

PRINCIPAL INSTITUTIONAL EQUITY FUND

QUARTER REPORT

FOR THE FINANCIAL PERIOD FROM 6 JANUARY 2026 (DATE OF LAUNCH) TO 31 MARCH 2026

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INVESTORS' LETTER

Dear Valued Investor,

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

We are pleased to bring you a copy of the Quarter Fund Report of the Principal Institutional Equity Fund for the financial period from 06 January 2026 (date of launch) to 31 March 2026. You may also download this report from our website at www.principal.com.my.

We're truly grateful to share that we've recently been recognised with 8 awards at the LSEG Lipper Fund Awards 2026. We're also honoured to receive accolades at the Asia Asset Management Best of the Best Awards 2026 under the Malaysia Country Awards, including Fund Launch of the Year for our Signature Dynamic Income Fund ("SDIF") and Best Retail Asset Manager.

We remain humbled by the recognition we've earned over the years. Principal Malaysia has been honoured with a collection of awards spanning fund performance, asset management, Environmental, Social, Governance ("ESG") leadership, and digital innovation. Each reflects our commitment to serving you with integrity and innovation. Learn more: <https://www.principal.com.my/en/awards-recognition/my>.

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, like our Facebook page (@PrincipalMalaysia), follow us on our Instagram account (@principalmalaysia), and LinkedIn page (Principal Malaysia) 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 & Head of Principal Asset Management Berhad (Group of Companies),
and Managing Director Strategic Distribution & Institutional Client Relations
(Southeast Asia & Global Shariah)
Non-Independent Executive Director

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

The Fund aims to achieve capital growth and income over the medium to long-term.

Has the Fund achieved its objective?

The Fund is in line to achieve its long-term objective to provide capital growth and income as stated in the fund objective section.

What are the Fund investment policy and principal investment strategy?

The Fund may invest up to 99.5% of the Fund's NAV in shares of medium to large companies that are listed on Bursa Malaysia and the remaining NAV may be invested in liquid assets such as money market instruments and/or Deposits for liquidity management purposes. Generally, the Fund will focus on equity securities of medium to large companies with long-term capital growth and income. The Fund may opt to seek investment exposure via CIS that is in line with the Fund's objective, subject to the requirements of the GLOLA. In addition, liquid assets may be strategically used if we feel that the market downside risk is high in the short term. Where opportunity arises, the Fund may invest up to 25% of its NAV in companies that are listed in any Eligible Market globally with some operations or businesses in Malaysia to capture growth opportunities. We may utilize derivative instruments for hedging purposes. Asset allocation decisions are guided by prevailing market conditions and the Manager's assessments.

The Asset allocation strategy for this Fund is as follows:

- up to 99.5% of the Fund's NAV will be invested in equity securities; and
- at least 0.5% of the Fund's NAV in liquid assets.

Base Currency

Malaysian Ringgit ("MYR")

Fund category/type

Wholesale (Equity)/Growth & income

When was the Fund launched?

Name of Class	Launch Date
Class MYR	6 January 2026

What was the size of the Fund as at 31 March 2026?

RM121.51 million (126.10 million units)

What is the Fund's benchmark?

The Fund adheres to the benchmark of the Target Fund for performance comparison. Currently, the benchmark of the Target Fund is FTSE Bursa Malaysia Top 100.

What is the Fund distribution policy?

Depending on the level of income (if any), the Class will distribute part or all of its distributable income on a yearly basis.

What was the net income distribution for the financial period from 6 January 2026 (date of launch) to 31 March 2026?

There was no distribution made to unit holders during the financial period from 6 January 2026 (date of launch) to 31 March 2026.

PERFORMANCE DATA

Details of portfolio composition of the Fund for the financial period are as follows:

	31.03.2026
	%
Quoted securities	84.68
Cash and other assets	16.29
Liabilities	(0.97)
	<u>100.00</u>

Performance details of the Fund for the unaudited financial period are as follows:

	31.03.2026
NAV (RM Million)	
- Class MYR	121.51
Units in circulation (Million)	
- Class MYR	126.10
NAV per unit (RM)	
- Class MYR	0.9636

	06.01.2026 (date of launch) to 31.03.2026
Highest NAV per unit (RM)	
- Class MYR	1.0177
Lowest NAV per unit (RM)	
- Class MYR	0.2153
Total return (%)	
- Class MYR	(3.64)
Capital growth (%)	
- Class MYR	(3.64)
Income distribution (%)	
- Class MYR	-
Total Expense Ratio ("TER") (%)	0.07
Portfolio Turnover Ratio ("PTR") (times)	0.61

	Since inception to 31.03.2026
	%
Annual total return	
- Class MYR	(3.64)

(Launch date: 06 January 2026)

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 (06 JANUARY 2026 (DATE OF LAUNCH) TO 31 MARCH 2026)

For the financial period under review, FBM100 Index was only up 0.20% to 12,174.91 points.

FBM 100 rallied 3.75% Month-Over-Month in January following a strong December 2025 on the back of the Ringgit strength. We believe sentiment was largely lifted by improved sentiment on the Ringgit which gained about 3% against the Dollar and further exacerbated by the severe underweight position by global funds on Malaysia.

However, the Index fell 1.02% Month-on-Month in February 2026 due to profit-taking. Sentiment was mainly dented by geopolitical conflicts in the Middle East, while the 4th Quarter 2025 reporting season failed to excite the market.

FBM 100 continued to fall 2.08% Month-Over-Month in March due to the Ringgit weakness and worries over the Middle East conflicts. Market sentiment was affected by the war in the Middle East and the adverse impact of oil disruption as well as, to some extent, waning hopes of Fed cuts.

FUND PERFORMANCE

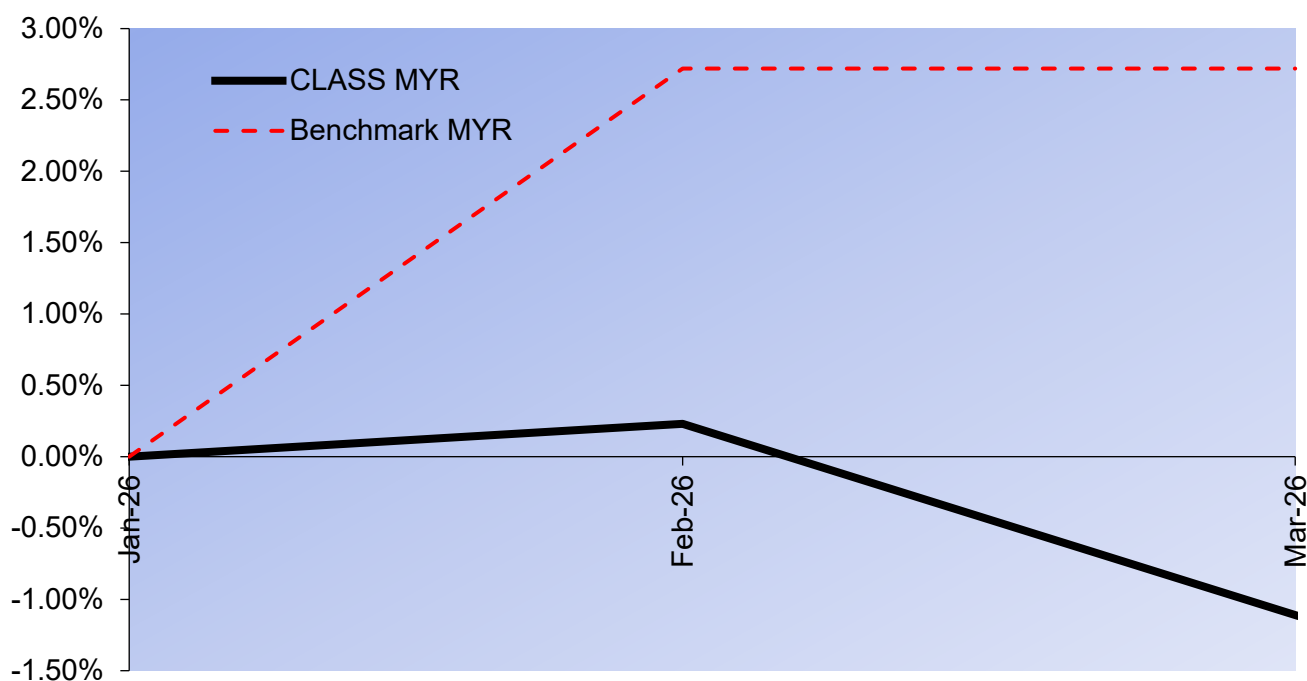
	Since inception to 31.03.2026
	%
Income Distribution	
- Class MYR	-
Capital Growth	
- Class MYR	(3.64)
Total Return	
- Class MYR	(3.64)
Benchmark	
- Class MYR	1.96

For the financial period under review, the Fund was down 3.64% and underperformed the Benchmark by 5.60% amid the unfavourable market conditions due to the adverse impact of the Middle East conflicts.

FUND PERFORMANCE (CONTINUED)

Since inception

CLASS MYR



Changes in NAV

31.03.2026

CLASS MYR

NAV (RM Million)	121.51
NAV/Unit (RM)	0.9636

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)	31.03.2026
Quoted securities	95.27
Cash and other assets	11.00
Liabilities	(6.27)
TOTAL	100.00

The Fund was fully invested during the financial period under review a minimal level of liquid assets was maintained primarily for redemption purposes.

MARKET OUTLOOK*

Malaysia's Gross Domestic Product ("GDP") grew 5.2% in 2025. Bank Negara Malaysia ("BNM") latest forecast is now 4.0% to 5.0% for 2026 versus 4.0% to 4.5% previously, the higher ceiling due to better-than-expected domestic demand and trade. We expect BNM to stay pat on Overnight Policy Rate ("OPR") for the rest of the year at 2.75%. Inflation slowed to 1.4% in February from 1.6% in January 2026; the central bank forecast inflation of 1.5% to 2.5% (versus 1.3% to 2.0% previously) for the year assuming to change to the RON95 subsidies.

Key market index, FBM KLCI, is now traded at a forward PE of about 14.5 times, which is below the 10-year historical mean straddling Coronavirus Disease 2019 ("COVID-19"), but still over -2 Standard Deviation ("SD") below the mean of 16 times for the 5-year period preceding 2020 the period which coincided with the last direct investment boom. Consensus now projects earnings growth for FBM30 of about 7% for 2026 and 2027. Sustained strength in domestic investments both Domestic Direct Investment and Foreign Direct Investment, fiscal consolidation gathering pace and the strengthening of the Ringgit are factors we see supportive of the further narrowing of risk premiums, and consequently higher valuation multiples.

*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

We advocate a barbell strategy given the still uncertain global environment. Our positioning anchors the portfolio in companies with strong domestic earnings visibility, providing resilience against any external volatility, while selectively adding undervalued names supported by strong catalysts for recovery. In addition, we also maintain tactical exposure to beneficiaries of elevated oil prices and industry leaders poised to capitalize on favourable sector trends. We stay focused in names in the Financials, Utilities and Industrials space while being selective in the technology and Oil and Gas sector. Key risks include the potential derailment of Malaysia's macroeconomic recovery and corporate earnings growth due to the higher-than-expected inflation, slower global economic growth, and heightened geopolitical tensions.

SOFT COMMISSIONS AND REBATES

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

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

During the financial period under review, the Manager and the Trustee did not receive any rebates from the brokers or dealers, but the Manager has retained soft commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. The Manager confirms that the goods and services received were for the benefit of the Fund, the trades were made on a best execution basis and there was no churning of trades.

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIR OF THE FUND

There were no 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 have been carried out during the financial period under review.

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 06 JANUARY 2026 (DATE OF LAUNCH) TO 31 MARCH 2026**

	06.01.2026 (date of launch) to 31.03.2026 RM
INCOME/(LOSS)	
Dividend income	1,550,922
Interest income from deposits with licensed financial institutions	101,180
Net loss on financial assets at fair value through profit or loss	(5,710,402)
	(4,058,300)
EXPENSES	
Management fee	51,035
Trustee fee	7,145
Transaction costs	366,892
Audit fee	1,667
Tax agent fee	1,031
Other expenses	8,666
	436,436
LOSS BEFORE TAXATION	(4,494,736)
Taxation	-
LOSS AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	(4,494,736)
Loss after taxation is made up as follows:	
Realised amount	1,188,081
Unrealised amount	(5,682,817)
	(4,494,736)

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026**

	31.03.2026
	RM
ASSETS	
Cash and cash equivalents	19,750,612
Financial assets at fair value through profit or loss	102,890,408
Dividends receivable	38,875
TOTAL ASSETS	<u>122,679,895</u>
LIABILITIES	
Amount due to stockbrokers	1,141,129
Accrued management fee	25,020
Amount due to Trustee	3,503
Other payables and accruals	4,979
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)	<u>1,174,631</u>
NET ASSET VALUE OF THE FUND	<u>121,505,264</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	<u>121,505,264</u>
REPRESENTED BY:	
FAIR VALUE OF OUTSTANDING UNITS (RM)	
- Class MYR	<u>121,505,264</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	
- Class MYR	<u>126,095,500</u>
NET ASSET VALUE PER UNIT (RM)	
- Class MYR	<u>0.9636</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES	
- Class MYR	<u>MYR0.9636</u>

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE FINANCIAL PERIOD FROM 06 JANUARY 2026 (DATE OF LAUNCH) TO 31 MARCH 2026**

**06.01.2026
(date of launch)
to 31.03.2026
RM**

**NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
AT THE BEGINNING OF THE FINANCIAL PERIOD**

-

Movements due to units created and cancelled during
the financial period:

Creation of units from applications
- Class MYR

126,000,000

Total comprehensive loss for the financial period

(4,494,736)

**NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
AT THE END OF THE FINANCIAL PERIOD**

121,505,264

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 06 JANUARY 2026 (DATE OF LAUNCH) TO 31 MARCH 2026

**06.01.2026
(date of launch)
to 31.03.2026
RM**

CASH FLOWS FROM OPERATING ACTIVITIES

Proceeds from disposal of quoted securities	2,835,903
Purchase of quoted securities	(110,662,476)
Dividend income received	1,512,047
Interest income received from deposits with licensed financial institutions	101,180
Management fee paid	(26,015)
Trustee fee paid	(3,642)
Payments for other fees and expenses	(6,385)
Net cash used in operating activities	(106,249,388)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from units created	126,000,000
Net cash generated from financing activities	126,000,000

Net increase in cash and cash equivalents	19,750,612
Cash and cash equivalents at the beginning of the financial period	-
Cash and cash equivalents at the end of the financial period	<u>19,750,612</u>

Cash and cash equivalents comprised:

Bank balances	20,018
Deposits with licensed financial institutions	19,730,594
Cash and cash equivalents at the end of the financial period	<u>19,750,612</u>

DIRECTORY

Head Office of the Manager

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(6016) 299 9792

Trustee for the Principal Institutional Equity Fund

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