

Principal KLCI-Linked Fund

Interim Report

For The Six Months Financial Period Ended 31 March 2022

PRINCIPAL KLCI-LINKED FUND

INTERIM REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2022

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INVESTORS' LETTER

Dear Valued Investor,

Greetings from Principal Asset Management Berhad and thank you for investing with us!

We are pleased to bring you a copy of the Interim Fund Report of the Principal KLCI-Linked Fund for the financial period ended 31 March 2022. You may also download this report from our website at www.principal.com.my.

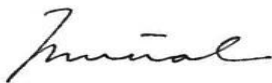
We are happy to share that we recently won the Most Innovative New Money Market Fund – Principal e-Cash Fund at the Global Business Outlook Awards 2021. Principal was also recognised as the Best Online & Mobile Platform (Asset Manager) Malaysia 2021 at the World Business Outlook Annual Awards 2021.

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) and follow us on our Instagram account (@principalassetmanagement_my) for the latest updates, market insights and investment articles.

We also wish to inform that Ernst & Young PLT (“EY”) has been appointed as the auditor of the Fund in respect of the audit for the financial year ended 31 August 2021 onwards. The appointment of the Fund Auditor by the Trustee of the Fund, HSBC (Malaysia) Trustee Berhad, is in accordance with the provisions of the Deed in relation to the Fund.

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

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



Munirah Khairuddin
Chief Executive Officer

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 period under review, the Fund has performed in line with its objectives 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 31 March 2022?

RM16.60 million (12.23 million units)

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.

PERFORMANCE DATA

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

	31.03.2022	31.03.2021	31.03.2020
	%	%	%
Quoted securities			
- Consumer Products & Services	12.18	11.60	10.67
- Energy	2.59	2.92	3.13
- Financial Services	33.79	31.15	29.49
- Health Care	7.35	11.81	8.32
- Industrial Products & Services	10.09	9.52	5.74
- Plantation	8.38	8.25	9.13
- Technology	1.70	-	-
- Telecommunications & Media	10.73	11.04	10.37
- Transportation & Logistics	2.60	2.37	3.35
- Utilities	8.89	9.80	11.97
KLCI Futures Contracts	-	-	-
Cash and other assets	2.21	2.63	8.02
Liabilities	(0.51)	(1.09)	(0.19)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	31.03.2022	31.03.2021	31.03.2020
NAV (RM Million)	16.60	16.78	16.19
Units in circulation (Million)	12.23	12.78	14.64
NAV per unit (RM)	1.3581	1.3129	1.1057
	01.10.2021	01.10.2020	01.10.2019
	to 31.03.2022	to 31.03.2021	to 31.03.2020
Highest NAV per unit (RM)	1.3729	1.3853	1.3075
Lowest NAV per unit (RM)	1.2615	1.2037	1.0027
Total return (%)	3.97	5.90	(13.41)
- Capital growth (%)	3.97	5.90	(13.41)
- Income distribution (%)	-	-	-
Total Expense Ratio ("TER") (%) ^	0.56	0.65	0.63
Portfolio Turnover Ratio ("PTR") (times) #	0.06	0.06	0.02

^ The Fund's TER decreased from 0.65% to 0.56% due to the decreased in expenses during the financial period

During the period under review, the PTR for the Fund maintained at 0.06 times. The PTR changes reflect the index-tracking status of the Fund.

	31.03.2022	31.03.2021	31.03.2020	31.03.2019	31.03.2018
	%	%	%	%	%
Annual total return	3.42	18.74	(15.11)	(10.10)	9.57

(Launch date: 8 June 2000)

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

PERFORMANCE DATA (CONTINUED)**Characteristics and general composition of the Index**

Sector	Percentage of Index (Market Capitalisation)
	%
Consumer Products & Services	11.43
Energy	2.43
Financial Services	39.06
Health Care	7.08
Industrial Products & Services	9.70
Plantation	8.48
Technology	1.72
Telecommunications & Media	9.65
Transportation & Logistics	2.60
Utilities	7.85
TOTAL	100.00

MARKET REVIEW (1 OCTOBER 2021 TO 31 MARCH 2022)

For the 6-months period under review, the FBMKLCI rose 3.22% from 1,537.80 points to 1,587.36 points (“pts”) in local currency terms.

In October 2021, FBMKLCI rose by 25 pts or 1.6% to 1,562 pts from the September 2021 sell-off. Investors heaved a sigh of relief as policy risks abated, with earlier plans to impose windfall tax on companies that profited during pandemic scrapped. Further relaxation of movement controls spurred reopening plays further.

A battered month for the FBMKLCI as November 2021 saw the index fell 48.33 pts or 3.09% amid wearying news of the Omicron variant. Investor sentiment also remained dented by the one-off broad-based Prosperity Tax which hurts corporate earnings in 2022.

FBMKLCI rallied 53.5 pts or 3.5% in December 2021, fully reversing the Omicron triggered sell-off in November 2021 and ended 2021 at 1,567.53 pts which represented a decline of 3.6% for the year. Investors sighed relief as encouraging findings on the severity of the latest Coronavirus Diseases 2019 (“COVID-19”) variant were published and data pointing to a decoupling of new cases and hospitalisation rates.

Coming into January 2022, FBMKLCI lost 55.3 pts or 3.5%, fully undoing previous month’s gain. Inflation fears trumped the positive sentiment on reopening aided by data points showing Omicron being less fatal than previous variants.

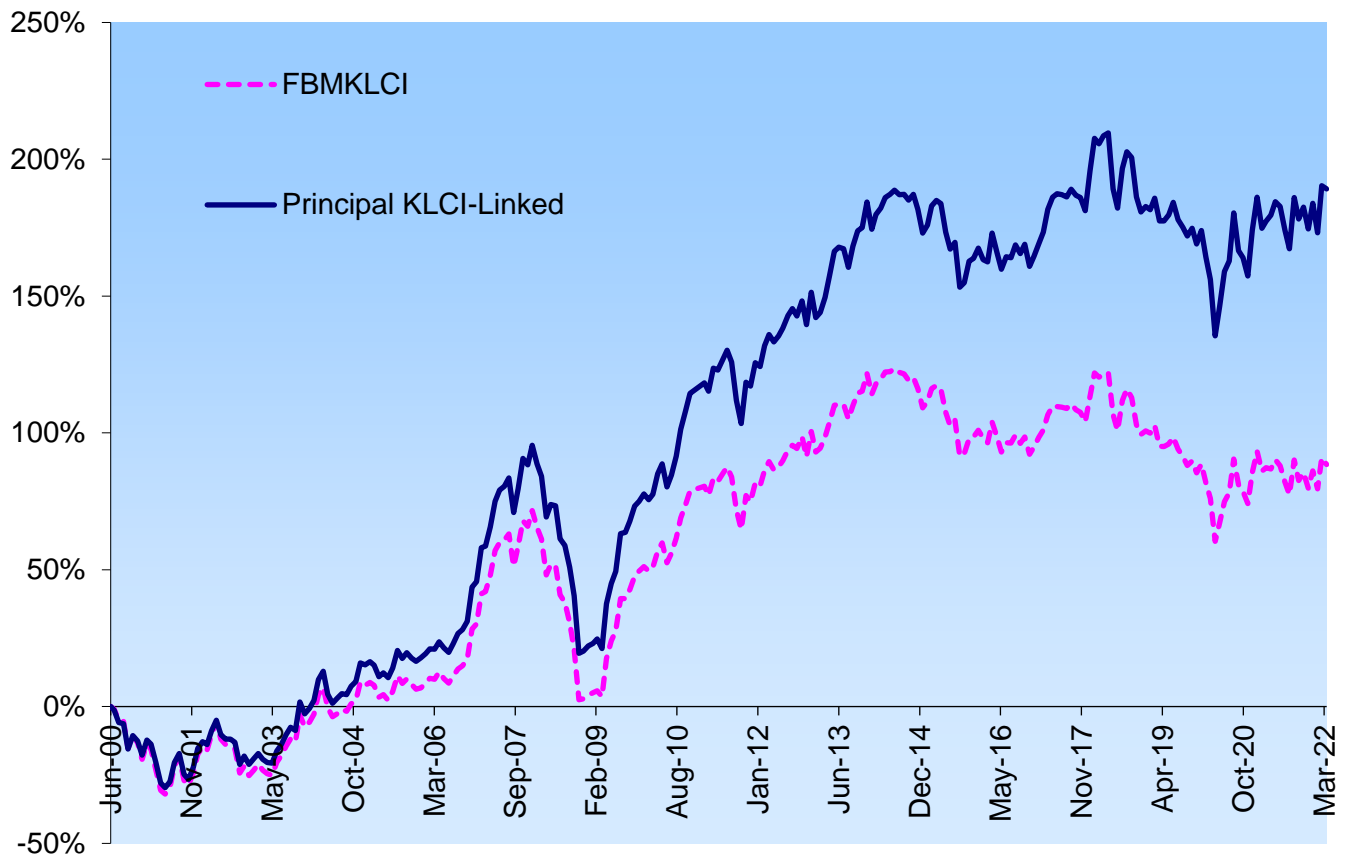
FBMKLCI rallied 88.3 pts or 5.8% to a high of 1,608 pts in February 2022, a level not seen since April 2021. The index benefited from the rally in commodities (Plantations, Energy and Aluminium/ Steel), further stoked by the Russian-Ukraine conflict exacerbating supply worries, while beneficiaries of higher interest rates such as Financials and reopening plays hogged the limelight.

In March 2022, FBMKLCI fell 20.9 pts or 1.3% as profit-taking set in given the index proximity to the psychological 1,600 pts level. Technology bounced as investors acclimatised with Federal Reserve (the “Fed”) interest rate hikes, which saw its first lift-off of 25 basis points. Tourism plays also saw interest with the 1 April 2021 border reopening. Commodities (Plantations, Energy and Aluminium/ Steel) corrected following the strong rally in the previous month stoked by the Russian-Ukraine conflict.

FUND PERFORMANCE

	6 months to 31.03.2022	1 year to 31.03.2022	3 years to 31.03.2022	5 years to 31.03.2022	Since inception to 31.03.2022
	%	%	%	%	%
Income Distribution	-	-	-	-	-
Capital Growth	3.97	3.42	4.25	2.68	189.20
Total Return	3.97	3.42	4.25	2.68	189.20
Benchmark	3.22	0.88	(3.42)	(8.78)	88.47
Average Total Return	N/A	3.42	1.40	0.53	4.99

During the period under review, the Fund grew by 3.97%, outperforming the benchmark, which increased by 3.22%.



Changes in NAV

	31.03.2022	30.09.2021 Audited	Changes %
NAV (RM Million)	16.61	17.09	(2.81)
NAV/Unit (RM)	1.3581	1.3057	4.01
FBMKLCI	1,587.36	1,537.80	3.22

For the 6-months period under review, total NAV decreased by 2.81%, while the NAV per unit increased by 4.01%.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.03.2022	30.09.2021 Audited
Quoted securities	98.30	96.00
Cash and other assets	2.21	4.43
Liabilities	(0.51)	(0.43)
TOTAL	100.00	100.00

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

MARKET OUTLOOK*

Despite the re-opening of borders and businesses following the lifting of COVID-19 restrictions, the central bank expects some impact from the Russia-Ukraine conflict. Headline inflation is also projected to average higher between 2.2% and 3.2% (versus 2.1% previously). The monetary tightening will be dependent on the inflation print, which is now running hot on the back of surging commodity prices and persistent supply-chain issues.

We continue to see upside risks to market earnings, potentially from the Commodity space (Plantation and Energy) and tourism plays. However, key risks are derailment of Malaysia's macro recovery and corporate earnings growth due to a more severe impact of new COVID-19 variants and heightened geopolitical risks, and larger-than-expected impact of rising inflation leading to stagflation.

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

INVESTMENT STRATEGY

As this is an index fund, the Fund will continue to remain fully invested in the benchmark index stocks with minimal cash kept for liquidity purposes in order to track the performance of the benchmark.

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 31 March 2022 were as follows:

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	360	0.94	7.69
5,001 to 10,000	167	1.24	10.14
10,001 to 50,000	257	5.22	42.68
50,001 to 500,000	38	3.27	26.65
500,001 and above	2	1.57	12.84
Total	824	12.23	100.00

SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (the “Manager”) and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Principal Malaysia Funds (“Funds”) unless the soft commission received is retained in the form of goods and services such as research and advisory services that assist in the decision making process relating to the Fund’s investments. All dealings with brokers are executed on most favourable terms available for the Fund. Any rebates will be directed to the account of the Fund.

During the financial period under 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 such as financial wire services and stock quotations system incidental to investment management of the Funds.

SECURITIES FINANCING TRANSACTIONS

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

**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 unaudited financial statements set out on pages 10 to 31 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 March 2022 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period then ended in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting.

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN
Chief Executive Officer/Executive Director

JUAN IGNACIO EYZAGUIRRE BARAONA
Director

Kuala Lumpur
17 May 2022

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 ended 31 March 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

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

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
17 May 2022

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2022**

	Note	01.10.2021 to 31.03.2022 RM	01.10.2020 to 31.03.2021 RM
INCOME			
Dividend income		356,847	400,220
Interest income from deposits with licensed financial institutions at amortised cost and current account		2,725	636
Net gain on financial assets at fair value through profit or loss	7	<u>386,407</u>	<u>722,989</u>
		<u>745,979</u>	<u>1,123,845</u>
EXPENSES			
Management fee	4	79,320	81,787
Trustee fee	5	5,845	6,026
Audit fee		4,700	6,523
Tax agent's fee		3,070	6,266
Transaction costs		4,091	7,074
Other expenses		<u>124</u>	<u>4,225</u>
		<u>97,150</u>	<u>111,901</u>
PROFIT BEFORE TAXATION		648,829	1,011,944
Taxation	6	<u>-</u>	<u>-</u>
PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>648,829</u>	<u>1,011,944</u>
Profit after taxation is made up as follows:			
Realised amount		300,098	446,951
Unrealised amount		<u>348,731</u>	<u>564,993</u>
		<u>648,829</u>	<u>1,011,944</u>

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

		31.03.2022	30.09.2021
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents	8	240,430	625,747
Financial assets at fair value through profit or loss	7	16,322,081	16,405,900
Amount due from Manager		500	900
Dividends receivable		125,598	130,172
TOTAL ASSETS		<u>16,688,609</u>	<u>17,162,719</u>
LIABILITIES			
Amount due to Manager		53,493	40,090
Accrued management fee		13,365	13,370
Amount due to Trustee		985	985
Other payables and accruals		16,448	19,700
TOTAL LIABILITIES		<u>84,291</u>	<u>74,145</u>
NET ASSET VALUE OF THE FUND		<u>16,604,318</u>	<u>17,088,574</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	9	<u>16,604,318</u>	<u>17,088,574</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	10	<u>12,226,022</u>	<u>13,087,078</u>
NET ASSET VALUE PER UNIT (RM)		<u>1.3581</u>	<u>1.3057</u>

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

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2022

	Note	01.10.2021 to 31.03.2022 RM	01.10.2020 to 31.03.2021 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD		17,088,574	16,884,406
Movement due to units created and cancelled during the financial period:			
- Creation of units from applications		442,245	1,342,825
- Cancellation of units		(1,575,330)	(2,458,471)
		(1,133,085)	(1,115,646)
Total comprehensive income for the financial period		648,829	1,011,944
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	9	16,604,318	16,780,704

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

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2022**

	01.10.2021 to 31.03.2022	01.10.2020 to 31.03.2021
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of quoted securities	1,160,771	1,467,187
Purchase of quoted securities	(694,636)	(517,266)
Dividend income received	361,421	289,952
Interest income received from deposits with licensed financial institutions	2,725	636
Management fee paid	(79,325)	(81,203)
Trustee fee paid	(5,845)	(5,983)
Payments for other fees and expenses	(11,146)	(7,658)
Net cash generated from operating activities	733,965	1,145,665
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	442,645	1,251,485
Payments for cancellation of units	(1,561,927)	(2,498,793)
Net cash used in financing activities	(1,119,282)	(1,247,308)
Net decrease in cash and cash equivalents	(385,317)	(101,643)
Cash and cash equivalents at the beginning of the financial period	625,747	153,819
Cash and cash equivalents at the end of the financial period	240,430	52,176
<u>Cash and cash equivalents comprise of</u>		
Bank balances	59,421	52,176
Deposit with licensed Islamic financial institutions	181,009	
Cash and cash equivalents at the end of the financial period	240,430	52,176

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2022**

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 and a Sixth Supplemental Deed dated 21 October 2019 (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 Manager is a joint venture between Principal Financial Group®, a member of the FORTUNE 500® and a Nasdaq-listed global financial services and CIMB Group Holdings Berhad, one of Southeast Asia’s leading universal banking groups. The principal activities of the Manager are the establishment and management of unit trust funds and fund management activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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 interim periods beginning on 1 October 2021 that have a material effect on the financial statements of the Fund.

None of the standards, amendments to standards or interpretations that are effective for the financial period beginning on/after 1 April 2022 are applicable to the Fund.

(b) Financial assets and financial liabilities

Classification

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

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

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

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

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

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

Recognition and measurement

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recognition and measurement (continued)

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

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

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

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

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

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

Significant increase in credit risk

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Definition of default and credit-impaired financial assets

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

Write-off

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

(c) Income recognition

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

Interest income from deposits with licensed financial institutions is recognised on a time proportionate basis using the 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 are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

(d) Functional and presentation currency

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

(e) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise bank 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.

Withholding taxes on investment income from investments 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. SUMMARY OF SIGNIFICANT 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, advisers, brokers, and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

(h) Realised and unrealised portions of increase/decrease in net assets attributable to unit holders.

The analysis of realised and unrealised portions of increase/decrease in net assets attributable to unit holders as presented on the statement of comprehensive income is prepared in accordance with SC Guidelines on Unit Trust Fund.

(i) Unit holders' contributions

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

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

The outstanding units are carried at the redemption amount that is payable at each financial 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 SC Guidelines on Unit Trust Funds.

However, the Manager is of the opinion that there are no accounting policies which require significant judgement to be exercised.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is to achieve 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.

(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 instruments. 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 future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

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

The Fund's exposure to interest rate risk associated with deposits with licensed financial institutions is expected to be minimal as the deposits are held on short-term basis.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(b) Credit risk**

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

The credit risk arising from placements of 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 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 quoted securities are settled or paid upon delivery using approved stockbrokers.

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

(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. Generally, all 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 Manager 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.

(d) Capital risk management

The capital of the fund is represented by net asset attributable to unit holders. The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

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

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial period end date. The Fund utilises the last traded market price for financial assets where the last traded 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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

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
31.03.2022				
Financial asset at fair value through profit or loss:				
- Quoted securities	16,322,081	-	-	16,322,081
30.09.2021				
Audited				
Financial asset at fair value through profit or loss:				
- Quoted securities	16,405,900	-	-	16,405,900

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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

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

4. MANAGEMENT FEE

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

For the six months financial period ended 31 March 2022, the management fee is recognised at a rate of 0.95% per annum (31.03.2021: 0.95% per annum).

There was 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 six months financial period ended 31 March 2022, the Trustee fee is recognised at a rate of 0.07% per annum (31.03.2021: 0.07% per annum).

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

6. TAXATION

	01.10.2021 to 31.03.2022 RM	01.10.2020 to 31.03.2021 RM
Tax charged for the financial period:		
- Current taxation	-	-
Profit/ (Loss) before taxation	648,829	1,011,944
Taxation at Malaysian statutory rate of 24%	155,720	242,868
Tax effects of:		
- (Income not subject to tax)/ Loss not deductible for tax purposes	(179,035)	(269,723)
- Expenses not deductible for tax purposes	2,085	4,696
- Restriction on tax deductible expenses for Unit Trust Funds	21,230	22,159
Taxation	-	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.03.2022	30.09.2021
	RM	Audited RM
At fair value through profit or loss:		
- Quoted securities	16,322,081	16,405,900
	<u>01.10.2021 to 31.03.2022</u>	<u>01.10.2020 to 31.03.2021</u>
	RM	RM
Net profit on financial assets at fair value through profit or loss:		
- Realised gain on disposals	37,675	157,997
- Unrealised fair value gain	348,732	564,992
	<u>386,407</u>	<u>722,989</u>

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.03.2022				
QUOTED SECURITIES				
Consumer Products & Services				
Genting Bhd	78,800	612,928	368,784	2.23
Genting Malaysia Bhd	98,600	353,992	293,828	1.77
Mr D.I.Y Group (M) Bhd	37,500	147,353	129,750	0.78
Nestle Malaysia Bhd	2,100	229,330	280,560	1.69
Petronas Dagangan Bhd	12,700	252,144	259,334	1.56
PPB Group Bhd	23,440	301,617	400,824	2.41
Sime Darby Bhd	120,445	220,631	289,068	1.74
	<u>373,585</u>	<u>2,117,995</u>	<u>2,022,148</u>	<u>12.18</u>
Energy				
Dialog Group Bhd	156,800	513,909	429,632	2.59
Financial Services				
CIMB Group Holdings Bhd	231,326	1,350,438	1,232,967	7.43
Hong Leong Bank Bhd	22,900	280,317	462,580	2.79
Hong Leong Financial Group Bhd	8,510	124,347	166,796	1.00
Malayan Banking Bhd	185,568	1,513,146	1,658,978	9.99
Public Bank Bhd	378,420	1,141,187	1,767,221	10.64
RHB Bank Bhd	54,078	287,552	322,305	1.94
	<u>880,802</u>	<u>4,696,987</u>	<u>5,610,847</u>	<u>33.79</u>
Health Care				
Hartalega Holding Bhd	51,100	364,632	247,835	1.50
IHH Healthcare Bhd	103,800	431,589	643,560	3.87
Top Glove Corporation Bhd	171,600	343,842	329,472	1.98
	<u>326,500</u>	<u>1,140,063</u>	<u>1,220,867</u>	<u>7.35</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.03.2022				
QUOTED SECURITIES				
Industrial Products & Services				
Petronas Chemicals Group Bhd	93,300	631,334	895,680	5.39
Press Metal Aluminum Holding Bhd	125,800	318,498	779,960	4.70
	<u>219,100</u>	<u>949,832</u>	<u>1,675,640</u>	<u>10.09</u>
Plantation				
IOI Corporation Bhd	103,080	448,302	424,690	2.56
Kuala Lumpur Kepong Bhd	15,321	292,515	386,089	2.32
Sime Darby Plantation Bhd	116,845	633,144	580,720	3.50
	<u>235,246</u>	<u>1,373,961</u>	<u>1,391,499</u>	<u>8.38</u>
Technology				
Inari Amertron Bhd	92,000	357,806	282,440	1.70
Telecommunications & Media				
Axiata Group Bhd	154,337	661,451	584,937	3.53
Digi.com Bhd	125,700	388,213	490,230	2.95
Maxis Bhd	94,600	545,373	371,778	2.24
Telekom Malaysia Bhd	68,300	284,907	333,987	2.01
	<u>442,937</u>	<u>1,879,944</u>	<u>1,780,932</u>	<u>10.73</u>
Transportation & Logistics				
MISC Bhd	58,800	341,996	432,180	2.60
Utilities				
Petronas Gas Bhd	19,300	257,459	321,538	1.94
Tenaga Nasional Bhd	128,262	1,410,607	1,154,358	6.95
	<u>147,562</u>	<u>1,668,066</u>	<u>1,475,896</u>	<u>8.89</u>
TOTAL QUOTED SECURITIES	<u>2,933,332</u>	<u>15,040,559</u>	<u>16,322,081</u>	<u>98.30</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>1,281,523</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>16,322,082</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 %
30.09.2021				
Audited				
QUOTED SECURITIES				
Consumer Products & Services				
Genting Bhd	80,800	628,485	407,232	2.38
Genting Malaysia Bhd	98,600	353,992	295,800	1.73
Mr D.I.Y. Group (M) Bhd	37,500	147,353	146,250	0.86
Nestle (Malaysia) Bhd	2,100	229,330	279,510	1.63
Petronas Dagangan Bhd	12,100	240,344	231,352	1.35
PPB Group Bhd	23,440	297,110	430,358	2.52
Sime Darby Bhd	123,145	224,329	279,539	1.63
	<u>377,685</u>	<u>2,120,943</u>	<u>2,070,041</u>	<u>12.10</u>
Energy				
Dialog Group Bhd	<u>159,100</u>	<u>523,586</u>	<u>380,249</u>	<u>2.23</u>
Financial Services				
CIMB Group Holdings Bhd	240,926	1,410,162	1,151,626	6.74
Hong Leong Bank Bhd	23,400	286,437	442,260	2.59
Hong Leong Financial Group Bhd	8,510	124,347	155,733	0.91
Malayan Banking Bhd	203,968	1,663,415	1,641,942	9.61
Public Bank Bhd	411,620	1,232,168	1,675,294	9.80
RHB Bank Bhd	56,078	298,187	306,186	1.79
	<u>944,502</u>	<u>5,014,716</u>	<u>5,373,041</u>	<u>31.44</u>
Health Care				
Hartalega Holdings Bhd	51,100	364,632	314,265	1.84
IHH Healthcare Bhd	103,300	417,861	692,110	4.05
Top Glove Corporation Bhd	180,200	361,074	518,976	3.04
	<u>334,600</u>	<u>1,143,567</u>	<u>1,525,351</u>	<u>8.93</u>
Industrial Products & Services				
Hap Seng Consolidated Bhd	22,400	196,930	178,080	1.04
Petronas Chemicals Group Bhd	97,600	657,324	849,120	4.97
Press Metal Aluminium Holdings Bhd	131,100	321,948	752,514	4.40
	<u>251,100</u>	<u>1,176,202</u>	<u>1,779,714</u>	<u>10.41</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.09.2021 (CONTINUED)				
Audited (Continued)				
QUOTED SECURITIES				
(CONTINUED)				
Plantation				
IOI Corporation Bhd	109,080	476,602	411,232	2.41
Kuala Lumpur Kepong Bhd	16,321	310,608	328,379	1.92
Sime Darby Plantation Bhd	123,045	676,119	440,501	2.58
	<u>248,446</u>	<u>1,463,329</u>	<u>1,180,112</u>	<u>6.91</u>
Telecommunications & Media				
Axiata Group Bhd	160,737	690,704	628,482	3.68
Digi.Com Bhd	126,300	385,263	562,035	3.29
Maxis Bhd	94,600	551,015	443,674	2.60
Telekom Malaysia Bhd	69,300	289,078	395,010	2.31
	<u>450,937</u>	<u>1,916,060</u>	<u>2,029,201</u>	<u>11.88</u>
Transportation & Logistics				
MISC Bhd	<u>61,100</u>	<u>358,073</u>	<u>422,201</u>	<u>2.47</u>
Utilities				
Petronas Gas Bhd	19,900	265,463	334,718	1.96
Tenaga Nasional Bhd	135,462	1,491,170	1,311,272	7.67
	<u>155,362</u>	<u>1,756,633</u>	<u>1,645,990</u>	<u>9.63</u>
TOTAL QUOTED SECURITIES	<u>2,982,832</u>	<u>15,473,109</u>	<u>16,405,900</u>	<u>96.00</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>932,791</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>16,405,900</u>		

8. CASH AND CASH EQUIVALENTS

	31.03.2022	30.09.2021
	RM	Audited RM
Deposits with licensed financial institutions	181,009	559,027
Bank balances	59,421	66,720
	<u>240,430</u>	<u>625,747</u>

9. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

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

	31.03.2022	30.09.2021
	RM	Audited RM
EQUITY		
Unit holders' contributions	(1,038,561)	94,524
Retained earnings	17,642,879	16,994,050
	<u>16,604,318</u>	<u>17,088,574</u>

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

	Unit holders' contributions RM	Retained earnings RM	Total RM
Balance as at 1 October 2021	94,524	16,994,050	17,088,574
Movement in unit holders' contributions:			
- Creation of units from applications	442,245	-	442,245
- Cancellation of units	(1,575,330)	-	(1,575,330)
Total comprehensive income for the financial period	-	648,829	648,829
Balance as at 31 March 2022	<u>(1,038,561)</u>	<u>17,642,879</u>	<u>16,604,318</u>
Balance as at 1 October 2020	808,574	16,075,832	16,884,406
Movement in unit holders' contributions:			
- Creation of units from Applications	1,342,825	-	1,342,825
- Cancellation of units	(2,458,471)	-	(2,458,471)
Total comprehensive loss for the financial period	-	1,011,944	1,011,944
Balance as at 31 March 2021	<u>(307,072)</u>	<u>17,087,776</u>	<u>16,780,704</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.10.2021 to 31.03.2022	01.10.2020 to 30.09.2021 Audited
	No. of units	No. of units
At the beginning of the financial period/year	13,087,078	13,619,241
Add: Creation of units from applications	337,578	1,984,766
Less: Cancellation of units	<u>(1,198,634)</u>	<u>(2,516,929)</u>
At the end of the financial period/year	<u>12,226,022</u>	<u>13,087,078</u>

11. TOTAL EXPENSE RATIO (“TER”)

	01.10.2021 to 31.03.2022	01.10.2020 to 31.03.2021
	%	%
TER	<u>0.58</u>	<u>0.65</u>

TER is derived from the following calculation:

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

- A = Management fee
- B = Trustee fee
- C = Audit fee
- D = Tax Agent’s fee
- E = Other expenses
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM16,608,145 (31.03.2021: RM17,297,570).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.10.2021 to 31.03.2022	01.10.2020 to 31.03.2021
PTR (times)	<u>0.06</u>	<u>0.06</u>

PTR is derived from the following calculation:

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

where:

- total acquisition for the financial period = RM693,351 (31.03.2021: RM515,886)
- total disposal for the financial period = RM1,163,577 (31.03.2021: RM1,594,652)

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
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
CGS-CIMB Securities Sdn Bhd	Fellow related party to 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:

	31.03.2022		30.09.2021	
	No. of units	RM	No. of units	RM
Manager				Audited
Principal Asset Management Berhad	<u>8,673</u>	<u>11,779</u>	<u>8,673</u>	<u>11,324</u>

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.

There were no significant related party transactions and balances at the end of each financial period/year.

14. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for the six months financial period ended 31 March 2022 were as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
CGS-CIMB Securities Sdn Bhd #	296,448	16	603	15
J.P.Morgan Sec (M) Sdn Bhd	362,738	20	568	14
UBS Securities M Sdn Bhd	336,656	18	705	17
CLSA Securities M Sdn Bhd	654,264	35	1,652	41
Macquarie Capital Sec (M) SB	206,822	11	523	13
	<u>1,856,928</u>	<u>100.00</u>	<u>4,051</u>	<u>100.00</u>

Details of transactions with the top 10 brokers for the six months financial period ended 31 March 2021 were as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Hong Leong Investment Bank Bhd	356,054	16.87	850	19.36
Alliance Investment Bank Bhd	315,919	14.97	792	18.04
Citigroup Global Markets (M) Sdn Bhd	309,210	14.65	755	17.19
Affin Hwang Investment Bank Bhd	285,073	13.51	699	15.91
UBS Securities (M) Sdn Bhd	262,539	12.44	184	4.19
J.P. Morgan Securities (M) Sdn Bhd	235,220	11.15	165	3.75
CLSA Securities (M) Sdn Bhd	122,029	5.78	85	1.95
Credit Suisse Securities (M) Sdn Bhd	118,883	5.63	342	7.78
CGS-CIMB Securities Sdn Bhd #	105,611	5.00	520	11.83
	<u>2,110,538</u>	<u>100.00</u>	<u>4,392</u>	<u>100.00</u>

14. TRANSACTIONS WITH BROKERS (CONTINUED)

Included in the transactions are trades conducted with CGS-CIMB Securities Sdn Bhd, fellow related party to the Manager amounting to RM296,448 (31.03.2021: RM105,611). 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. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD (CONTINUED)

The COVID-19 pandemic and related lockdowns and movement restrictions have had, and will continue to have, a significant impact on global economic conditions and the environment in which the Fund operates.

The Manager continue to closely monitor the macro-economic outlook as a result of COVID-19 pandemic and its impact to the Fund's performance and will be managing the risks to achieve.

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