

Principal DALI Equity Fund

Semi-Annual Report

For The Six Months Financial Period Ended 30 November 2022

PRINCIPAL DALI EQUITY FUND

SEMI-ANNUAL REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2022

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INVESTORS' LETTER

Dear Valued Investor,

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

Firstly, allow me to wish you a very Happy New Year! The new year marks a fresh start and an opportunity to establish new goals. While many of us had a challenging year in 2022, we look forward to 2023 and hope it will be a better year for everyone.

We are pleased to bring you a copy of the Semi-Annual Fund Report of the Principal DALI Equity Fund for the financial period ended 30 November 2022. You may also download this report from our website at www.principal.com.my.

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

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

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

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

Munirah Khairuddin
Chief Executive Officer

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

The Fund aims to 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 loss of 8.63% and underperformed the benchmark, which registered a loss of 6.35% due to the negative market sentiments. For the financial year under review, the Fund has not achieved its objective of achieving medium term capital growth due to weak market sentiments. However, over the longer-term, 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 may 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. Notwithstanding, up to 20% of the Fund's investment in foreign Shariah-compliant equities may be from companies that are listed globally with some operations or businesses within the Asia Pacific ex Japan region to capture growth opportunities with effect from 16 August 2021. The 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 Guidelines of Unit Trust Funds ("GUTF"). 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 2022?

RM670.12 million (694.39 million units)

What is the Fund's benchmark?

70% FTSE Bursa Malaysia ("FBM") EMAS Shariah ("FBMS") Index + 30% Morgan Stanley Capital International ("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 2022?

The Fund distributed a total net income of RM18.61 million to unit holders, as a result, the NAV per unit dropped from RM0.9657 to RM0.9385 on 19 July 2022 for the six months financial period ended 30 November 2022.

PERFORMANCE DATA

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

	30.11.2022	30.11.2021	30.11.2020
	%	%	%
Shariah-compliant collective investment schemes	4.12	2.87	2.11
Shariah-compliant quoted securities			
- Communication Services	10.83	11.49	8.66
- Consumer Discretionary	4.58	5.92	7.75
- Consumer Staples	12.14	7.01	8.18
- Energy	6.57	4.37	8.42
- Financials	1.73	1.68	2.46
- Health Care	4.46	8.03	12.22
- Industrials	12.46	6.90	9.89
- Information Technology	19.24	29.72	18.84
- Materials	14.09	14.35	7.37
- Real Estate	2.37	2.37	1.81
- Utilities	2.23	-	7.23
Cash and other assets	8.39	8.10	6.16
Liabilities	(3.21)	(2.81)	(1.10)
	<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 were as follows:

	30.11.2022	30.11.2021	30.11.2020
NAV (RM Million)	670.11	845.72	1,056.81
Units in circulation (Million)	694.39	728.16	885.93
NAV per unit (RM)	0.9650	1.1614	1.1928
	01.06.2022 to 30.11.2022	01.06.2021 to 30.11.2021	01.06.2020 to 30.11.2020
Highest NAV per unit (RM)	1.0808	1.2370	1.2099
Lowest NAV per unit (RM)	0.8970	1.1371	1.0711
Total return (%)	(8.63)	(2.74)	12.36
- Capital growth (%)	(11.21)	(5.75)	11.30
- Income distribution (%)	2.90	3.20	0.97

PERFORMANCE DATA (CONTINUED)

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

	01.06.2022 to 30.11.2022	01.06.2021 to 30.11.2021	01.06.2020 to 30.11.2020
Total Expense Ratio (“TER”) (%) ^	0.92	0.97	0.97
Portfolio Turnover Ratio (“PTR”) (times) #	0.14	0.33	0.37

^ The Fund’s TER decreased from 0.97% to 0.92% due to the decrease in expenses during the financial period under review.

The Fund’s PTR has decreased from 0.33 times to 0.14 times due to less trades during the financial period under review.

Gross/Net distribution per unit (sen)

Distribution on 19 July 2022	2.70	-	-
Distribution on 15 July 2021	-	3.70	-
Distribution on 17 July 2020	-	-	1.10

	30.11.2022	30.11.2021	30.11.2020	30.11.2019	30.11.2018
	%	%	%	%	%
Annual total return	(14.50)	0.44	11.39	5.42	(11.02)

(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 2022 TO 30 NOVEMBER 2022)

Foreign Equity

During the financial period under review, Asian equities as measured by the MSCI Asia Pacific ex Japan Islamic Index declined by 18.8% in USD terms and 12.7% in MYR terms. Topical issues were: a) Tightening monetary policy environment led by the US Federal Reserve (the “Fed”) b) Loosening Coronavirus Diseases 2019 (“COVID-19”) restrictions in China and c) Concerns on China property sector which has implications on the wider economic growth.

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

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

The People’s Bank of China (“PBOC”) cut policy rates and the State Council announced a RMB1 trillion fiscal stimulus. It will be important to monitor how consumer confidence evolves. In the meantime, stimulus is broadly offsetting the drag from property, lockdowns and softening global demand.

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

MARKET REVIEW (1 JUNE 2022 TO 30 NOVEMBER 2022) (CONTINUED)**Foreign Equity (continued)**

In October 2022, we see signs that the largest contributors such as shelter (rent), transportation and food could be peaking. The big unknown is the possible second order effects of wage-price spiral, i.e., demand driven inflation from wage growth. China held its 20th National Congress wherein President Xi cemented a third term. Policies slowly shifted to be more pragmatic, specifically on zero-COVID-19. Government introduced more stimulus to areas at risk (e.g., property) and to promote investment in strategic sectors.

Towards the end of the period, more signs emerged regarding China's reopening, e.g. commentary by government officials that it will be entering a new phase with the omicron variant weakening. Several major cities subsequently loosened restrictions such as that observed in Shenzhen and Shanghai.

Local Equity

For the financial year under review, the FBMS Index decreased by 6.31% from 11,509.63 points to 10,783.09 points.

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

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

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

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

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

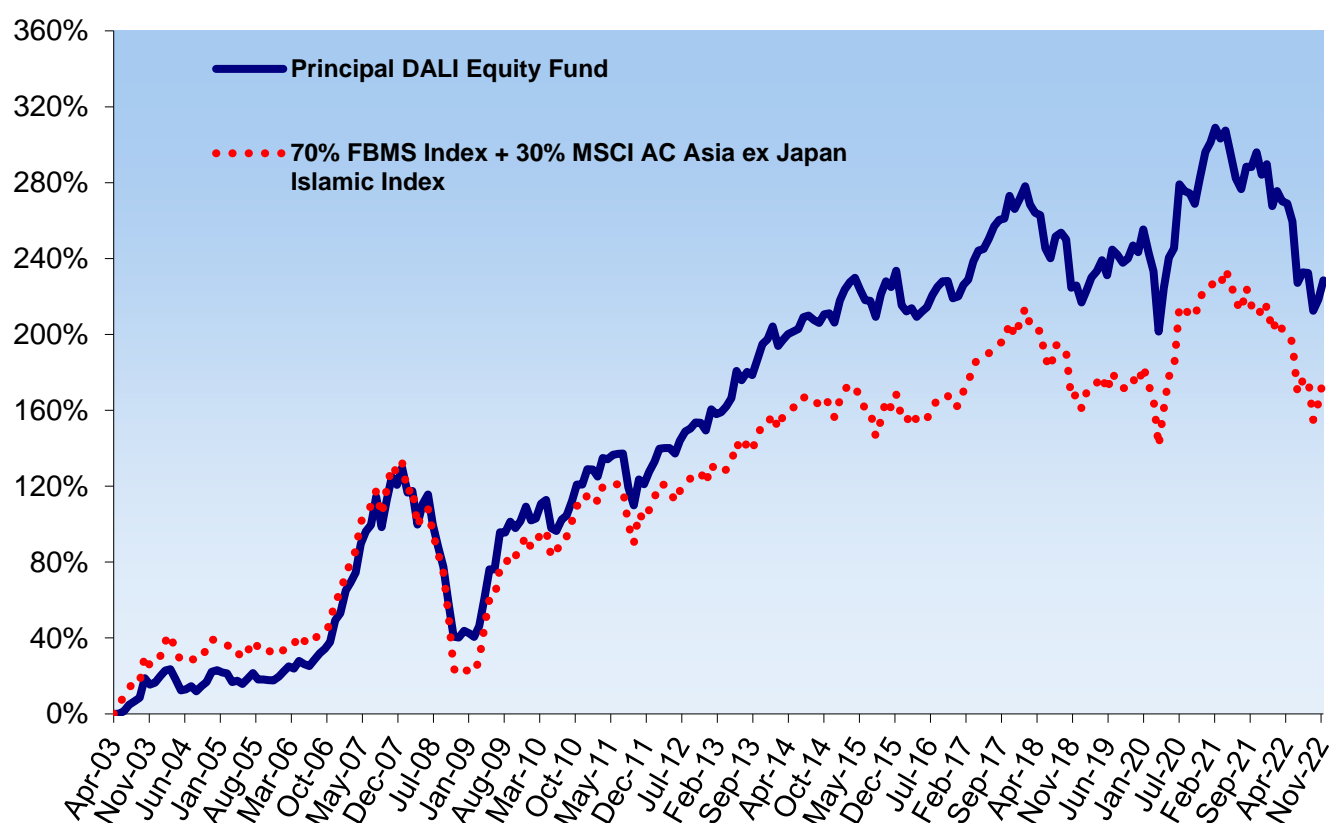
FBM Kuala Lumpur Composite Index ("KLCI") rose by 3.57% in November 2022. Investors cheered as the political deadlock from General Election ("GE15") was broken with the appointment of Datuk Seri Anwar Ibrahim as Malaysia's 10th Prime Minister who will lead a 'unity government' comprising of members from his party Pakatan Harapan and MPs from Barisan Nasional, as well as parties from Borneo and other party blocs. Global sentiment also improved on raised bets that the Fed may start slowing the pace of rate hikes in the upcoming Federal Open Market Committee ("FOMC") meeting in December 2022 following the softer October 2022 inflation print.

FUND PERFORMANCE

	6 months to 30.11.2022	1 year to 30.11.2022	3 years to 30.11.2022	5 years to 30.11.2022	Since inception to 30.11.2022
	%	%	%	%	%
Income Distribution	2.90	2.90	7.22	10.26	128.32
Capital Growth	(11.21)	(16.91)	(10.78)	(18.61)	43.88
Total Return	(8.63)	(14.50)	(4.34)	(10.26)	228.50
Benchmark	(6.35)	(10.51)	1.26	(7.45)	176.82
Average Total Return	(16.48)	(14.50)	(1.47)	(2.14)	6.26

For the financial period under review, the Fund declined by 8.63%, while the benchmark declined by 6.35%. As such, the Fund underperformed its benchmark by 2.28%.

Since Inception



Changes in NAV

	30.11.2022	31.05.2022 Audited	Changes %
NAV (RM Million)	670.12	750.90	(10.76)
NAV/Unit (RM)	0.9650	1.0867	(11.20)

While the NAV and NAV per unit have decreased by 10.76% and 11.20%, respectively, due to negative investment performance for the financial period under review.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	30.11.2022	31.05.2022 Audited
Shariah-compliant collective investment schemes	4.12	3.96
Shariah-compliant quoted securities	90.70	90.74
Cash and other assets	8.39	5.67
Liabilities	(3.21)	(0.37)
TOTAL	100.00	100.00

Asset allocation increased from 90.74% as at 31 May 2022 to 93.57% as at 30 November 2022 as we took opportunity of market correction to deploy into the market.

MARKET OUTLOOK*

Foreign Equity

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

While US inflation could peak in fourth quarter of 2022, the question is whether it could ease quickly enough during first half of 2023. Chair Powell now sees policy rates peaking at a higher rate than previously thought in September 2022. Preventing a wage-price spiral is probably an unspoken objective.

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

Local Equity

Malaysia's manufacturing sector slowed further in November 2022 with a Purchasing Managers' Index ("PMI") reading of 47.9pts vs 48.7pts in October 2022, representing the third straight month of contraction. The weak reading stemmed from waning global demand with order book volumes losing further momentum. New export orders were scaled back for the fifth time in many months. Consequently, firms lowered input buying and moderated inventory levels. Encouragingly employment stabilized after falling in the previous month. Prices of inputs and outputs ticked up slightly from October. According to S&P Global, firms remained hopeful that demand conditions would normalize over the coming year, but the degree of confidence did fall to a five-month low amid concerns over the longer-term effect of the current economic climate.

* 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

We remain fully invested and diversified across sectors and geographies. We continued to trim economic sensitive stocks in industrials and added reopening beneficiaries and also diversified into pharmaceuticals.

INVESTMENT STRATEGY (CONTINUED)

Foreign Equity (continued)

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

Local Equity

Given the positive market momentum recently as well as the prospects of reduced risk premium and decent upside in valuation, we have turned positive for the FBMKLCI. We continue to focus on companies with firm fundamentals, strong cash flows generation and defensive in nature. As for Technology, we see good opportunity within sector following rounds of sell-off earlier. Key risks are derailment of Malaysia's macro recovery and corporate earnings growth due to a larger-than-expected impact of rising inflation, slower global economic growth as well as heightened geopolitical risks.

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, the sub-manager and the Trustee did not receive any rebates from the brokers or dealers but the Manager and the sub-manager has retained soft commission in the form of goods and services for the benefit of the Fund such financial wire services and stock quotations systems incidental to investments management of the Funds and there was no churning of trades.

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIR OF THE FUND

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

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

Mr. Uday Jayaram (appointed on 30 June 2022) ^

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

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

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

CROSS TRADE

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

UNIT SPLIT

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

**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 4 to 40 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 2022 and of its financial performance, changes in net assets attributable to unit holders 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

UDAY JAYARAM
Director

Kuala Lumpur
12 January 2023

**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 2022:

- (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.

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

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

ONG TEE VANN
Chief Executive Officer

Kuala Lumpur
12 January 2023

Shariah Adviser's Report

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

For the Six Months Financial Period ended 30 November 2022

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the 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 except for Brilliance China Automotive which has been reclassified as Shariah non-compliant by the Shariah Adviser. This reclassified Shariah non-compliant instrument has been disposed on 23 June 2022 in accordance with the Fund's Shariah investment guidelines as provided in the Fund's deed and disclosed in the Fund's prospectus.

For **Amanie Advisors Sdn Bhd**

Tan Sri Dr Mohd Daud Bakar
Executive Chairman

Kuala Lumpur
12 January 2023

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2022**

	Note	01.06.2022 to 30.11.2022 RM	01.06.2021 to 30.11.2021 RM
LOSS			
Dividend income		9,086,093	10,463,185
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions and hibah earned		259,365	82,667
Net loss on financial assets at fair value through profit or loss	8	(65,710,494)	(25,473,920)
Net foreign exchange (loss)/gain		(54,650)	792,869
		<u>(56,419,686)</u>	<u>(14,135,199)</u>
EXPENSES			
Management fee	4	6,219,660	8,204,119
Trustee and custodian fees	5	277,997	368,176
Audit fee		4,700	4,700
Tax agent's fee		25,922	4,300
Transaction costs		485,143	1,155,906
Other expenses		304,946	217,575
		<u>7,318,368</u>	<u>9,954,776</u>
LOSS BEFORE TAXATION		(63,738,054)	(24,089,975)
Taxation	7	(648,049)	(399,308)
LOSS AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD		<u>(64,386,103)</u>	<u>(24,489,283)</u>
Loss after taxation is made up as follows:			
Realised amount		(45,107,641)	(13,533,133)
Unrealised amount		(19,278,462)	(10,956,150)
		<u>(64,386,103)</u>	<u>(24,489,283)</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 2022**

		30.11.2022	31.05.2022
	Note	RM	Audited RM
CURRENT ASSETS			
Cash and cash equivalents	9	54,639,091	28,421,344
Financial assets at fair value through profit or loss (Shariah-compliant)	8	635,379,632	711,122,294
Amount due from stockbrokers		489,557	13,314,492
Amount due from Manager		411,645	494,476
Amount due from Manager of collective investment schemes			
- Management fee rebate		282,311	43,304
Dividends receivable		436,738	328,603
TOTAL CURRENT ASSETS		691,638,974	753,724,513
CURRENT LIABILITIES			
Amount due to stockbrokers		18,115,480	-
Amount due to Manager		1,854,026	1,611,526
Accrued management fee		1,003,251	1,153,342
Amount due to Trustee		32,667	38,011
Tax payable		493,300	-
Other payables and accruals		21,746	18,997
TOTAL LIABILITIES		21,520,470	2,821,876
NET ASSET VALUE OF THE FUND		670,118,504	750,902,637
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	10	670,118,504	750,902,637
NUMBER OF UNITS IN CIRCULATION (UNITS)	11	694,388,240	690,976,823
NET ASSET VALUE PER UNIT (RM)		0.9650	1.0867

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

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2022**

		30.11.2022 RM	30.11.2021 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	Note	750,902,637	922,606,909
Movement due to units created and cancelled during the financial period:			
Creation of units from applications		28,345,206	16,829,575
Creation of units from distributions		18,581,923	27,314,212
Cancellation of units		(44,710,489)	(69,181,745)
		2,216,640	(25,037,958)
Total comprehensive loss for the financial period		(64,386,103)	(24,489,283)
Distribution	6	(18,614,670)	(27,361,384)
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	10	670,118,504	845,718,284

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 2022**

	01.06.2022 to 30.11.2022 RM	01.06.2021 to 30.11.2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of Shariah-compliant quoted securities	113,330,579	320,144,240
Purchase of Shariah-compliant quoted securities	(73,278,388)	(239,927,022)
Dividend income received	8,674,643	9,832,106
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions and hibah earned	259,365	82,667
Management fee paid	(6,369,751)	(8,352,684)
Management fee rebate received	94,053	152,374
Trustee and custodian fees paid	(283,341)	(372,995)
Payments for other fees and expenses	(31,072)	(42,386)
Tax payment	(154,749)	(112,583)
Net realised foreign exchange loss	(201,536)	(399,308)
Net cash generated from operating activities	<u>42,039,803</u>	<u>81,004,409</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	28,428,037	16,833,110
Payments for cancellation of units	(44,467,989)	(70,578,043)
Distribution paid	(32,747)	(47,172)
Net cash used in financing activities	<u>(16,072,699)</u>	<u>(53,792,105)</u>
Net increased in cash and cash equivalents	25,967,104	27,212,304
Effects of foreign exchange differences	250,643	421,953
Cash and cash equivalents at the beginning of the financial period	<u>28,421,344</u>	<u>38,753,748</u>
Cash and cash equivalents at the end of the financial period	<u>54,639,091</u>	<u>66,388,005</u>
<u>Cash and cash equivalents comprised of:</u>		
Shariah-compliant deposits with licensed Islamic financial institutions	29,091,166	9,151,439
Bank balances	<u>25,547,925</u>	<u>57,236,566</u>
Cash and cash equivalents at the end of the financial period	<u>54,639,091</u>	<u>66,388,005</u>

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 2022****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 may 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. Notwithstanding, up to 20% of the Fund’s investment in foreign Shariah-compliant equities may be from companies that are listed globally with some operations or businesses within the Asia Pacific ex Japan region to capture growth opportunities with effect from 16 August 2021. The 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 GUTF. 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 GUTF, SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements have been prepared in accordance with the provisions of the MFRS as issued by the Malaysian Accounting Standards Board (“MASB”) and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

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

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported 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 2022 that have a material effect on the financial statements of the Fund.

None of the standards, amendments to standards or interpretations that are effective for the financial year beginning on/after 1 December 2022 are applicable to 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 - management fee rebate and dividends receivable as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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 instruments 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.

(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.

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

(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 GUTF.

(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 GUTF.

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 GUTF.

(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 GUTF.

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.

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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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
30.11.2022				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment schemes	27,595,344	-	-	27,595,344
- Shariah-compliant quoted securities	<u>607,784,288</u>	<u>-</u>	<u>-</u>	<u>607,784,288</u>
	<u>635,379,632</u>	<u>-</u>	<u>-</u>	<u>635,379,632</u>
31.05.2022				
Audited				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment schemes	29,745,600	-	-	29,745,600
- Shariah-compliant quoted securities	<u>681,376,694</u>	<u>-</u>	<u>-</u>	<u>681,376,694</u>
	<u>711,122,294</u>	<u>-</u>	<u>-</u>	<u>711,122,294</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 2022, the management fee is recognised at a rate of 1.85% per annum (30.11.2021: 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 2022, the Trustee fee is recognised at a rate of 0.06% per annum (30.11.2021: 0.06% per annum) while the foreign custodian fee was recognised at RM63,752 (30.11.2021: RM102,097).

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

6. DISTRIBUTION

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

	01.06.2022 to 30.11.2022 RM	01.06.2021 to 30.11.2021 RM
Dividend income	6,906,799	12,142,710
Profit income	69,709	169,699
Net realised gain on disposal of Shariah-compliant investments	6,279,765	40,562,407
Prior financial periods' realized income/(loss)	<u>12,032,870</u>	<u>(13,178,636)</u>
	25,289,143	39,696,180
Less:		
Expenses	<u>6,674,473</u>	<u>12,334,796</u>
Net distribution amount	<u>18,614,670</u>	<u>27,361,384</u>
Gross/Net distribution per unit (sen)		
Distribution on 19 July 2022	2.70	-
Distribution on 15 July 2021	-	3.70

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

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

During the six months financial period 30 November 2022, the Fund incurred unrealised loss of RM19,278,462 (30.11.2021: RM10,956,150).

7. TAXATION

	01.06.2022 to 30.11.2022 RM	01.06.2021 to 30.11.2021 RM
Tax charged for the financial period:		
- Capital gains tax	493,300	399,308
- Tax on foreign source income	<u>154,749</u>	<u>-</u>
	<u>648,049</u>	<u>399,308</u>

7. TAXATION (CONTINUED)

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

	01.06.2022 to 30.11.2022	01.06.2021 to 30.11.2021
	RM	RM
Loss before taxation	<u>(63,738,054)</u>	<u>(24,089,975)</u>
Taxation at Malaysian statutory rate of 24%	(15,297,133)	(5,781,594)
Tax effects of:		
Loss not deductible for tax purpose	13,540,725	3,392,448
Expenses not deductible for tax purposes	262,383	411,913
Restriction on tax deductible expenses for Unit Trust Funds	1,494,025	1,977,233
Capital gains tax	493,300	(399,308)
Tax on foreign source income	<u>154,749</u>	<u></u>
Taxation	<u>648,049</u>	<u>(399,308)</u>

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

	30.11.2022	31.05.2022
	RM	Audited RM
At fair value through profit or loss:		
- Shariah-compliant collective investment schemes	27,595,344	29,745,600
- Shariah-compliant quoted securities	<u>607,784,288</u>	<u>681,376,694</u>
	<u>635,379,632</u>	<u>711,122,294</u>
	01.06.2022 to 30.11.2022	01.06.2021 to 30.11.2021
	RM	RM
Net loss on financial assets at fair value through profit or loss:		
- Realised loss on disposals	(46,520,709)	(14,522,031)
- Unrealised fair value loss	(19,522,845)	(11,136,967)
- Management fee rebate #	<u>333,060</u>	<u>185,078</u>
	<u>(65,710,494)</u>	<u>(25,473,920)</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 financial period ended 30 November 2022 and 30 November 2021, the management fee rebates are recognised at a rate as per table below, calculated and accrued daily based on the NAV of the collective investment schemes.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT) (CONTINUED)				
			30.11.2022	30.11.2021
			%	%
PT Principal Islamic Equity Growth Syariah			2.00	3.00
Principal Islamic Asia Pacific Dynamic Income & Growth Fund - USD I Accumulation			1.00	1.00
Principal Islamic Global Responsible Equity Fund - USD I Class Accumulation			0.80	-
Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2022 SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES				
INDONESIA				
PT Principal Islamic Equity Growth Syariah	22,020,795	9,727,611	7,570,666	1.13
TOTAL INDONESIA	22,020,795	9,727,611	7,570,666	1.13
IRELAND				
Principal Islamic Asia Pacific Dynamic Income & Growth Fund - USD I Accumulation	346,900	14,363,394	14,299,828	2.13
Principal Islamic Global Responsible Equity Fund - USD I Class Accumulation	144,000	6,076,080	5,724,850	0.86
	490,900	20,439,474	20,024,678	2.99
TOTAL IRELAND	490,900	20,439,474	20,024,678	2.99
TOTAL SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES	22,511,695	30,167,085	27,595,344	4.12
ACCUMULATED UNREALISED LOSS ON SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		(2,571,741)		
TOTAL SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS			27,595,344	

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT) (CONTINUED)				
Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2022 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
AUSTRALIA				
Energy				
Santos Ltd	139,971	3,204,243	3,093,684	0.46
Health Care				
CSL Ltd	3,246	2,850,106	2,909,612	0.43
TOTAL AUSTRALIA	143,217	6,054,349	6,003,296	0.89
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	110,200	11,003,687	5,013,556	0.75
TOTAL CAYMAN ISLANDS	110,200	11,003,687	5,013,556	0.75
CHINA				
Consumer Discretionary				
BYD Company Ltd	16,000	2,283,866	1,744,642	0.26
Industrials				
NARI Tech Dev Co Ltd - A ¹	236,025	4,339,381	3,930,528	0.59
Shanghai International Airport Co Ltd - A ¹	104,096	3,875,156	3,619,693	0.54
Shenzhen Inovance Technology Co Ltd	54,091	1,828,482	2,381,960	0.36
	394,212	10,043,019	9,932,181	1.49
Information Technology				
LONGi Green Energy Technology - A ¹	50,900	2,068,892	1,460,477	0.22
Utilities				
China Yangtze Power Co A ¹	281,800	4,403,331	3,747,897	0.56
TOTAL CHINA	742,912	18,799,108	16,885,197	2.53
HONG KONG, CHINA				
Communication Services				
Tencent Holding Ltd	30,500	8,075,137	4,987,716	0.74
Consumer Discretionary				
Shenzhou International Group	30,800	1,827,248	1,221,488	0.18

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT) (CONTINUED)				
Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2022 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
HONG KONG, CHINA (CONTINUED)				
Consumer Staples				
China Mengniu Dairy Co. Ltd	201,000	4,519,131	3,982,839	0.59
Information Technology				
Kingboard Laminates Holding Ltd	715,500	2,950,995	3,332,579	0.50
Real Estate				
China Resources Land Ltd	102,000	1,985,153	2,090,837	0.31
Link REIT	47,500	1,632,997	1,419,941	0.21
	149,500	3,618,150	3,510,778	0.52
TOTAL HONG KONG, CHINA	1,127,300	20,990,661	17,035,400	2.53
INDIA				
Consumer Discretionary				
Maruti Suzuki India Ltd	5,998	3,074,280	2,933,569	0.44
Titan Co Ltd	27,887	2,387,373	4,032,140	0.60
	33,885	5,461,653	6,965,709	1.04
Consumer Staples				
Dabur India Ltd	140,477	3,999,876	4,504,406	0.67
Energy				
Reliance Industries Ltd	109,463	9,273,794	16,294,506	2.43
Health Care				
Sun Pharma Industries Ltd	54,418	2,955,215	3,102,355	0.46
Information Technology				
Tata Consultancy Services Ltd	13,340	1,708,988	2,465,213	0.37
Materials				
Asian Paints Ltd	21,416	3,615,959	3,705,946	0.55
TOTAL INDIA	372,999	27,015,485	37,038,135	5.52

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT) (CONTINUED)				
Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2022 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
INDONESIA				
Communication Services				
Telekomunikasi TBK PT	2,847,700	3,248,010	3,247,779	0.48
TOTAL INDONESIA	2,847,700	3,248,010	3,247,779	0.48
MALAYSIA				
Communication Services				
Axiata Group Bhd	7,000,929	33,405,504	22,753,019	3.40
Telekom Malaysia Bhd	6,171,900	31,162,047	34,562,640	5.16
	13,172,829	64,567,551	57,315,659	8.56
Consumer Discretionary				
Bermaz Auto Bhd	2,204,900	3,933,798	4,321,604	0.64
Mr D.I.Y. Group (M) Bhd	5,466,550	12,119,377	11,479,755	1.71
	7,671,450	16,053,175	15,801,359	2.35
Consumer Staples				
Genting Plantations Bhd	792,300	6,626,070	4,920,183	0.73
IOI Corporation Bhd	3,366,000	14,533,152	12,858,120	1.92
Kuala Lumpur Kepong Bhd	1,145,757	27,122,729	23,946,321	3.57
PPB Group Bhd	44,700	773,310	768,840	0.11
Sime Darby Plantation Bhd	7,155,154	29,761,041	30,480,956	4.55
	12,503,911	78,816,302	72,974,420	10.88
Energy				
Dayang Enterprise Holding Bhd	3,246,600	4,773,611	4,545,240	0.68
Dialog Group Bhd	2,042,524	6,275,922	4,636,530	0.69
Hibiscus Petroleum Bhd	5,138,700	5,980,287	5,703,957	0.85
	10,427,824	17,029,820	14,885,727	2.22
Financials				
Bank Islam Malaysia Bhd	4,522,520	13,934,456	11,577,651	1.73
Health Care				
IHH Healthcare Bhd	2,643,100	16,143,475	15,329,980	2.29
KPJ Healthcare Bhd	5,976,700	6,957,119	5,618,098	0.84
	8,619,800	23,100,594	20,948,078	3.13

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2022 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Industrials				
Econpile Holdings Bhd	1,012,000	774,200	156,860	0.02
Frontken Corporation Bhd	3,310,500	12,188,798	10,295,655	1.54
Gamuda Bhd	2,631,000	9,782,635	10,471,380	1.56
Kelington Group Bhd	3,961,800	4,727,342	5,784,228	0.86
Malaysia Airports Holdings Bhd	800,600	5,065,068	5,147,858	0.77
MISC Bhd	2,778,700	20,884,292	20,006,640	2.99
Pentamaster Corporation Bhd	1,481,300	7,489,900	6,369,590	0.95
Sime Darby Bhd	5,692,700	13,745,079	12,239,305	1.83
	<u>21,668,600</u>	<u>74,657,314</u>	<u>70,471,516</u>	<u>10.52</u>
Information Technology				
Genetec Technology Bhd	4,885,200	12,392,969	12,701,520	1.90
Inari Amertron Bhd	5,457,600	15,602,103	14,517,216	2.17
MI Technovation Bhd	3,236,300	11,944,610	4,304,279	0.64
My Eg Services Bhd	35,791,500	36,922,560	31,675,478	4.73
V.S. Industry Bhd	12,865,078	15,934,324	11,707,221	1.75
	<u>62,235,678</u>	<u>92,796,566</u>	<u>74,905,714</u>	<u>11.19</u>
Materials				
Ancom Nylex Bhd	7,523,600	6,284,396	7,147,420	1.07
Petronas Chemicals Group Bhd	5,922,300	47,574,140	50,576,442	7.55
Press Metal Aluminium Holding Bhd	4,899,900	22,635,255	23,764,515	3.55
	<u>18,345,800</u>	<u>76,493,791</u>	<u>81,488,377</u>	<u>12.17</u>
Real Estate				
Axis REIT	1,461,837	2,621,260	2,777,490	0.41
KLCCP Stapled Group	683,000	5,323,086	4,535,120	0.68
Sime Darby Property Bhd	5,769,100	4,252,787	2,798,014	0.42
SP Setia Bhd	3,328,900	3,919,246	2,313,585	0.34
	<u>11,242,837</u>	<u>16,116,379</u>	<u>12,424,209</u>	<u>1.85</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT) (CONTINUED)				
Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2022 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Utilities				
Tenaga Nasional Bhd	1,188,300	10,853,550	11,193,786	1.67
TOTAL MALAYSIA	1,188,300	10,853,550	11,193,786	1.67
SINGAPORE				
Communication Services				
NetLink NBN Trust Singapore	684,500	2,075,567	1,912,177	0.29
Telecommunications	578,000	4,445,533	5,106,847	0.76
	<u>1,262,500</u>	<u>6,521,100</u>	<u>7,019,024</u>	<u>1.05</u>
TOTAL SINGAPORE	1,262,500	6,521,100	7,019,024	1.05
SOUTH KOREA				
Information Technology				
Samsung Electronics Co. Ltd	110,057	26,786,908	23,062,642	3.44
SK Hynix Inc	27,139	10,582,672	7,771,660	1.16
	<u>137,196</u>	<u>37,369,580</u>	<u>30,834,302</u>	<u>4.60</u>
Materials				
LG Chem Ltd	2,022	3,890,535	5,040,967	0.75
TOTAL SOUTH KOREA	139,218	41,260,115	35,875,269	5.35
TAIWAN				
Information Technology				
E Ink Holding Inc	113,000	1,358,588	2,947,277	0.44
MediaTek Inc.	47,000	6,882,488	4,964,389	0.74
Taiwan Semiconductor Manufacturing Co. Ltd	112,000	5,560,156	7,908,208	1.18
	<u>272,000</u>	<u>13,801,232</u>	<u>15,819,874</u>	<u>2.36</u>
TOTAL TAIWAN	272,000	13,801,232	15,819,874	2.36
THAILAND				
Health Care				
Bangkok Dusit Medical Service - NVDR	777,000	2,446,450	2,963,792	0.44

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2022 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
THAILAND (CONTINUED)				
Industrials				
Airports Of Thailand - NVDR	315,500	2,686,029	2,983,747	0.45
TOTAL THAILAND	315,500	2,686,029	2,983,747	0.45
UNITED KINGDOM				
Energy				
Shell PLC	60,526	7,100,627	7,890,940	1.18
TOTAL UNITED KINGDOM	60,526	7,100,627	7,890,940	1.18
UNITED STATES				
ENERGY				
ConocoPhillips	3,367	1,964,538	1,847,242	0.28
Communication Services				
ALPHABET INC-CL A ¹	2,793	3,629,663	4,174,541	0.62
TOTAL UNITED STATES	6,160	5,594,201	6,021,783	0.90
TOTAL SHARIAH-COMPLIANT QUOTED SECURITIES	179,776,781	650,940,552	607,784,288	90.70
ACCUMULATED UNREALISED LOSS ON SHARIAH-COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		(43,156,264)		
TOTAL SHARIAH-COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		607,784,288		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2022				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES				
INDONESIA				
Principal Islamic Equity Growth Syariah Fund	<u>22,020,795</u>	<u>9,768,258</u>	<u>8,253,678</u>	<u>1.10</u>
TOTAL INDONESIA	<u>22,020,795</u>	<u>9,768,258</u>	<u>8,253,678</u>	<u>1.10</u>
IRELAND				
Principal Islamic Asia Pacific Dynamic Income and Growth Fund - USD I Accumulation	346,900	14,363,395	15,512,539	2.06
Principal Islamic Global Responds Equity Fund - USD I Accumulation	<u>144,000</u>	<u>6,076,080</u>	<u>5,979,383</u>	<u>0.80</u>
TOTAL IRELAND	<u>490,900</u>	<u>20,439,475</u>	<u>21,491,922</u>	<u>2.86</u>
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEMES	<u>22,511,695</u>	30,167,085	<u>29,745,600</u>	<u>3.96</u>
ACCUMULATED UNREALISED LOSS ON SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(421,485)</u>		
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>29,745,600</u>		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2022 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
AUSTRALIA				
Health Care				
CSL Ltd	3,246	2,880,958	2,773,258	0.37
Ramsay Health Care Ltd	25,434	5,432,129	6,248,836	0.83
	<u>28,680</u>	<u>8,313,087</u>	<u>9,022,094</u>	<u>1.20</u>
TOTAL AUSTRALIA	<u>28,680</u>	<u>8,313,087</u>	<u>9,022,094</u>	<u>1.20</u>
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	110,200	10,998,671	5,915,384	0.79
TOTAL CAYMAN ISLANDS	<u>110,200</u>	<u>10,998,671</u>	<u>5,915,384</u>	<u>0.79</u>
CHINA				
Consumer Discretionary				
BYD Company Ltd	26,500	3,782,525	4,138,134	0.55
Industrials				
NARI Tech Dev Co Ltd A	104,396	2,241,541	2,341,994	0.31
Shenzhen Inovance Technology Co	98,091	3,314,086	3,934,003	0.52
	<u>202,487</u>	<u>5,555,627</u>	<u>6,275,997</u>	<u>0.83</u>
Materials				
Anhui Conch Cement Co. Ltd	196,500	4,522,495	4,361,604	0.58
Yunnan Energy New Material Co	23,998	4,121,116	3,422,902	0.46
	<u>220,498</u>	<u>8,643,611</u>	<u>7,784,506</u>	<u>1.04</u>
TOTAL CHINA	<u>449,485</u>	<u>17,981,763</u>	<u>18,198,637</u>	<u>2.42</u>
HONG KONG, CHINA				
Communication Services				
Tencent Holding Ltd	30,500	8,201,363	6,164,370	0.82

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT) (CONTINUED)				
Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2022 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
HONG KONG, CHINA (CONTINUED)				
Consumer Discretionary				
Brilliance China Automotive*	738,000	2,902,643	2,708,214	0.36
Shenzhou International Group	84,500	5,011,207	5,113,133	0.68
Xinyi Glass Holding Co. Ltd	213,000	2,490,407	2,368,675	0.32
	<u>1,035,500</u>	<u>10,404,257</u>	<u>10,190,022</u>	<u>1.36</u>
Consumer Staples				
China Mengniu Dairy Co. Ltd	171,000	3,926,369	3,843,278	0.51
Information Technology				
Kingboard Laminates Holding Ltd	715,500	2,950,995	5,259,273	0.70
Real Estate				
Link REIT	47,500	1,635,133	1,882,168	0.25
TOTAL HONG KONG, CHINA	2,000,000	27,118,117	27,339,111	3.64
INDIA				
Consumer Discretionary				
Titan Co Ltd	18,712	1,035,144	2,338,671	0.31
Consumer Staples				
Dabur India Ltd	75,564	1,975,320	2,211,879	0.29
Energy				
Reliance Industries Ltd	89,467	5,802,353	13,284,191	1.77
Health Care				
Apollo Hospitals Ent Ltd	9,178	703,224	2,059,842	0.27
Information Technology				
Tata Consultancy Services Ltd	13,340	1,707,528	2,531,256	0.34
Materials				
Asian Paints Ltd	14,390	2,231,551	2,320,881	0.31
Ultra Tech Cement Ltd	6,811	2,839,490	2,336,572	0.31
	<u>21,201</u>	<u>5,071,041</u>	<u>4,657,453</u>	<u>0.62</u>
TOTAL INDIA	227,462	16,294,610	27,083,292	3.60

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT) (CONTINUED)				
Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2022 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
INDONESIA				
Communication Services				
Telekomunikasi TBK PT	2,847,700	3,242,531	3,683,303	0.49
TOTAL INDONESIA	2,847,700	3,242,531	3,683,303	0.49
MALAYSIA				
Communication Services				
Axiata Group Bhd	7,000,929	33,405,504	22,472,982	2.99
Telekom Malaysia Bhd	6,561,900	33,131,165	35,171,784	4.68
	13,562,829	66,536,669	57,644,766	7.67
Consumer Discretionary				
Bermaz Auto Bhd	1,863,500	3,259,089	3,317,030	0.44
Mr D.I.Y. Group (M) Bhd	4,224,500	14,048,615	13,729,625	1.83
	6,088,000	17,307,704	17,046,655	2.27
Consumer Staples				
Genting Plantations Bhd	792,300	6,626,070	6,021,480	0.80
IOI Corporation Bhd	3,366,000	14,533,152	14,473,800	1.93
Kuala Lumpur Kepong Bhd	1,145,757	27,122,729	29,285,549	3.90
PPB Group Bhd	224,000	3,875,200	3,722,880	0.50
Sime Darby Plantation Bhd	7,155,154	29,761,041	35,990,425	4.79
	12,683,211	81,918,192	89,494,134	11.92
Energy				
Dayang Enterprise Holding Bhd	5,919,700	8,920,235	5,801,306	0.77
Dialog Group Bhd	2,042,524	6,275,808	4,963,333	0.66
Hibiscus Petroleum Bhd	5,138,700	5,980,287	7,194,180	0.96
	13,100,924	21,176,330	17,958,819	2.39
Financials				
Bank Islam Malaysia Bhd	4,522,520	16,275,262	13,205,758	1.76
Health Care				
Hartalega Holding Bhd	2,094,958	28,753,581	8,798,824	1.17
IHH Healthcare Bhd	5,891,800	35,985,821	39,475,060	5.26
KPJ Healthcare Bhd	5,976,700	6,957,119	5,199,729	0.69
Top Glove Corporation Bhd	4,106,900	10,268,130	5,749,660	0.77
	18,070,358	81,964,651	59,223,273	7.89

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2022 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Industrials				
Econpile Holdings Bhd	3,434,900	2,627,766	721,329	0.10
Frontken Corporation Bhd	5,434,600	20,031,008	14,890,804	1.98
Kelington Group Bhd	3,961,800	3,705,796	4,674,924	0.62
MISC Bhd	2,114,400	16,069,320	15,160,248	2.02
Pentamaster Corporation Bhd	1,481,300	7,489,900	5,495,623	0.73
Sime Darby Bhd	5,692,700	13,745,079	12,467,013	1.66
UWC Bhd	371,400	2,279,247	1,095,630	0.15
	<u>22,491,100</u>	<u>65,948,116</u>	<u>54,505,571</u>	<u>7.26</u>
Information Technology				
Genetec Technology Bhd	3,719,000	9,578,911	8,665,270	1.15
Inari Amertron Bhd	4,774,700	13,708,114	13,416,907	1.79
JHM CONSOLIDATION	1,350,800	1,723,054	1,742,532	0.23
Malaysian Pacific Industries Bhd	23,600	388,076	775,024	0.10
MI Technovation Bhd	3,236,300	11,944,610	5,469,347	0.73
My Eg Services Bhd	33,691,000	35,034,494	30,827,265	4.11
V.S. Industry Bhd	12,865,078	10,479,588	12,800,752	1.71
	<u>59,660,478</u>	<u>82,856,847</u>	<u>73,697,097</u>	<u>9.82</u>
Materials				
Ancom Nylex Bhd	1,974,400	4,621,529	6,140,384	0.82
Ann Joo Resources Bhd	4,729,000	10,218,365	6,336,860	0.84
Lion Industries Corporation Bhd	2,544,700	2,091,783	1,259,627	0.17
Petronas Chemicals Group Bhd	5,922,300	47,574,140	60,762,798	8.09
Press Metal Aluminium Holding Bhd	5,017,000	23,176,203	27,794,180	3.70
	<u>20,187,400</u>	<u>87,682,020</u>	<u>102,293,849</u>	<u>13.62</u>
Real Estate				
Axis REIT	1,461,837	2,621,259	2,923,674	0.39
KLCCP Stapled Group	683,000	5,323,086	4,678,550	0.62
Sime Darby Property Bhd	6,586,300	4,855,200	3,391,945	0.45
SP Setia Bhd	6,656,900	7,837,433	5,625,080	0.76
	<u>15,388,037</u>	<u>20,636,978</u>	<u>16,619,249</u>	<u>2.22</u>
TOTAL MALAYSIA	<u>185,754,857</u>	<u>542,302,769</u>	<u>501,689,171</u>	<u>66.82</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2022 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
SINGAPORE				
Communication Services				
NetLink NBN Trust Singapore	887,700	2,684,225	2,752,149	0.37
Telecommunications	617,500	4,745,388	5,111,763	0.68
	<u>1,505,200</u>	<u>7,429,613</u>	<u>7,863,912</u>	<u>1.05</u>
TOTAL SINGAPORE	<u>1,505,200</u>	<u>7,429,613</u>	<u>7,863,912</u>	<u>1.05</u>
SOUTH KOREA				
Information Technology				
Samsung Electronics Co. Ltd	110,057	26,735,931	26,228,747	3.49
SK Hynix Inc	21,283	8,574,950	8,127,492	1.08
	<u>131,340</u>	<u>35,310,881</u>	<u>34,356,239</u>	<u>4.57</u>
Materials				
LG Chem Ltd	2,022	3,887,065	4,182,510	0.56
TOTAL SOUTH KOREA	<u>133,362</u>	<u>39,197,946</u>	<u>38,538,749</u>	<u>5.13</u>
TAIWAN				
Information Technology				
E Ink Holding Inc	113,000	1,353,727	3,459,201	0.46
MediaTek Inc.	47,000	7,018,061	6,414,278	0.85
Taiwan Semiconductor Manufacturing Co. Ltd	135,000	5,301,960	11,400,480	1.52
	<u>295,000</u>	<u>13,673,748</u>	<u>21,273,959</u>	<u>2.83</u>
TOTAL TAIWAN	<u>295,000</u>	<u>13,673,748</u>	<u>21,273,959</u>	<u>2.83</u>
THAILAND				
Health Care				
Bangkok Dusit Medical Service - NVDR	1,571,000	4,931,399	5,160,904	0.69
Industrials				
Airports Of Thailand - NVDR	643,000	5,466,437	5,721,733	0.76
TOTAL THAILAND	<u>2,214,000</u>	<u>10,397,836</u>	<u>10,882,637</u>	<u>1.45</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2022 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
UNITED STATES				
Communication Services				
ALPHABET INC-CL A ¹	414	4,936,075	4,121,499	0.55
Materials				
Linde PLC	4,058	5,273,603	5,764,946	0.77
TOTAL UNITED STATES	4,472	10,209,678	9,886,445	1.32
TOTAL SHARIAH-COMPLIANT QUOTED SECURITIES	195,570,418	707,160,369	681,376,694	90.74
ACCUMULATED UNREALISED LOSS ON SHARIAH-COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		(25,783,675)		
TOTAL SHARIAH-COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		681,376,694		

* The stock has been reclassified to Shariah non-compliant effectively from 25th March 2022 and is loss position. The stock have been disposed on 23 June 2022 at loss.

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.

9. CASH AND CASH EQUIVALENTS

	30.11.2022	31.05.2022
	RM	Audited RM
Shariah-compliant deposits with licensed Islamic financial institutions	25,547,925	9,734,547
Bank balances	29,091,166	18,686,797
	<u>54,639,091</u>	<u>28,421,344</u>

10. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

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

	30.11.2022	31.05.2022
	RM	Audited RM
Unit holders' contributions	730,628,628	728,411,988
Accumulated loss/Retained earnings	(60,510,124)	22,490,649
	<u>670,118,504</u>	<u>750,902,637</u>

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

	Unit holders' capital RM	(Accumulated loss)/Retained earnings RM	Total RM
Balance as at 1 June 2022	728,411,988	22,490,649	750,902,637
Movement in unit holders' contributions:			
- Creation of units from applications	28,345,206	-	28,345,206
- Creation of units from distribution	18,581,923	-	18,581,923
- Cancellation of units	(44,710,489)	-	(44,710,489)
Total comprehensive loss for the financial period	-	(64,386,103)	(64,386,103)
Distribution	-	(18,614,670)	(18,614,670)
Balance as at 30 November 2022	<u>730,628,628</u>	<u>(60,510,124)</u>	<u>670,118,504</u>
Balance as at 1 June 2021	795,360,290	127,246,619	922,606,909
Movement in unit holders' contributions:			
- Creation of units from applications	16,829,575	-	16,829,575
- Creation of units from distribution	27,314,212	-	27,314,212
- Cancellation of units	(69,181,745)	-	(69,181,745)
Total comprehensive loss for the financial period	-	(24,489,283)	(24,489,283)
Distribution	-	(27,361,384)	(27,361,384)
Balance as at 30 November 2021	<u>770,322,332</u>	<u>75,395,952</u>	<u>845,718,284</u>

11. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.06.2022 to 30.11.2022	01.06.2021 to 31.05.2022 Audited
	No. of units	No. of units
At the beginning of the financial period/year	690,976,823	748,713,601
Add: Creation of units from applications	30,027,503	28,271,323
Add: Creation of units from distribution	19,799,598	23,642,527
Less: Cancellation of units	(46,415,684)	(109,650,628)
At the end of the financial period/year	<u>694,388,240</u>	<u>690,976,823</u>

12. TOTAL EXPENSE RATIO (“TER”)

	01.06.2022 to 30.11.2022 %	01.06.2021 to 30.11.2021 %
TER	<u>0.92</u>	<u>0.97</u>

TER is derived from the following calculation:

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

- A = Management fee (exclude rebate)
- 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 RM671,459,339 (30.11.2021: RM884,523,201).

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.06.2022 to 30.11.2022	01.06.2021 to 30.11.2021
PTR (times)	<u>0.14</u>	<u>0.33</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 = RM91,260,395 (30.11.2021: RM257,017,558)
- total disposal for the financial period = RM100,959,502 (30.11.2021: RM319,952,591)

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	30.11.2022		31.05.2022	
	No. of units	RM	No. of units	RM
Principal Asset Management Berhad	<u>137,763</u>	<u>132,941</u>	<u>97,249</u>	<u>105,680</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.

<u>Significant related party transaction</u>	01.06.2022	01.06.2021
	to 30.11.2022	to 30.11.2021
	RM	RM
Profit income from Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	-	5,103

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

	01.06.2022 to 30.11.2022	01.06.2021 to 30.11.2021
<u>Significant related party transaction (continued)</u>		
<u>Management fee rebate</u>		
- Principal Islamic Asset Management (Ireland) PLC	180,146	44,478
- PT Principal Asset Management	58,860	41,877
- Principal Asset Management Berhad	94,054	98,723
	<u>333,060</u>	<u>185,078</u>
	30.11.2022	31.05.2022
	RM	Audited RM
Shariah-compliant collective investment schemes:		
- Principal Islamic Asia Pacific Dynamic Income and Growth Fund - USD I Accumulation	14,299,828	15,512,539
- Principal Islamic Global Responds Equity - USD I Accumulation	5,724,850	5,979,383
- Principal Islamic Equity Growth Syariah Fund	7,570,666	8,253,678
	<u>27,595,344</u>	<u>29,745,600</u>

15. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for the six months financial period ended 30 November 2022 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	36,790,297	19.14	34,648	12.31
Citigroup Global Markets Ltd	19,521,329	10.16	8,123	2.89
CGS-CIMB Securities Sdn Bhd #	17,867,921	9.30	38,467	13.67
J.P. Morgan Securities (M) Sdn Bhd	11,791,584	6.13	17,309	6.15
Macquarie Capital Securities (M) Sdn Bhd	11,647,718	6.06	24,818	8.82
Maybank Investment Bank Bhd	9,839,124	5.12	20,771	7.38
Sanford C Bernstein & Co LLC	9,657,696	5.02	4,829	1.72
Jefferies International Ltd	9,307,989	4.84	5,067	1.80
KAF Equities Sdn Bhd	8,891,779	4.63	19,182	6.81
Macquarie Securities Australia Ltd	7,315,675	3.81	8,899	3.16
Others	49,588,785	25.79	99,388	35.29
	<u>192,219,897</u>	<u>100.00</u>	<u>281,501</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 2021 are as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Maybank Investment Bank Bhd	59,431,195	10.30	137,576	17.03
CGS-CIMB Securities Sdn Bhd #	58,143,740	10.08	119,373	14.78
J.P. Morgan Securities LLC	50,589,020	8.77	17,139	2.12
CLSA Securities Malaysia Sdn Bhd	50,156,840	8.69	60,377	7.47
Citigroup Global Markets Ltd	46,935,687	8.13	19,432	2.41
J.P. Morgan Securities (M) Sdn Bhd	45,861,291	7.95	61,064	7.56
RHB Investment Bank Bhd	43,155,318	7.48	91,139	11.28
UBS Securities Malaysia Sdn Bhd	29,660,230	5.14	44,897	5.56
KAF Equities Sdn Bhd	27,926,055	4.84	59,543	7.37
Macquarie Capital Securities (M) Sdn Bhd	26,678,577	4.62	20,047	2.48
Others	138,432,196	24.00	177,324	21.94
	<u>576,970,149</u>	<u>100.00</u>	<u>807,911</u>	<u>100.00</u>

Included in the transactions are trades conducted with CGS-CIMB Securities Sdn Bhd related parties to the Manager amounting to RM17,867,921 (30.11.2021: RM58,143,740). 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 COVID-19 pandemic, with its related lockdowns and movement restrictions, together with geopolitical tensions and heightened inflationary environment globally have had, and will continue to have, a significant impact on global economic conditions and the environment which the Fund operates.

The Manager continues to closely monitor the macroeconomic outlook affected by these factors and their impact to the Fund's performance and will be managing the risks to achieve the Fund's objective.

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