

Principal DALI Asia Pacific Equity Growth Fund

Annual Report

For The Financial Year Ended 31 October 2023

PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND
ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

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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 2023. You may also download this report from our website at www.principal.com.my.

We are happy to share that Principal Malaysia won two awards at the International Finance's 2023 Financial Awards and Leadership Awards. The awards were for Best Asset Management Company (Malaysia) and Best Asset Management CEO (Malaysia) – Ms. Munirah Khairuddin. We also won the Best Impact – Climate Action, Gold award for Principal Asia Pacific Renewables Fund at The Edge ESG Awards 2023.

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), like our Facebook page (@PrincipalAssetMY), 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
Country Head and Chief Executive Officer, Malaysia
Non-Independent Executive Director

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?

The Fund is meeting its objective of outperforming of the benchmark over the long-term.

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 2023?

RM1,259.28 million (2,371.96 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 2023?

There is no distribution for the financial year ended 31 October 2023.

PERFORMANCE DATA

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

	31.10.2023 %	31.10.2022 %	31.10.2021 %
Shariah-compliant collective investment scheme	2.46	2.17	1.39
Shariah-compliant quoted securities			
- Communication Services	3.94	7.09	10.69
- Consumer Discretionary	10.33	6.39	18.20
- Consumer Staples	8.85	8.77	4.79
- Energy	9.59	10.63	9.53
- Financials	-	1.22	1.06
- Health Care	3.22	6.38	7.32
- Industrials	4.16	10.67	7.20
- Information Technology	33.28	23.64	26.13
- Materials	11.08	11.36	4.22
- Real Estate	6.38	1.70	0.69
- Utilities	2.06	1.32	4.60
Cash and other assets	5.42	9.02	4.89
Liabilities	(0.77)	(0.36)	(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:

	31.10.2023	31.10.2022	31.10.2021
NAV (RM Million)	1,259.28	1,281.48	1,623.76
Units in circulation (Million)	2,371.96	2,504.21	2,478.58
NAV per unit (RM)	0.5309	0.5117	0.6551
Highest NAV per unit (RM)	0.5686	0.6625	1.3004
Lowest NAV per unit (RM)	0.5103	0.4993	0.6476
Total return (%)	3.73	(19.32)	15.58
- Capital growth (%)	3.73	(21.87)	11.78
- Income distribution (%)	-	3.27	3.40
Total Expense Ratio ("TER") (%) ^	1.59	1.55	1.62
Portfolio Turnover Ratio ("PTR") (times) #	0.62	0.64	0.69

^ The Fund's TER increased from 1.55% to 1.59% was mainly due to a decrease in average NAV during the financial year under review.

The Fund's PTR was 0.62 times as of 31 October 2023, about the same level as the previous year.

PERFORMANCE DATA (CONTINUED)

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

	01.11.2022 to 31.10.2023	01.11.2021 to 31.10.2022	01.11.2020 to 31.10.2021
Gross/Net distribution per unit (sen)			
Distribution on 07 October 2022	-	1.68	-
Distribution on 15 October 2021	-	-	2.20

	31.10.2023	31.10.2022	31.10.2021	31.10.2020	31.10.2019
	%	%	%	%	%
Annual total return	3.73	(19.32)	15.58	16.92	9.64

(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 2022 TO 31 OCTOBER 2023)

Local Equity

FBMS Index started the financial period under review on a strong note, jumping 371.98 points (“pts”) or 3.6% gains to 10,783 pts in November 2022 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 Federal Reserve (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 US dollar strength waned, and treasury yields compressed, helping Emerging Markets (“EM”) flows and currencies.

FBMS Index rose 155.46 pts and ended the year at 10,938.55 pts, aided by year-end window-dressing and optimism over China’s reopening come 8th January 2023. However, these were negated by renewed fears of a US recession with concerns of inflation staying higher for longer and as the pace of the Fed rate hikes starts taking a toll on the economy. Recent Institute for Supply Management (“ISM”) data showed an unexpected rise in services industry in November 2022 while employment and wage growth remain robust, albeit US home prices fell for the fourth month running. Commodities (mainly Plantation +5%), Transport (+5%; mainly MISC), Healthcare (+7%) and Utilities (+2%) were among the key gainers for the month, while Technology and Telecommunication languished.

The FBMS Index rallied on during the month of January 2023 gaining 137.65 points or 1.26% to end the month at 11,076.20 points despite Malaysia’s Purchasing Managers Index (“PMI”) declined further from to 46.5 pts from 47.8 pts in December 2022, representing the sixth consecutive month of contraction which contrasted the rest of ASEAN. Bank Negara also surprised with a rate hike pause, holding Opening Price Rate (“OPR”) at 2.75%.

In February 2023, the FBMS Index eased 278.53 points or 2.51%. Investors remained cautious leading up to Budget 2023 while renewed concerns over the Fed staying hawkish given persistent inflation coupled with encouraging consumption and employment data in the US recently further weighed on sentiment. The rebound in the US dollar also took flows out of emerging markets.

FBMS fell 81pts or –0.8%, ending the month of March 2023 at 10,716pts. Weakness was in line with the sell-off in regional markets as investors aggressively risked off following the collapse of several high-profile banks in the US and Europe, potentially triggering a global liquidity squeeze, and mounting worries that the Fed’s aggressive tightening may have finally taken a toll on the US economy.

MARKET REVIEW (1 NOVEMBER 2022 TO 31 OCTOBER 2023) (CONTINUED)**Local Equity (continued)**

Market however rebounded towards the later part of the month following the Fed's decision to go ahead with a 25 basis points ("bps") hike, downplaying fears of a banking contagion and shifting attention back to inflation which has started to ease, albeit very gradually. Commodities were sold down in favor of defensive sectors such as Healthcare and Utilities during the month.

For the month of April 2023, FBMS Index was up 20 points or 0.19%, ending the month at 10,737 pts. Utilities, Commodities, Telecommunications did well during the month. We have a lower first quarter of 2023 US Gross Domestic Products ("GDP") print of a mere 1%, down from 2.6% in fourth quarter of 2022. US consumer spending remains strong on the back of low unemployment and solid wage gains. Consumer Price Index ("CPI") cooled to 5% in March 2023, but core Personal consumption expenditures ("PCE") picked up from 3.5% in February 2023 to 3.6% in March 2023 no thanks to higher rents. All said, the Fed will likely go ahead with the 25bps hike in the upcoming The Federal Open Market Committee ("FOMC") meeting, and together with tighter credit conditions following recent collapse of several high-profile US banks, recession risk runs high.

FBMS Index fell 191 points or 1.8%, ending the month of May 2023 at 10,553.35. The sell-off was relatively broad-based, with select stocks within defensive sectors showing green, and we believe it was largely triggered by the recent weakness of the Ringgit on the back of poor Chinese data and consequently the depreciation of the Yuan. Further aggravating the situation was the stronger US dollar ("USD") due to concerns surrounding the US debt ceiling, and recent US data – encouraging payroll and wage, sticky inflation, and more recently a rebound in job openings - stoking bets on further rates hikes in the next FOMC meeting.

FBMS Index fell another 190 pts to 10,414.87 or -1.8%, ending the month of June 2023. Investors remain wary of the sustained weakness of the MYR, a rather uninspiring first quarter of 2023 corporate results although they were broadly in line, and domestic political uncertainties caused by the upcoming State elections. Expectations of a US recession have now been pushed back to 2024 given the still buoyant data points coming out of the US and consequently stoking bets of further rate hikes by the Fed in second half of 2023.

FBMS Index had a very good July 2023 where FBMS Index gained 537.9 points to 10,952.72 or 5.16%, fully reversing the loss sustained for the entire year. Sentiment was sharply lifted by the slump in the US dollar, benefiting the MYR, and waning expectations of a US recession following recent favorable economic data points – cooling inflation and still resilient jobs market. Gainers were broad-based, with mainly large caps forging ahead.

FBMS Index lost 2.15 pts to 10,920.54 or 0.29% in the month of August 2023, dragged by Telecommunication despite huge interest in Property, Construction and Transport. Sentiment was dampened by rebound in the US dollar and rising US treasury yields on expectations of further interest rate hikes in the US as economic data points remain strong.

FBMS Index lost 46.1pts or 0.4% in September 2023. The sell-off, which largely concentrated towards the last week of the month, was rather broad-based, led by Commodities. While there could be volatility caused by quarter-end rebalancing, investors were spooked by US treasury yields at a 16-year high and persistent dollar strength affecting EM markets, in addition to the Fed's hawkish messaging on interest rates. Domestically, there also seems to be a lack of fresh leads and some political noises surrounding cabinet reshuffling.

FBMS Index continued its downward trend, losing 32.93 pts or 0.3% in October 2023, which bringing the Year To Date ("YTD") decline to 3.6%. There were bargain hunting in Financials and Commodities following the steep sell-off in the previous month, while Telecommunication (mainly mobile operators) were laggards.

MARKET REVIEW (1 NOVEMBER 2022 TO 31 OCTOBER 2023) (CONTINUED)

Local Equity (continued)

Within the broader market, Construction performed while Technology, Energy and Property languished. Overall sentiment remains clouded by the surge in US treasury yields which topped 5% last month and persistent dollar strength affecting EM markets, coupled with tensions in the Middle East.

Foreign Equities

During the financial year under review, topical issues were: a) Tightening monetary policy environment led by the Fed and b) Loosening coronavirus Disease 2019 ("COVID-19") restrictions in China.

At the start of the financial year, we saw signs that the largest contributors such as shelter (rent), transportation and food were peaking. The big unknown was the possible second order effects of wage-price spiral, i.e., demand driven inflation from wage growth.

Towards end-2022, North Asian markets rallied on the back of easing of zero-COVID-19 policy from China, announcement of measures to support the property market and the meeting between President Xi and President Biden in Bali eased concerns about US-China tension. The move by China to implement more pragmatic policies paved the way for Chinese economy to recover from the economic impact of the lockdowns and weakness in property market.

Towards the end of February 2023, US economic data is more mixed versus being on the weaker side in January 2023. Inflation is expected to reach ~3.5% in June 2023 from the peak of 9% in June 2022. There is more uncertainty on the pace of rate hikes.

In March 2023, the interest rate trajectory was made more complicated with early signs of stress in the banking system, i.e. the regional banks. The Fed had reacted quickly with its the Bank Term Funding Program to alleviate any potential liquidity concerns. The futures market was implying a modest 25bps rate hike in the Fed's upcoming May 2023 meeting and thereafter between 1-2 rate cuts by yearend.

In April 2023, jobs growth and the unemployment rate in the US was stronger than expected, which shows the resilience of the economy. It suggests the Fed has little reason to cut in the near term (3 months). While inflation has moderated, and we expect this to continue, core PCE index in March 2023 at +4.6% year-on-year ("y-o-y") (+4.7% y-o-y in February 2023) was still high. China's economic recovery was on track with first quarter of 2023 GDP growth at +2% quarter-on-quarter ("q-o-q") seasonally adjusted. The government is in a pro-growth mode for policies and regulation even though significant stimulus was unlikely. Economic resilience was in domestic driven sectors and services, rather than exports and manufacturing. Exports were likely to soften in the second-half due to headwinds from the global economy and geopolitical tensions.

Towards the end of the financial period, we are seeing an uneven recovery in China's economy. A sustained recovery will need to be supported by an improvement in labor conditions as well as the housing market. Amidst increasing expectations, the government has announced several measures to support the economy, but we are still waiting for a clear signal on a firm turnaround in consumer/business confidence.

The Fed has revised upwards its estimates for 2024/ 2025 median fed funds rate by 50bps to 5.1% and 3.9% respectively from 4.6% and 3.4% while keeping the 2023 median rate unchanged - implying one more rate hike to a median of 5.6% this year. In the near term, the US 10-year treasury bond yield is undergoing a price discovery. With increased treasury issuance in the second half of 2023, we expect US monetary policy to remain relatively hawkish for the next few months.

MARKET REVIEW (1 NOVEMBER 2022 TO 31 OCTOBER 2023) (CONTINUED)

Foreign Equity (continued)

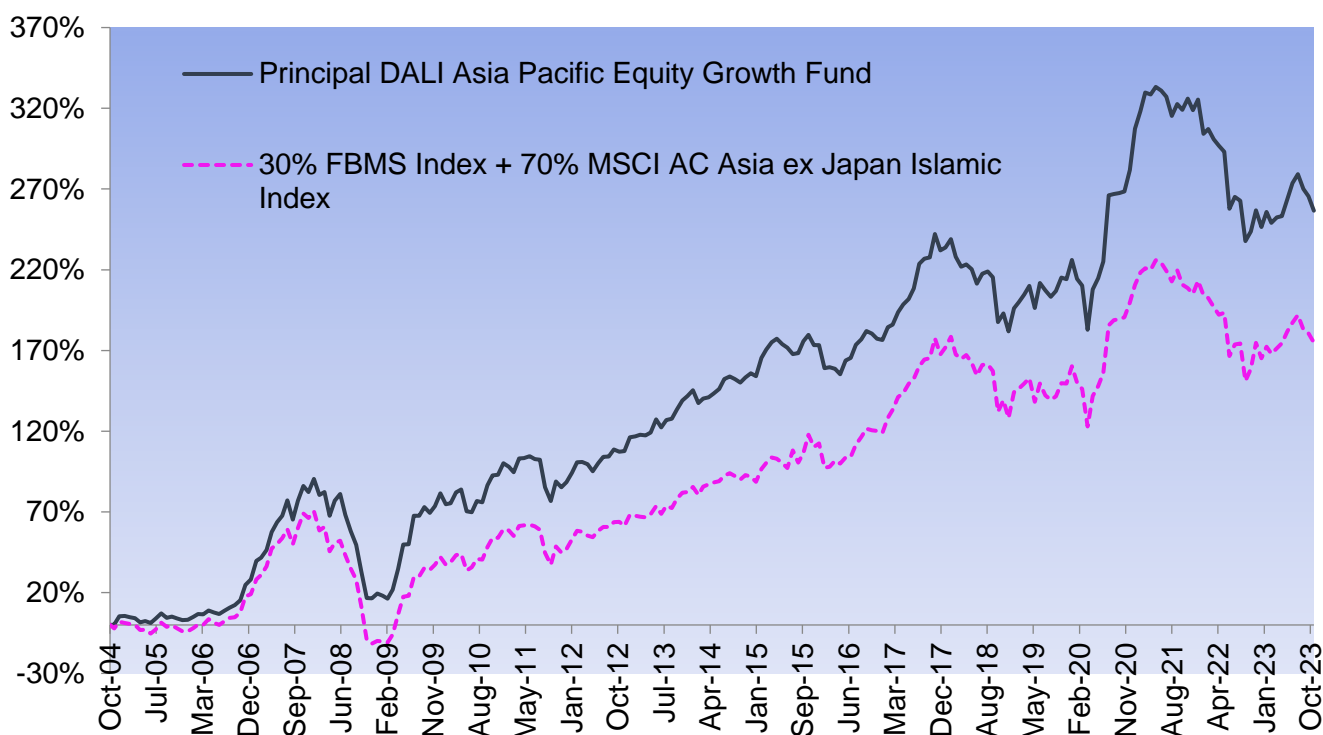
While we expect oil price to remain elevated at USD80 to USD100/barrel in 2024, we do not expect a breakout beyond USD100/barrel to be sustainable. Global stocks have begun to react negatively to the rising bond yields, providing some opportunity to purchase high quality names.

FUND PERFORMANCE

	1 year to 31.10.2023 %	3 years to 31.10.2023 %	5 years to 31.10.2023 %	Since inception to 31.10.2023 %
Income Distribution	-	6.78	9.95	75.16
Capital Growth	3.73	(9.41)	12.78	103.54
Total Return	3.73	(3.27)	24.00	256.52
Benchmark	6.28	(5.38)	18.52	174.93
Average Total Return	3.73	(1.10)	4.40	6.89

For the financial year ended October 2023, the total return for the Fund was 3.73%, underperforming the benchmark return of 6.28%.

Since inception



FUND PERFORMANCE (CONTINUED)

Changes in NAV

	31.10.2023	31.10.2022	Changes %
NAV (RM Million)	1,259.28	1,281.48	(1.73)
NAV/Unit (RM)	0.5309	0.5117	3.75

The Fund's NAV as at 31st October 2023 declined by 1.73% to RM1,259.28 million from RM1,281.48 million in October 2022 mainly due to outflows and the performance of the securities of the Fund. Meanwhile, the NAV per unit improved to RM0.5309 per unit from RM0.5117 per unit.

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)	31.10.2023	31.10.2022
Shariah-compliant collective investment scheme	2.46	2.17
Shariah-compliant quoted securities - local	28.16	25.05
Shariah-compliant quoted securities – foreign	64.73	64.12
Cash and other assets	5.42	9.02
Liabilities	(0.77)	(0.36)
TOTAL	100.00	100.00

Fund allocation is still largely in-line with last fiscal year, except for a slight 3 percentage point increase in local securities.

MARKET OUTLOOK*

Local Equities

Malaysia's equity market valuation remains extremely compressed with forward Price to Earnings ("P/E") ratio of 13.3 times which is still ~1.5 Standard Deviation below the historical mean. This is based on consensus earnings growth of 5% for 2023 and 11% for 2024. More clarity on the new Government's policy posture, in our view, should reduce the current extreme risk premiums applied to the market (yield gap of ~340bps). We are also hopeful that the newly launched National Energy Transition Roadmap ("NETR") by the government would revitalize domestic investment and buoy consumption.

Foreign Equities

As we approach the peak of monetary policy tightening in the US with less inflationary concerns and signs of stress in the banking system (i.e. regional banks), Asian equities should be reasonably well supported.

Although China's macroeconomic policy stance has turned dovish, we need to see more tangible measures being announced that will improve the private sector confidence sufficiently. We are discerning in our stock selection in China should the stimulus tend to fall short of reviving 'animal spirits' and also minimizing geopolitical risks. In Asia, our investments are centered around the bottoming of the technology hardware cycle and improving private sector confidence in India.

MARKET OUTLOOK (CONTINUED)*

Foreign Equities (continued)

Risks:

a) Higher than expected inflation and risk-free rate b) Geopolitics: E.g. US-China tensions which can range from various sanctions, financial markets and military conflicts.

*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 remain positive on the market. We remain constructive on sectors that stand to gain from the National Energy Transition Roadmap ("NETR"), including Utilities, Construction, and Property. Additionally, we remain optimistic on selective Technology due to the ongoing structural growth trends in the sector. Key risks are the derailment of Malaysia's macroeconomic recovery and corporate earnings growth due to the larger-than-expected impact of rising inflation, slower global economic growth, and heightened geopolitical risks.

Foreign Equities

We remain fully invested and well positioned in the areas of a) bottoming of the technology hardware cycle b) long term headroom from low penetration rates, e.g. India c) China's reopening, although we are judicious in which areas. We topped up our holdings in India in the areas of consumer discretionary and staples at the expense of selected healthcare names.

SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (the "Manager") and the Trustee will not retain any form of rebate or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Principal Malaysia Funds ("Funds"). Accordingly, any rebates or shared commission will be directed to the account of the Fund. The Manager may retain goods and services (soft commission) provided by any broker or dealer if the following conditions are met:

- (a) the soft commission bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- (b) any dealings with the broker or dealer is executed on terms which are the most favourable for the Funds; and
- (c) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and the Manager will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

During the financial year under review, the 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. The Manager confirms that the goods and services received were for the benefit of the Fund, the trades were made on a best execution basis 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

There is neither any significant change to the state affairs of the Fund nor any circumstances that materially affect any interest of the unit holders during the financial year under review.

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 2023 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

Country Head and Chief Executive Officer, Malaysia
Non-Independent Executive Director

UDAY JAYARAM

Executive Managing Director,
Head of Southeast Asia
Non-Independent Executive Director

Kuala Lumpur
14 December 2023

TRUSTEE'S REPORT

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

We have acted as Trustee of the Fund for the financial year ended 31 October 2023 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.

For **AMANAHRAYA TRUSTEES BERHAD**

ZAINUDIN BIN SUHAIMI

Chief Executive Officer

Kuala Lumpur, Malaysia
6 December 2023

Shariah Adviser's Report

To the Unit Holders of Principal DALI Asia Pacific Equity Growth Fund ("Fund")

For the Financial Year Ended 31 October 2023

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 assets of the Fund comprise instruments that have been classified as Shariah compliant.

For **Amanie Advisors Sdn Bhd**

Tan Sri Dr. Mohd Daud Bakar
Executive Chairman

Kuala Lumpur
14 December 2023

**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 2023, 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 2023, 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
14 December 2023

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

	Note	2023 RM	2022 RM
INCOME/(LOSS)			
Dividend income		27,004,107	30,707,491
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions at amortised cost and Hibah earned		383,728	307,824
Net gain/(loss) on financial assets at fair value through profit or loss	8	56,869,529	(308,554,640)
Net foreign exchange (loss)/gain		(3,048,836)	1,130,092
		<u>81,208,528</u>	<u>(276,409,233)</u>
EXPENSES			
Management fee	4	19,740,118	21,869,405
Trustee and custodian fees	5	1,526,571	874,776
Audit fee		14,859	9,400
Tax agent's fee		27,580	30,101
Transaction costs		3,872,876	3,358,716
Other expenses		1,968,397	2,429,363
		<u>27,150,401</u>	<u>28,571,761</u>
PROFIT/(LOSS) BEFORE TAXATION		54,058,127	(304,980,994)
Taxation	7	<u>(4,766,605)</u>	<u>(5,212,642)</u>
PROFIT/(LOSS) AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		<u>49,291,522</u>	<u>(310,193,636)</u>
Profit/(Loss) after taxation is made up as follows:			
Realised amount		(45,042,602)	80,037,213
Unrealised amount		94,334,124	(390,230,849)
		<u>49,291,522</u>	<u>(310,193,636)</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2023**

	Note	2023 RM	2022 RM
ASSETS			
Cash and cash equivalents	9	65,154,699	112,090,165
Financial assets at fair value through profit or loss (Shariah-compliant)	8	1,200,725,127	1,170,963,120
Amount due from stockbroker		-	1,153,846
Amount due from Manager		1,736,717	2,068,939
Amount due from Manager of collective investment scheme			
- Management fee rebate		377,012	143,511
Dividends receivable		501,888	167,660
Tax recoverable		515,025	-
TOTAL ASSETS		<u>1,269,010,468</u>	<u>1,286,587,241</u>
LIABILITIES			
Amount due to stockbrokers		4,471,215	-
Amount due to Manager		3,427,364	2,492,379
Accrued management fee		1,623,293	1,600,954
Amount due to Trustee		65,646	64,757
Other payables and accruals		52,172	33,800
Deferred tax liabilities		91,480	40,238
Tax payable		-	872,062
TOTAL LIABILITIES		<u>9,731,170</u>	<u>5,104,190</u>
NET ASSET VALUE OF THE FUND		<u>1,259,279,298</u>	<u>1,281,483,051</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	10	<u>1,259,279,298</u>	<u>1,281,483,051</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	11	<u>2,371,958,154</u>	<u>2,504,207,467</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.5309</u>	<u>0.5117</u>

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

	Note	2023 RM	2022 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>1,281,483,051</u>	<u>1,623,764,574</u>
Movement due to units created and cancelled during the financial year:			
- Creation of units from applications		120,498,992	159,646,853
- Creation of units from distributions		-	40,784,401
- Cancellation of units		<u>(191,994,267)</u>	<u>(191,685,307)</u>
		<u>(71,495,275)</u>	<u>8,745,947</u>
Total comprehensive income/(loss) for the financial year		49,291,522	(310,193,636)
Distribution	6	<u>-</u>	<u>(40,833,834)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	10	<u>1,259,279,298</u>	<u>1,281,483,051</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 2023**

	Note	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of Shariah-compliant quoted securities		830,642,051	967,462,924
Purchase of Shariah-compliant quoted securities		(802,991,748)	(918,965,919)
Dividend income received		24,654,303	28,913,178
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah earned		383,728	307,824
Management fee paid		(19,717,779)	(22,264,515)
Management fee rebates received		220,413	277,988
Trustee and custodian fees paid		(1,525,682)	(891,141)
Payments for other fees and expenses		(53,663)	(64,005)
Tax paid		(6,102,449)	(4,300,341)
Payment of other foreign exchange loss		(980,155)	(1,557,029)
Net cash generated from operating activities		24,529,019	48,918,964
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		120,831,214	161,789,172
Payments for cancellation of units		(191,059,282)	(193,696,941)
Distribution paid		-	(49,432)
Net cash used in financing activities		(70,228,068)	(31,957,201)
Net (decrease)/increase in cash and cash equivalents		(45,699,049)	16,961,763
Effects of foreign exchange differences		(1,236,417)	4,404,824
Cash and cash equivalents at the beginning of the financial year		112,090,165	90,723,578
Cash and cash equivalents at the end of the financial year	9	65,154,699	112,090,165
<u>Cash and cash equivalents comprised:</u>			
Shariah-compliant deposits with licensed Islamic financial institutions		11,171,919	24,944,743
Bank balances		53,982,780	87,145,422
Cash and cash equivalents at the end of the financial year	9	65,154,699	112,090,165

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 2023**

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, a Nineteenth Supplemental Master Deed dated 18 June 2019, a Twentythird Supplemental Master Deed dated 27 June 2022 and a Twentyfourth Supplemental Master Deed dated 20 September 2022 (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 2022 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 2023 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 interest¹ ("SPPI") and therefore are classified as fair value through profit or loss.

¹For 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)

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.

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/RM, 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/RM primarily due to the following factors:

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

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:

	Financial assets at fair value through profit or loss RM	Financial assets at amortised cost RM	Total RM
2023			
Cash and cash equivalents (Note 9)	-	65,154,699	65,154,699
Shariah-compliant collective investment scheme (Note 8)	30,970,434	-	30,970,434
Shariah-compliant quoted securities (Note 8)	1,169,754,693	-	1,169,754,693
Amount due from Manager	-	1,736,717	1,736,717
Amount due from Manager of collective investment scheme			
- Management fee rebate	-	377,012	377,012
Dividends receivable	-	501,888	501,888
	<u>1,200,725,127</u>	<u>67,770,316</u>	<u>1,268,495,443</u>

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

	Financial assets at fair value through profit or loss RM	Financial assets at amortised cost RM	Total RM
2022			
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 stockbrokers	-	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>

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)

(i) Price risk (continued)

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

	2023 RM	2022 RM
Financial assets at fair value through profit or loss:		
- Shariah-compliant collective investment schemes	30,970,434	27,753,842
- Shariah-compliant quoted securities - local	354,672,479	321,256,587
- Shariah-compliant quoted securities - foreign	815,082,214	821,952,691
	<u>1,200,725,127</u>	<u>1,170,963,120</u>

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.

% Change in price of Shariah-compliant collective investment schemes and Shariah- compliant quoted securities	Market value RM	Impact on profit or loss/NAV RM
2023		
-5%	1,140,688,871	(60,036,256)
0%	1,200,725,127	-
5%	<u>1,260,761,383</u>	<u>60,036,256</u>
2022		
-5%	1,112,414,964	(58,548,156)
0%	1,170,963,120	-
5%	<u>1,229,511,276</u>	<u>58,548,156</u>

(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)

(ii) 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:

	2023 %	2022 %
Shariah-compliant deposits with licensed Islamic financial institutions	1.00	1.00

(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:

Financial assets	Cash and cash equivalents RM	Financial assets at fair value through profit or loss RM	Dividends receivable RM	Total RM
2023				
AUD	-	19,342,619	-	19,342,619
CNY	3,407	22,251,132	-	22,254,539

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

(a) Market risk (continued)

(iii) 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
2023				
EUR	-	33,321,494	-	33,321,494
GBP	-	26,123,777	-	26,123,777
HKD	-	70,849,414	-	70,849,414
IDR	-	7,670,717	-	7,670,717
INR	-	237,565,904	308,425	237,874,329
JPY	-	22,825,110	115,968	22,941,078
KRW	-	265,072,279	-	265,072,279
THB	-	26,971,909	-	26,971,909
TWD	-	36,889,821	-	36,889,821
USD	11,332,634	77,168,472	-	88,501,106
	<u>11,336,041</u>	<u>846,052,648</u>	<u>424,393</u>	<u>857,813,081</u>
2022				
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>
Financial liabilities	Amount due to stockbrokers RM	Total RM		
2023				
JPY	<u>4,471,215</u>	<u>4,471,215</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	
		2023	2022
	%	RM	RM
AUD	+/- 5	+/-967,131	+/-3,132,715
CNY	+/- 5	+/-1,112,727	+/-3,628,833
EUR	+/- 5	+/- 1,666,075	-
GBP	+/- 5	+/-1,306,189	+/-1,664,473
HKD	+/- 5	+/-3,542,471	+/-4,705,995
IDR	+/- 5	+/-383,536	+/-1,600,661
INR	+/- 5	+/-11,893,716	+/-9,837,574
JPY	+/- 5	+/-923,493	+/-444,514
KRW	+/- 5	+/-13,253,614	+/-8,984,043
SGD	+/- 5	-	+/-2,197,153
THB	+/- 5	+/-1,348,595	+/-2,481,140
TWD	+/- 5	+/-1,844,491	+/-2,580,721
USD	+/- 5	+/-4,425,055	+/-5,586,049
		<u>+/-42,667,093</u>	<u>+/-46,843,871</u>

(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 stockbrokers RM	Amount due from Manager RM	Amount due from Manager of collective investment scheme – management fee rebate RM	Dividends receivable RM	Total RM
2023						
AAA	65,154,699	-	-	-	-	65,154,699
NR	-	-	1,736,717	377,012	501,888	2,615,617
	<u>65,154,699</u>	<u>-</u>	<u>1,736,717</u>	<u>377,012</u>	<u>501,888</u>	<u>67,770,316</u>
2022						
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>

Shariah-compliant deposits with licensed Islamic financial institutions have an average maturity of 1 day (2022: 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)

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
2023			
Amount due to stockbrokers	4,471,215	-	4,471,215
Amount due to Manager	3,427,364	-	3,427,364
Accrued management fee	1,623,293	-	1,623,293
Amount due to Trustee	65,646	-	65,646
Other payables and accruals	-	52,172	52,172
Contractual undiscounted cash Flows	9,587,518	52,172	9,639,690
2022			
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	-	872,062	872,062
Contractual undiscounted cash Flows	4,158,090	905,862	5,063,952

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders of RM1,259,279,298 (2022: RM1,281,483,051). 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.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2023				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	30,970,434	-	-	30,970,434
- Shariah-compliant quoted securities - local	354,672,479	-	-	354,672,479
- Shariah-compliant quoted securities foreign	815,082,214	-	-	815,082,214
	<u>1,200,725,127</u>	<u>-</u>	<u>-</u>	<u>1,200,725,127</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
2022				
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>

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 2023, the management fee is recognised at a rate of 1.50% per annum (2022: 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 2023, the Trustee fee is recognised at a rate of 0.06% per annum (2022: 0.06% per annum). The foreign custodian fee is recognised at RM736,966 (2022: RM874,776).

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

Distributions to unit holders were derived from the following sources (assessed up to distributions declaration date):

Breakdown of distribution were as follows:

Source of distribution	2023		2022	
	RM	%	RM	%
Distribution out of current year's income	-	-	13,975,704	34.23
Distribution out of prior year's income/capital*	-	-	26,858,130	65.77
Total	-	-	40,833,834	100.00

	2023 RM	2022 RM
Dividend income	-	3,523,335
Profit income	-	29,134
Net realised gain on disposal of Shariah-compliant investments	-	14,557,969
Prior financial years' realised income	-	26,858,130
	-	44,968,568
Less:	-	
Expenses	-	4,134,734
Net distribution amount	-	40,833,834

Gross/Net distribution per unit (sen)		
Distribution on 07 October 2022	-	1.68

* Distribution income has been accrued as at the end of the prior financial year but is not declared and paid as distribution.

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 2023, the Fund incurred no unrealised loss (2022: RM390,230,849).

7. TAXATION

	2023 RM	2022 RM
Tax charged for the financial year:		
- Capital gain tax	1,691,200	3,052,842
- Tax on foreign source income	2,216,208	2,159,800
- Overprovision of prior year taxation	859,197	-
Current taxation	4,766,605	5,212,642

7. TAXATION (CONTINUED)

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

	2023 RM	2022 RM
Profit/(loss) before taxation	54,058,127	(304,980,994)
Taxation at Malaysian statutory rate of 24% (2022: 24%)	12,973,950	(73,195,439)
Tax effects of:		
- (Investment income not subject to tax)/loss not deductible for tax purpose	(19,490,047)	66,338,216
- Expenses not deductible for tax purposes	1,769,950	1,602,926
- Restriction on tax deductible expenses for Unit Trust Funds	4,746,147	5,254,297
Capital gain tax	1,691,200	3,052,842
Tax on foreign source income	2,216,208	2,159,800
Overprovision of prior year taxation	859,197	-
Taxation	4,766,605	5,212,642

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 RM	2022 RM
At fair value through profit or loss at inception:		
- Shariah-compliant collective investment schemes	30,970,434	27,753,842
- Shariah-compliant quoted securities - local	354,672,479	321,256,587
- Shariah-compliant quoted securities - foreign	815,082,214	821,952,691
	<u>1,200,725,127</u>	<u>1,170,963,120</u>
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised (loss)/gain on disposals	(39,222,973)	85,793,040
- Unrealised fair value gain/(loss)	95,638,588	(394,633,693)
- Management fees rebate #	453,914	286,013
	<u>56,869,529</u>	<u>(308,554,640)</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 2023, the rebate is recognised at a rate of 1.50% for RD Principal Islamic Equity Growth Syariah, 0.50% for Principal Islamic Asia Pacific Dynamic Income & Growth Fund, 0.60% for Principal Islam Global Responsible Equity Fund and 1.00% for RD Principal Islamic ASEAN Equity Syariah calculated and accrued daily based on the NAV of the Shariah-compliant collective investment scheme.

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 %
2023				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES				
INDONESIA				
RD Principal Islamic ASEAN Equity Syariah - USD	590,000	2,599,835	2,421,930	0.19
RD Principal Islamic Equity Growth Syariah	21,712,831	10,057,496	7,670,717	0.61
	22,302,831	12,657,331	10,092,647	0.80
TOTAL INDONESIA	22,302,831	12,657,331	10,092,647	0.80
IRELAND				
Principal Islamic Asia Pacific Dynamic Income & Growth Fund	346,900	14,363,395	14,073,032	1.12
Principal Islamic Global Responsible Equity Fund	154,000	6,498,030	6,804,755	0.54
TOTAL IRELAND	500,900	20,861,425	20,877,787	1.66
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEMES	22,803,731	33,518,756	30,970,434	2.46
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		(2,548,322)		
TOTAL FINANCIAL ASSETS AT FAIR THROUGH PROFIT OR LOSS				
		30,970,434		
2023				
SHARIAH-COMPLIANT QUOTED SECURITIES - LOCAL				
Communication Services				
Telekom Malaysia Bhd	1,561,400	7,877,655	7,916,298	0.63
Consumer Discretionary				
Mr D.I.Y. Group (M) Bhd	14,732,350	24,652,484	21,803,878	1.73

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 %
2023 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES – LOCAL (CONTINUED)				
Consumer Staples				
Genting Plantations Bhd	1,297,800	10,920,592	7,034,076	0.56
Karex Bhd	2,745,100	1,980,729	1,578,433	0.13
Kuala Lumpur Kepong Bhd	629,300	15,079,416	13,832,014	1.10
Sime Darby Plantation Bhd	4,517,100	20,640,871	19,604,214	1.56
	<u>9,189,300</u>	<u>48,621,608</u>	<u>42,048,737</u>	<u>3.35</u>
Energy				
Dayang Enterprise Holding Bhd	<u>6,421,000</u>	<u>8,420,748</u>	<u>11,943,060</u>	<u>0.95</u>
Health Care				
Hartalega Holdings Bhd	9,050,400	14,166,901	18,734,328	1.49
Kossan Rubber Industries Bhd	<u>4,705,700</u>	<u>5,810,375</u>	<u>6,352,695</u>	<u>0.50</u>
	<u>13,756,100</u>	<u>19,977,276</u>	<u>25,087,023</u>	<u>1.99</u>
Industrials				
Frontken Corporation Bhd	4,524,200	16,818,148	14,386,956	1.14
Gamuda Bhd	1,431,570	5,306,888	6,642,485	0.53
Mst Golf Group Bhd	<u>1,567,000</u>	<u>1,106,948</u>	<u>752,160</u>	<u>0.06</u>
	<u>7,522,770</u>	<u>23,231,984</u>	<u>21,781,601</u>	<u>1.73</u>
Information Technology				
Eca Integrated Solution Bhd	9,000,300	8,119,106	6,300,210	0.50
Genetec Technology Bhd	7,417,900	18,442,706	17,506,244	1.39
Inari Amertron Bhd	13,748,500	42,526,519	39,183,225	3.11
Infomina Bhd	4,620,000	6,540,399	7,068,600	0.56
MI Technovation Bhd	2,282,000	8,899,800	3,902,220	0.31
My E.G Services Bhd	28,156,917	28,098,870	21,962,395	1.74
Nationgate Holdings Bhd	14,003,200	19,967,499	16,103,680	1.28
V.S. Industry Bhd	<u>17,627,700</u>	<u>18,590,855</u>	<u>15,688,652</u>	<u>1.24</u>
	<u>96,856,517</u>	<u>151,185,754</u>	<u>127,715,226</u>	<u>10.13</u>
Materials				
Ancom Nylex Bhd	10,293,000	9,660,755	12,351,600	0.98
Press Metal Aluminum Holding Bhd	<u>2,066,200</u>	<u>11,377,800</u>	<u>10,165,704</u>	<u>0.81</u>
	<u>12,359,200</u>	<u>21,038,555</u>	<u>22,517,304</u>	<u>1.79</u>

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 %
2023 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES – LOCAL (CONTINUED)				
Real Estate				
Eastern and Oriental Bhd	16,856,700	10,000,626	9,355,469	0.74
Sime Darby Property Bhd	3,421,800	2,537,949	2,104,407	0.17
Skyworld Development Bhd	8,202,200	6,561,760	4,593,232	0.36
SP Setia Bhd	7,492,100	6,706,725	6,293,364	0.50
Sunway Bhd	13,806,600	25,911,481	25,542,210	2.03
	<u>49,779,400</u>	<u>51,718,541</u>	<u>47,888,682</u>	<u>3.80</u>
Utilities				
Tenaga Nasional Bhd	<u>2,623,300</u>	<u>24,595,714</u>	<u>25,970,670</u>	<u>2.06</u>
SHARIAH-COMPLIANT QUOTED SECURITIES – FOREIGN				
AUSTRALIA				
Materials				
BHP Group Ltd	<u>143,331</u>	<u>17,670,013</u>	<u>19,342,619</u>	<u>1.54</u>
TOTAL AUSTRALIA	<u>143,331</u>	<u>17,670,013</u>	<u>19,342,619</u>	<u>1.54</u>
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	<u>292,800</u>	<u>28,879,949</u>	<u>14,262,412</u>	<u>1.13</u>
TOTAL CAYMAN ISLANDS	<u>292,800</u>	<u>28,879,949</u>	<u>14,262,412</u>	<u>1.13</u>
CHINA				
Consumer Discretionary				
BYD Company LTD	74,500	10,463,935	10,762,114	0.85
Midea Group Co Ltd	<u>254,986</u>	<u>9,244,577</u>	<u>8,780,049</u>	<u>0.70</u>
	<u>329,486</u>	<u>19,708,512</u>	<u>19,542,163</u>	<u>1.55</u>
Industrials				
NARI Tech Dev Co Ltd A	<u>918,111</u>	<u>14,181,672</u>	<u>13,471,083</u>	<u>1.07</u>
TOTAL CHINA	<u>1,247,597</u>	<u>33,890,184</u>	<u>33,013,246</u>	<u>2.62</u>

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 %
2023 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES – FOREIGN (CONTINUED)				
FRANCE				
Consumer Discretionary				
Hermes International	1,510	13,457,446	13,496,477	1.07
Consumer Staples				
L'Oreal	9,852	20,524,818	19,825,017	1.57
TOTAL FRANCE	11,362	33,982,264	33,321,494	2.64
HONG KONG, CHINA				
Communication Services				
Tencent Holdings Ltd	133,200	35,638,630	23,440,296	1.86
Consumer Discretionary				
Meituan	13,320	1,862,059	896,437	0.07
Real Estate				
China Overseas Land & Investment Ltd	954,000	11,355,944	8,579,923	0.68
China Resources Land Ltd	724,000	14,052,566	12,908,232	1.03
	1,678,000	25,408,510	21,488,155	1.71
TOTAL HONG KONG, CHINA	1,824,520	62,909,199	45,824,888	3.64
INDIA				
Consumer Discretionary				
Devyani International Ltd	882,302	10,285,220	9,074,088	0.72
Maruti Suzuki India Ltd	21,243	9,982,024	12,627,680	1.00
Titan Co Ltd	130,001	10,050,944	23,718,421	1.88
	1,033,546	30,318,188	45,420,189	3.60
Consumer Staples				
Hindustan Unilever Ltd	108,477	15,763,318	15,412,933	1.22
Varun Beverages Ltd	297,373	13,684,683	15,458,449	1.24
	405,850	29,448,001	30,871,382	2.46
Energy				
Reliance Industries Ltd	563,606	55,400,737	73,757,922	5.86

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 %
2023 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES – FOREIGN (CONTINUED)				
INDIA (CONTINUED)				
Health Care				
Sun Pharma Industries Ltd	249,076	13,454,966	15,509,444	1.23
Information Technology				
Tata Consultancy Services Ltd	48,489	9,302,129	9,343,467	0.74
Materials				
Asian Paints Ltd	137,160	23,866,109	23,502,920	1.87
Ultra Tech Cement Ltd	58,656	23,757,279	28,257,687	2.24
	195,816	47,623,388	51,760,607	4.11
Real Estate				
Macrotech Developers Ltd	241,983	9,807,801	10,902,893	0.87
TOTAL INDIA	2,738,366	195,355,210	237,565,904	18.87
JAPAN				
Consumer Discretionary				
Fast Retailing Co Ltd	4,200	4,403,280	4,365,911	0.35
Consumer Staples				
Ajinomoto Co Inc	107,000	20,285,803	18,459,199	1.47
TOTAL JAPAN	111,200	24,689,083	22,825,110	1.82
NETHERLANDS				
Information Technology				
ASML Holding N.V.	2,934	8,557,740	8,365,520	0.66
TOTAL NETHERLANDS	2,934	8,557,740	8,365,520	0.66
SOUTH KOREA				
Consumer Discretionary				
KIA Corporation	38,456	9,410,425	10,422,885	0.83

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	%
2023 (CONTINUED)				
SHARIAH-COMPLIANT				
QUOTED SECURITIES –				
FOREIGN (CONTINUED)				
SOUTH KOREA				
(CONTINUED)				
Industrials				
LG Energy Solution	6,195	12,103,837	8,417,114	0.67
Information Technology				
Samsung Electro-mechanics	38,924	18,314,084	17,052,423	1.35
Samsung Electronics Co. Ltd	491,334	121,289,885	115,851,177	9.20
Samsung Electronics-PFD	286,141	58,534,961	54,055,812	4.29
Samsung SDI Co Ltd	3,660	9,125,878	5,488,810	0.44
SK Hynix Inc	76,710	32,320,796	31,443,379	2.50
	896,769	239,585,604	223,891,601	17.78
Materials				
LG Chem Ltd	4,748	10,657,155	7,363,103	0.58
POSCO Holdings Inc	10,327	10,094,025	14,977,576	1.19
	15,075	20,751,180	22,340,679	1.77
TOTAL SOUTH KOREA	956,495	281,851,046	265,072,279	21.05
TAIWAN				
Information Technology				
E Ink Holding Incorporation	632,000	9,711,586	15,597,254	1.24
Taiwan Semiconductor Manufacturing Co Ltd	274,000	13,517,642	21,292,567	1.69
	906,000	23,229,228	36,889,821	2.93
TOTAL TAIWAN	906,000	23,229,228	36,889,821	2.93
THAILAND				
Communication Services				
Advanced Info Service PCL - NVDR ¹	630,100	17,641,519	18,320,422	1.45

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 %
2023 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES – FOREIGN (CONTINUED)				
Industrials				
Airports Of Thailand	980,700	8,337,380	8,651,487	0.69
TOTAL THAILAND	1,610,800	25,978,899	26,971,909	2.14
UNITED KINGDOM				
Energy				
Shell PLC	170,053	20,159,892	26,123,777	2.07
TOTAL UNITED KINGDOM	170,053	20,159,892	26,123,777	2.07
UNITED STATES				
Energy				
ConocoPhillips	15,742	9,184,959	8,904,717	0.71
Information Technology				
Apple Inc.	16,043	13,090,472	13,044,906	1.04
Materials				
Linde PLC	12,944	16,821,577	23,553,612	1.87
TOTAL UNITED STATES	44,729	39,097,008	45,503,235	3.62
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	224,861,524	1,177,570,034	1,169,754,693	92.89
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		(7,815,341)		
TOTAL FINANCIAL ASSETS AT FAIR THROUGH PROFIT OR LOSS		1,169,754,693		

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 %
2022				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES				
INDONESIA				
RD Principal Islamic Equity Growth Syariah	21,712,831	10,057,497	8,054,693	0.63
TOTAL INDONESIA	21,712,831	10,057,497	8,054,693	0.63
IRELAND				
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
TOTAL IRELAND	500,900	20,861,425	19,699,149	1.54
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEMES	22,213,731	30,918,922	27,753,842	2.17
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		(3,165,080)		
TOTAL FINANCIAL ASSETS AT FAIR THROUGH PROFIT OR LOSS		27,753,842		
2022				
SHARIAH-COMPLIANT QUOTED SECURITIES - LOCAL				
Communication Services				
Telekom Malaysia Bhd	2,378,100	11,998,111	13,222,236	1.03
Consumer Discretionary				
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
	7,688,250	15,044,651	15,470,089	1.20

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 %
2022 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES – LOCAL (CONTINUED)				
Consumer Staples				
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>
Energy				
Dayang Enterprise Holding Bhd	764,900	1,121,100	948,475	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>4,840,794</u>	<u>0.37</u>
Financials				
Bank Islam Malaysia Bhd	6,154,900	18,405,119	15,571,897	1.22
Health Care				
IHH Healthcare Bhd	1,877,700	11,980,779	11,172,315	0.87
Industrials				
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>
Information Technology				
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>
Materials				
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>

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 %
2022 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES – LOCAL (CONTINUED)				
Real Estate				
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>
SHARIAH-COMPLIANT QUOTED SECURITIES - FOREIGN				
AUSTRALIA				
Energy				
Santos Ltd	<u>1,020,397</u>	<u>21,735,691</u>	<u>23,776,240</u>	<u>1.86</u>
Health Care				
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>
Materials				
BHP Group Ltd	<u>73,446</u>	<u>8,493,888</u>	<u>8,303,445</u>	<u>0.65</u>
TOTAL AUSTRALIA	<u>1,163,788</u>	<u>62,841,098</u>	<u>62,619,822</u>	<u>4.89</u>
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	<u>492,900</u>	<u>48,616,553</u>	<u>18,233,800</u>	<u>1.42</u>
TOTAL CAYMAN ISLANDS	<u>492,900</u>	<u>48,616,553</u>	<u>18,233,800</u>	<u>1.42</u>
CHINA				
Consumer Discretionary				
BYD Company LTD	<u>74,500</u>	<u>10,463,935</u>	<u>7,879,969</u>	<u>0.61</u>
Industrials				
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

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 %
2022 (CONTINUED)				
SHARIAH-COMPLIANT				
QUOTED SECURITIES –				
FOREIGN (CONTINUED)				
CHINA (CONTINUED)				
Industrials (continued)				
Shenzhen Inovance Technology	252,270	9,250,485	10,888,201	0.85
	<u>1,814,559</u>	<u>47,379,163</u>	<u>44,511,150</u>	<u>3.48</u>
Information Technology				
LONGi Green Energy Technology	237,300	9,661,429	7,367,543	0.57
Utilities				
China Yangtze Power Co A	1,295,099	20,190,841	16,978,804	1.32
TOTAL CHINA	<u>3,421,458</u>	<u>87,695,368</u>	<u>76,737,466</u>	<u>5.98</u>
HONG KONG, CHINA				
Communication Services				
Tencent Holding Ltd	133,200	36,062,473	16,486,324	1.29
Consumer Discretionary				
Shenzhen International Group	146,600	8,610,306	4,800,974	0.37
Consumer Staples				
China Mengniu Dairy Co. Ltd	932,000	20,917,820	14,110,760	1.10
Industrials				
Techtronic Industries Co	206,000	14,755,478	9,220,292	0.72
Information Technology				
Kingboard Laminates Holding Ltd	1,441,500	6,259,931	5,440,999	0.42
Real Estate				
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
	<u>981,900</u>	<u>23,166,805</u>	<u>17,925,730</u>	<u>1.40</u>

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 %
2022 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES – FOREIGN (CONTINUED)				
TOTAL HONG KONG, CHINA	3,841,200	109,772,813	67,985,079	5.30
INDIA				
Consumer Discretionary				
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
Consumer Staples				
Dabur India Ltd	610,791	17,823,218	19,345,809	1.51
Energy				
Reliance Industries Ltd	510,616	44,159,335	74,336,580	5.80
Health Care				
Sun Pharma Industries Ltd	249,076	13,454,966	14,462,596	1.13
Industrials				
Container Corp of India Ltd	536,419	17,571,275	24,442,361	1.91
Information Technology				
Tata Consultancy Services Ltd	58,636	7,511,924	10,691,035	0.83
Materials				
Asian Paints Ltd	99,837	17,359,180	17,716,043	1.38
TOTAL INDIA	2,223,337	141,908,215	196,704,706	15.35
INDONESIA				
Communication Services				
Telekomunikasi TBK PT	12,916,100	14,568,068	17,174,939	1.34
TOTAL INDONESIA	12,916,100	14,568,068	17,174,939	1.34

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	%
2022 (CONTINUED)				
SHARIAH-COMPLIANT				
QUOTED SECURITIES –				
FOREIGN (CONTINUED)				
SINGAPORE				
Communication Services				
NetLink NBN Trust	3,193,800	9,692,604	9,122,992	0.71
Singapore Telecommunications	4,166,800	32,450,984	34,802,155	2.72
	7,360,600	42,143,588	43,925,147	3.43
TOTAL SINGAPORE	7,360,600	42,143,588	43,925,147	3.43
SOUTH KOREA				
Information Technology				
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
Materials				
LG Chem Ltd	8,964	20,120,207	18,609,298	1.45
TOTAL SOUTH KOREA	789,613	231,469,730	179,680,387	14.01
TAIWAN				
Information Technology				
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
	1,047,000	38,649,671	51,614,418	4.03
TOTAL TAIWAN	1,047,000	38,649,671	51,614,418	4.03
THAILAND				
Health Care				
Bangkok Dusit Medical Service - NVDR ¹	6,977,800	21,447,270	25,540,848	1.99

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 %
2022 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES – FOREIGN (CONTINUED)				
THAILAND (CONTINUED)				
Industrials				
Airports Of Thailand	<u>2,622,800</u>	<u>22,297,624</u>	<u>24,081,952</u>	<u>1.88</u>
TOTAL THAILAND	<u>9,600,600</u>	<u>43,744,894</u>	<u>49,622,800</u>	<u>3.87</u>
UNITED KINGDOM				
Energy				
Shell PLC	<u>253,381</u>	<u>30,038,480</u>	<u>33,289,450</u>	<u>2.60</u>
TOTAL UNITED KINGDOM	<u>253,381</u>	<u>30,038,480</u>	<u>33,289,450</u>	<u>2.60</u>
UNITED STATES				
Materials				
LINDE PLC	<u>17,338</u>	<u>22,531,868</u>	<u>24,364,677</u>	<u>1.90</u>
TOTAL UNITED STATES	<u>17,338</u>	<u>22,531,868</u>	<u>24,364,677</u>	<u>1.90</u>
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	<u>171,447,865</u>	<u>1,276,046,449</u>	<u>1,143,209,278</u>	<u>89.17</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(102,837,171)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>1,143,209,278</u>		

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

- ¹ 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

	2023 RM	2022 RM
Shariah-compliant deposits with licensed Islamic financial institutions	11,171,919	24,944,743
Bank balances	53,982,780	87,145,422
	<u>65,154,699</u>	<u>112,090,165</u>

10. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

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

	2023 RM	2022 RM
Unit holders' capital	1,160,931,530	1,232,426,805
Retained earnings	98,347,768	49,056,246
	<u>1,259,279,298</u>	<u>1,281,483,051</u>

The movement in the components of net assets attributable to unit holders for the financial year were as follows:

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
Balance as at 1 November 2022		1,232,426,805	49,056,246	1,281,483,051
Movement in unit holders' contributions:				
- Creation of units from applications		120,498,992	-	120,498,992
- Cancellation of units		(191,994,267)	-	(191,994,267)
Total comprehensive loss for the financial year		-	49,291,522	49,291,522
Balance as at 31 October 2023		<u>1,160,931,530</u>	<u>98,347,768</u>	<u>1,259,279,298</u>

10. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS (CONTINUED)

The movement in the components of net assets attributable to unit holders for the financial year were as follows:

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
Balance as at 1 November 2021		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	6	-	(40,833,834)	(40,833,834)
Balance as at 31 October 2022		<u>1,232,426,805</u>	<u>49,056,246</u>	<u>1,281,483,051</u>

11. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2023 No of units	2022 No of units
At the beginning of the financial year	2,504,207,467	2,478,578,493
Add : Creation of units from applications	222,924,431	266,782,308
Add : Creation of units from distribution	-	79,486,262
Less : Cancellation of units	(355,173,744)	(320,639,596)
At the end of the financial year	<u>2,371,958,154</u>	<u>2,504,207,467</u>

12. TOTAL EXPENSE RATIO ("TER")

	2023 %	2022 %
TER	<u>1.59</u>	<u>1.55</u>

TER is derived based on the following calculation:

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

A	=	Management fee (exclude rebates)
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 RM1,315,840,736 (2022: RM1,457,184,718).

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	2023	2022
PTR (times)	<u>0.62</u>	<u>0.64</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 = RM804,961,725 (2022: RM911,321,882)

total disposal for the financial year = RM831,615,332 (2022: 968,401,755)

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
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
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

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

	2023		2022	
	No. of units	RM	No. of units	RM
Manager				
Principal Asset Management Berhad	344,281	182,779	202,237	103,485

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.

	2023 RM	2022 RM
<u>Significant related party transactions</u>		
Profit income from Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	9,836	4,641
Management fee rebate:		
- PT Principal Asset Management	274,782	143,511
- Principal Asset Management Berhad	179,132	206,786
	453,914	350,297
	2023 RM	2022 RM
<u>Shariah-compliant collective investment schemes</u>		
- RD Principal Islamic Equity Growth Syariah	7,670,717	8,054,693
- RD Principal Islamic ASEAN Equity Syariah	2,421,930	-
- Principal Islamic Asia Pacific Dynamic Income & Growth Fund	14,073,032	13,607,430
- Principal Islamic Global Respons Equity Fund	6,804,755	6,091,719
	30,970,434	27,753,842

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

15. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for the financial year ended 31 October 2023 were as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Citigroup Global Markets Ltd	307,978,402	18.87	335,662	13.29
J.P. Morgan Securities LLC	161,920,969	9.92	61,929	2.45
Jefferies International Ltd	141,579,690	8.67	191,195	7.57
Macquarie Capital Securities (M) Sdn Bhd	97,738,759	5.99	201,327	7.97
Macquarie Securities AU Ltd	86,333,264	5.29	166,769	6.60
RHB Investment Bank Bhd	75,494,231	4.62	164,842	6.52
CLSA Ltd	63,946,630	3.92	190,285	7.53
Sanford C Bernstein & Co LLC	63,333,132	3.88	95,973	3.80
J.P. Morgan Securities (M) Sdn Bhd	63,218,279	3.87	87,104	3.45
JP Morgan Securities (Asia Pacific)	45,117,471	2.76	117,654	4.66
Others #	525,707,518	32.21	913,755	36.16
	<u>1,632,368,345</u>	<u>100.00</u>	<u>2,526,495</u>	<u>100.00</u>

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

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
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

15. TRANSACTIONS WITH BROKERS (CONTINUED)

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

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
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>

Included in the transactions are trades conducted with CGS-CIMB Securities Sdn Bhd, fellow related parties to the Manager amounting to RM40,775,313 (2022: RM34,258,997) and CGS-CIMB Securities (Singapore) Pte Ltd RM21,481,855 (2022: RM337,132). 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. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 14 December 2023.

DIRECTORY

Head Office of the Manager

Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))
10th Floor, Bangunan CIMB,
Jalan Semantan,
Damansara Heights,
50490 Kuala Lumpur, MALAYSIA.
Tel: (03) 2084 8888

Website

www.principal.com.my

E-mail address

service@principal.com.my

Customer Care Centre

(03) 7723 7260

Chat with us vis WhatsApp:

(6016) 299 9792

Trustee for the Principal DALI Asia Pacific Equity Growth Fund

AmanahRaya Trustees Berhad (Company No.: 200701008892 (766894-T))
Level 14, Wisma AmanahRaya,
No.2, Jalan Ampang,
50508 Kuala Lumpur.
MALAYSIA.
Tel: (03) 2036 5000/5129
Fax: (03) 2072 0320

Shariah Adviser of the Principal DALI Asia Pacific Equity Growth Fund

Amanie Advisors Sdn. Bhd. (Company No.: 2005011007003 (0684050-H))
Level 13A-2, Menara Tokio Marine Life,
No 189, Jalan Tun Razak,
50400 Kuala Lumpur, MALAYSIA.
Tel: (03) 2161 0260
Fax: (03) 2161 0262

Auditors of the Fund

Ernst & Young PLT 202006000003 (LLP0022760-LCA) & AF 0039
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel: +603 7495 8000
Fax: +603 2095 5332

Principal Asset Management Berhad
199401018399 (304078-K)

Enquiries:

Customer Care Centre
(603)7723 7260

Chat with us via WhatsApp
(6016)299 9792

Email
service@principal.com.my

Website
www.principal.com.my