

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

CONTENTS	PAGE(S)
MEMBERS' LETTER	i
PRS PROVIDER'S REPORT	ii - xi
Fund Objective and Policy	
Performance Data	
Market Review	
Fund Performance	
Portfolio Structure	
Market Outlook	
Investment Strategy	
Soft Commissions and Rebates	
Securities Financing Transactions	
State of Affair of the Fund	
Circumstances That Materially Affect Any Interest of Members	
Cross Trade	
Unit Split	
STATEMENT BY THE PRS PROVIDER	1
THE SCHEME TRUSTEE'S REPORT	2
SHARIAH ADVISER'S REPORT	3
INDEPENDENT AUDITORS' REPORT	4 - 7
STATEMENT OF COMPREHENSIVE INCOME	8
STATEMENT OF FINANCIAL POSITION	9
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS	10
STATEMENT OF CASH FLOWS	11
NOTES TO THE FINANCIAL STATEMENTS	12 - 43
DIRECTORY	44

MEMBERS' LETTER

Dear Valued Members,

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 Moderate for the financial year 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 earned numerous accolades in 2024. At the Asia Asset Management 2024 Best of the Best Awards, we were honored with the Best of the Best Performance Award for China A-Share Equity (3 years) and recognized as the 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 our company was recognized as Asset Management Company of the Year Malaysia. Additionally, we 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). The International Finance Awards honored us with 'Best Asset Management Company – Malaysia 2024' and 'Best Asset Management CEO – Munirah Khairuddin – Malaysia 2024'. At the Triple A Sustainable Investing Awards 2024, we secured the Asset Management Company of the Year (Malaysia) award. The World Business Outlook magazine recognized us with the titles of 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, 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 a moderate level of capital growth over the long-term by investing in a diversified portfolio of Shariah-compliant equity and Sukuk.

Has the Fund achieved its objective?

For the financial year under review, the Fund has performed in line with its objective as stated under the Fund Performance section.

What are the Fund investment policy and principal investment strategy?

The Fund will invest in a mix of Shariah-compliant equities and Sukuk to provide a moderate level of capital growth. The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The Fund may opt to invest in Sukuk and Shariah-compliant equities either directly or via Islamic collective investment scheme.

The investments by the Fund in Shariah-compliant equities which include foreign exposure shall not exceed 60% of the Fund's NAV and investments in local and/or foreign Sukuk shall not be less than 40% of its NAV with a minimum credit rating of "BBB3" or "P2" by RAM Rating Services Berhad ("RAM") or equivalent rating by Malaysian Rating Corporation Berhad ("MARC") or "BBB" or "A-2" by Standard & Poor's ("S&P") or equivalent rating by any other international rating agencies. Notwithstanding, the Fund may also invest up to 5% of its NAV in unrated Sukuk.

The asset allocation strategy for this Fund is as follows:

- At least 40% of the Fund's NAV will be invested in Sukuk, of which up to 5% of the Fund's NAV may be invested in unrated Sukuk;
- Up to 60% of the Fund's NAV may be invested in Shariah-compliant equities; and
- Up to 5% of the Fund's NAV may be invested in Islamic liquid assets for liquidity purpose.

Fund category

Balanced (Shariah-compliant)

When was the Fund launched?

12 November 2012

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

RM18.58 million (25.30 million units)

What is the Fund's benchmark?

60% FTSE Bursa Malaysia ("FBM") EMAS Shariah ("FBMS") Index + 40% Quant shop Government Investment Issues ("GII") Short 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:

	31.08.2024	31.08.2023	31.08.2022
	%	%	%
Shariah-compliant quoted securities			
- Communication Services	0.51	1.16	4.95
- Consumer Discretionary	2.09	1.80	3.52
- Consumer Staples	0.59	0.68	5.09
- Energy	3.73	2.08	1.66
- Financials	-	-	0.89
- Health Care	0.91	-	2.78
- Industrials	15.24	9.86	10.36
- Information Technology	13.31	14.67	13.45
- Materials	-	1.82	5.43
- Real Estate	5.90	14.08	0.46
- Utilities	10.35	9.71	1.47
Unquoted Sukuk	42.75	40.61	34.29
Cash and other assets	4.89	3.78	15.86
Liabilities	(0.27)	(0.25)	(0.21)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	31.08.2024	31.08.2023	31.08.2022
NAV (RM Million)			
- Class A	11.30	10.05	21.58
- Class C	1.90	1.59	2.58
- Class X	5.38	4.67	34.32
Units in circulation (Million)			
- Class A	15.41	15.56	34.62
- Class C	2.60	2.47	4.17
- Class X	7.29	7.19	54.76
NAV per unit (RM)			
- Class A	0.7338	0.6460	0.6233
- Class C	0.7287	0.6415	0.6195
- Class X	0.7372	0.6495	0.6266
Highest NAV per unit (RM)			
- Class A	0.7864	0.6487	0.7553
- Class C	0.7814	0.6445	0.7535
- Class X	0.7898	0.6521	0.7553
Lowest NAV per unit (RM)			
- Class A	0.6330	0.6126	0.6141
- Class C	0.6330	0.6126	0.7535
- Class X	0.6410	0.6198	0.7553
Total return (%)			
- Class A	13.52	3.67	(8.88)
- Class C	13.51	3.60	(8.99)
- Class X	13.43	3.68	(8.88)
Capital growth (%)			
- Class A	13.52	3.67	(15.59)
- Class C	13.51	3.60	(15.90)
- Class X	13.43	3.68	(15.13)
Income distribution (%)			
- Class A	-	-	7.95
- Class C	-	-	8.22
- Class X	-	-	7.37

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
Total Expense Ratio (“TER”) (%) ^	1.99	1.82	1.57
Portfolio Turnover Ratio (“PTR”) (times) #	0.70	1.89	0.54

^ The Fund’s TER increased from 1.82% to 1.99% mainly due to the increase in overall expenses during the financial year under review.

For the financial year under review, the Fund’s PTR decreased from 1.89 times in the prior year to 0.70 times due to lesser trading activity.

	31.08.2024	31.08.2023	31.08.2022
Gross/Net distribution per unit (sen)			
Distribution on 15 October 2021			
- Class A	-	-	3.52
- Class C	-	-	3.51
- Class X	-	-	3.52
Distribution on 15 August 2022			
- Class A	-	-	1.82
- Class C	-	-	1.97
- Class X	-	-	1.48

	31.08.2024	31.08.2023	31.08.2022	31.08.2021	31.08.2020
	%	%	%	%	%
Annual total return					
- Class A	13.52	3.67	(8.88)	1.61	12.55
- Class C	13.51	3.60	(8.99)	1.50	12.47
- Class X	13.43	3.68	(8.88)	1.61	12.56

(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)

Local Equity

The FBMS Index (the “Index”) rose by 1,366.03 points or 12.50% during the financial year under review to close at 12,286.67 points.

The Index dropped 0.4% month-of-month (“m-o-m”) in September 2023. The sell-off, which largely concentrated towards the last week of the month, was rather broad-based. While there could be volatility caused by quarter-end rebalancing, investors were spooked by US treasury yields at a 16-year high and persistent US Dollar (“USD”) strength affecting EM markets, in addition to the Federal Reserve (the “Fed’s”) hawkish messaging on interest rates.

In October 2023, the Index further dipped 0.3% m-o-m. Within the broader market, Technology, Energy and Property languished while Construction performed better. Overall sentiment remained clouded by the surge in United State (“US”) treasury yields which topped 5% last month and persistent USD strength affecting Emerging Market (“EM”) markets, coupled with tensions in the Middle East.

MARKET REVIEW (1 SEPTEMBER 2023 TO 31 AUGUST 2024) (CONTINUED)

Local Equity (continued)

The Index rebounded 0.8% m-o-m in November 2023. Overall sentiment was lifted by expectations that the Fed may be done with rate hikes given the cooling inflation and recent economic data out of the US. The pullback in US treasury yields and the weaker USD lifted interest in EM markets.

The Index ended 2023 higher with December 2023 rising 0.5% m-o-m. Investors rejoiced at the Fed's decision to hold rates and signalling the end of hikes given the cooling inflation data and recent economic data out of the US. Coupled with the weaker USD and falling treasury yields, investors were quick to lock in gains ahead of the year-end holidays.

The Index rose 2.6% m-o-m in January 2024. Sentiment was lifted by the Fed's communication on interest rates given the recent cooling inflation and economic data out of the US. The weaker USD and lower treasury yield that ensued favored EM. Utilities, Commodities, Telcos and Financials topped the gainers list. Within the broader market, Energy, Construction and Property did well, while Technology languished despite the sentiment on the Fed rates.

The Index's rally extended into February 2024, up 2.2% m-o-m. This was despite the stronger USD following stronger-than-expected inflation and economic data out of the US, and bets on rate cuts by the Fed pushed back. Financials, Utilities, Commodities and Telcos topped the gainers list. Within the broader market, Energy did well, and Technology rebounded strongly.

In March 2024, the Index edged higher by 1.0% m-o-m despite profit-taking setting in. Bets on rate cuts by the Fed were pushed back given the persistent strong data out of the US, 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 Feb 2024) and many index stocks going ex-dividends.

The Index surged 3.8% m-o-m in April 2024. Local investors remain upbeat despite bets on rate cuts by the Fed pushed back given the persistent strong economic data out of the US and sticky inflation. The run-up was relatively broad-based.

The Index rally extended into May 2024, up 2.5% m-o-m to close the month at 12,392.36 points ("pts"). Investors stayed upbeat despite bets on rate cuts by the Fed pushed back given the persistent strong economic data out of the US and sticky inflation. Utilities, Consumer and Industrial led gains while Telcos and Commodities lagged. Within the broader market, Construction, Property and Technology did well.

Despite investors taking the opportunity to lock in gains in June 2024, the Index continued to edge higher by 1.3% m-o-m. Overall, sentiment remained relatively upbeat considering recent weakness in US economic data and inflation moderating.

The Index rose 1.7% in July 2024, in line with gains in regional markets and rebounding off the previous month's sell-off, spurred by Federal Open Market Committee ("FOMC") the Fed cut bets considering the recent weakness in US economic data and inflation moderating.

Heavy profit taking led to a lower Index of 12,286.67, down 3.7% m-o-m in August 2024 led by the sharp sell-off at the start of the month due to the massive unwinding of the Yen carry trade. Construction, Property, Technology and Energy sectors languished whilst Plantations saw gains.

Foreign Equity (continued)

At the beginning of the financial year under review, we saw an uneven recovery in China's economy. A sustained recovery was needed, supported by an improvement in labor conditions as well as the housing market. Amidst increasing expectations, the government has announced several measures to support the economy but we are still waiting for a clear signal on a firm turnaround in consumer/business confidence.

MARKET REVIEW (1 SEPTEMBER 2023 TO 31 AUGUST 2024) (CONTINUED)**Foreign Equity (continued)**

In the third quarter, the Fed has revised upwards its estimates for 2024/ 2025 median fed funds rate by 50basis points (“bps”) to 5.1% and 3.9% respectively from 4.6% and 3.4% while keeping the 2023 median rate unchanged - implying one more rate hike to a median of 5.6% in 2023. In addition, the US 10-year treasury bond yield is undergoing a price discovery. With increased treasury issuance in the second half of 2023 (“2H23”), we expected US monetary policy to remain relatively hawkish for the next few months. Global stocks reacted negatively to the rising bond yields.

However, by October 2023 to November 2023 with inflation now showing consecutive months of sustained decline, the Fed went from raising rates and tackling inflation in 2023 to calibrating how many rate cuts to implement from 2024 onwards to avoid being overly restrictive on the economy. This was supportive for equities in terms of multiple expansion, provided earnings do not get marked down significantly. The magnitude of rate cuts would highly depend on the inflation and economic growth trajectory, whereby a soft landing is currently expected.

At this time, although we were seeing incrementally more stimulative measures being taken in China, e.g. expectations of Chinese Yuan Renminbi (“CNY”) 1trillion (~0.8% of Gross Domestic Product (“GDP”)) sovereign debt issuance to fund water conservancy and flood prevention projects, it remains to be seen whether private sector and consumer confidence can improve meaningfully.

During the second quarter of 2024, we started to see more forceful measures in China as witnessed by several moves including a 25bps cut in the five-year loan prime rate which affects mortgages, sovereign entities buying more exchange traded funds (“ETFs”) and some green shoots in the economy with better tourism spending during the Spring Festival. While we have turned incrementally more positive on China, we are mindful that its policies are a work-in-progress and efficacies remain to be seen. Meanwhile, in South Korea, the government’s efforts to promote shareholder returns known as ‘Corporate Value-up Program’ akin to what happened in Japan could result in a re-rating in the stock market in the longer run.

Towards the end of the period, the Fed policymakers have shown they won’t rush to cut rates, as continued resilient economic growth is preventing inflation from swiftly returning to its 2% target. That same economic strength, even if downshifting slightly (given corporate commentaries regarding a softer consumer spend in the lower income) is driving the constructive backdrop for corporate earnings. Meanwhile in China, the government’s reflation efforts have so far been incremental rather than major, and this has been echoed recently by Premier Li Qiang’s speech in the World Economic Forum. The weak residential housing market, muted private sector and consumer confidence remain key issues to tackle. In India, the initial jitters regarding the Bharatiya Janata Party (“BJP’s”) seat tally proved to be short lived as it was able to form the government with its coalition members. In Asia, we are positive on the durability of the technology hardware cycle in South Korea and Taiwan and broad-based growth in India.

Unquoted Sukuk

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

Inflation in September 2023 and October 2023 was at 1.9% and 1.8%, respectively. It dropped to 1.5% in the months of November 2023, December 2023 and continued to register at 1.5% in January 2024. The moderation then was driven by lower core inflation. Notably, the lower core inflation was largely driven by food away from home. Inflation climbed back up 1.8% in the month of February 2024 and for the next two months of March 2024 and April 2024, it continued to stay at 1.8%. The spike in February 2024 was partly due to the lunar new year as well as the increase in transportation, housing and utilities.

MARKET REVIEW (1 SEPTEMBER 2023 TO 31 AUGUST 2024) (CONTINUED)

Unquoted Sukuk (continued)

Inflation then climbed up to 2.0% in May 2024 and remained at 2.0% in the month of June 2024 and July 2024. It then moderated unexpectedly to 1.9% in August 2024, compared with market estimates of 2.0%.

Foreign investors holdings in Malaysian debt securities recorded an increase of RM7.8 billion in July 2024, the highest in a year. Overall, year-to-date (“YTD”) reported net inflows of RM8.7 billion and total foreign holdings rose to RM279.1 billion in July 2024 (June: RM271.3 billion). During the month of July 2024, Malaysia Government Securities (“MGS”) saw an inflow of RM5.1 billion followed by Malaysia Government Investment Issue (“MGI”) of RM1.4 billion and discount instruments of RM0.5 billion. As of July 2024, total foreign holdings in MGS stood at RM209.4bn, representing approximately 34.2% of outstanding MGS. (June 2024: 33.3%).

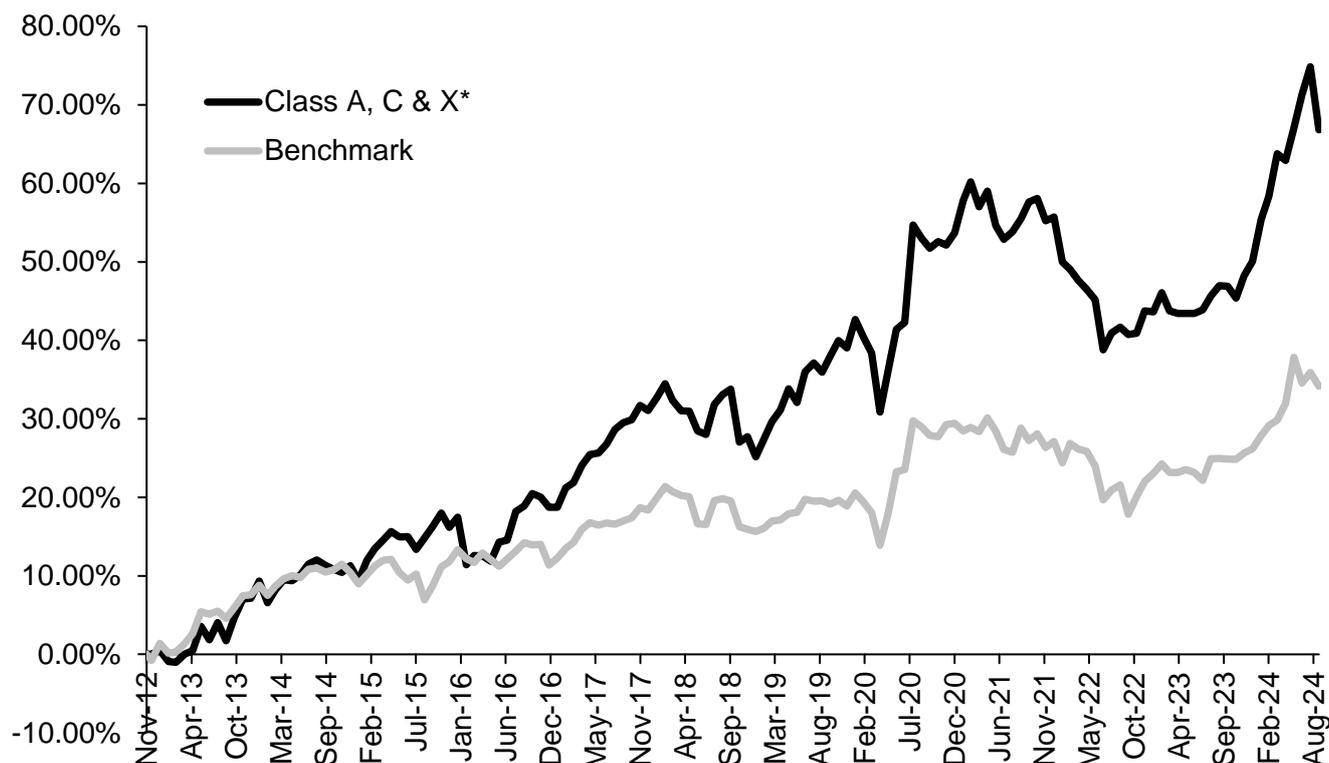
FUND PERFORMANCE

	1 year to 31.08.2024 %	3 years to 31.08.2024 %	5 years to 31.08.2024 %	Since inception to 31.08.2024 %
Income Distribution				
- Class A	-	7.95	13.70	13.70
- Class C	-	8.22	13.98	13.98
- Class X	-	7.37	13.08	13.08
Capital Growth				
- Class A	13.52	(0.60)	7.93	46.74
- Class C	13.51	(1.05)	7.26	45.72
- Class X	13.43	(0.14)	8.44	47.42
Total Return				
- Class A	13.52	7.31	22.71	66.84
- Class C	13.51	7.09	22.25	66.09
- Class X	13.43	7.22	22.63	66.71
Benchmark				
- Class A	7.37	4.14	12.23	34.17
- Class C	7.37	4.14	12.23	34.17
- Class X	7.37	4.14	12.23	34.17
Average Total Return				
- Class A	13.52	2.38	4.17	4.43
- Class C	13.51	2.31	4.10	4.39
- Class X	13.43	2.35	4.16	4.42

During the financial year under review, the Fund rose by 13.52%, 13.51%, and 13.43% in MYR terms for Class A, C, and X respectively, outperforming the benchmark by 6.15%, 6.14%, and 6.06%.

FUND PERFORMANCE (CONTINUED)

Since Inception



* 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.

Changes in NAV

	31.08.2024	31.08.2023	Changes %
CLASS A			
NAV (RM Million)	11.30	10.05	12.44
NAV/Unit (RM)	0.7338	0.6460	13.59
CLASS C			
NAV (RM Million)	1.90	1.59	19.50
NAV/Unit (RM)	0.7287	0.6415	13.59
CLASS X			
NAV (RM Million)	5.38	4.67	15.20
NAV/Unit (RM)	0.7372	0.6495	13.50

The Fund's NAV has increased 12.44%, 19.50% and 15.20% for Class A, C and X respectively due to unit injection and fund returns. The NAV per unit of Class A, C and X rose by 13.59%, 13.59% and 13.50% respectively due to fund returns.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.08.2024	31.08.2023
Shariah-compliant quoted securities	52.63	55.86
Unquoted Sukuk	42.75	40.61
Cash and other assets	4.89	3.78
Liabilities	(0.27)	(0.25)
Total	100.00	100.00

Asset allocation towards Shariah-compliant quoted securities was reduced to 52.63% from the previous year of 55.86% whilst we remain constructive on equities.

MARKET OUTLOOK*

Local Equity

Malaysia's August 2024 manufacturing Purchasing Managers' Index ("PMI") reading was unchanged compared to the previous month at 49.7pts. 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 ("2Q24") GDP growth momentum, which was at 5.9%, continuing. To recap, BNM projects GDP to grow 4-5% in 2024.

We expect BNM to maintain 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. There appears to be sufficient headroom to central bank's latest 2.0-3.5% Consumer Price Index ("CPI") forecast for 2024 with the impending subsidy rationalization plans.

The FBMS's trading at a forward Price-to-Earning ("P/E") ratio of 16.9 times, which is just below the 10-year historical mean of 17.3 times. More clarity on the new Government's policy posture, in our view, should reduce the current risk premiums applied to the market (yield gap of ~280bps). We are also hopeful that the newly launched National Energy Transition Roadmap ("NETR") by the government would revitalize domestic investment and buoy consumption.

Four key catalysts that we have identified that could spur the market further remains: 1) The Fed pivot and weakness in the USD, 2) Further reallocation of portfolio investments domestically, 3) Lower risk premiums as a result of fiscal consolidation and policy continuity and 4) Corporate earnings sustaining with growth re-accelerating.

Foreign Equity

The Fed is now moving closer towards a rate cut in September 2024 as inflation is making progress towards its 2% goal and showing it is more attentive to the risks on both sides of its dual mandate, affirming that it no longer viewed inflation as the foremost issue, but rather a rising unemployment rate was also top of mind as it charts its policy path. Implementing rate cuts in the timely and sufficient manner is important given that the weakness in the US consumer is more broad-based vs the lower income previously. The futures market is factoring in 3 rate cuts by yearend.

MARKET OUTLOOK* (CONTINUED)**Unquoted Sukuk**

The inflation impact of broadening of services tax base and its rate from 6% to 8% range effective 1 March 2024 was mild, as can be seen in services inflation number. There was also muted impact from diesel price adjustment in Peninsular Malaysia so far, which was set higher at RM3.35 per liter from RM2.15 per liter from 10 Jun 2024 as the government embarked on targeted diesel subsidy rationalization. As for petrol RON95 subsidy rationalization, Government announced that the Government is waiting for the diesel subsidy rationalization to stabilise before any implementation. The Government now intends also to evaluate returns of rationalizing subsidies on electricity, chicken and diesel.

Slightly lower gross MGS/GII supply for 2024 should provide positive catalyst for the local bond market. Additionally, the market is past the heavy net supply in the first four months and will turn favorable for the remaining part of the year. However, the impact from the new Account 3 introduction from Employee Provident Fund (“EPF”) warrants close monitoring, as it could potentially dampen the demand from the institution depending on the response and take-up on the one-off transfer. Additionally, the announcement of an increase in civil servants’ salary which is expected to be implemented in December 2023 is another event to watch out for as it is expected to cost the government more than RM10 billion annually.

Overall, we remain positive for the domestic bond market as we believe BNM will keep its OPR unchanged for now unless growth and inflationary outlook continue to surprise the market. We believe the local bond market will remain well supported for now with volatility mainly coming from global yield movements.

* 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**Local Equity**

We believe improved political stability, stronger earnings growth prospects and higher domestic investments would drive the market further. Our key preferred sectors remain on NETR plays, including Utilities, Construction, and Property. Additionally, we see opportunities in selected Energy names as we see value and we believe the sector will be supported by strong Petronas activity in the coming years. Key risks are the derailment of Malaysia’s macroeconomic recovery and corporate earnings growth due to the larger-than-expected impact of rising inflation, slower global economic growth, and heightened geopolitical risk.

Foreign Equity

We remain fully invested and well positioned in the areas of a) selected tech hardware names across foundry, phone components, IT services, software, equipment b) broad-based exposure across India in consumption, industrial, healthcare. During the month we topped up selected dividend yielders in China and Singapore, a healthcare name in India and de-risked selected tech equipment names with the potential curbs imposed by the US on China customers.

Unquoted Sukuk

We continue to prefer corporate bonds for the fund driven by the compelling potential for a more favorable total return on the back of sound economic outlook for 2024.

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

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 MODERATE**

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 43 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 MODERATE ("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 regulator requirement.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
25 October 2024

SHARIAH ADVISER'S REPORT

To the Members of Principal Islamic PRS Plus Moderate ("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 MODERATE**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Principal Islamic PRS Plus Moderate (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 43.

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 MODERATE (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 MODERATE (CONT'D.)**

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 of the Fund 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 MODERATE (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
INCOME/(LOSS)			
Dividend income		268,057	307,986
Profit income from Shariah-complaint deposits with licensed Islamic financial institutions at amortised cost		8,146	39,455
Profit income from unquoted Sukuk at fair value through profit or loss		275,038	323,259
Net gain on financial assets at fair value through profit or loss	7	2,028,662	134,531
Net foreign exchange gain/(loss)		17,771	(16,522)
		<u>2,597,674</u>	<u>788,709</u>
EXPENSES			
Management fee	4	247,545	264,452
Private Pension Administrator administration fee	4	7,021	7,509
Trustee and custodian fees	5	22,330	28,925
Audit fee		8,100	8,100
Tax agent's fee		17,886	17,715
Transaction costs		65,174	159,256
Other expenses		43,151	20,855
		<u>411,207</u>	<u>506,812</u>
PROFIT BEFORE TAXATION		2,186,467	281,897
Taxation	6	-	-
PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u>2,186,467</u>	<u>281,897</u>
Profit after taxation is made up as follows:			
Realised amount		1,342,555	(737,081)
Unrealised amount		843,912	1,018,978
		<u>2,186,467</u>	<u>281,897</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
ASSETS			
Cash and cash equivalents	8	642,885	578,259
Financial assets at fair value through profit or loss	7	17,721,358	15,732,609
Amount due from stockbrokers		221,647	-
Amount due from the PRS Provider			
- Creation of units		44,355	31,267
Dividends receivable		117	6,833
TOTAL ASSETS		<u>18,630,362</u>	<u>16,348,968</u>
LIABILITIES			
Amount due to the PRS Provider			
- Cancellation of units		4,315	3,000
Accrued management fee		22,322	19,319
Amount due to Private Pension Administrator		633	548
Amount due to Trustee		633	548
Other payables and accruals		23,100	18,099
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS)		<u>51,003</u>	<u>41,514</u>
NET ASSET VALUE OF THE FUND		<u>18,579,359</u>	<u>16,307,454</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>18,579,359</u>	<u>16,307,454</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- Class A		11,306,171	10,052,443
- Class C		1,896,311	1,585,591
- Class X		5,376,877	4,669,420
		<u>18,579,359</u>	<u>16,307,454</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class A		15,408,184	15,559,899
- Class C		2,602,392	2,471,386
- Class X		7,293,785	7,189,187
	9	<u>25,304,361</u>	<u>25,220,472</u>
NET ASSET VALUE PER UNIT (RM)			
- Class A		0.7338	0.6460
- Class C		0.7287	0.6415
- Class X		0.7372	0.6495

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**

	2024	2023
	RM	RM
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>16,307,454</u>	<u>58,480,261</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class A	916,114	1,229,937
- Class C	382,628	243,193
- Class X	307,474	1,448,620
	<u>1,606,216</u>	<u>2,921,750</u>
Cancellation of units		
- Class A	(992,250)	(13,040,280)
- Class C	(303,812)	(1,289,682)
- Class X	(224,716)	(31,046,492)
	<u>(1,520,778)</u>	<u>(45,376,454)</u>
Total comprehensive income for the financial year	<u>2,186,467</u>	<u>281,897</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL YEAR	<u>18,579,359</u>	<u>16,307,454</u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

	Note	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of Shariah-compliant quoted securities		10,538,361	38,115,074
Purchase of Shariah-compliant quoted securities		(9,449,466)	(18,051,551)
Proceeds from disposal of unquoted Sukuk		-	13,507,445
Proceeds from redemption of unquoted Sukuk		2,875,000	1,975,000
Purchase of unquoted Sukuk		(4,231,213)	(1,532,565)
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions		353,023	441,209
Profit income received from unquoted Sukuk		8,146	39,455
Dividend income received		261,945	318,969
Management fee paid		(244,542)	(314,383)
Private Pension Administrator administration fee paid		(6,936)	(8,933)
Trustee and custodian fees paid		(22,245)	(30,349)
Payments for other fees and expenses		(51,927)	(38,254)
Net realised foreign exchange loss		(20,541)	(46,595)
Net cash generated from operating activities		<u>9,605</u>	<u>34,374,522</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		1,593,128	3,214,319
Payments for cancellation of units		(1,519,463)	(45,403,527)
Net cash generated from/(used in) financing activities		<u>73,665</u>	<u>(42,189,208)</u>
Net increase/(decrease) in cash and cash equivalents		83,270	(7,814,686)
Effects of foreign exchange differences		(18,644)	112,287
Cash and cash equivalents at the beginning of the financial year		<u>578,259</u>	<u>8,280,658</u>
Cash and cash equivalents at the end of the financial year	8	<u>642,885</u>	<u>578,259</u>
<u>Cash and cash equivalents comprised:</u>			
Shariah-compliant deposits with licensed Islamic financial institutions		-	236,038
Bank balances		<u>642,885</u>	<u>342,221</u>
Cash and cash equivalents at the end of the financial year	8	<u>642,885</u>	<u>578,259</u>

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 Moderate (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 16 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 a 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 in a mix of Shariah-compliant equities and Sukuk to provide a moderate level of capital growth. The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The Fund may opt to invest in Sukuk and Shariah-compliant equities either directly or via Islamic collective investment scheme.

The investments by the Fund in Shariah-compliant equities which include foreign exposure shall not exceed 60% of the Fund’s NAV and investments in local and/or foreign Sukuk shall not be less than 40% of its NAV with a minimum credit rating of “BBB3” or “P2” by RAM or equivalent rating by MARC or “BBB” or “A-2” by S&P or equivalent rating by any other international rating agencies. Notwithstanding, the Fund may also invest up to 5% of its NAV in unrated Sukuk.

The asset allocation strategy for this Fund is as follows:

- At least 40% of the Fund’s NAV will be invested in Sukuk, of which up to 5% of the Fund’s NAV may be invested in unrated Sukuk;
- Up to 60% of the Fund’s NAV may be invested in Shariah-compliant equities; and
- Up to 5% of the Fund’s NAV may be invested in Islamic liquid assets for liquidity purpose.

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

All investments are subjected to the Securities Commission Malaysia (“SC”) Guidelines on Private Retirement Schemes (“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:

(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(k).

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.

There are no applicable standards, amendments to standards or interpretations that are effective for financial year beginning on/after 1 September 2024 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. 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 Fund’s debt securities are solely principal and interest¹ (“SPPI”). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale.

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

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

The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

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

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

Recognition and measurement

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

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

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

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

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

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

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

Foreign Shariah-compliant quoted securities are valued at the last traded market price quoted on the respective foreign stock exchanges at the close of the business day of the respective foreign stock exchanges.

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 PRS Provider, based on the methods or bases approved by the Trustee after appropriate technical consultation.

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

Unquoted Sukuk denominated in MYR/RM are revalued on a daily basis based on fair value prices quoted by a Bond Pricing Agency (“BPA”) registered with the SC as per the SC Guidelines on PRS. Refer to Note 2(k) for further explanation.

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

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

Impairment for assets carried at amortised costs

The Fund measures credit risk and expected credit 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.

Write-off

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

(c) Income recognition

Dividend income is recognised on the ex-dividend date when the right to receive payment is established.

Profit income from Shariah-compliant deposits with licensed Islamic financial institutions and unquoted Sukuk are recognised on a time proportionate basis using the effective profit method on an accrual basis.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Income recognition (continued)

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.

Realised gain or loss on disposal of unquoted Sukuk is accounted for as the difference between the net disposal proceeds and the carrying amount of unquoted Sukuk, determined on cost adjusted for accretion of discount or amortisation of premium.

(d) Functional and presentation currency

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

Due to mixed factors in determining the functional currency of the Fund, the PRS Provider has used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in MYR primarily due to the following factors:

- i) Significant portion of the Fund’s expenses are denominated in MYR/RM;
- ii) More of the Fund’s Shariah-compliant investments are denominated in MYR/RM than other currencies; and
- iii) Units of the Fund are denominated in MYR/RM.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

(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 reporting date if the member exercises the right to put back the unit to the Fund.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**(e) Members' contributions (continued)**

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.

(g) Taxation

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

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

(h) Transaction costs

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

(i) 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.

(j) Amount due from/to stockbrokers/dealers

Amounts due from and amount due to stockbrokers/dealers represent receivables for Shariah-compliant quoted securities and unquoted Sukuk sold and payables for Shariah-compliant quoted securities and unquoted Sukuk purchased that have been contracted for but not yet settled or delivered on the reporting date respectively.

(k) 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 Funds' results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgement 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.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

Estimate of fair value of unquoted Sukuk

In undertaking any of the Fund's Shariah-compliant investments, 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.

Ringgit-denominated unquoted Sukuk are valued using fair value prices quoted by a BPA. Where the PRS Provider is of the view that the price quoted by BPA for a specific unquoted Sukuk differs from the market price by more than 20 bps, the PRS Provider may use market price, provided that the PRS Provider records its basis for using a non-BPA price, obtains necessary internal approvals to use the non-BPA price, and keeps an audit trail of all decisions and basis for adopting the use of non-BPA price.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund were as follows:

	Financial assets at fair value through profit or loss RM	Financial assets at amortised cost RM	Total RM
2024			
Cash and cash equivalents (Note 8)	-	642,885	642,885
Shariah-compliant quoted securities (Note 7)	9,778,545	-	9,778,545
Unquoted Sukuk (Note 7)	7,942,813	-	7,942,813
Amount due from stockbrokers	-	221,647	221,647
Amount due from the PRS Provider			
- Creation of units	-	44,355	44,355
Dividends receivable	-	117	117
	<u>17,721,358</u>	<u>909,004</u>	<u>18,630,362</u>
2023			
Cash and cash equivalents (Note 8)	-	578,259	578,259
Shariah-compliant quoted securities (Note 7)	9,110,262	-	9,110,262
Unquoted Sukuk (Note 7)	6,622,347	-	6,622,347
Amount due from the PRS Provider			
- Creation of units	-	31,267	31,267
Dividends receivable	-	6,833	6,833
	<u>15,732,609</u>	<u>616,359</u>	<u>16,348,968</u>

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

The Fund seeks to provide a moderate level of capital growth over the long-term by investing in a diversified portfolio of equity and Sukuk.

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

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

Financial risk management is carried out through internal control process adopted by the 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 quoted securities and unquoted Sukuk will fluctuate because of changes in market prices. The value of investments in Shariah-compliant quoted securities and unquoted Sukuk 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, unquoted Sukuk and other financial instruments within specified limits according to the Deeds.

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

	2024	2023
	RM	RM
Financial assets at fair value through profit or loss:		
- Shariah-compliant quoted securities	9,778,545	9,110,262
- Unquoted Sukuk*	7,942,813	6,622,347
	<u>17,721,358</u>	<u>15,732,609</u>

*Includes profit receivable of RM11,975 (2023: RM30,262).

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

% Change in price of Shariah-compliant quoted securities	Market value	Impact on profit
	RM	or loss/NAV
		RM
2024		
-5%	9,289,618	(488,927)
0%	9,778,545	-
+5%	<u>10,267,472</u>	<u>488,927</u>
2023		
-5%	8,654,749	(455,513)
0%	9,110,262	-
+5%	<u>9,565,775</u>	<u>455,513</u>

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(a) Market risk (continued)****(i) Price risk (continued)**

The Fund is exposed to price risk arising from profit rate fluctuation in relation to its investments of RM7,942,813 (2023: RM6,622,347) in unquoted Sukuk. The Fund's exposure to price risk arising from profit rate fluctuation and the related sensitivity analysis are disclosed in "interest rate risk" below.

(ii) Interest rate risk

In general, when interest rates rise, unquoted Sukuk prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund holds an unquoted Sukuk till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the PRS Provider will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the PRS Provider, which is based on its continuous fundamental research and analysis.

Although unquoted Sukuk is a non-interest bearing instrument, investors should note that the movement in prices of unquoted Sukuk are correlated to the movement in interest rates. As such, the investments in unquoted Sukuk are exposed to the movement of the interest rates. Even though the Fund does not invest in interest bearing instruments, the interest rate referred herein is to the general interest rate of the country, which may affect the value of the investment of the Fund. However, it does not in any way suggest that this Fund will invest in conventional financial instruments. All investments carried out for the Fund including placement and deposits are in accordance with Shariah.

This risk is crucial since unquoted Sukuk portfolio management depends on forecasting interest rate movements. Prices of unquoted Sukuk move inversely to interest rate movements, therefore as interest rates rise, the prices of unquoted Sukuk decrease and vice versa. Furthermore, unquoted Sukuk with longer maturity and lower yield interest rates are more susceptible to interest rate movements.

Such Shariah-compliant investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuers to meet the obligation under the instrument, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.

The table below summarises the sensitivity of the Fund's interest or loss and NAV to movements in prices of unquoted Sukuk held by the Fund as a result of movement in interest rate at the end of each reporting year.

The analysis is based on the assumptions that the interest rate changed by 1% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the interest rate, having regard to the historical volatility of the interest rate.

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

(a) Market risk (continued)

(ii) Interest rate risk (continued)

% Change in interest rate	Impact on profit or loss/NAV	
	2024 RM	2023 RM
+1%	(9,271)	(4,987)
-1%	9,285	4,994

The Fund's exposure to interest rate risk associated with Shariah-compliant deposits with licensed Islamic financial institutions is not material as the Shariah-compliant deposits are held on short-term basis. The weighted average effective interest rate per annum was as follows:

	2024 %	2023 %
Shariah-compliant deposits with licensed Islamic financial institutions	-	2.95

(iii) Currency risk

Currency risk of the Fund is associated with Shariah-compliant investments that are quoted and/or priced in foreign currency denomination. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The PRS Provider will evaluate the likely directions of a foreign currency versus MYR/RM based on considerations of economic fundamentals such as profit rate differentials, balance of payments position, debt levels, and technical chart considerations.

The following table sets out the foreign currency risk concentrations arising from the denomination of the Fund's financial instruments in foreign currencies:

Financial assets	Cash and cash equivalents RM	Financial assets at fair value through profit or loss RM	Dividends receivable RM	Total RM
2024				
CHF	-	70,703	-	70,703
CNY	-	180,406	-	180,406
EUR	-	338,532	-	338,532
HKD	-	206,361	-	206,361
JPY	-	105,931	-	105,931
KRW	-	620,043	-	620,043
SGD	-	95,473	-	95,473
TWD	-	683,607	-	683,607
USD	578,957	276,900	117	855,974
	<u>578,957</u>	<u>2,577,956</u>	<u>117</u>	<u>3,157,030</u>

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

(a) Market risk (continued)

(iii) Currency risk (continued)

Financial assets	Cash and cash equivalents RM	Financial assets at fair value through profit or loss RM	Dividends receivable RM	Total RM
2023				
AUD	-	30,967	-	30,967
CNY	-	203,475	-	203,475
EUR	-	110,739	-	110,739
GBP	-	89,151	878	90,029
HKD	-	496,446	-	496,446
KRW	-	1,273,114	-	1,273,114
THB	-	90,962	1,260	92,222
TWD	-	212,720	-	212,720
USD	316,594	165,111	128	481,833
	<u>316,594</u>	<u>2,672,685</u>	<u>2,266</u>	<u>2,991,545</u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes in foreign exchange movements at the end of each reporting year. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in foreign exchange rate %	Impact on profit or loss/NAV	
		2024 RM	2023 RM
AUD	+/- 5	-	+/-1,548
CHF	+/- 5	+/-3,535	-
CNY	+/- 5	+/-9,020	+/-10,174
EUR	+/- 5	+/-16,927	+/-5,537
GBP	+/- 5	-	+/-4,501
HKD	+/- 5	+/-10,318	+/-24,822
JPY	+/- 5	+/-5,297	-
KRW	+/- 5	+/-31,002	+/-63,656
SGD	+/- 5	+/-4,774	-
THB	+/- 5	-	+/-4,611
TWD	+/- 5	+/-34,180	+/-10,636
USD	+/- 5	+/-42,799	+/-24,092
		<u>+/-157,852</u>	<u>+/-149,577</u>

(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.

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

(b) Credit risk (continued)

Investment in unquoted Sukuk may involve a certain degree of credit/default risk with regards to the issuers. Generally, credit risk or default risk is the risk of loss due to the issuer's non-payment or untimely payment of the investment amount as well as the returns on investment. This will cause a decline in value of the investment and subsequently depress the NAV of the Fund. Usually credit risk is more apparent for an investment with a longer tenure, i.e. the longer the duration, the higher the credit risk.

Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer. In addition, the PRS Provider imposes a minimum rating requirement as rated by either local and/or foreign rating agencies and manages the duration of the investment in accordance with the objective of the Fund. For this Fund, the unquoted Sukuk investment must satisfy a minimum credit requirement of at "BBB" or "A-2" by S&P or or equivalent rating by any other international rating agencies.

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

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

For amount due from 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 and unquoted Sukuk are settled/paid upon delivery using approved brokers.

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

	Financial assets at fair value through profit or loss RM	Cash and cash equivalents RM	Amount due from stock-brokers	Amount due from PRS Provider – Creation of units RM	Dividends receivable RM	Total RM
2024						
AAA	3,422,135	642,885	-	-	-	4,065,020
AA2	710,310	-	-	-	-	710,310
AA3	300,745	-	-	-	-	300,745
AA	3,254,497	-	-	-	-	3,254,497
A2	255,126	-	-	-	-	255,126
Not Rated	-	-	221,647	44,355	117	266,119
	<u>7,942,813</u>	<u>642,885</u>	<u>221,647</u>	<u>44,355</u>	<u>117</u>	<u>8,851,817</u>

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

(b) Credit risk (continued)

	Financial assets at fair value through profit or loss RM	Cash and cash equivalents RM	Amount due from the PRS Provider - Creation of units RM	Dividends receivable RM	Total RM
2023					
AAA	1,107,232	578,259	-	-	1,685,491
AA2	559,327	-	-	-	559,327
AA3	4,021,728	-	-	-	4,021,728
AA	682,944	-	-	-	682,944
A2	251,116	-	-	-	251,116
Not Rated	-	-	31,267	6,833	38,100
	6,622,347	578,259	31,267	6,833	7,238,706

All deposits with licensed financial institutions of the Fund have an average maturity of nil (2023: 1 day).

(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 balances and Shariah-compliant deposits with licensed Islamic financial institutions, which are capable of being converted into cash within 7 business days. Generally, all Shariah-compliant investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the PRS Provider will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. 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
2024			
Amount due to the PRS Provider			
- Cancellation of units	4,315	-	4,315
Accrued management fee	22,322	-	22,322
Amount due to Private Pension Administrator	633	-	633

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

(c) Liquidity risk (continued)

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
2024 (continued)			
Amount due to Trustee	633	-	633
Other payables and accruals	-	23,100	23,100
Net assets attributable to members*	<u>18,579,359</u>	<u>-</u>	<u>18,579,359</u>
Contractual undiscounted cash flows	<u>18,607,262</u>	<u>23,100</u>	<u>18,630,362</u>
2023			
Accrued management fee	19,319	-	19,319
Amount due to the PRS Provider - Cancellation of units	3,000	-	3,000
Amount due to Private Pension Administrator	548	-	548
Amount due to Trustee	548	-	548
Other payables and accruals	-	18,099	18,099
Net assets attributable to members*	<u>16,307,454</u>	<u>-</u>	<u>16,307,454</u>
Contractual undiscounted cash flows	<u>16,330,869</u>	<u>18,099</u>	<u>16,348,968</u>

* Outstanding units are redeemed on demand at the member's option, subject to the 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 for long term.

(d) Capital risk management

The capital of the Fund was represented by net assets attributable to member's RM18,579,359 (2023: RM16,307,454). 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.

(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.

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

(e) Fair value estimation (continued)

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.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2024				
Financial asset at fair value through profit or loss:				
- Shariah-compliant quoted securities	9,778,545	-	-	9,778,545
- Unquoted Sukuk	-	7,942,813	-	7,942,813
	9,778,545	7,942,813	-	17,721,358

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
2023				
Financial asset at fair value through profit or loss:				
- Shariah-compliant quoted securities	9,110,262	-	-	9,110,262
- Unquoted Sukuk	-	6,622,347	-	6,622,347
	9,110,262	6,622,347	-	15,732,609

Shariah-compliant investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed Shariah-compliant equities. Net assets attributable to members are valued based on the NAV per unit as at the financial year end. 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).

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. This includes unquoted Sukuk. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

- (ii) The carrying values of cash and cash equivalents, amount due from stockbrokers, amount due from the PRS Provider - creation of units, dividends receivable 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, the management fee for the respective classes is recognised at the following rates 2024 (2023: 1.40% per annum for Class A and Class X; 1.50% per annum for Class C):

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

The Private Pension Administrator administrations fee was 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.

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's fee includes local custodian fees and charges but excluding foreign custodian fees.

For the financial year ended 31 August 2024, the Trustee fee was 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

	2024	2023
	RM	RM
Tax charged for the financial year		
- 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:

	2024	2023
	RM	RM
Profit before taxation	<u>2,186,467</u>	<u>281,897</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	524,752	67,655
Tax effects of:		
- Investment income not subject to tax	(623,442)	(189,289)
- Expenses not deductible for tax purposes	37,040	55,953
- Restriction on tax deductible expenses for PRS Funds	<u>61,650</u>	<u>65,681</u>
Taxation	<u>-</u>	<u>-</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	RM	RM
At fair value through profit or loss:		
- Shariah-compliant quoted securities	9,778,545	9,110,262
- Unquoted Sukuk	<u>7,942,813</u>	<u>6,622,347</u>
	<u>17,721,358</u>	<u>15,732,609</u>
Net gain on financial assets at fair value through profit or loss:		
- Realised gain/(loss) on disposals	1,139,285	(839,488)
- Unrealised fair value gain	<u>889,377</u>	<u>974,019</u>
	<u>2,028,662</u>	<u>134,531</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 %
2024				
SHARIAH-COMPLIANT QUOTED SECURITIES				
CHINA				
Energy				
PetroChina Co. Ltd	26,000	125,436	101,800	0.55
Industrials				
Contemporary Amperex Technology Co Ltd	700	87,584	78,606	0.42
TOTAL CHINA	26,700	213,020	180,406	0.97
HONG KONG SAR CHINA				
Consumer Discretionary				
Alibaba Group Holding Ltd	1,200	55,817	54,128	0.29
Meituan	840	61,638	54,986	0.30
New Oriental Education & Technology	1,500	68,599	39,043	0.21
	3,540	186,054	148,157	0.80
Industrials				
Techtronic Industries Co Ltd	1,000	59,224	58,204	0.31
TOTAL HONG KONG SAR CHINA	4,540	245,278	206,361	1.11
JAPAN				
Information Technology				
Hitachi Ltd	1,000	97,827	105,931	0.57
TOTAL JAPAN	1,000	97,827	105,931	0.57
MALAYSIA				
Consumer Discretionary				
SMRT Holdings Bhd	160,400	159,519	179,648	0.97
Consumer Staples				
Genting Plantations Bhd	20,400	129,425	108,936	0.59

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 %
2024 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Energy				
Dayang Enterprise Holding Bhd	75,000	168,472	195,000	1.05
Dialog Group Bhd	167,600	353,508	395,536	2.13
	<u>242,600</u>	<u>521,980</u>	<u>590,536</u>	<u>3.18</u>
Health Care				
KPJ Healthcare Bhd	51,000	86,624	97,920	0.53
Industrials				
Econpile Holdings Bhd	506,600	182,720	200,107	1.08
Gamuda Bhd	127,622	549,170	957,165	5.15
Gratech Technology Bhd	72,600	396,048	342,672	1.84
HSS Engineers Bhd	48,300	52,826	53,613	0.29
IJM Corporation Bhd	189,700	321,750	544,439	2.93
Malaysian Resources Corporation Bhd	416,900	215,177	229,294	1.23
Pentamaster Corporation Bhd	71,000	321,041	280,450	1.51
Sunway Construction Group Bhd	22,100	57,288	88,621	0.48
	<u>1,454,822</u>	<u>2,096,020</u>	<u>2,696,361</u>	<u>14.51</u>
Information Technology				
Inari Amertron Bhd	101,100	366,903	318,465	1.71
Nationgate Holdings Bhd	100,000	192,440	190,000	1.02
	<u>201,100</u>	<u>559,343</u>	<u>508,465</u>	<u>2.73</u>
Real Estate				
AME REIT	217,400	263,761	315,230	1.70
Axis REIT	131,693	242,950	237,047	1.27
Eastern and Oriental Bhd	206,700	168,562	181,896	0.98
SP Setia Bhd	74,500	106,791	81,950	0.44
UEM Sunrise Bhd	318,600	187,895	280,368	1.51
	<u>948,893</u>	<u>969,959</u>	<u>1,096,491</u>	<u>5.90</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 %
2024 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Utilities				
Tenaga Nasional Bhd	131,300	1,266,345	1,922,232	10.35
TOTAL MALAYSIA	3,210,515	5,789,215	7,200,589	38.76
NETHERLANDS				
Information Technology				
ASM International NV	25	73,834	73,103	0.39
ASML Holding N.V.	68	301,493	265,429	1.43
	93	375,327	338,532	1.82
TOTAL NETHERLANDS	93	375,327	338,532	1.82
SINGAPORE				
Communication Services				
Singapore				
Telecommunications Ltd	9,200	93,548	95,473	0.51
TOTAL SINGAPORE	9,200	93,548	95,473	0.51
SOUTH KOREA				
Consumer Discretionary				
KIA Corporation	172	53,171	59,001	0.32
Information Technology				
Samsung Electronics Co. Ltd	2,055	486,640	493,651	2.66
SK Hynix Inc	120	95,829	67,391	0.36
	2,175	582,469	561,042	3.02
TOTAL SOUTH KOREA	2,347	635,640	620,043	3.34
SWITZERLAND				
Health Care				
Lonza Group Ltd	25	68,737	70,703	0.38

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 %
2024 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
SWITZERLAND (CONTINUED)				
TOTAL SWITZERLAND	25	68,737	70,703	0.38
TAIWAN				
Information Technology				
E Ink Holdings Inc	3,000	101,854	123,617	0.67
Hon Hai Precision Industry Co. Ltd	2,000	51,413	49,852	0.26
Taiwan Semiconductor Manufacturing Co Ltd	4,000	369,710	510,138	2.75
	<u>9,000</u>	<u>522,977</u>	<u>683,607</u>	<u>3.68</u>
TOTAL TAIWAN	9,000	522,977	683,607	3.68
UNITED STATES				
Information Technology				
Apple Inc.	98	86,051	96,916	0.52
Micron Technology Inc.	199	132,117	82,707	0.45
Microsoft Corp	54	99,160	97,277	0.52
	<u>351</u>	<u>317,328</u>	<u>276,900</u>	<u>1.49</u>
TOTAL UNITED STATES	351	317,328	276,900	1.49
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	3,263,771	8,358,897	9,778,545	52.63
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>1,419,648</u>		
TOTAL FINANCIAL ASSETS AT AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>9,778,545</u>		

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
2024 (CONTINUED)				
UNQUOTED SUKUK				
Aeon Credit Service M Bhd 3.80% 10/02/2027 (AA3)	300,000	297,959	300,745	1.62
DIGI Telecommunication Sdn Bhd 4.99% 02/12/2027 (AAA)	150,000	157,437	157,539	0.85
Fortune Premiere Sdn Bhd 3.99% 11/09/2026 (AA)	675,000	691,059	688,363	3.70
IJM Land Bhd 4.73% 17/03/2119 (A2)	250,000	255,391	255,126	1.37
Intiaz Sukuk II Bhd 3.54% 17/04/2026 (AA2)	150,000	150,658	151,533	0.82
MMC Corporation Bhd 5.64% 27/4/2027 (AA)	500,000	527,507	532,032	2.86
MMC Corporation Bhd 5.80% 12/11/2025 (AA)	500,000	516,522	520,464	2.80
Pengerang LNG (Two) Sdn Bhd 2.67% 21/10/2026 (AAA)	300,000	296,137	296,747	1.60
Pengurusan Air SPV Bhd 4.30% 03/06/2026 (AAA)	1,050,000	1,068,448	1,071,877	5.77
Press Metal Aluminium Holding Bhd 4.10% 17/10/2024 (AA2)	550,000	558,652	558,777	3.01
Public Islamic Bank Bhd 4.50% 17/12/2027 (AAA)	1,100,000	1,136,389	1,134,599	6.11
Sarawak Energy Bhd 4.70% 24/11/2028 (AAA)	725,000	767,903	761,373	4.10
UEM Edgenta Bhd 4.25% 24/04/2026 (AA)	450,000	458,036	459,888	2.48
UMW Holding Bhd 3.03% 05/11/2025 (AA)	1,000,000	998,156	1,003,035	5.40
UMW Holding Bhd 3.88% 24/11/2026 (AA)	50,000	50,585	50,715	0.26
TOTAL UNQUOTED SUKUK	7,750,000	7,930,839	7,942,813	42.75
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		11,974		

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
2024 (CONTINUED) UNQUOTED SUKUK (CONTINUED)				
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>7,942,813</u>		

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2023 SHARIAH-COMPLIANT QUOTED SECURITIES				
AUSTRALIA				
Materials				
BHP Group Ltd	<u>230</u>	<u>26,049</u>	<u>30,967</u>	<u>0.19</u>
TOTAL AUSTRALIA	<u>230</u>	<u>26,049</u>	<u>30,967</u>	<u>0.19</u>
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	<u>1,300</u>	<u>59,722</u>	<u>69,289</u>	<u>0.42</u>
TOTAL CAYMAN ISLANDS	<u>1,300</u>	<u>59,722</u>	<u>69,289</u>	<u>0.42</u>
CHINA				
Consumer Discretionary				
BYD Company Ltd	<u>500</u>	<u>66,999</u>	<u>72,622</u>	<u>0.45</u>
Energy				
China Petroleum & Chemical Corporation	<u>12,000</u>	<u>31,812</u>	<u>32,547</u>	<u>0.20</u>
Industrials				
NARI Technology Development Co Ltd - A ¹	<u>3,000</u>	<u>39,322</u>	<u>45,663</u>	<u>0.28</u>
Shanghai Intl Airport - A ¹	<u>2,100</u>	<u>78,454</u>	<u>52,643</u>	<u>0.32</u>
	<u>5,100</u>	<u>117,776</u>	<u>98,306</u>	<u>0.60</u>
TOTAL CHINA	<u>17,600</u>	<u>216,587</u>	<u>203,475</u>	<u>1.25</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 %
2023 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
FRANCE				
Consumer Staples				
L'Oreal	39	81,067	80,114	0.49
TOTAL FRANCE	39	81,067	80,114	0.49
HONG KONG SAR, CHINA				
Communication Services				
Tencent Holding Ltd	600	105,453	115,225	0.70
Chow Tai Fook Jewellery	7,400	67,055	52,035	0.32
Meituan	40	3,125	3,037	0.02
Shenzhen International Group	600	31,883	28,540	0.18
	8,640	207,516	198,837	1.22
Consumer Staples				
China Mengniu Dairy Co. Ltd	2,000	38,263	31,200	0.19
Real Estate				
China Overseas Land & Investment Ltd	7,000	83,080	68,414	0.42
China Resources Land Ltd	2,000	32,716	39,177	0.24
Link REIT	2,760	74,149	63,441	0.39
Sun Hung Kai Properties Ltd	500	30,252	26,088	0.16
	12,260	220,197	197,120	1.21
TOTAL HONG KONG, SAR CHINA	22,900	465,976	427,157	2.62
MALAYSIA				
Energy				
Dialog Group Bhd	85,600	199,908	175,480	1.08
Industrials				
CTOS Digital Bhd	113,800	160,218	161,596	0.99
Gamuda Bhd	87,379	356,078	393,206	2.41
IJM Corporation Bhd	285,300	483,897	504,981	3.10

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 %
2023 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Industrials (continued)				
Kerjaya Prospek Group Bhd	144,800	163,052	182,448	1.12
Westports Holdings Bhd	63,100	228,180	220,850	1.35
	<u>694,379</u>	<u>1,391,425</u>	<u>1,463,081</u>	<u>8.97</u>
Information Technology				
Inari Amertron Bhd	256,300	784,301	807,345	4.95
LGMS Bhd	218,400	239,410	246,792	1.52
My Eg Services Bhd	78,361	65,623	62,297	0.38
	<u>553,061</u>	<u>1,089,334</u>	<u>1,116,434</u>	<u>6.85</u>
Real Estate				
AME REIT	241,700	293,243	304,542	1.87
Axis REIT	131,000	241,772	244,970	1.50
Eco World Dev Group Bhd	217,200	160,359	223,716	1.37
Sime Darby Property Bhd	626,800	416,120	460,698	2.83
Sunway Bhd	201,000	380,162	399,990	2.45
UEM Sunrise Bhd	636,200	375,199	464,426	2.85
	<u>2,053,900</u>	<u>1,866,855</u>	<u>2,098,342</u>	<u>12.87</u>
Utilities				
Tenaga Nasional Bhd	161,000	1,552,792	1,584,240	9.71
TOTAL MALAYSIA	<u>3,547,940</u>	<u>6,100,314</u>	<u>6,437,577</u>	<u>39.48</u>
NETHERLANDS				
Information Technology				
ASML Holding N.V.	10	32,140	30,625	0.19
TOTAL NETHERLANDS	<u>10</u>	<u>32,140</u>	<u>30,625</u>	<u>0.19</u>
SOUTH KOREA				
Consumer Discretionary				
KIA Corporation	241	64,981	67,726	0.42

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 %
2023 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
SOUTH KOREA (CONTINUED)				
Industrials				
LG Energy Solution	16	31,839	30,499	0.19
Information Technology				
Samsung Electro-Mechanics	160	80,952	75,911	0.47
Samsung Electronics Co. Ltd	1,899	363,176	445,159	2.72
Samsung Electronics	309	47,287	58,468	0.36
Samsung SDI Co Ltd	15	34,036	32,272	0.20
SK Hynix Inc	890	254,905	379,841	2.33
	<u>3,273</u>	<u>780,356</u>	<u>991,651</u>	<u>6.08</u>
Materials				
LG Chem Ltd	46	94,502	93,970	0.57
POSCO Holdings Inc	44	50,599	89,268	0.55
	<u>90</u>	<u>145,101</u>	<u>183,238</u>	<u>1.12</u>
TOTAL SOUTH KOREA	<u>3,620</u>	<u>1,022,277</u>	<u>1,273,114</u>	<u>7.81</u>
TAIWAN				
Information Technology				
E Ink Holding Inc	2,000	60,035	53,071	0.32
Taiwan Semiconductor Manufacturing Co Ltd	2,000	137,667	159,649	0.98
	<u>4,000</u>	<u>197,702</u>	<u>212,720</u>	<u>1.30</u>
TOTAL TAIWAN	<u>4,000</u>	<u>197,702</u>	<u>212,720</u>	<u>1.30</u>
THAILAND				
Communication Services				
Advanced Info Service PCL – NVDR ²	2,600	71,231	74,592	0.46
Industrials				
Airports Of Thailand – NVDR ²	1,700	15,216	16,370	0.10
TOTAL THAILAND	<u>4,300</u>	<u>86,447</u>	<u>90,962</u>	<u>0.56</u>
UNITED KINGDOM				
Energy				
Shell PLC	627	86,904	89,151	0.55

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 %
2023 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
UNITED KINGDOM (CONTINUED)				
TOTAL UNITED KINGDOM	627	86,904	89,151	0.55
UNITED STATES				
Energy				
ConocoPhillips	77	40,789	42,495	0.25
Information Technology				
Apple Inc.	46	40,769	40,069	0.25
Materials				
Linde PLC	46	81,011	82,547	0.50
TOTAL UNITED STATES	169	162,569	165,111	1.00
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	3,602,735	8,537,754	9,110,262	55.86
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT AT FAIR VALUE THROUGH PROFIT OR LOSS				
		572,508		
TOTAL FINANCIAL ASSETS AT AT FAIR VALUE THROUGH PROFIT OR LOSS				
		9,110,262		
Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
2023 (CONTINUED) UNQUOTED SUKUK				
Aeon Credit Service M Bhd 3.80% 10/02/2027 (AA3)	300,000	297,004	297,678	1.83

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
2023 (CONTINUED) UNQUOTED SUKUK (CONTINUED)				
Fortune Premiere Sdn Bhd 3.98% 11/09/2026 (AA)	675,000	692,435	682,944	4.19
IJM Land Bhd 4.73% 17/03/2119 (A2)	250,000	255,454	251,116	1.54
MMC Corporation Bhd 5.64% 27/4/2027 (AA3)	250,000	265,279	265,371	1.63
MMC Corporation Bhd 5.80% 12/11/2025 (AA3)	500,000	522,776	525,404	3.22
Pengurusan Air SPV Bhd 4.30% 03/06/2026 (AAA)	750,000	765,187	766,522	4.70
Perbadanan Kemajuan Negeri Selangor 5.013% 31/10/2023 (AA3)	1,125,000	1,145,612	1,145,339	7.02
Press Metal Aluminium Holding Bhd 4.10% 17/10/2024 (AA2)	550,000	560,275	559,327	3.43
Sarawak Energy Bhd 4.70% 24/11/2028 (AAA)	325,000	352,568	340,710	2.09
UEM Edgenta Bhd 4.25% 24/04/2026 (AA3)	200,000	202,884	203,677	1.25
UEM Sunrise Bhd 4.75% 22/03/2024 (AA3)	1,550,000	1,593,136	1,584,259	9.71
TOTAL UNQUOTED SUKUK	6,475,000	6,652,610	6,622,347	40.61
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		(30,263)		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		6,622,347		

¹ A-shares trade on the two Chinese stock exchanges, the Shanghai Stock Exchange and the Shenzhen Stock Exchange. A-shares are shares of mainland China-based companies and are available for purchase to selected foreign institutions through the Qualified Foreign Institutional Investor (“QFII”) system.

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

² NVDR, or non-voting depository receipt, is a trading instrument issued by Thai NVDR Company Limited, a subsidiary wholly owned by the Stock Exchange of Thailand (“SET”). It is a valid security as specified by the United States Securities and Exchange Commission (“SEC”) and is automatically regarded as a listed security by the SET. The underlying security is a listed security in the SET.

8. CASH AND CASH EQUIVALENTS

	2024	2023
	RM	RM
Shariah-compliant deposits with licensed Islamic financial institutions	-	236,038
Bank balances	642,885	342,221
	<u>642,885</u>	<u>578,259</u>

9. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2024	2023
	No. of units	No. of units
Class A (i)	15,408,184	15,559,899
Class C (ii)	2,602,392	2,471,386
Class X (iii)	7,293,785	7,189,187
	<u>25,304,361</u>	<u>25,220,472</u>
(i) Class A		
At the beginning of the financial year	15,559,899	34,620,020
Add : Creation of units from applications	1,306,034	1,958,610
Less: Cancellation of units	(1,457,749)	(21,018,731)
At the end of the financial year	<u>15,408,184</u>	<u>15,559,899</u>
(ii) Class C		
At the beginning of the financial year	2,471,386	4,171,887
Add : Creation of units from applications	564,972	388,414
Less: Cancellation of units	(433,966)	(2,088,915)
At the end of the financial year	<u>2,602,392</u>	<u>2,471,386</u>
(iii) Class X		
At the beginning of the financial year	7,189,187	54,757,913
Add : Creation of units from applications	440,270	2,308,943
Less: Cancellation of units	(335,672)	(49,877,669)
At the end of the financial year	<u>7,293,785</u>	<u>7,189,187</u>

10. TOTAL EXPENSE RATIO (“TER”)

	2024	2023
	%	%
TER	<u>1.99</u>	<u>1.82</u>

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

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 = Audit fee
- E = Tax agent’s fee
- F = Other expenses excluding Central Depository System (“CDS”) transfer fee and withholding tax
- 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 RM17,425,701 (2023: RM18,658,430).

11. PORTFOLIO TURNOVER RATIO (“PTR”)

	2024	2023
PTR (times)	0.70	1.89

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 = RM13,610,735 (2023: RM19,492,684)
- total disposal for the financial year = RM10,797,206 (2023: RM50,919,704)

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:

<u>Related parties</u>	<u>Relationship</u>
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
CGS-CIMB Securities Sdn Bhd	Fellow related party to the PRS Provider

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

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

<u>Related parties</u>	<u>Relationship</u>
CIMB Islamic Bank Bhd	Fellow related party to the PRS Provider
CIMB Bank Bhd	Fellow related party to the PRS Provider
CGS-CIMB Securities (Singapore) Pte Ltd	Fellow related party to 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.

<u>Significant related party transactions</u>	2024 RM	2023 RM
Profit income from Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	71	10,177

There were no significant related party balances at the end of each financial year.

13. TRANSACTIONS WITH BROKERS/DEALERS

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 %
CGS-CIMB Securities Sdn Bhd #	4,068,675	16.69	9,194	21.10
RHB Investment Bank Bhd	1,957,296	8.03	4,512	10.35
RHB Bank Bhd	1,837,390	7.54	-	-
RHB Investment Bank Bhd	1,391,732	5.71	-	-
Citigroup Global Markets Ltd	1,361,945	5.59	466	1.07
Instinet Pacific Ltd	1,306,323	5.36	3,090	7.09
J.P. Morgan Securities (Asia Pacific)	1,223,097	5.02	3,058	7.02
CGS-CIMB Securities (Singapore) Pte Ltd #	1,025,280	4.20	1,735	3.98
Macquarie Capital Securities (M) Sdn Bhd	940,473	3.86	2,134	4.90

13. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

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

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage Fees RM	Percentage of total brokerage fees %
CLSA Securities M Sdn Bhd	919,603	3.77	2,195	5.04
Others	8,352,913	34.23	17,197	39.45
	<u>24,384,727</u>	<u>100.00</u>	<u>43,581</u>	<u>100.00</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 %
J.P. Morgan Securities (M) Sdn Bhd	20,417,254	28.21	11,990	15.93
Citigroup Global Markets Ltd	8,949,263	12.36	4,547	6.04
UBS Securities M Sdn Bhd	6,497,249	8.98	15,000	19.93
RHB Bank Berhad - Repo	5,595,455	7.73	-	-
Hong Leong Investment Bank Bhd	3,846,926	5.31	3,709	4.93
RHB Investment Bank Bhd	3,764,851	5.20	1,503	2.00
Affin Hwang Investment Bank Bhd	3,232,764	4.47	2,737	3.64
Maybank Investment Bank Bhd	2,626,251	3.63	5,942	7.90
KAF Equities Sdn Bhd	2,116,874	2.92	4,774	6.34
Instinet Pacific Limited	2,063,750	2.85	2,018	2.68
Others #	13,276,165	18.34	23,041	30.61
	<u>72,386,802</u>	<u>100.00</u>	<u>75,261</u>	<u>100.00</u>

Included in the transactions are trades conducted with CGS-CIMB Securities (Singapore) Pte Ltd and CGS-CIMB Securities Sdn Bhd, fellow related parties to the PRS provider amounting to RM1,025,280 (2023: RM2,002,395) and RM4,068,675 (2023: RM1,471,710) respectively. The PRS Provider is of the opinion that all transactions have been entered into in the normal course of business at agreed terms between the related parties.

14. APPROVAL OF FINANCIAL STATEMENTS

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

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