,179	1,702,176	0.10
MI Technovation Bhd	2,282,000	8,899,800	8,762,880	0.54
My E.G Services Bhd	27,649,200	29,567,688	28,755,168	1.77
Revenue Group Bhd	2,350,000	5,405,000	4,277,000	0.26
V.S. Industry Bhd	14,686,200	19,697,164	23,204,196	1.43
V.S. Industry Bhd – Warrant	15,079,100	4,425,526	7,614,945	0.47
	<u>78,903,500</u>	<u>130,484,505</u>	<u>151,027,208</u>	<u>9.29</u>
<b>Materials</b>				
Ancom Bhd	1,427,400	3,357,303	3,953,898	0.24
Lion Industries Corporation Bhd	2,182,700	1,834,040	1,669,766	0.10
Petronas Chemicals Group Bhd	4,341,700	35,431,256	37,729,373	2.32
Press Metal Aluminum Holding Bhd	12,554,300	33,543,985	46,735,136	2.88
	<u>20,506,100</u>	<u>74,166,584</u>	<u>90,088,173</u>	<u>5.54</u>
<b>Real Estate</b>				
Sime Darby Property Bhd	5,623,500	4,170,950	4,077,038	0.25
SP Setia Bhd	8,105,300	9,549,906	12,644,268	0.78
	<u>13,728,800</u>	<u>13,720,856</u>	<u>16,721,306</u>	<u>1.03</u>
<b>TOTAL SHARIAH - COMPLIANT QUOTED SECURITIES - LOCAL</b>	<b><u>179,775,200</u></b>	<b><u>426,118,246</u></b>	<b><u>463,747,786</u></b>	<b><u>28.54</u></b>

**PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2021 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - FOREIGN</b>				
<b>AUSTRALIA</b>				
<b>Health Care</b>				
CSL Ltd	5,559	4,933,840	5,211,389	0.32
Ramsay Health Care Ltd	108,089	23,564,497	23,746,755	1.46
	<u>113,648</u>	<u>28,498,337</u>	<u>28,958,144</u>	<u>1.78</u>
<b>Industrials</b>				
ALS Ltd	<u>401,708</u>	<u>8,817,205</u>	<u>16,555,414</u>	<u>1.02</u>
<b>Materials</b>				
BlueScope Steel Ltd	147,942	10,470,109	9,517,150	0.59
OZ Minerals Ltd	158,979	12,137,520	12,464,045	0.77
	<u>306,921</u>	<u>22,607,629</u>	<u>21,981,195</u>	<u>1.36</u>
<b>TOTAL AUSTRALIA</b>	<b><u>822,277</u></b>	<b><u>59,923,171</u></b>	<b><u>67,494,753</u></b>	<b><u>4.16</u></b>
<b>CAYMAN ISLANDS</b>				
<b>Consumer Discretionary</b>				
Alibaba Group Holding Ltd	<u>312,800</u>	<u>37,065,437</u>	<u>27,129,863</u>	<u>1.67</u>
<b>TOTAL CAYMAN ISLANDS</b>	<b><u>312,800</u></b>	<b><u>37,065,437</u></b>	<b><u>27,129,863</u></b>	<b><u>1.67</u></b>
<b>CHINA</b>				
<b>Health Care</b>				
WuXi AppTec Co Ltd	<u>230,380</u>	<u>12,511,915</u>	<u>20,385,917</u>	<u>1.26</u>
<b>Industrials</b>				
Shenzhen Inovance Technology Co Ltd	<u>632,970</u>	<u>23,210,367</u>	<u>26,676,586</u>	<u>1.64</u>
<b>Consumer Discretionary</b>				
China Tourism Group Duty Free - A	181,129	8,919,347	31,417,188	1.93
Midea Group Co Ltd - A	587,284	17,556,537	26,094,377	1.61
	<u>768,413</u>	<u>26,475,884</u>	<u>57,511,565</u>	<u>3.54</u>

**PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**

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

<b>Name of counter</b>	<b>Quantity Units</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>2021 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES – FOREIGN (CONTINUED)</b>				
<b>CHINA (CONTINUED)</b>				
<b>Materials</b>				
Anhui Conch Cement Co. Ltd	190,500	4,818,553	3,922,827	0.24
<b>TOTAL CHINA</b>	<b>1,822,263</b>	<b>67,016,719</b>	<b>108,496,895</b>	<b>6.68</b>
<b>HONG KONG, CHINA</b>				
<b>Industrials</b>				
Techtronic Industries Co	206,000	14,755,478	17,548,977	1.08
<b>Consumer Discretionary</b>				
Brilliance China				
Automotive Holding Bhd	2,354,000	9,028,616	9,143,713	0.56
Li Ning Co. Ltd	490,000	13,301,898	22,553,059	1.39
Shenzhou International Group	282,900	16,706,858	25,259,117	1.56
	3,126,900	39,037,372	56,955,889	3.51
<b>Communication Services</b>				
Tencent Holding Ltd	89,200	25,194,761	22,829,857	1.41
<b>Information Technology</b>				
Kingboard Laminates Holding Ltd				
	1,313,000	5,306,776	8,523,497	0.52
<b>TOTAL HONG KONG, CHINA</b>	<b>4,735,100</b>	<b>84,294,387</b>	<b>105,858,220</b>	<b>6.52</b>
<b>INDIA</b>				
<b>Health Care</b>				
Apollo Hospitals Enterprise Ltd	39,122	3,034,859	9,220,718	0.57
<b>Industrials</b>				
Container Corporation of India Ltd	536,419	17,571,275	19,432,867	1.20

**PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**

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

<b>Name of counter</b>	<b>Quantity Units</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>2021 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES – FOREIGN (CONTINUED)</b>				
<b>INDIA (CONTINUED)</b>				
<b>Consumer Discretionary</b>				
Titan Co Ltd	139,741	7,889,128	18,419,305	1.13
<b>Materials</b>				
Asian Paints Ltd	137,262	23,193,042	23,531,584	1.45
<b>Information Technology</b>				
Tata Consultancy Services Ltd	127,726	16,363,122	23,999,150	1.48
<b>Consumer Staples</b>				
Dabur India Ltd	658,020	18,626,248	21,318,206	1.31
<b>Energy</b>				
Reliance Industries Ltd	42,463	1,515,878	71,714,855	4.42
Reliance Industries Ltd - Partly Paid 1st Call	511,319	43,524,226	4,467,341	0.28
	553,782	45,040,104	76,182,196	4.70
<b>TOTAL INDIA</b>	<b>2,192,072</b>	<b>131,717,778</b>	<b>192,104,026</b>	<b>11.84</b>
<b>INDONESIA</b>				
<b>Communication Services</b>				
Telekomunikasi TBK PT	20,322,900	22,537,839	22,558,013	1.39
<b>TOTAL INDONESIA</b>	<b>20,322,900</b>	<b>22,537,839</b>	<b>22,558,013</b>	<b>1.39</b>
<b>NETHERLANDS</b>				
<b>Information Technology</b>				
ASML Holding N.V.	25,898	68,473,999	87,134,088	5.36
<b>TOTAL NETHERLANDS</b>	<b>25,898</b>	<b>68,473,999</b>	<b>87,134,088</b>	<b>5.36</b>
<b>SINGAPORE</b>				
<b>Communication Services</b>				
NetLink NBN Trust Singapore	3,781,800	11,435,448	11,870,874	0.73
Telecommunications	2,930,600	22,389,585	22,546,571	1.39
	6,712,400	33,825,033	34,417,445	2.12

**PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2021 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES – FOREIGN (CONTINUED)</b>				
<b>TOTAL SINGAPORE</b>	<b>6,712,400</b>	<b>33,825,033</b>	<b>34,417,445</b>	<b>2.12</b>
<b>SOUTH KOREA</b>				
<b>Materials</b>				
LG Chem Ltd	8,964	20,120,207	26,542,659	1.63
<b>Information Technology</b>				
Samsung Electronics Co. Ltd	88,431	16,054,893	21,862,320	1.35
SK Hynix Inc	102,030	42,132,328	37,222,146	2.29
	190,461	58,187,221	59,084,466	3.64
<b>TOTAL SOUTH KOREA</b>	<b>199,425</b>	<b>78,307,428</b>	<b>85,627,125</b>	<b>5.27</b>
<b>TAIWAN</b>				
<b>Industrials</b>				
AirTac International Group	59,647	5,618,529	7,366,643	0.45
<b>Information Technology</b>				
E Ink Holding Incorporation	1,018,000	11,825,541	13,920,865	0.86
MediaTek Inc.	174,000	16,361,585	23,638,666	1.46
Taiwan Semiconductor Manufacturing Co Ltd	1,600,000	62,566,870	140,467,200	8.65
	2,792,000	90,753,996	178,026,731	10.97
<b>TOTAL TAIWAN</b>	<b>2,851,647</b>	<b>96,372,525</b>	<b>185,393,374</b>	<b>11.42</b>
<b>THAILAND</b>				
<b>Health Care</b>				
Bangkok Dusit Medical Service - NVDR	5,994,200	18,215,377	17,551,758	1.08
<b>TOTAL THAILAND</b>	<b>5,994,200</b>	<b>18,215,377</b>	<b>17,551,758</b>	<b>1.08</b>

**PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**

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

<b>Name of counter</b>	<b>Quantity Units</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>2021 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES – FOREIGN (CONTINUED)</b>				
<b>UNITED STATES</b>				
<b>Consumer Discretionary</b>				
NIO Inc - ADR	113,388	17,654,528	18,495,623	1.14
<b>Communication Services</b>				
Alphabet Inc. - CI A	3,297	39,310,221	40,405,552	2.49
Sea Ltd	16,841	8,803,576	23,948,512	1.47
	<u>20,138</u>	<u>48,113,797</u>	<u>64,354,064</u>	<u>3.96</u>
<b>Materials</b>				
Linde Plc	17,338	22,531,868	22,906,425	1.41
<b>Information Technology</b>				
Paypal Holdings Inc	9,628	11,663,182	9,268,779	0.57
<b>TOTAL UNITED STATES</b>	<b><u>160,492</u></b>	<b><u>99,963,375</u></b>	<b><u>115,024,891</u></b>	<b><u>7.08</u></b>
<b>TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES - FOREIGN</b>	<b><u>46,151,474</u></b>	<b><u>797,713,068</u></b>	<b><u>1,048,790,451</u></b>	<b><u>64.59</u></b>
<b>TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES</b>	<b><u>247,986,405</u></b>	<b><u>1,248,252,205</u></b>	<b><u>1,536,883,647</u></b>	<b><u>94.63</u></b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>288,631,442</u>		
<b>TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>1,536,883,647</u>		

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

<sup>1</sup> NVDR, or non-voting depository receipt, is a trading instrument issued by Thai NVDR Company Limited, a subsidiary wholly owned by the Stock Exchange of Thailand (“SET”). It is a valid security as specified by the United States Securities and Exchange Commission (“SEC”) and is automatically regarded as a listed security by the SET. The underlying security is a listed security in the SET.

**9. CASH AND CASH EQUIVALENTS**

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Shariah-compliant deposits with licensed Islamic financial institutions	87,145,422	88,758,295
Bank balances	24,944,743	1,965,283
	112,090,165	90,723,578

**10. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS**

Net assets attributable to unit holders as at the reporting date comprises of:

<b>EQUITY</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Unit holders’ capital	1,232,426,805	1,223,680,858
Retained earnings	49,056,246	400,083,716
	1,281,483,051	1,623,764,574

	<b>Note</b>	<b>Unit holders’ capital</b>	<b>Retained earnings</b>	<b>Total</b>
		<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Balance as at 1 November 2021</b>		1,223,680,858	400,083,716	1,623,764,574
Movement in unit holders’ contributions:				
- Creation of units from applications		159,646,853	-	159,646,853
- Creation of units from distribution		40,784,401	-	40,784,401
- Cancellation of units		(191,685,307)	-	(191,685,307)
Total comprehensive loss for the financial year		-	(310,193,636)	(310,193,636)
Distribution	<b>6</b>	-	(40,833,834)	(40,833,834)
<b>Balance as at 31 October 2022</b>		1,232,426,805	49,056,246	1,281,483,051

**10. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS (CONTINUED)**

	<b>Note</b>	<b>Unit holders' capital RM</b>	<b>Retained earnings RM</b>	<b>Total RM</b>
<b>Balance as at 1 November 2020</b>		1,289,748,690	218,236,938	1,507,985,628
Movement in unit holders' contributions:				
- Creation of units from applications		271,885,889	-	271,885,889
- Creation of units from distribution		52,797,306	-	52,797,306
- Cancellation of units		(390,751,027)	-	(390,751,027)
Total comprehensive income for the financial year		-	234,716,345	234,716,345
Distribution	<b>6</b>	-	(52,869,567)	(52,869,567)
<b>Balance as at 31 October 2021</b>		<u>1,223,680,858</u>	<u>400,083,716</u>	<u>1,623,764,574</u>

**11. NUMBER OF UNITS IN CIRCULATION (UNITS)**

	<b>2022</b>	<b>2021</b>
	<b>No of units</b>	<b>No of units</b>
At the beginning of the financial year	2,478,578,493	1,429,506,284
Add : Creation of units from applications	266,782,308	328,875,185
Add : Creation of units from distribution	79,486,262	1,137,984,878
Less : Cancellation of units	<u>(320,639,596)</u>	<u>(417,787,854)</u>
At the end of the financial year	<u>2,504,207,467</u>	<u>2,478,578,493</u>

**12. TOTAL EXPENSE RATIO ("TER")**

	<b>2022</b>	<b>2021</b>
	<b>%</b>	<b>%</b>
TER	<u>1.55</u>	<u>1.62</u>

TER is derived based on the following calculation:

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

- A = Management fee (excluded rebate)
- B = Trustee and custodian fees
- C = Audit fee
- D = Tax agent's fee
- E = Other expenses excluding CDS transfer fee and withholding tax
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is RM1,457,184,718 (2021: RM1,625,256,518).



**13. PORTFOLIO TURNOVER RATIO (“PTR”)**

	<b>2022</b>	<b>2021</b>
PTR (times)	<u>0.64</u>	<u>0.69</u>

PTR is derived from the following calculation:

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

where:

total acquisition for the financial year = RM911,321,882 (2021: RM1,052,732,730)

total disposal for the financial year = RM968,401,755 (2021: RM1,206,109,039)

**14. 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 were as follows:

<u>Related parties</u>	<u>Relationship</u>
Principal Asset Management Berhad	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 Berhad, 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 Islamic Bank Bhd	Fellow related party to the Manager
CIMB 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
CGS-CIMB Securities (Singapore) Pte Ltd	Fellow related party to the Manager

**PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**

**14. 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

	<b>2022</b>		<b>2021</b>	
	<b>No. of units</b>	<b>RM</b>	<b>No. of units</b>	<b>RM</b>
<b>Manager</b>				
Principal Asset Management Berhad	202,237	103,485	417,407	273,527

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.

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<u>Significant related party transactions</u>		
Profit income from Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	4,641	29,488
Management fee rebate:		
- PT Principal Asset Management	143,511	158,729
- Principal Asset Management Berhad	206,786	197,176
<u>Significant related party balances</u>		
Bank balance:		
- CIMB Islamic Bank Bhd	-	93,950
<u>Shariah-compliant collective investment schemes</u>		
- RD Principal Islamic Equity Growth Syariah	8,054,693	7,704,267
- Principal Islamic Asia Pacific Dynamic Income & Growth Fund	13,607,430	16,641,143
- Principal Islamic Global Respons Equity Fund	6,091,719	-

Other than those disclosed elsewhere in the financial statements, there were no significant related party balances during the financial year.

**PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**

**15. TRANSACTIONS WITH BROKERS**

Details of transactions with the top 10 brokers for the financial year ended 31 October 2022 were as follows:

<b>Brokers</b>	<b>Value of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
J.P. Morgan Securities LLC	296,708,700	16.39	99,887	6.24
Citigroup Global Markets Ltd	237,235,425	13.11	163,574	10.23
CLSA Securities (Malaysia) Sdn Bhd	201,780,723	11.15	106,027	6.63
Credit Suisse (Hong Kong) Ltd	196,907,173	10.88	180,886	11.31
Jefferies International Ltd	120,156,020	6.64	94,124	5.88
Macquarie Securities AU Ltd	106,186,209	5.87	106,850	6.68
Instinet Pacific Ltd	94,500,901	5.22	85,812	5.36
DBS Vickers Sec (Singapore) Pte Ltd	81,159,556	4.48	121,739	7.61
Sanford C Bernstein & Co LLC	51,001,684	2.82	49,900	3.12
RHB Investment Bank Bhd	38,104,268	2.11	76,804	4.80
Others #	386,122,763	21.33	513,988	32.14
	<u>1,809,863,422</u>	<u>100.00</u>	<u>1,599,591</u>	<u>100.00</u>

Details of transactions with the top 10 brokers for the financial year ended 31 October 2021 were as follows:

<b>Brokers</b>	<b>Value of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
Citigroup Global Markets Ltd	365,880,323	16.20	211,105	7.50
CLSA Securities (Malaysia) Sdn Bhd	214,067,202	9.48	159,485	5.67
J.P. Morgan Securities LLC	196,916,488	8.72	69,766	2.48
DBS Vickers Securities (Singapore) Pte Ltd	162,096,332	7.18	244,572	8.69
RHB Investment Bank Bhd	135,738,313	6.01	279,965	9.95
Maybank Investment Bank Bhd	126,558,792	5.60	265,014	9.42
Macquarie Securities (Australia) Sdn Bhd	126,231,721	5.59	161,994	5.76
CGS-CIMB Securities Sdn Bhd #	115,704,362	5.12	191,723	6.81
Credit Suisse Securities (Hong Kong) Ltd	113,046,570	5.01	94,237	3.35
KAF Equities Sdn Bhd	96,301,655	4.26	197,381	7.02
Others	605,792,152	26.83	938,040	33.35
	<u>2,258,333,910</u>	<u>100.00</u>	<u>2,813,282</u>	<u>100.00</u>

**15. TRANSACTIONS WITH BROKERS (CONTINUED)**

# Included in the transactions are trades conducted with CGS-CIMB Securities Sdn Bhd and related parties to the Manager amounting to RM34,258,997 (2021: RM115,704,362) and CGS-CIMB Sec (Singapore) Pte Ltd RM337,132 (2021: 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.

**16. SIGNIFICANT EVENT DURING THE YEAR**

The COVID-19 pandemic and related lockdowns and movement restrictions, together with geopolitical tensions and heightened inflationary environment globally have had, and will continue to have, a significant impact on global economic conditions and the environment which the Fund operates.

The Manager continues to closely monitor the macro-economic outlook as a result of COVID-19 pandemic and its impact to the Fund's performance and will be managing the risks to achieve the Fund's objective.

**17. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved for issue by the Manager on 16 December 2022.

**DIRECTORY**

**Head Office of the Manager**

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**Shariah Adviser of the PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND**

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