

Principal DALI Equity Growth Fund

Interim Report

For the Six Months Financial Period Ended 30 November 2020

PRINCIPAL DALI EQUITY GROWTH FUND

INTERIM REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020

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INVESTORS' LETTER

Dear Valued Investor,

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

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

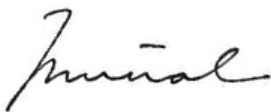
Amid a global pandemic, it might be tempting to think about delaying your investment goals. But, in reality “now” is always a better time than “later” for pursuing your goals and dreams. At Principal, customers are a top priority. We will always work to help you reach your goals, as we did last year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

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

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

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

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



Munirah Khairuddin
Chief Executive Officer

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to achieve 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 gain of 3.74%, while the benchmark registered a gain of 9.33%. Despite the underperformance, the Fund has achieved its objectives as stated under the Fund investment policy.

What are the Fund investment policy and principal investment strategy?

The Fund may invest a minimum of 70% and up to a maximum of 98% of its Net Asset Value ("NAV") principally in Shariah-compliant equities aimed to provide growth and up to 28% of its NAV in other permissible 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 also opt to seek investment exposure via Islamic collective investment scheme that is in line with the Fund's objective, subject to the requirements of the Securities Commission Malaysia ("SC") Guidelines. In line with its objective, the investment strategy and policy of the Fund is to rebalance the portfolio to suit market conditions in order to reduce short-term volatility and provide consistency in capital growth.

The asset allocation strategy for this Fund is as follows:

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

Fund category/type

Equity (Shariah-compliant)/Growth

When was the Fund launched?

7 May 1998

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

RM2,626.40 million (2,510.51 million units)

What is the Fund's benchmark?

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

Note: The Fund's benchmark is for performance comparison purpose only. You are cautioned that the risk profile of the Fund is higher than the benchmark. Information on the benchmark can be obtained from <http://www.bursamalaysia.com>.

What is the Fund distribution policy?

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

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

The Fund distributed a total net income of RM20.98 million to unit holders, as a result, the NAV per unit dropped from RM1.0609 to RM1.0533 on 9 July 2020 for the six months financial period ended 30 November 2020.

PERFORMANCE DATA

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

	30.11.2020	30.11.2019	30.11.2018
	%	%	%
Shariah-compliant quoted securities			
- Construction	4.83	5.19	3.66
- Consumer Products & Services	8.63	11.98	14.12
- Energy	9.22	7.52	5.43
- Financial Services	2.57	1.23	1.84
- Health Care	12.47	4.88	7.78
- Industrial Products & Services	9.29	12.62	11.18
- Plantation	13.82	9.45	6.93
- Property	1.07	3.55	3.49
- Real Estate Investment Trusts ("REITs")	1.62	3.33	0.77
- Technology	5.36	3.92	3.24
- Telecommunications & Media	9.80	10.14	7.98
- Transportation & Logistics	2.93	3.83	4.62
- Utilities	12.66	13.41	12.67
Unquoted Sukuk	0.04	0.03	0.04
Cash and other net assets	5.69	8.92	16.25
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	30.11.2020	30.11.2019	30.11.2018
NAV (RM Million)	2,626.40	3,152.41	3,389.56
Units in circulation (Million)	2,510.51	3,019.26	3,203.32
NAV per unit (RM)	1.0461	1.0440	1.0581
	01.06.2020	01.06.2019	01.06.2018
	to 30.11.2020	to 30.11.2019	to 30.11.2018
Highest NAV per unit (RM)	1.0948	1.1288	1.2199
Lowest NAV per unit (RM)	0.9986	1.0440	1.0581
Total return (%)	3.74	(1.11)	(5.28)
- Capital growth (%)	3.01	3.10	(10.44)
- Income distribution (%)	0.72	1.99	5.78
Management Expense Ratio ("MER") (%)	0.79	0.79	0.79
Portfolio Turnover Ratio ("PTR") (times) #	0.29	0.17	0.23

For the financial period under review, the Fund's PTR increased to 0.29 from 0.17 times as there were more trading activities during the period.

Date of distribution	09.07.2020	18.07.2019	12.07.2018
Gross distribution per unit (sen)	0.76	2.16	6.50
Net distribution per unit (sen)	0.76	2.16	6.50

	30.11.2020	30.11.2019	30.11.2018	30.11.2017	30.11.2016
	%	%	%	%	%
Annual total return	0.83	0.66	(11.60)	7.00	(3.94)

(Launch date: 7 May 1998)

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

MARKET REVIEW (1 JUNE 2020 to 30 NOVEMBER 2020)

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

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

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

Nonetheless, the rally was not sustained into the month of August 2020 as market sentiment dented by subdued the second quarter of 2020 (“2Q20”) corporate earnings results despite earlier expectation of severe earnings contraction due to the full impact of MCO. The earnings disappointment was further compounded by the absence of any interim dividends by the banks to preserve capital against potential losses as the end of loan moratorium loomed.

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

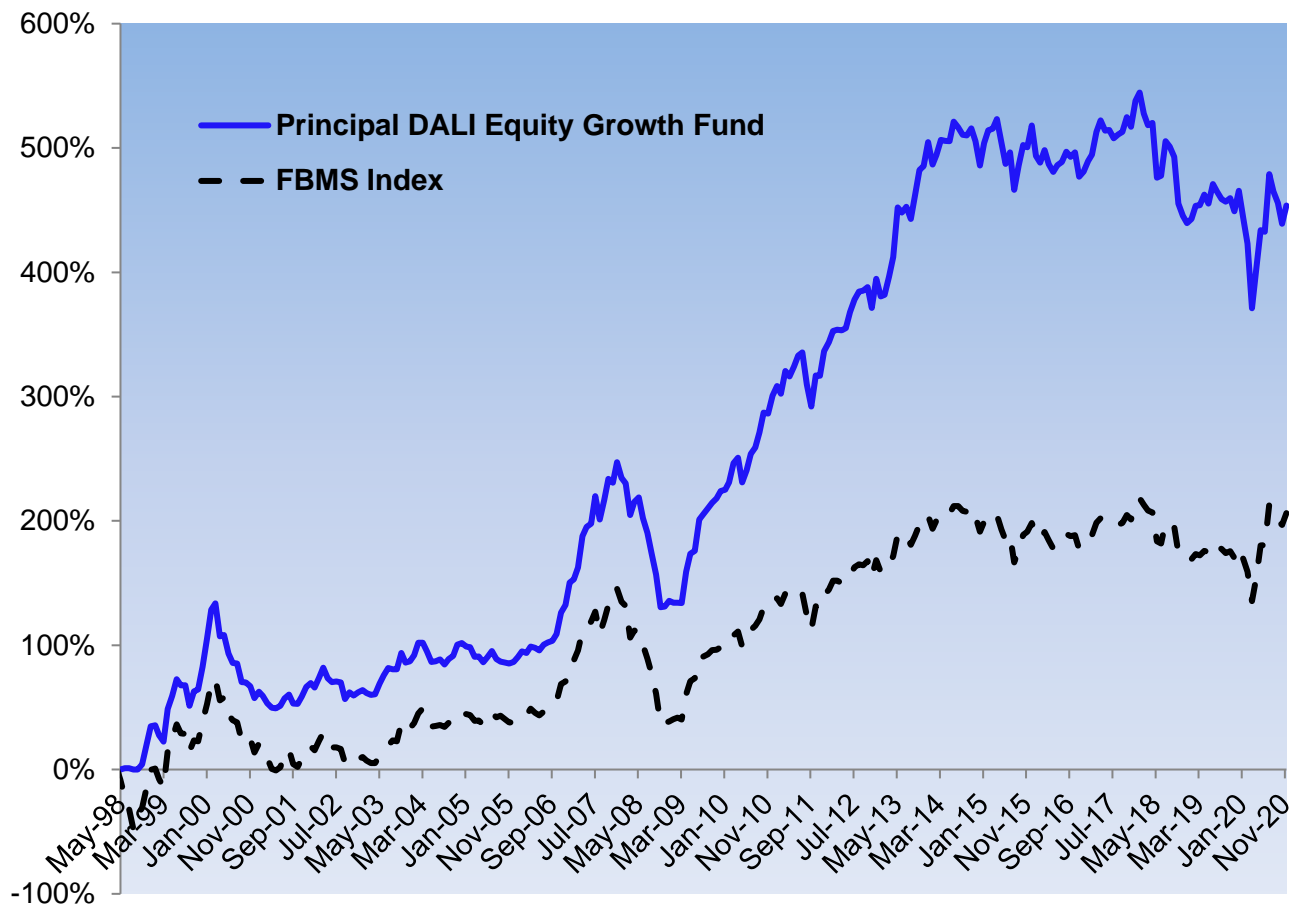
The equity market slipped for third consecutive month in October 2020 since staging a strong rally in July 2020. The sharp rise in COVID-19 post Sabah state election resulted in the implementation of Conditional MCO (“CMCO”). Despite assurance that all economic sectors would be allowed to operate during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

FBMS Index ended the financial period with a rally amidst the successful test trials of several COVID-19 vaccines and passing of the 2020 Budget by parliament which kept the PN government in power.

FUND PERFORMANCE

	6 months to 30.11.2020	1 year to 30.11.2020	3 years to 30.11.2020	5 years to 30.11.2020	Since inception to 30.11.2020
	%	%	%	%	%
Income Distribution	0.72	0.72	8.66	20.04	123.83
Capital Growth	3.01	0.12	(17.38)	(23.14)	147.54
Total Return	3.74	0.83	(10.28)	(7.78)	453.71
Benchmark	9.33	13.41	1.76	5.12	206.33
Average Total Return	N/A	0.83	(3.55)	(1.61)	7.53

The Fund increased 3.74% during the financial period under review, underperforming the benchmark by 559 basis points (“bps”).



Changes in NAV

	30.11.2020	31.05.2020 Audited	Changes %
NAV (RM Million)	2,626.40	2,844.23	(7.66)
NAV/Unit (RM)	1.0461	1.0157	2.99

During the financial period under review, the Fund saw outflows from redemptions causing a decrease in NAV by 7.66%. Meanwhile, the increase in NAV per unit was mainly due to the positive investment performance recorded during the financial period.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	30.11.2020	31.05.2020
		Audited
Shariah-compliant quoted securities	94.27	85.99
Unquoted Sukuk	0.04	0.03
Cash and other net assets	5.69	13.98
TOTAL	100.00	100.00

Asset allocation was increased from 85.99% as at 31 May 2020 to 94.27% as at 30 November 2020 to reflect our constructive view on the equity market.

MARKET OUTLOOK*

After a challenging year, all signs are signalling a buoyant 2021 as COVID-19 vaccine progress continues and policy remains extremely supportive. Construction was one of the beneficiaries seen out of the budget. After all, mega-infra projects now seem to be back in the limelight with mentions of the Mass Rapid Transit (“MRT3”) and High-speed Rail by Finance Minister. Other than MRT3, the Government will also continue with the Kuala Lumpur–Singapore high-speed rail (“HSR”), subject to negotiations with Singapore. The Government has also decided to relax the employee provident fund (“EPF”) withdrawal process for the needy and decided not to give a blanket approval for loan moratorium. This has sparked the rebound for Financial stocks post-budget voting.

The global oil market surged on vaccine hopes but a return to pre-crisis oil market fundamentals is some time away. The pandemic meanwhile accelerates the energy transition aided by a wide set of policy support and stimulus measures. Crude oil climbed to its highest level since early-March 2020 on optimism surrounding the vaccine announcements, with sentiment also boosted by US election results. Oil futures turned into backwardation to reflect tighter conditions. Vaccines improve the economic outlook and future oil demand over the 2-year to 3-year horizon but are unlikely to boost demand significantly in the near-term. Rising commodity prices, particularly oil and gas and palm oil, will bode well for Malaysia as these sectors are the major exports and consumption pillars for the country. On COVID-19 front, the Malaysian Government said it has signed an agreement with China and Pfizer Inc. to cooperate on the development of a safe and efficacious vaccine, as part of efforts to combat the COVID-19 pandemic. Continuous positive development on the vaccines will instil consumer confidence and sentiment.

* This market outlook does not constitute an offer, invitation, commitment, advice or recommendation to make a purchase of any investment. The information given in this article represents the views of Principal Asset Management Bhd (“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

The approval of 2021 Budget by the Parliament was the biggest short-term positive development that would help to alleviate political risk in Malaysia. Despite noises of a possible no confidence vote against the Prime Minister and the Budget 2021, it was passed smoothly, and all measures will be implemented in 2021. With major headwinds such as US Presidential Election and Malaysia Budget 2021 are now being addressed and cheap valuations, we are now cautiously optimistic for the first half of 2021 (“1H2021”). Earlier hope for rapid recovery in the fourth quarter of 2020 (“4Q2020”) may be dented (due to resurgence of COVID-19 globally) but we are now confident of a sustainable economic recovery in 1H2021. As a result, we will continue with our high asset allocation focusing on post COVID-19 recovery theme. Sector in focus for will be on Financial Services, Consumer, Technology and Commodity-related, whilst at the same time reducing our position on the Healthcare and REIT sectors.

UNIT HOLDINGS STATISTICS

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

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	48,158	117.34	4.67
5,001-10,000	25,934	189.05	7.53
10,001-50,000	45,140	992.77	39.55
50,001-500,000	9,545	897.83	35.76
500,001 and above	53	313.52	12.49
Total	128,830	2,510.51	100.00

SOFT COMMISSIONS & REBATES

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

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

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

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 11 to 41 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 November 2020 and of its financial performance, changes in equity and cash flows for the financial period then ended in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting.

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN
Chief Executive Officer/Executive Director

JUAN IGNACIO EYZAGUIRRE BARAONA
Director

Kuala Lumpur
13 January 2021

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

We, MTrustee Berhad, being the Trustee of Principal DALI Equity Growth Fund (the "Fund"), are of the opinion that Principal Asset Management Berhad (the "Manager"), has managed the Fund for the six months financial period ended 30 November 2020 in accordance with the following:

- (a) limitations imposed on the investment powers of the Manager and the Trustee under the Deeds, the Securities Commission's Guidelines on the Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation/pricing for the Fund has been carried out in accordance with the Deeds and applicable regulatory requirements; and
- (c) creation and cancellation of units is carried out in accordance with the Deeds and applicable regulatory requirements.
- (d) during the financial period, a total distribution of 0.76 sen per unit (gross) has been distributed to the unit holders of the Fund. We are of the view that the distribution of returns by the Fund is appropriate and reflects the investment objective of the Fund.

For and on behalf of the Trustee
MTrustee Berhad

NURIZAN JALIL
Chief Executive Officer

Selangor
15 January 2021

Shariah Adviser's Report

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

For the Six Months Financial Period ended 30 November 2020

We hereby confirm the following:

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

For Amanie Advisors Sdn Bhd

Datuk Dr Mohd Daud Bakar
Executive Chairman

Kuala Lumpur
13 January 2021

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

		01.06.2020 to 30.11.2020	01.06.2019 to 30.11.2019
	Note	RM	RM
INCOME/(LOSS)			
Dividend income		30,460,067	44,807,032
Profit income from deposits with Shariah-compliant licensed financial institutions at amortised cost and Hibah		1,767,082	3,920,767
Profit income from unquoted Sukuk		43,911	48,839
Net gain/(loss) on financial assets at fair value through profit or loss	8	<u>101,496,465</u>	<u>(55,405,464)</u>
		<u>133,767,525</u>	<u>(6,628,826)</u>
EXPENSES			
Management fee	4	21,097,379	24,912,650
Trustee fee	5	843,895	996,506
Audit fee		5,050	8,550
Tax agent's fee		4,576	14,381
Transaction costs		2,818,321	1,863,124
Other expenses		286,425	407,345
		<u>25,055,646</u>	<u>28,202,556</u>
PROFIT/(LOSS) BEFORE TAXATION		108,711,879	(34,831,382)
Taxation	7	<u>-</u>	<u>-</u>
PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD		<u>108,711,879</u>	<u>(34,831,382)</u>
Profit/(Loss) after taxation is made up as follows:			
Realised amount		(81,073,197)	100,998,029
Unrealised amount		<u>189,785,076</u>	<u>(135,829,411)</u>
		<u>108,711,879</u>	<u>(34,831,382)</u>

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

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2020

		30.11.2020	31.05.2020
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents	9	152,246,770	411,068,243
Financial assets at fair value through profit or loss (Shariah-compliant)	8	2,477,009,208	2,446,713,949
Amount due from stockbrokers		11,991,260	2,610,191
Amount due from Manager		330,956	383,483
Dividends receivable		2,053,125	3,785,771
TOTAL ASSETS		<u>2,643,631,319</u>	<u>2,864,561,637</u>
LIABILITIES			
Amount due to stockbrokers		2,492,594	14,025,284
Amount due to Manager		11,312,884	2,647,943
Accrued management fee		3,288,550	3,499,080
Amount due to Trustee		131,542	139,963
Other payables and accruals		9,840	17,639
TOTAL LIABILITIES		<u>17,235,410</u>	<u>20,329,909</u>
NET ASSET VALUE OF THE FUND		<u>2,626,395,909</u>	<u>2,844,231,728</u>
EQUITY			
Unit holders' capital		2,884,651,678	3,190,219,444
Accumulated losses		(258,255,769)	(345,987,716)
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>2,626,395,909</u>	<u>2,844,231,728</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	10	<u>2,510,508,194</u>	<u>2,800,242,342</u>
NET ASSET VALUE PER UNIT (RM)		<u>1.0461</u>	<u>1.0157</u>

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

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

	Note	Unit holders' capital RM	Accumulated loss RM	Total RM
Balance as at 1 June 2020		3,190,219,444	(345,987,716)	2,844,231,728
Movement in unit holders' contributions:				
- Creation of units from applications		43,241,403	-	43,241,403
- Creation of units from distribution		20,900,924	-	20,900,924
- Cancellation of units		(369,710,093)	-	(369,710,093)
Total comprehensive income for the financial period		-	108,711,879	108,711,879
Distribution	6	-	(20,979,932)	(20,979,932)
Balance as at 30 November 2020		<u>2,884,651,678</u>	<u>(258,255,769)</u>	<u>2,626,395,909</u>
Balance as at 1 June 2019		3,487,914,465	(147,790,543)	3,340,123,922
Movement in unit holders' contributions:				
- Creation of units from applications		130,806,398	-	130,806,398
- Creation of units from distribution		65,890,180	-	65,890,180
- Cancellation of units		(283,416,472)	-	(283,416,472)
Total comprehensive loss for the financial period		-	(34,831,382)	(34,831,382)
Distribution	6	-	(66,169,275)	(66,169,275)
Balance as at 30 November 2019		<u>3,401,194,571</u>	<u>(248,791,200)</u>	<u>3,152,403,371</u>

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

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

	01.06.2020 to 30.11.2020	01.06.2019 to 30.11.2019
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of Shariah-compliant quoted securities	841,518,605	649,636,187
Purchases of Shariah-compliant quoted securities	(794,049,479)	(426,737,610)
Proceeds from redemption unquoted Sukuk	-	63,818
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah earned	1,767,082	3,920,767
Profit income received from unquoted Sukuk	43,911	50,632
Dividend income received	32,078,804	41,955,179
Management fees paid	(21,307,909)	(25,131,711)
Trustee fees paid	(852,316)	(1,005,268)
Payments of other fees and expenses	(189,942)	(237,627)
Tax received	-	1,421,498
Net cash generated from operating activities	59,008,756	243,935,865
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	43,293,930	132,970,064
Payments for cancellation of units	(361,045,152)	(284,495,891)
Distribution paid	(79,007)	(279,095)
Net cash used in financing activities	(317,830,229)	(151,804,922)
Net increase in cash and cash equivalents	(258,821,473)	92,130,943
Cash and cash equivalents at the beginning of the financial period	411,068,243	191,178,665
Cash and cash equivalents at the end of the financial period	<u>152,246,770</u>	<u>283,309,608</u>
<u>Cash and cash equivalents comprised of:</u>		
Shariah-compliant deposits with licensed Islamic financial institutions	152,205,922	283,240,579
Bank balances	40,848	69,029
Cash and cash equivalents at the end of the financial period	<u>152,246,770</u>	<u>283,309,608</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 2020**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal DALI Equity Growth Fund (*formerly known as CIMB Islamic DALI Equity Growth Fund*) (the “Fund”) is governed by a Principal Master Deed dated 15 May 2008, a Fourth Supplemental Master Deed dated 25 June 2008, a Sixth Supplemental Master Deed dated 14 July 2008, a Seventh Supplemental Master Deed dated 19 November 2008, a Fifteenth Supplemental Master Deed dated 21 September 2012, 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 MTrustee Berhad (the “Trustee”).

The Fund may invest a minimum of 70% and up to a maximum of 98% of its NAV principally in Shariah-compliant equities aimed to provide growth and up to 28% of its NAV in other permissible 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 also opt to seek investment exposure via Islamic collective investment scheme that is in line with the Fund’s objective, subject to the requirements of the SC Guidelines. In line with its objective, the investment strategy and policy of the Fund is to rebalance the portfolio to suit market conditions in order to reduce short-term volatility and provide consistency in capital growth.

The asset allocation strategy for this Fund is as follows:

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(a) Basis of preparation (continued)**

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(I).

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

There are no applicable standards, amendments to standards or interpretations that are effective for financial period beginning on/after 1 December 2020 to the financial statements of the Fund.

(b) Financial assets and financial liabilities**Classification**

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those to be measured at amortised cost

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities at fair value through other comprehensive income ("OCI").

The contractual cash flows of the Fund's debt securities are solely payment of principal and profit 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.

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

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)**Classification (continued)

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

Recognition and measurement

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

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

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

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

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

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

Shariah-compliant quoted securities in Malaysia are valued at the last done market price quoted on Bursa Malaysia Securities Bhd ("Bursa Securities") at the date of the statement of financial position.

If a valuation based on the market price does not represent the fair value of the Shariah-compliant quoted securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the Shariah-compliant quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the Shariah-compliant quoted securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

Unquoted Sukuk denominated in RM are revalued on a daily basis based on fair value prices quoted by a Bond Pricing Agency ("BPA") registered with the SC as per the SC Guidelines on Unit Trust Funds. Refer to Note 2(k) for further explanation.

Shariah-compliant deposits with licensed Islamic financial institutions are stated at cost plus accrued profit calculated on the effective profit method over the financial period from the date of placement to the date of maturity of the respective deposits.

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective profit method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Impairment for assets carried at amortised costs

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

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

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

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

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

Realised gain or loss on disposal of unquoted Sukuk is accounted for as the difference between the net disposal proceeds and the carrying amount of unquoted Sukuk, determined on cost adjusted for accretion of discount or amortisation of premium.

(d) Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in Malaysian Ringgit (“MYR”), which is the Fund’s functional and presentation currency.

(e) Cash and cash equivalents

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

(f) Taxation

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

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

(g) Distribution

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

(h) Transactions costs

Transaction costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Unit holders' 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.

(j) Amount due from/to stockbrokers

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Critical accounting estimates and judgements in applying accounting policies

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Funds' results and financial position are tested for sensitivity to changes in the underlying parameters.

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

Estimate of fair value of unquoted Sukuk

In undertaking any of the Fund's Shariah-compliant investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the SC Guidelines on Unit Trust Funds.

Ringgit-denominated unquoted Sukuk are valued using fair value prices quoted by a BPA. Where the Manager is of the view that the price quoted by BPA for a specific unquoted Sukuk differs from the market price by more than 20 bps, the Manager may use market price, provided that the Manager records its basis for using a non-BPA price, obtains necessary internal approvals to use the non-BPA price, and keeps an audit trail of all decisions and basis for adopting the use of non-BPA price.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

(a) Market risk

(i) Price risk

This is the risk that the fair value of an investment in Shariah-compliant quoted securities and unquoted Sukuk will fluctuate because of changes in market prices (other than those arising from interest rate risk). The value of Shariah-compliant quoted securities and unquoted Sukuk may fluctuate according to the activities of individual companies, sector and overall political and economic conditions. Such fluctuation may cause the Fund's NAV and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.

The price risk is managed through diversification and selection of Shariah-compliant quoted securities, unquoted Sukuk and other financial instruments within specified limits according to the Deeds.

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

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

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

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

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

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

(b) Credit risk

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

Investment in unquoted Sukuk may involve a certain degree of credit/default risk with regards to the issuers. Generally, credit risk or default risk is the risk of loss due to the issuer's non-payment or untimely payment of the investment amount as well as the returns on investment. This will cause a decline in value of the defaulted unquoted Sukuk and subsequently depress the NAV of the Fund. Usually credit risk is more apparent for an investment with a longer tenure, i.e. the longer the duration, the higher the credit risk.

Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer.

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

In addition, the Manager imposes a minimum rating requirement as rated by either local and/or foreign rating agencies and manages the duration of the investment in accordance with the objective of the Fund. For this Fund, the unquoted Sukuk investments must satisfy a minimum rating requirement of at least "A3" or "P2" rating by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance or; "BBB-" by S&P or equivalent rating by Moody's or Fitch.

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

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

For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective stock exchange. The credit risk is minimal as all transactions in Shariah-compliant quoted securities are settled/paid upon delivery using approved stockbrokers.

(c) Liquidity risk

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

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

(d) Capital risk management

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

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

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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
30.11.2020				
Financial assets at fair value through profit or loss:				
- Shariah- compliant quoted securities	2,476,047,344	-	-	2,476,047,344
- Unquoted Sukuk	-	961,864	-	961,864
	<u>2,476,047,344</u>	<u>961,864</u>	<u>-</u>	<u>2,477,009,208</u>
31.05.2020				
Audited				
Financial assets at fair value through profit or loss:				
- Shariah- compliant quoted securities	2,445,752,085	-	-	2,445,752,085
- Unquoted Sukuk	-	961,864	-	961,864
	<u>2,445,752,085</u>	<u>961,864</u>	<u>-</u>	<u>2,446,713,949</u>

Shariah-compliant investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. This includes unquoted Sukuk. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

- (ii) The carrying values of cash and cash equivalents, amount due from stockbrokers, amount due from Manager, dividends receivable and all current liabilities are a reasonable approximation of their fair values due to their short term nature.

4. MANAGEMENT FEE

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

For the six months financial period ended 30 November 2020, the management fee is recognised at a rate of 1.50% per annum (30.11.2019: 1.50% per annum).

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

5. TRUSTEE FEE

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

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

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

6. DISTRIBUTION

Distribution to unit holders is derived from the following sources:

	01.06.2020 to 30.11.2020	01.06.2019 to 30.11.2019
	RM	RM
Dividend income	57,260,255	9,695,477
Profit income	4,573,857	788,042
Net realised (loss)/gain from disposal of Shariah-compliant investments	(16,298,778)	45,144,885
Prior financial period's realised income	9,331,794	10,617,301
	<u>54,867,128</u>	<u>66,245,705</u>
Less:		
Expenses	(33,887,196)	(72,770)
Taxation	-	(3,660)
Net distribution amount	<u>20,979,932</u>	<u>66,169,275</u>
Distribution on 9 July 2020		
Gross/Net distribution per unit (sen)	<u>0.76</u>	<u>-</u>
Distribution on 18 July 2019		
Gross/Net distribution per unit (sen)	<u>-</u>	<u>2.16</u>

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

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

During the six months financial period ended 30 November 2019, the Fund incurred unrealised loss of RM135,829,411.

7. TAXATION

	01.06.2020 to 30.11.2020 RM	01.06.2019 to 30.11.2019 RM
Tax charged for the financial period:		
- Withholding tax	<u>-</u>	<u>-</u>

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

	01.06.2020 to 30.11.2020 RM	01.06.2019 to 30.11.2019 RM
Profit/(Loss) before taxation	<u>108,711,879</u>	<u>(34,831,382)</u>
Taxation at Malaysian statutory rate of 24%	26,090,851	(8,359,532)
Tax effects of:		
(Income not subject to tax)/Loss not deductible for tax purposes	(32,104,205)	1,590,918
Expenses not deductible for tax purposes	909,222	775,536
Restriction on tax deductible expenses for Unit Trust Funds	<u>5,104,132</u>	<u>5,993,078</u>
Taxation	<u>-</u>	<u>-</u>

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

	30.11.2020 RM	31.05.2020 Audited RM
At fair value through profit or loss at inception:		
- Shariah-compliant quoted securities	2,476,047,344	2,445,752,085
- Unquoted Sukuk	<u>961,864</u>	<u>961,864</u>
	<u>2,477,009,208</u>	<u>2,446,713,949</u>
	01.06.2020 to 30.11.2020 RM	01.06.2019 to 30.11.2019 RM
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised (loss)/gain on disposals	(88,288,611)	80,424,677
- Unrealised fair value gain/(loss)	<u>189,785,076</u>	<u>(135,830,141)</u>
	<u>101,496,465</u>	<u>(55,405,464)</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2020				
SHARIAH-COMPLIANT QUOTED SECURITIES				
Construction				
Econpile Holdings Bhd	30,272,800	26,003,391	14,228,216	0.54
Gabungan AQRS Bhd	16,577,690	24,218,897	11,438,606	0.44
Gamuda Bhd	13,885,005	49,173,653	49,569,468	1.89
IJM Corporation Bhd	23,214,900	72,922,673	37,608,138	1.43
Kerjaya Prospek Group Bhd	3,078,900	5,072,674	3,063,506	0.12
MGB Bhd	8,559,600	11,150,502	5,135,760	0.20
Sunway Construction Group Bhd	3,018,300	6,853,833	5,553,672	0.21
	<u>98,607,195</u>	<u>195,395,623</u>	<u>126,597,366</u>	<u>4.83</u>
Consumer Products & Services				
Bermaz Auto Berhad	5,332,100	11,695,272	7,251,656	0.28
DRB-Hicom Bhd	5,134,100	11,656,725	10,216,859	0.39
Fraser & Neave Holdings Bhd	1,125,700	33,407,544	36,540,222	1.39
Mr DIY Group (M) Bhd	2,862,500	4,580,000	7,528,375	0.29
Nestle Malaysia Bhd	521,900	68,378,116	69,934,600	2.66
Petronas Dagangan Bhd	1,807,900	46,352,211	37,532,004	1.43
Sime Darby Bhd	24,955,836	55,595,157	57,647,981	2.19
	<u>41,740,036</u>	<u>231,665,025</u>	<u>226,651,697</u>	<u>8.63</u>
Energy				
Dialog Group Bhd	32,837,252	107,658,722	118,214,107	4.50
Hibiscus Petroleum Bhd	22,329,600	22,329,600	26,572,224	1.01
Serba Dinamik Holdings Bhd	51,264,000	94,233,287	83,560,320	3.18
Yinson Hldgs Bhd	2,662,000	12,426,304	13,895,640	0.53
	<u>109,092,852</u>	<u>236,647,914</u>	<u>242,242,291</u>	<u>9.22</u>
Financial Services				
BIMB Holdings Bhd	10,849,560	38,090,674	40,143,372	1.53
BIMB Holdings Bhd - Warrant	3,056,860	-	565,519	0.02
Bursa Malaysia Bhd	3,261,400	32,631,111	26,743,480	1.02
	<u>17,167,820</u>	<u>70,721,785</u>	<u>67,452,371</u>	<u>2.57</u>
Health Care				
Hartalega Holdings Bhd	9,354,885	131,561,787	134,710,344	5.13
IHH Healthcare Bhd	9,706,800	56,169,794	54,552,216	2.08
Top Glove Corporation Bhd	19,419,561	101,998,446	138,267,274	5.26
	<u>38,481,246</u>	<u>289,730,028</u>	<u>327,529,834</u>	<u>12.47</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2020 (Continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Industrial Products & Services				
Cypark Resources Bhd	12,872,250	19,219,313	18,536,040	0.71
Petronas Chemicals Group Bhd	13,391,200	101,185,710	85,971,504	3.27
Press Metal Aluminium Holdings Bhd	5,904,800	29,901,292	41,333,600	1.57
SKP Resources Bhd	14,079,600	22,353,074	28,722,384	1.09
Uchi Technologies Bhd	4,672,200	13,949,749	12,848,550	0.49
UEM Edgenta Bhd	14,567,800	43,904,757	27,533,142	1.05
V.S. Industry Bhd	12,449,650	24,951,531	29,256,678	1.11
	<u>77,937,500</u>	<u>255,465,424</u>	<u>244,201,898</u>	<u>9.29</u>
Plantation				
FGV Holdings Bhd	15,577,800	19,169,725	18,849,138	0.72
Genting Plantations Bhd	3,092,900	30,643,378	29,382,550	1.12
IOI Corp Bhd	14,820,217	68,371,124	64,764,348	2.47
Kuala Lumpur Kepong Bhd	3,861,136	92,320,154	90,736,696	3.45
Sime Darby Plantation Bhd	32,478,603	171,998,032	159,145,155	6.06
	<u>69,830,656</u>	<u>382,502,413</u>	<u>362,877,887</u>	<u>13.82</u>
Property				
LBS Bina Group Bhd	57,070,064	46,948,663	22,257,325	0.85
Sime Darby Property Bhd	4,826,703	7,240,055	2,896,022	0.11
SP Setia Bhd	3,700,854	11,831,864	2,997,692	0.11
	<u>65,597,621</u>	<u>66,020,582</u>	<u>28,151,039</u>	<u>1.07</u>
REITs				
Axis REIT	7,271,194	13,082,916	15,560,355	0.59
KLCCP Stapled Group	3,537,800	27,178,412	27,170,304	1.03
	<u>10,808,994</u>	<u>40,261,328</u>	<u>42,730,659</u>	<u>1.62</u>
Technology				
D&O Green Technologies Bhd	8,586,700	8,091,694	15,284,326	0.58
Frontken Corporation Bhd	2,351,500	2,318,435	7,642,375	0.29
Globetronics Technology Bhd	13,777,233	29,573,221	41,056,154	1.56
Inari Amertron Bhd	20,399,100	40,612,862	54,669,588	2.08
JHM Consolidation Bhd	7,150,400	9,813,026	13,800,272	0.53
Vitrox Corporation Bhd	552,900	3,676,270	8,404,080	0.32
	<u>52,817,833</u>	<u>94,085,507</u>	<u>140,856,795</u>	<u>5.36</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2020 (Continued) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Telecommunications & Media				
Axiata Group Bhd	17,644,655	95,669,735	62,638,525	2.39
Digi.com Bhd	19,951,600	90,520,058	79,806,400	3.04
Telekom Malaysia Bhd	12,676,503	77,819,543	63,889,575	2.43
Time Dotcom Bhd	3,728,220	33,231,352	51,076,614	1.94
	<u>54,000,978</u>	<u>297,240,688</u>	<u>257,411,114</u>	<u>9.80</u>
Transportation/Logistics				
MISC Bhd	10,667,200	80,183,748	72,430,288	2.76
Pos Malaysia Bhd	4,438,200	18,895,528	4,393,818	0.17
	<u>15,105,400</u>	<u>99,079,276</u>	<u>76,824,106</u>	<u>2.93</u>
Utilities				
Malakoff Corporation Bhd	31,350,400	26,748,532	28,058,608	1.07
Petronas Gas Bhd	3,264,200	62,011,028	59,277,872	2.26
Ranhill Utilities Bhd	38,131,964	40,507,774	31,077,551	1.18
Tenaga Nasional Bhd	21,240,700	278,330,938	214,106,256	8.15
	<u>93,987,264</u>	<u>407,598,272</u>	<u>332,520,287</u>	<u>12.66</u>
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	<u>745,175,395</u>	<u>2,666,413,865</u>	<u>2,476,047,344</u>	<u>94.27</u>
ACCUMULATED UNREALISED LOSS ON SHARIAH-COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(190,366,521)</u>		
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>2,476,047,344</u>		

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2020 (CONTINUED) UNQUOTED SUKUK				
Talam Transform Bhd 0.00% 28/12/2020 (C)*	<u>966,808</u>	<u>322,929</u>	<u>961,864</u>	<u>0.04</u>
TOTAL UNQUOTED SUKUK	<u>966,808</u>	<u>322,929</u>	<u>961,864</u>	<u>0.04</u>
ACCUMULATED UNREALISED GAIN ON UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>638,935</u>		
TOTAL UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>961,864</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 %
31.05.2020				
Audited				
SHARIAH-COMPLIANT				
QUOTED SECURITIES				
Construction				
Econpile Holdings Bhd	30,272,800	26,003,391	19,071,864	0.67
Gabungan AQRS Bhd	17,481,290	25,538,996	16,607,225	0.58
Gamuda Bhd	8,644,405	29,564,580	33,713,180	1.19
IJM Corportion Bhd	22,714,600	72,214,905	43,612,032	1.53
Kerjaya Prospek Group Bhd	7,779,340	12,864,197	7,934,927	0.28
MGB Bhd	9,221,900	12,013,274	4,518,731	0.16
Muhibbah Engineering (M) Bhd	6,581,300	17,786,982	5,857,357	0.21
Sunway Construction Group Bhd	4,511,900	10,245,439	8,482,372	0.30
	<u>107,207,535</u>	<u>206,231,764</u>	<u>139,797,688</u>	<u>4.92</u>
Consumer Products & Services				
Bermaz Auto Bhd	7,929,900	17,393,211	9,912,375	0.35
DRB-Hicom Bhd	18,693,600	42,442,912	30,844,440	1.08
Fraser & Neave Holdings Bhd	1,125,700	33,407,544	36,630,278	1.29
MBM Resources Bhd	2,430,300	9,943,432	7,096,476	0.25
Nestle Malaysia Bhd	521,900	68,378,116	72,544,100	2.55
Petronas Dagangan Bhd	2,157,000	55,302,682	50,646,360	1.78
Sime Darby Bhd	41,562,036	92,610,806	86,864,655	3.05
UMW Holdings Bhd	6,090,100	37,711,964	12,728,309	0.45
	<u>80,510,536</u>	<u>357,190,667</u>	<u>307,266,993</u>	<u>10.80</u>
Energy				
Dialog Group Bhd	28,473,552	88,572,497	113,609,472	3.99
Hibiscus Petroleum Bhd	12,797,600	12,690,049	7,166,656	0.25
Sapura Energy Bhd	25,763,000	48,592,234	2,447,485	0.09
Serba Dinamik Holdings Bhd	32,584,200	62,558,357	52,460,562	1.84
Serba Dinamik Holdings Bhd -WA	3,078,500	-	785,018	0.03
Wah Seong Corporation Bhd	7,375,393	10,072,802	4,093,343	0.14
Yinson Holdings Bhd	2,576,600	10,278,436	14,428,960	0.51
	<u>112,648,845</u>	<u>232,764,375</u>	<u>194,991,496</u>	<u>6.85</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 %
31.05.2020 (CONTINUED)				
Audited				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Financial Services				
BIMB Holdings Bhd	10,849,560	38,090,674	38,841,425	1.37
BIMB Holdings Bhd - Warrant	3,056,860	-	626,656	0.02
	<u>13,906,420</u>	<u>38,090,674</u>	<u>39,468,081</u>	<u>1.39</u>
Health Care				
Hartalega Holdings Bhd	4,991,985	32,601,343	62,599,492	2.20
IHH Healthcare Bhd	14,460,900	83,680,078	78,522,687	2.76
Kossan Rubber Industries Bhd	5,820,518	24,300,424	50,638,507	1.78
Top Glove Corporation Bhd	5,535,236	27,856,203	73,618,639	2.59
	<u>30,808,639</u>	<u>168,438,048</u>	<u>265,379,325</u>	<u>9.33</u>
Industrial Products & Services				
Cahaya Mata Sarawak Bhd	6,503,300	25,167,574	11,055,610	0.39
Cypark Resources Bhd	8,872,250	14,287,912	8,073,748	0.28
Petronas Chemicals Group Bhd	9,282,800	74,305,586	58,481,640	2.06
Press Metal Aluminium Holding Bhd	2,780,700	13,394,745	10,483,239	0.37
SKP Resources Bhd	3,051,100	3,936,651	3,295,188	0.12
Sunway Bhd	17,540,673	28,584,165	23,504,502	0.83
Uchi Technologies Bhd	5,674,700	16,942,905	14,243,497	0.50
UEM Edgenta Bhd	14,567,800	43,904,757	28,989,922	1.02
V.S. Industry Bhd	8,302,050	14,701,668	7,347,314	0.26
	<u>76,575,373</u>	<u>235,225,963</u>	<u>165,474,660</u>	<u>5.83</u>
Plantation				
FGV Holdings Bhd	23,941,000	29,136,404	24,419,820	0.86
Genting Plantations Bhd	1,513,800	14,811,179	15,289,380	0.54
IOI Corporation Bhd	11,947,717	55,414,798	54,362,112	1.91
Kuala Lumpur Kepong Bhd	3,641,436	87,445,208	80,257,249	2.82
Sime Darby Plantation Bhd	22,495,203	121,644,483	111,576,207	3.92
	<u>63,539,156</u>	<u>308,452,072</u>	<u>285,904,768</u>	<u>10.05</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 %
31.05.2020 (CONTINUED)				
Audited				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Properties				
LBS Bina Group Bhd Malaysian Resources Corporation Bhd	54,245,530	45,933,695	20,070,846	0.71
Sime Darby Property Bhd	37,912,700	35,691,817	21,231,112	0.75
S P Setia Bhd	12,835,603	19,253,404	8,728,210	0.31
	14,261,754	45,595,728	13,619,975	0.48
	<u>119,255,587</u>	<u>146,474,644</u>	<u>63,650,143</u>	<u>2.25</u>
REITs				
Axis REIT	25,886,594	46,577,238	53,585,250	1.88
KLCCP Stapled Group	7,400,900	56,855,874	57,060,939	2.01
	<u>33,287,494</u>	<u>103,433,112</u>	<u>110,646,189</u>	<u>3.89</u>
Technology				
D&O Green Technologies Bhd	10,623,600	8,318,013	6,958,458	0.24
Frontken Corporation Bhd	3,631,000	3,579,944	8,823,330	0.31
Globetronics Technology Bhd	15,977,733	33,591,153	31,316,357	1.10
JHM Consolidation Bhd	7,047,700	9,038,718	6,061,022	0.21
Vitrox Corporation Bhd	1,907,300	12,681,768	16,402,780	0.58
	<u>39,187,333</u>	<u>67,209,596</u>	<u>69,561,947</u>	<u>2.44</u>
Telecommunications & Media				
Axiata Group Bhd	28,442,955	154,218,371	108,083,229	3.80
Digi.com Bhd	20,029,200	90,872,128	91,132,860	3.20
Telekom Malaysia Bhd	15,690,803	96,323,972	66,372,097	2.33
Time Dotcom Bhd	4,555,120	31,096,741	48,739,784	1.71
	<u>68,718,078</u>	<u>372,511,212</u>	<u>314,327,970</u>	<u>11.04</u>
Transportation & Logistics				
MISC Bhd	9,972,600	74,528,096	82,772,580	2.91
Pos Malaysia Bhd	21,623,100	92,059,820	23,785,410	0.84
Westports Holdings Bhd	1,526,400	5,047,958	6,090,336	0.21
	<u>33,122,100</u>	<u>171,635,874</u>	<u>112,648,326</u>	<u>3.96</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 %
31.05.2020 (CONTINUED)				
Audited				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Utilities				
Malakoff Corporation Bhd	35,919,400	30,646,857	31,609,072	1.11
Petronas Gas Bhd	3,843,400	73,014,271	73,024,600	2.57
Ranhill Holdings Bhd	37,754,420	40,184,974	36,621,787	1.29
Tenaga Nasional Bhd	20,904,000	274,399,579	235,379,040	8.27
	<u>98,421,220</u>	<u>418,245,681</u>	<u>376,634,499</u>	<u>13.24</u>
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	<u>877,188,316</u>	<u>2,825,903,682</u>	<u>2,445,752,085</u>	<u>85.99</u>
ACCUMULATED UNREALISED LOSS ON SHARIAH-COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>(380,151,597)</u>		
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>2,445,752,085</u>		

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2020 (CONTINUED)				
Audited				
UNQUOTED SUKUK				
Talam Transform Bhd 0.00% 28/12/2020 (C)*	<u>966,808</u>	<u>322,929</u>	<u>961,864</u>	<u>0.03</u>
TOTAL UNQUOTED SUKUK	<u>966,808</u>	<u>322,929</u>	<u>961,864</u>	<u>0.03</u>
ACCUMULATED UNREALISED GAIN ON UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>638,935</u>		
TOTAL UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>961,864</u>		

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

9. CASH AND CASH EQUIVALENTS

	30.11.2020	31.05.2020
	RM	Audited RM
Shariah-compliant deposits with licensed Islamic financial institutions	152,205,922	410,552,295
Bank balances	40,848	515,948
	<u>152,246,770</u>	<u>411,068,243</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.06.2020 to 30.11.2020	01.06.2019 to 31.05.2020
	No. of units	Audited No. of units
At the beginning of the financial period/year	2,800,242,342	3,101,085,727
Add: Creation of units from applications	41,132,525	217,505,821
Add: Creation of units from distribution	19,843,277	60,717,084
Less: Cancellation of units	(350,709,950)	(579,066,290)
At the end of the financial period/year	<u>2,510,508,194</u>	<u>2,800,242,342</u>

11. MANAGEMENT EXPENSE RATIO ("MER")

	01.06.2020 to 30.11.2020	01.06.2019 to 30.11.2019
	%	%
MER	<u>0.79</u>	<u>0.79</u>

MER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on a daily basis is RM2,810,678,442 (30.11.2019: RM3,312,363,526).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.06.2020 to 30.11.2020	01.06.2019 to 30.11.2019
PTR (times)	<u>0.29</u>	<u>0.17</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 = RM781,313,615 (30.11.2019: RM442,197,840)
total disposal for the financial period = RM852,514,820 (30.11.2019: RM667,395,046)

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

The related parties and their relationship with the Fund are as follows:

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

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

Units held by the Manager and parties related to the Manager

	30.11.2020		31.05.2020 Audited	
	No. of units	RM	No. of units	RM
Manager				
Principal Asset Management Berhad	87,553	91,589	398,335	404,589

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

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

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

	01.06.2020 to 30.11.2020 RM	01.06.2019 to 30.11.2019 RM
<u>Significant related party transactions</u>		
Profit income from Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	487,240	573,617
Cash placements with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	1,497,016,000	484,680,000
	30.11.2020 RM	31.05.2020 Audited RM
<u>Significant related party balances</u>		
Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	26,044,239	36,826,804

14. TRANSACTIONS WITH BROKERS/DEALERS

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

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of brokerage fees %
Macquarie Capital Securities (Malaysia) Sdn Bhd	297,398,074	18.21	362,107	16.08
KAF Equities Sdn Bhd	255,698,633	15.66	520,892	23.13
CLSA Securities (Malaysia) Sdn Bhd	214,356,436	13.13	193,409	8.59
Maybank Investment Bank Bhd	193,150,238	11.83	234,425	10.41
UBS Securities (M) Sdn Bhd	169,349,631	10.37	143,932	6.39
RHB Investment Bank Bhd	156,944,828	9.61	326,550	14.5
CGS-CIMB Securities Sdn Bhd #	151,153,100	9.26	213,413	9.48
Credit Suisse Securities (Malaysia) Sdn Bhd	67,616,627	4.14	79,709	3.54
JPMorgan Securities (Malaysia) Sdn Bhd	63,972,248	3.92	46,826	2.08
Hong Leong Investment Bank Bhd	26,771,522	1.64	55,178	2.45
Others	36,425,672	2.23	75,645	3.35
	<u>1,632,837,009</u>	<u>100.00</u>	<u>2,252,086</u>	<u>100.00</u>

14. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

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

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

Included in the transactions are trades conducted with CGS-CIMB Securities Sdn Bhd , fellow related party to the Manager amounting to RM151,153,100 (30.11.2019: RM57,200,382). The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

15. SIGNIFICANT EVENT DURING THE PERIOD

The worsening macro-economic outlook as a result of COVID-19, both domestically and globally, has impacted the fund performance during the financial period.

The Manager is monitoring the situation closely and will be actively managing the portfolio to achieve the Fund's objective.

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