

# Principal Islamic Asia Pacific Dynamic Equity Fund

Unaudited Semi-Annual Report

For The Six Months Financial Period Ended 31 October 2023

**PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND**

**UNAUDITED SEMI-ANNUAL REPORT**

**FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023**

<b>CONTENTS</b>	<b>PAGE(S)</b>
INVESTORS' LETTER	i
MANAGER'S REPORT	ii - ix
Fund Objective and Policy	
Performance Data	
Market Review	
Fund Performance	
Portfolio Structure	
Market Outlook	
Investment Strategy	
Soft Commissions and Rebates	
Securities Financing Transactions	
State of Affair of the Fund	
Circumstances That Materially Affect Any Interest of Unit Holders	
Cross Trade	
Unit Split	
STATEMENT BY MANAGER	1
TRUSTEE'S REPORT	2
SHARIAH ADVISER'S REPORT	3
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME	4
UNAUDITED STATEMENT OF FINANCIAL POSITION	5
UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	6
UNAUDITED STATEMENT OF CASH FLOWS	7
NOTES TO THE FINANCIAL STATEMENTS	8 – 36
DIRECTORY	37

## **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 Unaudited Semi-Annual Fund Report of the Principal Islamic Asia Pacific Dynamic Equity Fund for the six months financial period ended 31 October 2023. You may also download this report from our website at [www.principal.com.my](http://www.principal.com.my).

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

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

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

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

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

## MANAGER'S REPORT

### FUND OBJECTIVE AND POLICY

#### What is the investment objective of the Fund?

The Fund aims to achieve long-term capital appreciation and income while complying with Shariah investment criteria, through investments in the emerging and developed markets of Asia Pacific ex Japan region.

#### Has the Fund achieved its objective?

Yes, the Fund's returns are stated and described under the Fund Performance section of this report.

#### What are the Fund investment policy and principal investment strategy?

The Fund is predominantly an equity fund which invests through securities of companies domiciled in, listed in, and/or have significant operations in the emerging and developed markets of Asia Pacific ex Japan. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business and/or operations in Thailand but listed on the New York Stock Exchange. The threshold for 'significant operations' would be if more than 25% of total group revenue derives from countries in the emerging and developed markets of Asia Pacific ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). With effect from 16 August 2021, The Fund may also invest up to 20% of its NAV in companies that are listed globally with some operations and/or businesses within the Asia Pacific ex Japan region to capture growth opportunities. Between 70% to 98% (both inclusive) of the Fund's NAV can be invested in Shariah-compliant equities, Shariah-compliant warrants, Islamic options, participation in Islamic collective investment schemes ("CIS") which are permitted under the Guidelines on Unit Trust Funds ("GUTF") issued by the Securities Commission Malaysia. Up to 30% of the Fund may also invest into Sukuk and Islamic deposits. For this Fund, the investments in Sukuk must satisfy a minimum rating requirement of at least a "BBB3" or "P2" rating 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 "BB" by Standard & Poor's ("S&P") or equivalent rating by any other international rating agencies.

The asset allocation strategy for this Fund is as follows:

- at least 70% of the Fund's NAV will be invested in Shariah-compliant equities;
- up to 30% of the Fund's NAV in Sukuk and Islamic deposits; and
- at least 2% of the Fund's NAV in Islamic liquid assets.

#### Fund category/type

Equity (Shariah-compliant)/Growth

#### When was the Fund launched?

Name of Class	Launch date
Class D	28 April 2023
Class MYR	2 June 2006

#### What was the size of the Fund as at 31 October 2023?

RM3,233.34 million (5,587.40 million units)

#### What is the Fund's benchmark?

Morgan Stanley Capital International ("MSCI") All Country ("AC") Asia ex Japan Islamic Index

**Note:** The Fund's benchmark is for performance comparison purpose only. Investors are cautioned that the risk profile of the Fund is higher than the benchmark.

#### What is the Fund distribution policy?

Regular distributions are not the focus of this Fund. Distributions, if any, are at the discretion of the Manager.

**FUND OBJECTIVE AND POLICY (CONTINUED)**

**What was the net income distribution for the six months financial period ended 31 October 2023?**

There was no income distribution made for the six months financial period ended 31 October 2023.

**PERFORMANCE DATA**

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

	<b>31.10.2023</b>	<b>31.10.2022</b>	<b>31.10.2021</b>
	%	%	%
Shariah-compliant collective investment scheme	0.75	0.76	0.55
Shariah-compliant quoted securities			
- Communication Services	4.97	8.06	12.61
- Consumer Discretionary	12.86	7.18	12.88
- Consumer Staples	7.84	4.63	1.85
- Energy	12.04	14.19	8.48
- Health Care	1.63	7.42	8.63
- Industrials	2.77	11.69	7.59
- Information Technology	34.13	27.77	30.22
- Materials	12.50	7.26	9.43
- Real Estate	3.42	1.92	1.14
- Utilities	-	1.82	-
Cash and other assets	8.45	7.82	7.05
Liabilities	(1.36)	(0.52)	(0.43)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	<b>31.10.2022</b>	<b>31.10.2021</b>	<b>31.10.2020</b>
NAV (RM Million)			
- Class D	0.00*	-	-
- Class MYR	3,233.34	3,044.50	3,585.46
Units in circulation (Million)			
- Class D	0.00*	-	-
- Class MYR	5,587.40	5,454.33	4,979.49
NAV per unit (RM)			
- Class D	1.024	-	-
- Class MYR	0.5786	0.5581	0.7200
	<b>01.05.2023 to 31.10.2023</b>	<b>01.05.2022 to 31.10.2022</b>	<b>01.05.2021 to 31.10.2021</b>
Highest NAV per unit (RM)			
- Class D	1.1205	-	-
- Class MYR	0.6335	0.6433	0.7469
Lowest NAV per unit (RM)			
- Class D	0.9928	-	-
- Class MYR	0.5613	0.5413	0.6972

Note: 0.00\* denotes unit count less than 0.01 million

**PERFORMANCE DATA (CONTINUED)**

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

	<b>01.05.2023 to 31.10.2023</b>	<b>01.05.2022 to 31.10.2022</b>	<b>01.05.2021 to 31.10.2021</b>
Total return (%)			
- Class D	2.20	-	-
- Class MYR	2.18	(13.05)	(0.63)
Capital growth (%)			
- Class D	2.20	-	-
- Class MYR	2.18	(13.05)	(0.63)
Income distribution (%)			
- Class D	-	-	-
- Class MYR	-	-	-
Total Expense Ratio ("TER") (%) ^	0.96	0.94	0.96
Portfolio Turnover Ratio ("PTR") (times) #	0.28	0.31	0.38

^ The Fund's TER increased from 0.94% to 0.96% was mainly due to increase in expenses during the financial period under review.

# The Fund's PTR is broadly unchanged at 0.28 times as compared to 0.31 times in the previous financial period.

	<b>31.10.2023</b>	<b>31.10.2022</b>	<b>31.10.2021</b>	<b>31.10.2020</b>	<b>31.10.2019</b>
Annual total return	%	%	%	%	%
- Class MYR	4.63	(21.34)	20.27	23.77	11.21

(Launch date: 2 June 2006)

	<b>Since inception to 31.10.2023</b>
Annual total return	%
- Class D	2.19

(Launch date: 28 April 2023)

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 MAY 2023 TO 31 OCTOBER 2023)**

During the financial period under review, the MSCI AC Asia ex Japan Islamic Index was flat in Malaysian Ringgit ("MYR/RM") terms. Topical issues were: a) The significant rise in US 10-year yield from June 2023 to October 2023 and resultant decline in risk assets b) Weak economic momentum in China.

In the first three months, the MSCI AC Asia ex Japan Islamic Index posted positive returns as market participants were convinced that the US Federal Reserve (the "Fed") tightening is near its end. However, in August 2023, Asian equities declined sharply led by China as certain economic data such as inflation and credit growth disappointed.

**MARKET REVIEW (1 MAY 2023 TO 31 OCTOBER 2023) (CONTINUED)**

The US 10-year also rose beyond 4% as the US economy continued to show signs of strength with consumer remaining resilient and a robust US housing market. The Chinese macroeconomic stance has turned dovish as a host of measures were announced by the Chinese Government. The measures include revising down mortgage rates for existing homes, plans for Urban Village Renovation, officials lauding the importance of innovation and encouraging technology giants to boost employment and various other measures. However, it is inconclusive whether the measures are sufficient to revive economic growth.

In September, the US 10-year bond yield rose a further 46 basis points (“bps”) to 4.57% and Brent oil rose by 9.7% to USD95.30 per barrel, adding uncertainty to the inflation trajectory. Expectations were of ‘higher-for-longer’ interest rates due to the resilient economic growth in the US. By the end of the period under review, the US 10-year bond yield rose to 4.93%.

**FUND PERFORMANCE**

	<b>6 months to 31.10.2023</b>	<b>1 year to 31.10.2023</b>	<b>3 years to 31.10.2023</b>	<b>5 years to 31.10.2023</b>	<b>Since inception to 31.10.2023</b>
	%	%	%	%	%
Income Distribution					
- Class D	-	-	-	-	-
- Class MYR	-	1.02	4.43	6.96	16.15
Capital Growth					
- Class D	2.20	-	-	-	2.19
- Class MYR	2.18	3.57	(5.22)	27.37	92.05
Total Return					
- Class D	2.20	-	-	-	2.19
- Class MYR	2.18	4.63	(1.02)	36.24	123.06
Benchmark					
- Class D	(0.01)	-	-	-	(0.01)
- Class MYR	(0.01)	6.85	(2.57)	27.97	102.46
Average Total Return					
- Class D	4.41	-	-	-	4.34
- Class MYR	4.36	4.63	(0.34)	6.38	4.71

In the last 6 months, the Class MYR has achieved a total return of 2.18% in MYR terms, outperforming the benchmark which is largely unchanged. In the last 3 years, 5 years and since inception, the Class MYR has outperformed the benchmark by 155 bps, 827 bps and 2,054 bps respectively.

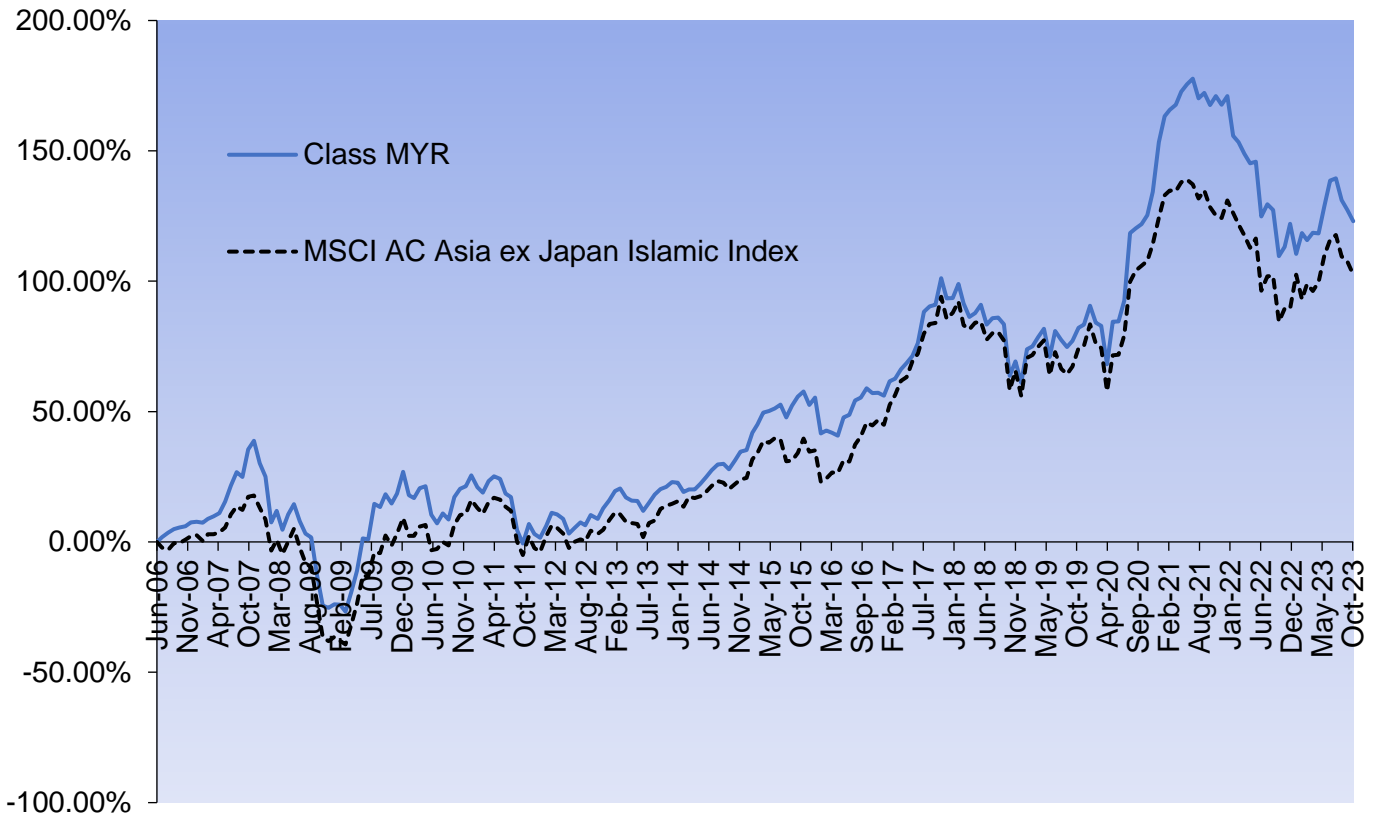
The Class D has achieved a total return of 2.20% in MYR terms in the last 6 months, outperforming the benchmark.



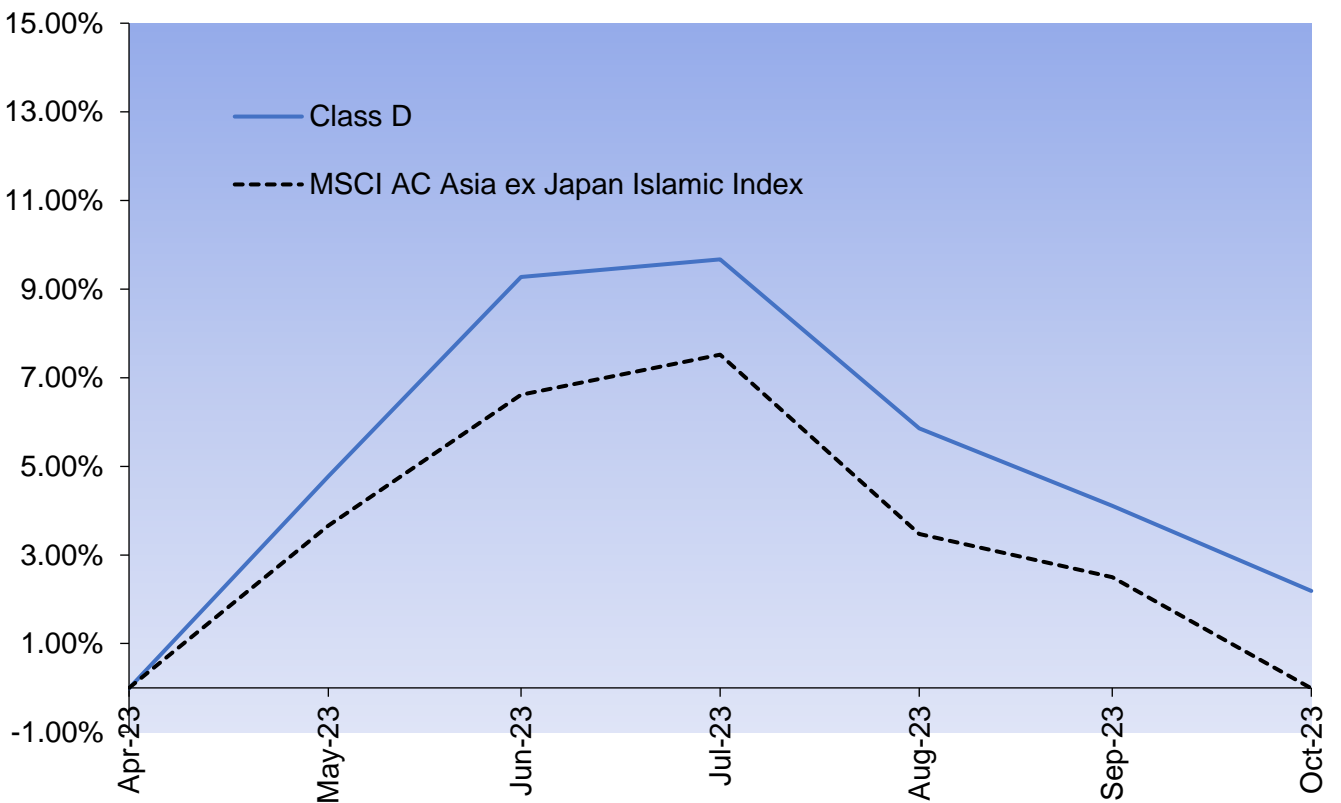
FUND PERFORMANCE (CONTINUED)

Since Inception

Class MYR



Class D



**FUND PERFORMANCE (CONTINUED)**

**Changes in NAV**

	<b>31.10.2023</b>	<b>30.04.2023 Audited</b>	<b>Changes %</b>
<b>Class D</b>			
NAV (RM Million)	0.00*	0.00*	-
NAV/Unit (RM)	1.024	0.9990	2.50
<b>Class MYR</b>			
NAV (RM Million)	3,233.34	3,123.00	3.53
NAV/Unit (RM)	0.5786	0.5652	2.37

The Class MYR and Class D NAV per unit has increased by 2.37% and 2.50% respectively during the financial period under review. The NAV has increased slightly further by 3.53% due to inflows.

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**

<b>(% of NAV)</b>	<b>31.10.2023</b>	<b>30.04.2023 Audited</b>
Shariah-compliant collective investment schemes	0.75	0.77
Shariah-compliant quoted securities	92.16	93.98
Cash and other assets	8.45	5.53
Liabilities	(1.36)	(0.28)
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

The Fund's asset allocation is broadly unchanged at 92.16% invested in Shariah-compliant quoted securities.

**MARKET OUTLOOK\***

We think the Fed is done tightening given the latest data on labor market conditions. Some corporate commentary also suggests that the global economy is slowing. This means there is not much scope for the US 10-year Treasury yields to rise further and puts a lid on the US dollar. Risk assets could bounce led by beneficiaries of a weak US Dollar ("USD").

In Asia, how China's corporate and household confidence improves is key. Economic stabilization with China Gross Domestic Product ("GDP") growth at ~4.5% in 2024 is our base case and this assumes some continuation in policy actions. Looking ahead, we hope to see: 1) transparent, stable and predictable policy environment to restore confidence among private entrepreneurs; 2) supportive policies for the services sector (e.g. internet), in-line with what is being done for the manufacturing sectors; 3) urban renewal program (or "Urban Village Renovation") worth about 0.8% to 2% of GDP p.a.; 4) additional local debt resolutions 5) investment plans by large listed companies as an indicator of improved confidence; 6) recapitalization of selection State Owned-Enterprise ("SOE") banks.

## **MARKET OUTLOOK\* (CONTINUED)**

\* 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 remain fully invested. Off-benchmark stocks contribute more than 30% to our Fund's holdings. We are discerning in our stock selection in China should the stimulus tend to fall short of reviving 'animal spirits' and also mindful of geopolitical risks.

Our portfolio is centred around:

- The bottoming of the technology hardware cycle (e.g. Dynamic Random Access Memory ("DRAM", foundry)
- Improving private sector confidence in India (e.g. general retail, property)
- Beneficiaries of under-investments or benign competitive environment (e.g. crude oil, Indian cement)
- High quality global companies with resilient demand (e.g. industrial gas, luxury)

## **SOFT COMMISSIONS AND REBATES**

Principal Malaysia (the "Manager") and the Trustee will not retain any form of rebate from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Principal Malaysia Funds ("Funds"). Accordingly, any rebate 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 brings 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 Fund; and
- (c) the availability of soft commission is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and we and the fund the manager will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commission.

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 for the benefit of the fund such as financial wire services and stock quotations system incidental to investment management of the Funds and there was no churning of trades.

## **SECURITIES FINANCING TRANSACTIONS**

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

## **STATE OF AFFAIR OF THE FUND**

There were no significant changes in the state of affairs of the Fund during the period 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.

**UNIIT SPLIT**

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF  
PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND**

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 4 to 36 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 October 2023 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period then ended in accordance with the provisions 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**

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

**UDAY JAYARAM**

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

Kuala Lumpur  
14 December 2023

**TRUSTEE'S REPORT**

**TO THE UNIT HOLDERS OF  
PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND ("Fund")**

We have acted as Trustee of the Fund for the financial period ended 31 October 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management Company under the Deeds, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat  
Manager, Investment Compliance Monitoring

Kuala Lumpur  
14 December 2023

**SHARIAH ADVISER'S REPORT**

**To the Unit Holders of Principal Islamic Asia Pacific Dynamic Equity Fund ("Fund")**

**For the Six Months Financial Period ended 31 October 2023**

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the 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**

**Tan Sri Dr Mohd Daud Bakar**  
Executive Chairman

Kuala Lumpur  
14 December 2023

**PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023**

	<b>Note</b>	<b>01.05.2023 to 31.10.2023 RM</b>	<b>01.05.2022 to 31.10.2022 RM</b>
<b>INCOME/(LOSS)</b>			
Dividend income		37,261,528	61,697,899
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions at amortised cost and Hibah earned		415,647	662,506
Net gain/(loss) on financial assets at fair value through profit or loss	<b>8</b>	75,812,401	(453,425,805)
Net foreign exchange gain/(loss)		8,857,741	(3,929,508)
		<u>122,347,317</u>	<u>(394,994,908)</u>
<b>EXPENSES</b>			
Management fee	<b>4</b>	30,280,281	28,713,414
Trustee and custodian fees	<b>5</b>	1,816,114	1,116,633
Audit fee		4,687	4,738
Tax agent's fee		68,641	32,423
Transaction costs		4,797,438	3,957,879
Other expenses		5,169,550	3,708,617
		<u>42,136,711</u>	<u>37,533,704</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		80,210,606	(432,528,612)
Taxation	<b>7</b>	<u>(8,091,155)</u>	<u>(7,427,888)</u>
<b>PROFIT/(LOSS) AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD</b>		<u>72,119,451</u>	<u>(439,956,500)</u>
Profit/(Loss) after taxation is made up as follows:			
Realised amount		(89,802,414)	(69,954,596)
Unrealised amount		161,921,865	(370,001,904)
		<u>72,119,451</u>	<u>(439,956,500)</u>

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



**PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND**

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

		<b>31.10.2023</b>	<b>30.04.2023</b>
	<b>Note</b>	<b>RM</b>	<b>Audited RM</b>
<b>ASSETS</b>			
Cash and cash equivalents	<b>10</b>	262,248,220	165,748,437
Financial assets at fair value through profit or loss	<b>9</b>	3,004,123,023	2,958,626,410
Amount due from stockbrokers			-
Amount due from Manager		5,832,219	5,205,745
Amount due from Manager of Shariah-compliant collective investment schemes			
- management fee rebate		345,068	284,836
Dividends receivable		4,814,710	1,596,487
Tax recoverable		3,533	3,533
<b>TOTAL ASSETS</b>		<u>3,277,366,773</u>	<u>3,131,465,448</u>
<b>LIABILITIES</b>			
Amount due to stockbrokers		32,032,258	-
Amount due to Manager		6,789,985	3,654,203
Accrued management fee		5,050,945	4,614,323
Amount due to Trustee		126,274	179,446
Other payables and accruals		27,550	19,572
<b>TOTAL LIABILITIES</b>		<u>44,027,012</u>	<u>8,467,544</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>3,233,339,761</u>	<u>3,122,997,904</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>3,233,339,761</u>	<u>3,122,997,904</u>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS (RM)</b>			
- Class D		1,024	999
- Class MYR		3,233,338,737	3,122,996,905
		<u>3,233,339,761</u>	<u>3,122,997,904</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
- Class D		1,000	1,000
- Class MYR		5,587,396,948	5,524,843,872
	<b>9</b>	<u>5,587,397,948</u>	<u>5,524,844,872</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>			
- Class D		1.0240	0.9990
- Class MYR		0.5786	0.5652

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

**PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND**

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023**

	<b>Note</b>	<b>01.05.2023 to 31.10.2023 RM</b>	<b>01.05.2022 to 31.10.2022 RM</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		<u>3,122,997,904</u>	<u>3,347,683,424</u>
Movement due to units created and cancelled during the financial period:			
Creation of units from applications			
- Class MYR		<u>309,080,225</u>	<u>335,426,613</u>
Cancellation of units			
- Class MYR		<u>(270,857,819)</u>	<u>(198,657,007)</u>
Total comprehensive income/(loss) for the financial period		<u>72,119,451</u>	<u>(439,956,500)</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD</b>	<b>12</b>	<u><u>3,233,339,761</u></u>	<u><u>3,044,496,530</u></u>

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

**PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND**

**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023**

	<b>01.05.2023 to 31.10.2023</b>	<b>01.05.2022 to 31.10.2022</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from disposal of Shariah-compliant quoted securities	932,438,074	857,885,175
Purchases of Shariah-compliant quoted securities	(874,450,769)	(1,109,717,048)
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah earned	415,647	662,506
Dividend income received	28,849,253	55,071,672
Management fees paid	(29,843,659)	(28,987,875)
Management fee rebate received	67,738	102,010
Trustee and custodian fees paid	(1,869,286)	(1,127,306)
Payments of other fees and expenses	(68,553)	(48,127)
Receipt/(Payment) of other foreign exchange gain/(loss)	933,287	(293,543)
Tax paid	(8,091,155)	(1,876,733)
<b>Net cash generated from/(used in) operating activities</b>	<b>48,380,577</b>	<b>(228,329,269)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from units created	308,453,751	341,632,660
Payments for cancellation of units	(267,722,037)	(203,124,333)
<b>Net cash generated from financing activities</b>	<b>40,731,714</b>	<b>138,508,327</b>
Net increase/(decrease) in cash and cash equivalents	89,112,291	(89,820,942)
Effects of foreign exchange differences	7,387,492	28,251,847
Cash and cash equivalents at the beginning of the financial period	165,748,437	291,553,173
Cash and cash equivalents at the end of the financial period	<u>262,248,220</u>	<u>229,984,078</u>
<u>Cash and cash equivalents comprise of</u>		
Shariah-compliant deposits with licensed Islamic financial institutions	33,387,744	171,308,979
Bank balances	228,860,476	58,675,099
Cash and cash equivalents at the end of the financial period	<u>262,248,220</u>	<u>229,984,078</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 31 OCTOBER 2023**

**1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

Principal Islamic Asia Pacific Dynamic Equity Fund (the “Fund”) is governed by a Principal Master Deed dated 15 May 2008, a Third 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, an Eighth Supplemental Master Deed dated 26 December 2008, a Fourteenth Supplemental Master Deed dated 26 June 2012, a Seventeenth Supplemental Master Deed dated 25 March 2015, a Eighteenth Supplemental Master Deed dated 29 April 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 HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund is predominantly an equity fund which invests through securities of companies domiciled in, listed in, and/or have significant operations in the emerging and developed markets of Asia Pacific ex Japan. ‘Significant operations’ means major businesses of the company. For example, the Fund can invest in a company with significant business and/or operations in Thailand but listed on the New York Stock Exchange. The threshold for ‘significant operations’ would be if more than 25% of total group revenue derives from countries in the emerging and developed markets of Asia Pacific ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). With effect from 16 August 2021, The Fund may also invest up to 20% of its NAV in companies that are listed globally with some operations and/or businesses within the Asia Pacific ex Japan region to capture growth opportunities. Between 70% to 98% (both inclusive) of the Fund’s NAV can be invested in Shariah-compliant equities, Shariah-compliant warrants, Islamic options, participation in Islamic CIS which are permitted under the GUTF. Up to 30% of the Fund may also invest into Sukuk and Islamic deposits. For this Fund, the investments in Sukuk must satisfy a minimum rating requirement of at least a “BBB3” or “P2” rating by RAM Ratings (“RAM”) or equivalent rating by Malaysian Rating Corporation Berhad (“MARC”) or by local rating agency(ies) of the country of issuance; “BB” by Standard & Poor’s (“S&P”) or equivalent rating by any other international rating agencies.

The asset allocation strategy for this Fund is as follows:

- at least 70% of the Fund’s NAV will be invested in Shariah-compliant equities;
- up to 30% of the Fund’s NAV in Sukuk and Islamic deposits; and
- at least 2% of the Fund’s NAV in Islamic liquid assets.

We have appointed Principal Singapore, as the Sub-Manager for the foreign investments of the Fund. The Sub-Manager will be investing and managing these foreign investments in accordance with the investment objective and within the investment restrictions. Nevertheless, we are equally responsible for the investments of the Fund. All costs of this appointment will be borne by us to ensure no additional fee is levied on you.

All investments are subject to the GUTF, SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### (a) Basis of preparation

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

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

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

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

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

There are no applicable standards, amendments to standards or interpretations that are effective for financial period beginning on/after 1 May 2022 to the financial statements of the Fund.

None of the standards, amendments to standards or interpretations that are effective for the financial period beginning on/after 1 November 2022 are applicable to the Fund.

### (b) Financial assets and financial liabilities

#### Classification

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

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

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

The contractual cash flows of the Fund’s debt securities are solely principal and interest<sup>1</sup> (“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.

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<sup>1</sup> 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 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. Investments in Shariah-compliant collective investment schemes are debt instrument with contractual cash flows that do not represent SPPI and therefore are classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from stockbrokers, amount due from Manager, amount due from Manager of Shariah-compliant collective investment schemes - management fee rebate and dividends receivable as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

All of the Fund's financial liabilities are measured at amortised cost.

Recognition and measurement

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

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

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

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

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

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

Shariah-compliant collective investment scheme is valued based on the most recent published NAV per unit or share of such Shariah-compliant collective investment scheme or, if unavailable, the last published price of such unit or share (excluding any sales charge included in such selling price).

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

Foreign Shariah-compliant quoted securities outside Malaysia are valued at the last traded market price quoted on the respective foreign stock exchanges at the close of the business day of the respective foreign stock exchanges.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Recognition and measurement (continued)

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

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

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

Impairment for assets carried at amortised costs

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

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

**(c) Income recognition**

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

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

Profit income is calculated by applying the effective profit rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective profit rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

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

**(d) Foreign currency**

Functional and presentation currency

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

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

- i) The Fund’s units are denominated in MYR.
- ii) Significant portion of the cash is denominated in MYR for the purpose of making settlement of foreign trades.
- iii) Significant portion of the Fund’s expenses are denominated in MYR.

Transactions and balances

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

**(e) Cash and cash equivalents**

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



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Taxation

(i) Current taxation

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

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

Withholding taxes on investment income from investment are based on tax regime of the respective countries that the Fund invests in. They are presented within other expenses line in the statement of comprehensive income.

(ii) Deferred taxation

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

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

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

(g) Distribution

A distribution to the Fund's unit holders is accounted for as distribution in the statement of comprehensive income. A proposed distribution is recognised as a liability in the financial period in which it is approved by the Trustee.

(h) Transaction costs

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

(i) Amount due from/to stockbrokers

Amounts due from and amount due to stockbrokers represent receivables for quoted securities sold and payables for quoted securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**(j) Management fee rebate**

Management fee rebate represents the Fund's entitlement to management fee rebate derived from the Manager of collective investment scheme on an accrual basis to ensure no double charging of management fee. It is accrued daily based on the fair value of collective investment scheme held.

**(k) Unit holders' capital**

The unit holders' contributions to the Fund meet the definition of puttable instruments classified as financial liability under MFRS 132 "*Financial Instruments: Presentation*".

The Fund issues cancellable units, in two classes of units, known respectively as the Class D and Class MYR which are cancelled at the unit holder's option. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the unit holder exercises the right to put back the unit to the Fund.

Units are created and cancelled at the unit holders' option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day.

The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to unit holders of respective classes with the total number of outstanding units of respective classes.

**(l) 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 GUTF.

**(m) Critical accounting estimates and judgements in applying accounting policies**

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

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

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the GUTF.

However, the Manager is of the opinion that in applying these accounting policies, no significant judgement was required.

**3. RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund aims to achieve long-term capital appreciation and income while complying with Shariah investment criteria, through investments in the emerging and developed markets of Asia Pacific ex Japan region.

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

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

**(a) Market risk**

**(i) Price risk**

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

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

**(ii) Interest rate risk**

Interest rate is a general economic indicator that will have an impact on the management of the Fund.

It does not in any way suggest that this Fund will invest in conventional financial instruments. All investment carried out for the Fund including placements and deposits are in accordance with Shariah requirements.

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market profit rates.

The Fund's exposure to fair value interest rate risk arises from Shariah-compliant deposits with licensed financial institutions. The interest rate risk is expected to be minimal as the Fund's investments comprise mainly short term Shariah-compliant deposits with approved licensed Islamic financial institutions.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market profit rates.

The Fund is not exposed to cash flow interest rate risk as the Fund does not hold any financial instruments at variable interest rate.

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

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

**(a) Market risk (continued)**

**(iii) Currency risk**

Currency risk is associated with Shariah-compliant investments that are quoted and/or priced in foreign currency denomination. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Manager will evaluate the likely directions of a foreign currency versus RM based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

**(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.

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

For amount due from Manager, the settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the GUTF.

For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective stock exchange. The credit risk is minimal as all transactions in collective investment scheme and 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 net asset attributable to unit holders. 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 judgment, 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)

(i) Fair value hierarchy (continued)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>31.10.2022</b>				
Financial asset at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	24,141,837	-	-	24,141,837
- Shariah-compliant quoted securities - foreign	<u>2,979,981,186</u>	<u>-</u>	<u>-</u>	<u>2,979,981,186</u>
	<u>3,004,123,023</u>	<u>-</u>	<u>-</u>	<u>3,004,123,023</u>
<b>30.04.2023</b>				
<b>Audited</b>				
Financial asset at fair value through profit or loss:				
- Shariah-compliant collective investment schemes	24,095,081	-	-	24,095,081
- Shariah-compliant quoted securities	<u>2,934,531,329</u>	<u>-</u>	<u>-</u>	<u>2,934,531,329</u>
	<u>2,958,626,410</u>	<u>-</u>	<u>-</u>	<u>2,958,626,410</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 and collective investment scheme. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

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

**4. MANAGEMENT FEE**

In accordance with the Deeds, the Manager is entitled to a maximum management fee of 1.85% per annum, calculated daily based on the NAV of the Fund.

For the six months financial period ended 31 October 2022 and 31 October 2023, the management fee is recognised at the following rates:

<b>Class D</b>	<b>Class MYR</b>
1.80%	1.80%

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

**5. TRUSTEE AND CUSTODIAN FEES**

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.07% per annum, calculated daily based on the NAV of the Fund. The Trustee's fee includes local custodian fee but excludes the foreign sub-custodian fee, if any.

For the financial period from 1 May 2023 until 31 July 2023 the Trustee fee is recognised at the rate of 0.07%. Effective 1 August 2023, Trustee fee is recognised at the rate of 0.045% per annum (31.10.2022: 0.07% per annum) for each class. while the foreign sub-custodian fee is recognised at RM848,369 (31.10.2022: Nil).

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

**6. TAXATION**

	<b>01.05.2023 to 31.10.2023 RM</b>	<b>01.05.2022 to 31.10.2022 RM</b>
Tax charged for the financial period:		
- Capital gains tax	3,084,905	514,388
- Tax on Foreign source income	5,006,250	6,913,500
	<u>8,091,155</u>	<u>7,427,888</u>

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

	<b>01.05.2023 to 31.10.2023 RM</b>	<b>01.05.2022 to 31.10.2022 RM</b>
Profit/(Loss) before taxation	<u>80,210,606</u>	<u>(432,528,612)</u>
Taxation at Malaysian statutory rate of 24% (31.10.2022: 24%)	19,250,545	(103,806,867)
Tax effects of:		
(Income not subject to tax)/Loss not deductible for tax purposes	(30,126,286)	94,798,778
Expenses not deductible for tax purposes	3,606,656	2,111,300
Restriction on tax deductible expenses for Unit Trust Funds	7,269,085	6,896,789
Capital gains tax	3,084,905	514,388
Tax on Foreign source income	5,006,250	6,913,500
Taxation	<u>8,091,155</u>	<u>7,427,888</u>

**7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>31.10.2023</b>	<b>30.04.2023</b>
	<b>RM</b>	<b>Audited RM</b>
At fair value through profit or loss:		
- Shariah-compliant collective investment scheme	24,141,837	24,095,081
- Shariah-compliant quoted securities - foreign	2,979,981,186	2,934,531,329
	<u>3,004,123,023</u>	<u>2,958,626,410</u>
	<b>01.05.2023</b>	<b>01.05.2022</b>
	<b>to 31.10.2023</b>	<b>to 31.10.2022</b>
	<b>RM</b>	<b>RM</b>
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised loss on disposals	(78,702,811)	(55,419,154)
- Unrealised fair value gain/(loss)	154,387,242	(398,161,539)
- Management fee rebate #	127,970	154,888
	<u>75,812,401</u>	<u>(453,425,805)</u>

# Management fee rebate is derived from the collective investment schemes held by the Fund on an accrual basis to ensure no double charging of management fee. It is accrued daily based on the fair value of collective investment schemes held.

For the financial period ended 31 October 2023 and 31 October 2022, the rebate is recognised at a rate as per table below, calculated and accrued daily based on the NAV of the collective investment schemes.

	<b>30.10.2023</b>	<b>30.04.2023</b>
		<b>Audited</b>
Principal Islamic Equity Growth Syariah Fund	3.00	3.00
Principal Islamic Asia Pacific Dynamic Income & Growth Fund – USD	1.00	1.00
Principal Islamic Global Responsible Equity Fund	0.80	0.80

<b>Name of counter</b>	<b>Quantity Units</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>31.10.2023</b>				
<b>SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME</b>				
<b>INDONESIA</b>				
Principal Islamic Equity Growth Syariah Fund	9,239,261	4,057,664	3,264,050	0.10
<b>TOTAL INDONESIA</b>	<u>9,239,261</u>	<u>4,057,664</u>	<u>3,264,050</u>	<u>0.10</u>
<b>IRELAND</b>				
Principal Islamic Asia Pacific Dynamic Income and Growth Fund - USD Accumulation	346,900	14,363,395	14,073,032	0.44
Principal Islamic Global Responsible Equity Fund	154,000	6,498,030	6,804,755	0.21
<b>TOTAL IRELAND</b>	<u>500,900</u>	<u>20,861,425</u>	<u>20,877,787</u>	<u>0.65</u>



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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2023 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME (CONTINUED)</b>				
<b>TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEMES</b>	<b><u>9,740,161</u></b>	<b>24,919,089</b>	<b><u>24,141,837</u></b>	<b><u>0.75</u></b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>(777,252)</u></b>		
<b>TOTAL SHARIAH- COMPLIANT FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>24,141,837</u></b>		
<b>SHARIAH-COMPLIANT QUOTED SECURITIES</b>				
<b>AUSTRALIA</b>				
<b>Materials</b>				
BHP Group Ltd	<u>498,246</u>	<u>68,219,911</u>	<u>67,238,646</u>	<u>2.08</u>
<b>TOTAL AUSTRALIA</b>	<b><u>498,246</u></b>	<b><u>68,219,911</u></b>	<b><u>67,238,646</u></b>	<b><u>2.08</u></b>
<b>CAYMAN ISLANDS</b>				
<b>Consumer Discretionary</b>				
Alibaba Group Holding Ltd	<u>1,001,300</u>	<u>99,004,708</u>	<u>48,773,749</u>	<u>1.51</u>
<b>TOTAL CAYMAN ISLANDS</b>	<b><u>1,001,300</u></b>	<b><u>99,004,708</u></b>	<b><u>48,773,749</u></b>	<b><u>1.51</u></b>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2023</b>				
<b>(CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>CHINA</b>				
<b>Consumer Discretionary</b>				
BYD Company Ltd	246,000	34,508,390	35,536,643	1.10
Midea Group Co Ltd - A <sup>1</sup>	913,450	33,246,229	31,453,241	0.97
	<u>1,159,450</u>	<u>67,754,619</u>	<u>66,989,884</u>	<u>2.07</u>
<b>Industrials</b>				
NARI Tech Dev Co Ltd	3,133,598	47,425,631	45,978,057	1.42
<b>TOTAL CHINA</b>	<b><u>4,293,048</u></b>	<b><u>115,180,250</u></b>	<b><u>112,967,941</u></b>	<b><u>3.49</u></b>
<b>FRANCE</b>				
<b>Consumer Discretionary</b>				
Hermes International	7,521	65,071,468	67,223,181	2.08
<b>Consumer Staples</b>				
L'Oreal	34,535	65,017,970	69,494,212	2.15
<b>TOTAL FRANCE</b>	<b><u>42,056</u></b>	<b><u>130,089,438</u></b>	<b><u>136,717,393</u></b>	<b><u>4.23</u></b>
<b>HONG KONG, CHINA</b>				
<b>Communication Services</b>				
Tencent Holding Ltd	541,700	167,517,639	95,327,391	2.95
<b>Consumer Discretionary</b>				
Meituan	42,330	7,542,046	2,848,813	0.09
<b>Real Estate</b>				
China Overseas Land & Investment Ltd	3,389,500	40,590,619	30,483,909	0.94
China Resources Land Ltd	2,330,000	45,347,123	41,541,687	1.28
	<u>5,719,500</u>	<u>85,937,742</u>	<u>72,025,596</u>	<u>2.22</u>
<b>TOTAL HONG KONG, CHINA</b>	<b><u>6,303,530</u></b>	<b><u>260,997,427</u></b>	<b><u>170,201,800</u></b>	<b><u>5.26</u></b>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2023 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>INDIA</b>				
<b>Consumer Discretionary</b>				
Devyani International Ltd	3,348,093	34,215,567	34,433,663	1.06
Maruti Suzuki India Ltd	81,593	38,289,886	48,502,107	1.50
Titan Co Ltd	433,778	44,346,436	79,141,920	2.45
	<u>3,863,464</u>	<u>116,851,889</u>	<u>162,077,690</u>	<u>5.01</u>
<b>Consumer Staples</b>				
Hindustan Unilever Ltd	385,721	55,476,517	54,805,091	1.69
Varun Beverages Ltd	1,323,079	61,907,262	68,778,092	2.13
	<u>1,708,800</u>	<u>117,383,779</u>	<u>123,583,183</u>	<u>3.82</u>
<b>Energy</b>				
Reliance Industries Ltd	1,925,842	217,928,299	252,030,860	7.79
<b>Health Care</b>				
Sun Pharma Industries Ltd	844,062	45,837,499	52,557,985	1.63
<b>Information Technology</b>				
Tata Consultancy Services Ltd	343,731	65,614,205	66,234,386	2.05
<b>Materials</b>				
Asian Paints Ltd	469,022	79,417,846	80,368,815	2.49
Ultra Tech Cement Ltd	205,219	82,515,611	98,864,807	3.06
	<u>674,241</u>	<u>161,933,457</u>	<u>179,233,622</u>	<u>5.55</u>
<b>Real Estate</b>				
Macrotech Developers Ltd	862,863	34,890,232	38,877,535	1.20
<b>TOTAL INDIA</b>	<b><u>10,223,003</u></b>	<b><u>760,439,360</u></b>	<b><u>874,595,261</u></b>	<b><u>27.05</u></b>
<b>JAPAN</b>				
<b>Consumer Discretionary</b>				
Fast Retailing Co Ltd	30,900	32,430,828	32,120,631	0.99

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2023</b>				
<b>(CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>JAPAN (CONTINUED)</b>				
<b>Consumer Staples</b>				
Ajinomoto Co Inc	<u>350,800</u>	<u>68,224,328</u>	<u>60,518,571</u>	<u>1.87</u>
<b>TOTAL JAPAN</b>	<b><u>381,700</u></b>	<b><u>100,655,156</u></b>	<b><u>92,639,202</u></b>	<b><u>2.86</u></b>
<b>NETHERLANDS</b>				
<b>Information Technology</b>				
ASML Holding N.V.	<u>10,505</u>	<u>31,814,526</u>	<u>29,952,211</u>	<u>0.93</u>
<b>TOTAL NETHERLANDS</b>	<b><u>10,505</u></b>	<b><u>31,814,526</u></b>	<b><u>29,952,211</u></b>	<b><u>0.93</u></b>
<b>SOUTH KOREA</b>				
<b>Consumer Discretionary</b>				
KIA Corporation	<u>132,710</u>	<u>32,367,076</u>	<u>35,968,929</u>	<u>1.11</u>
<b>Industrials</b>				
LG Energy Solution	<u>22,633</u>	<u>44,022,969</u>	<u>30,751,338</u>	<u>0.95</u>
<b>Information Technology</b>				
Samsung Electro- Mechanics	<u>128,852</u>	<u>60,841,232</u>	<u>56,449,462</u>	<u>1.75</u>
Samsung Electronics Co. Ltd	<u>1,227,752</u>	<u>304,653,787</u>	<u>289,490,478</u>	<u>8.95</u>
Samsung Electronics - PFD	<u>873,905</u>	<u>205,405,438</u>	<u>165,092,190</u>	<u>5.11</u>
Samsung SDI Co Ltd	<u>12,556</u>	<u>31,634,804</u>	<u>18,829,916</u>	<u>0.58</u>
SK Hynix Inc	<u>653,875</u>	<u>248,617,848</u>	<u>268,022,937</u>	<u>8.29</u>
	<u>2,896,940</u>	<u>851,153,109</u>	<u>797,884,983</u>	<u>24.68</u>
<b>Materials</b>				
LG Chem Ltd	<u>18,213</u>	<u>48,497,018</u>	<u>28,244,356</u>	<u>0.88</u>
POSCO Holdings Inc	<u>33,599</u>	<u>32,826,979</u>	<u>48,729,696</u>	<u>1.51</u>
	<u>51,812</u>	<u>81,323,997</u>	<u>76,974,052</u>	<u>2.39</u>
<b>TOTAL SOUTH KOREA</b>	<b><u>3,104,095</u></b>	<b><u>1,008,867,151</u></b>	<b><u>941,579,302</u></b>	<b><u>29.13</u></b>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2023</b>				
<b>(CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>TAIWAN</b>				
<b>Information Technology</b>				
Aspeed Technology Inc	79,000	34,225,488	29,825,107	0.92
E Ink Holding Inc	2,162,000	65,921,180	53,356,430	1.65
Taiwan Semiconductor Manufacturing	982,000	59,845,236	76,311,318	2.36
	<u>3,223,000</u>	<u>59,991,904</u>	<u>159,492,855</u>	<u>4.93</u>
<b>TOTAL TAIWAN</b>	<b><u>3,223,000</u></b>	<b><u>159,991,904</u></b>	<b><u>159,492,855</u></b>	<b><u>4.93</u></b>
<b>THAILAND</b>				
<b>Communication Services</b>				
Advanced Info Service PCL – NVDR <sup>2</sup>	<u>2,247,000</u>	<u>64,009,361</u>	<u>65,332,469</u>	<u>2.02</u>
<b>Industrials</b>				
Airports Of Thailand - NVDR <sup>2</sup>	<u>1,465,700</u>	<u>12,477,447</u>	<u>12,930,034</u>	<u>0.40</u>
<b>TOTAL THAILAND</b>	<b><u>3,712,700</u></b>	<b><u>76,486,808</u></b>	<b><u>78,262,503</u></b>	<b><u>2.42</u></b>
<b>UNITED KINGDOM</b>				
<b>Energy</b>				
Shell PLC	<u>587,956</u>	<u>69,939,414</u>	<u>90,322,615</u>	<u>2.79</u>
<b>TOTAL UNITED KINGDOM</b>	<b><u>587,956</u></b>	<b><u>69,939,414</u></b>	<b><u>90,322,615</u></b>	<b><u>2.79</u></b>
<b>UNITED STATES</b>				
<b>Energy</b>				
ConocoPhillips	<u>83,611</u>	<u>47,767,636</u>	<u>47,295,917</u>	<u>1.46</u>
<b>Information Technology</b>				
Apple Inc.	<u>61,320</u>	<u>54,156,115</u>	<u>49,860,601</u>	<u>1.54</u>
<b>Materials</b>				
LINDE PLC	<u>44,009</u>	<u>57,191,194</u>	<u>80,081,190</u>	<u>2.48</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2023</b>				
<b>(CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>UNITED STATES (CONTINUED)</b>				
<b>TOTAL UNITED STATES</b>	<u>188,940</u>	<u>159,114,945</u>	<u>177,237,708</u>	<u>5.48</u>
<b>TOTAL SHARIAH-COMPLIANT QUOTED SECURITIES</b>	<u>33,570,079</u>	<u>3,040,800,998</u>	<u>2,979,981,186</u>	<u>92.16</u>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>(60,819,812)</u>		
<b>TOTAL SHARIAH-COMPLIANT FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>2,979,981,186</u>		
<b>30.04.2023</b>				
<b>Audited</b>				
<b>SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME</b>				
<b>INDONESIA</b>				
Principal Islamic Equity Growth Syariah Fund	<u>9,239,261</u>	<u>4,057,664</u>	<u>3,480,479</u>	<u>0.11</u>
<b>TOTAL INDONESIA</b>	<u>9,239,261</u>	<u>4,057,664</u>	<u>3,480,479</u>	<u>0.11</u>
<b>IRELAND</b>				
Principal Islamic Asia Pacific Dynamic Income and Growth Fund - USD I Accumulation	346,900	14,363,395	14,110,227	0.45
Principal Islamic Global Responsible Equity Fund - USD I Accumulation	<u>154,000</u>	<u>6,498,030</u>	<u>6,504,375</u>	<u>0.21</u>
<b>TOTAL IRELAND</b>	<u>500,900</u>	<u>20,861,425</u>	<u>20,614,602</u>	<u>0.66</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>30.04.2023</b>				
<b>Audited (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME (CONTINUED)</b>				
<b>TOTAL SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES</b>	<b>9,740,161</b>	<b>24,919,089</b>	<b>24,095,081</b>	<b>0.77</b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>(824,008)</b>		
<b>TOTAL SHARIAH-COMPLIANT FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>24,095,081</b>		
<b>30.04.2023</b>				
<b>Audited</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES</b>				
<b>AUSTRALIA</b>				
<b>Health Care</b>				
CSL Ltd	37,316	32,671,167	32,922,504	1.05
<b>Materials</b>				
BHP Group Ltd	238,986	33,432,187	31,145,344	1.00
<b>TOTAL AUSTRALIA</b>	<b>276,302</b>	<b>66,103,354</b>	<b>64,067,848</b>	<b>2.05</b>
<b>CAYMAN ISLANDS</b>				
<b>Consumer Discretionary</b>				
Alibaba Group Holding Ltd	1,001,300	98,958,236	46,681,417	1.49
<b>TOTAL CAYMAN ISLANDS</b>	<b>1,001,300</b>	<b>98,958,236</b>	<b>46,681,417</b>	<b>1.49</b>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>30.04.2023</b>				
<b>Audited (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT</b>				
<b>QUOTED SECURITIES</b>				
<b>(CONTINUED)</b>				
<b>CHINA</b>				
<b>Consumer Discretionary</b>				
BYD Company Ltd	246,000	34,508,390	32,987,419	1.06
<b>Energy</b>				
China Petroleum & Chemical	11,212,000	29,825,177	32,681,478	1.05
<b>Industrials</b>				
NARI Tech Dev Co Ltd - A <sup>1</sup>	1,861,376	33,940,950	31,334,550	1.00
Shanghai Intl Airport - A <sup>1</sup>	2,214,944	81,315,646	76,657,247	2.45
Shenzhen Inovance Technology Co	841,827	32,540,586	33,529,533	1.07
	4,918,147	147,797,182	141,521,331	4.53
<b>TOTAL CHINA</b>	<b>16,376,147</b>	<b>212,130,749</b>	<b>207,190,228</b>	<b>6.63</b>
<b>FRANCE</b>				
<b>Consumer Staples</b>				
L'Oreal	19,588	33,081,970	41,537,560	1.33
<b>TOTAL FRANCE</b>	<b>19,588</b>	<b>33,081,970</b>	<b>41,537,560</b>	<b>1.33</b>
<b>HONG KONG SAR, CHINA</b>				
<b>Communication Services</b>				
Tencent Holding Ltd	541,700	174,707,954	106,004,233	3.39
<b>Consumer Discretionary</b>				
Chow Tai Fook Jewellery	6,956,800	64,254,138	62,059,804	1.99
Meituan	42,330	7,542,046	3,198,904	0.10
Shenzhou International Group	479,400	39,906,370	20,388,772	0.65
	7,478,530	111,702,555	85,647,479	2.74
<b>Consumer Staples</b>				
China Mengniu Dairy Co. Ltd	1,717,000	38,276,929	30,780,161	0.99



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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>30.04.2023</b>				
<b>Audited (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT</b>				
<b>QUOTED SECURITIES</b>				
<b>(CONTINUED)</b>				
<b>HONG KONG SAR, CHINA (CONTINUED)</b>				
<b>Real Estate</b>				
China Overseas Land & Inv	5,231,500	65,096,390	58,975,160	1.89
China Resources Land Ltd	2,330,000	45,347,123	48,190,178	1.54
Link REIT	2,205,960	70,347,314	64,175,435	2.05
Sun Hung Kai Properties Ltd	509,000	30,755,190	31,524,304	1.01
	<u>10,276,460</u>	<u>211,546,018</u>	<u>202,865,078</u>	<u>6.50</u>
<b>TOTAL HONG KONG SAR, CHINA</b>	<b><u>20,013,690</u></b>	<b><u>536,233,455</u></b>	<b><u>425,296,951</u></b>	<b><u>13.62</u></b>
<b>INDIA</b>				
<b>Consumer Discretionary</b>				
Maruti Suzuki India Ltd	135,196	64,751,469	63,289,368	2.03
Titan Co Ltd	433,778	42,245,651	62,455,714	2.00
	<u>568,974</u>	<u>106,997,121</u>	<u>125,745,082</u>	<u>4.03</u>
<b>Consumer Staples</b>				
Hindustan Unilever Ltd	448,234	64,369,320	60,028,775	1.92
<b>Energy</b>				
Reliance Industries Ltd	1,678,669	189,012,918	221,445,398	7.09
<b>Health Care</b>				
Sun Pharma Industries Ltd	844,062	45,837,499	45,433,262	1.45
<b>Materials</b>				
Asian Paints Ltd	333,128	55,682,391	52,693,546	1.69
Ultra Tech Cement Ltd	151,591	59,358,135	62,427,129	2.00
	<u>484,719</u>	<u>115,040,526</u>	<u>115,120,675</u>	<u>3.69</u>
<b>TOTAL INDIA</b>	<b><u>4,024,658</u></b>	<b><u>521,257,385</u></b>	<b><u>567,773,192</u></b>	<b><u>18.18</u></b>
<b>INDONESIA</b>				
<b>Communication Services</b>				
Telekomunikasi TBK PT	27,306,800	31,107,503	35,268,780	1.13
<b>TOTAL INDONESIA</b>	<b><u>27,306,800</u></b>	<b><u>31,107,503</u></b>	<b><u>35,268,780</u></b>	<b><u>1.13</u></b>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>30.04.2023</b>				
<b>Audited (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT</b>				
<b>QUOTED SECURITIES</b>				
<b>(CONTINUED)</b>				
<b>NETHERLANDS</b>				
<b>Information Technology</b>				
ASML Holding N.V.	10,299	30,532,352	29,253,234	0.94
<b>TOTAL NETHERLANDS</b>	<b>10,299</b>	<b>30,532,352</b>	<b>29,253,234</b>	<b>0.94</b>
<b>SOUTH KOREA</b>				
<b>Consumer Discretionary</b>				
KIA Corporation	187,684	45,774,865	52,811,462	1.69
<b>Industrials</b>				
LG Energy Solution	16,998	31,043,713	32,886,541	1.05
<b>Information Technology</b>				
Samsung Electro-Mechanics	128,852	60,841,232	61,744,203	1.98
Samsung Electronics Co. Ltd	1,364,957	338,954,148	297,717,596	9.53
Samsung Electronics-PFD	947,724	222,756,092	175,784,795	5.63
Samsung SDI Co Ltd	12,556	31,634,804	28,891,733	0.93
SK Hynix Inc	685,969	259,066,509	204,442,771	6.55
	3,140,058	913,252,786	768,581,098	24.61
<b>Materials</b>				
LG Chem Ltd	44,847	119,311,619	110,511,977	3.54
POSCO Holdings Inc	33,599	32,826,979	42,180,521	1.35
	78,446	152,138,598	152,692,498	4.89
<b>TOTAL SOUTH KOREA</b>	<b>3,423,186</b>	<b>1,142,209,962</b>	<b>1,006,971,599</b>	<b>32.24</b>
<b>TAIWAN</b>				
<b>Information Technology</b>				
E Ink Holding Inc	1,567,000	48,919,733	43,284,458	1.39
MediaTek Inc.	552,000	62,333,693	53,226,600	1.70
Taiwan Semiconductor Manufacturing	1,385,000	80,708,899	100,814,150	3.23
	3,504,000	191,962,325	197,325,208	6.32
<b>TOTAL TAIWAN</b>	<b>3,504,000</b>	<b>191,962,325</b>	<b>197,325,208</b>	<b>6.32</b>
<b>THAILAND</b>				
<b>Communication Services</b>				
Advanced Info Service PCL – NVDR <sup>2</sup>	2,248,700	60,642,929	62,860,560	2.01

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>30.04.2023</b>				
<b>Audited (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT</b>				
<b>QUOTED SECURITIES</b>				
<b>(CONTINUED)</b>				
<b>THAILAND</b>				
<b>(CONTINUED)</b>				
<b>Health Care</b>				
Bangkok Dusit Medical Service - NVDR <sup>2</sup>	<u>7,181,000</u>	<u>22,213,455</u>	<u>27,437,450</u>	<u>0.88</u>
<b>Industrials</b>				
Airports Of Thailand - NVDR	<u>3,333,900</u>	<u>28,434,310</u>	<u>31,900,181</u>	<u>1.02</u>
<b>TOTAL THAILAND</b>	<b><u>12,763,600</u></b>	<b><u>111,290,695</u></b>	<b><u>122,198,192</u></b>	<b><u>3.91</u></b>
<b>UNITED KINGDOM</b>				
<b>Energy</b>				
Shell PLC	<u>587,956</u>	<u>69,864,811</u>	<u>80,083,222</u>	<u>2.56</u>
<b>TOTAL UNITED KINGDOM</b>	<b><u>587,956</u></b>	<b><u>69,864,811</u></b>	<b><u>80,083,222</u></b>	<b><u>2.56</u></b>
<b>UNITED STATES</b>				
<b>Energy</b>				
ConocoPhillips	<u>83,611</u>	<u>47,767,636</u>	<u>38,368,202</u>	<u>1.23</u>
<b>Materials</b>				
Linde PLC	<u>44,009</u>	<u>57,191,194</u>	<u>72,515,698</u>	<u>2.32</u>
<b>TOTAL UNITED STATES</b>	<b><u>127,620</u></b>	<b><u>104,958,830</u></b>	<b><u>110,883,899</u></b>	<b><u>3.55</u></b>
<b>TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES</b>	<b><u>89,435,146</u></b>	<b><u>3,149,691,627</u></b>	<b><u>2,934,531,329</u></b>	<b><u>93.98</u></b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>(215,160,298)</u>		
<b>TOTAL SHARIAH- COMPLIANT FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>2,934,531,329</u>		

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

- <sup>1</sup> A-shares trade on the two Chinese stock exchanges, the Shanghai Stock Exchange and the Shenzhen Stock Exchange. A-shares are shares of mainland China-based companies and are available for purchase to selected foreign institutions through the Qualified Foreign Institutional Investor (“QFII”) system.
- <sup>2</sup> NVDR, or non-voting depository receipt, is a trading instrument issued by Thai NVDR Company Limited, a subsidiary wholly owned by the Stock Exchange of Thailand (“SET”). It is a valid security as specified by the United States Securities and Exchange Commission (“SEC”) and is automatically regarded as a listed security by the SET. The underlying security is a listed security in the SET.

**8. CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)**

	<b>31.10.2023</b>	<b>30.04.2023</b>
	<b>RM</b>	<b>Audited RM</b>
Shariah-compliant deposits with licensed Islamic financial institutions	33,387,744	26,986,098
Bank balances	228,860,476	138,762,339
	<u>262,248,220</u>	<u>165,748,437</u>

**9. NUMBER OF UNITS IN CIRCULATION (UNITS)**

	<b>31.10.2023</b>	<b>30.04.2023</b>
	<b>No. of units</b>	<b>Audited No. of units</b>
Class D (i)	1,000	1,000
Class MYR (ii)	5,587,396,948	5,524,843,872
	<u>5,587,397,948</u>	<u>5,524,844,872</u>

	<b>01.05.2023 to 31.10.2023</b>	<b>01.05.2022 to 30.04.2023</b>
	<b>RM</b>	<b>Audited RM</b>
(i) Class D		
At the beginning of the financial period/year	1,000	-
Add : Creation of units from applications	-	1,000
Less : Cancellation of units	-	-
At the end of the financial period/year	<u>1,000</u>	<u>1,000</u>

(ii) Class MYR		
At the beginning of the financial period/year	5,524,843,872	5,221,200,067
Add : Creation of units from applications	511,428,773	924,401,834
Add : Creation of units from distributions	-	55,734,083
Less : Cancellation of units	(448,875,697)	(676,492,112)
At the end of the financial period/year	<u>5,587,397,948</u>	<u>5,524,843,872</u>

**10. TOTAL EXPENSE RATIO (“TER”)**

	<b>01.05.2023 to 31.10.2023</b>	<b>01.05.2022 to 31.10.2022</b>
	%	%
TER	<u>0.96</u>	<u>0.94</u>

TER is derived from the following calculation:

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

- A = Management fee (exclude rebate)
- B = Trustee and custodian fees
- C = Audit fee
- D = Tax agent’s fee
- E = Other expenses excluding 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 was RM3,336,136,684 (31.10.2022: RM3,169,098,845).

**11. PORTFOLIO TURNOVER RATIO (“PTR”)**

	<b>01.05.2023 to 31.10.2023</b>	<b>01.05.2022 to 31.10.2022</b>
PTR (times)	<u>0.28</u>	<u>0.31</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 = RM902,740,595 (31.10.2022: RM1,082,921,466)
- total disposal for the financial period = RM932,928,413 (31.10.2022: RM878,652,374)

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

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

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

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

The related parties and their relationship with the Fund were as follows: (continued)

<u>Related parties</u>	<u>Relationship</u>
CIMB Group Sdn Bhd	Shareholder of the Manager
PT Principal Asset Management	Subsidiary of the Manager
Principal Islamic Asset Management Sdn Bhd	Fellow related party to the Manager
Principal Asset Management (S) Pte Ltd	Investment Adviser of the Fund
CGS-CIMB Securities (Singapore) Pte Ltd	Fellow related party to the Manager
CIMB Islamic Bank Bhd	Fellow related party to the Manager
CIMB Investment Bank Bhd	Fellow related party to the Manager
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the Manager

Units held by the Manager and parties related to the Manager

	<u>31.10.2023</u>		<u>30.04.2023</u> <b>Audited</b>	
	<b>No. of units</b>	<b>RM</b>	<b>No. of units</b>	<b>RM</b>
<b>Manager</b>				
Principal Asset Management Berhad				
- Class MYR	541,124	313,094	94,962	53,672

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

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

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

	<u>01.05.2023</u> <u>to 31.10.2023</u>	<u>01.05.2022</u> <u>to 31.10.2022</u>
	<b>RM</b>	<b>RM</b>
<u>Significant related party transactions</u>		
Profit income from Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	-	63,128

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

	<b>31.10.2023</b>	<b>30.04.2023</b>
	<b>RM</b>	<b>Audited RM</b>
<u>Management fee rebate</u>		
- Principal Islamic Asset Management (Ireland) PLC	333,369	264,755
- PT Principal Asset Management	11,699	20,082
	<u>345,068</u>	<u>284,836</u>
<u>Shariah-compliant collective investment scheme:</u>		
- Principal Islamic Equity Growth Syariah Fund	3,264,050	3,480,479
- Principal Islamic Asia Pacific Dynamic Income and Growth Fund - USD I Accumulation	14,073,032	14,110,227
- Principal Islamic Global Responsible Equity Fund USD I Accumulation	6,804,755	6,504,375
	<u>24,141,837</u>	<u>24,095,081</u>

**13. TRANSACTIONS WITH BROKERS**

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

<b>Brokers</b>	<b>Value of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
Citigroup Global Markets Ltd	510,982,677	27.84	695,483	25.76
J.P. Morgan Securities LLC	326,164,929	17.77	112,432	4.16
Jefferies International Ltd	195,593,712	10.66	200,515	7.43
JP Morgan Securities (Asia Pacific)	193,190,422	10.52	491,868	18.22
Sanford C Bernstein & Co LLC	181,319,220	9.88	354,195	13.12
CLSA Ltd	149,356,220	8.14	411,337	15.24
UBS Securities Asia Ltd	105,504,639	5.75	58,267	2.16
Instinet Pacific Limited	50,992,491	2.78	127,640	4.73
DBS Vickers Sec (SG) Pte Ltd	48,819,565	2.66	90,740	3.36
Morgan Stanley	27,286,168	1.49	68,215	2.53
Others #	46,458,965	2.51	88,915	3.29
	<u>1,835,669,008</u>	<u>100.00</u>	<u>2,699,607</u>	<u>100.00</u>

13. TRANSACTIONS WITH BROKERS (CONTINUED)

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

<b>Brokers</b>	<b>Value of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
CLSA Securities (M) Sdn Bhd	341,185,804	17.39	129,114	8.11
Citigroup Global Markets Ltd	307,368,629	15.67	272,136	17.09
Jefferies International Ltd	286,211,910	14.59	140,345	8.81
Credit Suisse (HK) Ltd	277,338,746	14.14	263,622	16.56
J.P. Morgan Securities LLC	261,862,288	13.35	129,841	8.15
Macquarie Securities AU Ltd	156,689,852	7.99	170,121	10.68
JP Morgan Securities (Asia Pacific)	85,162,101	4.34	213,243	13.39
DBS Vickers Sec (SG) Pte Ltd	81,653,390	4.16	122,480	7.69
Sanford C Bernstein & Co LLC	77,446,941	3.95	73,930	4.64
Instinet Pacific Limited	37,757,663	1.92	18,879	1.19
Others #	48,896,515	2.50	58,490	3.69
	<u>1,961,573,839</u>	<u>100.00</u>	<u>1,592,201</u>	<u>100.00</u>

# Included in the transactions are trades conducted with CGS-CIMB Securities Pte Ltd fellow related parties to the Manager amounting to RM24,484,989 (31.10.2022: RM1,076,899). The Manager is of the opinion that all transactions with the related parties have been entered into in the normal course of business at agreed terms between the related parties.



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