

# Principal Islamic Malaysia Opportunities Fund

Annual Report

For The Financial Year Ended 29 February 2024

**PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND**  
**ANNUAL REPORT**  
**FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

<b>CONTENTS</b>	<b>PAGE(S)</b>
INVESTORS' LETTER	i
MANAGER'S REPORT	ii - viii
Fund Objective and Policy	
Performance Data	
Market Review	
Fund Performance	
Portfolio Structure	
Market Outlook	
Investment Strategy	
Soft Commissions and Rebates	
Securities Financing Transactions	
State of Affair of The Fund	
Circumstances That Materially Affect Any Interest of Unit Holders	
Cross Trade	
Unit Split	
STATEMENT BY MANAGER	1
TRUSTEE'S REPORT	2 - 3
SHARIAH ADVISER'S REPORT	4
INDEPENDENT AUDITORS' REPORT	5 – 8
STATEMENT OF COMPREHENSIVE INCOME	9
STATEMENT OF FINANCIAL POSITION	10
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	11
STATEMENT OF CASH FLOWS	12
NOTES TO THE FINANCIAL STATEMENTS	13 – 35
DIRECTORY	36
APPENDIX 1	37 - 58

**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 Annual Fund Report of the Principal Islamic Malaysia Opportunities Fund for the financial year ended 29 February 2024. You may also download this report from our website at [www.principal.com.my](http://www.principal.com.my).

We are happy to share that Principal Malaysia won two honours at the Asia Asset Management 2024 Best of the Best Awards. The awards were for Best of the Best Performance Awards: China A-Share Equity (3 years) for the Principal China Direct Opportunities Fund (Class MYR) and Best of the Best Country Awards: Best Institutional House – Malaysia. We also won another two awards at the 2024 Global Banking & Finance Awards® for Asset Management CEO of the Year Malaysia 2024 - Munirah Khairuddin and Asset Management Company of the Year Malaysia 2024. The World Business Outlook magazine also awarded us with the Best Investment Management and Solutions Provider Malaysia 2024, Best Institutional House Malaysia 2024, and Asset Management CEO (Munirah Khairuddin) of the Year Malaysia 2024 awards at its 2024 Annual Awards. We also won three awards at iFast Awards 2024 and another 7 awards at the LSEG Lipper Fund Awards 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](http://www.principal.com.my)), like our Facebook page (@PrincipalAssetMY), follow us on our Instagram account (@principalassetmanagement\_my), and LinkedIn page (Principal Asset Management Berhad) for the latest updates, market insights and investment articles.

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

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

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

## MANAGER'S REPORT

### FUND OBJECTIVE AND POLICY

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

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

#### Has the Fund achieved its objective?

The Fund has achieved its objective of providing a return on investment of 13.00% for investors, outperforming the benchmark by 621 basis points ("bps") for the year.

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

The Fund seeks to achieve its objective by investing a minimum of 70% and up to 98% of its Net Asset Value ("NAV") in Shariah-compliant Malaysian equities. The Fund may also invest up to 30% of the Fund's NAV in other Shariah-compliant investments, such as Sukuk, and Islamic liquid assets, with at least 2% of the Fund's NAV maintained in the form of Islamic liquid assets such as Islamic money market instruments and/or Islamic deposits for liquidity purpose. For this Fund, the investment in Sukuk must satisfy a minimum credit rating of "A3" or "P2" by RAM Rating Services Berhad ("RAM") or equivalent rating by Malaysian Rating Corporation Berhad ("MARC"); or "BBB-" by Standard & Poor's Global Ratings ("S&P") or equivalent rating by any other international rating agencies. 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 Guidelines on Unit Trust Funds ("GUTF"). In line with its objective, the investment strategy and policy of the Fund is to rebalance the portfolio to suit market conditions in order to reduce short-term volatility and provide consistency in capital growth.

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 Malaysian equities; and
- up to 30% of the Fund's NAV in other Shariah-compliant investments and Islamic liquid assets, with at least 2% of the Fund's NAV to be maintained in Islamic liquid assets.

#### Fund category/type

Equity (Shariah-compliant)/Growth

#### When was the Fund launched?

1 August 2012

#### What was the size of the Fund as at 29 February 2024?

RM98.30 million (357.91 million units)

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

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?

Given its investment objective, the Fund is not expected to pay any distribution. However, distribution, if any, will be incidental and will vary from period to period depending on the interest rates\*, market conditions and the performance of the Fund.

#### What was the net income distribution for the financial year ended 29 February 2024?

There was no distribution for the financial year ended 29 February 2024.

**\*Note:** The Fund does not invest in interest bearing instruments; the interest rate referred herein is to the general interest rate of the country as a benchmark which may affect the value of the investments of the Fund.

**PERFORMANCE DATA**

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

	<b>29.02.2024</b>	<b>28.02.2023</b>	<b>28.02.2022</b>
Shariah-compliant quoted securities			
- Construction	8.94	5.63	2.63
- Consumer Products & Services	7.44	11.12	3.35
- Energy	10.75	2.92	3.01
- Financial Services	-	1.84	2.29
- Health Care	13.94	6.08	10.27
- Industrial Products & Services	16.03	14.39	24.72
- Plantation	3.60	7.06	11.21
- Property	5.11	1.16	2.11
- Real Estate Investment Trusts (“REITs”)	-	3.70	3.02
- Technology	14.44	21.38	16.61
- Telecommunications & Media	6.24	6.96	9.04
- Transportation & Logistics	-	7.46	1.90
- Utilities	9.16	3.78	1.83
Cash and other assets	6.53	7.52	8.56
Liabilities	(2.18)	(1.00)	(0.55)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	<b>29.02.2024</b>	<b>28.02.2023</b>	<b>28.02.2022</b>
NAV (RM Million)	98.30	94.37	112.47
Units in circulation (Million)	357.91	388.15	400.53
NAV per unit (RM)	0.2746	0.2431	0.2808
Highest NAV per unit (RM)	0.2762	0.2841	0.3049
Lowest NAV per unit (RM)	0.2381	0.2208	0.2599
Total return (%)	13.00	(10.80)	(1.21)
- Capital growth (%)	13.00	(13.46)	(4.16)
- Income distribution (%)	-	3.07	3.08
Total Expense Ratio (“TER”) (%) ^	1.59	1.58	1.58
Portfolio Turnover Ratio (“PTR”) (times) #	0.57	0.55	0.52

^ The Fund’s TER increased from 1.58% to 1.59% mainly due to the decrease in average NAV during the financial year.

# The Fund’s PTR has increased marginally from 0.55 times to 0.57 times due to slightly more trade activity.

	<b>29.02.2024</b>	<b>28.02.2023</b>	<b>28.02.2022</b>
<b>Gross/ Net distribution per unit (sen)</b>			
Distribution on 13 April 2022	-	0.84	-
Distribution on 13 April 2021	-	-	0.88

**PERFORMANCE DATA (CONTINUED)**

	<b>29.02.2024</b>	<b>28.02.2023</b>	<b>28.02.2022</b>	<b>28.02.2021</b>	<b>29.02.2020</b>
	%	%	%	%	%
Annual total return	13.00	(10.80)	(1.21)	22.19	1.28

(Launch date: 1 August 2012)

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 year have been extracted from Lipper.

**MARKET REVIEW (1 MARCH 2023 TO 29 FEBRUARY 2024)**

The FBMS Index rose 6.77% in Malaysian Ringgit (“MYR/RM”) terms during the financial year under review.

The FBMS Index fell 81 points or –0.8%, ending the month of March 2023 at 10,716 points. Weakness was in line with the sell-off in regional markets as investors aggressively risked off following the collapse of several high-profile banks in the US and Europe, potentially triggering a global liquidity squeeze, and mounting worries that the US Federal Reserve (the “Fed”) aggressive tightening may have finally taken a toll on the US economy. Market however rebounded towards the later part of the month following the Fed’s decision to go ahead with a 25 bps hike, downplaying fears of a banking contagion and shifting attention back to inflation which has started to ease, albeit very gradually. Commodities were sold down in favor of defensive sectors such as Healthcare and Utilities during the month.

The FBMS Index rose marginally, up 20 points or +0.2%, ending the month of April 2023 at 10,737 points. Utilities, Commodities, Telecommunication did well during the month. Recent economic data out of the US were mixed. We have a lower first quarter of 2023 US Gross Domestic Products (“GDP”) print of a mere 1%, down from 2.6% in fourth quarter 2022, but that was mainly due to large inventory drawdowns. US consumer spending remains strong, up 3.7% over the same period (versus 1% in fourth quarter of 2022) on the back of low unemployment and solid wage gains. Consumer Price Index (“CPI”) cooled to 5% in March 2023, a lower-end of forecast, but core Personal Consumption Expenditures (“PCE”) picked up from 3.5% in February 2023 to 3.6% in March 2023 no thanks to higher rents. All said, the Fed will likely go ahead with the 25 bps hike in the upcoming Federal Open Market Committee (“FOMC”) meeting, and together with tighter credit conditions following recent collapse of several high profile US banks, recession risk runs high

The FBMS Index fell 130 points or –1.2%, ending the month of May 2023 at 10,607 points. The sell-off was relatively broad-based, with select stocks within defensive sectors showing green, and we believe it was largely triggered by the recent weakness of MYR/RM on the back of poor Chinese data and consequently the depreciation of the Chinese Yuan Renminbi (“CNY”). Further aggravating the situation was the stronger Dollar due to concerns surrounding the US debt ceiling, and recent US data – encouraging payroll and wage, sticky inflation, and more recently a rebound in job openings - stoking bets on further rates hikes in the next FOMC meeting.

The FBMS Index slumped 191 points or –1.8%, ending the month of June 2023 at 10,415 points. Investors remain wary of the sustained weakness of the MYR/RM, a rather uninspiring first quarter of 2023 corporate results although they were broadly in line, and domestic political uncertainties caused by the upcoming State elections. Expectations of a US recession have now been pushed back to 2024 given the still buoyant data points coming out of the US and consequently stoking bets of further rate hikes by the Fed in second half of 2023.

The FBMS Index staged a strong comeback in July 2023, gaining 538 points to 10,953 points or 5.16%, fully reversing the loss sustained for the entire year. Sentiment was sharply lifted by the slump in the US Dollar (“USD”), benefiting the MYR/RM, and waning expectations of a US recession following recent favorable economic data points – cooling inflation and still resilient jobs market. Gainers were broad-based, with mainly large-caps forging ahead.

**MARKET REVIEW (1 MARCH 2023 TO 29 FEBRUARY 2024) (CONTINUED)**

The FBMS Index lost 32 points to 10,920.54 or 0.3% in August 2023, dragged by Telcos despite huge interest in Property, Construction and Transport. Sentiment was dampened by rebound in the USD and rising US Treasury (“UST”) yields on expectations of further interest rate hikes in the US as economic data points remain strong.

The FBMS Index lost 46 points to 10,875 points or 0.4% in September 2023. The sell-off, which largely concentrated towards the last week of the month, was rather broad-based, led by Commodities. While there could be volatility caused by quarter-end rebalancing, investors were spooked by UST yields at a 16-year high and persistent USD strength affecting Emerging Market (“EM”), in addition to the Fed’s hawkish messaging on interest rates. Domestically, there also seems to be a lack of fresh leads and some political noises surrounding cabinet reshuffling.

The FBMS Index lost 33 points to 10,842 points or 0.3% in October 2023, which improved the year-to-date (“YTD”) decline to 3.6%. There was bargain hunting in Financials and Commodities following the steep sell-off in the previous month, while Telcos (mainly mobile operators) were laggards. Within the broader market, Construction performed while Tech, Energy and Property languished. Overall sentiment remains clouded by the surge in UST yields which topped 5% last month and persistent dollar strength affecting EM markets, coupled with tensions in the Middle East.

The FBMS Index gained 88 points to 10,929 points or 0.8% in November 2023. Overall sentiment was lifted by expectations that the Fed may be done with rate hikes given the cooling inflation and recent economic data out of the US. The pullback in UST yields and the weaker USD lifted interest in EM markets.

The FBMS Index gained 59 points to 10,989 points or 0.5% in December 2023. Investors rejoiced at Fed’s decision to hold rates and signaling the end of hikes given the cooling inflation data and recent economic data out of the US, coupled with the weaker USD and falling treasury yields. Utilities, Healthcare and select Telcos saw gains, while select commodities and Consumer-related names were sold off. Within the broader market, Tech and Gloves did well, the latter spurred by recent surge in Coronavirus Disease 2019 (“COVID-19”) cases.

FBMS was up 2.6% or 289.4 points in January 2024, closing the month at 11,278.09 points. Sentiment was lifted by the Fed’s communication on interest rates given the recent cooling inflation and economic data out of the US. The weaker Dollar and lower treasury yield that ensued favored EM. Utilities, Commodities, and Telcos topped the gainers list. Within the broader market, Energy, Construction and Property did well, while Technology languished despite the sentiment on Fed rates.

FBMS’s rally extended into February, up 2.2% to close the month at 11,527.99 points. This marked the 4<sup>th</sup> consecutive month of gains, with Malaysia outperforming most the Association of Southeast Asian Nations (“ASEAN”) markets. This was also despite the stronger USD following stronger-than-expected inflation and economic data out of the US, and bets on rate cuts by the Fed pushed back. Utilities, Commodities and Telcos topped the gainers list. Within the broader market, Energy did well, and Technology rebounded strongly.

**FUND PERFORMANCE**

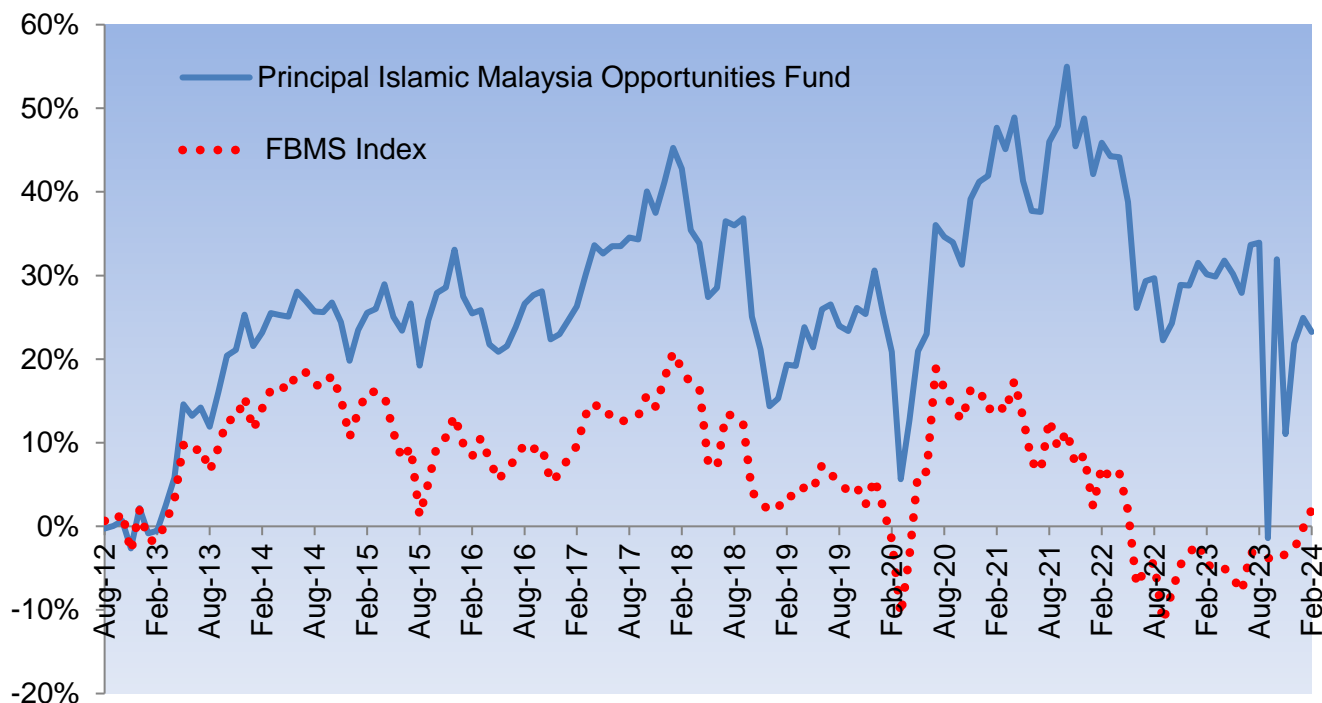
	<b>1 year to 29.02.2024</b>	<b>3 years to 29.02.2024</b>	<b>5 years to 29.02.2024</b>	<b>Since inception to 29.02.2024</b>
	%	%	%	%
Income Distribution	-	6.25	8.64	33.87
Capital Growth	13.00	(6.28)	13.42	9.84
Total Return	13.00	(0.42)	23.23	47.04
Benchmark	6.76	(11.18)	(1.74)	1.99
Average Total Return	13.00	(0.14)	4.26	3.38



**FUND PERFORMANCE (CONTINUED)**

For the financial year under review, the Fund gained 13.00%, while the benchmark gained 6.76%. As such, the Fund outperformed the benchmark by 621 bps.

**Since inception**



**Changes in NAV**

	29.02.2024	28.02.2023	Changes %
NAV (RM Million)	98.30	94.37	4.16
NAV/Unit (RM)	0.2746	0.2431	12.96

The NAV increased by 4.16% during the financial year.

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 year have been extracted from Lipper.

**PORTFOLIO STRUCTURE**

**Asset allocation**

(% of NAV)	29.02.2024	28.02.2023
Shariah-compliant quoted securities	95.65	93.48
Cash and other assets	6.53	7.52
Liabilities	(2.18)	(1.00)
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

Asset allocation into Shariah-compliant quoted securities increased to 95.65% as at 29 February 2024 compared to 93.48% as at 28 February 2023. This reflects our positive view on equities.

## **MARKET OUTLOOK\***

Malaysia's manufacturing sector neared stabilization in February 2024, with the Purchasing Managers Index ("PMI") reading at 49.5 points versus 49 points in January 2024. According to S&P Global, both new orders and production levels moderated at a marginal pace amid reports that there were some pockets of demand building. Employment and backlogs also broadly stabilized. However, higher raw material prices and currency weakness added to firms' input costs but selling prices were raised only fractionally. Manufacturers remain optimistic that demand environment would improve and that price conditions would stabilize. The latest PMI suggests a modest improvement in first quarter of 2024 Gross Domestic Product ("GDP") growth. To recap, Bank Negara Malaysia ("BNM") projects GDP to grow 4-5% in 2024, from an estimate of 3.8% in 2023.

We expect BNM to maintain overnight policy rate ("OPR") at 3.00% in the upcoming MPC meeting, as well as for the rest of the year given muted inflation and modest economic growth. Inflation was at 1.5% in January 2024. There appears to be sufficient headroom to Central Bank's 2.1% to 3.6% Consumer Price Index ("CPI") forecast for 2024 with the impending subsidy rationalization plans.

## **INVESTMENT STRATEGY**

We retain our positive view on the market as we believe improved political stability, stronger earnings growth prospects and higher domestic investment investments would drive the market further. Our key preferred sectors remain those that stand to gain from the National Energy Transition Roadmap ("NETR"), including Utilities, Construction, and Property. Additionally, we see opportunities in selected Obstetrics and Gynecology ("O&G") names as we see value and we believe the sector will be supported by strong Petronas activity in the coming years. Key risks are the derailment of Malaysia's macroeconomic recovery and corporate earnings growth due to the larger-than-expected impact of rising inflation, slower global economic growth, and heightened geopolitical risk.

## **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.

## **SECURITIES FINANCING TRANSACTIONS**

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

**STATE OF AFFAIR OF THE FUND**

Effective 9 October 2023, the Fund has changed Trustee to HSBC (Malaysia) Trustee Berhad following the issuance of the First Supplemental Master Prospectus (Islamic Funds) dated 5 September 2023.

We are of view that the changes above do not affect the existing unit holder to stay invested in the Fund and it is not a significant change. Unit holders may refer to Appendix 1 for the detailed list of changes.

There were no significant changes in the state of affairs of the Fund during the financial year and up to the date of Manager's report, not otherwise disclosed in the financial statements.

**CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS**

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

**CROSS TRADE**

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

**UNIT SPLIT**

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF  
PRINCIPAL ISLAMIC MALAYSIA 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 audited financial statements set out on pages 9 to 35 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 29 February 2024 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

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

**MUNIRAH KHAIRUDDIN**

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

**UDAY JAYARAM**

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

Kuala Lumpur  
17 April 2024

**TRUSTEE'S REPORT**

To the Unit Holders of **PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND** (“Fund”),

We have acted as Trustee of the Fund for the financial period from 1 March 2023 to 8 October 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **PRINCIPAL ASSET MANAGEMENT BERHAD** has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the Investment powers of the management company under the 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 requirement.

For **AMANAHRAYA TRUSTEES BERHAD**

**ZAINUDIN BIN SUHAIMI**

Chief Executive Officer

17 April 2024

**TRUSTEE'S REPORT**

**TO THE UNIT HOLDERS OF  
PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND ("Fund")**

We have acted as Trustee of the Fund for the financial period from 9 October 2023 to 29 February 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 Deeds, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat  
Manager, Investment Compliance Monitoring

Kuala Lumpur  
17 April 2024

**SHARIAH ADVISER'S REPORT**

**To the Unit Holders of Principal Islamic Malaysia Opportunities Fund ("Fund")**

**For the Financial Year Ended 29 February 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 financial year 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 assets of the Fund comprise instruments that have been classified as Shariah-compliant.

**For Amanie Advisors Sdn Bhd**

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

Kuala Lumpur  
17 April 2024

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND**

**Report on the audit of the financial statements**

*Opinion*

We have audited the financial statements of Principal Islamic Malaysia Opportunities Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 29 February 2024, and statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 9 to 35.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 29 February 2024, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

*Basis for opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Independence and other ethical responsibilities*

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.



**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND (cont'd.)**

**Report on the audit of the financial statements (cont'd.)**

*Information other than the financial statements and auditors' report thereon*

The Manager of the Fund (the "Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the Manager and the Trustee for the financial statements*

The Manager is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND (cont'd.)**

**Report on the audit of the financial statements (cont'd.)**

*Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND (cont'd.)**

**Report on the audit of the financial statements (cont'd.)**

**Other matters**

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Yeo Beng Yean  
No. 03013/10/2024 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
17 April 2024

**PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

	Note	2024 RM	2023 RM
<b>INCOME/(LOSS)</b>			
Dividend income		1,708,617	2,812,691
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions		220,380	218,507
Hibah		299	57
Net gain/(loss) on financial assets at fair value through profit or loss	<b>8</b>	<u>11,572,759</u>	<u>(13,306,720)</u>
		<u>13,502,055</u>	<u>(10,275,465)</u>
<b>EXPENSES</b>			
Management fee	<b>4</b>	1,426,935	1,477,086
Trustee fee	<b>5</b>	45,695	49,235
Transaction costs		358,655	394,000
Audit fee		9,400	9,450
Tax agent's fee		5,273	5,000
Other expenses		<u>24,144</u>	<u>29,845</u>
		<u>1,870,102</u>	<u>1,964,616</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		11,631,953	(12,240,081)
Taxation	<b>7</b>	<u>-</u>	<u>-</u>
<b>PROFIT/(LOSS) AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>11,631,953</u>	<u>(12,240,081)</u>
Profit/(Loss) after taxation is made up as follows:			
Realised amount		261,841	(9,586,011)
Unrealised amount		<u>11,370,112</u>	<u>(2,654,070)</u>
		<u>11,631,953</u>	<u>(12,240,081)</u>

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

**PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND**

**STATEMENT OF FINANCIAL POSITION  
AS AT 29 FEBRUARY 2024**

	<b>Note</b>	<b>2024 RM</b>	<b>2023 RM</b>
<b>ASSETS</b>			
Cash and cash equivalents	<b>9</b>	3,991,588	6,883,809
Financial assets at fair value through profit or loss	<b>8</b>	94,027,003	88,216,927
Amount due from stockbrokers		2,131,603	6,325
Amount due from Manager		294,293	9,119
Dividends receivable		3,327	194,604
<b>TOTAL ASSETS</b>		<u>100,447,814</u>	<u>95,310,784</u>
<b>LIABILITIES</b>			
Amount due to stockbrokers		1,399,092	740,822
Amount due to Manager		600,693	70,097
Accrued management fee		115,997	109,450
Amount due to Trustee		3,480	3,648
Other payables and accruals		23,800	18,800
<b>TOTAL LIABILITIES</b>		<u>2,143,062</u>	<u>942,817</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>98,304,752</u>	<u>94,367,967</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	<b>10</b>	<u>98,304,752</u>	<u>94,367,967</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	<b>11</b>	<u>357,905,748</u>	<u>388,147,097</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.2746</u>	<u>0.2431</u>

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

**PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS  
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

	Note	2024 RM	2023 RM
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<u>94,367,967</u>	<u>112,473,383</u>
Movement due to units created and cancelled during the financial year:			
- Creation of units from applications		16,374,509	13,773,704
- Creation of units from distributions		-	82,685
- Cancellation of units		<u>(24,069,677)</u>	<u>(16,372,372)</u>
		<u>(7,695,168)</u>	<u>(2,515,983)</u>
Total comprehensive income/(loss) for the financial year		11,631,953	(12,240,081)
Distributions	<b>6</b>	<u>-</u>	<u>(3,349,352)</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR</b>	<b>10</b>	<u>98,304,752</u>	<u>94,367,967</u>

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

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

	Note	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from disposal of Shariah-compliant quoted securities		54,729,688	55,369,157
Purchase of Shariah-compliant quoted securities		(50,792,667)	(53,088,100)
Dividend income received		1,893,854	2,820,222
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah earned		220,679	218,564
Management fee paid		(1,420,388)	(1,498,882)
Trustee fee paid		(45,863)	(49,962)
Payment of other fees and expenses		(27,778)	(31,048)
<b>Net cash generated from operating activities</b>		<u>4,557,525</u>	<u>3,739,951</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		16,089,335	13,950,195
Payments for cancellation of units		(23,539,081)	(16,769,452)
Distribution paid		-	(3,266,667)
<b>Net cash used in financing activities</b>		<u>(7,449,746)</u>	<u>(6,085,924)</u>
Net decrease in cash and cash equivalents		(2,892,221)	(2,345,973)
Cash and cash equivalents at the beginning of the financial year		6,883,809	9,229,782
Cash and cash equivalents at the end of the financial year	<b>9</b>	<u>3,991,588</u>	<u>6,883,809</u>
<u>Cash and cash equivalents comprised:</u>			
Bank balance		20,262	20,287
Shariah-compliant deposits with licensed Islamic financial institutions		3,971,326	6,863,522
Cash and cash equivalents at the end of the financial year	<b>9</b>	<u>3,991,588</u>	<u>6,883,809</u>

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

**STATEMENT OF FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

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

Principal Islamic Malaysia Opportunities Fund (the “Fund”) is governed by a Principal Master Deed dated 15 May 2008, a Thirteenth Supplemental Master Deed dated 23 February 2012, a Seventeenth Supplemental Master Deed dated 25 March 2015 and a Nineteenth Supplemental Master Deed dated 18 June 2019 (collectively referred to as the “Deeds”), made between Principal Asset Management Berhad (the “Manager”) and AmanahRaya Trustees Berhad (the “Previous Trustee”) and a Twenty fifth Supplemental Master Deed dated 26 May 2023 (collectively referred to as the “Deeds”) between the Manager and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund seeks to achieve its objective by investing a minimum of 70% and up to 98% of its NAV in Shariah-compliant Malaysian equities. The Fund may also invest up to 30% of the Fund’s NAV in other Shariah-compliant investments, such as Sukuk, and Islamic liquid assets, with at least 2% of the Fund’s NAV maintained in the form of Islamic liquid assets such as Islamic money market instruments and/or Islamic deposits for liquidity purpose. For this Fund, the investment in Sukuk must satisfy a minimum credit rating of “A3” or “P2” by RAM or equivalent rating by MARC; or “BBB-” by S&P or equivalent rating by any other international rating agencies. 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 GUTF. In line with its objective, the investment strategy and policy of the Fund is to rebalance the portfolio to suit market conditions in order to reduce short-term volatility and provide consistency in capital growth.

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 Malaysian equities; and
- up to 30% of the Fund’s NAV in other Shariah-compliant investments and Islamic liquid assets, with at least 2% of the Fund’s NAV to be maintained in Islamic liquid assets.

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

The Fund had issued the First Supplemental Master Prospectus (Islamic Funds) dated 5 September 2023.

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 IFRS as issued by the International Accounting Standards Board (“IASB”).



**2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**(a) Basis of preparation (continued)**

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 year.

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 estimates and assumptions are significant to the financial statements are disclosed in Note 2(l).

There are no other standards, amendments to standards or interpretations effective for financial year beginning on 1 March 2023 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 year beginning on/after 1 March 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 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 as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

Recognition and measurement

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

**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.

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 year 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.

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 Shariah-compliant deposits.

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.

**2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**(b) Financial assets and financial liabilities (continued)**

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 year.

**(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 profit rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Realised gain or loss on disposal of Shariah-compliant 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 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 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.

**2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**(f) Unit holders' contributions**

The unit holders' contributions to the Fund meets 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 year 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.

**(g) Taxation**

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

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

**(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.

**(i) 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 year in which it is approved by the Manager.

**(j) 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 reporting date, respectively.

**(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 GUTF.

**2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**(I) 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 judgements 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 GUTF.

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

**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES**

Financial instruments of the Fund are as follows:

	<b>Financial assets at fair value through profit or loss RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Total RM</b>
<b>2024</b>			
Cash and cash equivalents (Note 9)	-	3,991,588	3,991,588
Shariah-compliant quoted securities (Note 8)	94,027,003	-	94,027,003
Amount due to stockbrokers	-	2,131,603	2,131,603
Amount due from Manager	-	294,293	294,293
Dividends receivable	-	3,327	3,327
	<u>94,027,003</u>	<u>6,420,811</u>	<u>100,447,814</u>
<b>2023</b>			
Cash and cash equivalents (Note 9)	-	6,883,809	6,883,809
Shariah-compliant quoted securities (Note 8)	88,216,927	-	88,216,927
Amount due to stockbrokers	-	6,325	6,325
Amount due from Manager	-	9,119	9,119
Dividends receivable	-	194,604	194,604
	<u>88,216,927</u>	<u>7,093,857</u>	<u>95,310,784</u>

All liabilities are financial liabilities which are carried at amortised cost.

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

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.

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

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) 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.

The Fund's overall exposure to price risk was as follows:

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Financial assets at fair value through profit or loss:		
- Shariah-compliant quoted securities	94,027,003	88,216,927

The table below summarises the sensitivity of the Fund's profit or loss and NAV to movements in prices of Shariah-compliant quoted securities at the end of each financial year. The analysis is based on the assumptions that the price of the Shariah-compliant quoted securities fluctuates by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the Shariah-compliant quoted securities, having regard to the historical volatility of the prices.

<b>% Change in price of Shariah-compliant quoted securities</b>	<b>Market value</b>	<b>Impact on profit or loss/NAV</b>
	<b>RM</b>	<b>RM</b>
<b>2024</b>		
-5%	89,325,653	(4,701,350)
0%	94,027,003	-
+5%	98,728,353	4,701,350
<b>2023</b>		
-5%	83,806,081	(4,410,846)
0%	88,216,927	-
+5%	92,627,773	4,410,846

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

**(a) Market risk (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.

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

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 year, the Fund is not exposed to a material level of interest rate risk.

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

	<b>2024</b>	<b>2023</b>
	%	%
Shariah-compliant deposits with licensed Islamic financial institutions	3.00	2.77

**(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 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.

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.

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

(b) Credit risk (continued)

The following table sets out the credit risk concentration of the Fund:

	Cash and cash equivalents RM	Amount due from stockbrokers RM	Amount due from Manager RM	Dividends receivable RM	Total RM
<b>2024</b>					
- AAA	3,991,588	-	-	-	3,991,588
- Not Rated	-	2,131,603	294,293	3,327	2,429,223
	<u>3,991,588</u>	<u>2,131,603</u>	<u>294,293</u>	<u>3,327</u>	<u>6,420,811</u>
<b>2023</b>					
- AAA	6,883,809	-	-	-	6,883,809
- Not Rated	-	6,325	9,119	194,604	210,048
	<u>6,883,809</u>	<u>6,325</u>	<u>9,119</u>	<u>194,604</u>	<u>7,093,857</u>

Shariah-compliant deposits with licensed Islamic financial institutions of the Fund have an average remaining maturity of 1 day (2023: 1 day).

(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 balance, 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.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining year as at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
<b>2024</b>			
Amount due to stockbrokers	1,399,092	-	1,399,092
Amount due to Manager	600,693	-	600,693
Accrued management fee	115,997	-	115,997
Amount due to Trustee	3,480	-	3,480
Other payables and accruals	-	23,800	23,800
<b>Contractual undiscounted cash flows</b>	<u>2,119,262</u>	<u>23,800</u>	<u>2,143,062</u>



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

(c) Liquidity risk (continued)

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
<b>2023</b>			
Amount due to stockbrokers	740,822	-	740,822
Amount due to Manager	70,097	-	70,097
Accrued management fee	109,450	-	109,450
Amount due to Trustee	3,648	-	3,648
Other payables and accruals	-	18,800	18,800
<b>Contractual undiscounted cash flows</b>	<u>924,017</u>	<u>18,800</u>	<u>942,817</u>

(d) Capital risk management

The capital of the Fund is represented by equity consisting of unit holders' contributions of RM98,304,752 (2023: RM94,367,967). 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 year 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.

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).

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. FINANCIAL INSTRUMENTS AND 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
<b>2024</b>				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted securities	94,027,003	-	-	94,027,003
<b>2023</b>				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted securities	88,216,927	-	-	88,216,927

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

**(e) Fair value estimation (continued)**

(i) Fair value hierarchy (continued)

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 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 3.00% per annum, calculated daily based on the NAV of the Fund.

For the financial year ended 29 February 2024, the management fee is recognised at a rate of 1.50% per annum (2023: 1.50% per annum).

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 0.05% per annum, calculated daily based on the NAV of the Fund. The Trustee fee includes local custodian fees and charges.

For the financial period from 1 March 2023 until 8 October 2023, the Trustee fee is recognised at a rate of 0.05%. Effective 9 October 2023, the Trustee Fee is recognised at the rate of 0.045% per annum (2023: 0.05% per annum).

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

**6. DISTRIBUTIONS**

Breakdown of distributions were as follows:

	<b>2024</b>		<b>2023</b>	
	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>%</b>
<b>Source of distributions</b>				
Distribution out of current year's income	-	-	3,349,352	100.00
Distributions out of prior year's income/capital	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,349,352</b>	<b>100.00</b>

**6. DISTRIBUTIONS (CONTINUED)**

Distribution to unit holders were derived from the following sources (assessed up to distribution declaration date):

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Gross/ Net distribution per unit (sen)</b>		
Distribution on 13 April 2022	-	0.84

Gross distribution was derived using total income less total expenses. Net distribution above was sourced from current financial year's realised income.

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

There were no unrealised losses during the financial year ended 29 February 2024 (2023: RM2,654,070).

**7. TAXATION**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Tax charged for the financial year:		
- Current taxation	-	-

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

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Profit/(Loss) before taxation	11,631,953	(12,240,081)
Taxation at Malaysian statutory rate of 24% (2023: 24%)	2,791,669	(2,937,619)
Tax effects of:		
- (Investment income not subject to tax)/Loss not deductible for tax purpose	(3,240,493)	2,466,112
- Expenses not deductible for tax purposes	102,601	113,300
- Restriction on tax deductible expenses for Unit Trust Funds	346,223	358,207
Taxation	-	-

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

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
At fair value through profit or loss:		
- Shariah-compliant quoted securities	94,027,003	88,216,927
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised gain/(loss) on disposals	202,647	(10,652,649)
- Unrealised fair value gain/(loss)	11,370,112	(2,654,071)
	11,572,759	(13,306,720)

**PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND**

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

	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2024</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES</b>				
<b>Construction</b>				
Econpile Holdings Bhd	3,616,800	905,466	1,247,796	1.27
Gamuda Bhd	500,094	2,174,087	2,645,497	2.69
IJM Corporation Bhd	1,339,600	2,393,256	2,866,744	2.92
Southern Score Builders Bhd	9,000,000	1,800,000	2,025,000	2.06
	<u>14,456,494</u>	<u>7,272,809</u>	<u>8,785,037</u>	<u>8.94</u>
<b>Consumer Products &amp; Service</b>				
Farm Fresh Bhd	387,000	603,354	537,930	0.55
Karex Bhd	225,700	163,044	177,175	0.18
Mr D.I.Y. Group (M) Bhd	451,350	1,065,103	704,106	0.71
QL Resources Bhd	654,800	3,476,704	3,804,388	3.87
Sime Darby Bhd	771,300	1,866,973	2,090,223	2.13
	<u>2,490,150</u>	<u>7,175,178</u>	<u>7,313,822</u>	<u>7.44</u>
<b>Energy</b>				
Dayang Enterprise Holdings Bhd	1,672,000	2,103,798	3,895,760	3.96
Dialog Group Bhd	1,500,000	3,889,548	3,150,000	3.20
Hibiscus Petroleum Bhd	495,600	1,239,321	1,253,868	1.28
Uzma Bhd	402,700	473,518	495,321	0.50
WASCO Bhd	1,343,400	1,532,775	1,773,287	1.81
	<u>5,413,700</u>	<u>9,238,960</u>	<u>10,568,236</u>	<u>10.75</u>
<b>Health Care</b>				
Hartalega Holdings Bhd	2,454,200	3,818,350	6,160,042	6.27
Kossan Rubber Industries Bhd	1,386,600	1,859,467	2,606,808	2.65
KPJ Healthcare Bhd	1,784,400	1,917,467	2,944,260	2.99
Top Glove Corporation Bhd	2,476,700	2,257,914	1,993,744	2.03
	<u>8,101,900</u>	<u>9,853,198</u>	<u>13,704,854</u>	<u>13.94</u>
<b>Industrial Products &amp; Services</b>				
Kelington Group Bhd	617,600	491,413	1,574,880	1.60
Nationgate Holdings Bhd	4,131,200	4,751,595	5,824,992	5.93
Press Metal Aluminium Holdings Bhd	818,500	4,064,454	3,830,580	3.90
Sunway Bhd	1,324,900	2,597,474	3,709,720	3.78
V.S. Industry Bhd	1,108,968	1,342,847	820,636	0.82
	<u>8,001,168</u>	<u>13,247,783</u>	<u>15,760,808</u>	<u>16.03</u>

**PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND**

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

	<b>Quantity Units</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>2024 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>Plantation</b>				
IOI Corporation Bhd	493,400	2,165,738	1,963,732	2.00
Kuala Lumpur Kepong Bhd	70,082	1,660,824	1,569,837	1.60
	<u>563,482</u>	<u>3,826,562</u>	<u>3,533,569</u>	<u>3.60</u>
<b>Property</b>				
Eastern and Oriental Bhd	1,398,100	869,440	1,209,357	1.23
Sime Darby Property Bhd	1,616,200	1,198,736	1,244,474	1.27
SP Setia Bhd	2,639,300	2,409,705	2,230,209	2.27
Skyworld Development Bhd	596,800	477,440	337,192	0.34
	<u>6,250,400</u>	<u>4,955,321</u>	<u>5,021,232</u>	<u>5.11</u>
<b>Technology</b>				
ECA Integrated Solution Bhd	1,899,500	1,708,111	740,805	0.75
Genetec Technology Bhd	1,000,000	1,691,315	2,220,000	2.26
Inari Amertron Bhd	1,000,000	3,060,470	3,170,000	3.22
Infomina Bhd	349,300	488,784	569,359	0.58
ITMAX System Bhd	1,000,000	1,490,299	2,270,000	2.31
LGMS Bhd	1,935,200	2,439,622	1,935,200	1.97
My E.G Services Bhd	2,999,931	2,800,861	2,414,944	2.46
SMRT Holdings Bhd	975,900	995,525	878,310	0.89
	<u>11,159,831</u>	<u>14,674,987</u>	<u>14,198,618</u>	<u>14.44</u>
<b>Telecommunications &amp; Media</b>				
Maxis Bhd	351,600	1,425,960	1,307,952	1.33
Telekom Malaysia Bhd	797,500	3,995,601	4,824,875	4.91
	<u>1,149,100</u>	<u>5,421,561</u>	<u>6,132,827</u>	<u>6.24</u>
<b>Utilities</b>				
Tenaga Nasional Bhd	800,000	7,341,235	9,008,000	9.16
<b>TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES</b>	<b><u>58,386,225</u></b>	<b><u>83,007,594</u></b>	<b><u>94,027,003</u></b>	<b><u>95.65</u></b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<b><u>11,019,409</u></b>		

**PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND**

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

	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2024 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<b><u>94,027,003</u></b>		
<b>2023</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES</b>				
<b>Construction</b>				
Gamuda Bhd	550,028	2,127,485	2,310,118	2.45
IJM Corporation Bhd	551,900	881,786	888,559	0.94
Southern Score Builders Bhd	<u>9,000,000</u>	<u>1,800,000</u>	<u>2,115,000</u>	<u>2.24</u>
	<u>10,101,928</u>	<u>4,809,271</u>	<u>5,313,677</u>	<u>5.63</u>
<b>Consumer Products &amp; Services</b>				
Farm Fresh Bhd	901,500	1,405,489	1,415,355	1.51
Karex Bhd	908,400	689,832	690,384	0.73
Mr D.I.Y. Group (M) Bhd	357,750	920,959	608,175	0.64
PPB Group Bhd	12,500	216,250	218,750	0.23
QL Resources Bhd	840,000	4,460,036	4,880,400	5.17
Sime Darby Bhd	<u>1,181,400</u>	<u>2,849,851</u>	<u>2,681,778</u>	<u>2.84</u>
	<u>4,201,550</u>	<u>10,542,417</u>	<u>10,494,842</u>	<u>11.12</u>
<b>Energy</b>				
Dayang Enterprise Holdings Bhd	164,100	236,221	231,381	0.24
Dialog Group Bhd	532,800	1,804,804	1,198,800	1.27
Hibiscus Petroleum Bhd	<u>1,239,000</u>	<u>1,239,321</u>	<u>1,325,730</u>	<u>1.41</u>
	<u>1,935,900</u>	<u>3,280,346</u>	<u>2,755,911</u>	<u>2.92</u>
<b>Financial Services</b>				
Bank Islam Malaysia Bhd	<u>762,800</u>	<u>2,389,313</u>	<u>1,731,556</u>	<u>1.84</u>
<b>Health Care</b>				
Hartalega Holdings Bhd	1,830,100	2,861,202	2,690,247	2.85
KPJ Healthcare Bhd	1,661,400	1,757,567	1,744,470	1.85
Top Glove Corporation Bhd	<u>1,726,900</u>	<u>1,436,651</u>	<u>1,303,810</u>	<u>1.38</u>
	<u>5,218,400</u>	<u>6,055,420</u>	<u>5,738,527</u>	<u>6.08</u>

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

	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2023 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>Industrial Products &amp; Services</b>				
Ann Joo Resources Bhd	73,300	95,151	84,295	0.09
Kelington Group Bhd	929,800	739,825	1,403,998	1.48
Nationgate Holdings Bhd	2,782,500	2,864,839	4,090,275	4.34
Petronas Chemicals Group Bhd	207,800	1,597,027	1,487,848	1.58
Press Metal Aluminium Holdings Bhd	839,300	4,167,741	4,330,788	4.59
Sunway Bhd	476,500	808,664	776,695	0.82
V.S. Industry Bhd	1,599,268	1,936,550	1,407,356	1.49
	<u>6,908,468</u>	<u>12,209,797</u>	<u>13,581,255</u>	<u>14.39</u>
<b>Plantation</b>				
IOI Corporation Bhd	773,900	3,396,969	2,964,037	3.13
Kuala Lumpur Kepong Bhd	89,182	2,113,462	1,854,986	1.97
Sime Darby Plantation Bhd	436,415	1,685,710	1,846,035	1.96
	<u>1,299,497</u>	<u>7,196,141</u>	<u>6,665,058</u>	<u>7.06</u>
<b>Property</b>				
Sime Darby Property Bhd	1,616,200	1,198,736	775,776	0.82
SP Setia Bhd	511,900	537,193	317,378	0.34
	<u>2,128,100</u>	<u>1,735,929</u>	<u>1,093,154</u>	<u>1.16</u>
<b>REITs</b>				
Axis REIT	1,203,764	2,270,422	2,311,227	2.45
KLCCP Stapled Group	174,900	1,401,730	1,175,328	1.25
	<u>1,378,664</u>	<u>3,672,152</u>	<u>3,486,555</u>	<u>3.70</u>
<b>Technology</b>				
Agmo Holdings Bhd	42,426	0*	30,335	0.03
CTOS Digital Bhd	534,100	297,655	769,104	0.81
Genetec Technology Bhd	2,556,200	4,323,339	7,055,112	7.48
Inari Amertron Bhd	178,800	529,631	438,060	0.46
Infomina Bhd	1,034,900	1,448,162	1,293,625	1.37
ITMAX System Bhd	2,610,400	3,675,596	3,785,080	4.01
LGMS Bhd	3,016,900	3,855,950	3,529,773	3.74
My E.G. Services Bhd	4,562,000	4,275,595	3,284,640	3.48
	<u>14,535,726</u>	<u>18,405,928</u>	<u>20,185,729</u>	<u>21.38</u>



**PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND**

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

	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2023 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>Telecommunications &amp; Media</b>				
Axiata Group Bhd	1,477,247	5,823,315	4,682,872	4.96
Maxis Bhd	482,400	1,956,436	1,886,184	2.00
	<u>1,959,647</u>	<u>7,779,751</u>	<u>6,569,056</u>	<u>6.96</u>
<b>Transportation &amp; Logistics</b>				
Malaysia Airports Holdings Bhd	390,700	2,622,501	2,652,853	2.81
MISC Bhd	580,200	4,459,855	4,386,312	4.65
	<u>970,900</u>	<u>7,082,356</u>	<u>7,039,165</u>	<u>7.46</u>
<b>Utilities</b>				
Taliworks Corporation Bhd	2,111,900	1,801,699	1,879,590	1.99
Tenaga Nasional Bhd	179,600	1,607,110	1,682,852	1.79
	<u>2,291,500</u>	<u>3,408,809</u>	<u>3,562,442</u>	<u>3.78</u>
<b>TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES</b>	<b><u>53,693,080</u></b>	<b><u>88,567,630</u></b>	<b><u>88,216,927</u></b>	<b><u>93.48</u></b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>(350,703)</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>88,216,927</u></b>		

\* Amount less than 1

**9. CASH AND CASH EQUIVALENTS**

	2024 RM	2023 RM
Shariah-compliant deposits with licensed Islamic financial institutions	3,971,326	6,863,522
Bank balance	20,262	20,287
	<u>3,991,588</u>	<u>6,883,809</u>

**10. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS**

Net assets attributable to unit holders as at the reporting date comprise:

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Unit holders' contributions	89,414,709	97,109,877
Retained earnings/(Accumulated losses)	8,890,043	(2,741,910)
	<b>98,304,752</b>	<b>94,367,967</b>

The movement in the components of net assets attributable to unit holders for the financial year are as follows:

	<b>Unit holders' capital</b>	<b>Retained earnings/ (Accumulated losses)</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Balance as at 1 March 2023</b>	97,109,877	(2,741,910)	94,367,967
Movement in unit holders' contributions:			
- Creation of units from applications	16,374,509	-	16,374,509
- Cancellation of units	(24,069,677)	-	(24,069,677)
Total comprehensive income for the financial year	-	11,631,953	11,631,953
<b>Balance as at 29 February 2024</b>	<b>89,414,709</b>	<b>8,890,043</b>	<b>98,304,752</b>
<b>Balance as at 1 March 2022</b>	99,625,860	12,847,523	112,473,383
Movement in unit holders' contributions:			
- Creation of units from applications	13,773,704	-	13,773,704
- Creation of units from distribution	82,685	-	82,685
- Cancellation of units	(16,372,372)	-	(16,372,372)
Total comprehensive loss for the financial year	-	(12,240,081)	(12,240,081)
Distributions (Note 6)	-	(3,349,352)	(3,349,352)
<b>Balance as at 28 February 2023</b>	<b>97,109,877</b>	<b>(2,741,910)</b>	<b>94,367,967</b>

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

	<b>2024</b>	<b>2023</b>
	<b>No. of units</b>	<b>No. of units</b>
At the beginning of the financial year	388,147,097	400,531,005
Add: Creation of units from applications	64,682,573	53,890,856
Add: Creation of units from distribution	-	482,066
Less: Cancellation of units	(94,923,922)	(66,756,830)
At the end of the financial year	<b>357,905,748</b>	<b>388,147,097</b>

**12. TOTAL EXPENSE RATIO (“TER”)**

	<b>2024</b>	<b>2023</b>
	%	%
TER	1.59	1.58

TER is 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 excluding withholding tax
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is RM94,865,969 (2023: RM98,591,137).

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

	<b>2024</b>	<b>2023</b>
PTR (times)	0.57	0.55

PTR is derived based on the following calculation:

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

where:

- total acquisition for the financial year = RM51,284,161 (2023: RM53,634,939)
- total disposal for the financial year = RM57,046,844 (2023: RM55,575,500)

**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)

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

Units held by the Manager and parties related to the Manager

	<u>2024</u>		<u>2023</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
<b>Manager</b>				
Principal Asset Management Berhad	9,971	2,738	24,334	5,916

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.

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<u>Significant related party transactions</u>		
Profit income received from Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	<u>26,654</u>	<u>22,673</u>
<u>Significant related party balances</u>		
Bank balance:		
- CIMB Islamic Bank Bhd	<u>-</u>	<u>20,287</u>

15. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with the top 10 brokers/dealers for the financial year ended 29 February 2024 are as follows:

Brokers/Dealers	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Macquarie Capital Securities Malaysia Sdn Bhd	16,421,201	15.17	36,286	15.89
CGS-CIMB Securities Sdn Bhd	16,013,617	14.79	33,272	14.57
RHB Investment Bank Bhd	15,459,706	14.28	33,564	14.70
CLSA Securities (M) Sdn Bhd	10,070,986	9.30	22,660	9.92
UBS Securities M Sdn Bhd	9,136,776	8.44	19,213	8.41
Nomura Securities Malaysia Sdn Bhd	8,927,114	8.25	19,433	8.51
Maybank Investment Bank Bhd	8,465,513	7.82	18,888	8.27
J.P. Morgan Securities (M) Sdn Bhd	6,927,489	6.40	10,898	4.77
KAF Equities Sdn Bhd	4,521,909	4.18	8,096	3.55
UOB Kay Hian Securities (M) Sdn Bhd	4,351,703	4.02	9,791	4.29
Others	7,949,693	7.35	16,272	7.12
	<u>108,245,707</u>	<u>100.00</u>	<u>228,373</u>	<u>100.00</u>

Details of transactions with the top 10 brokers/dealers for the financial year ended 28 February 2023 are as follows:

Brokers/Dealers	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
JP Morgan Securities Malaysia Sdn Bhd	19,949,857	18.27	39,189	16.43
Macquarie Capital Securities (M) Sdn Bhd	15,939,622	14.60	35,301	14.80
Maybank Investment Bank Bhd	14,518,705	13.29	31,963	13.40
RHB Investment Bank Bhd	13,201,090	12.09	29,093	12.20
CLSA Securities (M) Sdn Bhd	11,205,118	10.26	25,167	10.55
Credit Suisse Securities (M) Sdn Bhd	10,675,758	9.78	24,040	10.08
CGS-CIMB Securities Sdn Bhd #	10,581,521	9.69	29,383	12.32
KAF Equities Sdn Bhd	6,336,747	5.80	14,283	5.99
Affin Hwang Investment Bank Bhd	3,400,335	3.11	7,679	3.22
Kenanga Investment Bank Bhd	1,842,503	1.69	96	0.04

**15. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)**

Details of transactions with the top 10 brokers/dealers for the financial year ended 28 February 2023 are as follows: (continued)

<b>Brokers/Dealers</b>	<b>Values of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
Others	1,559,183	1.42	2,316	0.97
	<u>109,210,439</u>	<u>100.00</u>	<u>238,510</u>	<u>100.00</u>

# Included in the transactions are trades conducted with CGS-CIMB Securities Sdn Bhd, fellow related party to the Manager amounting to nil (2023: RM10,581,521). 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.

**16. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved for issue by the Manager on 17 April 2024.

## 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: Tel: (03) 8680 8000

### Website

[www.principal.com.my](http://www.principal.com.my)

### E-mail address

[myservice@principal.com](mailto:myservice@principal.com)

### Customer Care Centre

(03) 7723 7260

### Chat with us via WhatsApp

(6016) 299 9792

### Trustee for the Principal Islamic Malaysia Opportunities 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

### Previous Trustee for the Principal Islamic Malaysia Opportunities Fund

AmanahRaya Trustees Bhd (Company No. : 200701008892 (766894-T))  
Tingkat 2, Wisma TAS,  
No 21, Jalan Melaka,  
50100 Kuala Lumpur, MALAYSIA.  
Tel: (03) 2036 5129  
Fax: (03) 2072 0322

### Shariah Adviser of the Principal Islamic Malaysia Opportunities Fund

Amanie Advisors Sdn. Bhd. (Company No.: 200501007003 (684050-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

### Auditors of the Fund and of the Manager

Ernst & Young PLT 202006000003 (LLP0022760-LCA) & AF 0039  
Level 23A, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur  
Tel: +603 7495 8000  
Fax: +603 2095 5332

List of Amendment  
**First Supplemental Master Prospectus for Islamic funds (“Fund”)**

**APPENDIX 1**

Master Prospectus for Islamic funds dated 28 April 2023 (“Prospectus 1”)		First Supplemental Master Prospectus for Islamic funds dated 5 September 2023 (“Prospectus 2”)
Section / Page	Description	Description
Front cover	As disclosed in the Prospectus 1.	All references to “Maybank Trustees Berhad”, “MTrustee Berhad”, “Amanahraya Trustees Berhad” and “Universal Trustee (Malaysia) Berhad” wherever it appears in Prospectus 1 shall be replaced with “HSBC (Malaysia) Trustee Berhad”.
Definitions/ii to iv	<p>Nil</p> <p>Trustee - MTrustee, ART, HSBCT, MTB and/or UTMB.</p>	<p>HSBC Group - HSBC Holdings plc, its subsidiaries, related bodies corporate, associated entities and undertakings and any of their branches.</p> <p>Trustee - HSBC (Malaysia) Trustee Berhad.</p>
Corporate Directory/v	<p><b>The Trustee</b>  <b>Trustee for iOP-MO, DALI4, iOP-EO &amp; iLI-S</b>  AmanahRaya Trustees Berhad</p> <p><b>Business address</b>  Tingkat 14, Wisma AmanahRaya  No. 2, Jalan Ampang  50508 Kuala Lumpur MALAYSIA  Tel : (03) 2036 5129  Fax : (03) 2072 0322  Email : art@arb.com.my  Website : www.artrustees.my</p> <p><b>Registered address</b>  Tingkat 11, Wisma AmanahRaya  No. 2, Jalan Ampang  50508 Kuala Lumpur MALAYSIA  Tel : (03) 2055 7388</p> <p><b>Trustee for DALI</b>  MTrustee Berhad</p> <p><b>Business address</b>  15th Floor, Menara AmFirst  No. 1, Jalan 19/3  46300 Petaling Jaya Selangor MALAYSIA</p>	<p><b>The Trustee</b>  HSBC (Malaysia) Trustee Berhad</p> <p><b>Business/Registered address</b>  Level 19, Menara IQ, Lingkaran TRX,  55188 Tun Razak Exchange,  Kuala Lumpur, MALAYSIA.  Tel : (03) 2075 7800  Fax : (03) 8894 2611  Email : fs.client.services.myh@hsbc.com.my</p> <p><b>Note:</b> You may refer to our website for an updated information on our details.</p>



List of Amendment  
**First Supplemental Master Prospectus for Islamic funds (“Fund”)**

Master Prospectus for Islamic funds dated 28 April 2023 (“Prospectus 1”)		First Supplemental Master Prospectus for Islamic funds dated 5 September 2023 (“Prospectus 2”)
Section / Page	Description	Description
	<p>Tel : (03) 7954 6862            Fax : (03) 7954 3712            Email : Mtrustee-Legal@mtrustee.com            Website : http://mtrustee.com/</p> <p><b>Registered address</b>            B-2-9, (2nd Floor), Pusat Perdagangan Kuchai            No. 2, Jalan 1/127, Off Jalan Kuchai Lama            50200 Kuala Lumpur MALAYSIA</p> <p><b>Trustee for DALI2, iOP-SCO and iLI-B</b>            Universal Trustee (Malaysia) Berhad</p> <p><b>Business address</b>            No.1, Jalan Ampang (3rd Floor)            50450 Kuala Lumpur MALAYSIA            Tel : (03) 2070 8050            Fax : (03) 2031 8715 / 2032 3194            Email : info@utmb.com.my            Website : www.universaltrustee.com.my</p> <p><b>Registered address</b>            Suite 11.1A, Level 11, Menara Weld            76, Jalan Raja Chulan, 50200 Kuala Lumpur</p> <p><b>Trustee for the iLI-BG</b>            Maybank Trustees Berhad</p> <p><b>Business/Registered address</b>            8th Floor, Menara Maybank            100, Jalan Tun Perak            50050 Kuala Lumpur MALAYSIA            Tel : (03) 2070 8833/ 2078 8363            Fax : (03) 2070 9387            Website : <a href="http://www.maybank2u.com.my">www.maybank2u.com.my</a></p>	

List of Amendment  
**First Supplemental Master Prospectus for Islamic funds (“Fund”)**

Master Prospectus for Islamic funds dated 28 April 2023 (“Prospectus 1”)		First Supplemental Master Prospectus for Islamic funds dated 5 September 2023 (“Prospectus 2”)				
Section / Page	Description	Description				
1.1.5/ 9	<u>PRINCIPAL ISLAMIC ENHANCED OPPORTUNITIES FUND</u>  Distribution Policy : Distribution (if any) is expected to be distributed every January at our discretion.	<u>PRINCIPAL ISLAMIC ENHANCED OPPORTUNITIES FUND</u>  Distribution Policy : For Class MYR and Class D Distribution (if any) is expected to be distributed every January at our discretion.				
1.1.8/ 15	<u>PRINCIPAL ISLAMIC LIFETIME BALANCED FUND</u>  Distribution Policy : We have the discretion to distribute a part or all of the Class’s distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Class.	<u>PRINCIPAL ISLAMIC LIFETIME BALANCED FUND</u>  Distribution Policy : For Class MYR and Class D We have the discretion to distribute a part or all of the Class’s distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Class.				
1.1.9/17	<b>PRINCIPAL ISLAMIC LIFETIME BALANCED GROWTH FUND</b>  Distribution Policy : Distribution (if any) is expected to be distributed every January at our discretion.	<b>PRINCIPAL ISLAMIC LIFETIME BALANCED GROWTH FUND</b>  Distribution Policy : For Class MYR and Class D Distribution (if any) is expected to be distributed every January at our discretion.				
1.1.11/21	<b>PRINCIPAL ISLAMIC LIFETIME SUKUK FUND</b>  Distribution Policy : Distribution (if any) is expected to be distributed annually depending on the performance of the Class and at our discretion.	<b>PRINCIPAL ISLAMIC LIFETIME SUKUK FUND</b>  Distribution Policy : For Class MYR and Class D Distribution (if any) is expected to be distributed annually, depending on the performance of the Class and at our discretion.				
1.2.2/ 23	<b>1.2.2. Launch date, Initial Offer Period &amp; Initial Offer Price per Unit</b>  <b>Currently, the Classes below are available for sale.</b>	<b>1.2.2. Launch date, Initial Offer Period &amp; Initial Offer Price per Unit</b>  <b>Currently, the Classes below are available for sale.</b>				
		<b>Funds</b>	<b>Name of Class</b>	<b>Launch date</b>	<b>Initial offer period</b>	<b>Initial offer price per unit</b>
		<b>Equity Funds</b>				

List of Amendment  
**First Supplemental Master Prospectus for Islamic funds (“Fund”)**

Master Prospectus for Islamic funds dated 28 April 2023 (“Prospectus 1”)						First Supplemental Master Prospectus for Islamic funds dated 5 September 2023 (“Prospectus 2”)				
Section / Page	Description					Description				
	<b>Funds</b>	<b>Name of Class</b>	<b>Launch date</b>	<b>Initial offer period</b>	<b>Initial offer price per unit</b>	Principal DALI Equity Growth Fund	Class MYR	7 May 1998	N/A	N/A
						Principal DALI Equity Fund	Class MYR	30 April 2003	N/A	N/A
	<b>Equity Funds</b>					Principal Islamic Malaysia Opportunities Fund	Class MYR	1 August 2012	N/A	N/A
	Principal DALI Equity Growth Fund	Class MYR	7 May 1998	N/A	N/A	Principal DALI Asia Pacific Equity Growth Fund	Class MYR	8 October 2004	N/A	N/A
	Principal DALI Equity Fund	Class MYR	30 April 2003	N/A	N/A	Principal Islamic Enhanced Opportunities Fund	Class MYR	15 June 1995	N/A	N/A
	Principal Islamic Malaysia Opportunities Fund	Class MYR	1 August 2012	N/A	N/A		Class D	9 October 2023 <sup>Note 1</sup>	1 day which is on the launch date	MYR1.0000
	Principal DALI Asia Pacific Equity Growth Fund	Class MYR	8 October 2004	N/A	N/A	Principal Islamic Small Cap Opportunities Fund	Class MYR	30 April 2003	N/A	N/A
	Principal Islamic Enhanced Opportunities Fund	Class MYR	15 June 1995	N/A	N/A		Class MYR	2 June 2006	N/A	N/A
	Principal Islamic Small Cap Opportunities Fund	Class MYR	30 April 2003	N/A	N/A	Principal Islamic Asia Pacific Dynamic Equity Fund	Class MYR	2 June 2006	N/A	N/A
	Principal Islamic Asia Pacific Dynamic Equity Fund	Class MYR	2 June 2006	N/A	N/A		Class D	28 April 2023 <sup>Note 1</sup>	1 day which is on the launch date	MYR1.0000
		<b>Mixed Asset Funds</b>					<b>Mixed Asset Funds</b>			
	Principal Islamic Lifetime Balanced Fund	Class MYR	8 March 2001	N/A	N/A	Principal Islamic Lifetime Balanced Fund	Class MYR	8 March 2001	N/A	N/A
	Principal Islamic Lifetime Balanced Growth Fund	Class MYR	26 May 2003	N/A	N/A		Class D	2 November 2023 <sup>Note 1</sup>	1 day which is on the	MYR1.0000
	<b>Sukuk Funds</b>					<b>Sukuk Funds</b>				
	Principal Islamic Lifetime Enhanced Sukuk Fund	Class MYR	23 February 2005	N/A	N/A					

List of Amendment  
**First Supplemental Master Prospectus for Islamic funds (“Fund”)**

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Section / Page	Description					Description				
		Class D	28 April 2023 <sup>Note 1</sup>	1 day which is on the launch date	MYR1.0000		Class MYR	26 May 2003	N/A	N/A
	Principal Islamic Lifetime Sukuk Fund	Class MYR	8 October 2004	N/A	N/A	Principal Islamic Lifetime Balanced Growth Fund	Class D	3 October 2023 <sup>Note 1</sup>	1 day which is on the launch date	MYR1.0000
	<p><i>Note 1 The launch date shall be the date disclosed above or such other date as may be determined by us at our discretion. Any change to the launch date will be published on the website at <a href="http://www.principal.com.my">www.principal.com.my</a> prior to the launch date and thereafter, a supplemental prospectus will be issued to inform investors of the revised launch date.</i></p>					<b>Sukuk Funds</b>				
							Class MYR	23 February 2005	N/A	N/A
						Principal Islamic Lifetime Enhanced Sukuk Fund	Class D	28 April 2023	1 day which is on the launch date	MYR1.0000
							Class MYR	8 October 2004	N/A	N/A
						Principal Islamic Lifetime Sukuk Fund	Class D	9 October 2023 <sup>Note 1</sup>	1 day which is on the launch date	MYR1.0000
						<p><i>Note 1 The launch date shall be the date disclosed above or such other date as may be determined by us at our discretion. Any change to the launch date will be published</i></p>				

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2.1.1/ 35	<table border="1"> <thead> <tr> <th rowspan="2">Class</th> <th colspan="3">Maximum Application Fee (% of the NAV per unit)</th> </tr> <tr> <th>Principal Distributors</th> <th>IUTAs</th> <th>Class D</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Equity Funds</b></td> </tr> <tr> <td>Principal DALI Equity Growth Fund</td> <td>6.50</td> <td>6.50</td> <td>N/A</td> </tr> <tr> <td>Principal DALI Equity Fund</td> <td>6.50</td> <td>6.50</td> <td>N/A</td> </tr> <tr> <td>Principal Islamic Malaysia Opportunities Fund</td> <td>6.50</td> <td>5.50</td> <td>N/A</td> </tr> <tr> <td>Principal DALI Asia Pacific Equity Growth Fund</td> <td>6.50</td> <td>6.50</td> <td>N/A</td> </tr> <tr> <td>Principal Islamic Enhanced Opportunities Fund</td> <td>5.00</td> <td>5.00</td> <td>N/A</td> </tr> <tr> <td>Principal Islamic Small Cap Opportunities Fund</td> <td>6.50</td> <td>6.50</td> <td>N/A</td> </tr> <tr> <td>Principal Islamic Asia Pacific Dynamic Equity Fund</td> <td>5.00</td> <td>5.00</td> <td>5.00</td> </tr> <tr> <td colspan="4"><b>Mixed Asset Funds</b></td> </tr> <tr> <td>Principal Islamic Lifetime Balanced Fund</td> <td>6.50</td> <td>6.50</td> <td>N/A</td> </tr> <tr> <td>Principal Islamic Lifetime Balanced Growth Fund</td> <td>6.00</td> <td>5.00</td> <td>N/A</td> </tr> <tr> <td colspan="4"><b>Sukuk Funds</b></td> </tr> <tr> <td>Principal Islamic Lifetime Enhanced Sukuk Fund</td> <td>2.00</td> <td>2.00</td> <td>2.00</td> </tr> <tr> <td>Principal Islamic Lifetime Sukuk Fund</td> <td>2.00</td> <td>2.00</td> <td>N/A</td> </tr> </tbody> </table>			Class	Maximum Application Fee (% of the NAV per unit)			Principal Distributors	IUTAs	Class D	<b>Equity Funds</b>				Principal DALI Equity Growth Fund	6.50	6.50	N/A	Principal DALI Equity Fund	6.50	6.50	N/A	Principal Islamic Malaysia Opportunities Fund	6.50	5.50	N/A	Principal DALI Asia Pacific Equity Growth Fund	6.50	6.50	N/A	Principal Islamic Enhanced Opportunities Fund	5.00	5.00	N/A	Principal Islamic Small Cap Opportunities Fund	6.50	6.50	N/A	Principal Islamic Asia Pacific Dynamic Equity Fund	5.00	5.00	5.00	<b>Mixed Asset Funds</b>				Principal Islamic Lifetime Balanced Fund	6.50	6.50	N/A	Principal Islamic Lifetime Balanced Growth Fund	6.00	5.00	N/A	<b>Sukuk Funds</b>				Principal Islamic Lifetime Enhanced Sukuk Fund	2.00	2.00	2.00	Principal Islamic Lifetime Sukuk Fund	2.00	2.00	N/A	<table border="1"> <thead> <tr> <th rowspan="2">Class</th> <th colspan="3">Maximum Application Fee (% of the NAV per unit)</th> </tr> <tr> <th>Principal Distributors</th> <th>IUTAs</th> <th>Class D</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Equity Funds</b></td> </tr> <tr> <td>Principal DALI Equity Growth Fund</td> <td>6.50</td> <td>6.50</td> <td>N/A</td> </tr> <tr> <td>Principal DALI Equity Fund</td> <td>6.50</td> <td>6.50</td> <td>N/A</td> </tr> <tr> <td>Principal Islamic Malaysia Opportunities Fund</td> <td>6.50</td> <td>5.50</td> <td>N/A</td> </tr> <tr> <td>Principal DALI Asia Pacific Equity Growth Fund</td> <td>6.50</td> <td>6.50</td> <td>N/A</td> </tr> <tr> <td>Principal Islamic Enhanced Opportunities Fund</td> <td>5.00</td> <td>5.00</td> <td>5.00</td> </tr> <tr> <td>Principal Islamic Small Cap Opportunities Fund</td> <td>6.50</td> <td>6.50</td> <td>N/A</td> </tr> <tr> <td>Principal Islamic Asia Pacific Dynamic Equity Fund</td> <td>5.00</td> <td>5.00</td> <td>5.00</td> </tr> <tr> <td colspan="4"><b>Mixed Asset Funds</b></td> </tr> <tr> <td>Principal Islamic Lifetime Balanced Fund</td> <td>6.50</td> <td>6.50</td> <td>6.50</td> </tr> <tr> <td>Principal Islamic Lifetime Balanced Growth Fund</td> <td>6.00</td> <td>5.00</td> <td>5.00</td> </tr> <tr> <td colspan="4"><b>Sukuk Funds</b></td> </tr> <tr> <td>Principal Islamic Lifetime Enhanced Sukuk Fund</td> <td>2.00</td> <td>2.00</td> <td>2.00</td> </tr> <tr> <td>Principal Islamic Lifetime Sukuk Fund</td> <td>2.00</td> <td>2.00</td> <td>2.00</td> </tr> </tbody> </table>				Class	Maximum Application Fee (% of the NAV per unit)			Principal Distributors	IUTAs	Class D	<b>Equity Funds</b>				Principal DALI Equity Growth Fund	6.50	6.50	N/A	Principal DALI Equity Fund	6.50	6.50	N/A	Principal Islamic Malaysia Opportunities Fund	6.50	5.50	N/A	Principal DALI Asia Pacific Equity Growth Fund	6.50	6.50	N/A	Principal Islamic Enhanced Opportunities Fund	5.00	5.00	5.00	Principal Islamic Small Cap Opportunities Fund	6.50	6.50	N/A	Principal Islamic Asia Pacific Dynamic Equity Fund	5.00	5.00	5.00	<b>Mixed Asset Funds</b>				Principal Islamic Lifetime Balanced Fund	6.50	6.50	6.50	Principal Islamic Lifetime Balanced Growth Fund	6.00	5.00	5.00	<b>Sukuk Funds</b>				Principal Islamic Lifetime Enhanced Sukuk Fund	2.00	2.00	2.00	Principal Islamic Lifetime Sukuk Fund	2.00	2.00	2.00
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2.1.3/ 36																																																																																																																																					

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**First Supplemental Master Prospectus for Islamic funds (“Fund”)**

Master Prospectus for Islamic funds dated 28 April 2023 (“Prospectus 1”)				First Supplemental Master Prospectus for Islamic funds dated 5 September 2023 (“Prospectus 2”)																																												
Section / Page	Description			Description																																												
	<p>Switching is treated as a withdrawal from a Class and an investment into another Class or Principal Malaysia’s fund (or its classes). You may be charged a Switching Fee equal to the difference (if any) between the Application Fees of the Class and the Application Fee of the other Class or Principal Malaysia’s fund (or its classes). Switching Fee will not be charged if the Class or Principal Malaysia’s fund (or its classes) to be switched into has a lower Application Fee.</p> <p>In addition to the Switching Fee, you may be charged MYR100 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fees. We also have the discretion to waive the Switching Fee and/or administrative fee.</p> <p>Switching from Islamic fund to conventional fund is discouraged for Muslim investors. The term 'discouraged' is not a Shariah ruling imposed by the Shariah Adviser of the Funds to the investor, rather a suggestion for the Muslim investor to continue practicing the Islamic conducts, ie: Shariah investing.</p>			<p>When available, switching is treated as a withdrawal from a Class/Fund and an investment into another Class or Principal Malaysia’s fund (or its classes). As such, you may be charged a Switching Fee equal to the difference (if any) between the Application Fees of the Class/Fund and the Application Fee of the other Class or Principal Malaysia’s fund (or its classes). You will not be charged a Switching Fee, if the Class or Principal Malaysia’s fund (or its classes) to be switched into has a lower Application Fee than the Application Fee of the Class.</p> <p>In addition to the Switching Fee, you may be charged MYR100 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fee. We also have the discretion to waive the Switching Fee and/or administrative fee.</p> <p>Switching from Islamic fund to conventional fund is discouraged for Muslim investors. The term “discouraged” is not a Shariah ruling imposed by the Shariah Adviser of the Funds to the investor, rather a suggestion for the Muslim investor to continue practicing the Islamic conducts, i.e. Shariah investing.</p>																																												
2.1.4/ 36	You may be charged Transfer Fee of not more than MYR50.00 for each transfer.			When available, you may be charged Transfer Fee of not more than MYR50.00 for each transfer.																																												
2.2.2/ 37	<table border="1"> <thead> <tr> <th>Funds</th> <th>Trustee</th> <th>Maximum Trustee Fee (% p.a. of the NAV of the Fund)</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>Equity Funds</b></td> </tr> <tr> <td>Principal DALI Equity Growth Fund</td> <td>MTrustee</td> <td>0.06</td> </tr> <tr> <td>Principal DALI Equity Fund</td> <td>UTMB</td> <td>0.06</td> </tr> <tr> <td>Principal Islamic Malaysia Opportunities Fund</td> <td>ART</td> <td>0.05</td> </tr> <tr> <td>Principal DALI Asia Pacific Equity Growth Fund</td> <td>ART</td> <td>0.06</td> </tr> <tr> <td>Principal Islamic Enhanced Opportunities Fund</td> <td>ART</td> <td>0.09</td> </tr> <tr> <td>Principal Islamic Small Cap Opportunities Fund</td> <td>UTMB</td> <td>0.06</td> </tr> <tr> <td>Principal Islamic Asia Pacific Dynamic Equity Fund</td> <td>HSBCT</td> <td>0.07</td> </tr> </tbody> </table>			Funds	Trustee	Maximum Trustee Fee (% p.a. of the NAV of the Fund)	<b>Equity Funds</b>			Principal DALI Equity Growth Fund	MTrustee	0.06	Principal DALI Equity Fund	UTMB	0.06	Principal Islamic Malaysia Opportunities Fund	ART	0.05	Principal DALI Asia Pacific Equity Growth Fund	ART	0.06	Principal Islamic Enhanced Opportunities Fund	ART	0.09	Principal Islamic Small Cap Opportunities Fund	UTMB	0.06	Principal Islamic Asia Pacific Dynamic Equity Fund	HSBCT	0.07	<table border="1"> <thead> <tr> <th>Funds</th> <th>Maximum Trustee Fee (% p.a. of the NAV of the Fund)</th> <th>With effect from the Effective Date, the maximum Trustee Fee will be revised to the below (% p.a. of the NAV of the Fund)</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>Equity Funds</b></td> </tr> <tr> <td>Principal DALI Equity Growth Fund</td> <td>0.06</td> <td>0.045</td> </tr> <tr> <td>Principal DALI Equity Fund</td> <td>0.06</td> <td>0.045</td> </tr> <tr> <td>Principal Islamic Malaysia Opportunities Fund</td> <td>0.05</td> <td>0.045</td> </tr> </tbody> </table>			Funds	Maximum Trustee Fee (% p.a. of the NAV of the Fund)	With effect from the Effective Date, the maximum Trustee Fee will be revised to the below (% p.a. of the NAV of the Fund)	<b>Equity Funds</b>			Principal DALI Equity Growth Fund	0.06	0.045	Principal DALI Equity Fund	0.06	0.045	Principal Islamic Malaysia Opportunities Fund	0.05	0.045
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	<b>Mixed Asset Funds</b>			Principal DALI Asia Pacific Equity Growth Fund	0.06	0.045						
	Principal Islamic Lifetime Balanced Fund	UTMB	0.10	Principal Islamic Enhanced Opportunities Fund	0.09	0.045						
	Principal Islamic Lifetime Balanced Growth Fund	MTB	0.07	Principal Islamic Small Cap Opportunities Fund	0.06	0.045						
	<b>Sukuk Funds</b>			Principal Islamic Asia Pacific Dynamic Equity Fund	0.07	0.045						
	Principal Islamic Lifetime Enhanced Sukuk Fund	HSBCT	0.07	<b>Mixed Asset Funds</b>								
	Principal Islamic Lifetime Sukuk Fund	ART	0.06	Principal Islamic Lifetime Balanced Fund	0.10	0.045						
	<p><b>Note:</b> The Trustee Fee includes local custodian fee but excludes foreign sub-custodian fee (if any). Foreign sub-custodian fee is dependant on the country invested and is charged monthly in arrears.</p> <p><b>Below is an illustration on how the Trustee Fee is calculated:</b></p> <p>Trustee Fee for the day = NAV of the Fund x annual Trustee Fee rate for the Fund (%) / 365 days</p> <p>If the NAV of the Fund is MYR500 million, then</p> <p>Trustee Fee for the day = MYR500 million x 0.06% per annum / 365 days</p> <p style="text-align: center;">= MYR821.92</p> <p><b>Note:</b> In the event of a leap year, the computation will be based on 366 calendar days.</p>			<b>Sukuk Funds</b>								
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List of Amendment  
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3.4.2/ 43	<p><b>First bullet point</b></p> <p>You may make a payment:</p> <ul style="list-style-type: none"> <li>by crossed cheque, <del>banker's draft, or cashier's order</del> (made payable as advised by us or our Distributors as the case may be). You will have to bear the applicable bank fees and charges, if any; or</li> </ul>	<p><b>First bullet point</b></p> <p>You may make a payment:</p> <ul style="list-style-type: none"> <li>by crossed cheque (made payable as advised by us or our Distributors as the case may be). You will have to bear the applicable bank fees and charges, if any; or</li> </ul>																																																																																																																																																			
3.5/ 44-45	<p>The minimum initial and additional investment for each Class is stipulated in the table below.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Funds</th> <th rowspan="2">Class</th> <th rowspan="2">Minimum initial investment* (MYR)</th> <th rowspan="2">Minimum additional investment* (MYR)</th> <th colspan="2">Regular Savings Plan (RSP)</th> </tr> <tr> <th>Minimum initial investment* (MYR)</th> <th>Minimum additional investment* (MYR)</th> </tr> </thead> <tbody> <tr> <td colspan="6"><b>Equity Funds</b></td> </tr> <tr> <td>Principal DALI Equity Growth Fund</td> <td>MYR</td> <td>500</td> <td>200</td> <td>500</td> <td>200</td> </tr> <tr> <td>Principal DALI Equity Fund</td> <td>MYR</td> <td>500</td> <td>200</td> <td>500</td> <td>200</td> </tr> <tr> <td>Principal Islamic Malaysia Opportunities Fund</td> <td>MYR</td> <td>500</td> <td>200</td> <td>500</td> <td>200</td> </tr> <tr> <td>Principal DALI Asia Pacific Equity Growth Fund</td> <td>MYR</td> <td>500</td> <td>200</td> <td>500</td> <td>200</td> </tr> <tr> <td>Principal Islamic Enhanced Opportunities Fund</td> <td>MYR</td> <td>500</td> <td>200</td> <td>500</td> <td>200</td> </tr> <tr> <td>Principal Islamic Small Cap Opportunities Fund</td> <td>MYR</td> <td>500</td> <td>200</td> <td>500</td> <td>200</td> </tr> <tr> <td>Principal Islamic Asia Pacific Dynamic Equity Fund</td> <td>MYR</td> <td>500</td> <td>200</td> <td>500</td> <td>200</td> </tr> <tr> <td></td> <td>D</td> <td>10</td> <td>10</td> <td>10</td> <td>10</td> </tr> <tr> <td colspan="6"><b>Mixed Asset Funds</b></td> </tr> <tr> <td>Principal Islamic Lifetime Balanced Fund</td> <td>MYR</td> <td>500</td> <td>200</td> <td>500</td> <td>200</td> </tr> <tr> <td>Principal Islamic Lifetime Balanced Growth Fund</td> <td>MYR</td> <td>500</td> <td>200</td> <td>500</td> <td>200</td> </tr> <tr> <td colspan="6"><b>Sukuk Funds</b></td> </tr> <tr> <td rowspan="2">Principal Islamic Lifetime Enhanced Sukuk Fund</td> <td>MYR</td> <td>2,000</td> <td>500</td> <td>2,000</td> <td>500</td> </tr> <tr> <td>D</td> <td>10</td> <td>10</td> <td>10</td> <td>10</td> </tr> <tr> <td>Principal Islamic Lifetime Sukuk Fund</td> <td>MYR</td> <td>2,000</td> <td>500</td> <td>2,000</td> <td>500</td> </tr> </tbody> </table> <p>* The amount includes any applicable fees and charges, such as application fee (if any), which are subject to any applicable tax.</p>	Funds	Class	Minimum initial investment* (MYR)	Minimum additional investment* (MYR)	Regular Savings Plan (RSP)		Minimum initial investment* (MYR)	Minimum additional investment* (MYR)	<b>Equity Funds</b>						Principal DALI Equity Growth Fund	MYR	500	200	500	200	Principal DALI Equity Fund	MYR	500	200	500	200	Principal Islamic Malaysia Opportunities Fund	MYR	500	200	500	200	Principal DALI Asia Pacific Equity Growth Fund	MYR	500	200	500	200	Principal Islamic Enhanced Opportunities Fund	MYR	500	200	500	200	Principal Islamic Small Cap Opportunities Fund	MYR	500	200	500	200	Principal Islamic Asia Pacific Dynamic Equity Fund	MYR	500	200	500	200		D	10	10	10	10	<b>Mixed Asset Funds</b>						Principal Islamic Lifetime Balanced Fund	MYR	500	200	500	200	Principal Islamic Lifetime Balanced Growth Fund	MYR	500	200	500	200	<b>Sukuk Funds</b>						Principal Islamic Lifetime Enhanced Sukuk Fund	MYR	2,000	500	2,000	500	D	10	10	10	10	Principal Islamic Lifetime Sukuk Fund	MYR	2,000	500	2,000	500	<p>The minimum initial and additional investment for each Class is stipulated in the table below.</p> <table border="1" style="width: 100%; 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		Equity Growth Fund					
		Principal Islamic Enhanced Opportunities Fund	MYR	500	200	500	200
			D	10	10	500	500
		Principal Islamic Small Cap Opportunities Fund	MYR	500	200	500	200
		Principal Islamic Asia Pacific Dynamic Equity Fund	MYR	500	200	500	200
			D	10	10	500	500
		<b>Mixed Asset Funds</b>					
		Principal Islamic Lifetime Balanced Fund	MYR	500	200	500	200
			D	10	10	500	500
		Principal Islamic Lifetime Balanced Growth Fund	MYR	500	200	500	200
			D	10	10	500	500
		<b>Sukuk Funds</b>					
		Principal Islamic Lifetime Enhanced Sukuk Fund	MYR	2,000	500	2,000	500
			D	10	10	500	500
			MYR	2,000	500	2,000	500

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		Principal Islamic Lifetime Sukuk Fund	D	10	10	500	500
		<p># The amount includes any applicable fees and charges, such as application fee (if any), which are subject to any applicable taxes.</p> <p><b>Note:</b>  We reserve our sole and absolute discretion without providing any reason whatsoever and at any time to accept, reject, amend, vary, waive and/or reduce (as the case maybe): (i) your request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units; and/or (ii) the minimum balance. For increase in the number of units for minimum withdrawal and minimum balance, we will require concurrence from the Trustee and you will be notified of such changes.</p> <p>We may for any reason and at any time, waive or reduce: (a) any fees (except for the Trustee Fee); (b) other charges payable by you to the Funds; and/or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.</p> <p>The minimum initial investment for EPF-MIS shall be MYR1,000 or such other amount as determined by EPF or as per the amount stated above, whichever is higher. Please note that there may be changes to the status of the eligibility of the Fund under the EPF-MIS from time to time. Please refer to our website at <a href="http://www.principal.com.my">www.principal.com.my</a> or <a href="http://www.kwsp.gov.my">www.kwsp.gov.my</a> for updated information.</p>					
3.6./45-46	The minimum withdrawals and minimum balance for the each Class are stipulated in the table below, unless you are withdrawing your entire investment. You may withdraw by completing a withdrawal application and submit to the relevant Distributor, Principal Malaysia’s office, e-Wallet App or such other channel (where available). There is no restriction on the frequency of withdrawals. We will transfer the withdrawal proceeds to the bank account number provided by you or through e-wallet with the e-Wallet Provider (where available). Please note that for EPF-MIS, your withdrawal proceeds will be paid to EPF.	The minimum withdrawals and minimum balance for each Class are stipulated in the table below, unless you are withdrawing your entire investment. You may withdraw by completing a withdrawal application and submit to the relevant Distributor, Principal Malaysia’s office, e-Wallet App or such other channel (where available). There is no restriction on the frequency of withdrawals. We will transfer the withdrawal proceeds to the bank account number provided by you or through e-wallet with the e-Wallet Provider (where available). Please note that for EPF-MIS, your withdrawal proceeds will be paid to EPF.					

List of Amendment  
**First Supplemental Master Prospectus for Islamic funds (“Fund”)**

Master Prospectus for Islamic funds dated 28 April 2023 (“Prospectus 1”)					First Supplemental Master Prospectus for Islamic funds dated 5 September 2023 (“Prospectus 2”)				
Section / Page	Description				Description				
	Funds	Class	Minimum withdrawal	Minimum balance (units)	Funds	Class	Minimum withdrawal	Minimum balance	
	<b>Equity Funds</b>				<b>Equity Funds</b>				
	Principal DALI Equity Growth Fund	MYR	200 units	250	Principal DALI Equity Growth Fund	MYR	200 units	250 units	
	Principal DALI Equity Fund	MYR	200 units	250	Principal DALI Equity Fund	MYR	200 units	250 units	
	Principal Islamic Malaysia Opportunities Fund	MYR	800 units	1,000	Principal Islamic Malaysia Opportunities Fund	MYR	800 units	1,000 units	
	Principal DALI Asia Pacific Equity Growth Fund	MYR	400 units	500	Principal DALI Asia Pacific Equity Growth Fund	MYR	400 units	500 units	
	Principal Islamic Enhanced Opportunities Fund	MYR	200 units	250	Principal Islamic Enhanced Opportunities Fund	MYR	200 units	250 units	
	Principal Islamic Small Cap Opportunities Fund	MYR	400 units	500	Principal Islamic Small Cap Opportunities Fund	D	MYR10	10 units	
	Principal Islamic Asia Pacific Dynamic Equity Fund	MYR	400 units	500	Principal Islamic Small Cap Opportunities Fund	MYR	400 units	500 units	
		D	MYR 10	10	Principal Islamic Asia Pacific Dynamic Equity Fund	MYR	400 units	500 units	
					Principal Islamic Asia Pacific Dynamic Equity Fund	D	MYR 10	10 units	
	<b>Mixed Asset Funds</b>				<b>Mixed Asset Funds</b>				
	Principal Islamic Lifetime Balanced Fund	MYR	400 units	500	Principal Islamic Lifetime Balanced Fund	MYR	400 units	500 units	
	Principal Islamic Lifetime Balanced Growth Fund	MYR	400 units	500	Principal Islamic Lifetime Balanced Fund	D	MYR10	10 units	
	<b>Sukuk Funds</b>				<b>Sukuk Funds</b>				
	Principal Islamic Lifetime Enhanced Sukuk Fund	MYR	500 units	1,000	Principal Islamic Lifetime Balanced Growth Fund	MYR	400 units	500 units	
		D	MYR 10	10	Principal Islamic Lifetime Balanced Growth Fund	D	MYR10	10 units	
	Principal Islamic Lifetime Sukuk Fund	MYR	500 units	1,000	<b>Sukuk Funds</b>				
	<b>Note:</b> <ul style="list-style-type: none"> <li>▪ There is no exit and re-entry option.</li> <li>▪ Withdrawal is subject to the minimum balance being maintained.</li> <li>▪ We reserve our sole and absolute discretion without providing any reason whatsoever and at any time to accept, reject, amend, vary, waive and/or reduce (as the case maybe): (i) your request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units; and/or (ii) the</li> </ul>				Principal Islamic Lifetime Enhanced Sukuk Fund	MYR	500 units	1,000 units	
						D	MYR 10	10 units	
					Principal Islamic Lifetime Sukuk Fund	MYR	500 units	1,000 units	
						D	MYR10	10 units	
					<b>Notes:</b>				

List of Amendment  
**First Supplemental Master Prospectus for Islamic funds (“Fund”)**

Master Prospectus for Islamic funds dated 28 April 2023 (“Prospectus 1”)		First Supplemental Master Prospectus for Islamic funds dated 5 September 2023 (“Prospectus 2”)
Section / Page	Description	Description
	<p><i>minimum balance. For increase in the number of units for minimum withdrawal and minimum balance, we will require concurrence from the Trustee and you will be notified of such changes.</i></p> <ul style="list-style-type: none"> <li>▪ <i>We may for any reason and at any time, waive or reduce: (a) any fees (except for the Trustee Fee); (b) other charges payable by you to the Funds; and/or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>There is no exit and re-entry option.</i></li> <li>▪ <i>Withdrawal is subject to the minimum balance being maintained.</i></li> <li>▪ <i>If the balance (i.e. number of units) of your investment drops below the minimum balance stipulated above, further investment will be required until the balance of the investment is restored to at least the stipulated minimum balance. Otherwise, we can withdraw your entire investment and forward the proceeds to you.</i></li> <li>▪ <i>We reserve our sole and absolute discretion without providing any reason whatsoever and at any time to accept, reject, amend, vary, waive and/or reduce (as the case maybe): (i) your request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units; and/or (ii) the minimum balance. For increase in the number of units for minimum withdrawal and minimum balance, we will require concurrence from the Trustee and you will be notified of such changes.</i></li> <li>▪ <i>We may for any reason and at any time, waive or reduce: (a) any fees (except for the Trustee Fee); (b) other charges payable by you to the Funds; and/or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.</i></li> </ul>
4.3./50	Last bullet point Nil	<ul style="list-style-type: none"> <li>• Twentyfifth Supplemental Master Deed dated 26 May 2023</li> </ul>
8/ 56 to 59	<p><b>THE TRUSTEES</b></p> <p>8.1. ROLES, DUTIES AND RESPONSIBILITIES OF THE TRUSTEES.</p> <p>The Trustees’ main functions are to act as trustee and custodian of the assets of the Funds and to safeguard the interests of the Unit holders of the Fund. They shall:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> act in accordance with the provisions of the Deeds, the CMSA, the GUTF and securities laws;</li> <li><input type="checkbox"/> take into its custody the investments of the Funds and hold the investments in trust for the Unit holders;</li> <li><input type="checkbox"/> ensure that the Manager operates and administers the Funds in accordance with the provisions of the Deeds, the CMSA, the GUTF and acceptable business practice within the unit trust industry;</li> <li><input type="checkbox"/> ensure that it is fully informed of the investment policies of the Funds and of any changes made thereto, and if it is of the opinion that the policies are not in the interests of the Unit holders, it shall instruct the Manager to take appropriate</li> </ul>	<p><b>THE TRUSTEE</b></p> <p>HSBC (Malaysia) Trustee Berhad is a company incorporated in Malaysia since 1937 and registered as a trust company under the Trust Companies Act 1949, with its registered address at Level 19, Menara IQ, Lingkaran TRX, 55188 Tun Razak Exchange, Kuala Lumpur.</p> <p>Since 1993, the Trustee has acquired experience in the administration of unit trusts and has been appointed as trustee for unit trust funds, exchange traded funds, wholesale funds and funds under private retirement scheme.</p> <p style="text-align: center;"><b>Duties and Responsibilities of the Trustee</b></p> <p>The Trustee’s main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit holders of the Fund. In performing these functions, the Trustee has to exercise all due care, diligence and vigilance and is required to act in accordance with the provisions of the Deed, the CMSA and the GUTF. Apart from being the legal owner of the Fund’s assets, the Trustee is also responsible for ensuring that the Manager performs its duties and obligations in</p>

List of Amendment  
**First Supplemental Master Prospectus for Islamic funds (“Fund”)**

Master Prospectus for Islamic funds dated 28 April 2023 (“Prospectus 1”)		First Supplemental Master Prospectus for Islamic funds dated 5 September 2023 (“Prospectus 2”)
Section / Page	Description	Description
	<p>action as the Trustees deem fit and/or summon a Unit holders’ meeting for the purpose of giving such instructions to the Manager as the meeting thinks proper;</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> as soon as practicable notify the SC of any irregularity or an actual or anticipated material breach of the provisions of the Deeds, the GUTF and any other matters which in the Trustees’ opinion may indicate that the interests of Unit holders are not being served;</li> <li><input type="checkbox"/> exercise due care, skill, diligence and vigilance in carrying out its functions and duties, in actively monitoring the administration of the Funds by the Manager and in safeguarding the interests of Unit holders;</li> <li><input type="checkbox"/> maintain, or cause the Manager to maintain, proper accounting and other records in relation to those rights and interests, and of all transactions effected by the Manager on account of the Funds; and</li> <li><input type="checkbox"/> cause those accounts to be audited at least annually by the auditor of the Fund and send or cause those accounts to be sent to Unit holders within two (2) months of the relevant accounting period.</li> </ul> <p><b>8.2. TRUSTEES’ STATEMENT OF RESPONSIBILITY</b></p> <p>The respective Trustees have agreed to assume the position of Trustee of the respective Funds and all the obligations in accordance with the respective Deeds, all relevant laws and rules of law. The respective Trustees shall be entitled to be indemnified out of the respective Funds against all losses, damages or expenses incurred by the Trustees in performing any of its duties or exercising any of its powers under this Deed in relation to the Funds. The right to indemnity shall not extend to loss occasioned by breach of trust, wilful default, negligence, fraud or failure to show the degree of care and diligence required of the Trustees having regard to the provisions of the respective Deeds.</p> <p><b>8.3. EXEMPTIONS OR VARIATIONS</b></p> <p>There have been no exemptions or variations from any relevant securities laws or the GUTF granted to the Trustees by the SC.</p> <p><b>8.4. ABOUT AMANAHRAYA TRUSTEES BERHAD</b></p>	<p>accordance with the provisions of the Deed, the CMSA and the GUTF. In respect of monies paid by an investor for the application of units, the Trustee’s responsibility arises when the monies are received in the relevant account of the Trustee for the Fund and in respect of redemption, the Trustee’s responsibility is discharged once it has paid the redemption amount to the Manager.</p> <p>The Trustee has in place anti-money laundering and anti-terrorism financing policies and procedures across the HSBC Group, which may exceed local regulations. Subject to any local regulations, the Trustee shall not be liable for any loss resulting from compliance of such policies, except in the case of negligence, wilful default or fraud of the Trustee.</p> <p>The Trustee is not liable for doing or failing to do any act for the purpose of complying with law, regulation or court orders.</p> <p>The Trustee shall be entitled to process, transfer, release and disclose from time to time any information relating to the Fund, Manager and Unit holders (including personal data of the Unit holders, where applicable) for the purposes of performing its duties and obligations in accordance to the Deed, the CMSA, the GUTF and any other legal and/or regulatory obligations such as conducting financial crime risk management, to the Trustee’s parent company, subsidiaries, associate companies, affiliates, delegates, service providers, agents and any governing or regulatory authority, whether within or outside Malaysia (who may also subsequently process, transfer, release and disclose such information for any of the above mentioned purposes) on the basis that the recipients shall continue to maintain the confidentiality of information disclosed, as required by law, regulation or directive, or in relation to any legal action, or to any court, regulatory agency, government body or authority.</p> <p style="text-align: center;"><b>Trustee’s Delegate</b></p> <p>The Trustee has appointed The Hongkong and Shanghai Banking Corporation Ltd as custodian of both the local and foreign assets of the Fund. For quoted and unquoted local investments of the Fund, the assets are held through HSBC Bank Malaysia Berhad and/or HSBC Nominees (Tempatan) Sdn Bhd. The Hongkong and Shanghai Banking Corporation Ltd is a wholly owned subsidiary of HSBC Holdings Plc, the holding company of the HSBC Group. The custodian’s comprehensive custody and clearing services cover traditional settlement processing and</p>

List of Amendment  
**First Supplemental Master Prospectus for Islamic funds (“Fund”)**

Master Prospectus for Islamic funds dated 28 April 2023 (“Prospectus 1”)		First Supplemental Master Prospectus for Islamic funds dated 5 September 2023 (“Prospectus 2”)
Section / Page	Description	Description
	<p>ART is the trustee of the iOP-MO, DALI4, iOP-EO and iLI-S. ART was incorporated under the laws of Malaysia on 23 March 2007 and registered as a trust company under the Trust Companies Act 1949.</p> <p>ART is a subsidiary of Amanah Raya Berhad (ARB) which is wholly owned by the Government of Malaysia. ART took over the corporate trusteeship functions of ARB and acquired ARB’s experience of more than 50 years in trustee business. ART has been registered and approved by the SC to act as trustee to unit trust funds.</p> <p>8.4.1. ART’s delegate</p> <p>ART has delegated its custodian function for the foreign investments of the DALI4 to Citibank N.A, Singapore Branch. Citibank N.A. in Singapore began providing Securities and Funds Services in the mid-1970’s and a fully operational global custody product was launched in the early 1990’s. To-date, their securities services business claims a global client base of premier banks, fund managers, broker dealers and insurance companies.</p> <p>The roles and duties of Citibank N.A, Singapore as the trustee’s delegate are as follows:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> To act as sub-custodian for the selected cross-border investment of the fund(s) including the opening of cash and custody accounts and to hold in safekeeping the assets of the fund(s).</li> <li><input type="checkbox"/> To act as paying agent for selected cross-border investments which include trade settlement and fund transfer services.</li> <li><input type="checkbox"/> To provide corporate action information or entitlements arising from the above underlying assets and to provide regular reporting on the activities of the invested portfolios.</li> </ul> <p>8.4.2. Material Litigation and Arbitration</p> <p>As at LPD, neither ART nor its delegates are engaged in any material litigation and arbitration, either as plaintiff or defendant, and the Trustee and its delegate are not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect their financial position or business.</p>	<p>safekeeping as well as corporate related services including cash and security reporting, income collection and corporate events processing. All investments are registered in the name of the Trustee or to the order of the Trustee. The custodian acts only in accordance with instructions from the Trustee.</p> <p>The Trustee shall be responsible for the acts and omissions of its delegate as though they were its own acts and omissions.</p> <p>However, the Trustee is not liable for the acts, omissions or failure of third party depository such as central securities depositories, or clearing and/or settlement systems and/or authorised depository institutions, where the law or regulation of the relevant jurisdiction requires the Trustee to deal or hold any asset of the Fund through such third parties.</p> <p><b>Trustee’s Disclosure of Material Litigation</b></p> <p>The Trustee is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of the Trustee.</p> <p><b>Trustee’s Statement of Responsibility</b></p> <p>The Trustee has given its willingness to assume the position as trustee of the Fund and all the obligations in accordance with the Deed, all relevant laws and rules of law. The Trustee shall be entitled to be indemnified out of the Fund against all losses, damages or expenses incurred by the Trustee in performing any of its duties or exercising any of its powers under the Deed. The right to indemnity shall not extend to loss occasioned by breach of trust, wilful default, negligence, fraud or failure to show the degree of care and diligence required of the Trustee having regard to the provisions of the Deed.</p>

List of Amendment  
**First Supplemental Master Prospectus for Islamic funds (“Fund”)**

Master Prospectus for Islamic funds dated 28 April 2023 (“Prospectus 1”)		First Supplemental Master Prospectus for Islamic funds dated 5 September 2023 (“Prospectus 2”)
Section / Page	Description	Description
	<p>8.5. ABOUT MTRUSTEE BERHAD</p> <p>MTrustee is the trustee for DALI with its registered office at B-2-9, (2nd Floor), Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur. MTrustee was incorporated on 28 July 1987 and registered as a Trust Company under the Trust Companies Act 1949 on 8 February 1989.</p> <p>MTrustee has commenced its operations in March 1992 and has been involved in the unit trust industry as a trustee since 1997.</p> <p>8.5.1. Delegation of MTrustee custodial functions (for DALI)</p> <p>MTrustee has delegated its custodian of quoted and unquoted local investments of the Funds to Malayan Banking Berhad (“MBB”). The assets of the local Funds are held through MBB’s nominee company, and it was set up to act as custodian for investment advisers, managers of large portfolios, lending banks and international custodians.</p> <p>MTrustee retains control of the assets of the Fund at all times.</p> <p>8.5.2. Material Litigation and Arbitration</p> <p>Legal proceedings have been initiated against the Trustee by one Ling Ngong Hiang, suing in his own capacity and as representative of other investors in the Golden Palm Growers Scheme (“Scheme”), in Kuala Lumpur High Court Civil Suit No. WA-22NCvC-156-03/2022.</p> <p>The allegations against the Trustee broadly cover failing to protect the interests of the Scheme’s investors, breach of statutory and fiduciary duties as trustee of the Scheme, and acting in concert with the manager of the Scheme against the interests of the investors.</p> <p>The Trustee’s solicitors are of the view that, based on a review of the Prospectuses for the Scheme, the Trust Deed and other related documents, the legal proceedings are misconceived as the allegations go beyond the defined and stated roles of the Trustee.</p>	

List of Amendment  
**First Supplemental Master Prospectus for Islamic funds (“Fund”)**

Master Prospectus for Islamic funds dated 28 April 2023 (“Prospectus 1”)		First Supplemental Master Prospectus for Islamic funds dated 5 September 2023 (“Prospectus 2”)
Section / Page	Description	Description
	<p>The Trustee’s solicitors are also of the view that the Trustee’s chances of successfully defending the claim are more than even.</p> <p>8.6. ABOUT HSBC (MALAYSIA) TRUSTEE BERHAD</p> <p>HSBCT is the trustee for iLI-ES and iDY-APDE. HSBCT is a company incorporated in Malaysia since 1937 and registered as a trust company under the Trust Companies Act 1949, with its registered address at Level 19, Menara IQ, Lingkaran TRX, 55188 Tun Razak Exchange, Kuala Lumpur.</p> <p>Since 1993, the Trustee has acquired experience in the administration of unit trusts and has been appointed as trustee for unit trust funds, exchange traded funds, wholesale funds and funds under private retirement scheme.</p> <p><b>Roles, Duties and Responsibilities of the Trustee</b>  HSBCT’s main function is to act as trustee and custodian of the assets of the Funds and to safeguard the interests of Unit holders of the Funds. In respect of moneys paid by an investor for the application of units, HSBCT’s responsibility arises when the moneys are received in the relevant account of HSBCT for the Funds and in respect of withdrawal, HSBCT’s responsibility is discharged once it has paid the withdrawal amount to the Manager.</p> <p>HSBCT has in place anti-money laundering and anti-terrorism financing policies and procedures across the HSBC Group, which may exceed local regulations. Subject to any local regulations, HSBCT shall not be liable for any loss resulting from compliance of such policies, except in the case of negligence, wilful default or fraud of HSBCT.</p> <p>HSBCT is not liable for doing or failing to do any act for the purpose of complying with law, regulation or court orders.</p> <p>HSBCT shall be entitled to process, transfer, release and disclose from time to time any information relating to the Funds, the Manager and/or investors/Unit holders for purposes of performing its duties and obligations in accordance to the Deed, Capital Markets and Services Act 2007, the GUTF and any other legal and/or regulatory obligations such as conducting financial crime risk management to HSBCT’s parent company, subsidiaries, associate companies, affiliates, delegates, service providers and/or agents and any governing or regulatory authority, whether within or outside Malaysia (who may also subsequently process, transfer, release and disclose such</p>	



List of Amendment  
**First Supplemental Master Prospectus for Islamic funds (“Fund”)**

Master Prospectus for Islamic funds dated 28 April 2023 (“Prospectus 1”)		First Supplemental Master Prospectus for Islamic funds dated 5 September 2023 (“Prospectus 2”)
Section / Page	Description	Description
	<p>information for any purpose) on the basis that the recipients shall continue to maintain the confidentiality of information disclosed; as required by law, regulation or directive, or in relation to any legal action; or to any court, regulatory agency, government body or authority.</p> <p>8.6.1. HSBCT’s delegate</p> <p>HSBCT has appointed the Hongkong and Shanghai Banking Corporation Ltd as the custodian of both the local and foreign assets of the Fund.</p> <p>For quoted and unquoted local investments of the Fund, the assets are held through HSBC Bank Malaysia Berhad and/or HSBC Nominees (Tempatan) Sdn Bhd. The Hongkong and Shanghai Banking Corporation Ltd is a wholly owned subsidiary of HSBC Holdings Plc, the holding company of the HSBC Group. The custodian’s comprehensive custody and clearing services cover traditional settlement processing and safekeeping as well as corporate related services including cash and security reporting, income collection and corporate events processing. All investments are registered in the name of the Trustee or to the order of HSBCT. The custodian acts only in accordance with instructions from HSBCT.</p> <p>HSBCT shall be responsible for the acts and omissions of its delegate as though they were its own acts and omissions.</p> <p>However, HSBCT is not liable for the acts, omissions or failure of any third party depository such as central securities depositories, or clearing and/or settlement systems and/or authorised depository institutions, where the law or regulation of the relevant jurisdiction requires the Trustee to deal or hold any asset of the Fund through such third parties.</p> <p>8.6.2. Material Litigation and Arbitration</p> <p>As at LPD, HSBCT is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give any proceedings which might materially affect the business/financial position of HSBCT.</p>	

List of Amendment  
**First Supplemental Master Prospectus for Islamic funds (“Fund”)**

Master Prospectus for Islamic funds dated 28 April 2023 (“Prospectus 1”)		First Supplemental Master Prospectus for Islamic funds dated 5 September 2023 (“Prospectus 2”)
Section / Page	Description	Description
	<p>8.7. ABOUT MAYBANK TRUSTEES BERHAD</p> <p>MTB is the Trustee of the iLI-BG with its registered office at 8th Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur.</p> <p>MTB was incorporated on 12 April 1963 and registered as a Trust Company under the Trust Companies Act 1949 on 11 November 1963. It was one of the first local trust companies to provide trustee services with the objective of meeting the financial needs of both individual and corporate clients.</p> <p>MTB has acquired experience in the administration of unit trust funds/ schemes since 1991.</p> <p>8.7.1. MTB’s Delegate</p> <p>MTB has delegated its custodian function to Malayan Banking Berhad. The custodian function is run under Maybank Securities Services (“MSS”), a unit within Malayan Banking Berhad. Maybank Securities Services provides a comprehensive end to end clearing and custody services for global and domestic equities and fixed income securities. MSS provides a complete suite of corporate outsourcing solutions with a proven track record in servicing international institutional clients: Sub Custodian for major Foreign Banks and Global Custodians. MSS also provides Global custody services in more than 100 different markets via a special arrangement with their reputable partners. They have also consistently been awarded in the Global Custodian Awards for Excellence as well as other major publications.</p> <p>The roles and duties of the trustee’s delegate, MSS, are as follows:</p> <ul style="list-style-type: none"> <li>• Safekeep, reconcile and maintain assets holdings records of funds against trustee’s instructions;</li> <li>• Act as settlement agent for shares and monies to counterparties against trustee’s instructions;</li> <li>• Act as agents for money market placement where applicable against trustee’s instructions;</li> <li>• Disseminate listed companies’ announcements to and follow through for corporate actions instructions from trustee;</li> <li>• Compile, prepare and submit holdings report to trustee and beneficial owners where relevant; and</li> </ul>	

List of Amendment  
**First Supplemental Master Prospectus for Islamic funds (“Fund”)**

Master Prospectus for Islamic funds dated 28 April 2023 (“Prospectus 1”)		First Supplemental Master Prospectus for Islamic funds dated 5 September 2023 (“Prospectus 2”)
Section / Page	Description	Description
	<ul style="list-style-type: none"> <li>• Other ad-hoc payments for work done for the funds against trustee's instructions, etc.</li> </ul> <p>The custodian acts only in accordance with instructions from the Trustee.</p> <p>8.7.2. Material Litigation and Arbitration</p> <p>As at 30 September 2019, save for the suit mentioned herein below, the Trustee is not engaged in any material litigation as plaintiff or defendant and the Trustee is not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect its financial position or business.</p> <p>Several holders of the bonds (“Bondholders”) issued by Aldwich Berhad [In Receivership] (“Aldwich”) had sued Aldwich for its failure to settle its indebtedness to the Bondholders following the default of the said bonds in 2010 and named the Trustee as one of 6 co-defendants under Kuala Lumpur High Court Civil Suit No. D-22NCC-1622-11/2012 (“Aldwich Bondholders’ Suit”). The claim against the Trustee is for the sum of MYR177,248,747.31 or any other sum that the Court deems fit and proper. The other co-defendants are the holding company of Aldwich (“Holding Company”), the Chief Executive Officer of the holding company of Aldwich (“CEO”), the Security Agent and the Reporting Accountant. The Trustee denied all allegations and claimed trial.</p> <p>The High Court had on 24 July 2017 delivered its judgement on the Aldwich Bondholders’ Suit (“Judgement”) that (a) all the defendants [i.e. Aldwich, Holding Company, CEO, Security Agent, Trustee and Reporting Accountant] are liable to the Bondholders for the sum of MYR177,248,747.31 (“Judgement Sum”); (b) Aldwich, Holding Company and CEO are 100% liable for the Judgement Sum; and (c) among Security Agent, Trustee and Reporting Accountant, liability is apportioned in the proportion of 50%, 30% and 20% of the Judgement Sum respectively.</p> <p>The High Court had on 5 October 2017 decided in respect of the outstanding matters arising from the Judgement that (a) the quantum of the Judgement Sum is maintained, and (b) interest is payable based on the reduced sum of MYR148,653,953.20 at the rate of 5% per annum from 1 November 2011 to the date of payment.</p>	

List of Amendment  
**First Supplemental Master Prospectus for Islamic funds (“Fund”)**

Master Prospectus for Islamic funds dated 28 April 2023 (“Prospectus 1”)		First Supplemental Master Prospectus for Islamic funds dated 5 September 2023 (“Prospectus 2”)
Section / Page	Description	Description
	<p>The Trustee had filed an appeal against the Judgement (“Appeal”) at the Court of Appeal.</p> <p>On 18 September 2019, the Court of Appeal dismissed the Appeals and affirmed the decision of the High Court and awarded further costs of MYR100,000.00 against the Trustee. On 16 October 2019, the Trustee had filed its Leave Motion to the Federal Court. The Leave Motion was partially heard on 21 January 2021, 3 September 2021, and 16 February 2022. The Leave Motion was unanimously dismissed by the Federal Court.</p> <p>The Aldwich Bondholders’ Suit will not materially affect the business or financial position of the Trustee.</p> <p>8.8. ABOUT UNIVERSAL TRUSTEE (MALAYSIA) BERHAD</p> <p>UTMB as the trustee of the DALI2, iOP-SCO and iLI-B was incorporated in 1974 in Malaysia and is registered as a trust company under the Trust Companies Act 1949. UTMB is qualified to act as a trustee for collective investment schemes approved pursuant to the CMSA and has more than 30 years of experience in handling unit trust matters.</p> <p>8.8.1. UTMB’s delegate</p> <p>UTMB has appointed Citibank Berhad as their delegate for local custody services. Citibank Berhad in Malaysia was established on 26 August 1959 as the First National City Bank. It became the first American bank to be locally incorporated on 1 July 1994. It has 11 branches across West Malaysia and an offshore banking unit in Labuan. Citibank Berhad has been an active player in the securities clearing and sub-custody industry in Malaysia since 1985. It is one of the largest institutional trades clearing bank in the securities market. The custody operations unit is also ISO certified.</p> <p>UTMB has appointed Citibank, N.A., Singapore Branch as their delegate for global custody services. Citibank, N.A., Singapore Branch was set up in 1902 and is today the largest foreign bank operating in the territory. With a staff force of about 8,500, Citibank, N.A., Singapore Branch provides a wide array of banking and financial services to institutions, consumers and professional markets in the community.</p>	

List of Amendment  
**First Supplemental Master Prospectus for Islamic funds (“Fund”)**

Master Prospectus for Islamic funds dated 28 April 2023 (“Prospectus 1”)		First Supplemental Master Prospectus for Islamic funds dated 5 September 2023 (“Prospectus 2”)
Section / Page	Description	Description
	<p>Citibank, N.A. in Singapore began providing Securities &amp; Fund Services in the mid-1970’s and a fully operational global custody product was launched in the early 1990’s.            To date, Citibank, N.A., Singapore’s Securities &amp; Fund Services business claims a global client base of premier banks, fund managers, broker dealers and insurance companies.</p> <p>8.8.2. Material Litigation and Arbitration</p> <p>As at LPD, neither UTMB nor its delegates are engaged in any material litigation and arbitration, either as plaintiff or defendant, and the Trustee and its delegate are not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect their financial position or business.</p>	

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