

**PRINCIPAL ISLAMIC PRS PLUS EQUITY**  
**ANNUAL REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

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## MEMBERS' LETTER

Dear Valued Member,

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 PRS Plus Equity for the financial year ended 31 August 2024. You may also download this report from our website at [www.principal.com.my](http://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](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**  
Chief Executive Officer,  
Malaysia & Global Shariah & Managing Director,  
Strategic Distribution & Institutional Client Relations  
(Southeast Asia & Global Shariah)  
Non-Independent Executive Director

## PRS PROVIDER'S REPORT

### FUND OBJECTIVE AND POLICY

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

The Fund seeks to provide capital growth over the long-term by investing in a target fund with investments in Malaysian securities that comply with the Shariah principles.

#### Has the Fund achieved its objective?

For the financial year under review, the Fund is in line to achieve its long-term objective as stated under the Fund investment policy.

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

The Fund will invest at least 85% of its NAV in the Target Fund, a Malaysian domiciled fund established on 7 May 1998, which invests in Malaysian Shariah-compliant equities. The Fund may also maintain up to 15% of its NAV in Islamic liquid assets.

The asset allocation strategy for this Fund is as follows:

- At least 85% of the Fund's NAV will be invested in the Target Fund; and
- Up to 15% of the Fund's NAV may be invested in Islamic liquid assets for liquidity purpose.

#### Information on the Target Fund

Target Fund	:	Principal DALI Equity Growth Fund
Target Fund Manager	:	Principal Asset Management Berhad
Regulatory authority	:	Securities Commission Malaysia ("SC")
Country of domicile	:	Malaysia

#### Fund category/type

Feeder Fund - Equity (Shariah-compliant)

#### When was the Fund launched?

12 November 2012

#### What was the size of the Fund as at 31 August 2024?

RM69.11 million (132.47 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. The risk profile of the Fund is not the same as the risk profile of the benchmark.

#### What is the Fund distribution policy?

The Fund is not expected to pay any distribution. All income earned by members will automatically be reinvested into the Fund.

#### What was the net income distribution for the financial year ended 31 August 2024?

There was no distribution made for the financial year ended 31 August 2024.

**PERFORMANCE DATA**

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

	<b>31.08.2024</b>	<b>31.08.2023</b>	<b>31.08.2022</b>
	%	%	%
Shariah-compliant collective investment scheme	99.41	99.43	99.39
Cash and other assets	0.66	0.62	0.65
Liabilities	(0.07)	(0.05)	(0.04)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	<b>31.08.2024</b>	<b>31.08.2023</b>	<b>31.08.2022</b>
NAV (RM Million)			
- Class A	47.67	37.29	35.61
- Class C	3.61	2.61	2.52
- Class X	17.83	14.48	13.28
Units in circulation (Million)			
- Class A	91.39	87.60	85.28
- Class C	6.92	6.14	6.03
- Class X	34.16	33.99	31.78
NAV per unit (RM)			
- Class A	0.5216	0.4256	0.4175
- Class C	0.5214	0.4253	0.4172
- Class X	0.5218	0.4258	0.4177
Highest NAV per unit (RM)			
- Class A	0.5840	0.4287	0.5126
- Class C	0.5837	0.4284	0.5126
- Class X	0.5842	0.4289	0.5126
Lowest NAV per unit (RM)			
- Class A	0.4194	0.3857	0.3988
- Class C	0.4191	0.3854	0.3987
- Class X	0.4195	0.3859	0.3987
Total return (%)			
- Class A	20.79	1.92	(11.39)
- Class C	20.81	1.92	(11.41)
- Class X	20.78	1.93	(11.39)
Capital growth (%)			
- Class A	20.79	1.92	(16.37)
- Class C	20.81	1.92	(16.43)
- Class X	20.78	1.93	(16.33)
Income distribution (%)			
- Class A	-	-	5.95
- Class C	-	-	6.00
- Class X	-	-	5.90
Total Expense Ratio ("TER") (%)	0.12	0.12	0.13
Portfolio Turnover Ratio ("PTR") (times) #	0.03	0.04	0.04

# During the financial year under review, The Fund's PTR decreased from 0.04 times to 0.03 times as there were lessor trading activities.

**PERFORMANCE DATA (CONTINUED)**

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

	31.08.2024	31.08.2023	31.08.2022		
Gross/Net distribution per unit (sen)					
Distribution on 15 October 2021					
- Class A	-	-			2.50
- Class C	-	-			2.50
- Class X	-	-			2.50
Distribution on 15 August 2022					
- Class A	-	-			0.33
- Class C	-	-			0.35
- Class X	-	-			0.31
	<b>31.08.2024</b>	<b>31.08.2023</b>	<b>31.08.2022</b>	<b>31.08.2021</b>	<b>31.08.2020</b>
	%	%	%	%	%
Annual total return					
- Class A	20.79	1.92	(11.39)	(5.61)	1.24
- Class C	20.81	1.92	(11.41)	(5.59)	1.22
- Class X	20.78	1.93	(11.39)	(5.61)	1.24

(Launch date: 12 November 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 SEPTEMBER 2023 TO 31 AUGUST 2024)**

The FBMS Index has experienced a period of moderate volatility, reflecting both global and domestic economic challenges. The index, which tracks Shariah-compliant stocks, has been influenced by fluctuations in key sectors such as healthcare, technology, and consumer goods, which are significant components of the Shariah-compliant universe in Malaysia.

Global uncertainties, including inflationary pressures and geopolitical tensions, created a cautious sentiment among investors. This was particularly evident in the first half, where global market trends, such as concerns over interest rates in major economies like the US, affected investor confidence in emerging markets, including Malaysia. Domestically, economic policies and developments in the oil and gas industry, a key sector for Malaysia, played a crucial role in shaping the structural growth.

Despite these challenges, certain sectors like healthcare and technology, buoyed by post-pandemic recovery and advancements, helped to mitigate the downside. Furthermore, Malaysia's strong focus on Islamic finance and government support for Shariah-compliant investments provided some stability. As economic activities picked up in the latter half, there was a slight recovery in market sentiment, particularly as inflationary pressures eased and local economic indicators improved.

While the market faced a tough period marked by external economic pressures, its core sectors, along with the resilience of Malaysia's Shariah-compliant investment landscape, helped cushion the impact and maintain a level of stability by the end of the period.

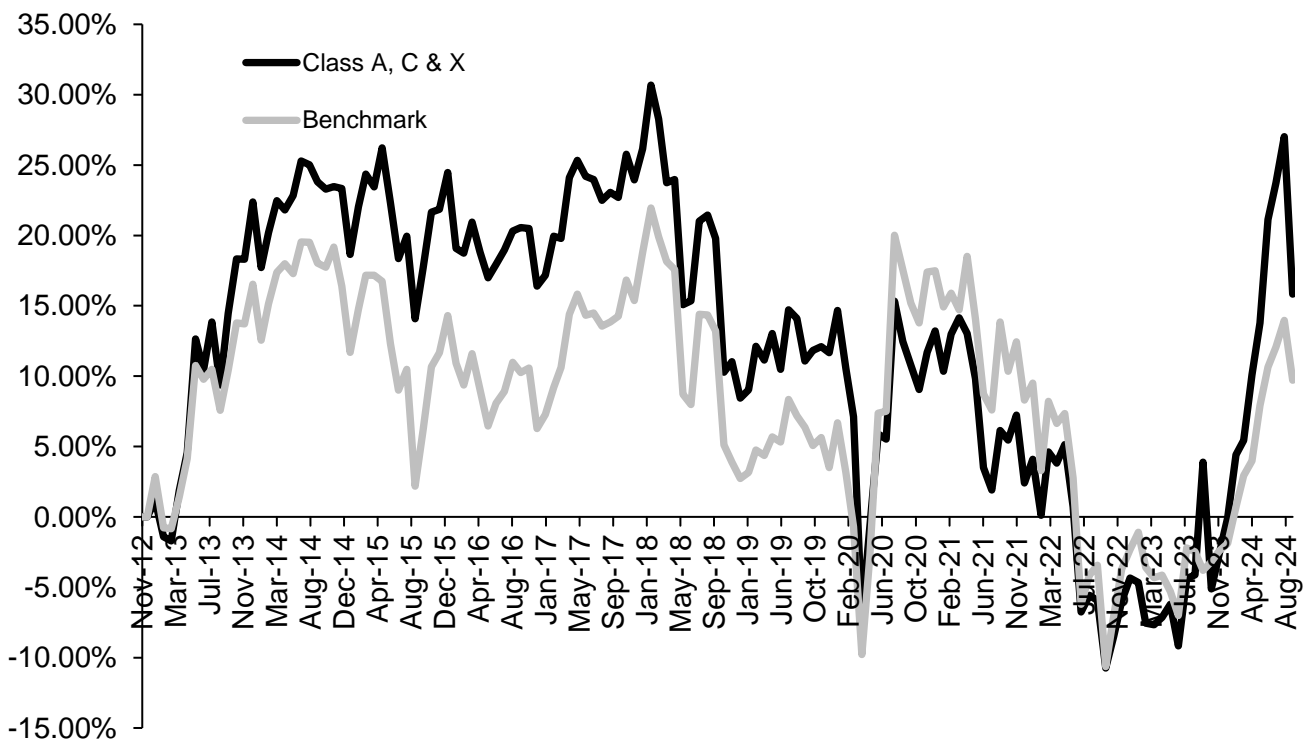
**FUND PERFORMANCE**

	1 year to 31.08.2024 %	3 years to 31.08.2024 %	5 years to 31.08.2024 %	Since inception to 31.08.2024 %
<b>Income Distribution</b>				
- Class A	-	5.95	12.64	12.64
- Class C	-	6.00	12.70	12.70
- Class X	-	5.90	12.59	12.59
<b>Capital Growth</b>				
- Class A	20.79	2.98	(7.44)	2.82
- Class C	20.81	2.92	(7.49)	2.76
- Class X	20.78	3.02	(7.40)	2.86
<b>Total Return</b>				
- Class A	20.79	9.11	4.27	15.82
- Class C	20.81	9.10	4.26	15.81
- Class X	20.78	9.10	4.26	15.81
<b>Benchmark</b>				
- Class A	12.51	(3.64)	3.14	9.71
- Class C	12.51	(3.64)	3.14	9.71
- Class X	12.51	(3.64)	3.14	9.71
<b>Average Total Return</b>				
- Class A	20.79	2.95	0.84	1.25
- Class C	20.81	2.94	0.84	1.25
- Class X	20.78	2.94	0.84	1.25

During the financial year under review, the fund returned positively for all classes, Class A, Class C, and Class X increased by 20.79%, 20.81%, and 20.78% outperforming their respectively benchmark which increased by 12.51% during the same period.

\* Performance of Class A, Class C and Class X are almost the same. Slight variant was due to different timing of units created for each of the class.

**Since Inception**



**FUND PERFORMANCE (CONTINUED)**

**Changes in NAV**

<b>CLASS A</b>	<b>31.08.2024</b>	<b>31.08.2023</b>	<b>Changes %</b>
NAV (RM Million)	47.67	37.29	27.84
NAV/Unit (RM)	0.5216	0.4256	22.56
<b>CLASS C</b>			
NAV (RM Million)	3.61	2.61	38.31
NAV/Unit (RM)	0.5214	0.4253	22.60
<b>CLASS X</b>			
NAV (RM Million)	17.83	14.48	23.14
NAV/Unit (RM)	0.5218	0.4258	22.55

During the financial year under review, the fund's NAV for Class A, Class C, and Class X increased by 27.84%, 38.31%, and 23.14% respectively.

In addition, the fund's NAV per unit for Class A, Class C, and Class X increased by 22.56%, 22.60%, and 22.55% during the same period under review.

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**

<b>(% of NAV)</b>	<b>31.08.2024</b>	<b>31.08.2023</b>
Shariah-compliant collective investment scheme	99.41	99.43
Cash and other assets	0.66	0.62
Liabilities	(0.07)	(0.05)
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

The Fund was fully invested during the financial year under review. A minimal level of liquid assets was maintained primarily for redemption purposes.

Top 10 holdings of the Target Fund:

	<b>% of NAV</b>
<b>Top 10 holdings*</b>	<b>31.08.2024</b>
Tenaga Nasional Berhad	10.39
Hartalega Holdings Bhd	6.41
Dialog Group Bhd	5.87
Telekom Malaysia Bhd	5.56
Gamuda Bhd	5.51
IJM Corporation Bhd	4.03
Mr D.I.Y. Group (M) Bhd	3.99
Top Glove Corporation Bhd	3.93
MISC Bhd	3.45
V.S. Industry Bhd	3.42



**PORTFOLIO STRUCTURE (CONTINUED)****Asset allocation (continued)**

	<b>% of NAV</b>
<b>Top 10 holdings*</b>	<b>31.08.2023</b>
Tenaga Nasional Berhad	9.93
Press Metal Aluminium Holdings Bhd	6.23
Hartalega Holdings Bhd	6.03
Inari Amertron Bhd	5.71
IHH Healthcare Bhd	4.49
MyEG Services Bhd	4.23
Telekom Malaysia Bhd	4.13
Gamuda Bhd	3.97
Sime Darby Plantation Bhd	3.37
MISC Bhd	3.31

\* As per disclosed in Fund Fact Sheet.

**MARKET OUTLOOK\***

Key sectors such as healthcare, technology, and consumer goods are expected to remain strong drivers of growth in the coming months, as post-pandemic recovery continues, and innovation accelerates. Healthcare, in particular, could see sustained demand given ongoing advancements and Malaysia's growing focus on becoming a regional medical hub.

Domestically, the government's commitment to promoting Islamic finance and sustainable investments will continue to play a vital role. Initiatives aimed at strengthening the Islamic finance ecosystem, such as the development of new Shariah-compliant products and frameworks, should attract both local and international investors. The increasing emphasis on environmental, social, and governance (ESG) principles, along with the rise of renewable energy, could create new opportunities for Shariah-compliant companies, especially in sectors aligned with sustainability.

Global economic conditions will also influence the market's trajectory. Central bank policies in major economies, particularly regarding interest rates and inflation management, will impact capital flows into Malaysia. Stabilization in inflation and easing of geopolitical tensions could bolster investor confidence and drive capital into emerging markets. Additionally, fluctuations in commodity prices, particularly in the oil and gas sector, could affect the overall market sentiment, given the sector's significance to Malaysia's economy.

While risks remain, including potential global economic slowdowns and volatile commodity prices, Malaysia's Shariah-compliant market is expected to remain resilient. Investors will likely focus on sectors that exhibit adaptability to both domestic and international challenges. Overall, Malaysia's strong Islamic finance foundation, coupled with the growing demand for sustainable and ethical investments, positions the market for steady growth in the coming months.

\* 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**

As this is a Feeder Fund under the PRS, the Fund will continue to remain fully invested in the Target Fund with minimal cash kept for liquidity purposes.

## **SOFT COMMISSIONS AND REBATES**

Principal Asset Management Berhad (the “PRS Provider”), the Sub-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 Fund. Accordingly, any rebate or shared commission will be directed to the account of the Principal Malaysia Funds (“Funds”).

The PRS Provider 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 The PRS Provider will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commission.

During the financial year under review, the PRS Provider, the Sub-Manager and Trustee did not receive any rebates from the brokers or dealers, but the PRS Provider 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 PRS Provider 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 year under review.

## **STATE OF AFFAIR OF THE FUND**

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

## **CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF MEMBERS**

There were no circumstances that had materially affected the interest of the members 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 THE PRS PROVIDER TO THE MEMBERS OF  
PRINCIPAL ISLAMIC PRS PLUS EQUITY**

We, being the Directors of Principal Asset Management Berhad (the “PRS Provider”), do hereby state that, in the opinion of the PRS Provider, the accompanying audited financial statements set out on pages 8 to 26 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the statement of financial position of the Fund as at 31 August 2024 and of its financial performance, changes in net assets attributable to members and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the PRS Provider

**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  
25 October 2024

**THE SCHEME TRUSTEE'S REPORT**

**TO THE MEMBERS OF PRINCIPAL ISLAMIC PRS PLUS EQUITY ("Fund")**

We have acted as the Scheme Trustee for the Fund for the financial year 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 year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the PRS Provider under the deed, securities laws and the Guidelines on Private Retirement Schemes;
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 Deutsche Trustees Malaysia Berhad

**Ng Hon Leong**  
Head, Fund Operations

Kuala Lumpur  
25 October 2024

**Sylvia Beh**  
Chief Executive Officer

**SHARIAH ADVISER'S REPORT**

**To the Members of Principal Islamic PRS Plus Equity ("Fund")**

**For The Financial Year 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 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  
25 October 2024

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
PRINCIPAL ISLAMIC PRS PLUS EQUITY**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

*Opinion*

We have audited the financial statements of Principal Islamic PRS Plus Equity (the "Fund"), which comprise the statement of financial position of the Fund as at 31 August 2024, and statement of comprehensive income, statement of changes in net assets attributable to members 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 8 to 26.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 August 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 MEMBERS OF  
PRINCIPAL ISLAMIC PRS PLUS EQUITY (CONT'D.)**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)**

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

The PRS Provider of the Fund (the "PRS Provider") 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 PRS Provider and the Trustee for the financial statements*

The PRS Provider 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 PRS Provider is also responsible for such internal control as the PRS Provider 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 PRS Provider 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 PRS Provider 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 PRS Provider maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
PRINCIPAL ISLAMIC PRS PLUS EQUITY (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 scepticism 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 PRS Provider.
- Conclude on the appropriateness of the PRS Provider'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 represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the PRS Provider 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 MEMBERS OF  
PRINCIPAL ISLAMIC PRS PLUS EQUITY (CONT'D.)**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)**

**Other matters**

This report is made solely to the members of the Fund, as a body, in accordance with the Guidelines on Private Retirement Schemes 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. 03013/10/2026 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
25 October 2024

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

	Note	2024 RM	2023 RM
<b>INCOME</b>			
Dividend income		701,429	242,189
Net gain on financial assets at fair value through profit or loss	7	<u>11,758,292</u>	<u>870,699</u>
		<u>12,459,721</u>	<u>1,112,888</u>
<b>EXPENSES</b>			
Private Pension Administrator administration fee	4	25,185	20,787
Trustee fee	5	25,185	20,787
Audit fee		8,100	8,100
Tax agent's fee		5,000	5,000
Other expenses		<u>13,416</u>	<u>9,317</u>
		<u>76,886</u>	<u>63,991</u>
<b>PROFIT BEFORE TAXATION</b>		12,382,835	1,048,897
Taxation	6	<u>-</u>	<u>-</u>
<b>PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		<u>12,382,835</u>	<u>1,048,897</u>
Profit after taxation is made up as follows:			
Realised amount		598,495	(221,641)
Unrealised amount		<u>11,784,340</u>	<u>1,270,538</u>
		<u>12,382,835</u>	<u>1,048,897</u>

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

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

	Note	2024 RM	2023 RM
<b>ASSETS</b>			
Cash and cash equivalents	8	374,939	255,090
Financial assets at fair value through profit or loss	7	68,696,487	54,071,765
Amount due from the PRS Provider			
- Creation of units		78,947	82,184
<b>TOTAL ASSETS</b>		<u>69,150,373</u>	<u>54,409,039</u>
<b>LIABILITIES</b>			
Amount due to the PRS Provider			
- Cancellation of units		15,586	7,088
Amount due to Private Pension Administrator		2,401	1,835
Amount due to Trustee		2,401	1,835
Other payables and accruals		23,100	18,099
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS)</b>		<u>43,488</u>	<u>28,857</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>69,106,885</u>	<u>54,380,182</u>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u>69,106,885</u>	<u>54,380,182</u>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS (RM)</b>			
- Class A		47,673,658	37,289,895
- Class C		3,609,631	2,613,478
- Class X		17,823,596	14,476,809
		<u>69,106,885</u>	<u>54,380,182</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
- Class A		91,390,796	87,601,989
- Class C		6,923,566	6,143,632
- Class X		34,156,056	33,994,848
	9	<u>132,470,418</u>	<u>127,740,469</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>			
- Class A		0.5216	0.4256
- Class C		0.5214	0.4253
- Class X		<u>0.5218</u>	<u>0.4258</u>

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	54,380,182	51,405,536
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class A	3,517,728	2,696,270
- Class C	1,157,864	198,256
- Class X	1,034,576	1,362,445
	5,710,168	4,256,971
Cancellation of units		
- Class A	(1,670,207)	(1,733,569)
- Class C	(730,866)	(153,256)
- Class X	(965,227)	(444,397)
	(3,366,300)	(2,331,222)
Total comprehensive income for the financial year	12,382,835	1,048,897
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL YEAR</b>	69,106,885	54,380,182

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 31 AUGUST 2024**

	2024	2023
Note	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from disposal of Shariah-compliant collective investment scheme	245,000	1,050,000
Purchase of Shariah-compliant collective investment scheme	(3,111,429)	(3,157,189)
Dividend income received	701,429	242,189
Private Pension Administrator administration fee paid	(24,619)	(20,707)
Trustee fee paid	(24,619)	(20,707)
Payments for other fees and expenses	(21,517)	(22,418)
<b>Net cash used in operating activities</b>	<b>(2,235,755)</b>	<b>(1,928,832)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from unit created	5,713,406	4,267,601
Payments for cancellation of units	(3,357,802)	(2,325,306)
<b>Net cash generated from financing activities</b>	<b>2,355,604</b>	<b>1,942,295</b>
Net increase in cash and cash equivalents	119,849	13,463
Cash and cash equivalents at the beginning of the financial year	255,090	241,627
Cash and cash equivalents at the end of the financial year	<b>8</b> 374,939	<b>255,090</b>
<u>Cash and cash equivalents comprised:</u>		
Bank balance	374,939	255,090
Cash and cash equivalents at the end of the financial year	<b>8</b> 374,939	<b>255,090</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

**1. THE FUND, THE PRS PROVIDER AND ITS PRINCIPAL ACTIVITIES**

Principal Islamic PRS Plus Equity (the “Fund”) is governed by a Deed dated 8 November 2012, a First Supplemental Deed dated 2 January 2014, a Second Supplemental Deed dated 25 November 2014 and Third Supplemental Deed dated 3 February 2020, a Fourth Supplemental Deed dated 17 December 2021, a Fifth Supplemental Deed dated 12 July 2022 and a Sixth Supplemental Deed dated 14 June 2023 (collectively referred to as the “Deeds”), made between Principal Asset Management Berhad (the “PRS Provider”) and Deutsche Trustees Malaysia Berhad (the “Trustee”).

The Fund offers three classes of units known respectively as Class A, Class C and Class X. In accordance with the Disclosure Document, subject to the PRS Provider’s absolute discretion, Class A and Class C are for an individual who has attained the age 18 years as of the date of opening a private pension account while Class X is for Member who participates via his/her employer. Class A and Class C have different Sales Charge and Management Fee while Class X has no Sales Charge.

The Fund will invest at least 85% of its NAV in the Target Fund, a Malaysian domiciled fund established on 7 May 1998, which invests in Malaysian Shariah-compliant equities. The Fund will also maintain up to a maximum of 15% of its NAV in liquid assets.

The asset allocation strategy for this Fund is as follows:

- At least 85% of the Fund’s NAV will be invested in the Target Fund; and
- Up to 15% of the Fund’s NAV may be invested in Islamic liquid assets for liquidity purpose.

Information on the Target Fund

Target Fund	: Principal DALI Equity Growth Fund
Target Fund Manager	: Principal Asset Management Berhad
Regulatory authority	: Securities Commission Malaysia (“SC”)
Country of domicile	: Malaysia

Principal Singapore was appointed to provide investment advice for the Fund. Principal Singapore will provide investment research and recommendation to us accordance with the investment objective and within the investment restrictions of the Fund.

All investments are subjected to the SC Guidelines on PRS, 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 PRS Provider, 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 PRS Provider 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:

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (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”). 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 PRS Provider to exercise their judgement in the process of applying the Fund’s accounting policies. Although these estimates and judgement are based on the PRS Provider’s best knowledge of current events and actions, actual results may differ.

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

There are no other standards, amendments to standards or interpretations that are effective for financial year beginning on 1 September 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 financial year beginning on/after 1 September 2024 that are applicable to the financial statements of 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. Investment in Shariah-compliant collective investment scheme has contractual cash flows that do not represent solely payment of principal and interest<sup>1</sup> (“SPPI”), and therefore are classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents and amount due from the PRS Provider – Creation of units 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.

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

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

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.

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 collective investment scheme is valued based on the most recent published NAV per unit or share of such Shariah-compliant collective investment scheme or, if unavailable, on the last published price of such unit or share (excluding any sales charge included in such selling price).

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

Significant increase in credit risk

A significant increase in credit risk is defined by the PRS Provider 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.



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

Realised gain or loss on disposal of Shariah-compliant collective investment scheme is accounted for as the difference between net disposal proceeds and the carrying amount of Shariah-compliant investments, 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) Members' contributions**

The members' contributions to the Fund meet the definition of puttable instruments classified as financial liability under MFRS 132 "*Financial Instruments: Presentation*".

The Fund issues cancellable units, in three classes of units, known respectively as the Class A, Class C and Class X, which are cancelled at the member's option and do not have identical features subject to restrictions as stipulated in the Disclosure Document and SC Guidelines on PRS. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of statement of financial position if the member exercises the right to put back the unit to the Fund.

Units are created and cancelled at the member's option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to members of respective classes with the total number of outstanding units of respective classes.

**(f) 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 amount of cash and which are subject to an insignificant risk of changes in value.

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

**(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.

**(h) Realised and unrealised portions of profit or loss after taxation**

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

**(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 PRS Provider 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 PRS Provider will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the SC Guidelines on PRS.

However, the PRS Provider 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 were 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 8)	-	374,939	374,939
Shariah-compliant collective investment scheme (Note 7)	68,696,487	-	68,696,487
Amount due from the PRS Provider - Creation of units	-	78,947	78,947
	<u>68,696,487</u>	<u>453,886</u>	<u>69,150,373</u>
<b>2023</b>			
Cash and cash equivalents (Note 8)	-	255,090	255,090
Shariah-compliant collective investment scheme (Note 7)	54,071,765	-	54,071,765
Amount due from the PRS Provider - Creation of units	-	82,184	82,184
	<u>54,071,765</u>	<u>337,274</u>	<u>54,409,039</u>

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

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

The investment objective of the Fund is to provide capital growth over the long-term by investing in a target fund with investment in Malaysian securities that comply with the Shariah principles.

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

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

**(a) Market risk**

**(i) Price risk**

This is the risk that the fair value of an investment in Shariah-compliant collective investment scheme will fluctuate because of changes in market prices. The value of investments in a Shariah-compliant collective investment scheme 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 collective investment scheme 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 collective investment scheme	<u>68,696,487</u>	<u>54,071,765</u>

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

<b>% Change in price of Shariah-compliant collective investment scheme</b>	<b>Market value RM</b>	<b>Impact on profit or loss/NAV RM</b>
<b>2024</b>		
-5%	65,261,663	(3,434,824)
0%	68,696,487	-
+5%	<u>72,131,311</u>	<u>3,434,824</u>

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

(a) Market risk (continued)

(i) Price risk (continued)

% Change in price of Shariah-compliant collective investment scheme	Market value RM	Impact on profit or loss/NAV RM
<b>2023</b>		
-5%	51,368,177	(2,703,588)
0%	54,071,765	-
+5%	56,775,353	2,703,588

(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 bank balance is managed by ensuring that the Fund will only place Shariah-compliant deposits in reputable licensed Islamic financial institutions.

For amount due from the PRS Provider, the settlement terms of the proceeds from the creation of units receivables from the PRS Provider are governed by the SC Guidelines on PRS.

The following table sets out the credit risk concentration of the Fund at the end of each reporting year:

	Cash and cash equivalents RM	Amount due from the PRS Provider- Creation of units RM	Total RM
<b>2024</b>			
- AA1	374,939	-	374,939
- Not rated	-	78,947	78,947
	374,939	78,947	453,886
<b>2023</b>			
- AA1	255,090	-	255,090
- Not rated	-	82,184	82,184
	255,090	82,184	337,274

(c) Liquidity risk

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

The PRS Provider manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by members. Liquid assets comprise bank balance which are capable of being converted into cash within 7 business days.

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

(c) Liquidity risk (continued)

The Fund's investments in Shariah-compliant collective investment scheme are realisable which are capable of being converted into cash within 10 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 period as at the statement of financial position date to the contractual maturity date. The amounts in the following 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 the PRS Provider			
- Cancellation of units	15,586	-	15,586
Amount due to Private Pension Administrator	2,401	-	2,401
Amount due to Trustee	2,401	-	2,401
Other payables and accruals	-	23,100	23,100
Net assets attributable to members*	69,106,885	-	69,106,885
<b>Contractual undiscounted cash flows</b>	<u>69,127,273</u>	<u>23,100</u>	<u>69,150,373</u>
<b>2023</b>			
Amount due to the PRS Provider			
- Cancellation of units	7,088	-	7,088
Amount due to Private Pension Administrator	1,835	-	1,835
Amount due to Trustee	1,835	-	1,835
Other payables and accruals	-	18,099	18,099
Net assets attributable to members*	54,380,182	-	54,380,182
<b>Contractual undiscounted cash flows</b>	<u>54,390,940</u>	<u>18,099</u>	<u>54,409,039</u>

\* Outstanding units are redeemed on demand at the member's option subject to requirements in the SC Guidelines on PRS. However, the PRS Provider does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

(d) Capital risk management

The capital of the Fund was represented by net assets attributable to members RM69,106,885 (2023: RM54,380,182). The amount of capital can change significantly on a daily basis as the Fund is subjected to daily subscriptions and redemptions at the discretion of members. 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 members and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

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

#### (e) Fair value estimation

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

The fair values of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the PRS Provider 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 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.

3. FINANCIAL INSTRUMENTS AND 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
<b>2024</b>				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	<u>68,696,487</u>	<u>-</u>	<u>-</u>	<u>68,696,487</u>
<b>2023</b>				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	<u>54,071,765</u>	<u>-</u>	<u>-</u>	<u>54,071,765</u>

Shariah-compliant investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include Shariah-compliant collective investment scheme. 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 the PRS Provider - Creation of units and all current liabilities are a reasonable approximation of their fair values due to their short-term nature.

4. MANAGEMENT FEE AND PRIVATE PENSION ADMINISTRATOR ADMINISTRATION FEE

In accordance with the Deeds, the PRS Provider is entitled to a maximum management fee of 3.00% per annum for each unit class, calculated daily based on the NAV of the Fund.

For the financial year ended 31 August 2024 and 31 August 2023, the management fee for the respective classes is recognised at the following rates:

Class A	Class C	Class X
1.40%	1.50%	1.40%

Nonetheless, no management fee is charged on the Fund for the financial year ended 31 August 2024 and 31 August 2023 as the management fee has been waived by the PRS Provider.

The Private Pension Administrator administration fee is recognised at a rate of 0.04% per annum (2023: 0.04% per annum) for each unit class, calculated daily based on the NAV of the Fund.

**4. MANAGEMENT FEE AND PRIVATE PENSION ADMINISTRATOR ADMINISTRATION FEE (CONTINUED)**

There was no further liability in respect of management fee and Private Pension Administrator administration fee other than the amount recognised above.

**5. TRUSTEE FEE**

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.04% per annum for each unit class, calculated daily based on the NAV of the Fund. The Trustee fee includes local custodian fees and charges but excluding foreign custodian fees.

For the financial year ended 31 August 2024, the Trustee fee is recognised at a rate of 0.04% per annum (2023: 0.04% per annum) for each unit class.

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

**6. TAXATION**

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

Income from PRS approved by the SC in accordance with the Capital Markets and Services Act 2007 is exempted from tax in accordance with Schedule 6, Paragraph 20 of the Income Tax Act, 1967 ("ITA").

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

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Profit before taxation	12,382,835	1,048,897
Taxation at Malaysian statutory rate of 24% (2023: 24%)	2,971,880	251,735
Tax effects of:		
- Income not subject to tax	(2,990,333)	(267,093)
- Expenses not deductible for tax purposes	15,007	12,685
- Restriction on tax deductible expenses for PRS Funds	3,446	2,673
Taxation	-	-

**7. 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 collective investment scheme	68,696,487	54,071,765
	68,696,487	54,071,765
Net gain on financial assets at fair value through profit or loss:		
- Realised loss on disposals	(26,048)	(399,839)
- Unrealised fair value gain	11,784,340	1,270,538
	11,758,292	870,699



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 %
<b>2024</b>				
<b>SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME</b>				
Principal DALI Equity Growth Fund	<u>62,180,021</u>	<u>75,101,822</u>	<u>68,696,487</u>	<u>99.41</u>
<b>TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEME</b>	<b><u>62,180,021</u></b>	<b><u>75,101,822</u></b>	<b><u>68,696,487</u></b>	<b><u>99.41</u></b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>(6,405,335)</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>68,696,487</u></b>		
<b>2023</b>				
<b>SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME</b>				
Principal DALI Equity Growth Fund	<u>59,537,289</u>	<u>72,261,440</u>	<u>54,071,765</u>	<u>99.43</u>
<b>TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEME</b>	<b><u>59,537,289</u></b>	<b><u>72,261,440</u></b>	<b><u>54,071,765</u></b>	<b><u>99.43</u></b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>(18,189,675)</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>54,071,765</u></b>		

8 CASH AND CASH EQUIVALENTS

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Bank balance	<u>374,939</u>	<u>255,090</u>

9. NUMBER OF UNITS IN CIRCULATION (UNITS)

	<b>2024</b>	<b>2023</b>
	<b>No. of units</b>	<b>No. of units</b>
Class A (i)	91,390,796	87,601,989
Class C (ii)	6,923,566	6,143,632
Class X (iii)	34,156,056	33,994,848
	<u>132,470,418</u>	<u>127,740,469</u>
 (i) Class A		
At the beginning of the financial year	87,601,989	85,283,151
Add: Creation of units from applications	7,243,011	6,524,560
Less: Cancellation of units	<u>(3,454,204)</u>	<u>(4,205,722)</u>
At the end of the financial year	<u>91,390,796</u>	<u>87,601,989</u>
 (ii) Class C		
At the beginning of the financial year	6,143,632	6,033,488
Add: Creation of units from applications	2,253,270	479,802
Less: Cancellation of units	<u>(1,473,336)</u>	<u>(369,658)</u>
At the end of the financial year	<u>6,923,566</u>	<u>6,143,632</u>
 (iii) Class X		
At the beginning of the financial year	33,994,848	31,781,879
Add: Creation of units from applications	2,177,557	3,295,578
Less: Cancellation of units	<u>(2,016,349)</u>	<u>(1,082,609)</u>
At the end of the financial year	<u>34,156,056</u>	<u>33,994,848</u>

10. TOTAL EXPENSE RATIO (“TER”)

	<b>2024</b>	<b>2023</b>
	<b>%</b>	<b>%</b>
TER	<u>0.12</u>	<u>0.12</u>

TER was derived from the following calculation:

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

A	=	Management fee
B	=	Private Pension Administrator administration fee
C	=	Trustee fee
D	=	Tax agent’s fee
E	=	Audit fee
F	=	Other expenses
G	=	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 was RM62,925,680 (2023: RM51,989,587).

11. PORTFOLIO TURNOVER RATIO (“PTR”)

	<b>2024</b>	<b>2023</b>
PTR (times)	0.03	0.04

PTR was 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	= RM3,111,429 (2023: RM3,157,189)
total disposal for the financial year	= RM245,000 (2023: RM1,050,000)

12. UNITS HELD BY THE PRS PROVIDER AND PARTIES RELATED TO THE PRS PROVIDER, AND SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

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

Related parties	Relationship
Principal Asset Management Berhad	The PRS Provider
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the PRS Provider
Principal International (Asia) Ltd	Shareholder of the PRS Provider
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 PRS Provider
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the PRS Provider
CIMB Group Sdn Bhd	Shareholder of the PRS Provider
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 PRS Provider

Units held by the PRS Provider and parties related to the PRS Provider

There were no units held by the PRS Provider, the Directors or parties related to the PRS Provider as at the end of the financial year.

In addition to related party disclosure mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The PRS Provider 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>
Dividend of Shariah-compliant collective investment scheme managed by the PRS Provider:		
- Principal DALI Equity Growth Fund	701,429	242,189

**12. UNITS HELD BY THE PRS PROVIDER AND PARTIES RELATED TO THE PRS PROVIDER, AND SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)**

	2024 RM	2023 RM
<u>Significant related party balances</u>		
Shariah-compliant collective investment scheme managed by the PRS Provider:		
- Principal DALI Equity Growth Fund	<u>68,696,487</u>	<u>54,071,765</u>

**13. TRANSACTIONS WITH THE BROKERS/DEALERS OF THE FUND**

Details of transactions with the brokers/dealers for the financial year ended 31 August 2024 were as follows:

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Principal Asset Management Berhad	<u>3,356,429</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

Details of transactions with the brokers/dealers for the financial year ended 31 August 2023 were as follows:

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Principal Asset Management Berhad	<u>3,965,000</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

**14. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved for issue by the PRS Provider on 25 October 2024.

## DIRECTORY

### Head Office of the PRS Provider

Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))  
Level 32, Exchange 106,  
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### Trustee for the Principal Islamic PRS Plus Equity

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### Shariah Adviser of the Principal Islamic PRS Plus Equity

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### Auditors of the Fund

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