

Principal DALI Equity Fund

Interim Report

For the Six Months Financial Period Ended 30 November 2020

PRINCIPAL DALI EQUITY FUND

INTERIM REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020

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INVESTORS' LETTER

Dear Valued Investor,

Firstly, allow me to wish you a very Happy New Year! Every year is a new beginning, for us to look back at our achievements and set new goals. My guess is all of us will remember 2020 as one of the most interesting, if not most challenging periods of our lives. Families, businesses and communities are all adjusting as we face new challenges and opportunities.

Here at Principal, it means a renewed commitment to helping our customers. In 2021, we will continue to deliver exciting new investment opportunities and digital innovations for our customers. We are grateful for the opportunity to serve you and for the trust you place in us.

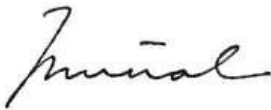
Amid a global pandemic, it might be tempting to think about delaying your investment goals. But, in reality “now” is always a better time than “later” for pursuing your goals and dreams. At Principal, customers are a top priority. We will always work to help you reach your goals, as we did last year throughout the pandemic. We will continue to focus on finding ways to make it easier for you to do investments with us, by offering new solutions around digital payments, digital submissions and digital onboarding to name a few. And, we’re just getting started.

We continue to prefer equities over fixed income and remain positive on Asian equities favouring China and more developed Asian economies on a 12-month basis. We’ve also added more ASEAN names in anticipation of a broader economic recovery which would be strengthened by the greater availability of Coronavirus 2019 (“COVID-19”) vaccines by mid-2021.

As we look towards this year, the team is excited to bring you more insights, tips and innovative solutions to help you manage your investments and reach your long-term financial goals. Visit our website (www.principal.com.my) and follow our Facebook page (@PrincipalAssetMY) in order not to miss these updates and promotions.

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

Yours faithfully,
for **Principal Asset Management Berhad**



Munirah Khairuddin
Chief Executive Officer

MANAGER'S REPORT**FUND OBJECTIVE AND POLICY****What is the investment objective of the Fund?**

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

Has the Fund achieved its objective?

For the financial period under review, the Fund registered a gains of 12.36%, while the benchmark registered a gains of 14.79%. Despite the underperformance, the Fund has achieved its objective.

What are the Fund investment policy and principal investment strategy?

The Fund is a Shariah-compliant equity growth fund and it may invest a minimum of 70% and up to a maximum of 98% of its Net Asset Value ("NAV") principally in Shariah-compliant equities aimed to provide growth and up to 28% of its NAV in other permissible Shariah-compliant investments, such as Sukuk with a minimum credit rating of "A3" or "P2" by RAM Ratings ("RAM") or equivalent rating by Malaysian Rating Corporation Berhad ("MARC") or by local rating agency(ies) of the country of issuance; or "BBB-" by Standard & Poor's ("S&P") or equivalent rating by any other international rating agencies. The Fund may opt to invest in foreign Shariah-compliant equities up to a maximum of 30% 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 the 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). 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 Securities Commission Malaysia ("SC") Guidelines. In line with its objective, the investment strategy and policy of the Fund is to rebalance the portfolio to suit market conditions in order to reduce short-term volatility and provide consistency in capital growth.

The asset allocation strategy for this Fund is as follows:

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

Fund category/type

Equity (Shariah-compliant)/Growth

When was the Fund launched?

30 April 2003

What was the size of the Fund as at 30 November 2020?

RM1,056.81 million (885.93 million units)

What is the Fund's benchmark?

70% Financial Times Stock Exchange ("FTSE") Bursa Malaysia ("FBM") EMAS Shariah ("FBMS") Index + 30% MSCI All Country ("AC") Asia ex Japan Islamic Index

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

What was the net income distribution for the six months financial period ended 30 November 2020?

The Fund distributed a total net income of RM10.58 million to unit holders, as a result, the NAV per unit dropped from RM1.1508 to RM1.1398 on 17 July 2020 for the six months financial period ended 30 November 2020.

PERFORMANCE DATA

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

	30.11.2020	30.11.2019	30.11.2018
	%	%	%
Shariah-compliant collective investment schemes	2.11	0.81	0.84
Shariah-compliant quoted securities			
- Communication Services	8.66	11.28	6.69
- Consumer Discretionary	7.75	6.93	4.63
- Consumer Staples	8.18	8.18	6.55
- Energy	8.42	11.60	10.96
- Financials	2.46	1.29	1.48
- Health Care	12.22	3.66	2.77
- Industrials	9.89	11.12	10.02
- Information Technology	18.84	11.25	11.98
- Materials	7.37	5.90	9.41
- Real Estate	1.81	6.15	5.20
- Utilities	7.23	10.49	9.31
Cash and other net assets	5.06	11.34	20.16
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Note: The Fund had applied the Global Industry Classification Standard ("GICS") sectors classification.

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

	30.11.2020	30.11.2019	30.11.2018
NAV (RM Million)	1,056.81	1,127.42	1,062.98
Units in circulation (Million)	885.93	1,042.60	1,036.15
NAV per unit (RM)	1.1928	1.0813	1.0258
	01.06.2020 to 30.11.2020	01.06.2019 to 30.11.2019	01.06.2018 to 30.11.2018
Highest NAV per unit (RM)	1.2099	1.1051	1.1508
Lowest NAV per unit (RM)	1.0711	1.0427	1.0074
Total return (%)	12.36	3.70	(5.68)
- Capital growth (%)	11.30	-	(8.28)
- Income distribution (%)	0.97	3.70	2.84

PERFORMANCE DATA (CONTINUED)

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

	01.06.2020 to 30.11.2020	01.06.2019 to 30.11.2019	01.06.2018 to 30.11.2018
Management Expense Ratio ("MER") (%) ^	0.97	0.96	0.96
Portfolio Turnover Ratio ("PTR") (times) #	0.37	0.23	0.35

^ The Fund's MER increased from 0.96% to 0.97% due to decreased average NAV during the financial period under review.

The Fund's PTR was increased from 0.23 times to 0.37 times for the financial period under review due to higher trading activities.

Date of distribution	17.07.2020	-	04.07.2018
Gross/Net distribution per unit (sen)	1.10	-	3.03

	30.11.2020	30.11.2019	30.11.2018	30.11.2017	30.11.2016
	%	%	%	%	%
Annual total return	11.39	5.42	(11.02)	14.76	(1.85)

(Launch date: 30 April 2003)

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

MARKET REVIEW (1 JUNE 2020 TO 30 NOVEMBER 2020)

Foreign Equity

Asian equity markets as measured by the MSCI AC Asia ex Japan Islamic Index rose by 33.2% in US Dollar ("USD") terms and 26.3% in Malaysian Ringgit ("MYR") terms during the period under review. Topical issues were the COVID-19 outbreak globally, Governments and central banks reaction towards the pandemic and subsequent reopening of economies which marked the bottom of the equity markets.

Asian equity markets bottomed in March 2020, 3 months prior to the beginning of the period under review. To recap, capital markets went into capitulation in March 2020 upon realization that most countries outside China were unable to contain the COVID-19 outbreak. Most countries subsequently put unprecedented protective orders and unveiled very large fiscal stimulus. Central banks have also cut interest rates and unveiled a list of measures to alleviate financial stress in the economy. This set a fertile backdrop for equities, which rallied from end of March 2020 all the way towards the end of period under review on November 2020. During this period, we saw gradually improving global Purchasing Managers Index ("PMI") across major economies as they reopen and learn to cope with the COVID-19 pandemic.

Towards the end of period under review, beyond a few countries in Europe, Korea and Australia, COVID-19 cases were mostly under control with populous countries such as India and Indonesia having past its peak in cases. The rally in Asian equity markets took a pause from mid-October 2020 in anticipation of the US Presidential elections but resumed its rally post the elections in November 2020 and helped by the positive development on a few vaccines' efficacies. Crude oil and copper prices also rose substantially on the reopening rally.

MARKET REVIEW (1 JUNE 2020 TO 30 NOVEMBER 2020) (CONTINUED)**Local Equity**

For the financial period under review, the FBMS Index gained by 9.33% from 12,025.22 points to 13,147.37 points.

Subsequent to the rally in the month of May 2020, FBMS Index was facing some profit-taking activities after the strong surge since late March 2020 as there are concern of second wave of COVID-19 new infections after movement control order (“MCO”) is being lifted gradually. Over the course of June 2020, the Government has announced further RM35 billion stimulus under National Economic Recovery Plan (“PENJANA”) which consists of RM10 billion in direct fiscal injections, RM8 billion in tax incentives and the rest via measures by public sector entities. The Government also announced that it is offering up to 100% sales tax exemption for Complete Knock-Down (“CKD”) and Complete Built-Up (“CBU”) vehicles from 15 June 2020 till 31 December 2020 while property sector will be boosted by reintroduction of the Home Ownership Campaign (“HOC”), exemption of individuals’ real property gain tax (“RPGT”) and the lifting of the maximum loan-to-value ratio (“LTV”) to 70%.

In July 2020, Malaysia equity market continued to have a strong rally, outperforming its regional peers. The healthcare sector was again the star of the month as the continued rise in global COVID-19 new cases underpinned the spike in demand for personal protective equipment (“PPE”) including gloves. This led to a 68.0% month-on-month (“m-o-m”) gain in Bursa Malaysia healthcare Index. Besides healthcare, technology (+24.4% m-o-m) and plantation (+6.5% m-o-m) are the two other notable sectors which also contributed to the broad rally.

Nonetheless, the rally was not sustained into the month of August 2020 as market sentiment dented by subdued second quarter of 2020 corporate earnings results despite earlier expectation of severe earnings contraction due to the full impact of MCO. The earnings disappointment was further compounded by the absence of any interim dividends by the banks to preserve capital against potential losses as the end of loan moratorium loomed.

The market continued to slide in September 2020 affected by selling pressure on the healthcare sector, due to the correction in glove stocks on vaccine development news flow, as well as the sell-down of some blue-chip stocks amid continued net outflow by foreign institutional investors. Politics was another dampener the equity market (especially for the foreign investors). Given slim majority of the current Government, there was concern of snap general election may be called soon. Any potential change in Government could lead to policy uncertainty, thus negatively impacting the markets in the short term.

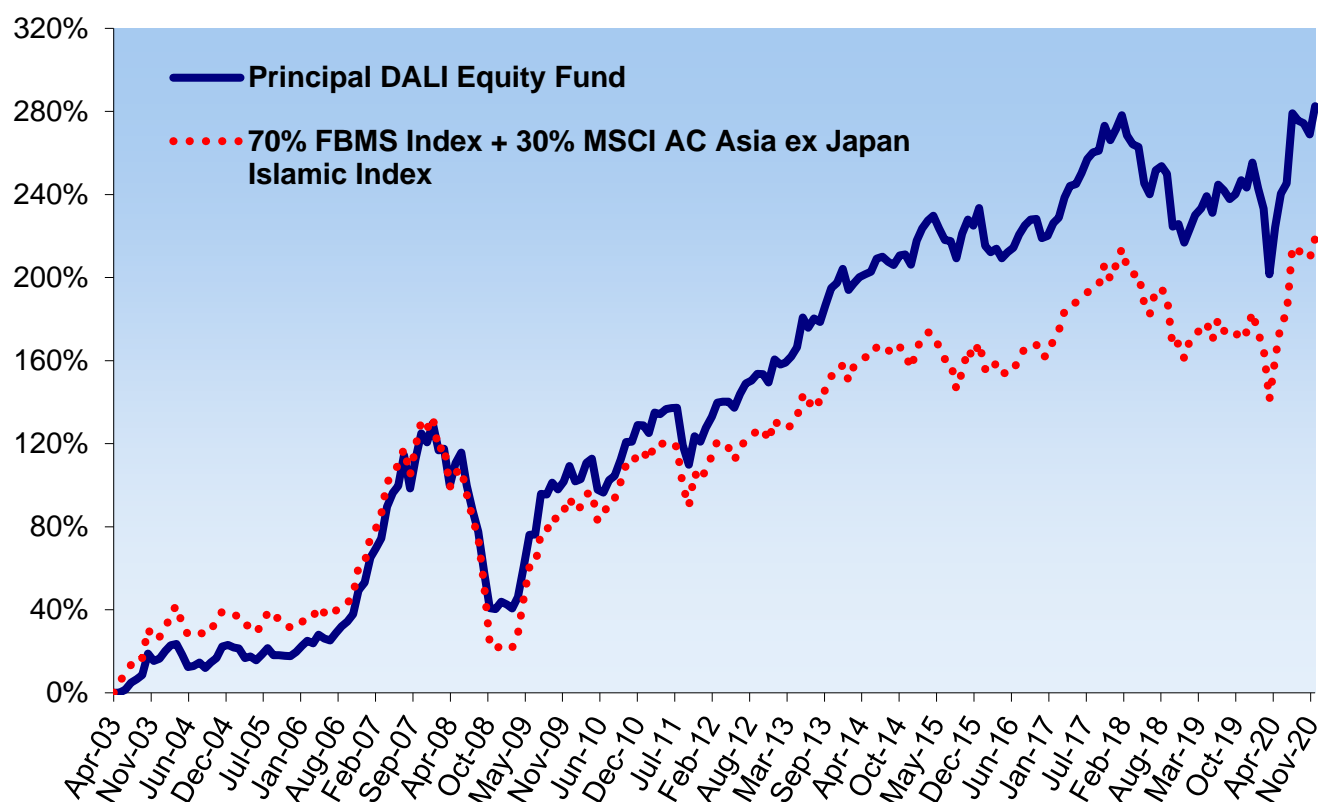
The equity market slipped for third consecutive month in October 2020 since staging a strong rally in July 2020. The sharp rise in COVID-19 post Sabah state election resulted in the implementation of Conditional MCO (“CMCO”). Despite assurance that all economic sectors would be allowed to operate during the implementation of CMCO, productivity and consumer sentiment as well as spending would be affected. Politics also took the limelight in October 2020 when there was news that the Prime Minister had proposed to the King to call for a state of emergency for the country, which was later declined by the King. With threats to the economy were growing by the day, the market hoped that the Budget 2021 would provide enough economic stimulus to steer past the COVID-19 and providing enough safety net for the Bottom 40 (“B40”). Warily, there would a threat that the Budget 2021 may not get enough support for approval.

FBMS Index ended the financial period with a rally amidst the successful test trials of several COVID-19 vaccines and passing of the 2020 Budget by parliament which kept the “Perikatan Nasional” (“PN”) Government in power.

FUND PERFORMANCE

	6 months to 30.11.2020	1 year to 30.11.2020	3 years to 30.11.2020	5 years to 30.11.2020	Since inception to 30.11.2020
	%	%	%	%	%
Income Distribution	0.97	0.97	3.83	16.51	113.59
Capital Growth	11.30	10.34	0.65	1.02	77.93
Total Return	12.36	11.39	4.49	17.70	282.53
Benchmark	14.79	16.66	6.62	20.87	218.91
Average Total Return	N/A	11.39	1.48	3.31	7.92

For the financial period under review, the Fund gained by 12.36%, while the benchmark gained by 14.79%. As such, the Fund underperformed its benchmark by 2.43%.



Changes in NAV

	30.11.2020	31.05.2020 Audited	Changes %
NAV (RM Million)	1,056.81	1,049.83	0.66
NAV/Unit (RM)	1.1928	1.0715	11.32

While the NAV per unit has increased by 11.32% due to positive investment performance, the NAV has only increased by 0.66% due to redemption activities.

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

PORTFOLIO STRUCTURE**Asset allocation**

(% of NAV)	30.11.2020	31.05.2020 Audited
Shariah-compliant collective investment schemes	2.11	0.66
Shariah-compliant quoted securities	92.83	86.71
Cash and other net assets	5.06	12.63
TOTAL	100.00	100.00

The allocation towards cash and other net assets has decreased to 5.06% to reflect our more constructive view on the equity market.

MARKET OUTLOOK***Foreign Equity**

The global economic recovery appears intact heading into 2021 with most major economies posting encouraging PMI levels above 50. Barring sporadic lockdowns in Europe, the COVID-19 situation is broadly under control with populous countries such as India and Indonesia having past its peak in cases. 2021 will likely see the mass use of COVID-19 vaccines which will bring out confidence and speed up a broad-based normalization of business activities.

US and China's relationship is unlikely to change materially given US's bipartisan view to be more assertive against China sparked under President Trump's first term. Nevertheless, China's domestic economy is deep enough and its companies sufficiently innovative to navigate this hostile landscape in the coming years.

We are positive on Asian equities with a view that the rally could broaden out in 2021. We are highly invested and favour growth-oriented stocks.

Local Equity

The Government has proposed a 2021 Budget of RM322.5 billion (+2.5% year-on-year ("y-o-y")) or 20.4% of GDP. Of the total, Operating Expenses amounted to RM236.5 billion (+4.3%), development expenditure of RM69 billion (+38% y-o-y) and COVID-19 fund of RM17 billion. GDP projected to rebound sharply in 2021 by 6.5% - 7.5% in 2021 (versus -4.5% in 2020). After a challenging year, all signs are signalling a buoyant 2021 as COVID-19 vaccine progress continues and policy remains extremely supportive. Construction was one of the beneficiaries seen out of the budget. After all, mega-infra projects now seem to be back in the limelight with mentions of the Mass Rapid Transit 3 ("MRT3") and High-speed Rail ("HSR") by Finance Minister. Other than MRT3, the Government will also continue with the Kuala Lumpur–Singapore HSR, subject to negotiations with Singapore.

The Government has also decided to relax the Employees Provident Fund ("EPF") withdrawal process for the needy and decided not to give a blanket approval for loan moratorium. This has sparked the rebound for Financial stocks post-budget voting.

The global oil market surged on vaccine hopes but a return to pre-crisis oil market fundamentals is some time away. The pandemic meanwhile accelerates the energy transition aided by a wide set of policy support and stimulus measures. Crude oil climbed to its highest level since early-March 2020 on optimism surrounding the vaccine announcements, with sentiment also boosted by US election results. Oil futures turned into backwardation to reflect tighter conditions. Vaccines improve the economic outlook and future oil demand over the 2-year to 3-year horizon but are unlikely to boost demand significantly in the near-term.

MARKET OUTLOOK***Local Equity (continued)**

Rising commodity prices, particularly oil and gas and palm oil, will bode well for Malaysia as these sectors are the major exports and consumption pillars for the country. On COVID-19 front, the Malaysian Government said it has signed an agreement with China and Pfizer to cooperate on the development of a safe and efficacious vaccine, as part of efforts to combat the COVID-19 pandemic. Continuous positive development on the vaccines will instil consumer confidence and sentiment.

* 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**Foreign Equity**

Our fund is fully invested and is positioned structurally in the following areas:

- Technology companies in both Internet and hardware (semiconductors and electric vehicle batteries) with monopolistic power and have the willingness to innovate. Our exposure in these areas are in China, Korea and Taiwan.
- Consumption oriented stocks in China and India which are positioned in growing sub-sectors and gaining market share (e.g. duty-free, jewellery, paints). These are countries which have deep domestic economies with population and demographic advantages.
- Innovators and market share consolidators in their respective fields e.g. education and industrial automation in China, e-commerce and digital healthcare platform in India.

We would be looking out for ideas that will benefit from the broadening out of growth in the upcoming year.

Local Equity

On valuations, FBM Kuala Lumpur Composite Index ("FBMKLCI") is currently trading at 2021 price earnings ("PE") ratio of 15.0 (exclude glove making companies - 15.8) as compared to its 10-year mean of 15.4. We expect the low interest rate environment to be sustained until the economy is on a firmer footing. With such a low interest rate, equity risk premium ("ERP") has widened significantly to 3.85%, approximately 2-standard deviation over mean of 2.72%. This means that equity valuation is actually very cheap now relative to fixed income. We value FBKLCI at 1,730 for the base case for 2021 as we peg it to 17.1 PE. All things being considered, we are positive on Malaysia market from valuations perspective.

The approval of 2021 Budget by the Parliament was the biggest short-term positive development that would help to alleviate political risk in Malaysia. Despite noises of a possible no confidence vote against the Prime Minister and the Budget 2021, it was passed smoothly, and all measures will be implemented in 2021. With major headwinds such as US Presidential Election and Malaysia Budget 2021 are now being addressed and cheap valuations, we are now cautiously optimistic for first half of 2021. Earlier hope for rapid recovery in fourth quarter of 2020 may be dented (due to resurgence of COVID-19 globally) but we are now confident of a sustainable economic recovery in first half of 2021. As a result, we will continue with our high asset allocation of 90% - 95% and focusing on post COVID-19 recovery theme. Sector in focus for will be on Bank and Financial Services, Consumer, Technology and Commodity-related, whilst at the same time reducing our position on the Healthcare and Real Estate Investment Trust ("REIT") sectors.

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 30 November 2020 are as follows:

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	19,219	50.38	5.69
5,001-10,000	11,647	84.93	9.58
10,001-50,000	18,408	400.16	45.17
50,001-500,000	3,347	310.90	35.09
500,001 and above	24	39.56	4.47
Total	52,645	885.93	100.00

SOFT COMMISSIONS AND REBATES

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

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

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

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 13 to 52 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 November 2020 and of its financial performance, changes in equity and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting.

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN
Chief Executive Officer/Executive Director

JUAN IGNACIO EYZAGUIRRE BARAONA
Director

Kuala Lumpur
13 January 2021

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF
PRINCIPAL DALI EQUITY FUND**

We, Universal Trustee (Malaysia) Berhad, being the Trustee of Principal DALI Equity Fund (the "Fund"), are of the opinion that Principal Asset Management (the "Manager"), acting in the capacity of the Manager of the Fund, have fulfilled their duties in the following manner for the financial period ended 30 November 2020:

- (a) the Fund is being managed in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Deeds, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation/pricing is carried out in accordance with the Deeds and relevant regulatory requirements; and
- (c) creation and cancellation of units are carried out in accordance with the Deeds and relevant regulatory requirements.

During the financial period, a total distribution of 1.10 sen per unit (gross) has been distributed to the unit holders of the Fund. We are of the view that the distribution is consistent with the objective of the Fund.

For and on behalf of the Trustee,
UNIVERSAL TRUSTEE (MALAYSIA) BERHAD

ONG TEE VANN
Chief Executive Officer

Kuala Lumpur
13 January 2021

Shariah Adviser's Report

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

For the Six Months Financial Period ended 30 November 2020

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 period 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 ("SC") pertaining to Shariah matters; and
2. The asset of the Fund comprises of instruments that have been classified as Shariah compliant.

For Amanie Advisors Sdn Bhd

Datuk Dr Mohd Daud Bakar
Executive Chairman

Kuala Lumpur
13 January 2021

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020**

	Note	01.06.2020 to 30.11.2020 RM	01.06.2019 to 30.11.2019 RM
INCOME			
Dividend income		11,985,768	14,988,653
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah earned		248,313	1,137,023
Net gain on financial assets at fair value through profit or loss	9	131,260,617	37,122,741
Net foreign exchange loss		(3,348,307)	(152,433)
		<u>140,146,391</u>	<u>53,095,984</u>
EXPENSES			
Management fee	4	10,048,159	10,479,490
Trustee and custodian fees	5	467,075	483,961
Audit fee		4,700	3,500
Tax agent's fee		25,375	16,526
Transaction costs		1,515,689	983,687
Other expenses		599,022	632,473
		<u>12,660,020</u>	<u>12,599,637</u>
PROFIT BEFORE TAXATION		127,486,371	40,496,347
Taxation	7	-	(28,460)
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>127,486,371</u>	<u>40,467,887</u>
Profit after taxation is made up as follows:			
Realised amount		45,595,538	33,469,016
Unrealised amount		81,890,833	6,998,871
		<u>127,486,371</u>	<u>40,467,887</u>

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2020**

		30.11.2020	31.05.2020
	Note	RM	Audited RM
CURRENT ASSETS			
Cash and cash equivalents	10	51,758,271	141,806,802
Financial assets at fair value through profit or loss (Shariah-compliant)	9	1,003,343,484	917,274,496
Amount due from stockbrokers		11,364,182	641,123
Amount due from Manager		1,303,823	985,061
Amount due from Manager of collective investment schemes			
- Management fee rebate		273,541	209,308
Dividends receivable		407,960	1,522,971
TOTAL CURRENT ASSETS		<u>1,068,451,261</u>	<u>1,062,439,761</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities	8	<u>401,072</u>	<u>645,924</u>
CURRENT LIABILITIES			
Amount due to stockbrokers		1,431,045	9,189,320
Amount due to Manager		8,142,829	1,125,002
Accrued management fee		1,606,470	1,586,136
Amount due to Trustee		52,615	51,701
Other payables and accruals		10,850	15,052
		<u>11,243,809</u>	<u>11,967,211</u>
TOTAL LIABILITIES		<u>11,644,881</u>	<u>12,613,135</u>
NET ASSET VALUE OF THE FUND		<u>1,056,806,380</u>	<u>1,049,826,626</u>
EQUITY			
Unit holders' capital		969,013,895	1,078,938,115
Retained earnings/(Accumulated losses)		<u>87,792,485</u>	<u>(29,111,489)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>1,056,806,380</u>	<u>1,049,826,626</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	11	<u>885,929,051</u>	<u>979,735,952</u>
NET ASSET VALUE PER UNIT (RM)		<u>1.1928</u>	<u>1.0715</u>

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

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020**

	Note	Unit holders' capital RM	Retained earnings/ (Accumulated losses) RM	Total RM
Balance as at 1 June 2020		1,078,938,115	(29,111,489)	1,049,826,626
Movement in unit holders' contributions:				
- Creation of units from applications		66,449,144	-	66,449,144
- Creation of units from distribution		10,569,473	-	10,569,473
- Cancellation of units		(186,942,837)	-	(186,942,837)
Total comprehensive income for the financial period		-	127,486,371	127,486,371
Distribution	6	-	(10,582,397)	(10,582,397)
Balance as at 30 November 2020		<u>969,013,895</u>	<u>87,792,485</u>	<u>1,056,806,380</u>
Balance as at 1 June 2019		1,157,473,039	(55,570,251)	1,101,902,788
Movement in unit holders' contributions:				
- Creation of units from applications		88,197,547	-	88,197,547
- Cancellation of units		(103,147,913)	-	(103,147,913)
Total comprehensive income for the financial period		-	40,467,887	40,467,887
Balance as at 30 November 2019		<u>1,142,522,673</u>	<u>(15,102,364)</u>	<u>1,127,420,309</u>

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

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020**

	01.06.2020 to 30.11.2020	01.06.2019 to 30.11.2019
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of Shariah-compliant quoted securities	416,242,668	258,396,364
Purchase of Shariah-compliant quoted securities	(376,841,399)	(251,507,654)
Purchase of Shariah-compliant collective investment schemes	(14,363,395)	-
Dividend income received	12,467,589	14,807,297
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah earned	248,313	1,137,023
Management fee paid	(10,027,825)	(10,462,218)
Management fee rebate received	64,536	71,299
Trustee and custodian fees paid	(466,161)	(483,401)
Payments for other fees and expenses	(59,395)	(52,299)
Tax payment	(244,852)	(28,460)
Net realised foreign exchange loss	(231,586)	(166,366)
Net cash generated from operating activities	26,788,493	11,711,585
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	66,130,382	90,339,314
Payments for cancellation of units	(179,925,010)	(105,728,144)
Distribution paid	(12,924)	-
Net cash used in financing activities	(113,807,552)	(15,388,830)
Net decrease in cash and cash equivalents	(87,019,059)	(3,677,245)
Effects of foreign exchange differences	(3,029,472)	41,591
Cash and cash equivalents at the beginning of the financial period	141,806,802	113,381,350
Cash and cash equivalents at the end of the financial period	51,758,271	109,745,696
<u>Cash and cash equivalents comprised of:</u>		
Shariah-compliant deposits with licensed Islamic financial institutions	33,523,502	81,169,574
Bank balances	18,234,769	28,576,122
Cash and cash equivalents at the end of the financial period	51,758,271	109,745,696

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

Principal DALI Equity Fund (the “Fund”) is governed by a Principal Master Deed dated 15 May 2008, a Fourth Supplemental Master Deed dated 25 June 2008, a Sixth Supplemental Master Deed dated 14 July 2008, a Seventh Supplemental Master Deed dated 19 November 2008, a Fourteenth Supplemental Master Deed dated 26 June 2012, a Seventeenth Supplemental Master Deed dated 25 March 2015 and a Nineteenth Supplemental Master Deed dated 18 June 2019 (collectively referred to as the “Deeds”), made between Principal Asset Management Berhad (the “Manager”) and Universal Trustee (Malaysia) Berhad (the “Trustee”).

The Fund is a Shariah-compliant equity growth fund and it may invest a minimum of 70% and up to a maximum of 98% of its NAV principally in Shariah-compliant equities aimed to provide growth and up to 28% of its NAV in other permissible Shariah-compliant investments, such as Sukuk with a minimum credit rating of “A3” or “P2” by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance; or “BBB-” by S&P or equivalent rating by any other international rating agencies. The Fund may opt to invest in foreign Shariah-compliant equities up to a maximum of 30% 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 the 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 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). 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 SC Guidelines. In line with its objective, the investment strategy and policy of the Fund is to rebalance the portfolio to suit market conditions in order to reduce short-term volatility and provide consistency in capital growth.

The asset allocation strategy for this Fund is as follows:

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

All investments are subjected to the SC Guidelines on Unit Trust Funds, SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

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

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

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

There are no other standards, amendments to standards or interpretations that are effective for financial period beginning on 1 June 2020 that have a material effect on the financial statements of the Fund.

There are no applicable standards, amendments to standards or interpretations that are effective for financial period beginning on/after 1 December 2020 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 contractual cash flows of the Fund’s debt securities are solely payment of principal and interest¹ (“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.

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

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

Investments in Shariah-compliant collective investment schemes with contractual cash flows that do not represent SPPI and therefore are classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from stockbrokers, amount due from Manager, amount due from Manager of collective investment schemes 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.

The Fund classifies amount due to stockbrokers, amount due to Manager, accrued management fee, amount due to Trustee, and other payables and accruals as financial liabilities measured at amortised cost.

Recognition and measurement

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

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

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

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

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

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

Shariah-compliant collective investment schemes is valued based on the most recent published NAV per unit or share of such Shariah-compliant collective investment schemes 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.

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.

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

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 bases 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 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 method.

Impairment for assets carried at amortised costs

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

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

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

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

Realised gain or loss on disposal of Shariah-compliant collective investment schemes and Shariah-compliant quoted securities are accounted for as the difference between the net disposal proceeds and the carrying amount of Shariah-compliant collective investment schemes and Shariah-compliant quoted securities, 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 Malaysian Ringgit (“MYR”), which is the Fund’s functional and presentation currency.

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

- i) The Fund’s units are denominated in MYR.
- ii) Significant portion of the Fund’s expenses is denominated in MYR.
- iii) Significant portion of the Fund’s investments are denominated in MYR.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in 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 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****(i) Current taxation**

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

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

Tax on income from foreign collective investment schemes is based on the tax regime of the respective countries that the Fund invests in.

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

(ii) Deferred taxation

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amount attributable to assets and liabilities for tax purposes and their carrying amount in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences or unused tax losses can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

(g) Distribution

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

(h) 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.

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

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

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

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

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

(j) Management fee rebate

Management fee rebate is derived from the Shariah-compliant 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 Shariah-compliant collective investment schemes held.

(k) 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 is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(l) Realised and unrealised portions of profit or loss after tax**

The analysis of realised and unrealised portions of profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with SC Guidelines on Unit Trust Funds.

(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 Fund's 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 SC Guidelines on Unit Trust Funds.

However, the Manager is of the opinion that there are no accounting policies which require significant judgement to be exercised.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk, 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 Deeds and SC Guidelines on Unit Trust Funds.

(a) Market risk

(i) Price risk

Price risk is the risk that the fair value of an investment in Shariah-compliant collective investment schemes 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 collective investment schemes and Shariah-compliant quoted securities 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 schemes, Shariah-compliant quoted securities and other financial instruments within specified limits according to the Deeds.

(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.

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 interest rate.

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(a) Market risk (continued)****(iii) Currency risk**

Currency risk 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 MYR based on considerations of economic fundamentals such as profit rate differentials, balance of payments position, debt levels, and technical chart considerations.

(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 collective investment schemes and 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.

(c) Liquidity risk

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(d) Capital risk management**

The capital of the Fund is represented by equity consisting of unit holders' capital and retained earnings/accumulated losses. The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

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

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

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

(i) Fair value hierarchy

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

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

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
30.11.2020				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment schemes	22,345,886	-	-	22,345,886
- Shariah-compliant quoted securities	<u>980,997,598</u>	<u>-</u>	<u>-</u>	<u>980,997,598</u>
	<u>1,003,343,484</u>	<u>-</u>	<u>-</u>	<u>1,003,343,484</u>

31.05.2020

Audited

Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment schemes	6,976,676	-	-	6,976,676
- Shariah-compliant quoted securities	<u>910,297,820</u>	<u>-</u>	<u>-</u>	<u>910,297,820</u>
	<u>917,274,496</u>	<u>-</u>	<u>-</u>	<u>917,274,496</u>

Shariah-compliant investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed Shariah-compliant equities and Shariah-compliant 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 stockbrokers, amount due from Manager, amount due from Manager of collective investment schemes, dividends receivable and all financial 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 six months financial period ended 30 November 2020, the management fee is recognised at a rate of 1.85% per annum (30.11.2019: 1.85% per annum).

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

5. TRUSTEE AND CUSTODIAN FEES

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

For the six months financial period ended 30 November 2020, the Trustee fee is recognised at a rate of 0.06% per annum (30.11.2019: 0.06% per annum) while the foreign custodian fee is recognised at a rate of 0.04% to 0.38% per annum (30.11.2019: 0.04% to 0.38% per annum).

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

6. DISTRIBUTION

Distribution to unit holders is derived from the following sources:

	01.06.2020 to 30.11.2020 RM	01.06.2019 to 30.11.2019 RM
Dividend income	3,677,238	-
Profit income	119,291	-
Net realised gain on disposal of Shariah-compliant investments	9,183,973	-
Prior financial years' realised income	871,244	-
	<u>13,851,746</u>	<u>-</u>
Less:		
Expenses	<u>(3,269,349)</u>	<u>-</u>
Net distribution amount	<u>10,582,397</u>	<u>-</u>
Distribution on 17 July 2020		
Gross/Net distribution per unit (sen)	<u>1.10</u>	<u>-</u>

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

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

7. TAXATION

	01.06.2020 to 30.11.2020 RM	01.06.2019 to 30.11.2019 RM
Tax charged for the financial period:		
- Current taxation	-	28,460

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

	01.06.2020 to 30.11.2020 RM	01.06.2019 to 30.11.2019 RM
Profit before taxation	127,486,371	40,496,347
Taxation at Malaysian statutory rate of 24%	30,596,729	9,719,123
Tax effects of:		
Investment income not subject to tax	(33,635,134)	(12,743,036)
Expenses not deductible for tax purposes	622,668	504,063
Restriction on tax deductible expenses for Unit Trust Funds	2,415,737	2,519,850
Investment income subject to foreign capital gain tax	-	28,460
Taxation	-	28,460

8. DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position.

	30.11.2020 RM	31.05.2020 Audited RM
Deferred tax liabilities		
Deferred tax liabilities to be settled within 12 months after the reporting period	(401,072)	(645,924)
	(401,072)	(645,924)

The amount during the financial period relating to deferred taxation is as follows:

	01.06.2020 to 30.11.2020 RM	01.06.2019 to 31.05.2020 Audited RM
At the beginning of the financial period/year	(645,924)	-
Charged to profit or loss (Note 7)	-	(645,924)
Tax payment	244,852	-
At the end of the financial period/year	(401,072)	(645,924)

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

	30.11.2020	31.05.2020
	RM	Audited RM
At fair value through profit or loss:		
- Shariah-compliant collective investment schemes	22,345,886	6,976,676
- Shariah-compliant quoted securities	<u>980,997,598</u>	<u>910,297,820</u>
	<u><u>1,003,343,484</u></u>	<u><u>917,274,496</u></u>
	01.06.2020	01.06.2019
	to 30.11.2020	to 30.11.2019
	RM	RM
Net gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	46,215,657	30,017,384
- Unrealised fair value gain	84,916,191	6,963,002
- Management fee rebate #	<u>128,769</u>	<u>142,355</u>
	<u><u>131,260,617</u></u>	<u><u>37,122,741</u></u>

Management fee rebate is derived from the Manager of the Shariah-compliant collective investment schemes 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 schemes held.

For the six months financial period ended 30 November 2020, the rebate is recognised at a rate of 3.00% per annum (30.11.2019: 3.00%) for PT Principal Islamic Equity Growth Syariah and 1.00% per annum (30.11.2019: nil) for Principal Islamic Asia Pacific Dynamic Income & Growth Fund - USD I Accumulation, calculated and accrued daily based on the NAV of the Shariah-compliant collective investment schemes.

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2020				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES				
INDONESIA				
PT Principal Islamic Equity Growth Syariah	<u>22,020,795</u>	<u>9,727,611</u>	<u>7,865,196</u>	<u>0.74</u>
TOTAL INDONESIA	<u>22,020,795</u>	<u>9,727,611</u>	<u>7,865,196</u>	<u>0.74</u>
IRELAND				
Principal Islamic Asia Pacific Dynamic Income & Growth Fund - USD I Accumulation	<u>346,900</u>	<u>14,363,395</u>	<u>14,480,690</u>	<u>1.37</u>
TOTAL IRELAND	<u>346,900</u>	<u>14,363,395</u>	<u>14,480,690</u>	<u>1.37</u>
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEMES	<u>22,367,695</u>	24,091,006	<u>22,345,886</u>	<u>2.11</u>
ACCUMULATED UNREALISED LOSS ON SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(1,745,120)</u>		
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>22,345,886</u>		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2020 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES				
AUSTRALIA				
Energy				
Beach Energy Ltd	651,286	3,252,601	3,442,802	0.33
Industrials				
ALS Ltd	76,170	1,751,147	2,184,816	0.21
Materials				
BHP Group Ltd	20,146	2,214,279	2,303,559	0.22
Northern Star Resources Ltd	69,061	3,348,297	2,615,626	0.25
	89,207	5,562,576	4,919,185	0.47
TOTAL AUSTRALIA	816,663	10,566,324	10,546,803	1.01
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	214,200	24,832,099	29,418,134	2.78
TOTAL CAYMAN ISLANDS	214,200	24,832,099	29,418,134	2.78
CHINA				
Consumer Discretionary				
China Tourism Group Duty Free Corporation Ltd - A ¹	57,383	2,757,990	6,859,707	0.65
Midea Group Co Ltd - A ¹	181,793	5,448,915	9,769,272	0.92
	239,176	8,206,905	16,628,979	1.57
Health Care				
WuXi AppTec Co Ltd	91,900	5,922,855	5,600,974	0.53
Industrials				
Shenzhen Airport Co Ltd	1,275,646	6,043,426	7,024,823	0.66

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT)				
Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2020 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
CHINA (CONTINUED)				
Materials				
Skshu Paint Co Ltd	30,498	2,851,450	2,596,977	0.25
TOTAL CHINA	1,637,220	23,024,636	31,851,753	3.01
HONG KONG, CHINA				
Communication Services				
Tencent Holdings Ltd	44,100	12,327,211	13,044,789	1.23
Consumer Discretionary				
Brilliance China Automotive Holdings Ltd	738,000	2,902,643	2,675,442	0.25
Meituan	46,400	5,558,010	7,069,782	0.67
Shenzhou International Group Holdings Ltd	84,500	5,011,207	5,824,795	0.55
	868,900	13,471,860	15,570,019	1.47
Consumer Staples				
Sun Art Retail Group Ltd	899,500	4,297,133	3,846,942	0.36
Information Technology				
Kingboard Laminates Holdings Ltd	715,500	2,950,995	4,714,083	0.45
Real Estate				
China Resources Land Ltd	166,000	2,430,127	2,930,471	0.28
Utilities				
China Resources Gas Group Ltd	252,000	5,158,208	4,945,170	0.47
TOTAL HONG KONG, CHINA	2,946,000	40,635,534	45,051,474	4.26

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT)				
Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2020 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
INDIA				
Consumer Discretionary				
Titan Co Ltd	<u>101,062</u>	<u>5,590,731</u>	<u>7,552,351</u>	<u>0.71</u>
Consumer Staples				
Dabur India Ltd	<u>123,355</u>	<u>2,981,567</u>	<u>3,384,740</u>	<u>0.32</u>
Energy				
Reliance Industries Ltd	<u>208,019</u>	<u>13,851,782</u>	<u>21,398,203</u>	<u>2.02</u>
Health Care				
Apollo Hospitals Enterprise Ltd	<u>68,074</u>	<u>5,215,872</u>	<u>8,774,719</u>	<u>0.83</u>
Information Technology				
Tata Consultancy Services Ltd	<u>52,932</u>	<u>6,775,327</u>	<u>7,786,974</u>	<u>0.74</u>
TOTAL INDIA	<u>553,442</u>	<u>34,415,279</u>	<u>48,896,987</u>	<u>4.62</u>
INDONESIA				
Energy				
PT United Tractors Tbk	<u>652,600</u>	<u>3,457,159</u>	<u>4,319,820</u>	<u>0.41</u>
Financials				
PT Bank Tabungan Pensiunan Nasional Syariah Tbk	<u>217,000</u>	<u>204,925</u>	<u>257,929</u>	<u>0.02</u>
TOTAL INDONESIA	<u>869,600</u>	<u>3,662,084</u>	<u>4,577,749</u>	<u>0.43</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2020 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
MALAYSIA				
Communication Services				
Axiata Group Bhd	6,563,229	32,741,148	23,299,463	2.20
Telekom Malaysia Bhd	5,350,000	20,813,279	26,964,000	2.55
Time Dotcom Bhd	1,180,830	9,953,584	16,177,371	1.53
	<u>13,094,059</u>	<u>63,508,011</u>	<u>66,440,834</u>	<u>6.28</u>
Consumer Discretionary				
DRB-Hicom Bhd	<u>2,205,100</u>	<u>4,854,166</u>	<u>4,388,149</u>	<u>0.42</u>
Consumer Staples				
FGV Holdings Bhd	17,761,700	22,546,136	21,491,657	2.03
IOI Corporation Bhd	2,994,500	13,597,047	13,085,965	1.24
Kuala Lumpur Kepong Bhd	700,557	16,697,082	16,463,089	1.56
Sime Darby Plantation Bhd	5,748,554	29,772,753	28,167,915	2.67
	<u>27,205,311</u>	<u>82,613,018</u>	<u>79,208,626</u>	<u>7.50</u>
Energy				
Dialog Group Bhd	8,324,424	25,566,430	29,967,926	2.84
Serba Dinamik Holdings Bhd	15,851,000	32,354,347	25,837,130	2.44
Yinson Holdings Bhd	765,700	2,881,891	3,996,954	0.38
	<u>24,941,124</u>	<u>60,802,668</u>	<u>59,802,010</u>	<u>5.66</u>
Financials				
BIMB Holdings Bhd	4,167,820	17,552,615	15,420,934	1.46
Bursa Malaysia Bhd	1,264,800	13,174,704	10,371,360	0.98
	<u>5,432,620</u>	<u>30,727,319</u>	<u>25,792,294</u>	<u>2.44</u>
Health Care				
Hartalega Holdings Bhd	3,683,658	50,558,702	53,044,675	5.02
IHH Healthcare Bhd	2,891,600	15,828,570	16,250,792	1.54
Kossan Rubber Industries Bhd	1,359,600	10,828,262	8,470,308	0.80
Top Glove Corporation Bhd	5,194,272	24,333,734	36,983,217	3.50
	<u>13,129,130</u>	<u>101,549,268</u>	<u>114,748,992</u>	<u>10.86</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2020 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Industrials				
Cypark Resources Bhd	3,104,700	5,356,055	4,470,768	0.42
Econpile Holdings Bhd	7,213,100	5,518,164	3,390,157	0.32
Frontken Corporation Bhd	635,300	397,402	2,064,725	0.20
Gamuda Bhd	1,345,656	5,069,381	4,803,992	0.45
IJM Corporation Bhd	6,034,100	11,624,836	9,775,242	0.91
Lingkar Trans Kota Holdings Bhd	2,335,600	12,301,316	9,365,756	0.89
MISC Bhd	2,922,600	22,430,468	19,844,454	1.88
Sime Darby Bhd	11,736,200	32,772,128	27,110,622	2.57
Sunway Construction Group Bhd	1,546,700	3,297,031	2,845,928	0.27
UEM Edgenta Bhd	3,413,600	10,281,798	6,451,704	0.61
Westports Holdings Bhd	1,220,900	4,356,563	5,249,870	0.50
	<u>41,508,456</u>	<u>113,405,142</u>	<u>95,373,218</u>	<u>9.02</u>
Information Technology				
D&O Green Technologies Bhd	5,616,700	4,699,408	9,997,726	0.95
Globetronics Technology Bhd	5,668,600	14,892,509	16,892,428	1.60
Inari Amertron Bhd	7,477,600	16,983,868	20,039,968	1.90
JHM Consolidation Bhd	6,046,900	6,963,826	11,670,517	1.10
Malaysian Pacific Industries Bhd	733,300	8,391,320	18,376,498	1.74
MI Technovation Bhd	2,348,300	9,958,795	9,369,717	0.89
V.S. Industry Bhd	3,205,789	5,947,300	7,533,604	0.71
Vitrox Corporation Bhd	263,300	2,130,154	4,002,160	0.38
	<u>31,360,489</u>	<u>69,967,180</u>	<u>97,882,618</u>	<u>9.27</u>
Materials				
ATA IMS Bhd	3,206,700	5,802,960	7,086,807	0.67
Petronas Chemicals Group Bhd	3,058,400	23,251,440	19,634,928	1.86
Press Metal Aluminium Holdings Bhd	4,833,700	26,471,579	33,835,900	3.20
	<u>11,098,800</u>	<u>55,525,979</u>	<u>60,557,635</u>	<u>5.73</u>

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT)				
Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2020 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Real Estate				
Axis REIT	2,773,637	4,973,484	5,935,583	0.56
KLCCP Stapled Group	1,335,000	10,404,568	10,252,800	0.97
	<u>4,108,637</u>	<u>15,378,052</u>	<u>16,188,383</u>	<u>1.53</u>
Utilities				
Ranhill Utilities Bhd	7,325,126	8,730,444	5,969,978	0.56
Tenaga Nasional Bhd	6,499,575	88,162,942	65,515,716	6.20
	<u>13,824,701</u>	<u>96,893,386</u>	<u>71,485,694</u>	<u>6.76</u>
TOTAL MALAYSIA	<u>187,908,427</u>	<u>695,224,189</u>	<u>691,868,453</u>	<u>65.47</u>
SINGAPORE				
Communication Services				
NetLink NBN Trust	1,078,400	2,741,357	3,169,422	0.30
TOTAL SINGAPORE	<u>1,078,400</u>	<u>2,741,357</u>	<u>3,169,422</u>	<u>0.30</u>
SOUTH KOREA				
Information Technology				
Samsung Electronics Co Ltd	153,553	27,252,019	37,695,626	3.57
Samsung Electronics Co Ltd - Preference Share	58,149	8,085,336	13,076,463	1.24
SK Hynix Inc	20,201	6,509,696	7,249,104	0.69
	<u>231,903</u>	<u>41,847,051</u>	<u>58,021,193</u>	<u>5.50</u>
Materials				
LG Chem Ltd	2,022	3,887,065	5,953,577	0.56
Posco	4,374	4,206,970	3,767,051	0.36
	<u>6,396</u>	<u>8,094,035</u>	<u>9,720,628</u>	<u>0.92</u>
TOTAL SOUTH KOREA	<u>238,299</u>	<u>49,941,086</u>	<u>67,741,821</u>	<u>6.42</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2020 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
TAIWAN				
Information Technology				
MediaTek Inc	17,000	1644,911	1,705,440	0.16
Taiwan Semiconductor Manufacturing Co Ltd	420,000	16,494,988	28,757,925	2.72
	<u>437,000</u>	<u>18,139,899</u>	<u>30,463,365</u>	<u>2.88</u>
TOTAL TAIWAN	<u>437,000</u>	<u>18,139,899</u>	<u>30,463,365</u>	<u>2.88</u>
UNITED STATES				
Communication Services				
Sea Ltd	<u>12,249</u>	<u>5,828,601</u>	<u>8,997,587</u>	<u>0.85</u>
Consumer Discretionary				
New Oriental Education & Technology Group Inc	<u>12,533</u>	<u>6,892,644</u>	<u>8,414,050</u>	<u>0.80</u>
TOTAL UNITED STATES	<u>24,782</u>	<u>12,721,245</u>	<u>17,411,637</u>	<u>1.65</u>
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	<u>196,724,033</u>	<u>915,903,732</u>	<u>980,997,598</u>	<u>92.83</u>
ACCUMULATED UNREALISED GAIN ON SHARIAH- COMPLIANT QUOTED SECURITIES				
		<u>65,093,866</u>		
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>980,997,598</u>		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2020				
Audited				
SHARIAH-COMPLIANT				
COLLECTIVE				
INVESTMENT SCHEME				
INDONESIA				
PT Principal Islamic Equity Growth Syariah	<u>22,020,795</u>	<u>9,727,611</u>	<u>6,976,676</u>	<u>0.66</u>
TOTAL SHARIAH-				
COMPLIANT				
COLLECTIVE				
INVESTMENT SCHEME	<u>22,020,795</u>	<u>9,727,611</u>	<u>6,976,676</u>	<u>0.66</u>
ACCUMULATED				
UNREALISED LOSS ON				
SHARIAH-COMPLIANT				
COLLECTIVE				
INVESTMENT SCHEME		<u>(2,750,935)</u>		
TOTAL SHARIAH-				
COMPLIANT				
COLLECTIVE				
INVESTMENT SCHEME				
AT FAIR VALUE				
THROUGH PROFIT OR				
LOSS		<u>6,976,676</u>		

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT)				
Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2020 (CONTINUED)				
Audited (Continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES				
AUSTRALIA				
Industrials				
ALS Ltd	148,493	3,413,852	3,066,049	0.29
Materials				
BHP Group Ltd	63,698	7,001,148	6,371,927	0.61
TOTAL AUSTRALIA	212,191	10,415,000	9,437,976	0.90
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	37,522	25,567,933	33,811,433	3.22
TOTAL CAYMAN ISLANDS	37,522	25,567,933	33,811,433	3.22
CHINA				
Consumer Discretionary				
China Tourism Group Duty Free Corporation Ltd - A ¹	124,083	5,963,782	7,647,969	0.73
Midea Group Co Ltd - A ¹	181,793	5,448,915	6,532,824	0.62
	305,876	11,412,697	14,180,793	1.35
Industrials				
Shenzhen Airport Co Ltd	1,452,246	6,880,076	7,056,148	0.67
Materials				
Anhui Conch Cement Co Ltd	185,000	5,222,762	6,020,424	0.57
TOTAL CHINA	1,943,122	23,515,535	27,257,365	2.59
HONG KONG, CHINA				
Communication Services				
China Mobile Ltd	378,500	15,712,980	11,479,322	1.09
Tencent Holdings Ltd	44,200	9,064,394	10,169,105	0.97
	422,700	24,777,374	21,648,427	2.06

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2020 (CONTINUED)				
Audited (Continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
HONG KONG, CHINA (CONTINUED)				
Consumer Discretionary				
Brilliance China				
Automotive Holdings Ltd	1,622,000	6,379,521	6,165,008	0.59
Li Ning Co Ltd	364,000	4,824,310	5,305,518	0.51
Meituan	73,500	3,905,271	6,044,641	0.58
	<u>2,059,500</u>	<u>15,109,102</u>	<u>17,515,167</u>	<u>1.68</u>
Consumer Staples				
Sun Art Retail Group Ltd	<u>636,500</u>	<u>2,830,796</u>	<u>4,231,908</u>	<u>0.40</u>
Energy				
CNOOC Ltd	<u>1,708,000</u>	<u>9,721,373</u>	<u>8,263,266</u>	<u>0.79</u>
Information Technology				
Kingboard Laminates Holdings Ltd	<u>715,500</u>	<u>2,950,995</u>	<u>2,707,488</u>	<u>0.26</u>
Real Estate				
China Resources Land Ltd	386,000	5,650,777	6,610,763	0.63
Link REIT	162,000	6,337,283	5,262,857	0.50
	<u>548,000</u>	<u>11,988,060</u>	<u>11,873,620</u>	<u>1.13</u>
Utilities				
China Resources Gas Group Ltd	<u>184,000</u>	<u>3,612,833</u>	<u>4,358,104</u>	<u>0.41</u>
TOTAL HONG KONG, CHINA	<u>6,274,200</u>	<u>70,990,533</u>	<u>70,597,980</u>	<u>6.73</u>
INDIA				
Consumer Staples				
Dabur India Ltd	<u>317,636</u>	<u>7,588,827</u>	<u>8,519,275</u>	<u>0.81</u>
Energy				
Reliance Industries Ltd	<u>223,385</u>	<u>14,687,860</u>	<u>17,940,361</u>	<u>1.71</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2020 (CONTINUED)				
Audited (Continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
INDIA (CONTINUED)				
Health Care				
Apollo Hospitals Enterprise Ltd	80,985	6,205,121	6,318,824	0.60
TOTAL INDIA	622,006	28,481,808	32,778,460	3.12
INDONESIA				
Communication Services				
PT Telekomunikasi Tbk	4,939,800	5,407,295	4,616,762	0.44
Financials				
PT Bank Tabungan Pensiunan Nasional Tbk	217,000	204,925	185,426	0.02
TOTAL INDONESIA	5,156,800	5,612,220	4,802,188	0.46
MALAYSIA				
Communication Services				
Axiata Group Bhd	8,812,529	43,961,946	33,487,610	3.19
Digi.com Bhd	5,150,500	23,605,119	23,434,775	2.23
Telekom Malaysia Bhd	3,495,000	11,430,709	14,783,850	1.41
Time Dotcom Bhd	1,518,630	12,625,235	16,249,341	1.55
	18,976,659	91,623,009	87,955,576	8.38
Consumer Discretionary				
DRB-Hicom Bhd	1,653,700	3,972,228	2,728,605	0.26
Consumer Staples				
FGV Holdings Bhd	10,572,700	13,466,069	10,784,154	1.03
IOI Corporation Bhd	4,590,300	20,862,942	20,885,865	1.99
Kuala Lumpur Kepong Bhd	970,757	23,301,878	21,395,484	2.04
Sime Darby Plantation Bhd	4,845,354	25,328,433	24,032,956	2.29
	20,979,111	82,959,322	77,098,459	7.35

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2020 (CONTINUED)				
Audited (Continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Energy				
Dayang Enterprise Holdings Bhd	1,829,420	2,358,241	2,341,658	0.22
Dialog Group Bhd	6,088,224	16,984,964	24,292,014	2.31
Petronas Dagangan Bhd	754,300	20,069,782	17,710,964	1.69
Serba Dinamik Holdings Bhd	13,725,800	28,791,202	22,098,538	2.10
Yinson Holdings Bhd	1,022,700	3,849,171	5,727,120	0.55
	<u>23,420,444</u>	<u>72,053,360</u>	<u>72,170,294</u>	<u>6.87</u>
Financials				
BIMB Holdings Bhd	4,167,820	17,552,615	14,920,796	1.42
Health Care				
Hartalega Holdings Bhd	2,036,758	14,187,963	25,540,945	2.43
IHH Healthcare Bhd	3,508,300	19,204,376	19,050,069	1.81
Kossan Rubber Industries Bhd	938,900	4,785,396	8,168,430	0.78
Top Glove Corporation Bhd	2,151,824	11,454,106	28,619,259	2.73
	<u>8,635,782</u>	<u>49,631,841</u>	<u>81,378,703</u>	<u>7.75</u>
Industrials				
Cypark Resources Bhd	3,104,700	5,356,055	2,825,277	0.27
Econpile Holdings Bhd	7,213,100	5,518,164	4,544,253	0.43
Frontken Corporation Bhd	1,451,100	907,712	3,526,173	0.34
Gamuda Bhd	2,046,056	7,825,267	7,979,618	0.76
IJM Corporation Bhd	4,359,900	8,988,397	8,371,008	0.80
Lingkar Trans Kota Holdings Bhd	2,335,600	12,301,316	9,272,332	0.88
Malaysian Resources Corporation Bhd	9,909,000	8,909,113	5,549,040	0.53
MISC Bhd	3,069,100	23,448,585	25,473,530	2.43
Sime Darby Bhd	12,236,100	34,554,885	25,573,449	2.44
Sunway Construction Group Bhd	2,322,600	4,950,981	4,366,488	0.42
UEM Edgenta Bhd	3,413,600	10,281,798	6,793,064	0.65
Westports Holdings Bhd	1,037,000	3,637,495	4,137,630	0.39
	<u>52,497,856</u>	<u>126,679,768</u>	<u>108,411,862</u>	<u>10.34</u>

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT)				
Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2020 (CONTINUED)				
Audited (Continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Information Technology				
D&O Green Technologies Bhd	4,367,100	3,234,963	2,860,451	0.27
Globetronics Technology Bhd	6,802,200	17,870,695	13,332,312	1.27
JHM Consolidation Bhd	7,036,200	8,103,139	6,051,132	0.58
Malaysian Pacific Industries Bhd	906,700	10,375,576	9,973,700	0.95
V.S. Industry Bhd	3,305,375	6,142,647	2,925,257	0.28
Vitrox Corporation Bhd	591,500	4,785,364	5,086,900	0.48
	<u>23,009,075</u>	<u>50,512,384</u>	<u>40,229,752</u>	<u>3.83</u>
Materials				
ATA IMS Bhd	2,121,500	3,334,807	2,121,500	0.20
Petronas Chemicals Group Bhd	2,615,700	20,388,151	16,478,910	1.57
	<u>4,737,200</u>	<u>23,722,958</u>	<u>18,600,410</u>	<u>1.77</u>
Real Estate				
Axis REIT	4,177,737	7,491,213	8,647,916	0.82
KLCCP Stapled Group	1,391,200	10,842,573	10,726,152	1.02
Sime Darby Property Bhd	3,490,600	3,581,292	2,373,608	0.23
Sunway Bhd	6,401,579	10,861,411	8,578,116	0.82
Sunway Bhd - Warrant	1,333,320	-	346,663	0.03
	<u>16,794,436</u>	<u>32,776,489</u>	<u>30,672,455</u>	<u>2.92</u>
Utilities				
Petronas Gas Bhd	1,070,600	19,940,240	20,341,400	1.94
Ranhill Utilities Bhd	7,252,600	8,668,434	7,035,022	0.67
Tenaga Nasional Bhd	6,499,575	88,162,942	73,185,215	6.97
	<u>14,822,775</u>	<u>116,771,616</u>	<u>100,561,637</u>	<u>9.58</u>
TOTAL MALAYSIA	<u>189,694,858</u>	<u>668,255,590</u>	<u>634,728,549</u>	<u>60.47</u>
SINGAPORE				
Communication Services				
NetLink NBN Trust	2,552,500	6,488,606	8,087,561	0.77

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT)				
Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2020 (CONTINUED)				
Audited (Continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
SINGAPORE (CONTINUED)				
Industrials				
ComfortDelGro Corporation Ltd	664,700	3,151,484	2,944,440	0.28
Real Estate				
CapitaLand Mall Trust	1,089,800	7,253,772	6,805,459	0.65
TOTAL SINGAPORE	4,307,000	16,893,862	17,837,460	1.70
SOUTH KOREA				
Information Technology				
Samsung Electronics Co Ltd	137,065	24,048,756	24,387,507	2.32
Samsung Electronics Co Ltd - Preference Share	69,696	9,690,890	10,480,730	1.00
	206,761	33,739,646	34,868,237	3.32
Materials				
Posco	3,385	4,305,844	2,150,157	0.20
TOTAL SOUTH KOREA	210,146	38,045,490	37,018,394	3.52
TAIWAN				
Information Technology				
Largan Precision Co Ltd	5,000	3,075,756	2,774,623	0.26
Taiwan Semiconductor Manufacturing Co Ltd	661,000	25,959,969	27,928,836	2.66
	666,000	29,035,725	30,703,459	2.92
Materials				
Formosa Plastics Corporation	399,000	5,407,990	4,792,030	0.46
TOTAL TAIWAN	1,065,000	34,443,715	35,495,489	3.38
UNITED STATES				
Consumer Discretionary				
New Oriental Education & Technology Group	12,533	6,892,644	6,532,526	0.62
TOTAL UNITED STATES	12,533	6,892,644	6,532,526	0.62

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2020 (CONTINUED)				
Audited (Continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	<u>209,535,378</u>	929,114,330	<u>910,297,820</u>	<u>86.71</u>
ACCUMULATED UNREALISED LOSS ON SHARIAH-COMPLIANT QUOTED SECURITIES		<u>(18,816,510)</u>		
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>910,297,820</u>		

¹ A-shares trade on the two Chinese stock exchanges, the Shanghai Stock Exchange and the Shenzhen Stock Exchange. A-shares are shares of mainland China-based companies and are available for purchase to select foreign institutions through the Qualified Foreign Institutional Investor (“QFII”) system.

10. CASH AND CASH EQUIVALENTS

	30.11.2020	31.05.2020
	RM	Audited RM
Shariah-compliant deposits with licensed Islamic financial institutions	33,523,502	69,676,334
Bank balances	<u>18,234,769</u>	<u>72,130,468</u>
	<u>51,758,271</u>	<u>141,806,802</u>

11. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.06.2020 to 30.11.2020	01.06.2019 to 31.05.2020
	No. of units	Audited No. of units
At the beginning of the financial period/year	979,735,952	1,056,443,894
Add: Creation of units from applications	58,032,793	144,276,353
Add: Creation of units from distribution	9,273,094	-
Less: Cancellation of units	<u>(161,112,788)</u>	<u>(220,984,295)</u>
At the end of the financial period/year	<u>885,929,051</u>	<u>979,735,952</u>

12. MANAGEMENT EXPENSE RATIO (“MER”)

	01.06.2020 to 30.11.2020	01.06.2019 to 30.11.2019
	%	%
MER	<u>0.97</u>	<u>0.96</u>

MER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on a daily basis is RM1,085,336,982 (30.11.2019: RM1,130,016,798).

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.06.2020 to 30.11.2020	01.06.2019 to 30.11.2019
PTR (times)	<u>0.37</u>	<u>0.23</u>

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial period	=	RM382,802,341 (30.11.2019: RM251,464,888)
total disposal for the financial period	=	RM427,865,200 (30.11.2019: RM276,824,471)

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 are as follows:

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

Units held by the Manager and parties related to the Manager

Manager	30.11.2020		31.05.2020	
	No. of units	RM	No. of units	Audited RM
Principal Asset Management Berhad	<u>120,258</u>	<u>143,444</u>	<u>111,856</u>	<u>119,854</u>

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

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

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

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

	01.06.2020 to 30.11.2020 RM	01.06.2019 to 30.11.2019 RM
<u>Significant related party transaction</u>		
Profit income from Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	<u>70,378</u>	<u>146,500</u>
Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	<u>611,928,000</u>	<u>388,017,000</u>
	30.11.2020	31.05.2020
	RM	Audited
		RM
<u>Significant related party balances</u>		
Amount due to related broker:		
- CGS-CIMB Securities Sdn Bhd	<u>-</u>	<u>4,276,639</u>
Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	<u>5,000,000</u>	<u>29,449,935</u>
Shariah-compliant collective investment schemes:		
- PT Principal Islamic Equity Growth Syariah	7,865,196	6,976,676
- Principal Islamic Asia Pacific Dynamic Income & Growth Fund - USD I Accumulation	14,480,690	-
	<u>22,345,886</u>	<u>6,976,676</u>

15. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for the six months financial period ended 30 November 2020 are as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
CLSA Securities Malaysia Sdn Bhd	133,265,759	16.44	109,907	10.98
Citigroup Global Markets Ltd	95,692,629	11.81	42,558	4.25
KAF Equities Sdn Bhd	90,844,067	11.21	186,696	18.65
Macquarie Capital Securities (M) Sdn Bhd	73,930,500	9.12	147,166	14.70
RHB Investment Bank Bhd	70,281,807	8.67	149,239	14.91
J.P. Morgan Securities LLC	67,486,494	8.33	20,246	2.02
CGS-CIMB Securities Sdn Bhd #	41,192,265	5.08	54,543	5.45
Maybank Investment Bank Bhd	35,874,024	4.43	58,466	5.84
Credit Suisse (Hong Kong) Ltd	29,564,973	3.65	18,593	1.86
UBS Securities Malaysia Sdn Bhd	28,673,638	3.54	27,508	2.75
Others #	143,799,374	17.72	186,056	18.59
	<u>810,605,530</u>	<u>100.00</u>	<u>1,000,978</u>	<u>100.00</u>

15. TRANSACTIONS WITH BROKERS (CONTINUED)

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

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Macquarie (Malaysia) Sdn Bhd	65,875,974	12.47	89,016	12.59
CLSA Securities Malaysia Sdn Bhd	61,773,195	11.69	48,831	6.91
Citigroup Global Markets Ltd	44,035,151	8.34	36,388	5.15
J.P. Morgan Securities LLC	43,441,891	8.22	18,197	2.57
UBS Securities Malaysia Sdn Bhd	42,491,430	8.04	39,109	5.53
Kaf Seagroatt & Campbell Securities Sdn Bhd	35,441,210	6.71	75,327	10.65
Maybank Investment Bank Bhd	32,518,407	6.16	60,283	8.53
RHB Investment Bank Bhd	32,500,997	6.15	68,517	9.69
Credit Suisse Securities (M) Sdn Bhd	25,610,121	4.85	41,972	5.94
JP Morgan Securities (Malaysia) Sdn Bhd	24,613,275	4.66	20,181	2.85
Others	119,987,708	22.71	209,159	29.59
	<u>528,289,359</u>	<u>100.00</u>	<u>706,980</u>	<u>100.00</u>

Included in the transactions are trades conducted with CGS-CIMB Securities Sdn Bhd and Principal Islamic Asset Management PLC, related parties to the Manager amounting to RM41,192,265 (30.11.2019: Nil) and RM14,363,395 (30.11.2019: Nil) respectively. The Manager is of the opinion that all transactions with the related company have been entered into in the normal course of business at agreed terms between the related parties.

16. SIGNIFICANT EVENT DURING THE PERIOD

The worsening of the macro-economic outlook as a result of COVID-19, both domestically and globally, has impacted the Fund's performance during the financial period. The Manager continues monitoring the situation closely and will be managing the portfolio to achieve the Fund's objective.

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