

PRINCIPAL ISLAMIC DEPOSIT FUND

UNAUDITED SEMI-ANNUAL REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2024

CONTENTS	PAGE(S)
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 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 – 21
DIRECTORY	22

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 Deposit Fund for the financial period ended 31 July 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 provide investors with liquidity and regular income, whilst maintaining capital stability by investing primarily in deposits that comply with the Shariah principles.

Has the Fund achieved its objective?

For the financial year under review, the Fund was in line with its stated objective.

What are the Fund investment policy and principal investment strategy?

The Fund seeks to achieve its objective by investing at least 95% of the Fund’s Net Asset Value (“NAV”) in Islamic deposits, which have a remaining maturity period of less than 397 days. Up to 5% of the Fund’s NAV may be maintained in cash. The investment policy is to invest in liquid and low risk short-term investments for capital preservation*.

**The Fund is neither a capital guaranteed fund nor a capital protected fund*

The Fund will be actively managed by undertaking duration strategies (i.e. placing in short-term versus long-term deposits) according to our assessment of the interest rate outlook and market conditions at that point in time. In addition, we also analyze the Fund injection and redemption patterns to actively manage the liquidity of the Fund.

The asset allocation strategy for this Fund is as follows:

- at least 95% of the Fund’s NAV will be invested in Islamic Deposits; and
- up to 5% of the Fund’s NAV in cash.

Fund category/ type

Money Market (Islamic)/ Income

When was the Fund launched?

Class	Launch date
Class AI#	9 September 2009
Class AR#	Effective date*

With effect from 13 August 2021, the Fund will be split into Class AI and AR where individual unitholders will be designated to Class AR and non-individual unit holders will be designated to Class AI.

*The effective launch date of Class AR will be the date of the Fund is split into Class AI and AR.

What was the size of the Fund as at 31 July 2024?

RM3,791.04 million (3,506.16 million units)

What is the Fund’s benchmark?

Islamic Interbank Overnight Rate

Note: The Fund’s benchmark is for performance comparison purpose only. The benchmark is reflective of the objective of the Fund. Thus, investors are cautioned that the risk profile of the Fund is higher than the benchmark.

What is the Fund distribution policy?

Monthly, depending on the level of income (if any) the Fund generates.

What was the net income distribution for the six months financial period ended 31 July 2024?

The Fund distributed a total net income of RM0.71 million to unit holders for the six months financial period ended 31 July 2024.

FUND OBJECTIVE AND POLICY (CONTINUED)

The Fund's NAV per unit before and after distributions were as follows:

Date	NAV per unit	NAV per unit
	(Before distribution) RM	(After distribution) RM
Distribution on 29 February 2024		
- Class AI	1.0658	1.0658
- Class AR	1.0659	1.0659
Distribution on 29 March 2024		
- Class AI	1.0690	1.0690
- Class AR	1.0691	1.0691
Distribution on 30 April 2024		
- Class AI	1.0721	1.0721
- Class AR	1.0722	1.0721
Distribution on 31 May 2024		
- Class AI	1.0752	1.0751
- Class AR	1.0753	1.0752
Distribution on 28 June 4		
- Class AI	1.0782	1.0782
- Class AR	1.0783	1.0783
Distribution on 31 July 2024		
- Class AI	1.0813	1.0812
- Class AR	1.0814	1.0813

Breakdown of distribution were as follows:

Source of distribution	31.07.2024		31.07.2023	
	RM	%	RM	%
Distribution out of current period's income	710,801	100	20,532	100
Distribution out of prior period's income/capital	-	-	-	-
Total	710,801	100	20,532	100

PERFORMANCE DATA

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

	31.07.2024	31.07.2023	31.07.2022
	%	%	%
Shariah-compliant deposits with licensed Islamic financial institutions	97.69	99.97	100.01
Cash and other assets	2.43	0.06	0.02
Liabilities	(0.12)	(0.03)	(0.03)
	100.00	100.00	100.00

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

	31.07.2024	31.07.2023	31.07.2022
NAV (RM Million)			
- Class AI	3,770.66	4,208.59	3,126.24
- Class AR	20.39	22.40	0.64
Units in circulation (Million)			
- Class AI	3,487.31	4,030.77	3,092.94
- Class AR	18.85	21.45	0.63

PERFORMANCE DATA (CONTINUED)

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

	31.07.2024	31.07.2023	31.07.2022
NAV per unit (RM)			
- Class AI	1.0812	1.0441	1.0107
- Class AR	1.0813	1.0441	1.0108
	01.02.2024	01.02.2023	01.02.2022
	to 31.07.2024	to 31.07.2023	to 31.07.2022
Highest NAV per unit (RM)			
- Class AI	1.0813	1.0441	1.0107
- Class AR	1.0814	1.0041	1.0109
Lowest NAV per unit (RM)			
- Class AI	1.0630	1.0257	1.0014
- Class AR	1.0631	1.0258	1.0014
Total return (%)			
- Class AI	1.76	1.82	0.93
- Class AR	1.76	1.81	0.95
Capital growth (%)			
- Class AI	1.73	1.82	0.93
- Class AR	1.74	1.81	0.95
Income distribution (%)			
- Class AI	0.02	0.00*	0.00*
- Class AR	0.02	0.00*	0.00*
Total Expense Ratio ("TER")	0.16	0.16	0.16
Portfolio Turnover Ratio ("PTR") #	4.18	5.62	8.67

The Portfolio Turnover Ratio for the period under review was 4.18 times, a decrease from 5.62 times a year ago due to lower number of transactions.

	01.02.2024	01.02.2023	01.02.2022
	to 31.07.2024	to 31.07.2023	to 31.07.2022
Gross/ Net distribution per unit (sen)			
Distribution on 29 February 2024			
- Class AI	0.00*	-	-
- Class AR	0.00*	-	-
Distribution on 29 March 2024			
- Class AI	0.00*	-	-
- Class AR	0.00*	-	-
Distribution on 30 April 2024			
- Class AI	0.00*	-	-
- Class AR	0.00*	-	-
Distribution on 31 May 2024			
- Class AI	0.00*	-	-
- Class AR	0.00*	-	-
Distribution on 28 June 4			
- Class AI	0.00*	-	-
- Class AR	0.00*	-	-
Distribution on 31 July 2024			
- Class AI	0.00*	-	-
- Class AR	0.00*	-	-
Distribution on 28 February 2023			
- Class AI	-	0.00*	-
- Class AR	-	0.00*	-

PERFORMANCE DATA (CONTINUED)

	01.02.2024 to 31.07.2024	01.02.2023 to 31.07.2023	01.02.2022 to 31.07.2022
Gross/ Net distribution per unit (sen)			
Distribution on 31 March 2023			
- Class AI	-	0.00*	-
- Class AR	-	0.00*	-
Distribution on 28 April 2023			
- Class AI	-	0.00*	-
- Class AR	-	0.00*	-
Distribution on 31 May 2023			
- Class AI	-	0.00*	-
- Class AR	-	0.00*	-
Distribution on 30 June 2023			
- Class AI	-	0.00*	-
- Class AR	-	0.00*	-
Distribution on 31 July 2023			
- Class AI	-	0.00*	-
- Class AR	-	0.00*	-
Distribution on 28 February 2022			
- Class AI	-	-	0.00*
- Class AR	-	-	0.00*
Distribution on 31 March 2022			
- Class AI	-	-	0.00*
- Class AR	-	-	0.00*
Distribution on 29 April 2022			
- Class AI	-	-	0.00*
- Class AR	-	-	0.00*
Distribution on 31 May 2022			
- Class AI	-	-	0.00*
- Class AR	-	-	0.00*
Distribution on 30 June 2022			
- Class AI	-	-	0.00*
- Class AR	-	-	0.00*
Distribution on 29 July 2022			
- Class AI	-	-	0.00*
- Class AR	-	-	0.00*

* Note: 0.00* denotes unit count less than 0.01

	31.07.2024	31.07.2023	31.07.2022	31.07.2021	31.07.2020
	%	%	%	%	%
Annual total return					
- Class AI	3.58	3.31	1.79	1.69	2.83
- Class AR	3.59	3.29	1.80	1.69	2.83
(Launch date: 9 September 2009)					

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 FEBRUARY 2024 TO 31 JULY 2024)

Bank Negara Malaysia (“BNM”) kept the Overnight Policy Rate (“OPR”) at 3.00% for the seventh consecutive Monetary Policy Committee (“MPC”) meeting on 10-11 July 2024 amid “hold-for-longer” US Fed, as well as firmer economic growth, upside risk to domestic inflation and stable Malaysia Ringgit (“MYR/RM”).

Headline inflation rate and core inflation remained unchanged in June 2024 at 2% and 1.9%, respectively. Transport inflation increased to 1.2% (May 2024: 0.9%), mainly due to diesel price adjustment. Food & Beverages (“F&B”) inflation was slightly higher at +2.0% in June 2024 (May 2024: +1.8%) while other key Consumer Price Index (“CPI”) components were steady. Housing, Water, Electricity, Gas & Other Fuels (“HWEGOF”) inflation stays elevated at +3.2% (May 2024: +3.2%) following water tariff hike on 1 February 2024.

The unemployment rate remained unchanged at 3.3% in May 2024 (April 2024: 3.3%) for the seventh consecutive month, amid sustained growth in employment (May 2024: +1.8%; April 2024: +1.9%) and labour force (May 2024: +1.7%, April 2024: +1.7%). According to the Department of Statistics, two-thirds of jobs growth were in the Services sector.

Advance estimates for Malaysia’s second quarter of 2024 (“2Q2024”) Gross Domestic Product (“GDP”) suggest the economy expanded by 5.8% (first quarter of 2024 (“1Q2024”): 4.2% year-of-year (“Y-o-Y”)). The actual number will be released on 16 August 2024. The growth was supported by faster expansions in services, manufacturing, agriculture and construction amid slower mining.

FUND PERFORMANCE

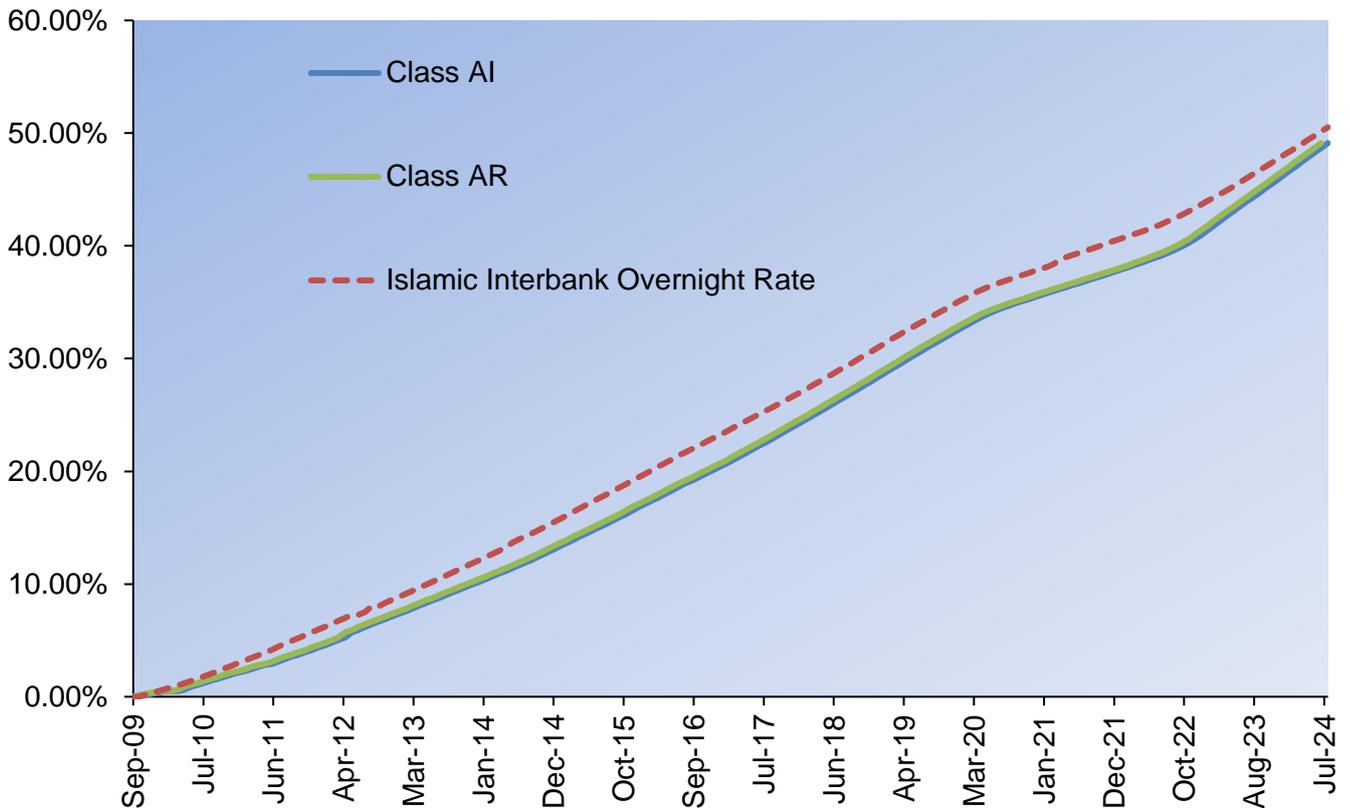
	6 months to 31.07.2024 %	1 year to 31.07.2024 %	3 years to 31.07.2024 %	5 years to 31.07.2024 %	Since inception to 31.07.2024 %
Income Distribution					
- Class AI	0.02	0.03	0.74	5.34	37.92
- Class AR	0.02	0.02	0.72	5.32	37.90
Capital Growth					
- Class AI	1.73	3.55	8.12	8.12	8.12
- Class AR	1.74	3.56	8.13	8.13	8.13
Total Return					
- Class AI	1.76	3.58	8.92	13.89	49.12
- Class AR	1.76	3.59	8.91	13.89	49.11
Benchmark					
- Class AI	1.52	3.07	7.81	12.57	50.52
- Class AR	1.52	3.07	7.81	12.57	50.52
Average Total Return					
- Class AI	3.55	3.58	2.88	2.63	2.72
- Class AR	3.57	3.59	2.88	2.63	2.72

Note: 0.00* denotes unit count less than 0.01

As at 31 July 2024, the Fund’s AI Class and AR Class gave a 1-year return of 3.58% and 3.59%, outperforming the benchmark by 51bps and 52bps respectively. Since inception, both Fund’s AI Class and AR Class have delivered return of 49.12% and 49.11% respectively to unit holders underperforming the benchmark by 1.40% and 1.41% respectively.

FUND PERFORMANCE (CONTINUED)

Since Inception



Changes in NAV

	31.07.2024	31.01.2024 Audited	Changes %
Class AI			
NAV (RM Million)*	3,770.66	4,130.51	(8.71)
NAV/Unit (RM)*	1.0812	1.0628	1.73
Class AR			
NAV (RM Million)*	20.39	46.86	(56.49)
NAV/Unit (RM)*	1.0813	1.0628	1.74

*Ex-distribution

The Fund's Class AI and Class AR NAV decreased by 8.71% and 56.49% from RM4.130 billion and RM46.86 million on 31 January 2024 to RM3.770 billion and RM20.39 million on 31 July 2024 respectively.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.07.2024	31.01.2024 Audited
Shariah-compliant deposits with licensed Islamic financial institutions	97.69	97.36
Cash and other assets	2.43	2.75
Liabilities	(0.12)	(0.11)
TOTAL	100.00	100.00

The Fund was fully invested in deposit placements with Shariah-compliant financial institutions.

MARKET OUTLOOK*

We remain positive on the local bond market as we believe that the tightening trend on monetary policy has reached its peak with the OPR at 3.00% for 2024.

BNM forecasts headline inflation between 2.0% - 3.5% (2023: 2.5%) – incorporating fuel price adjustments from the fuel subsidy rationalisation measures – and core inflation between 2.0% - 3.0% (2023: 3.0%) for 2024. The full year inflation will only be marginally impacted from the new sales & services tax and utility tariffs. The MPC will continue to ensure that the monetary policy stance remains consistent with the current assessment of the inflation and growth prospects.

* 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’s objective is to provide investors with liquidity and regular income hence it will continue to maintain its investment primarily in deposits with licensed financial institutions.

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 other 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.

In relation to this Fund, we have issued the first Supplement Prospectus dated 16 May 2023.

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

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

CROSS TRADE

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

UNIT SPLIT

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC DEPOSIT 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 21 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 July 2024 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 of the Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting.

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN

Chief Executive Officer,
Malaysia & Global Shariah & Managing Director,
Strategic Distribution & Institutional Client Relations
(Southeast Asia & Global Shariah)
Non-Independent Executive Director

UDAY JAYARAM

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

Kuala Lumpur
13 September 2024

**TRUSTEE'S REPORT
TO THE UNITHOLDERS OF PRINCIPAL ISLAMIC DEPOSIT FUND ("Fund")**

We have acted as Trustee of the Fund for the financial period ended 31 July 2024 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 Deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deed; and
3. Any creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirements.

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

For HSBC (Malaysia) Trustee Berhad

YAP LAY GUAT
Manager, Investment Compliance Monitoring

Kuala Lumpur
13 September 2024

SHARIAH ADVISER'S REPORT

To the Unit Holders of Principal Islamic Deposit Fund ("Fund")

For the Financial Period Ended 31 July 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
13 September 2024

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2024**

	Note	01.02.2024 to 31.07.2024 RM	01.02.2023 to 31.07.2023 RM
INCOME			
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions at fair value through profit or loss		76,769,571	60,424,257
Hibah		2,202,987	16,864
		<u>78,972,558</u>	<u>60,441,121</u>
EXPENSES			
Management fee	4	6,211,157	4,595,500
Trustee fee	5	310,558	306,367
Audit fee		3,580	3,571
Tax agent's fee		2,238	2,232
Other expenses		198,699	11,491
		<u>6,726,232</u>	<u>4,919,161</u>
PROFIT BEFORE DISTRIBUTION AND TAXATION		72,246,326	55,521,960
Distributions:			
- Class AI		706,668	20,453
- Class AR		4,133	79
	6	<u>710,801</u>	<u>20,532</u>
PROFIT BEFORE TAXATION		71,535,525	55,501,428
Taxation	7	<u>-</u>	<u>-</u>
PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>71,535,525</u>	<u>55,501,428</u>
Profit after taxation is made up as follows:			
Realised amount		<u>71,535,525</u>	<u>55,501,428</u>

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

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2024

		31.07.2024	31.01.2024
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents	9	64,297,566	20,818
Financial assets at fair value through profit or loss	8	3,703,436,890	4,067,013,687
Amount due from Manager		<u>27,863,000</u>	<u>114,928,000</u>
TOTAL ASSETS		<u>3,795,597,456</u>	<u>4,181,962,505</u>
LIABILITIES			
Amount due to Manager		3,500,000	3,500,000
Accrued management fee		982,192	1,019,734
Amount due to Trustee		49,110	50,987
Distribution payable		8,223	199
Other payables and accruals		<u>14,218</u>	<u>20,100</u>
TOTAL LIABILITIES		<u>4,553,743</u>	<u>4,591,020</u>
NET ASSET VALUE OF THE FUND		<u>3,791,043,713</u>	<u>4,177,371,485</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>3,791,043,713</u>	<u>4,177,371,485</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (RM)			
- Class AI		3,770,657,688	4,130,512,453
- Class AR		<u>20,386,025</u>	<u>46,859,032</u>
		<u>3,791,043,713</u>	<u>4,177,371,485</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class AI		3,487,306,747	3,886,280,930
- Class AR		<u>18,851,978</u>	<u>44,088,041</u>
	10	<u>3,506,158,725</u>	<u>3,930,368,971</u>
NET ASSET VALUE PER UNIT (RM)			
- Class AI		1.0812	1.0628
- Class AR		<u>1.0813</u>	<u>1.0628</u>

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

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2024**

	01.02.2024 to 31.07.2024 RM	01.02.2023 to 31.07.2023 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>4,177,371,485</u>	<u>2,431,610,976</u>
Movement in unit holders's contributions:		
- Creation of units from applications		
- Class AI	2,962,269,524	3,211,487,367
- Class AR	<u>26,199,635</u>	<u>38,539,187</u>
	<u>2,988,469,159</u>	<u>3,250,026,554</u>
- Creation of units from distributions		
- Class AI	682,496	20,094
- Class AR	<u>4,133</u>	<u>79</u>
	<u>686,629</u>	<u>20,173</u>
- Cancellation of units		
- Class AI	(3,394,001,445)	(1,489,082,985)
- Class AR	<u>(53,017,640)</u>	<u>(17,082,299)</u>
	<u>(3,447,019,085)</u>	<u>(1,506,165,284)</u>
Total comprehensive income for the financial period	<u>71,535,525</u>	<u>55,501,428</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	<u><u>3,791,043,713</u></u>	<u><u>4,230,993,847</u></u>

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

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2024**

	01.02.2024 to 31.07.2024	01.02.2023 to 31.07.2023
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from maturity of Shariah-compliant deposits with licensed Islamic financial institutions	17,541,220,000	20,171,543,000
Placement of Shariah-compliant deposits with licensed Islamic financial institutions	(17,166,790,000)	(21,964,562,000)
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah earned	68,119,355	51,894,875
Management fee paid	(6,248,699)	(4,294,303)
Trustee fee paid	(312,435)	(286,288)
Payments for other fees and expenses	(210,399)	(11,491)
Net cash used in operating activities	<u>435,777,822</u>	<u>(1,745,716,207)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	3,075,534,159	3,253,364,554
Payments for cancellation of units	(3,447,019,085)	(1,507,665,284)
Distributions paid	(16,148)	(288)
Net cash generated from financing activities	<u>(371,501,074)</u>	<u>1,745,698,982</u>
Net (decrease)/increase in cash and cash equivalents	64,276,748	(17,225)
Cash and cash equivalents at the beginning of the financial period	<u>20,818</u>	<u>50,341</u>
Cash and cash equivalents at the end of the financial period	<u><u>64,297,566</u></u>	<u><u>33,116</u></u>
<u>Cash and cash equivalents comprised of:</u>		
Bank balance	<u>64,297,566</u>	<u>33,116</u>
Cash and cash equivalents at the end of the financial period	<u><u>64,297,566</u></u>	<u><u>33,116</u></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 JULY 2024

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

Principal Islamic Deposit Fund (the “Fund”) is governed by a Tenth Supplemental Master Deed dated 23 July 2009, a Fourteenth Supplemental Master Deed dated 26 June 2012, a Fifteenth Supplemental Master Deed dated 21 September 2012, a Seventeenth Supplemental Master Deed dated 25 March 2015, a Nineteenth Supplemental Master Deed dated 18 June 2019, a Twentieth Supplemental Master Deed dated 9 April 2021 and a Twenty First Supplemental Master Deed dated 15 April 2021 (collectively referred to as the “Deeds”), made between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund seeks to achieve its objective by investing at least 95% of the Fund’s NAV in Islamic deposits, which have a remaining maturity period of less than 397 days. Up to 5% of the Fund’s NAV may be maintained in cash. The investment policy is to invest in liquid and low risk short-term investments for capital preservation*.

**The Fund is neither a capital guaranteed fund nor a capital protected fund.*

The Fund will be actively managed by undertaking duration strategies (i.e. placing in short-term versus long-term deposits) according to our assessment of the interest rate outlook and market conditions at that point in time. In addition, we also analyze the Fund injection and redemption patterns to actively manage the liquidity of the Fund.

The asset allocation strategy for this Fund is as follows:

- at least 95% of the Fund’s NAV will be invested in Islamic Deposits; and
- up to 5% of the Fund’s NAV in cash.

In relation to this Fund, we have issued the first Supplement Prospectus dated 16 May 2023.

All investments are subjected to the Guidelines on Unit Trust Funds (“GUTF”) issued by the Securities Commission Malaysia (“SC”), 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. MATERIAL ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

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

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

There are no other standards, amendments to standards or interpretations that are effective for financial periods beginning on 1 February 2024 that have a material effect on the financial statements of the Fund.

None of the standards, amendments to standards or interpretations that are effective for the financial period beginning on/after 1 August 2024 are applicable to the Fund.

(b) Financial assets and financial liabilities

Classification

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

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

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed, and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

The contractual cash flows of the Fund's debt securities are solely principal and interest¹ ("SPPI"). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents and amount due from Manager 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. Investments are initially recognised at fair value.

¹ For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Recognition and measurement (continued)

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 Shariah-compliant investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Shariah-compliant deposits with licensed Islamic financial institutions are stated at fair value. Due to the short-term nature of the deposits, the cost plus accrued interest¹ calculated based on the effective profit method over the period from the date of placement to the date of maturity of the respective deposits is a reasonable estimate of fair value.

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

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

Impairment for assets carried at amortised costs

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**(c) Income recognition**

Profit income from Shariah-compliant deposits with licensed Islamic financial institutions is recognised on a time proportionate basis using 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).

(d) Functional and presentation currency

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

(e) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balance which are subject to an insignificant risk of changes in value.

(f) Taxation

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

(g) Distribution

A distribution to the Fund’s unit holders is accounted for as a deduction from realised reserve except where dividend is sourced out of distribution equalisation which is accounted for as a deduction from unitholders’ contributions. A proposed distribution is recognised as a liability in the financial period in which it is approved by the Trustee.

(h) Unit holders’ contributions

The unit holders’ contributions to the Fund meet the criteria to be classified as equity instruments under *MFRS 132 “Financial Instruments: Presentation”*. Those criteria include:

- the units entitle the holder to a proportionate share of the Fund’s NAV;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial period if unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund’s NAV per unit at the time of creation or cancellation. The Fund’s NAV per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

The analysis of realised and unrealised portions of profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with GUTF.

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

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

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

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

However, the Manager is of the opinion that there are no accounting policies which require significant judgement to be exercised.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund aims to provide investors with liquidity and regular income, whilst maintaining capital stability by investing primarily in deposits that comply with the Shariah principles.

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

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

(a) Market risk

(i) Interest rate risk

Interest rate is a general economic indicator that will have an impact on the management of the Fund. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

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

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

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

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

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

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

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

The credit risk arising from placements of Shariah-compliant deposits with 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.

(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. 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 assets attributable to unit holders. The amount of capital can change significantly on a daily basis as the Fund is subjected to daily subscriptions and redemptions at the discretions 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 holder and benefits for other stakeholders and to maintain strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

The fair values 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 market 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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.07.2024				
Financial assets at fair value through profit or loss:				
- Shariah-compliant deposits with licensed Islamic financial institutions	-	3,703,436,890	-	3,703,436,890
	<u>-</u>	<u>3,703,436,890</u>	<u>-</u>	<u>3,703,436,890</u>
31.01.2024				
Audited				
Financial assets at fair value through profit or loss:				
- Shariah-compliant deposits with licensed Islamic financial institutions	-	4,067,013,687	-	4,067,013,687
	<u>-</u>	<u>4,067,013,687</u>	<u>-</u>	<u>4,067,013,687</u>

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. This includes Shariah-compliant deposits with licensed Islamic financial institutions.

As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

(ii) The carrying values of cash and cash equivalents, amount due from Manager and all 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 up to 3.00% per annum calculated daily based on the NAV of the Fund.

For the financial period ended 31 July 2024 and 31 July 2023, the management fee for Class AI and Class AR are recognised at a rate as per below table.

CLASS AI	CLASS AR
0.30%	0.30%

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

5. TRUSTEE FEE

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.04% per annum calculated daily based on the NAV of the Fund.

For the financial period ended 31 July 2024 and 31 July 2023, the Trustee fee for Class AI and Class AR are recognised at a rate as per below table.

CLASS AI	CLASS AR
0.015%	0.015%

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

6. **DISTRIBUTIONS**

Distributions to unit holders were derived from the following sources:

	31.07.2024		31.07.2023	
	RM	%	RM	%
Source of distribution				
Distribution out of current period's income	710,801	100	20,532	100
Distribution out of prior period's income/capital	-	-	-	-
Total	710,801	100	20,532	100

	01.02.2023 to 31.07.2023 RM	01.02.2023 to 31.07.2023 RM
Gross/Net distribution per unit (sen)		
Distribution on 28 February 2023		
- Class AI	0.00*	-
- Class AR	0.00*	-
Distribution on 31 March 2023		
- Class AI	0.00*	-
- Class AR	0.00*	-
Distribution on 28 April 2023		
- Class AI	0.00*	-
- Class AR	0.00*	-
Distribution on 31 May 2023		
- Class AI	0.00*	-
- Class AR	0.00*	-
Distribution on 30 June 2023		
- Class AI	0.00*	-
- Class AR	0.00*	-
Distribution on 31 July 2023		
- Class AI	0.00*	-
- Class AR	0.00*	-
Distribution on 28 February 2023		
- Class AI	-	0.00*
- Class AR	-	0.00*
Distribution on 31 March 2023		
- Class AI	-	0.00*
- Class AR	-	0.00*
Distribution on 28 April 2023		
- Class AI	-	0.00*
- Class AR	-	0.00*
Distribution on 31 May 2023		
- Class AI	-	0.00*
- Class AR	-	0.00*
Distribution on 30 June 2023		
- Class AI	-	0.00*
- Class AR	-	0.00*
Distribution on 31 July 2023		
- Class AI	-	0.00*
- Class AR	-	0.00*

* Note: 0.00* denotes unit count less than 0.01

6. DISTRIBUTIONS (CONTINUED)

Gross distribution was derived using total income less total expenses. Net distributions above were sourced from current financial period's realised profit income.

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

Distribution equalisation represents the average amount of distributable income included in the creation and cancellation prices of units. It is computed as at each date of creation and cancellation of units. For the purpose of determining amount available for distribution, distribution equalisation is included in the computation of realised gains or income available for distribution.

7. TAXATION

	01.02.2024 to 31.07.2024	01.02.2023 to 31.07.2023
	RM	RM
Tax charged for the financial period:		
- Current taxation	-	3,515

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

	01.02.2024 to 31.07.2024	01.02.2023 to 31.07.2023
	RM	RM
Profit before taxation	71,535,525	55,501,428
Taxation at Malaysian statutory rate of 24% (31.07.2023: 24%)	17,168,526	13,320,342
Tax effects of:		
- Investment income not subject to tax	(18,953,413)	(14,505,869)
- Expenses not deductible for tax purposes	292,772	81,422
- Restriction on tax deductible expenses for Unit Trust Funds	1,492,115	1,104,105
Taxation	-	-

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.07.2024	31.01.2024 Audited
	RM	RM
Fair value through profit or loss:		
- Shariah-compliant deposits with licensed Islamic financial institutions*	3,703,436,890	4,067,013,687

* Includes profit receivable of RM41,232,890 (31.01.2024: RM30,379,687).

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

The weighted average effective profit rate per annum was as follows:

	31.07.2024	31.01.2024
	%	Audited
		%
Shariah-compliant deposits with licensed Islamic financial institutions	<u>3.80</u>	<u>3.92</u>

Shariah-compliant deposits with licensed Islamic financial institutions of the Fund have an average remaining maturity of 73 days (31.01.2024: 86 days).

9. CASH AND CASH EQUIVALENTS

	31.07.2024	31.01.2024
	RM	Audited
		RM
Bank balance	<u>64,297,566</u>	<u>20,818</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.02.2024 to 31.07.2024	01.08.2023 to 31.01.2024
	No of units	Audited
		No of units
Class AI (i)	3,487,306,747	3,886,280,930
Class AR (ii)	18,851,978	44,088,041
	<u>3,506,158,725</u>	<u>3,930,368,971</u>
(i) Class AI		
At the beginning of the financial period/year	3,886,280,930	2,370,450,809
Add : Creation of units from applications	2,761,711,521	5,163,661,596
Add : Creation of units from distributions	634,039	42,857
Less : Cancellation of units	<u>(3,161,319,743)</u>	<u>(3,647,874,332)</u>
At the end of the financial period/year	<u>3,487,306,747</u>	<u>3,886,280,930</u>
(ii) Class AR		
At the beginning of the financial period/year	44,088,041	764,408
Add : Creation of units from applications	24,407,617	94,211,624
Add : Creation of units from distributions	3,838	325
Less : Cancellation of units	<u>(49,647,518)</u>	<u>(50,888,316)</u>
At the end of the financial period/year	<u>18,851,978</u>	<u>44,088,041</u>

11. TOTAL EXPENSE RATIO ("TER")

	01.02.2024 to 31.07.2024	01.02.2023 to 31.07.2023
	%	%
TER	<u>0.16</u>	<u>0.16</u>

11. TOTAL EXPENSE RATIO (“TER”) (CONTINUED)

TER was derived from the following calculation:

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

- A = Management fee
- B = Trustee fee
- C = Audit fee
- D = Tax agent’s fee
- E = Other expenses
- 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 RM4,161,993,435 (31.07.2023: RM3,098,320,110)

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.02.2024 to 31.07.2024	01.02.2023 to 31.07.2023
PTR	<u>4.18</u>	<u>5.62</u>

PTR was derived from the following calculation:

$$\frac{(\text{Total placement for the financial period} + \text{total maturity for the financial period}) \div 2}{\text{Average NAV of the Fund for the financial period calculated on a daily basis}}$$

Where:

- total placement for the financial period = RM17,166,790,000
(31.07.2023: RM14,608,346,000)
- total maturity for the financial period = RM17,607,136,368
(31.07.2023: RM20,223,421,011)

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

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

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

14. **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 are as follows: (continued)

<u>Related parties</u>	<u>Relationship</u>
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the Manager
CIMB Group Sdn Bhd	Shareholder of the Manager
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the shareholder of the Manager
CIMB Islamic Bank Bhd	Fellow related party to the Manager

Units held by the Manager and parties related to the Manager

	31.07.2024		31.01.2024 Audited	
	No. of units	RM	No. of units	RM
Manager				
Principal Asset Management Berhad				
- Class AI	10,963	11,853	8,445	8,975
- Class AR	5	5	4	4

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 the 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 in the normal course of business at agreed terms between the related parties.

	01.02.2023 to 31.07.2023 RM	01.02.2023 to 31.07.2023 RM
<u>Significant related party transactions</u>		
Profit income received from deposits with licensed financial institution:		
- CIMB Islamic Bank Bhd	7,642,288	7,748,243
	31.07.2024	31.01.2024 Audited
	RM	RM
<u>Significant related party balance</u>		
Shariah-compliant deposits with licensed financial institution:		
- CIMB Islamic Bank Bhd	11,219,118	799,428,363

15. TRANSACTIONS WITH FINANCIAL INSTITUTIONS

Details of transactions with the top 10 dealers for the six months financial period ended 31 July 2024 were as follows:

Financial Institutions	Value of placements RM	Percentage of total placements %
Hong Leong Islamic Bank Bhd	16,035,242,000	46.20
Al Rajhi Banking and Investment Bhd	9,000,628,000	25.93
Public Islamic Bank Bhd	3,316,936,000	9.56
CIMB Islamic Bank Bhd #	2,570,000,000	7.40
Bank Islam Malaysia Bhd	1,187,000,000	3.42
Alliance Islamic Bank Bhd	820,000,000	2.36
AmIslamic Bank Bhd	796,000,000	2.29
Affin Islamic Bank Bhd	540,000,000	1.56
RHB Islamic Bank Bhd	150,000,000	0.43
Bank Muamalat Malaysia Bhd	150,000,000	0.43
Others	142,204,000	0.41
	<u>34,773,926,368</u>	<u>100.00</u>

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

Financial Institutions	Value of placements RM	Percentage of total placements %
Public Islamic Bank Bhd	5,061,177,000	34.65
CIMB Islamic Bank #	4,698,421,000	32.16
Hong Leong Islamic Bank Bhd	2,679,224,000	18.34
Bank Islam Malaysia Bhd	648,000,000	4.44
AmBank Islamic	380,000,000	2.60
Maybank Islamic Bhd	351,275,000	2.40
Alliance Islamic Bank Msia Bhd	260,000,000	1.78
RHB Islamic Bank Bhd	250,000,000	1.71
Al Rajhi Bank M Bhd	230,249,000	1.58
Bank Muamalat Malaysia Bhd	50,000,000	0.34
	<u>14,608,346,000</u>	<u>100.00</u>

Included in the transactions are trades conducted with CIMB Islamic Bank Bhd, a fellow related party of the Manager amounting to RM2,570,000,000 (31.07.2023: RM4,698,421,000). 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.

DIRECTORY

Head Office of the Manager

Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))
Level 32, Exchange 106,
Lingkaran TRX,
55188 Tun Razak Exchange, Kuala Lumpur
MALAYSIA.
Tel: (03) 8680 8000

Website

www.principal.com.my

E-mail address

myservice@principal.com

Customer Care Centre

(03) 7723 7260

Chat with us via WhatsApp:

(6016) 299 9792

Trustee for the Principal Islamic Deposit Fund

HSBC (Malaysia) Trustee Berhad (Company No. 193701000084 (1281-T))
19th Floor, Menara IQ,
Lingkaran TRX,
55188 Tun Razak Exchange, Kuala Lumpur, MALAYSIA
Tel: (03) 2075 7800
Fax: (03) 8894 2611

Shariah Adviser of the Principal Islamic Deposit Fund

Amanie Advisors Sdn. Bhd. (Company No.: 200501007003 (0684050-H))
Level 13A-2, Menara Tokio Marine Life,
No 189, Jalan Tun Razak,
50400 Kuala Lumpur, MALAYSIA.
Tel: (03) 2161 0260
Fax: (03) 2161 0262