

# Principal Islamic Enhanced Opportunities Fund

Interim Report

For The Six Months Financial Period Ended 30 June 2020

**PRINCIPAL ISLAMIC ENHANCED OPPORTUNITIES FUND**  
**INTERIM REPORT**  
**FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2020**

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## INVESTORS' LETTER

Dear Valued Investor,

We have seen the reopening of schools and more families enjoying domestic vacations in Malaysia albeit with the necessary measures and standard operating procedures in place. These developments continue to provide positivity and confidence for us to overcome the setbacks experienced in recent times due to the pandemic. The Malaysian economy has been positive with the local unemployment rate starting to reduce as most sectors reopened during the Recovery Movement Control Order ("RMCO"). The FBMKLCI has seen a rebound from the March 2020 low by 21.18% to 1,603 levels as of 31 July 2020. In terms of participation, the retail investors recorded an increase of approximately 33% this year as of 30 June 2020.

Meanwhile, markets globally have shown positive effects of the massive policy support around the world coupled with the reopening of economies. In July 2020, markets rallied across the board with indices within Asia-Pacific bourses outperforming the developed markets. The MSCI Asia ex-Japan Index rose 3.96%, followed by Shanghai 12.09%, and Taiwan 8.64% compared with 5.29% for the S&P 500. The bond market remained positive with increases of 4% to 6%. Nevertheless, markets continue to remain cautious with the ongoing rhetoric between US-China and the US presidential elections in November 2020.

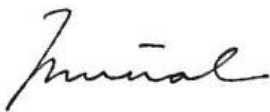
We believe each investor should maintain a diverse portfolio that matches risk tolerance preferences and helps achieve long-term financial goals. For our:

- **Conservative investors, we recommend:** Malaysia focus bond and balanced funds that are income focussed.
- **More aggressive investors, we recommend:** Growth-oriented funds that offer exposure to growth areas in China, Asia-Pacific, Global Technology, ASEAN and Malaysian aggressive funds.

Visit our website ([www.principal.com.my](http://www.principal.com.my)) and Facebook account (@PrincipalAssetMY) for additional insights and investing 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

## MANAGER'S REPORT

### FUND OBJECTIVE AND POLICY

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

The Fund aims to earn reasonable returns for investors by investing in approved equities listed on Bursa Malaysia as well as unlisted securities and other non-interest bearing assets acceptable under Shariah principles.

#### Has the Fund achieved its objective?

For the financial period under review, the Fund registered a loss of 6.97%, while the benchmark registered a gain of 0.76%. The Fund has not achieved its objective of capital growth during the financial year under review due to unfavourable macro environment. Nevertheless, the Fund's objective of providing capital over the medium to long-term is still in place.

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

The Fund may invest a minimum of 70% and up to a maximum of 98% of Net Asset value ("NAV") in local Shariah-compliant equities. The Fund may also invest up to 28% of its NAV in other permissible Shariah-compliant investments. As an aggressive Fund, the Fund will be managed with higher beta and tracking error. The investment policy and strategy of the Fund will be to invest in Shariah-compliant stocks which are selected based on their future growth prospects. The Fund may also opt to seek investment exposure via Islamic collective investment scheme that is in line with the Fund's objective, subject to the requirements of the Securities Commission Malaysia ("SC") Guidelines. In addition, Islamic liquid assets may also be strategically used if we feel that the market downside risk is high in the short-term.

The asset allocation strategy for this Fund is as follows:

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

#### Fund category/type

Equity (Shariah-compliant)/Growth

#### How long should you invest for?

Recommended five (5) years or more

#### When was the Fund launched?

15 June 1995

#### What was the size of the Fund as at 30 June 2020?

RM121.36 million (188.99 million units)

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

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

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

#### What is the Fund distribution policy?

Distribution (if any) is expected to be distributed every January at the Manager's discretion.

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

The Fund distributed a total net income of RM0.85 million to unit holders. As a result, the NAV per unit dropped from RM0.6984 to RM0.6934 on 21 January 2020 during the six months financial period ended 30 June 2020.

**PERFORMANCE DATA**

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

	<b>30.06.2020</b>	<b>30.06.2019</b>	<b>30.06.2018</b>
	%	%	%
Shariah-compliant quoted securities			
- Construction	4.21	0.96	7.91
- Consumer Products and Services	5.39	9.37	8.26
- Energy	7.98	15.86	-
- Finance	-	-	1.71
- Financial Services	3.40	5.71	-
- Health Care	18.63	4.32	-
- Industrials	-	-	17.91
- Industrial Products & Services	4.90	9.18	-
- Plantation	13.46	17.26	3.74
- Property	3.61	2.43	3.42
- Real Estate Investment Trusts ("REITS")	5.06	2.00	-
- Technology	8.63	6.09	11.58
- Telecommunications & Media	8.02	7.30	-
- Trading/Services	-	-	32.97
- Transportation & Logistics	3.36	3.03	-
- Utilities	9.71	7.75	-
Cash and other net assets	3.64	8.74	12.50
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Note: Effective 24 September 2018, Bursa Malaysia has changed its sectoral index and classification.

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

	<b>30.06.2020</b>	<b>30.06.2019</b>	<b>30.06.2018</b>
NAV (RM Million)	121.36	110.76	105.88
Units in circulation (Million)	188.99	165.47	149.70
NAV per unit (RM)	0.6421	0.6693	0.7072
	<b>01.01.2020 to 30.06.2020</b>	<b>01.01.2019 to 30.06.2019</b>	<b>01.01.2018 to 30.06.2018</b>
Highest NAV per unit (RM)	0.7020	0.6731	0.8709
Lowest NAV per unit (RM)	0.4982	0.6138	0.6956
Total return (%)	(6.97)	10.01	(8.69)
- Capital growth (%)	(7.64)	6.10	(14.22)
- Income distribution (%)	0.72	3.91	6.45
Management Expense Ratio ("MER") (%)	0.81	0.81	0.84
Portfolio Turnover Ratio ("PTR") (times) #	0.50	0.71	0.64

# The Fund's PTR was decreased slightly from 0.71 times to 0.50 times for the financial period under review due to lack of trading activities.

Date of distribution	21.01.2020	23.01.2019	26.01.2018
Gross/Net distribution per unit (sen)	0.50	2.40	5.20

**PERFORMANCE DATA (CONTINUED)**

	<b>30.06.2020</b>	<b>30.06.2019</b>	<b>30.06.2018</b>	<b>30.06.2017</b>	<b>30.06.2016</b>
	%	%	%	%	%
Annual total return	(3.37)	(1.66)	(3.46)	6.96	5.55

(Launch date: 15 June 1995)

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 JANUARY 2020 TO 30 JUNE 2020)**

For the financial period under review, the FBMS Index gained by 0.76% from 11,947.92 points to 12,039.29 points.

After a rally in December 2019 buoyed by the Phase 1 trade deal between US and China, equities were sold down due to heightened concerns that the spread of the COVID-19 virus will slam global economic growth.

Subsequently, Bank Negara Malaysia (“BNM”) has surprised the market in January 2020 by cutting the Overnight Policy Rate (“OPR”) by 25 basis points (“bps”) to 2.75% as the Central Bank took pre-emptive measure to support the economic growth trajectory amid benign inflationary pressure and still uncertain geopolitical tensions and policy uncertainties in a number of countries

Malaysian market along with FBMS Index continued to descend amid concerns over uncertainty in domestic politics, COVID-19 outbreak and the poor set of lackluster corporate results. Political uncertainty engulfed Malaysia again following the shocked resignation of Tun Dr Mahathir Mohamad as Prime Minister after losing a majority support in the parliament. However, the uncertainty of not having a functioning Federal Government was short-lived as the King has appointed Tan Sri Muhyiddin Yasin as the 8th Prime Minister after determining that the latter is likely to get a majority support in the parliament. In his last act as interim prime minister, Tun Dr Mahathir Mohamad unveiled a RM20 billion stimulus package to mitigate the adverse economic impact from the COVID-19 outbreak. He furthers lower Malaysia Gross Domestic Product (“GDP”) growth forecast in 2020 from 4.8% to 3.2% to 4.2% while raising the fiscal deficit target from 3.2% to 3.4%.

FBMS Index declined 9.14% in March 2020 as concerns over the COVID-19 outbreak intensified which was further exacerbated by the sharp 47% fall in Brent crude oil price following the breakdown in talks between Saudi Arabia and Russia to extend the Organization of the Petroleum Exporting Countries (“OPEC”) production cut agreement. The Malaysian Government has enforced an initial 2-week Movement Control Order (“MCO”) since 18 March 2020 which was extended until 14 April 2020 as the number of new COVID-19 infections spiked. To mitigate the economic impact of COVID-19 and MCO, a RM250 billion stimulus package was announced with the primary focus of (i) sustaining private consumption and confidence, (ii) preserving the viability and continuity of domestic business entities; and (iii) strengthening the domestic economy. Furthermore, on the backdrop of a disappointing fourth quarter of 2019 GDP growth of 3.6% (vs 4.1% street expectation) and a weaker Purchasing Managers’ Index (“PMI”) reading of 48.5 in February, BNM has followed through with its second interest rate cut this year as it lowers the OPR by 25 bps to 2.50% in its March’s Monetary Policy Committee (“MPC”) meeting. The Central Bank continues to take pre-emptive measure to support the economic growth trajectory amid slower growth outlook due to the COVID-19 outbreak and weak commodity markets.

Subsequently, a liquidity driven relief rally lifted the FBMS Index by 7.76% in April 2020 led mainly by technology stocks. The sharp turnaround in investors’ sentiment was driven by coordinated fiscal and monetary responses globally following the COVID-19 outbreak which led to a sharp recession as economic activities came to a halt.

**MARKET REVIEW (1 JANUARY 2020 TO 30 JUNE 2020) (CONTINUED)**

The rally continued in May 2020 driven mainly by glove and technology stocks. The former was due to rising average selling price amid tight global supply of medical gloves and the latter on the back of demand resiliency coming from 5G, Internet of Things and medical life-sciences. The first quarter of 2020 GDP growth fell sharply to 0.7% as the impact of the global pandemic and the subsequent lockdown severely impacted macroeconomic conditions. Exports fell sharply by 7.1% due to global supply chain disruption following lockdowns. Gross fixed capital formation fell 4.6% as businesses and Government curtailed investment spending given uncertain outlook. While the second quarter of 2020 GDP is expected to slide further given the full impact of nationwide lockdown during the MCO, recovery is expected from third quarter of 2020 onwards as the nation prepares to exit from lockdown. In line with other countries, expectations are rising that the Government will end the MCO soon. This will set the stage for a much broader economic recovery as almost all business activities will resume although the pace of recovery will likely be gradual as social distancing practice will remain a norm for some time to come. To provide further boost to the domestic economy, the Government has announced an additional RM35 billion stimulus package on 5 June 2020 to aid the economy during its post-lockdown recovery phase. This is in addition to the RM260 billion Prihatin Rakyat Economic Stimulus Package which has been announced earlier. The central bank has also played its role in ensuring that its monetary stance remains accommodative and has cut the OPR by a further 50 bps to 2.0% in early May 2020.

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

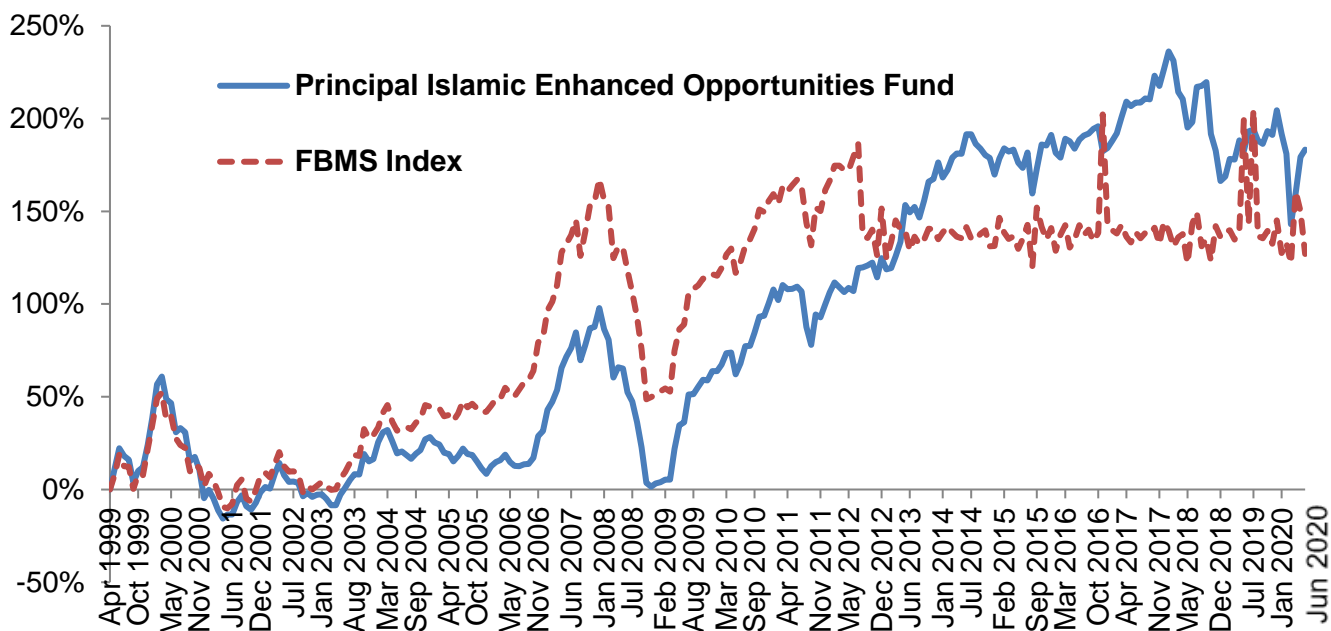
**FUND PERFORMANCE**

	<b>6 months to 30.06.2020</b>	<b>1 year to 30.06.2020</b>	<b>3 years to 30.06.2020</b>	<b>5 years to 30.06.2020</b>	<b>Since inception to 30.06.2020</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Income Distribution	0.72	0.72	11.40	25.43	164.17
Capital Growth	(7.64)	(4.06)	(17.66)	(17.42)	6.70
Total Return	(6.97)	(3.37)	(8.27)	3.57	183.17
Benchmark	0.76	(0.77)	(6.11)	(1.39)	126.96
Average Total Return	N/A	(3.37)	(2.84)	0.70	4.24

For the financial period under review, the Fund's decreased by 6.97%, while the benchmark gained by 0.76%. As such, the Fund underperformed its benchmark by 7.73%.



FUND PERFORMANCE (CONTINUED)



Changes in NAV

	30.06.2020	31.12.2019 Audited	Changes %
NAV (RM Million)	121.36	113.45	6.97
NAV/Unit (RM)	0.6421	0.6950	(7.61)

The NAV increased by 6.97% while the NAV per unit decreased by 7.61%, respectively. The decline in NAV per unit was due to negative investment performance during the financial period under review. The increased in NAV was due to fund injections.

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)	30.06.2020	31.12.2019 Audited
Quoted securities	96.36	94.11
Cash and other net assets	3.64	5.89
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

Asset allocation increased from 94.11% as at 31 December 2019 to 96.36% as at 30 June 2020 to reflect our more constructive view on the Malaysian equity market.

### MARKET OUTLOOK \*

Although the second quarter of 2020 economic data and corporate results will be worse than the first quarter of 2020, we believe investors are already looking past these backward-looking numbers and pricing in rebound in economic activities and financial turnaround of corporates going forward. As such, the litmus test will be in the third quarter of 2020 and the fourth quarter of 2020 when investors evaluate whether the actual pace of recovery matches that of expectations. To alleviate any sharp downfall, the Government has maintained an accommodative policy stance to aid the domestic economy in its recovery from the COVID-19 pandemic.

\* 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

Reopening themes and persistent strong earnings growth momentum of glove stocks will keep Bursa Malaysia elevated in the near term before potential correction in the fourth quarter of 2020 in the event earnings rebound is slower than anticipated. Uncertainty ahead of a potential snap election will also be a dampener. That said, we believe the correction is unlikely to re-test Mar's low given the supportive monetary and fiscal stimulus. Considering all factors, we have a neutral stance on the Malaysia equity market, given the prevalent expectation of a swift earnings rebound in 2021.

### UNIT HOLDINGS STATISTICS

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

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	3,090	8.27	4.38
5,001-10,000	2,007	14.36	7.61
10,001-50,000	3,094	66.53	35.20
50,001-500,000	762	79.46	42.04
500,001 and above	16	20.37	10.77
<b>Total</b>	<b>8,969</b>	<b>188.99</b>	<b>100.00</b>

**SOFT COMMISSIONS AND REBATES**

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

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF  
PRINCIPAL ISLAMIC ENHANCED OPPORTUNITIES 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 12 to 39 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 June 2020 and of its financial performance, changes in equity 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/Executive Director

**JUAN IGNACIO EYZAGUIRRE BARAONA**  
Director

Kuala Lumpur  
14 August 2020

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL ISLAMIC ENHANCED OPPORTUNITIES FUND**

We, AMANAHRAYA TRUSTEES BERHAD, have acted as Trustee of PRINCIPAL ISLAMIC ENHANCED OPPORTUNITIES for the six months financial period ended 30 June 2020. In our opinion, PRINCIPAL ASSET MANAGEMENT BERHAD (the "Manager") has operated and managed PRINCIPAL ISLAMIC ENHANCED OPPORTUNITIES FUND in accordance with the limitations imposed on the investment powers of the management company under the Deed, securities laws and the applicable Guidelines on Unit Trust Funds for the six months financial period ended 30 June 2020.

We are also of the opinion that:

- a) Valuation and pricing is carried out in accordance with the Deed and relevant regulatory requirements;
- b) Creation and cancellation of units are carried out in accordance with the Deed and any relevant regulatory requirement; and
- c) The distribution of income made by PRINCIPAL ISLAMIC ENHANCED OPPORTUNITIES FUND as declared by the Manager is appropriate and reflects the investment objective of PRINCIPAL ISLAMIC ENHANCED OPPORTUNITIES FUND.

Yours faithfully,

**AMANAHRAYA TRUSTEES BERHAD**

**ZAINUDIN BIN SUHAIMI**

Deputy Chief Executive Officer

Kuala Lumpur, Malaysia

14 August 2020

**SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL ISLAMIC ENHANCED OPPORTUNITIES FUND**

**For the Financial Period from 1 January 2020 to 30 June 2020**

We have acted as the Shariah Adviser of Principal Islamic Enhanced Opportunities Fund ("the Fund"). Our responsibility is to ensure that the procedures and processes employed by Principal Asset Management Berhad, (the "Manager") are in accordance with Shariah principles.

In our opinion, the Manager has managed and administered the Fund in accordance with Shariah principles and complied with applicable guidelines, rulings or decisions issued by the Securities Commission ("SC") pertaining to Shariah matters.

In addition, we confirm that the investment portfolio of the Fund comprises securities and/or instruments which have been classified as Shariah compliant by the Shariah Advisory Council ("SAC") of the SC and/or SAC of Bank Negara Malaysia ("BNM"), where applicable. For securities and/or instruments which are not classified as Shariah-compliant by the SAC of the SC and/or SAC of BNM, we have determined that such securities and/or instruments are in accordance with Shariah principles and have complied with the applicable Shariah Guidelines.

This report is made solely to the unit holders of the Fund, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report and we shall not be liable for any errors or non-disclosure on the part of the Manager.

**For Amanie Advisors Sdn Bhd,**

.....  
**DATUK DR MOHD DAUD BAKAR**  
Executive Chairman

14 August 2020

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

	<b>Note</b>	<b>01.01.2020 to 30.06.2020 RM</b>	<b>01.01.2019 to 30.06.2019 RM</b>
<b>(LOSS)/INCOME</b>			
Dividend income		1,442,198	963,773
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah earned		161,878	209,242
Net (loss)/gain on financial assets at fair value through profit or loss	<b>8</b>	<u>(8,545,999)</u>	<u>10,240,553</u>
		<u>(6,941,923)</u>	<u>11,413,568</u>
<b>EXPENSES</b>			
Management fee	<b>4</b>	824,843	792,890
Trustee's fee	<b>5</b>	49,491	47,573
Audit fee		8,550	8,550
Tax Agent's fee		1,400	2,400
Transaction costs		262,267	415,757
Other expenses		16,685	9,868
		<u>1,163,236</u>	<u>1,277,038</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(8,105,159)	10,136,530
Taxation	<b>7</b>	<u>-</u>	<u>-</u>
<b>(LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD</b>		<u>(8,105,159)</u>	<u>10,136,530</u>
 (Loss)/Profit after taxation is made up as follows:			
Realised amount		(4,412,819)	(4,289,031)
Unrealised amount		<u>(3,692,340)</u>	<u>14,425,561</u>
		<u>(8,105,159)</u>	<u>10,136,530</u>

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2020**

		<b>30.06.2020</b>	<b>31.12.2019</b>
	<b>Note</b>	<b>RM</b>	<b>Audited RM</b>
<b>ASSETS</b>			
Cash and cash equivalents (Shariah-compliant)	<b>9</b>	4,657,634	7,525,388
Financial assets at fair value through profit or loss (Shariah-compliant)	<b>8</b>	116,941,531	106,771,270
Amount due from stockbrokers		456,307	24,460
Amount due from Manager		743,525	209,590
Dividends receivable		112,984	226,022
Tax recoverable		59,660	59,660
<b>TOTAL ASSETS</b>		<u>122,971,641</u>	<u>114,816,390</u>
<b>LIABILITIES</b>			
Amount due to stockbrokers		992,996	722,935
Amount due to Manager		441,776	473,322
Accrued management fee		148,820	142,933
Amount due to Trustee		8,929	8,576
Other payables and accruals		14,550	16,700
<b>TOTAL LIABILITIES</b>		<u>1,607,071</u>	<u>1,364,466</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>121,364,570</u>	<u>113,451,924</u>
<b>EQUITY</b>			
Unit holders' capital		123,889,406	107,020,879
(Accumulated loss)/Retained earnings		<u>(2,524,836)</u>	<u>6,431,045</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>121,364,570</u>	<u>113,451,924</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	<b>10</b>	<u>188,994,246</u>	<u>163,226,493</u>
<b>NET ASSET VALUE PER UNITS (RM)</b>		<u>0.6421</u>	<u>0.6950</u>

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



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

	Note	Unit holders' capital RM	(Accumulated loss)/ Retained earnings RM	Total RM
<b>Balance as at 1 January 2020</b>		107,020,879	6,431,045	113,451,924
Movement in unit holders' contributions:				
- Creation of units from applications		31,395,963		31,395,963
- Creation of units from distribution		823,579	-	823,579
- Cancellation of units		(15,351,015)	-	(15,351,015)
Total comprehensive loss for the financial period		-	(8,105,159)	(8,105,159)
Distribution	6	-	(850,722)	(850,722)
<b>Balance as at 30 June 2020</b>		<u>123,889,406</u>	<u>(2,524,836)</u>	<u>121,364,570</u>
<b>Balance as at 1 January 2019</b>		104,264,920	(4,123,744)	100,141,176
Movement in unit holders' contributions:				
- Creation of units from applications		12,291,630	-	12,291,630
- Creation of units from distribution		3,644,325	-	3,644,325
- Cancellation of units		(11,672,966)	-	(11,672,966)
Total comprehensive income for the financial period			10,136,530	10,136,530
Distribution	6	-	(3,783,378)	(3,783,378)
<b>Balance as at 30 June 2019</b>		<u>108,527,909</u>	<u>2,229,408</u>	<u>110,757,317</u>

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

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

	01.01.2020 to 30.06.2020	01.01.2019 to 30.06.2019
Note	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from disposal of Shariah-compliant quoted securities	45,853,540	72,043,972
Purchases of Shariah-compliant quoted securities	(64,835,612)	(84,087,955)
Dividend income received	1,390,452	1,063,130
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah earned	161,878	209,242
Management fee paid	(818,956)	(787,052)
Trustee's and custodian fees paid	(49,138)	(47,223)
Payments for other fees and expenses	(22,243)	(19,468)
<b>Net cash used in operating activities</b>	<u>(18,320,079)</u>	<u>(11,625,354)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from units created	30,862,029	12,188,899
Payments for cancellation of units	(15,382,561)	(11,289,219)
Distribution paid	(27,143)	(139,053)
<b>Net cash generated from financing activities</b>	<u>15,452,325</u>	<u>760,627</u>
Net decrease in cash and cash equivalents	(2,867,754)	(10,864,727)
Cash and cash equivalents at the beginning of the financial period	7,525,388	21,229,471
Cash and cash equivalents at the end of the financial period	<u>4,657,634</u>	<u>10,364,744</u>
<u>Cash and cash equivalents comprised of:</u>		
Shariah-compliant deposits with licensed Islamic financial institutions	4,571,341	10,281,359
Bank balances	86,293	83,385
Cash and cash equivalents at the end of financial period	<u>4,657,634</u>	<u>10,364,744</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2020**

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

Principal Enhanced Opportunities Fund (the “Fund”) is governed by a Principal Master Deed dated 15 May 2008, a First Supplemental Deed dated 26 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, a Twelfth Supplemental Master Deed dated 14 June 2010, a Fourteenth Supplemental Master Deed dated 26 June 2012, a Seventeenth Supplemental Master Deed dated 25 March 2015 and 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 AmanahRaya Trustees Berhad (the “Trustee”).

The Fund may invest a minimum of 70% and up to a maximum of 98% of Net Asset value (“NAV”) in local Shariah-compliant equities. The Fund may also invest up to 28% of its NAV in other permissible Shariah-compliant investments. As an aggressive Fund, the Fund will be managed with higher beta and tracking error. The investment policy and strategy of the Fund will be to invest in Shariah-compliant stocks which are selected based on their future growth prospects. The Fund may also opt to seek investment exposure via Islamic collective investment scheme that is in line with the Fund’s objective, subject to the requirements of the Securities Commission Malaysia (“SC”) Guidelines. In addition, Islamic liquid assets may also be strategically used if we feel that the market downside risk is high in the short-term.

The asset allocation strategy for this Fund is as follows:

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of preparation**

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

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

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 judgment in the process of applying the Fund’s accounting policies. Although these estimates and judgment are based on the Manager’s best knowledge of current events and actions, actual results may differ.

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

Standards, amendments to published standards or interpretations that are effective and relevant:

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(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 Fund classifies cash and cash equivalents, amount due from stockbrokers, amount due from Manager and dividends receivable at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

Recognition and measurement

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

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

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

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

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

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

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

**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 basis approved by the Trustee after appropriate technical consultation.

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

Financing and receivables 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. Management consider both historical analysis and forward looking information in determining any ECL. Management 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 management 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 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 interest 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 quoted securities is accounted for as the difference between the net disposal proceeds and the carrying amount of Shariah-compliant quoted securities, determined on a weighted average cost basis.

**(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 Ringgit Malaysia (“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 balances and Shariah-compliant deposits held in highly liquid investments 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.

**(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. 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, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

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

**(i) Amount due from/to stockbrokers**

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective profit method, less provision for impairment for amount due from stockbrokers. A provision for impairment of amount due from stockbrokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant stockbrokers. Significant financial difficulties of the stockbrokers, probability that the stockbrokers will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from stockbrokers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, profit income is recognised using the rate of profit used to discount the future cash flows for the purpose of measuring the impairment loss.

**(j) 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.

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

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



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

**(I) Critical accounting estimates and judgments 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 judgments 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 Shariah-compliant investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the SC Guidelines on Unit Trust Funds.

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

**3. RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund aims to earn reasonable returns for investors by investing in approved equities listed on Bursa Malaysia as well as unlisted securities and other non-interest bearing assets acceptable under Shariah principles.

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

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

**(a) Market risk**

**(i) Price risk**

This is the risk that the fair value of an investment in Shariah-compliant quoted securities will fluctuate because of changes in market prices (other than those arising from interest rate risk). The value of 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 quoted securities and other financial instruments within specified limits according to the Deeds.

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

**(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.

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.

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.

**(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 SC Guidelines on Unit Trust Funds.

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

**(c) Liquidity risk**

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

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances and Shariah-compliant deposits with licensed Islamic financial institutions, 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.

**3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****(d) Capital risk management**

The capital of the Fund is represented by equity consisting of unit holder's capital of and retained earnings/(accumulated loss). 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.

**(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) is 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 market 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.

**(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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

The determination of what constitutes 'observable' requires significant judgment 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
<b>30.06.2020</b>				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted securities	<u>116,941,531</u>	<u>-</u>	<u>-</u>	<u>116,941,531</u>
<b>31.12.2019</b>				
<b>Audited</b>				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted securities	<u>106,771,270</u>	<u>-</u>	<u>-</u>	<u>106,771,270</u>

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

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

4. MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to a maximum management fee of 1.50% per annum calculated daily based on the NAV of the Fund.

For the six months financial period ended 30 June 2020, the Manager's fee is recognised at a rate of 1.50% per annum (30.06.2019: 1.50% per annum).

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

**5. TRUSTEE'S FEE**

In accordance with Deeds, the Trustee is entitled to a fee not exceeding 0.09% per annum calculated daily based on the NAV of the Fund. The Trustee's fee includes the local custodian fee but excludes the foreign sub-custodian fee (if any).

For the six months financial period ended 30 June 2020, the Trustee's fee is recognised at a rate of 0.09% per annum (30.06.2019: 0.09% per annum).

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

**6. DISTRIBUTION**

Distribution to unit holders is derived from the following sources:

	<b>01.01.2020 to 30.06.2020</b>	<b>01.01.2019 to 30.06.2019</b>
	<b>RM</b>	<b>RM</b>
Dividend income	1,233,364	982,944
Profit income	289,048	151,292
Net realised gain/(loss) on disposal of Shariah-compliant investments	952,009	(1,916,480)
Prior financial periods' realised (loss)/income	(133,315)	4,873,835
	2,341,106	4,091,591
Less:		
Expenses	(1,490,384)	(308,213)
Net distribution amount	850,722	3,783,378
<b>Distribution on 21 January 2020</b>		
Gross/Net distribution per unit (sen)	0.50	-
<b>Distribution on 26 January 2019</b>		
Gross/Net distribution per unit (sen)	-	2.40

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

Gross distribution per unit is derived from gross realised income less expense, 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.

**PRINCIPAL ISLAMIC ENHANCED OPPORTUNITIES FUND**

**7. TAXATION**

	<b>01.01.2020 to 30.06.2020</b>	<b>01.01.2019 to 30.06.2019</b>
	<b>RM</b>	<b>RM</b>
Tax charged for the financial period:		
- Current taxation	<u>-</u>	<u>-</u>

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

	<b>01.01.2020 to 30.06.2020</b>	<b>01.01.2019 to 30.06.2019</b>
	<b>RM</b>	<b>RM</b>
(Loss)/Profit before taxation	<u>(8,105,159)</u>	<u>10,136,530</u>
Taxation at Malaysian statutory rate of 24%	(1,945,238)	2,432,767
Tax effects of:		
Investment loss not deductible for tax purposes/(Investment income not subject to tax)	1,666,061	(2,739,256)
Expenses not deductible for tax purposes	77,623	112,196
Restriction on tax deductible expenses for Unit Trust Funds	<u>201,554</u>	<u>194,293</u>
Taxation	<u>-</u>	<u>-</u>

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

	<b>30.06.2020</b>	<b>31.12.2019</b>
	<b>RM</b>	<b>Audited RM</b>
Designated at fair value through profit or loss at inception:		
- Shariah-compliant quoted securities	<u>116,941,531</u>	<u>106,771,270</u>
	<b>01.01.2020 to 30.06.2020</b>	<b>01.01.2019 to 30.06.2019</b>
	<b>RM</b>	<b>RM</b>
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised loss on disposals	(4,853,659)	(4,185,008)
- Unrealised fair value (loss)/gain	<u>(3,692,340)</u>	<u>14,425,561</u>
	<u>(8,545,999)</u>	<u>10,240,553</u>

**PRINCIPAL ISLAMIC ENHANCED OPPORTUNITIES FUND**

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

<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>30.06.2020</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES</b>				
<b>Construction</b>				
Econpile Holdings Bhd	424,500	281,826	258,945	0.21
IJM Corporation Bhd	1,247,300	2,286,235	2,257,613	1.86
Solarvest Holdings	1,678,400	1,970,925	2,601,520	2.14
	<u>3,350,200</u>	<u>4,538,986</u>	<u>5,118,078</u>	<u>4.21</u>
<b>Consumer Products &amp; Services</b>				
DRB-Hicom Bhd	502,600	1,142,382	859,446	0.71
Fraser & Neave Holdings Bhd	44,700	1,466,799	1,451,856	1.20
Petronas Dagangan Bhd	49,900	1,092,980	1,027,940	0.85
Sime Darby Bhd	1,484,102	3,200,421	3,190,819	2.63
	<u>2,081,302</u>	<u>6,902,582</u>	<u>6,530,061</u>	<u>5.39</u>
<b>Energy</b>				
Dayang Enterprise Holdings Bhd	416,900	956,517	525,294	0.43
Dialog Group Bhd	1,171,400	3,666,832	4,228,754	3.48
Hibiscus Petroleum Bhd	4,637,400	3,696,891	2,852,001	2.35
Serba Dinamik Holdings Bhd	527,490	1,077,152	870,359	0.72
Yinson Holdings Bhd	206,500	895,865	1,218,350	1.00
	<u>6,959,690</u>	<u>10,293,257</u>	<u>9,694,758</u>	<u>7.98</u>
<b>Financial Services</b>				
BIMB Holdings Bhd	1,032,700	4,418,425	3,531,834	2.91
Syarikat Takaful Malaysia Keluarga Bhd	133,300	751,533	593,185	0.49
	<u>1,166,000</u>	<u>5,169,958</u>	<u>4,125,019</u>	<u>3.40</u>

**PRINCIPAL ISLAMIC ENHANCED OPPORTUNITIES FUND**

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

<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>30.06.2020 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>Health Care</b>				
Duopharma Biotech Bhd	756,568	869,462	1,225,640	1.01
Hartalega Holding Bhd	481,400	4,732,828	6,258,200	5.16
IHH Healthcare Bhd	862,400	4,768,589	4,743,200	3.91
Kossan Rubber Industries	196,300	1,093,238	1,670,513	1.38
KPJ Healthcare Bhd	1,214,900	1,195,391	1,020,516	0.84
Top Glove Corporation Bhd	477,100	2,644,383	7,681,310	6.33
	<u>3,988,668</u>	<u>15,303,891</u>	<u>22,599,379</u>	<u>18.63</u>
<b>Industrial Products &amp; Services</b>				
Chemical Company of Malaysia Bhd	673,166	1,165,826	801,068	0.66
HSS Engineers Bhd	540,300	512,766	270,150	0.22
Petronas Chemicals Group Bhd	539,800	3,735,805	3,346,760	2.76
Press Metal Aluminium Holdings Bhd	39,100	188,437	177,123	0.15
SKP Resources Bhd	542,778	721,381	732,750	0.60
Uchi Technologies Bhd	241,900	670,260	621,683	0.51
	<u>2,577,044</u>	<u>6,994,475</u>	<u>5,949,534</u>	<u>4.90</u>
<b>Plantation</b>				
FGV Holdings Bhd	343,800	331,186	342,081	0.28
IOI Corporation Bhd	655,600	2,946,580	2,845,304	2.34
Kuala Lumpur Kepong Bhd	321,051	7,465,912	7,127,332	5.87
Sime Darby Plantation Bhd	1,225,167	6,286,548	6,027,822	4.97
	<u>2,545,618</u>	<u>17,030,226</u>	<u>16,342,539</u>	<u>13.46</u>
<b>Property</b>				
Malaysian Resources Corporation Bhd	634,000	572,277	297,980	0.25
Sime Darby Property Bhd	2,642,400	2,008,795	1,796,832	1.48
SP Setia Bhd	2,696,900	3,272,808	2,278,881	1.88
	<u>5,973,300</u>	<u>5,853,880</u>	<u>4,373,692</u>	<u>3.61</u>
<b>REITs</b>				
Axis REIT	1,590,209	2,873,689	3,275,831	2.70
KLCCP Stapled Group	359,900	2,891,920	2,864,804	2.36
	<u>1,950,109</u>	<u>5,765,609</u>	<u>6,140,635</u>	<u>5.06</u>



**PRINCIPAL ISLAMIC ENHANCED OPPORTUNITIES FUND**

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

<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>30.06.2020 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>Technology</b>				
D&O Green Technologies Bhd	4,324,600	3,325,210	3,135,335	2.58
Datasonic Group Bhd	599,400	900,159	845,154	0.70
Greatech Technology Bhd	467,300	1,772,339	1,808,451	1.49
Inari Amertron Bhd	729,400	1,359,930	1,232,686	1.02
I-STONE Group Bhd	1,486,164	250,031	260,079	0.21
JHM Consolidation Bhd	2,384,000	2,910,373	3,194,560	2.63
	<u>9,990,864</u>	<u>10,518,042</u>	<u>10,476,265</u>	<u>8.63</u>
<b>Telecommunications &amp; Media</b>				
Axiata Group Bhd	985,046	4,296,870	3,496,913	2.88
Digi.com Bhd	738,900	3,094,194	3,184,659	2.62
Maxis Bhd	219,000	1,201,609	1,176,030	0.97
Telekom Malaysia Bhd	453,800	1,736,927	1,883,270	1.55
	<u>2,396,746</u>	<u>10,329,600</u>	<u>9,740,872</u>	<u>8.02</u>
<b>Transportation &amp; Logistics</b>				
MISC Bhd	459,000	3,633,778	3,515,940	2.90
Westports Holdings Bhd	146,300	573,182	555,940	0.46
	<u>605,300</u>	<u>4,206,960</u>	<u>4,071,880</u>	<u>3.36</u>
<b>Utilities</b>				
Ranhill Holdings Bhd	431,580	430,351	401,369	0.33
Taliworks Corporation Bhd	2,125,166	1,854,471	1,785,139	1.47
Tenaga Nasional Bhd	825,500	11,224,824	9,592,310	7.91
	<u>3,382,246</u>	<u>13,509,646</u>	<u>11,778,818</u>	<u>9.71</u>
<b>TOTAL SHARIAH-COMPLIANT QUOTED SECURITIES</b>	<b><u>46,967,087</u></b>	<b><u>116,417,112</u></b>	<b><u>116,941,531</u></b>	<b><u>96.36</u></b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>524,419</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>116,941,531</u></b>		

**PRINCIPAL ISLAMIC ENHANCED OPPORTUNITIES FUND**

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

<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>31.12.2019</b>				
<b>Audited SHARIAH-COMPLIANT QUOTED SECURITIES</b>				
<b>Construction</b>				
Gamuda Bhd	60,500	229,858	235,950	0.21
IJM Corporation Bhd	249,900	555,082	542,283	0.48
Muhibbah Engineering (M) Bhd	387,100	1,099,027	952,266	0.84
TRC Synergy Bhd	239,900	160,847	105,556	0.09
	<u>937,400</u>	<u>2,044,814</u>	<u>1,836,055</u>	<u>1.62</u>
<b>Consumer Products &amp; Services</b>				
Bermaz Auto Bhd	1,331,000	3,045,963	2,795,100	2.46
DRB-Hicom Bhd	1,369,600	3,113,025	3,259,648	2.87
Fraser & Neave Holdings Bhd	45,600	1,496,332	1,588,704	1.40
Sime Darby Bhd	254,402	580,787	564,772	0.50
	<u>3,000,602</u>	<u>8,236,107</u>	<u>8,208,224</u>	<u>7.23</u>
<b>Energy</b>				
Dayang Enterprise Holdings Bhd	1,567,900	3,529,601	3,935,429	3.47
Dialog Group Bhd	1,327,100	3,605,686	4,578,495	4.03
Hibiscus Petroleum Bhd	3,341,000	3,088,659	3,140,540	2.77
Sapura Energy Bhd	10,107,300	3,098,210	2,728,971	2.41
Serba Dinamik Holdings Bhd	394,590	672,552	868,098	0.77
Serba Dinamik Holdings Bhd - Warrant #	112,740	-	49,606	0.04
Wah Seong Corporation Bhd	1,971,200	2,170,385	2,365,440	2.08
Yinson Holdings Bhd	587,700	2,549,636	3,808,296	3.36
	<u>19,409,530</u>	<u>18,714,729</u>	<u>21,474,875</u>	<u>18.93</u>
<b>Financial Services</b>				
BIMB Holdings Bhd	989,700	4,260,185	4,354,680	3.84
Syarikat Takaful Malaysia Keluarga Bhd	133,300	751,533	759,810	0.67
	<u>1,123,000</u>	<u>5,011,718</u>	<u>5,114,490</u>	<u>4.51</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.12.2019 (CONTINUED)</b>				
<b>Audited (continued)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>Health Care</b>				
Duopharma Biotech Bhd	811,168	932,210	1,151,859	1.02
KPJ Healthcare Bhd	1,586,000	1,695,715	1,498,770	1.32
Top Glove Corporation Bhd	264,100	1,259,031	1,241,270	1.09
	<u>2,661,268</u>	<u>3,886,956</u>	<u>3,891,899</u>	<u>3.43</u>
<b>Industrial Products &amp; Services</b>				
Chemical Company of Malaysia Bhd	673,166	1,165,826	827,994	0.73
HSS Engineers Bhd	540,300	512,766	456,553	0.39
Petronas Chemicals Group Bhd	228,000	1,917,194	1,675,800	1.48
Press Metal Aluminium Holdings Bhd	668,200	3,200,964	3,107,130	2.74
Uchi Technologies Bhd	338,000	936,535	939,640	0.83
	<u>2,447,666</u>	<u>7,733,285</u>	<u>7,007,117</u>	<u>6.17</u>
<b>Plantation</b>				
IOI Corporation Bhd	973,400	4,374,925	4,487,374	3.96
Kuala Lumpur Kepong Bhd	236,300	5,573,229	5,860,240	5.17
Sime Darby Plantation Bhd	1,466,800	7,569,293	7,994,060	7.05
	<u>2,676,500</u>	<u>17,517,447</u>	<u>18,341,674</u>	<u>16.18</u>
<b>Property</b>				
Malaysian Resources Corporation Bhd	1,773,400	1,600,752	1,294,582	1.14
Sime Darby Property Bhd	3,751,900	2,852,255	3,432,988	3.03
SP Setia Bhd	1,625,000	2,272,780	2,600,000	2.29
	<u>7,150,300</u>	<u>6,725,787</u>	<u>7,327,570</u>	<u>6.46</u>
<b>REITs</b>				
Axis REIT	1,534,800	2,770,362	2,716,596	2.39
KLCCP Stapled Group	316,100	2,549,540	2,497,190	2.20
	<u>1,850,900</u>	<u>5,319,902</u>	<u>5,213,786</u>	<u>4.59</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.12.2019 (CONTINUED)</b>				
<b>Audited (continued)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>Technology</b>				
D&O Green Technologies Bhd	3,005,900	2,258,558	2,555,015	2.25
Inari Amertron Bhd	540,600	1,120,556	919,020	0.81
I-STONE Group Bhd	1,653,464	278,177	405,099	0.36
JHM Consolidation Bhd	2,019,400	2,360,172	3,372,398	2.97
Revenue Group Bhd	439,500	394,767	610,905	0.54
	<u>7,658,864</u>	<u>6,412,230</u>	<u>7,862,437</u>	<u>6.93</u>
<b>Telecommunications &amp; Media</b>				
Axiata Group Bhd	985,046	4,296,871	4,078,090	3.59
Binasat Communications Bhd	1,249,300	532,059	406,023	0.36
Digi.com Bhd	133,400	596,263	594,964	0.52
Telekom Malaysia Bhd	492,000	1,872,574	1,879,440	1.66
	<u>2,859,746</u>	<u>7,297,767</u>	<u>6,958,517</u>	<u>6.13</u>
<b>Transportation &amp; Logistics</b>				
MISC Bhd	91,300	612,258	762,355	0.67
Westports Holdings Bhd	146,300	573,182	615,923	0.54
	<u>237,600</u>	<u>1,185,440</u>	<u>1,378,278</u>	<u>1.21</u>
<b>Utilities</b>				
Ranhill Holdings Bhd	431,580	430,351	461,791	0.41
Taliworks Corporation Bhd	1,144,866	1,031,019	1,018,931	0.90
Tenaga Nasional Bhd	805,100	11,006,959	10,675,626	9.41
	<u>2,381,546</u>	<u>12,468,329</u>	<u>12,156,348</u>	<u>10.72</u>

**PRINCIPAL ISLAMIC ENHANCED OPPORTUNITIES FUND**

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.12.2019 (CONTINUED)</b>				
<b>Audited (continued)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES</b>	<u><b>54,394,922</b></u>	<b>102,554,511</b>	<u><b>106,771,270</b></u>	<u><b>94.11</b></u>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u><b>4,216,759</b></u>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u><b>106,771,270</b></u>		

# As at 31 December 2019, the Fund holds warrants in Serba Dinamik Holdings Bhd from the bonus issue of warrants exercised on 2 December 2019. The warrants have been issued at no cost to the shareholders of Serba Dinamik Holdings Bhd and the exercise price of the warrants was determined at RM2.62.

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

	<b>30.06.2020</b>	<b>31.12.2019</b>
	<b>RM</b>	<b>Audited RM</b>
Shariah-compliant deposits with licensed Islamic financial institutions	4,571,341	7,466,978
Bank balances	86,293	58,410
	<u>4,657,634</u>	<u>7,525,388</u>

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

	<b>30.06.2020</b>	<b>31.12.2019</b>
	<b>No. of units</b>	<b>Audited No. of units</b>
At the beginning of the financial period/year	163,226,493	158,381,443
Add: Creation of units from applications	49,628,413	37,771,405
Add: Creation of units from distribution	1,187,739	5,934,416
Less: Cancellation of units	(25,048,399)	(38,860,771)
At the end of the financial period/year	<u>188,994,246</u>	<u>163,226,493</u>

**11. MANAGEMENT EXPENSE RATIO ("MER")**

	<b>01.01.2020 to 30.06.2020</b>	<b>01.01.2019 to 30.06.2019</b>
	<b>%</b>	<b>%</b>
MER	<u>0.81</u>	<u>0.81</u>

MER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on a daily basis is RM110,917,329 (30.06.2019: RM106,777,255).

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

	<b>01.01.2020 to 30.06.2020</b>	<b>01.01.2019 to 30.06.2019</b>
PTR (times)	<u>0.50</u>	<u>0.71</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 = RM46,408,695 (30.06.2019: RM82,801,393)

total disposal for the financial period = RM64,966,714 (30.06.2019: RM69,021,693)

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

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

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

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

Units held by the Manager and parties related to the Manager

Manager	30.06.2020		31.12.2019 Audited	
	No. of units	RM	No. of units	RM
Principal Asset Management Berhad	60,287	38,710	75,709	52,618

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

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

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

	01.01.2020 to 30.06.2020 RM	01.01.2019 to 30.06.2019 RM
<u>Significant related party transaction</u>		
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions:		
- CIMB Islamic Bank Bhd	40,907	60,270
Shariah-compliant deposits with licensed Islamic financial institutions		
- CIMB Islamic Bank Bhd	204,544,000	140,579,000
	<b>30.06.2020</b>	<b>31.12.2019</b>
	<b>RM</b>	<b>Audited</b>
		<b>RM</b>
<u>Significant related party balances</u>		
Cash placement with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	482,000.00	500,081
Bank balance:		
- CIMB Islamic Bank Bhd	86,293	58,410



14. TRANSACTIONS WITH BROKERS/DEALERS

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

<b>Brokers/Dealers</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>
Maybank Investment Bank Bhd	17,245,771	15.50	28,392	16.06
CLSA Securities (M) Sdn Bhd	17,230,921	15.49	20,656	11.68
KAF Equities Sdn Bhd	13,856,938	12.45	30,594	17.30
UBS Securities (M) Sdn Bhd	13,781,655	12.39	20,900	11.82
J.P. Morgan Securities (M) Sdn Bhd	11,052,159	9.93	9,689	5.48
Macquarie Capital Securities (M) Sdn Bhd	10,465,697	9.41	14,148	8.00
Hong Leong Investment Bank Bhd	8,112,412	7.29	18,291	10.34
CGS-CIMB Securities Sdn Bhd #	5,646,890	5.08	5,471	3.09
Affin Hwang Investment Bank Bhd	4,948,592	4.45	11,137	6.30
RHB Investment Bank Bhd	3,859,453	3.47	8,707	4.93
Others	5,059,558	4.54	8,845	5.00
	<u>111,260,046</u>	<u>100.00</u>	<u>176,830</u>	<u>100.00</u>

14. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

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

<b>Brokers/Dealers</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>
RHB Investment Bank Bhd	23,164,491	15.26	51,442	16.39
Macquarie Capital Securities (M) Sdn. Bhd.	20,375,756	13.42	41,200	13.13
Kaf Seagroatt & Campbell Securities Sdn. Bhd	18,677,255	12.30	42,119	13.42
Affin Hwang Investment Bank Bhd	17,186,013	11.32	38,766	12.35
Maybank Investment Bank Bhd	16,171,985	10.65	33,508	10.68
CLSA Securities (M) Sdn Bhd	14,184,290	9.34	27,236	8.68
UBS Securities (M) Sdn Bhd	13,885,697	9.15	20,648	6.58
CIMB Investment Bank Bhd #	10,588,322	6.97	23,326	7.43
J.P. Morgan Securities (M) Sdn Bhd	9,917,684	6.53	19,081	6.08
Credit Suisse Securities (M) Sdn Bhd	3,353,647	2.21	6,863	2.19
Others	4,317,946	2.85	9,656	3.07
	<u>151,823,086</u>	<u>100.00</u>	<u>313,845</u>	<u>100.00</u>

# Included in transactions are trades conducted with CIMB Investment Bank Bhd, fellow related party of the Manager amounting to RM10,588,322 (30.06.2018: RM16,531,584) respectively. The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

15. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

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

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

**DIRECTORY**

**Head office of the Manager**

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