

PRINCIPAL KLCI-LINKED FUND

ANNUAL REPORT

**FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2023 TO 8 MAY 2024
(DATE OF TERMINATION)**

CONTENTS	PAGE(S)
INVESTORS' LETTER	i
MANAGER'S REPORT	ii - vi
Fund Objective and Policy	
Performance Data	
Market Review	
Fund Performance	
Portfolio Structure	
Market Outlook	
Investment Strategy	
Soft Commissions and Rebates	
Securities Financing Transactions	
State of Affair of the Fund	
Circumstances That Materially Affect Any Interest of Unit Holders	
Cross Trade	
Unit Split	
STATEMENT BY MANAGER	1
TRUSTEE'S REPORT	2
INDEPENDENT AUDITORS' REPORT	3 – 6
STATEMENT OF COMPREHENSIVE INCOME	7
STATEMENT OF FINANCIAL POSITION	8
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	9
STATEMENT OF CASH FLOWS	10
NOTES TO THE FINANCIAL STATEMENTS	11 - 29
DIRECTORY	30

INVESTORS' LETTER

Dear Valued Investor,

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

We are pleased to bring you a copy of the Termination Report of the Principal KLCI-Linked Fund for the financial period from 1 October 2023 to 8 May 2024 (date of termination). You may also download this report from our website at www.principal.com.my.

We are proud to announce that Principal Malaysia has received numerous accolades across various prestigious platforms in 2024. At the Asia Asset Management 2024 Best of the Best Awards, we were honoured with the Best of the Best Performance Award: China A-Share Equity (3 years) for the Principal China Direct Opportunities Fund (Class MYR) and the Best Institutional House – Malaysia award. At the 2024 Global Banking & Finance Awards®, our CEO Munirah Khairuddin was named Asset Management CEO of the Year Malaysia 2024, and we were recognized as Asset Management Company of the Year Malaysia 2024. 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 triumphed with three distinguished awards for Best Absolute Return Strategy, Best Online & Mobile Platform (Asset Manager), and Best Asset Manager (Income Oriented, Money Market & Alternative Investment Funds). The World Business Outlook magazine awarded us Best Investment Management and Solutions Provider Malaysia 2024, Best Institutional House Malaysia 2024, and Asset Management CEO (Munirah Khairuddin) of the Year Malaysia 2024. Furthermore, we secured three awards at the iFast Awards 2024 and another seven awards at the LSEG Lipper Fund Awards 2024.

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

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

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

Munirah Khairuddin

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

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to achieve medium to long-term capital appreciation by seeking to match the performance of the FTSE Bursa Malaysia ("FBM") Kuala Lumpur Composite Index ("FBMKLCI").

Has the Fund achieved its objective?

For the financial period under review, the fund has performed in line with its investment objective as stated in its investment objective section.

What are the Fund investment policy and principal investment strategy?

The Fund is an index fund which aims to track the movement of the FBMKLCI. The Fund's indexing strategy is to hold a representative sample of the securities that make up its underlying index. Thus, the Fund normally invests at least 90% of its Net Asset Value ("NAV") in the index stocks representing the top 95%-98% of the index weights. As such, the Fund may invest up to 30 index stocks, being the representative index stocks of the FBMKLCI. The Fund may also utilise index futures to ensure it is fully invested at all times and to reduce transaction costs.

The asset allocation strategy for this Fund is as follows:

- up to 99.5% of the Fund will be invested in securities and other permissible investments; and
- at least 0.5% in liquid assets.

Fund category/type

Equity/Index-tracking

When was the Fund launched?

8 June 2000

What was the size of the Fund as at 8 May 2024 (date of termination)?

Nil

What is the Fund's benchmark?

FBMKLCI

Note: The Fund's benchmark is for performance comparison purpose only.

What is the Fund distribution policy?

No distribution is expected to be paid, however, distribution, if any, will be incidental and will vary from period to period depending on interest rates, market conditions and the performance of the Fund.

What was the net income distribution for the financial period from 1 October 2023 to 8 May 2024 (date of termination)?

There was no distribution made for the financial period from 1 October 2023 to 8 May 2024 (date of termination).

PERFORMANCE DATA

Details of portfolio composition of the Fund for the last three audited financial period/years are as follows:

	08.05.2024 (date of termination)	30.09.2023	30.09.2022
	%	%	%
Quoted securities			
- Consumer Products & Services	-	14.28	13.52
- Energy	-	2.00	2.18
- Financial Services	-	36.83	34.59
- Health Care	-	3.95	5.69
- Industrial Products & Services	-	8.37	9.09
- Plantation	-	8.44	8.43
- Telecommunications & Media	-	10.98	10.77
- Technology	-	-	1.62
- Transportation & Logistics	-	3.61	2.78
- Utilities	-	9.39	9.44
Cash and other assets	-	2.44	2.13
Liabilities	-	(0.29)	(0.24)
	-	100.00	100.00

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

	08.05.2024 (date of termination)	30.09.2023	30.09.2022
NAV (RM Million)	-	13.94	14.31
Units in circulation (Million)	-	10.92	11.85
NAV per unit (RM)	-	1.2759	1.2075
Highest NAV per unit (RM)	2.0000	1.3093	1.3757
Lowest NAV per unit (RM)	1.2178	1.1884	1.2075
Total return (%)	6.96	5.66	(7.54)
- Capital growth (%)	6.96	5.66	(7.54)
- Income distribution (%)	-	-	-
Total Expense Ratio ("TER") (%) ^	0.81	1.17	1.18
Portfolio Turnover Ratio ("PTR") (times) #	0.66	0.11	0.07

^ The Fund's TER decreased from 1.17% to 0.81% due to the increased in expenses during the financial period.

For the financial period under review, the Fund's PTR increased from 0.11 times to 0.66 times. The PTR changes reflects the index-tracking status of the fund.

	31.03.2024**	30.09.2023	30.09.2022	30.09.2021	30.09.2020
	%	%	%	%	%
Annual total return	10.09	5.66	(7.54)	5.34	(2.91)

(Launch date: 8 June 2000)

** The last period verified was on 31 March 2024.

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

PERFORMANCE DATA (CONTINUED)

Characteristics and general composition of the Index

Sector	Percentage of Index (Market Capitalisation) %
Consumer Products & Services	12.22
Financial Services	41.13
Health Care	3.34
Industrial Products & Services	7.09
Plantation	7.40
Telecommunications & Media	10.51
Transportation & Logistics	3.00
Utilities	15.31
TOTAL	100.00

MARKET REVIEW (1 OCTOBER 2023 TO 8 MAY 2024)

The FTSE Bursa Malaysia Shariah KLCI rally extended into the month of April 2024. The rally was broad-based, with utilities, industrial, healthcare and transport stand out. Malaysia outperforming most ASEAN markets for the month with the Shariah index continuing its positive trend. Malaysia's manufacturing sector improved in the month, business confidence waned and are growingly unsure regarding the timing and speed of demand recovery citing concerns on the global economy.

FUND PERFORMANCE

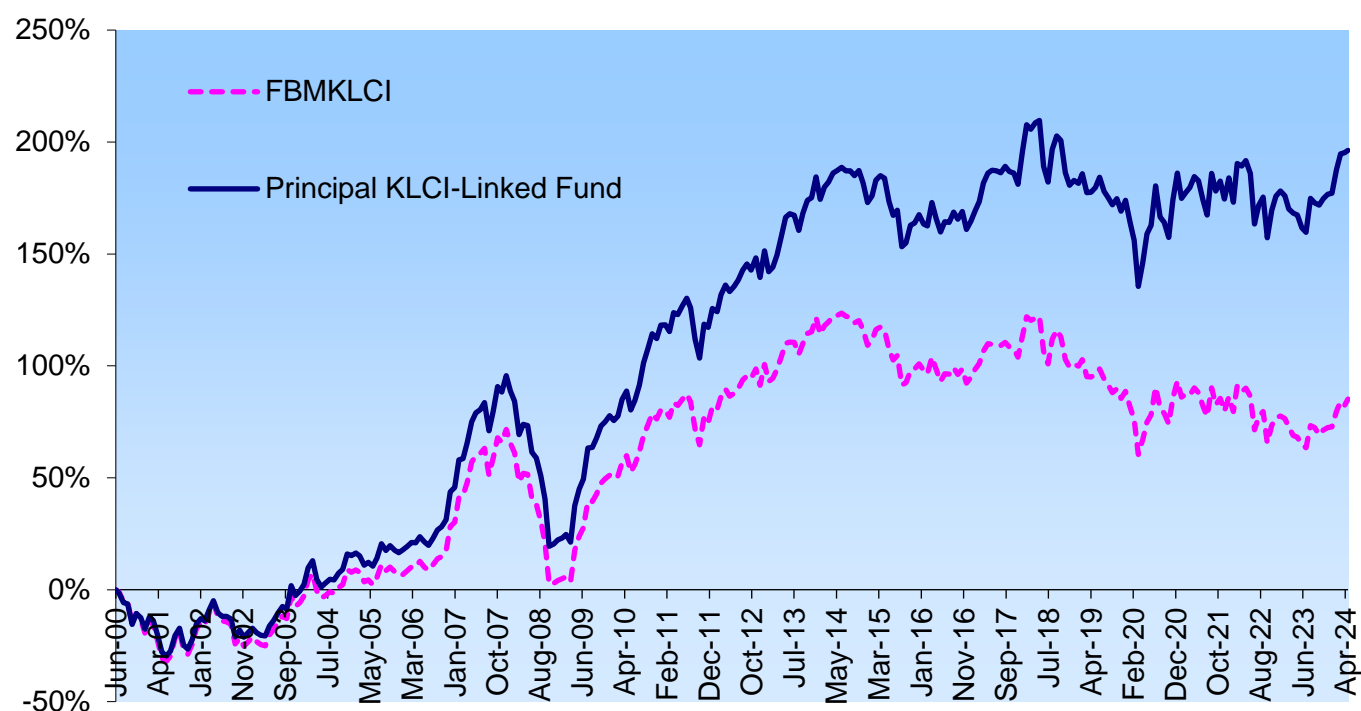
	1 year to 22.04.2024** %	3 years to 22.04.2024** %	5 years to 22.04.2024** %	Since inception to 22.04.2024** %
Income Distribution	-	-	-	-
Capital Growth	10.49	5.96	6.81	196.31
Total Return	10.49	5.96	6.81	196.31
Benchmark	9.63	(0.88)	(5.11)	85.17
Average Total Return	9.84	1.91	1.31	4.65

** The last NAV published was on 22 April 2024.

For the financial period under review, the fund recorded a positive return of 10.49% outperforming the benchmark which increased by 9.63%.

FUND PERFORMANCE (CONTINUED)

Since inception



** The last NAV published was on 22 April 2024.

Changes in NAV

	08.05.2024 (date of termination)	30.09.2023	Changes %
NAV (RM Million)	-	13.94	-
NAV/Unit (RM)	-	1.2759	-
FBMKLCI	1,559.59	1,424.17	9.51

For the financial period under review, the NAV and NAV per unit for the fund decreased to 0 due to fund closure.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	08.05.2024 (date of termination)	30.09.2023
Quoted securities	-	97.85
Cash and other assets	-	2.44
Liabilities	-	(0.29)
TOTAL	-	100.00

The fund was fully invested during the financial period under review where a minimal level of liquid assets was kept for redemption purpose prior to the fund closure.

MARKET OUTLOOK

This section is no longer applicable as the Fund has been terminated.

INVESTMENT STRATEGY

This section is no longer applicable as the Fund has been terminated.

SOFT COMMISSIONS AND REBATES

Principal Malaysia (the “Manager”) and the Trustee will not retain any form of rebate from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Principal Malaysia Funds (“Funds”). Accordingly, any rebate or shared commission will be directed to the account of the Fund. We may retain goods and services (soft commission) provided by any broker or dealer if the following conditions are met:

- (a) the soft commission brings direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- (b) any dealings with the broker or dealer is executed on terms which are the most favourable for the Fund; and
- (c) the availability of soft commission is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and we and the fund the manager will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commission.

During the financial period/year review, the Manager and Trustee did not receive any rebates from the brokers or dealers but the Manager has retained soft commission in the form of goods and services for the benefit of the fund such as financial wire services and stock quotations system incidental to investment management of the Funds and there was no churning of trades.

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIR OF THE FUND

The Manager had submitted a Notification of Commencement of Termination of the Fund to the SC on 19 March 2024 and completed the termination on 8 May 2024.

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

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

There were no circumstances that materially affect any interest of unit holders during the financial period/year under review.

CROSS TRADE

No cross-trade transactions have been carried out during the financial period/year.

UNIT SPLIT

No unit split exercise has been carried out during the financial period/year.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL KLCI-LINKED FUND**

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 7 to 29 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 8 May 2024 (date of termination) and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period from 1 October 2023 to 8 May 2024 (date of termination) in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN

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

UDAY JAYARAM

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

Kuala Lumpur
28 June 2024

TRUSTEE'S REPORT

**TO THE UNIT HOLDERS OF
PRINCIPAL KLCI-LINKED FUND ("Fund")**

We have acted as Trustee of the Fund for the financial period from 1 October 2023 to 8 May 2024 (date of termination) and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management Company under the Deeds, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
28 June 2024

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL KLCI-LINKED FUND****Report on the audit of the financial statements***Opinion*

We have audited the financial statements of Principal KLCI-Linked Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 8 May 2024 (date of termination), and statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows of the Fund for the financial period from 1 October 2023 to 8 May 2024 (date of termination), and notes to the financial statements, including material accounting policy information, as set out on pages 7 to 29.

In our opinion, the accompanying financial statements, which have been prepared on a basis other than that of a going concern as disclosed in Note 2(a) to the financial statements, give a true and fair view of the financial position of the Fund as at 8 May 2024 (date of termination) and of its financial performance and cash flows for the financial period from 1 October 2023 to 8 May 2024 (date of termination) in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL KLCI-LINKED FUND (CONT'D.)****Report on the audit of the financial statements (cont'd.)***Information other than the financial statements and auditors' report thereon*

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

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

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

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

Responsibilities of the Manager and the Trustee for the financial statements

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

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so. As disclosed in Note 2(a) to the financial statements, the financial statements have been prepared on a basis other than of a going concern.

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

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF PRINCIPAL KLCI-LINKED FUND (CONT'D.)

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern. As disclosed in Note 2(a) to the financial statements, the financial statements have been prepared on a basis other than that of a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL KLCI-LINKED FUND (CONT'D.)**

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

Other matters

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

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

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

Kuala Lumpur, Malaysia
28 June 2024

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2023 TO 8 MAY 2024 (DATE OF TERMINATION)**

		01.10.2023 to 08.05.2024 (date of termination) RM	01.10.2022 to 30.09.2023 RM
	Note		
INCOME			
Dividend income		285,402	619,980
Interest income from deposits with licensed financial institutions at amortised cost		16,543	4,675
Net gain on financial assets at fair value through profit or loss	7	<u>1,165,186</u>	<u>368,745</u>
		<u>1,467,131</u>	<u>993,400</u>
EXPENSES			
Management fee	4	76,149	140,132
Trustee fee	5	3,607	9,736
Audit fee		4,000	9,400
Tax agent's fee		9,900	6,058
Transaction costs		66,564	12,736
Other expenses		<u>21,877</u>	<u>6,570</u>
		<u>182,097</u>	<u>184,632</u>
PROFIT BEFORE TAXATION		1,285,034	808,768
Taxation	6	<u>-</u>	<u>-</u>
PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR		<u>1,285,034</u>	<u>808,768</u>
Profit after taxation is made up as follows:			
Realised amount		1,499,186	(209,265)
Unrealised amount		<u>(214,152)</u>	<u>1,018,033</u>
		<u>1,285,034</u>	<u>808,768</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 8 MAY 2024 (DATE OF TERMINATION)**

	Note	08.05.2024 (date of termination) RM	30.09.2023 RM
ASSETS			
Cash and cash equivalents	8	46,200	245,579
Financial assets at fair value through profit or loss	7	-	13,637,630
Amount due from Manager		-	390
Dividends receivables		-	94,254
TOTAL ASSETS		<u>46,200</u>	<u>13,977,853</u>
LIABILITIES			
Amount due to Manager		-	8,348
Accrued management fee		7,256	11,035
Amount due to Trustee		344	523
Other payables and accruals		38,600	21,200
TOTAL LIABILITIES		<u>46,200</u>	<u>41,106</u>
NET ASSET VALUE OF THE FUND		<u>-</u>	<u>13,936,747</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	9	<u>-</u>	<u>13,936,747</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	10	<u>-</u>	<u>10,922,304</u>
NET ASSET VALUE PER UNIT (RM)		<u>-</u>	<u>1.2759</u>

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2023 TO 8 MAY 2024 (DATE OF
TERMINATION)**

	Note	01.10.2023 to 08.05.2024 (date of termination) RM	01.10.2022 to 30.09.2023 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD/YEAR		<u>13,936,747</u>	<u>14,311,324</u>
Movement in unit holders' contributions:			
- Creation of units from applications		2,093,026	587,431
- Cancellation of units		<u>(17,314,807)</u>	<u>(1,770,776)</u>
		<u>(15,221,781)</u>	<u>(1,183,345)</u>
Total comprehensive income for the financial period/year		<u>1,285,034</u>	<u>808,768</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD/YEAR	9	<u>-</u>	<u>13,936,747</u>

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

STATEMENT OF CASH FLOWS**FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2023 TO 8 MAY 2024 (DATE OF TERMINATION)**

	Note	01.10.2023 to 08.05.2024 (date of termination) RM	01.10.2022 to 30.09.2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of quoted securities		16,790,326	1,983,346
Purchase of quoted securities		(2,054,074)	(1,224,722)
Dividend income received		379,656	645,431
Interest income received from deposits with licensed financial institutions		16,543	4,675
Management fee paid		(79,928)	(140,771)
Trustee fee paid		(3,786)	(10,073)
Payments for other fees and expenses		(18,377)	(16,129)
Net cash generated from operating activities		15,030,360	1,241,757
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		2,093,416	602,241
Payments for cancellation of units		(17,323,155)	(1,768,205)
Net cash used in financing activities		(15,229,739)	(1,165,964)
Net (decrease)/increase in cash and cash equivalents		(199,379)	75,793
Cash and cash equivalents at the beginning of the financial period/year		245,579	169,786
Cash and cash equivalents at the end of the financial period/year	8	46,200	245,579
<u>Cash and cash equivalents comprised:</u>			
Deposits with licensed financial institutions		-	113,020
Bank balance		46,200	132,559
Cash and cash equivalents at the end of the financial period/year	8	46,200	245,579

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

NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2023 TO 8 MAY 2024 (DATE OF TERMINATION)****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

Principal KLCI-Linked Fund (the “Fund”) is governed by a Master Deed dated 30 November 2007, a First Supplemental Master Deed dated 25 June 2008, a Second Supplemental Master Deed dated 14 July 2008, a Third Supplemental Deed dated 16 July 2009, a Fourth Supplemental Deed dated 26 July 2013, a Fifth Supplemental Deed dated 23 March 2015, a Sixth Supplemental Deed dated 21 October 2019 and a Seventh Supplemental Deed dated 13 January 2023 (collectively referred to as the “Deeds”), made between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund is an index fund which aims to track the movement of the FBMKLCI. The Fund’s indexing strategy is to hold a representative sample of the securities that make up its underlying index. Thus, the Fund normally invests at least 90% of its NAV in the index stocks representing the top 95%-98% of the index weights. As such, the Fund may invest up to 30 index stocks, being the representative index stocks of the FBMKLCI. The Fund may also utilise index futures to ensure it is fully invested at all times and to reduce transaction costs.

The asset allocation strategy for this Fund is as follows:

- up to 99.5% of the Fund will be invested in securities and other permissible investments; and
- at least 0.5% in liquid assets.

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

The Fund had issued the Replacement Master Prospectus (Conventional Funds) document dated 10 July 2023 and First Supplemental Master Prospectus (Conventional Funds) dated 27 October 2023.

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

The Manager had submitted a Notification of Commencement of Termination of the Fund to the SC on 19 March 2024 and completed the termination on 8 May 2024.

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”).

As disclosed in Note 1, the Manager had submitted a Notification of Commencement of Termination of the Fund to the SC on 19 March 2024 and completed the termination on 8 May 2024. Accordingly, the financial statements of the Fund have been prepared on a basis other than that of a going concern. The carrying values of the assets are written down to their recoverable amounts and liabilities are recorded to the extent that such costs were committed at the end of the reporting period. All assets and liabilities have been classified as current.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

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

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

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

There are no other standards, amendments to standards or interpretations that are effective for financial period beginning on 1 October 2023 that have a material effect on 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 Fund classifies cash and cash equivalents 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. 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.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Recognition and measurement (continued)

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

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

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

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.

If a valuation based on the market price does not represent the fair value of the 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 quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest method over the period from the date of placement to the date of maturity of the respective deposits.

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

Impairment for assets carried at amortised costs

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

Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Write-off

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

(c) Income recognition

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

Interest income from deposits with licensed financial institutions is recognised on a time proportionate basis using effective interest rate method on an accrual basis.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Realised gain or loss on disposal of quoted securities is accounted for as the difference between the net disposal proceeds and the carrying amount of quoted securities, determined on a weighted average cost basis.

(d) Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in Malaysian Ringgit ("MYR"/"RM"), which is the Fund's functional and presentation currency.

(e) Cash and cash equivalents

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

(f) Taxation

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

Withholding taxes on investment income from Shariah-compliant investment are 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.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) 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.

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

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

(i) Unit holders' contribution

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

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

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

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

(j) 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 Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the GUTF.

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss RM	Financial assets at amortised cost RM	Total RM
08.05.2024 (date of termination)			
Cash and cash equivalents (Note 8)	-	46,200	46,200
30.09.2023			
Cash and cash equivalents (Note 8)	-	245,579	245,579
Quoted securities (Note 7)	13,637,630	-	13,637,630
Amount due from Manager	-	390	390
Dividends receivables	-	94,254	94,254
	<u>13,637,630</u>	<u>340,223</u>	<u>13,977,853</u>

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

The investment objective of the Fund is to achieve medium to long-term capital appreciation by seeking to match the performance of the FBMKLCI.

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

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated in the Deeds and GUTF.

(a) Market risk

(i) Price risk

Price risk is the risk that the fair value of an investment in quoted securities will fluctuate because of changes in market prices (other than those arising from interest rate risk). The value of quoted securities may fluctuate according to the activities of individual companies, sector and overall political and economic conditions. Such fluctuation may cause the Fund's NAV and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.

The price risk is managed through portfolio diversification and selection of quoted securities and other financial instruments within specified limits according to the Deeds.

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

(a) Market risk (continued)

(i) Price risk (continued)

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

	08.05.2024 (date of termination) RM	30.09.2023 RM
Financial assets at fair value through profit or loss:		
- Quoted securities	-	13,637,630

The table below summarises the sensitivity of the Fund's profit or loss and NAV to movements in prices of quoted securities and derivative liabilities at the end of each reporting period/year. The analysis is based on the assumptions that the price of the quoted securities fluctuates by 10% (2023: 10%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the FBMKLCI Index quoted securities having regard to the historical volatility of the index.

% Change in price of quoted securities	Fair value RM	Impact on profit or loss/NAV RM
30.09.2023		
-10 %	12,273,867	(1,363,763)
0 %	13,637,630	-
10 %	15,001,393	1,363,763

(ii) Interest rate risk

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

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

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

Cash flow interest rate risk is the risk that the futures cash flows of financial instruments which fluctuate because of changes in market interest rate.

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

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

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

(a) Market risk (continued)

(ii) Interest rate risk (continued)

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

	08.05.2024 (date of termination) %	30.09.2023 %
Deposits with licensed financial institutions	-	3.25

(b) Credit risk

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

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

For amount due from Manager, the settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the GUTF.

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

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

	Cash and cash equivalents RM	Amount due from Manager RM	Dividends receivables RM	Total RM
08.05.2024 (date of termination)				
AAA	46,200	-	-	46,200
30.09.2023				
AAA	245,579	-	-	245,579
Not Rated	-	390	94,254	94,644
	245,579	390	94,254	340,223

All deposits with licensed financial institutions of the Fund have an average remaining maturity of nil day (30.09.2023: 1 day).

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

(c) Liquidity risk

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

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

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 table are the contractual undiscounted cash flows.

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
08.05.2024 (date of termination)			
Accrued management fee	7,256	-	7,256
Amount due to Trustee	344	-	344
Other payables and accruals	-	38,600	38,600
Contractual undiscounted cash flows	7,600	38,600	46,200
30.09.2023			
Amount due to Manager	8,348	-	8,348
Accrued management fee	11,035	-	11,035
Amount due to Trustee	523	-	523
Other payables and accruals	-	21,200	21,200
Contractual undiscounted cash flows	19,906	21,200	41,106

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders of nil (30.09.2023: RM13,936,747). 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 unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holder and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

The Manager had submitted a Notification of Commencement of Termination of the Fund to the SC on 19 March 2024 and completed the termination on 8 May 2024.

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

(e) Fair value estimation

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

The fair value 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 period/year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

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

(i) Fair value hierarchy

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

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

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

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

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

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

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
30.09.2023				
Financial assets at fair value through profit or loss:				
- Quoted securities	13,637,630	-	-	13,637,630

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

- (ii) The carrying values of cash and cash equivalents and all current liabilities are a reasonable approximation of their fair values due to their short-term nature.

4. MANAGEMENT FEE

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

For the financial period from 1 October 2023 to 8 May 2024 (date of termination), the management fee is recognised at a rate of 0.95% per annum (30.09.2023: 0.95% per annum).

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

5. TRUSTEE FEE

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.20% per annum, calculated daily based on the NAV of the Fund.

For the financial period from 1 October 2023 to 26 October 2023, the Trustee fee is recognised at a rate of 0.07% per annum. Effective 27 October 2023, the Trustee fee is recognised at the rate of 0.045% per annum (30.09.2023: 0.07% per annum).

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

6. TAXATION

	01.10.2023 to 08.05.2024 (date of termination) RM	01.10.2022 to 30.09.2023 RM
Tax charged for the financial period/year:		
- Current taxation	-	-

6. TAXATION (CONTINUED)

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

	01.10.2023 to 08.05.2024 (date of termination) RM	01.10.2022 to 30.09.2023 RM
Profit before taxation	1,285,034	808,768
Taxation at Malaysian statutory rate of 24% (30.09.2023: 24%)	308,408	194,104
Tax effects of:		
Investment loss not deductible to tax purposes	(352,111)	(238,416)
Expenses not deductible for tax purposes	20,827	7,138
Restriction on tax deductible expenses for Unit Trust Funds	22,876	37,174
Taxation	-	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	08.05.2024 (date of termination) RM	30.09.2023 RM
At fair value through profit or loss:		
- Quoted securities	-	13,637,630
	01.10.2023 to 08.05.2023 (date of termination) RM	01.10.2022 to 30.09.2023 RM
Net gain on financial assets at fair value through profit or loss:		
- Realised gain/(loss) on disposals	1,379,338	(649,288)
- Unrealised fair value (loss)/gain	(214,152)	1,018,033
	1,165,186	368,745

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.09.2023 QUOTED SECURITIES				
Consumer Products & Services				
Genting Bhd	69,200	538,257	288,564	2.07
Genting Malaysia Bhd	98,600	353,992	246,500	1.77
Mr D.I.Y. Group (M) Bhd	100,450	224,480	151,680	1.09
Nestle Malaysia Bhd	2,000	220,481	253,000	1.82
Petronas Dagangan Bhd	9,300	184,641	208,134	1.49
PPB Group Bhd	23,440	301,617	362,851	2.60
QL Resources Bhd	39,100	219,504	213,486	1.53

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 %
30.09.2023 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
Consumer Products & Services (continued)				
Sime Darby Bhd	120,445	220,631	266,183	1.91
	462,535	2,263,603	1,990,398	14.28
Energy				
Dialog Group Bhd	131,500	430,988	278,780	2.00
Financial Services				
AMMB Holdings Bhd	68,900	283,892	254,930	1.83
CIMB Group Holdings Bhd	240,226	1,377,890	1,304,427	9.36
Hong Leong Bank Bhd	20,900	255,835	407,550	2.92
Hong Leong Financial Group Bhd	8,510	124,347	150,627	1.08
Malayan Banking Bhd	155,668	1,269,337	1,368,322	9.82
Public Bank Bhd	333,420	1,036,367	1,353,685	9.71
RHB Bank Bhd	54,078	287,552	293,644	2.11
	881,702	4,635,220	5,133,185	36.83
Health Care				
IHH Healthcare Bhd	94,000	390,842	549,900	3.95
Industrial Products & Services				
Petronas Chemicals Group Bhd	88,000	598,100	632,720	4.54
Press Metal Aluminum Holding Bhd	113,200	286,598	533,172	3.83
	201,200	884,698	1,165,892	8.37
Plantation				
IOI Corporation Bhd	78,580	340,877	312,748	2.24
Kuala Lumpur Kepong Bhd	18,021	352,452	385,649	2.77
Sime Darby Plantation Bhd	111,545	601,441	477,413	3.43
	208,146	1,294,770	1,175,810	8.44
Telecommunications & Media				
Axiata Group Bhd	150,737	638,347	375,335	2.69
Celcomdigi Bhd	123,700	387,909	540,569	3.88
Maxis Bhd	70,600	407,012	285,224	2.05
Telekom Malaysia Bhd	67,100	284,916	328,790	2.36
	412,137	1,718,184	1,529,918	10.98

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 %
30.09.2023 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
Transportation & Logistics				
MISC Bhd	55,100	323,416	390,108	2.80
Westports Holdings Bhd	35,000	131,366	113,050	0.81
	<u>90,100</u>	<u>454,782</u>	<u>503,158</u>	<u>3.61</u>
Utilities				
Petronas Gas Bhd	19,000	259,821	319,961	2.29
Tenaga Nasional Bhd	99,162	1,090,570	990,628	7.10
	<u>118,162</u>	<u>1,350,391</u>	<u>1,310,589</u>	<u>9.39</u>
TOTAL QUOTED SECURITIES	<u>2,599,482</u>	<u>13,423,478</u>	<u>13,637,630</u>	<u>97.85</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>214,152</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>13,637,630</u>		

8. CASH AND CASH EQUIVALENTS

	08.05.2024 (date of termination) RM	30.09.2023 RM
Deposits with licensed financial institutions	-	113,020
Bank balance	46,200	132,559
	<u>46,200</u>	<u>245,579</u>

9. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

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

	08.05.2024 (date of termination) RM	30.09.2023 RM
Unit holders' contributions	(17,926,220)	(2,704,439)
Retained earnings	17,926,220	16,641,186
	<u>-</u>	<u>13,936,747</u>

9. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS (CONTINUED)

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

	Unit holders' contributions RM	Retained earnings RM	Total RM
Balance as at 1 October 2023	(2,704,439)	16,641,186	13,936,747
Movement in unit holders' contributions:			
- Creation of units from applications	2,093,026	-	2,093,026
- Cancellation of units	(17,314,807)	-	(17,314,807)
Total comprehensive income for the financial period	-	1,285,034	1,285,034
Balance as at 8 May 2024 (date of termination)	<u>(17,926,220)</u>	<u>17,926,220</u>	<u>-</u>
Balance as at 1 October 2022	(1,521,094)	15,832,418	14,311,324
Movement in unit holders' contributions:			
- Creation of units from applications	587,431	-	587,431
- Cancellation of units	(1,770,776)	-	(1,770,776)
Total comprehensive income for the financial year	-	808,768	808,768
Balance as at 30 September 2023	<u>(2,704,439)</u>	<u>16,641,186</u>	<u>13,936,747</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	08.05.2024 (date of termination) No. of units	30.09.2023 No. of units
At the beginning of the financial period/year	10,922,304	11,851,813
Add : Creation of units from applications	1,583,205	463,503
Less: Cancellation of units	(12,505,509)	(1,393,012)
At the end of the financial period/year	<u>-</u>	<u>10,922,304</u>

11. TOTAL EXPENSE RATIO ("TER")

	08.05.2024 (date of termination) %	30.09.2023 %
TER	<u>0.81</u>	<u>1.17</u>

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

TER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period/year calculated on a daily basis is RM14,285,221 (30.09.2023: RM14,748,590).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	08.05.2024 (date of termination)	30.09.2023
PTR (times)	<u>0.66</u>	<u>0.11</u>

PTR is derived from the following calculation:

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

where:

total acquisition for the financial period/year = RM2,046,789 (30.09.2023: RM1,219,740)

total disposal for the financial period/year = RM16,849,604 (30.09.2023: RM1,991,100)

13. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER, 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 Manager
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the Manager
Principal International (Asia) Ltd	Shareholder of the Manager
Subsidiaries and associates of Principal Financial Group Inc., other than above, As disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the Manager
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the Manager
CIMB Group Sdn Bhd	Shareholder of the Manager

13. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER, 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>
CGS-CIMB Securities Sdn Bhd	Fellow related party to the Manager
CIMB Bank Bhd	Fellow related party to the Manager
CIMB Futures Sdn Bhd	Fellow related party to the Manager
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the shareholder of the Manager

Units held by the Manager and parties related to the Manager

The units in the Fund, held by the Manager are as follows:

	<u>08.05.2024 (date of termination)</u>		<u>30.09.2023</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
Manager				
Principal Asset Management Berhad	-	-	114	146

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

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

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

	<u>01.10.2023 to 08.05.2024 (date of termination) RM</u>	<u>01.10.2022 to 30.09.2023 RM</u>
<u>Significant related party transactions</u>		
Dividend income		
- CIMB Group Holdings Bhd	51,848	72,112
	<u>08.05.2024 (date of termination)</u>	<u>30.09.2023</u>
<u>Significant related party balances</u>		
Quoted Securities		
- CIMB Group Holdings Bhd	-	1,304,427

14. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS

Details of transactions with the top 10 brokers/dealers/financial institutions for the financial period from 1 October 2023 to 8 May 2024 (date of termination) are as follows:

Brokers/Dealers/Financial Institutions	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Affin Hwang Investment Bank Bhd	3,038,134	16.08	6,836	16.33
CLSA Securities (M) Sdn Bhd	2,873,619	15.21	6,466	15.44
Maybank Investment Bank Bhd	2,705,598	14.32	6,132	14.64
UBS Securities (M) Sdn Bhd	2,368,515	12.53	5,329	12.73
Hong Leong Investment Bank Bhd	2,275,383	12.04	5,125	12.24
KAF Equities Sdn Bhd	1,919,484	10.16	4,339	10.36
J.P. Morgan Securities (M) Sdn Bhd	1,040,741	5.51	1,620	3.87
CGS Inter Securities Malaysia Sdn Bhd	1,029,714	5.45	2,317	5.53
CGS-CIMB Securities Sdn Bhd #	675,521	3.57	1,528	3.65
Macquarie Capital Securities (M) Sdn Bhd	617,667	3.27	1,390	3.32
Others	352,017	1.86	792	1.89
	<u>18,896,393</u>	<u>100.00</u>	<u>41,874</u>	<u>100.00</u>

Details of transactions with the top 10 brokers/dealers/financial institutions for the financial year ended 30 September 2023 are as follows:

Brokers/Dealers/Financial Institutions	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Kenanga Investment Bank Bhd	456,266	14.21	1,050	14.08
UBS Securities (M) Sdn Bhd	412,862	12.86	1,047	14.04
Macquarie Capital Securities (M) Sdn Bhd	392,110	12.21	882	11.82
Maybank Investment Bank Bhd	383,070	11.93	894	11.99
RHB Investment Bank Bhd	336,249	10.47	786	10.54
Hong Leong Investment Bank Bhd	321,812	10.02	740	9.92
J.P. Morgan Securities (M) Sdn Bhd	288,760	9.00	650	8.71
CLSA Securities (M) Sdn Bhd	229,349	7.14	516	6.92
Credit Suisse Securities (M) Sdn Bhd	224,689	7.00	521	6.98
CGS-CIMB Securities Sdn Bhd #	128,780	4.01	290	3.89
Others	36,893	1.15	83	1.11
	<u>3,210,840</u>	<u>100.00</u>	<u>7,459</u>	<u>100.00</u>

14. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS (CONTINUED)

- # Included in the transactions are trades conducted with CGS-CIMB Securities Sdn Bhd, fellow related parties to the Manager amounting to RM675,521 (30.09.2023: RM128,780). The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 28 June 2024.

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