

PRINCIPAL ISLAMIC BALANCED WHOLESALE FUND-OF-FUNDS
QUARTERLY REPORT
FOR THE QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

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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 Quarterly Fund Report of the Principal Islamic Balanced Wholesale Fund-of-Funds for the financial period ended 30 September 2024. You may also download this report from our website at www.principal.com.my.

We are proud to announce that Principal Malaysia has received numerous accolades in 2024. At the Asia Asset Management 2024 Best of the Best Awards, we won the Best of the Best Performance Award: China A-Share Equity (3 years) and Best Institutional House – Malaysia. At the 2024 Global Banking & Finance Awards, our CEO, Munirah Khairuddin, was named Asset Management CEO of the Year Malaysia, and we were recognized as Asset Management Company of the Year Malaysia. We also received the Best International Equity Fund Manager for MSCI EM Latin America 2023 at the EPF External Fund Managers Awards 2023.

At the Alpha Southeast Asia Fund Management Awards 2024, we won three awards: Best Absolute Return Strategy, Best Online & Mobile Platform (Asset Manager), and Best Asset Manager (Income Oriented, Money Market & Alternative Investment Funds). At the Triple A Sustainable Investing Awards 2024, we secured the Asset Management Company of the Year (Malaysia) award. The World Business Outlook magazine awarded us Best Investment Management and Solutions Provider Malaysia, Best Institutional House Malaysia, and Asset Management CEO (Munirah Khairuddin) of the Year Malaysia. Additionally, we received three awards at the iFast Awards 2024, seven at the LSEG Lipper Fund Awards 2024, and ten at the FSMOne Recommended Funds 2023/2024.

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

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

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

Munirah Khairuddin

Chief Executive Officer,
Malaysia & Global Shariah & 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 moderate capital growth by investing in a portfolio of Shariah-compliant collective investment schemes that invest in Shariah-compliant equities and/or Sukuk.

Has the Fund achieved its objective?

The Fund was in line to achieve its long-term objectives as stated in the Fund investment policy prior to the fund closure.

What are the Fund investment policy and principal investment strategy?

The Fund aims to invest at least three (3) Islamic collective investment schemes investing predominantly in Shariah-compliant equities and/or Sukuk. In line with its objective, the investment policy and strategy of the Fund is to maintain a balanced portfolio between Islamic collective investment schemes investing predominantly in Shariah-compliant equities and Islamic collective investment schemes investing predominantly in Sukuk.

As a balanced Fund, the Fund will invest between 40% to 60% of its Net Asset Value ("NAV") in Islamic collective investment schemes investing predominantly in Shariah-compliant equities as well as between 40% to 60% of its NAV in Islamic collective investment schemes investing predominantly in Sukuk. The Islamic collective investment schemes investing predominantly in Sukuk will provide some capital stability to the Fund whilst the Islamic collective investment schemes investing predominantly in equity portion will provide the added return in a rising market. The Fund may also invest up to 5% of its NAV in Islamic liquid assets such as Islamic money market instruments and/or Islamic Deposits for liquidity purposes.

The allocation between the Islamic collective investment schemes is done through a combination of macroeconomic data, liquidity trends and the outlook to overweight or underweight a particular Islamic collective investment scheme. The Fund may invest in Islamic collective investment schemes that focus its investment in the Asia Pacific ex Japan region, i.e. companies that are domiciled in, listed in, and/or have operations or businesses that focus in the Asia Pacific ex Japan region, where the regulatory authority is an ordinary or associate member of the International Organization of Securities Commissions ("IOSCO") which include but not limited to Australia, the People's Republic of China, Hong Kong Special Administrative Region ("SAR"), India, Indonesia, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Taiwan, Thailand and Sri Lanka.

Fund category/ type

Wholesale Fund (Fund-of-funds - Shariah-compliant)/ Growth

When was the Fund launched?

24 November 2017

What was the size of the Fund as at 30 September 2024?

NIL

What is the Fund's benchmark?

As a Fund-of-Funds, the Fund is benchmark unconstrained, i.e. it will be managed without reference to any specific benchmark. However, for performance comparison purpose, the Fund can be compared to the 30% Quantshop Government Investment Issue ("GII") Medium Index + 20% CIMB Islamic 1-month Fixed Return Income Account-I ("FRIA-i") + 50% FTSE Bursa Malaysia ("FBM") EMAS Shariah ("FBMS") Index.

Note: Investors are cautioned that the risk profile of the Fund is different from the benchmark.

FUND OBJECTIVE AND POLICY (CONTINUED)

What is the Fund distribution policy?

The Fund is not expected to pay any distribution. However, the Manager has the discretion to make income distribution on an ad-hoc basis, depending on the availability of realized income and/or realized gains, as well as the performance of the Fund.

What was the net income distribution for the financial period from 1 July 2024 to 30 September 2024?

There was no distribution made for the financial period from 1 July 2024 to 30 September 2024.

PERFORMANCE DATA

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

	30.09.2024	30.09.2023	30.09.2022
	%	%	%
Shariah-compliant collective investment schemes	-	96.99	96.82
Cash and other assets	-	3.24	4.78
Liabilities	-	(0.23)	(1.60)
	<u>-</u>	<u>100.00</u>	<u>100.00</u>

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

	30.09.2024	30.09.2023	30.09.2022
NAV (RM Million)	-	6.16	3.52
Units in circulation (Million)	-	6.05	3.70
NAV per unit (RM)	-	1.0184	0.9527
	01.07.2024 to 30.09.2024	01.07.2023 to 30.09.2023	01.07.2022 to 30.09.2022
Highest NAV per unit (RM)	1.1983	1.0223	0.9949
Lowest NAV per unit (RM)	1.0875	0.9978	0.9506
Total return (%)	(3.14)	1.84	(2.14)
Capital growth (%)	(3.14)	1.84	(2.14)
Income distribution (%)	-	-	-
Total Expense Ratio ("TER") (%) ^	0.23	0.10	0.19
Portfolio Turnover Ratio ("PTR") #	0.05	0.05	0.10

^ The Fund's TER increased from 0.10% to 0.23% during the financial period under review due to increase in total portfolio expenses.

During the financial period under review, the Fund's PTR remain unchanged at 0.05 times.

PERFORMANCE DATA (CONTINUED)

	30.09.2024	30.09.2023	30.09.2022	30.09.2021	30.09.2020
	%	%	%	%	%
Annual total return	9.38	6.90	(11.92)	1.78	6.69

(Launch date: 24 November 2017)

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 JULY 2024 TO 30 SEPTEMBER 2024)

Local Equity

During the third quarter of 2024, the FTSE Bursa Malaysia Shariah Index (“FBMS”) experienced moderate volatility amid global economic uncertainties and rising interest rates. In July 2024, the index saw some gains driven by optimism around stabilizing commodity prices and economic recovery hopes, though cautious prevailed due to mixed global indicators.

August 2024 and September 2024 brought added pressure from interest rate concerns, affecting sectors sensitive to financing costs. Defensive sectors, such as healthcare and consumer goods, showed resilience. By the end of September 2024, the FBMS saw a slight decline, reflecting cautious sentiment amidst continued economic challenges.

Asian Equity

During the third quarter of 2024, the MSCI AC Asia ex Japan Islamic Index showed mixed performance, reflecting global economic pressures and regional market volatility. In July 2024, optimism around easing inflationary pressures and improved trade relation lifted the index slightly, with energy and technology sectors seeing some gains. However, the overall sentiment remained mixed due to lingering concerns over economic stability in major Asian economies.

By August 2024 and September 2024, the index faced increased headwinds as slower-than-expected growth data emerged from China and other key Asian markets, raising concerns over regional demand and trade. Investors turned more cautious, favoring high quality, resilient sectors like utilities and healthcare. By the end of September 2024, the index declined moderately as investors assessed a mix economic challenges and potential policy responses across the region.

FUND PERFORMANCE

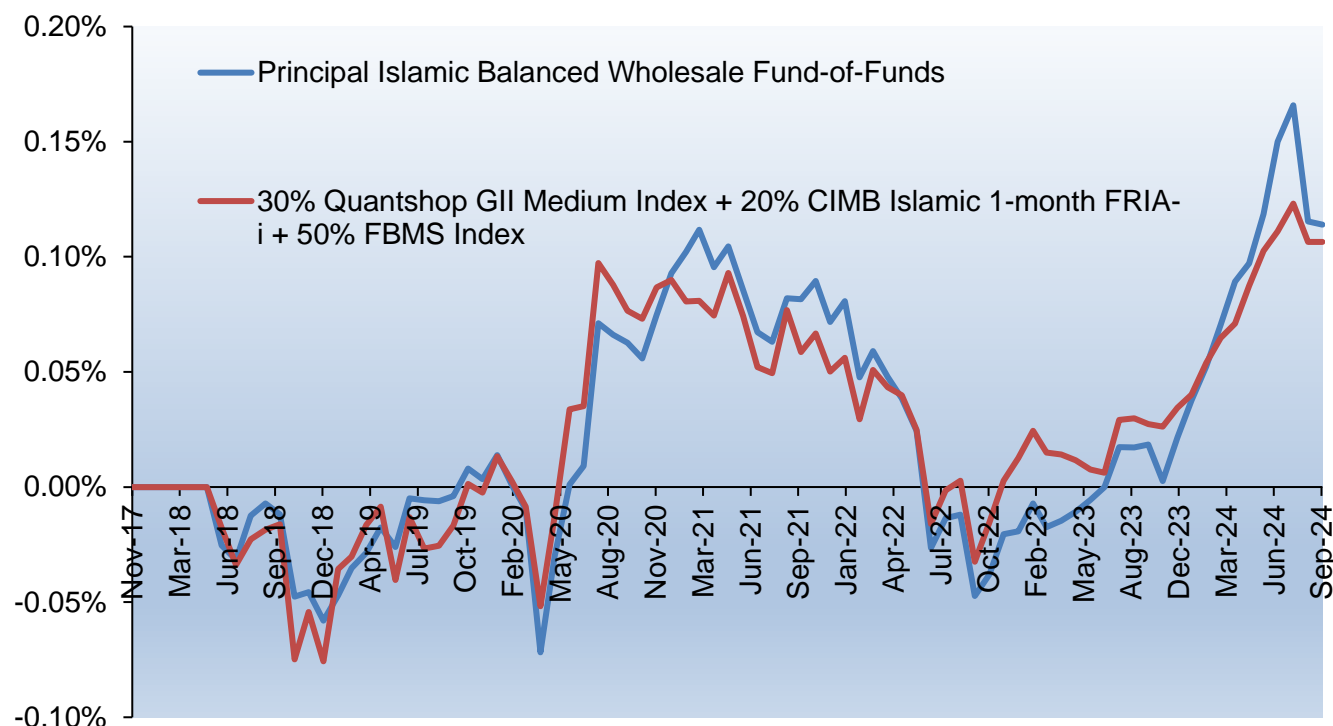
	3 months	6 months	1 year	3 years	5 years	Since
	to	to	to	to	to	inception
	30.09.2024	30.09.2024	30.09.2024	30.09.2024	30.09.2024	to 30.09.2024
	%	%	%	%	%	%
Income Distribution	-	-	-	-	-	-
Capital Growth	(3.14)	2.27	9.38	2.99	11.83	11.39
Total Return	(3.14)	2.27	9.38	2.99	11.83	11.39
Benchmark	(0.41)	3.32	7.71	4.53	10.47	10.65
Average Total Return	(11.89)	4.57	9.38	0.98	2.26	1.59

For the financial period under review, the fund decreased by 3.14% from a quarter ago, while the relative benchmark return decreased by 0.41%.

PRINCIPAL ISLAMIC BALANCED WHOLESALE FUND-OF-FUNDS

FUND PERFORMANCE (CONTINUED)

Since Inception



Changes in NAV

	30.09.2024	31.12.2023 Audited	Changes %
NAV (RM Million)	-	7.39	-
NAV/Unit (RM)	-	1.0379	-

The fund NAV and NAV per unit was reduce to 0 due to fund closure.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	30.09.2024	31.12.2023 Audited
Shariah-compliant collective investment schemes	-	96.02
Cash and other assets	-	6.56
Liabilities	-	(2.58)
TOTAL	-	100.00

The Fund was fully invested during the financial period under review where a minimal level of liquid assets was kept for redemption purpose prior to the fund closure.

MARKET OUTLOOK*

Local Equity

Sustained market volatility is expected in the coming months, driven by global economic developments and external news flow. Investment focus will likely remain on strategic themes such as the National Energy Transition Roadmap (“NETR”) and the Johor State Special Economic Zone (“JS-SEZ”), which are projected to hold long-term relevance. However, key risks include the possibility of slower-than-expected macroeconomic recovery and corporate earnings growth in Malaysia, due to inflationary pressure, subdued global economic growth, and elevated geopolitical tensions.

Asian Equity

The outlook for Asian equities near term remain mixed, with ongoing volatility driven by global economic factors and regional developments. While growth in key market like India and China is expected to continue, challenges such as inflationary pressures, geopolitical tension, and slower global growth could pose headwinds. The technology sector, particularly in areas like internet and IT services, is likely to see continued demand, though regulatory risks may affect performance.

* 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

The Fund was fully invested during its lifecycle into Shariah-compliant collective investment schemes with minimal cash kept for liquidity prior to the fund closure.

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. We 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 and up to the date of Manager's report, not otherwise disclosed in the financial statements.

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

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

CROSS TRADE

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

UNIT SPLIT

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

SHARIAH ADVISER'S REPORT

To the Unit Holders of Principal Islamic Balanced Wholesale Fund-of-Funds ("Fund")

For the Financial Period Ended 30 September 2024

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
15 November 2024

PRINCIPAL ISLAMIC BALANCED WHOLESALE FUND-OF-FUNDS

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 JULY 2024 TO 30 SEPTEMBER 2024**

	01.07.2024 to 30.09.2024	01.07.2023 to 30.09.2023
	RM	RM
(LOSS)/INCOME		
Dividend income	17,484	25,755
Hibah	-	31
Net (loss)/gain on financial assets at fair value through profit or loss	<u>(272,868)</u>	<u>106,372</u>
	<u>(255,384)</u>	<u>132,158</u>
 EXPENSES		
Management fee	36,883	22,342
Trustee fee	738	521
Audit Fee	8,024	1,764
Tax agent's fee	8,856	1,260
Other expenses	<u>7,467</u>	<u>54</u>
	<u>61,968</u>	<u>25,941</u>
 (LOSS)/INCOME BEFORE TAXATION	 (317,352)	 106,217
 Taxation	 <u>-</u>	 <u>-</u>
 (LOSS)/PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD	 <u>(317,352)</u>	 <u>106,217</u>
 (Loss)/Profit after taxation is made up as follows:		
Realised amount	(8,924)	20,028
Unrealised amount	<u>(308,428)</u>	<u>86,189</u>
	<u>(317,352)</u>	<u>106,217</u>

PRINCIPAL ISLAMIC BALANCED WHOLESALE FUND-OF-FUNDS

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024**

	30.09.2024	31.12.2023
	RM	Audited RM
ASSETS		
Cash and cash equivalents	296,809	392,257
Financial assets at fair value through profit or loss	9,564,978	7,092,980
Amount due from Manager		
- creation of units	-	84,684
- management fee rebate	-	7,909
TOTAL ASSETS	<u>9,861,787</u>	<u>7,577,830</u>
LIABILITIES		
Amount due to Manager		
- purchase of collective investment scheme	-	165,000
- cancellation of units	9,822,678	-
- accrued management fee	1,033	9,017
Amount due to Trustee	240	180
Other payables and accruals	37,836	16,401
TOTAL LIABILITIES	<u>9,861,787</u>	<u>190,598</u>
NET ASSET VALUE OF THE FUND	<u>-</u>	<u>7,387,232</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	<u>-</u>	<u>7,387,232</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	<u>-</u>	<u>7,117,171</u>
NET ASSET VALUE PER UNIT (RM)	<u>-</u>	<u>1.0379</u>

PRINCIPAL ISLAMIC BALANCED WHOLESALE FUND-OF-FUNDS

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 JULY 2024 TO 30 SEPTEMBER 2024**

	01.07.2024 to 30.09.2024 RM	01.07.2023 to 30.09.2023 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>9,508,753</u>	<u>5,603,661</u>
Movement due to units created and cancelled during the financial period:		
- Creation of units from applications	631,277	452,175
	<u>(9,822,678)</u>	<u>-</u>
	<u>(9,191,401)</u>	<u>452,175</u>
Total comprehensive (loss)/income for the financial period	<u>(317,352)</u>	<u>106,217</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	<u>-</u>	<u>6,162,053</u>

PRINCIPAL ISLAMIC BALANCED WHOLESALE FUND-OF-FUNDS

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2024 TO 30 SEPTEMBER 2024**

	01.07.2024 to 30.09.2024	01.07.2023 to 30.09.2023
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of quoted securities	100,000	-
Purchases of Shariah-compliant collective investment schemes	(1,039,484)	(594,755)
Dividend income received	17,484	25,755
Hibah earned	-	31
Management fee paid	(47,105)	(22,105)
Management fee rebates received	44,014	20,182
Trustee fee paid	(723)	(498)
Payments for other fees and expenses	(1,780)	(53)
Net cash used in operating activities	<u>(927,594)</u>	<u>(571,442)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	699,477	493,283
Net cash generated from financing activities	<u>699,477</u>	<u>493,283</u>
Net decrease in cash and cash equivalents	(228,117)	(78,160)
Cash and cash equivalents at the beginning of the financial period	<u>524,926</u>	<u>251,520</u>
Cash and cash equivalents at the end of the financial period	<u>296,809</u>	<u>173,360</u>
<u>Cash and cash equivalents comprised of:</u>		
Bank balance	<u>296,809</u>	<u>173,360</u>
Cash and cash equivalents at the end of the financial period	<u>296,809</u>	<u>173,360</u>

DIRECTORY

Head Office of the Manager

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Trustee for the Principal Islamic Balanced Wholesale Fund-of-Funds

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