

Principal Islamic Malaysia Opportunities Fund

Unaudited Semi-Annual Report

For The Six Months Financial Period Ended 31 Aug 2024

PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND
UNAUDITED SEMI-ANNUAL REPORT
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2024

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INVESTORS' LETTER

Dear Valued Investor,

Greetings from Principal Asset Management Berhad ("Principal Malaysia") and thank you for investing with us!

We are pleased to bring you a copy of the Unaudited Semi-Annual Fund Report of the Principal Islamic Malaysia Opportunities Fund for the six months financial period ended 31 August 2024. You may also download this report from our website at www.principal.com.my.

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

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

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

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

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

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

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

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

Has the Fund achieved its objective?

The Fund has achieved its objective of providing outperforming returns for investors.

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 31 August 2024?

RM214.34 million (647.99 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.

***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.

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

There was no distribution for the six months financial period ended 31 August 2024.

PERFORMANCE DATA

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

	31.08.2024	31.08.2023	31.08.2022
	%	%	%
Shariah-compliant quoted securities			
- Construction	9.41	7.14	0.97
- Consumer Products & Services	10.34	10.29	5.72
- Energy	10.26	5.02	3.37
- Financial Services	3.53	0.66	2.06
- Health Care	5.40	10.96	7.17
- Industrial Products & Services	13.37	15.70	21.90
- Plantation	3.56	6.14	12.37
- Property	4.77	3.81	1.65
- Real Estate Investment Trust ("REITs")	-	3.61	3.59
- Technology	9.48	19.19	15.53
- Telecommunication/Media	4.71	5.84	9.52
- Transportation/Logistics	2.78	-	4.28
- Utilities	8.88	8.70	2.02
Cash and other assets	14.84	4.21	11.46
Liabilities	(1.33)	(1.27)	(1.61)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	31.08.2024	31.08.2023	31.08.2022
NAV (RM Million)	214.34	94.90	96.86
Units in circulation (Million)	647.99	379.34	399.80
NAV per unit (RM)	0.3307	0.2501	0.2422
	01.03.2024	01.03.2023	01.03.2022
	to 31.08.2024	to 31.08.2023	to 31.08.2022
Highest NAV per unit (RM)	0.3673	0.2527	0.2841
Lowest NAV per unit (RM)	0.2721	0.2380	0.2236
Total return (%)	20.43	2.92	(11.10)
- Capital growth (%)	20.43	2.92	(13.75)
- Income distribution (%)	-	-	3.07
Total Expense Ratio ("TER") (%) ^	0.79	0.80	0.79
Portfolio Turnover Ratio ("PTR") (times) #	0.56	0.37	0.13

^ The Fund's TER decreased from 0.79% to 0.80% mainly due to the decrease in expenses (excluded transaction cost) during the six months financial period under review.

The Fund's PTR was slightly higher due to more trading activities during the financial period under review.

Gross/ Net distribution per unit (sen)

Distribution on 13 April 2022	-	-	0.84
Distribution on 13 April 2021	-	-	-

	31.08.2024	31.08.2023	31.08.2022	31.08.2021	31.08.2020
	%	%	%	%	%
Annual total return	32.23	3.26	(11.16)	8.45	8.60

(Launch date: 1 August 2012)

PERFORMANCE DATA (CONTINUED)

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up. All performance figures for the financial period have been extracted from Lipper.

MARKET REVIEW (1 MARCH 2024 TO 31 AUGUST 2024)

The FBMS Index rose by 7.1% in Malaysian Ringgit (“MYR”/“RM”) terms during the financial period under review.

FBMS Index’s rally extended into March 2024, up 1.0% to close the month at 11,643.52 points (“pts”). This marked the 4th consecutive month of gains, with Malaysia outperforming most ASEAN markets. Bets on rate cuts by The US Federal Reserve (the “Fed”) were pushed back given the persistent strong data out of the US Dollar (“USD”), and there was an absence of fresh catalysts domestically. During the month, there were also distortions caused by FTSE rebalancing (as well as MSCI rebalancing in February 2024) and many index stocks going ex-dividends. Transport, Utilities and Commodities topped the gainers list while Telecommunication languished. Within the broader market, Property, Construction, Technology, Healthcare and Energy did well.

FBMS Index’s rally extended into April 2024, up 3.9% to close the month at 11,085.94 pts. This marked the 5th consecutive month of gains, with Malaysia outperforming most ASEAN markets. Bets on rate cuts by the Fed were pushed back given the persistent strong data out of the USD. The rally was broad-based but Utilities, Industrial (mainly PMAH), Healthcare and Transport led gains while Energy eased. Within the broader market, Property and Consumer did well.

FBMS Index’s rally extended into May 2024, up 2.54% to close the month at 12,392.36 pts. Investors stayed upbeat despite bets on rate cuts by the Fed pushed back given the persistent strong economic data out of the USD and sticky inflation. Utilities, Consumer and Industrial led gains while Telecommunication and Commodities lagged. Within the broader market, Construction, Property and Technology did well.

FBMS Index was up 1.3% in June 2024 as investors remained relatively upbeat considering the recent weakness in US economic data and inflation moderating. Utilities and Healthcare rose while Consumer eased. Within the broader market, Construction and Tech posted strong gains, while other sectors were mixed.

FBMS Index was up 0.8% in July 2024 alongside regional markets and rebounding off the previous month’s sell-off, spurred by Federal Open Market Committee (“FOMC”) fed cut bets considering the recent weakness in USD economic data and inflation moderating. Gainers were led by Utilities, Telecommunication and Consumer, while Materials languished. Within the broader market, Construction and Property posted strong gains, while Technology and Healthcare yielded.

FBMS Index contracted 3.7% in August 2024. The sharp sell-off at the start of the month was due to the massive unwinding of the Yen carry trade. Sentiment was helped by waning USD recession fears given the more ‘upbeat’ economic data, and greater conviction on Fed cuts, coupled with the 5% appreciation in the Ringgit during the month. MSCI rebalancing also helped. Gains were largely concentrated on Plantations.

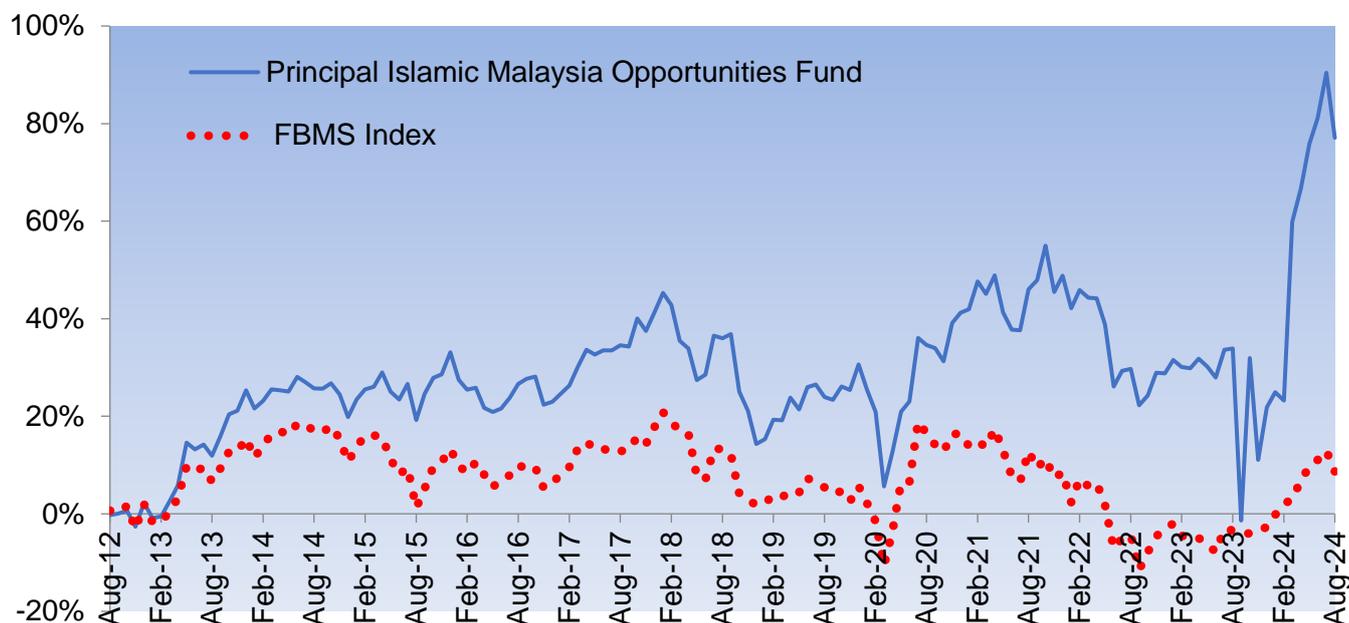
FUND PERFORMANCE

	6 months to	1 years to	3 years to	5 years to	Since
	31.08.2024	31.08.2024	31.08.2024	31.08.2024	inception to
	%	%	%	%	31.08.2024
					%
Income Distribution	-	-	3.07	8.64	33.87
Capital Growth	20.43	32.23	17.69	31.49	32.28
Total Return	20.43	32.23	21.30	42.86	77.09
Benchmark	6.58	12.51	(3.64)	3.14	8.71
Average Total Return	44.59	32.23	6.64	7.39	4.84

FUND PERFORMANCE (CONTINUED)

For the financial period under review, the Fund gained 20.43%, while the benchmark gained 6.58%. As such, the Fund outperformed the benchmark by 1385 basis points (“bps”).

Since Inception



Changes in NAV

	31.08.2024	28.02.2024 Audited	Changes
NAV (RM Million)	214.34	98.30	>100
NAV/Unit (RM)	0.3307	0.2746	20.43

The NAV increased by >100% during the financial period under review as the value of underlying securities has increased. Meanwhile, the NAV per unit also increased by 20.43% to RM0.3307.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.08.2024	28.02.2024 Audited
Shariah-compliant quoted securities	86.49	95.65
Cash and other assets	14.84	6.53
Liabilities	(1.33)	(2.18)
TOTAL	100.00	100.00

Asset allocation into Shariah-compliant quoted securities decreased to 86.49% as of 31 August 2024 compared to 95.65% as at 28 February 2024 while cash levels increased to 14.84% from 6.53%. This was contributed by inflows and locking of gains from the winners in the portfolio.

MARKET OUTLOOK*

Malaysia's August 2024 manufacturing Purchasing Manager Index ("PMI") reading was unchanged compared to the previous month at 49.7 pts. Standard & Poor's ("S&P") Global indicated that demand conditions were subdued, and production and new orders moderated marginally. Consequently, manufacturers scaled back purchases, employment, and stock holdings. They were also faced with a marked increase in input cost due to rise in raw material prices and weak exchange rate, and output charges were raised accordingly. Optimism of a recovery in new orders supported confidence that production will rise over the coming 12 months. The latest PMI data suggests second quarter of 2024 ("2Q2024") Gross Domestic Product ("GDP") growth momentum, which was at 5.9%, continuing. To recap, Bank Negara Malaysia ("BNM") projects GDP to grow 4% to 5% in 2024.

We expect BNM to maintain Overnight Policy Rate ("OPR") at 3.00% for the rest of the year given muted inflation and modest economic growth. Inflation was at 2% in July 2024, same as June 2024. There appears to be sufficient headroom to central bank's latest 2.0% to 3.5% Consumer Price Index ("CPI") forecast for 2024 with the impending subsidy rationalization plans.

*This market outlook does not constitute an offer, invitation, commitment, advice or recommendation to make a purchase of any investment. The information given in this article represents the views of Principal Asset Management Berhad ("Principal Malaysia") or based on data obtained from sources believed to be reliable by Principal Malaysia. Whilst every care has been taken in preparing this, Principal Malaysia makes no guarantee, representation or warranty and is under no circumstances liable for any loss or damage caused by reliance on, any opinion, advice or statement made in this market outlook.

INVESTMENT STRATEGY

On current market volatility, we are actively deploying cash that were raised earlier selectively into preferred sectors like Utilities, Property and Construction. We believe improved political stability, stronger earnings growth prospects and higher domestic investments would keep the market afloat. 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 Asset Management Berhad (the "Manager") and the Trustee will not retain any form of rebate 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 rebates 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 bring 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 Funds; and
- (c) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and the Manager will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

During the financial period under review, the Manager and the Trustee did not receive any rebates from the brokers or dealers, but the Manager has retained soft commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. The Manager confirms that the goods and services received were for the benefit of the Fund, the trades were made on a best execution basis and there was no churning of trades.

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIR OF THE FUND

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

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

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

CROSS TRADE

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

UNIT SPLIT

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC 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 unaudited financial statements set out on pages 4 to 26 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 August 2024 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting.

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN

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

UDAY JAYARAM

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

Kuala Lumpur
16 October 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 ended 31 August 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
16 October 2024

SHARIAH ADVISER'S REPORT

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

For The Six Months Financial Period Ended 31 August 2024

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia ("SC") pertaining to Shariah matters; and
2. The asset of the Fund comprises of instruments that have been classified as Shariah compliant.

For **Amanie Advisors Sdn Bhd**

Tan Sri Dr Mohd Daud Bakar
Executive Chairman

Kuala Lumpur
16 October 2024

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

		01.03.2024 to 31.08.2024	01.03.2023 to 31.08.2023
	Note	RM	RM
INCOME			
Dividend income		1,495,069	975,701
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions at amortised cost		142,597	134,201
Net gain on financial assets at fair value through profit or loss	8	<u>16,404,819</u>	<u>2,583,367</u>
		<u>18,042,485</u>	<u>3,693,269</u>
EXPENSES			
Management fee	5	1,070,906	719,096
Trustee fee	6	32,126	23,969
Audit fee		4,725	4,738
Tax agent's fee		2,513	2,248
Transaction costs		541,617	229,319
Other expenses		17,675	14,998
		<u>1,669,562</u>	<u>994,368</u>
PROFIT BEFORE TAXATION		16,372,923	2,698,901
Taxation	7	-	-
PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>16,372,923</u>	<u>2,698,901</u>
Profit after taxation is made up as follows:			
Realised amount		1,636,326	(193,981)
Unrealised amount		14,736,597	2,892,882
		<u>16,372,923</u>	<u>2,698,901</u>

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2024**

		31.08.2024	28.02.2024
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents	9	24,288,419	3,991,588
Financial assets at fair value through profit or loss	8	185,374,983	94,027,003
Amount due from stockbrokers		932,748	2,131,603
Amount due from Manager		6,471,421	294,293
Dividends receivable		105,606	3,327
TOTAL ASSETS		<u>217,173,177</u>	<u>100,447,814</u>
LIABILITIES			
Amount due to stockbrokers		2,165,112	1,399,092
Amount due to Manager		385,780	600,693
Accrued management fee		253,681	115,997
Amount due to Trustee		7,610	3,480
Other payables and accruals		21,639	23,800
TOTAL LIABILITIES		<u>2,833,822</u>	<u>2,143,062</u>
NET ASSET VALUE OF THE FUND		<u>214,339,355</u>	<u>98,304,752</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>214,339,355</u>	<u>98,304,752</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	11	<u>647,985,479</u>	<u>357,905,748</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.3307</u>	<u>0.2746</u>

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

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

	Note	01.03.2024 to 31.08.2024 RM	01.03.2023 to 31.08.2023 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD		98,304,752	94,367,967
Movement due to units created and cancelled during the financial period:			
- Creation of units from applications		153,871,701	7,536,050
- Cancellation of units		(54,210,021)	(9,700,310)
		99,661,680	(2,164,260)
Total comprehensive income for the financial period		16,372,923	2,698,901
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	10	214,339,355	94,902,608

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

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

	01.03.2024 to 31.08.2024 RM	01.03.2023 to 31.08.2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Purchase of Shariah-compliant quoted securities	(117,376,508)	(35,959,369)
Proceeds from disposal of Shariah-compliant quoted securities	43,856,605	34,439,815
Dividend income received	1,392,790	1,107,250
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah earned	142,597	134,201
Management fee paid	(933,222)	(707,686)
Trustee fee paid	(27,996)	(23,589)
Payments for other fees and expenses	(27,074)	(18,358)
Net cash used in operating activities	(72,972,808)	(1,027,736)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	147,694,573	7,426,537
Payments for cancellation of units	(54,424,934)	(9,458,550)
Net cash generated from/(used in) from financing activities	93,269,639	(2,032,013)
Net increase/(decrease) in cash and cash equivalents	20,296,831	(3,059,749)
Cash and cash equivalents at the beginning of the financial period	3,991,588	6,883,809
Cash and cash equivalents at the end of the financial period	24,288,419	3,824,060
<u>Cash and cash equivalents comprised of:</u>		
Shariah-complaint deposits with licensed Islamic financial institutions	24,254,120	3,789,612
Bank balances	34,299	34,448
Cash and cash equivalents at the end of the financial period	24,288,419	3,824,060

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 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, a Nineteenth Supplemental Master Deed dated 18 June 2019, a Twentythird Supplemental Master Deed dated 27 June 2022 and a Twentyfourth Supplemental Master Deed dated 20 September 2022 (collectively referred to as the “Deeds”), made between Principal Asset Management Berhad (the “Manager”) and AmanahRaya Trustees Berhad (the “Previous Trustee”) and a Twentyfifth Supplemental Master Deed dated 26 May 2023 (collectively referred to as the “Deeds”), made 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 SC Guidelines on Unit Trust Funds, SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

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

2. MATERIAL ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**(a) Basis of preparation (continued)**

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

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

The areas involving a higher degree of judgement or complexity, or areas where 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 period beginning on 1 March 2024 that have a material effect on the financial statements of the Fund.

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

(b) Financial assets and financial liabilitiesClassification

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

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

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

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

The Fund classifies cash and cash equivalents, amount due from stockbrokers, amount due from Manager and dividends receivable at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

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

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

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

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

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

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

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

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

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

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

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

Impairment for assets carried at amortised costs

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

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 management as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

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

Write-off

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

(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) Cash and cash equivalents

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

(e) Taxation

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

Withholding taxes on investment income from investments are based on tax regime of the respective countries that the Fund invests in. Such withholding taxes are not "income tax" in nature and are recognised and measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) 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.

(g) Amount due from/to stockbrokers

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

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

(h) Transaction costs

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

(i) Unit holders’ contributions

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

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

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

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

(j) 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.

(k) Critical accounting estimates and judgments in applying accounting policies

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Critical accounting estimates and judgments in applying accounting policies (continued)

Estimates and judgment 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 there are no accounting policies which require significant judgement to be exercised.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is 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.

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.

(ii) Interest rate risk

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

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

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

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

(b) Credit risk

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

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

For amount due from Manager, the settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC Guidelines on Unit Trust Funds.

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

(c) Liquidity risk

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

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances and Shariah-compliant deposits with licensed Islamic financial institutions, which are capable of being converted into cash within 7 business days. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

(d) Capital risk management

The capital of the Fund is represented by equity consisting of unit holders' capital and retained earnings. 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).

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(e) Fair value estimation (continued)**

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the financial period end date. The Fund utilises the last traded market price for financial assets where the last traded market price falls within the bid-ask spread. In circumstances where the last traded market price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

(i) Fair value hierarchy

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

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

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

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

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.08.2024				
Financial assets at fair value through profit or loss:				
- Shariah- compliant quoted securities	<u>185,374,983</u>	<u>-</u>	<u>-</u>	<u>185,374,983</u>
28.02.2024				
Audited				
Financial assets at fair value through profit or loss:				
- Shariah- compliant quoted securities	<u>94,027,003</u>	<u>-</u>	<u>-</u>	<u>94,027,003</u>

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

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

4. MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to a maximum management fee of 3.00% per annum, calculated daily based on the NAV of the Fund.

For the six months financial period ended 31 August 2024, the management fee was recognised at a rate of 1.50% per annum (31.08.2023: 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 0.045% per annum, calculated daily based on the NAV of the Fund. The Trustee fee includes the local custodian fees and charges.

For the six months financial period ended 31 August 2024, the Trustee fee was recognised at a rate of 0.045% per annum (31.08.2023: 0.05% per annum).

6. TAXATION

	01.03.2024 to 31.08.2024	01.03.2023 to 31.08.2023
	RM	RM
Tax charged for the financial period:		
- Current taxation	<u>-</u>	<u>-</u>

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

	01.03.2024 to 31.08.2024	01.03.2023 to 31.08.2023
	RM	RM
Profit before taxation	<u>16,372,923</u>	<u>2,698,901</u>
Taxation at Malaysian statutory rate of 24% (31.08.2023: 24%)	3,929,502	647,736
Tax effects of:		
Income not subject to tax	(4,330,196)	(886,384)
Expenses not deductible for tax purposes	141,552	63,700
Restriction on tax deductible expenses for Unit Trust Funds	<u>259,142</u>	<u>174,948</u>
Taxation	<u>-</u>	<u>-</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.08.2024	28.02.2024 Audited
	RM	RM
At fair value through profit or loss:		
- Shariah-compliant quoted securities	<u>185,374,983</u>	<u>94,027,003</u>

	01.03.2024 to 31.08.2024	01.03.2023 to 31.08.2023
	RM	RM
Net gain on financial assets at fair value through profit or loss:		
- Realised gain/(loss) on disposals	1,668,218	(309,516)
- Unrealised fair value gain	<u>14,736,601</u>	<u>2,892,883</u>
	<u>16,404,819</u>	<u>2,583,367</u>

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.08.2024 SHARIAH-COMPLIANT QUOTED SECURITIES				
Construction				
Econpile Holdings Bhd	3,000,000	751,050	1,185,000	0.55
Gamuda Bhd	1,521,103	7,690,954	11,408,272	5.32
IJM Corp Bhd	1,100,000	1,965,200	3,157,000	1.47
Southern Score Builders Bhd	<u>8,000,000</u>	<u>1,600,000</u>	<u>4,440,000</u>	<u>2.07</u>
	<u>13,621,103</u>	<u>12,007,204</u>	<u>20,190,272</u>	<u>9.41</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.08.2024 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Consumer Products & Services				
Aeon Co Bhd	1,600,000	2,399,036	2,304,000	1.07
Farm Fresh Bhd	2,809,800	4,296,050	4,551,876	2.11
Mr D.I.Y. Group (M) Bhd	2,800,050	5,556,604	5,768,103	2.69
QL Resources Bhd	900,000	5,071,345	5,850,000	2.73
Sime Darby Bhd	1,500,000	3,776,393	3,720,000	1.74
	<u>9,609,850</u>	<u>21,099,428</u>	<u>22,193,979</u>	<u>10.34</u>
Energy				
Dayang Enterprise Holdings Bhd	3,500,000	7,117,594	9,100,000	4.25
Dialog Group Bhd	1,384,500	3,388,165	3,267,420	1.52
Keyfield International Bhd	2,400,000	5,915,862	5,712,000	2.66
Perdana Petroleum Bhd	9,000,002	3,463,086	3,330,001	1.55
Uzma Bhd	604,700	723,932	604,700	0.28
	<u>16,889,202</u>	<u>20,608,639</u>	<u>22,014,121</u>	<u>10.26</u>
Financial Services				
Bank Islam Malaysia Bhd	1,100,000	2,989,872	2,926,000	1.37
Bursa Malaysia Bhd	500,000	4,716,432	4,620,000	2.16
	<u>1,600,000</u>	<u>7,706,304</u>	<u>7,546,000</u>	<u>3.53</u>
Health Care				
Hartalega Holdings Bhd	1,600,000	2,997,435	3,952,000	1.84
Kossan Rubber Industries Bhd	1,316,000	1,764,791	2,395,120	1.12
KPJ Healthcare Bhd	1,761,000	2,198,456	3,381,120	1.58
Top Glove Corp Bhd	2,000,000	2,153,200	1,840,000	0.86
	<u>6,677,000</u>	<u>9,113,882</u>	<u>11,568,240</u>	<u>5.40</u>
Industrial Products & Services				
Kelington Group BHD	1,900,000	4,405,879	5,738,000	2.68
KJTS Group Bhd	2,500,000	1,733,049	1,625,000	0.77
Nationgate Holdings Bhd	4,000,000	4,600,692	7,600,000	3.56
Press Metal Aluminium Holdings Bhd	900,000	4,681,263	4,473,000	2.09
Sunway Bhd	1,300,000	2,949,364	5,330,000	2.49
V.S. Industry Bhd	3,495,568	4,364,484	3,810,169	1.78
	<u>14,095,568</u>	<u>22,734,731</u>	<u>28,576,169</u>	<u>13.37</u>
Plantation				
Johor Plantations Group	2,200,000	1,986,108	2,134,000	1.00
SD Guthrie Bhd	1,200,000	5,428,172	5,496,000	2.56
	<u>3,400,000</u>	<u>7,414,280</u>	<u>7,630,000</u>	<u>3.56</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.08.2024 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Property				
Eastern and Oriental Bhd	1,398,100	869,440	1,230,328	0.57
Sime Darby Property Bhd	2,900,000	2,990,814	4,060,000	1.89
SP Setia Bhd	4,500,000	5,009,619	4,950,000	2.31
	<u>8,798,100</u>	<u>8,869,873</u>	<u>10,240,328</u>	<u>4.77</u>
Technology				
Cloudpoint Technology Bhd	5,000,000	4,711,843	3,850,000	1.80
Greotech Technology Berhad	1,100,000	5,835,443	5,192,000	2.42
Inari Amertron Bhd	1,500,000	5,462,697	4,725,000	2.20
ITMAX System Bhd	1,300,000	2,403,952	4,459,000	2.08
Ifca Msc Bhd	3,523,400	2,686,486	2,096,423	0.98
	<u>12,423,400</u>	<u>21,100,421</u>	<u>20,322,423</u>	<u>9.48</u>
Telecommunications/Media				
Celcomdigi Bhd	200,000	745,479	774,000	0.36
Maxis Bhd	491,900	1,966,115	1,898,734	0.88
Telekom Malaysia Bhd	1,100,000	5,964,741	7,436,000	3.47
	<u>1,791,900</u>	<u>8,676,335</u>	<u>10,108,734</u>	<u>4.71</u>
Transportation				
MISC Bhd - Local	230,300	1,876,283	1,932,217	0.90
Westports Hldgs Bhd	946,000	4,269,028	4,020,500	1.88
	<u>1,176,300</u>	<u>6,145,311</u>	<u>5,952,717</u>	<u>2.78</u>
Utilities				
Tenaga Nasional Bhd	1,300,000	14,142,565	19,032,000	8.88
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	<u>91,382,423</u>	<u>159,618,973</u>	<u>185,374,983</u>	<u>86.49</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>25,756,010</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>185,374,983</u>		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
28.02.2024				
Audited				
SHARIAH-COMPLIANT				
QUOTED SECURITIES				
Construction				
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>
Consumer Products & Service				
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>
Energy				
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>
Health Care				
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>
Industrial Products & Services				
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>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
28.02.2024				
Audited (CONTINUED)				
SHARIAH-COMPLIANT				
QUOTED SECURITIES				
(CONTINUED)				
Plantation				
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>
Property				
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>
Technology				
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>
Telecommunications & Media				
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>
Utilities				
Tenaga Nasional Bhd	800,000	7,341,235	9,008,000	9.16
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	<u>58,386,225</u>	<u>83,007,594</u>	<u>94,027,003</u>	<u>95.65</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
28.02.2024				
Audited (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		11,019,409		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		94,027,003		

8. CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)

	31.08.2024	28.02.2024
	RM	Audited RM
Shariah-compliant deposits with licensed Islamic financial institutions	24,254,120	3,971,326
Bank balances	34,299	20,262
	<u>24,288,419</u>	<u>3,991,588</u>

9. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

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

	31.08.2024	28.02.2024
	RM	Audited RM
Unit holders' contributions	189,076,389	89,414,709
Accumulated losses	25,262,966	8,890,043
	<u>214,339,355</u>	<u>98,304,752</u>

9. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS (CONTINUED)

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

	Unit holders' contribution RM	Retained earnings/ (Accumulated losses) RM	Total RM
Balance as at 1 March 2024	89,414,709	8,890,043	98,304,752
Movement in unit holders' contributions:			
- Creation of units from applications	153,871,701	-	153,871,701
- Cancellation of units	(54,210,021)	-	(54,210,021)
Total comprehensive income for The financial period	-	16,372,923	16,372,923
Balance as at 31 August 2024	<u>189,076,389</u>	<u>25,262,966</u>	<u>214,339,355</u>
Balance as at 1 March 2023	97,109,877	(2,741,910)	94,367,967
Movement in unit holders' contributions:			
- Creation of units from applications	7,536,050	-	7,536,050
- Cancellation of units	(9,700,310)	-	(9,700,310)
Total comprehensive income for The financial period	-	2,698,901	2,698,901
Balance as at 31 August 2023	<u>94,945,617</u>	<u>(43,009)</u>	<u>94,902,608</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.03.2024 to 31.08.2024	01.03.2023 to 28.02.2024 Audited
	No. of units	No. of units
At the beginning of the financial period/year	357,905,748	388,147,097
Add : Creation of units from applications	453,570,795	64,682,573
Less : Cancellation of units	(163,491,064)	(94,923,922)
At the end of the financial period/year	<u>647,985,479</u>	<u>357,905,748</u>

11. TOTAL EXPENSES RATIO ("TER")

	01.03.2024 to 31.08.2024	01.03.2023 to 31.08.2023
	%	%
TER	<u>0.79</u>	<u>0.80</u>

TER was derived from the following calculation:

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

11. TOTAL EXPENSES RATIO ("TER") (CONTINUED)

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

The average NAV of the Fund for the financial period calculated on a daily basis was RM142,599,425 (31.08.2023: RM95,064,349)

12. PORTFOLIO TURNOVER RATIO ("PTR")

	01.03.2024 to 31.08.2024	01.03.2023 to 31.08.2023
PTR (times)	<u>0.56</u>	<u>0.37</u>

PTR was derived based on the following calculation:

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

Where:

Total acquisition for the financial period = RM117,749,014 (31.08.2023: RM35,538,327)

Total disposal for the financial period = RM42,805,852 (31.08.2023: RM34,230,231)

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

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

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

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

Units held by the Manager and parties related to the Manager

	31.08.2024		28.02.2024 Audited	
	No. of units	RM	No. of units	RM
Manager				
Principal Asset Management Berhad	121,253	40,098	9,971	2,738

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

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

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

	01.03.2024 to 31.08.2024 RM	01.03.2023 to 31.08.2023 RM
<u>Significant related party transactions</u>		
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions:		
- CIMB Islamic Bank Bhd	-	22,075

14. TRANSACTIONS WITH BROKERS

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

Brokers	Value of trades RM	Percentage of total trades %	Brokerage Fees RM	Percentage of brokerage fee %
Affin Hwang Investment Bank Bhd	23,446,852	14.62	25,310	17.40
RHB Investment Bank Bhd	21,772,279	13.58	19,696	13.54
CGS International Securities Malaysia Sdn Bhd	21,692,203	13.53	18,432	12.67
Nomura Securities Malaysia Sdn Bhd	19,056,590	11.88	16,296	11.20
Maybank Investment Bank Bhd	16,106,488	10.05	10,898	7.49
Macquarie Capital Securities (M) Sdn Bhd	16,007,263	9.98	14,672	10.09
CLSA Securities M Sdn Bhd	14,946,604	9.32	11,251	7.73
UBS Securities M Sdn Bhd	9,707,218	6.05	8,096	5.57
J.P. Morgan Securities (M) Sdn Bhd	8,135,253	5.07	8,677	5.96
KAF Equities Sdn Bhd	5,996,146	3.74	4,323	2.97
Others #	3,475,215	2.18	7,819	5.38
	<u>160,342,111</u>	<u>100.00</u>	<u>145,470</u>	<u>100.00</u>

14. TRANSACTIONS WITH BROKERS (CONTINUED)

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

Brokers	Value of trades RM	Percentage of total trades %	Brokerage Fees RM	Percentage of brokerage fee %
RHB Investment Bank Bhd	11,790,846	16.92	25,310	17.63
CGS-CIMB Securities Sdn Bhd #	9,676,660	13.89	19,696	13.72
UBS Securities M Sdn Bhd	8,590,348	12.33	18,432	12.84
Macquarie Capital Securities (M) Sdn Bhd	7,242,628	10.39	16,296	11.35
J.P. Morgan Securities (M) Sdn Bhd	6,927,489	9.94	10,898	7.59
Nomura Securities Malaysia Sdn bhd	6,811,235	9.77	14,672	10.22
Maybank Investment bank Sdn Bhd	5,000,223	7.18	11,251	7.84
KAF Equities Sdn Bhd	4,521,909	6.49	8,096	5.64
CLSA Securities M Sdn Bhd	3,856,420	5.53	8,677	6.04
Citigroup Global Markets Malaysia Sdn Bhd	2,161,601	3.10	4,323	3.01
Others	3,103,901	4.46	5,910	4.12
	<u>69,683,260</u>	<u>100.00</u>	<u>143,561</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 RM1,468,059 (2023: RM9,676,660). The Manager is of the opinion that all transactions with the related company have been entered into in the normal course of business at agreed terms between the related party.

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

E-mail address

myservice@principal.com

Customer Care Centre

(03) 7723 7260

Chat with us via WhatsApp

(6016) 299 9792

Trustee for the Principal Islamic 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

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

Principal Asset Management Berhad
199401018399 (304078-K)

Enquiries:

Customer Care Centre
(603)7723 7260

Chat with us via WhatsApp
(6016)299 9792

Email
myservice@principal.com

Website
www.principal.com.my