

PRINCIPAL MALAYSIA OPPORTUNITIES FUND
ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

CONTENTS	PAGE(S)
INVESTORS' LETTER	i
MANAGER'S REPORT	ii - viii
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 - 34
DIRECTORY	35

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 Annual Fund Report of the Principal Malaysia Opportunities Fund for the financial year ended 31 December 2024. You may also download this report from our website at www.principal.com.my.

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

At the Alpha Southeast Asia Fund Management Awards 2024, we won three awards: Best Absolute Return Strategy, Best Online & Mobile Platform (Asset Manager), and Best Asset Manager (Income-Oriented, Money Market & Alternative Investment Funds). The International Finance Awards honored us with 'Best Asset Management Company – Malaysia 2024' and 'Best Asset Management CEO – Munirah Khairuddin – Malaysia 2024'. At the Triple A Sustainable Investing Awards 2024, we secured the Asset Management Company of the Year (Malaysia) award. The World Business Outlook magazine recognized us with the titles of Best Investment Management and Solutions Provider Malaysia, Best Institutional House Malaysia, and Asset Management CEO (Munirah Khairuddin) of the Year Malaysia. Additionally, we received three awards at the iFast Awards 2024, seven at the LSEG Lipper Fund Awards 2024, ten at the FSMOne Recommended Funds 2023/2024, and two at the Edge 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, like our Facebook page (@PrincipalMalaysia), follow us on our Instagram account (@principalmalaysia), and LinkedIn page (Principal Malaysia) for the latest updates, market insights and investment articles.

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

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

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

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to grow the value of investments over the long-term through investment in Malaysian shares.

Has the Fund achieved its objective?

For the financial year under review, the Fund registered a gain of 26.80% while the benchmark registered a gain of 16.98%. The Fund has achieved its objective of providing long-term capital growth.

What are the Fund investment policy and principal investment strategy?

The Fund may invest between 70% to 98% (both inclusive) of the Fund's Net Asset Value ("NAV") in local equities. The investment policy and strategy of the Fund will be to invest in stocks which are selected based on their future growth prospects. The Fund may opt to seek investment exposure via collective investment scheme that is in line with the Fund's objective, subject to the requirement of the Securities Commission Malaysia ("SC") Guidelines. In addition, liquid assets may also be strategically used if the Manager feels that the market downside risk is high in the short term. With effect from 10 July 2023, the Fund may invest up to 25% of its NAV in companies that are listed in any Eligible Market globally with some operations or businesses in Malaysia to capture growth opportunities.

The Fund will be managed with high tracking error. The investment strategy of the Fund will be predominantly based on bottom up stock selection instead of investing mainly in the stocks represented in the benchmark. Consequently, the Fund's individual stock and sector weightage will deviate significantly from the benchmark, thus leads to high tracking error. The strategy of the Fund includes utilizing liquid assets dynamically in the changing market conditions. For example, high level of cash holdings in the bearish market will result in higher tracking error as the cash positions helps minimize the degree of the decline in Fund's NAV as compared to the benchmark which have 100% exposure to the market downside.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in local equities; and
- at least 2% of the Fund's NAV in liquid assets.

Fund category/type

Equity/Growth

When was the Fund launched?

12 March 1998

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

RM67.33 million (48.51 million units)

What is the Fund's benchmark?

FTSE Bursa Malaysia ("FBM") Top 100 ("FBM100") Index

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 year ended 31 December 2024?

The Fund distributed a total net income of RM2.25 million to unit holders for the financial year ended 31 December 2024.

FUND OBJECTIVE AND POLICY (CONTINUED)

The Fund's NAV per unit before and after distributions were as follows:

	NAV per unit (before distribution) RM		NAV per unit (after distribution) RM	
Distribution on 15 August 2024		1.3941		1.3454
	31.12.2024		31.12.2023	
	RM	%	RM	%
Source of distribution				
Distribution out of current year's income	2,251,403	100.00	2,350,681	100.00
Distribution out of prior year's income/capital	-	-	-	-
Total	2,251,403	100.00	2,350,681	100.00

PERFORMANCE DATA

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

	31.12.2024	31.12.2023	31.12.2022
	%	%	%
Collective investment scheme	-	1.48	-
Quoted securities			
- Construction	11.94	5.49	1.88
- Consumer Products & Services	1.16	3.13	13.05
- Energy	6.25	9.78	5.23
- Financial Services	30.37	24.54	34.32
- Health Care	3.49	2.42	-
- Industrial Products & Services	8.52	8.24	10.68
- Plantation	4.23	-	9.37
- Property	9.57	6.97	0.42
- REITs	-	0.77	-
- Technology	11.70	19.01	12.56
- Telecommunications & Media	-	0.83	2.36
- Transportation & Logistics	-	4.40	7.01
- Utilities	10.65	9.45	-
Cash and other assets	3.72	3.83	3.35
Liabilities	(1.60)	(0.34)	(0.23)
	100.00	100.00	100.00

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

	31.12.2024	31.12.2023	31.12.2022
NAV (RM Million)	67.33	51.15	51.42
Units in circulation (Million)	48.51	45.11	45.61
NAV per unit (RM)	1.3878	1.1340	1.1274
Highest NAV per unit (RM)	1.5141	1.1677	1.2650
Lowest NAV per unit (RM)	1.1341	1.0770	1.0467

PERFORMANCE DATA (CONTINUED)

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

	31.12.2024	31.12.2023	31.12.2022
Total return (%)	26.80	5.60	(3.87)
Capital growth (%)	22.37	0.59	(7.19)
Income distribution (%)	3.62	4.98	3.58
Total Expense Ratio (“TER”) (%) ^	1.96	2.00	1.97
Portfolio Turnover Ratio (“PTR”) (times) #	1.01	1.30	0.54

^ The Fund’s TER decreased from 2.00% to 1.96% due to increase in the average NAV during the financial year under review.

The Fund’s PTR decreased from 1.30 times to 1.01 times which was mainly due to decrease in trading activities during the financial year under review.

	31.12.2024	31.12.2023	31.12.2022
Gross/Net distribution per unit (sen)			
Distribution on 15 August 2024	4.87	-	-
Distribution on 24 August 2023	-	5.39	-
Distribution on 24 August 2022	-	-	3.95

	31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020
	%	%	%	%	%
Annual total return	26.80	5.60	(3.87)	4.48	8.35

(Launch date: 12 March 1998)

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

MARKET REVIEW (1 JANUARY 2024 TO 31 DECEMBER 2024)

For the financial year under review, FBM100 Index (the “Index”) gained 12.52% from 10,485.72 points (“pts”) to 11,798.06 pts, charting consecutive month on month (“m-o-m”) gains.

The Index rallied 3.99% m-o-m in January 2024. Sentiment was lifted by the Federal Reserve (the “Fed”) communication on interest rates given the recent cooling inflation and economic data out of the United States. The weaker United States Dollar (“USD”) and lower treasury yield that ensued favored Emerging Markets (“EM”). Utilities, Commodities, Telecommunication and Financials topped the gainers list. Within the broader market, Energy, Construction and Property did well, while Technology languished despite the sentiment on the Fed rates.

In February 2024, the Index by rose 2.33% month on month (“m-o-m”). This was despite the stronger dollar following stronger-than-expected inflation and economic data out of the US, and bets on rate cuts by the Fed pushed back. Financials, Utilities, Commodities and Telecommunication topped the gainers list. Within the broader market, Energy did well, and Technology rebounded strongly.

In March 2024, the Index gained 0.53% m-o-m. Bets on rate cuts by the Fed were pushed back given the persistent strong data out of the US, and there was an absence of fresh catalysts domestically. During the month, there were also distortions caused by FTSE rebalancing (as well as Morgan Stanley Capital Index (“MSCI”) rebalancing in February 2024) and many index stocks going ex-dividends. Financials, Transport, Utilities and Commodities topped the gainers list while Telecommunication languished. Within the broader market, Property, Construction, Technology, Healthcare and Energy did well.

MARKET REVIEW (1 JANUARY 2024 TO 31 DECEMBER 2024) (CONTINUED)

The Index was up 2.54% m-o-m in April 2024. Local investors remain upbeat despite bets on rate cuts by the Fed pushed back given the persistent strong economic data out of the US and sticky inflation. The run-up was relatively broad-based but Utilities, Industrial (mainly Press Metal Aluminium Holdings Bhd), Healthcare and Transport led gains while Energy eased. Within the broader market, Property and Consumer did well.

The Index rose by 2.32% m-o-m in May 2024. Utilities, Financials, Consumer and Industrial (mainly Press Metal Aluminium Holdings Bhd) led gains while Telecommunication and Commodities (Planters and PETRONAS Chemicals Group Bhd) lagged. Within the broader market, Construction, Property and Technology did well.

The market saw profit taking and the Index gained 0.24% m-o-m in June 2024. Investors remained relatively upbeat considering recent weakness in US economic data and inflation moderating. Utilities and Healthcare rose while Consumer eased. Within the broader market, Construction and Technology posted strong gains, while other sectors were mixed.

In July 2024, the Index rose by 2.64% m-o-m in line with gains in regional markets and rebounding off the previous month's sell-off, spurred by Federal Open Market Committee ("FOMC") the Fed cut bets considering the recent weakness in US economic data and inflation moderating.

The Index gained 0.65% m-o-m in August 2024 led by the sharp sell-off at the start of the month due to the massive unwinding of the Japanese Yen carry trade. Construction, Property, Technology and Energy sectors languished whilst Banks and Plantations saw gains.

The Index dropped 1.36% m-o-m in September 2024 which was in stark contrast to the stronger US market which recorded new highs following the Fed's 50 basis points ("bps") cut during the month and greater confidence of a soft-landing scenario for the US economy. Most sectors were down except for Construction, Property and Healthcare, with Energy and Technology sold off the most.

In October 2024, the Index fell 1.73% m-o-m October 2024 as investors risk-off ahead of the US elections, despite the Fed very likely to cut another 25bps in the November FOMC meeting given the recent inflation print and weak jobs data. Utilities and Telcos were sold off the most, while Construction, Real Estate Investment Trusts ("REITs") and Healthcare posted modest gains.

The Index remained flattish in November 2024 with 0.08% gains m-o-m as investors continue to risk off due to uncertainties surrounding potential new policies under the new US administration, as well as the trajectory of the Fed rates given the recent economic data. Utilities (mainly Tenaga Nasional Bhd), Commodities (mainly Press Metal Aluminium Holdings Bhd and PETRONAS Chemicals Group Bhd), Telecommunication, Transport (mainly Malaysia International Shipping Corporation) and Consumer were sold off the most, while Banks, Healthcare, Property, Construction and Plantation posted modest gains.

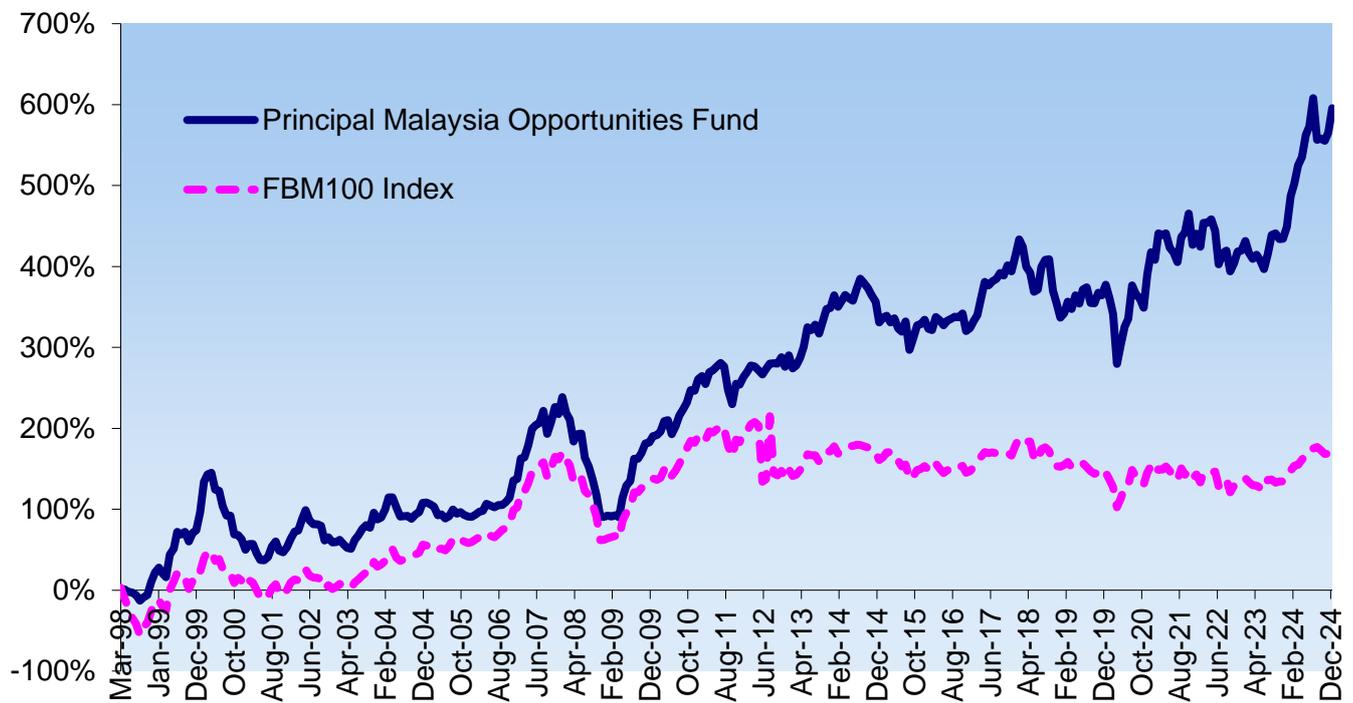
The Index ended 2024 higher with the month of December 2024 rising by 3.74% m-o-m, aided by year-end window dressing and cash redeployment by domestic funds amidst another month of heavy foreign selling due to policy uncertainties under the new US administration and the trajectory of Fed rates coupled with rising bond yields. Utilities (Tenaga Nasional Bhd, YTL Corporation Bhd), Commodities (Press Metal Aluminium Holdings Bhd, PETRONAS Chemicals Group Bhd and select planters), Telecommunication, Transport (mainly Malaysia International Shipping Corporation) and select Financials topped the leaderboard, while within the broader market, Technology, Property and Healthcare did well.

FUND PERFORMANCE

	1 year to 31.12.2024 %	3 years to 31.12.2024 %	5 years to 31.12.2024 %	Since inception to 31.12.2024 %
Income Distribution	3.62	12.68	19.94	25.36
Capital Growth	22.37	14.23	21.49	455.12
Total Return	26.80	28.71	45.72	595.91
Benchmark	16.98	11.36	10.36	178.72
Average Total Return	26.80	8.77	7.81	7.50

For the financial year under review, the Fund's total return increased by 26.80%, while the Benchmark was up by 16.98%. Hence, the Fund outperformed the benchmark by 982 bps.

Since inception



Changes in NAV

	31.12.2024	31.12.2023	Changes %
NAV (RM Million)	67.33	51.15	31.63
NAV/Unit (RM)	1.3878	1.1340	22.38

The Fund's NAV increased by 31.63% due to injection and positive investment performance. The NAV per unit increased by 22.38% due to positive investment performance during the financial year under review.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.12.2024	31.12.2023
Collective investment scheme	-	1.48
Quoted securities	97.88	95.03
Cash and other assets	3.72	3.83
Liabilities	(1.60)	(0.34)
TOTAL	100.00	100.00

Asset allocation into quoted securities increased from 95.03% as at 31 December 2023 to 97.88% as at 31 December 2024, reflecting our constructive view on the equity market as we position the Fund for 2025 and cash and other assets at 3.72%.

MARKET OUTLOOK*

Malaysia’s manufacturing sector moderated further in December 2024, with a Puchase Managers Index (“PMI”) reading of 48.6pts versus 49.2 pts the previous month, as demand conditions remain muted. Standard & Poor’s 500 (“S&P 500”) Global noted a slowdown in new orders, output, purchasing and stocks, while employment also fell marginally. Positively, inflationary pressures softened sharply. Optimism of a recovery in new orders over the coming 12 months remains solid, unchanged from November 2024. The latest PMI data suggests fourth quarter of 2024 GDP growth momentum could sustain at a similar pace as the preceding quarter, which was at 5.9%, albeit at a slower rate of increase. To recap, Bank Negara Malaysia (“BNM”) now projects Gross Domestic Product (“GDP”) to grow 4.8% to 5.3% in 2024, revised up from 4% to 5% previously, and the economy to expand by 4.5% to 5.5% in 2025.

We expect BNM to maintain overnight policy rate (“OPR”) at 3.00% for 2025 given muted inflation and modest economic growth. Inflation rose at a slower pace of 1.8% in November 2024 versus 1.9% in October 2024. There appears to be sufficient headroom to central bank’s latest 2% to 3.5% consumer price index (“CPI”) forecast for 2025 with the impending subsidy rationalization plans.

Malaysia’s equity market is now trading at a forward Price to Earnings (“P/E”) ratio of 14.5 times, which is slightly below -1 Standard Deviation (“SD”) below the 10-year historical mean, but still more than 2SD below pre-Coronavirus Disease 2019 (“COVID-19”) mean of 16 times. Consensus projects earnings growth for FBM30 Index of 8% to 9% for 2024 and 2025. Sustained strength in domestic investments (both Domestic Direct Investment and Foreign Direct Investment), fiscal consolidation gathering pace (in particular, subsidy rationalisation initiatives) and the strengthening of the Malaysian Ringgit (“MYR/RM”) are factors we see supportive of the further narrowing of risk premiums (current yield gap at ~350bps; pre-COVID-19 average of 250bps) and consequently higher valuation multiples. The recent change in the US administration and its policy posture have resulted in elevated risk premiums for Malaysia, but we still see the balance of risk tilting favorably.

* 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

We remain constructive on sectors that stand to gain from the National Energy Transition Roadmap, including Utilities, Construction, and Property. We are also optimistic about Financials and Consumer names given the strong investment momentum in Malaysia, as well as Oil and Gas services. We also like sectors that benefit from the stronger MYR/RM. Additionally, we remain highly selective on Technology favoring those with strong bargaining power. Key risks are the derailment of Malaysia’s macroeconomic recovery and corporate earnings growth due to the larger-than-expected impact of rising inflation, slower global economic growth, and heightened geopolitical risks.

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 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 year under review.

STATE OF AFFAIR OF THE FUND

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

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

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

CROSS TRADE

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

UNIT SPLIT

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL MALAYSIA OPPORTUNITIES FUND**

We, being the Directors of Principal Asset Management (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 7 to 34 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 December 2024 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the provisions of the MFRS Accounting Standards and IFRS Accounting Standards.

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN

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

UDAY JAYARAM

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

Kuala Lumpur
14 February 2025

TRUSTEE'S REPORT

**TO THE UNIT HOLDERS OF
PRINCIPAL MALAYSIA OPPORTUNITIES FUND ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 31 December 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the 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.

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Lee Cincee
Senior Manager, Trustee and Fiduciary Services

Kuala Lumpur
14 February 2025

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL MALAYSIA OPPORTUNITIES FUND**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Principal Malaysia Opportunities Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 31 December 2024, 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 year then ended and notes to the financial statements, including material accounting policy information, as set out on pages 7 to 34.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2024, and of its financial performance and cash flows for the financial year then ended in accordance with MFRS Accounting Standards and IFRS Accounting 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 MALAYSIA OPPORTUNITIES 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 MFRS Accounting Standards and IFRS Accounting 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.

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 MALAYSIA OPPORTUNITIES 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.
- 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 MALAYSIA OPPORTUNITIES 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 Fund issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

Yeo Beng Yean
No. 03013/10/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
14 February 2025

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

	Note	2024 RM	2023 RM
INCOME/(LOSS)			
Dividend income		1,663,778	1,330,306
Interest income from deposits with licensed financial institutions		94,739	84,608
Net gain on financial assets at fair value through profit or loss	8	13,565,072	2,767,984
Net foreign exchange loss		(35,830)	(2,220)
		<u>15,287,759</u>	<u>4,180,678</u>
EXPENSES			
Management fee	4	1,133,574	926,607
Trustee fee	5	27,573	38,232
Audit fee		9,200	9,400
Tax agent's fee		5,000	5,158
Transaction costs		443,294	458,110
Other expenses		28,722	25,592
		<u>1,647,363</u>	<u>1,463,099</u>
PROFIT BEFORE TAXATION		13,640,396	2,717,579
Taxation	7	<u> </u>	<u> </u>
PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u>13,640,396</u>	<u>2,717,579</u>
Profit after taxation is made up as follows:			
Realised amount		4,233,289	249,346
Unrealised amount		9,407,107	2,468,233
		<u>13,640,396</u>	<u>2,717,579</u>

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

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

	Note	2024 RM	2023 RM
ASSETS			
Cash and cash equivalents	9	1,283,855	1,730,182
Financial assets at fair value through profit or loss	8	65,900,393	49,365,558
Amount due from Stockbrokers		1,059,492	-
Amount due from Manager		162,732	193,275
Amount due from Manager of collective investment scheme - management fee rebate		1,380	680
Dividends receivable		-	39,989
TOTAL ASSETS		<u>68,407,852</u>	<u>51,329,684</u>
LIABILITIES			
Amount due to Stockbrokers		642,451	-
Amount due to Manager		308,132	75,832
Accrued management fee		103,825	79,250
Amount due to Trustee		2,525	1,928
Distribution payable		48	-
Other payables and accruals		23,596	18,800
TOTAL LIABILITIES		<u>1,080,577</u>	<u>175,810</u>
NET ASSET VALUE OF THE FUND		<u>67,327,275</u>	<u>51,153,874</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	10	<u>67,327,275</u>	<u>51,153,874</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	11	<u>48,511,105</u>	<u>45,108,554</u>
NET ASSET VALUE PER UNIT		<u>1.3878</u>	<u>1.1340</u>

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

**STATEMENT OF CHANGES IN NET ASSET ATTRIBUTABLE TO UNIT HOLDERS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Note	2024 RM	2023 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR		51,153,874	51,418,012
Movement due to units created and cancelled during the financial year:			
Creation of units from applications		13,424,291	1,739,006
Creation of units from distributions		1,913,807	1,969,939
Cancellation of units		(10,553,690)	(4,339,981)
		4,784,408	(631,036)
Total comprehensive income for the financial year		13,640,396	2,717,579
Distribution	6	(2,251,403)	(2,350,681)
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR		67,327,275	51,153,874

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

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

	Note	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of quoted securities		58,860,428	66,470,033
Purchase of quoted securities		(62,692,833)	(63,714,150)
Dividend income received		1,702,638	1,308,715
Interest income received from deposits with licensed financial institutions		94,739	84,608
Management fee paid		(1,108,999)	(927,763)
Management fee rebate received		1,607	-
Trustee fee paid		(26,976)	(39,792)
Payments for other fees and expenses		(36,997)	(40,085)
Payment of other foreign exchange loss		(352)	(4,536)
Net cash (used in)/generated from operating activities		<u>(3,206,745)</u>	<u>3,137,030</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		13,454,834	1,548,993
Payments for cancellation of units		(10,321,390)	(4,278,574)
Distribution paid		(337,548)	(380,742)
Net cash generated from/(used in) financing activities		<u>2,795,896</u>	<u>(3,110,323)</u>
Net (decrease)/increase in cash and cash equivalents		(410,849)	26,707
Effects of foreign exchange differences		(35,478)	2,316
Cash and cash equivalents at the beginning of the financial year		<u>1,730,182</u>	<u>1,701,159</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>1,283,855</u></u>	<u><u>1,730,182</u></u>
<u>Cash and cash equivalents comprised:</u>			
Deposits with licensed financial institutions		774,070	1,674,440
Bank balances		<u>509,785</u>	<u>55,742</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>1,283,855</u></u>	<u><u>1,730,182</u></u>

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

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

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal Malaysia Opportunities Fund (the "Fund") is governed by a Principal Master Deed dated 15 May 2008, a Fourth Supplemental Master Deed dated 18 March 2009, a Thirteenth Supplemental Master Deed dated 26 June 2012, an Eighteenth Supplemental Master Deed dated 25 March 2015, a Twentieth Supplemental Master Deed dated 21 October 2019, a Twenty Third Supplemental Master Deed dated 27 June 2022, a Twenty Fourth Supplemental Master Deed dated 13 January 2023 between Principal Asset Management Berhad (the "Manager") and Maybank Trustees Berhad (the "Previous Trustee") and a Twenty Fifth Supplemental Master Deed dated 26 May 2023 (collectively referred to as the "Deeds") between the Manager and HSBC (Malaysia) Trustee Berhad (the "Trustee").

The Fund may invest between 70% to 98% (both inclusive) of the Fund's NAV in local equities. The investment policy and strategy of the Fund will be to invest in stocks which are selected based on their future growth prospects. The Fund may opt to seek investment exposure via collective investment scheme that is in line with the Fund's objective, subject to the requirement of the GUTF. In addition, liquid assets may also be strategically used if the Manager feels that the market downside risk is high in the short term. With effect from 10 July 2023, the Fund may invest up to 25% of its NAV in companies that are listed in any Eligible Market globally with some operations or businesses in Malaysia to capture growth opportunities.

The Fund will be managed with high tracking error. The investment strategy of the Fund will be predominantly based on bottom up stock selection instead of investing mainly in the stocks represented in the benchmark. Consequently, the Fund's individual stock and sector weightage will deviate significantly from the benchmark, thus leads to high tracking error. The strategy of the Fund includes utilising liquid assets dynamically in the changing market conditions. For example, high level of cash holdings in the bearish market will result in higher tracking error as the cash positions helps minimise the degree of the decline in Fund's NAV as compared to the benchmark which have 100% exposure to the market downside.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in local equities; and
- at least 2% of the Fund's NAV in liquid assets.

All investments will be 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. MATERIAL ACCOUNTING POLICY INFORMATION

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 Accounting Standards as issued by the Malaysian Accounting Standards Board (“MASB”) and IFRS Accounting Standards 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 Accounting Standards and IFRS Accounting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported year.

It also requires the Manager to exercise their judgement in the process of applying the Fund’s accounting policies. Although these estimates and judgement 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(I).

There are no other standards, amendments to standards or interpretations effective for financial year beginning on 1 January 2024 that have a material effect on the financial statements of the Fund.

None of the standards, amendments to standards or interpretations that are effective for the financial year beginning on /after 1 January 2025 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 as fair value through other comprehensive income (“OCI”).

The contractual cash flows of the Fund’s debt securities are solely principal and interest (“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 Fund classifies cash and cash equivalents as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

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

The Fund classifies cash and cash equivalents, amount due from Stockbrokers, amount due from Manager, amount due from Manager of collective investment scheme - management fee rebate 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. Investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

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

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

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

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

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

Quoted securities in Malaysia are valued at the last traded market price quoted on Bursa Malaysia Securities Bhd ("Bursa Securities") at the reporting date.

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

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.

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

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.

Definition of default and credit-impaired financial assets

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

Write-off

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

(c) Functional and presentation currency

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

(d) Income recognition

For quoted equities and collective investment scheme, realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(d) Income recognition (continued)**

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).

(e) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balance 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 income earned during the financial year.

(g) Distribution

A distribution to the Fund's unit holders is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the financial year in which it is approved by the Trustee.

(h) Amount due from/to stockbrokers

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

(i) Transactions 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.

(j) 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(j) Unit holders' contributions (continued)

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.

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

The analysis of realised and unrealised profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with GUTF.

(l) Critical accounting estimates and judgements in applying accounting policies

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

Estimates and 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
2024			
Cash and cash equivalents (Note 9)	-	1,283,855	1,283,855
Quoted securities (Note 8)	65,900,393	-	65,900,393
Amount due from Stockbrokers	-	1,059,492	1,059,492
Amount due from Manager	-	162,732	162,732
Amount due from Manager of collective investment scheme - management fee rebate	-	1,380	1,380
	<u>65,900,393</u>	<u>2,507,459</u>	<u>68,407,852</u>

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

Financial instruments of the Fund are as follows (continued):

	Financial assets at fair value through profit or loss RM	Financial assets at amortised cost RM	Total RM
2023			
Cash and cash equivalents (Note 9)	-	1,730,182	1,730,182
Collective investment scheme (Note 8)	760,136		760,136
Quoted securities (Note 8)	48,605,422	-	48,605,422
Amount due from Manager	-	193,275	193,275
Amount due from Manager of collective investment scheme - management fee rebate	-	680	680
Dividends receivable	-	39,989	39,989
	<u>49,365,558</u>	<u>1,964,126</u>	<u>51,329,684</u>

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

The investment objective of the Fund is to grow the value of investments over the long-term through investment in Malaysian shares.

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

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

(a) Market risk

(i) Price risk

This is the risk that the fair value of an investment in 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 diversification and selection of quoted securities and other financial instruments within specified limits according to the Deeds.

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

	2024 RM	2023 RM
Financial assets at fair value through profit or loss:		
- Collective investment scheme	-	760,136
- Quoted securities	<u>65,900,393</u>	<u>48,605,422</u>

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

(a) Market risk (continued)

(i) Price risk (continued)

The table below summarises the sensitivity of the Fund's profit or loss and NAV to movements in prices of quoted securities and collective investment scheme at the end of each reporting year.

The analysis is based on the assumptions that the price of the quoted securities and collective investment scheme fluctuated by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities and collective investment scheme, having regard to the historical volatility of the prices.

% Change in price of quoted securities and collective investment scheme	Market value RM	Impact on profit or loss and NAV RM
2024		
-5%	62,605,373	(3,295,020)
0%	65,900,393	-
+5%	<u>69,195,413</u>	<u>3,295,020</u>
2023		
-5%	46,897,280	(2,468,278)
0%	49,365,558	-
+5%	<u>51,833,836</u>	<u>2,468,278</u>

(ii) Currency risk

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

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

Financial assets	Cash and cash equivalents RM	Total RM
2024		
USD	<u>406,385</u>	<u>406,385</u>
2023		
USD	<u>9,180</u>	<u>9,180</u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes in foreign exchange movements at the end of each reporting year. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remain constants.

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

(a) Market risk (continued)

(ii) Currency risk (continued)

This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in foreign exchange rate	Impact on profit or loss/NAV	
		2024 RM	2023 RM
USD	% +/- 5	+/-20,319	+/-459

(iii) 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 year, the Fund is not exposed to a material level of interest rate risk.

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

	2024 %	2023 %
Deposits with licensed financial institutions	3.30	1.00

(b) Credit risk

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

The credit risk arising from bank balance and 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 exchanges.

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

(b) Credit risk (continued)

The credit risk is minimal as all transactions in quoted securities are settled/paid upon delivery using approved stockbrokers.

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

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

	Cash and cash equivalents RM	Amount due from Stockbrokers RM	Amount due from Manager RM	Amount due from Manager of collective investment scheme - management fee rebate RM	Dividends receivable RM	Total RM
2024						
- AAA	1,283,855	-	-	-	-	1,283,855
- Not Rated	-	1,059,492	162,732	1,380	-	1,223,604
	<u>1,283,855</u>	<u>1,059,492</u>	<u>162,732</u>	<u>1,380</u>	<u>-</u>	<u>2,507,459</u>
2023						
- AAA	1,730,182	-	-	-	-	1,730,182
- Not Rated	-	-	193,275	680	39,989	233,944
	<u>1,730,182</u>	<u>-</u>	<u>193,275</u>	<u>680</u>	<u>39,989</u>	<u>1,964,126</u>

Deposits with licensed financial institutions of the Fund have an average remaining maturity of 1 day (2023: 1 day).

(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.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining year as at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

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

(c) Liquidity risk (continued)

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
2024			
Amount due to Stockbrokers	642,451	-	642,451
Amount due to Manager	308,132	-	308,132
Accrued management fee	103,825	-	103,825
Amount due to Trustee	2,525	-	2,525
Distribution payable	48	-	48
Other payables and accruals	-	23,596	23,596
Contractual undiscounted cash flows	<u>1,056,981</u>	<u>23,596</u>	<u>1,080,577</u>
2023			
Amount due to Manager	75,832	-	75,832
Accrued management fee	79,250	-	79,250
Amount due to Trustee	1,928	-	1,928
Other payables and accruals	-	18,800	18,800
Contractual undiscounted cash flows	<u>157,010</u>	<u>18,800</u>	<u>175,810</u>

(d) Capital risk management

The capital of the fund is represented by net assets attributable to unit holders of RM67,327,275 (2023: RM51,153,874). 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 values of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the 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.

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy

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

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

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2024				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>65,900,393</u>	<u>-</u>	<u>-</u>	<u>65,900,393</u>
2023				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	760,136			760,136
- Quoted securities	<u>48,605,422</u>	<u>-</u>	<u>-</u>	<u>48,605,422</u>
	<u>49,365,558</u>	<u>-</u>	<u>-</u>	<u>49,365,558</u>

3. FINANCIAL INSTRUMENTS AND 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).

(ii) The carrying values of cash and cash equivalents, amount due from Stockbrokers, amount due from Manager, amount due from Manager of collective investment scheme – management fee rebate, 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 Deeds, the Manager is entitled to a maximum management fee of 1.85% per annum, calculated daily based on the NAV of the Fund.

For the financial year ended 31 December 2024, the management fee is recognised at a rate of 1.85% per annum (2023: 1.85% 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 management fee of 0.045% per annum, calculated daily based on the NAV of the Fund. The Trustee fee includes the local custodian fee but excludes the foreign sub-custodian fee (if any).

For the financial year ended 31 December 2024, the Trustee fee was recognised at a rate of 0.045% per annum (2023: For the financial period from 1 January 2023 to 23 November 2023, the Trustee fee was recognised at a rate of 0.08% per annum. Effective 24 November 2023, the Trustee fee was recognised at a rate of 0.045% per annum).

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

6. DISTRIBUTION

Distributions to unit holders were derived from the following sources (assessed up to distribution declaration date):

	RM	2024 %	RM	2023 %
Source of distribution				
Distribution out of current year's income	2,251,403	100.00	2,350,681	100.00
Distribution out of prior year's income/capital*	-	-	-	-
Total	<u>2,251,403</u>	<u>100.00</u>	<u>2,350,681</u>	<u>100.00</u>

6. DISTRIBUTION (CONTINUED)

	2024	2023
<u>Gross/Net distribution per unit (sen)</u>		
Distribution on 15 August 2024	4.87	-
Distribution on 24 August 2023	<u>-</u>	<u>5.39</u>

* Distribution income has been accrued as at the end of the prior financial year but is not declared and paid as distribution.

Gross distribution is derived using total income less total expenses. Net distribution above is sourced from current and prior financial years' realised income.

Gross distribution per unit is derived from gross realised income less expenses, divided by the number of units in circulation. Net distribution per unit is derived from gross realised income less expenses and taxation, divided by the number of units in circulation.

There were no unrealised losses during the financial year ended 31 December 2024 (2023: Nil).

7. TAXATION

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

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

	2024 RM	2023 RM
Profit before taxation	<u>13,640,396</u>	<u>2,717,579</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	3,273,695	652,219
Tax effects of:		
- Investment income not subject to tax	(3,669,062)	(1,003,362)
- Expenses not deductible for tax purposes	119,330	125,419
- Restriction on tax deductible expenses for Unit Trust Fund	<u>276,037</u>	<u>225,724</u>
Taxation	<u>-</u>	<u>-</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 RM	2023 RM
At fair value through profit or loss:		
- Collective investment scheme	-	760,136
- Quoted securities	<u>65,900,393</u>	<u>48,605,422</u>
	<u>65,900,393</u>	<u>49,365,558</u>

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

	2024 RM	2023 RM
Net gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	4,155,654	300,196
- Unrealised fair value gain	9,407,111	2,466,861
- Management fee rebates #	2,307	927
	<u>13,565,072</u>	<u>2,767,984</u>

Management fee rebate is derived from Fund's investment in collective investment scheme on an accruals basis to ensure no double charging of management fee. It is accrued daily based on the fair value of the collective investment scheme held.

For the financial year ended 31 December 2024, management fee rebate is recognised at a rate of 0.50% per annum calculated and accrued daily based on the NAV of the collective investment scheme (2023: 0.50%).

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2024				
QUOTED SECURITIES				
Construction				
Binastra Corporation Bhd	635,200	786,671	1,111,600	1.65
Econpile Holdings Bhd	1,659,800	572,198	771,807	1.15
Gamuda Bhd	821,954	2,077,701	3,896,062	5.79
IJM Corporation Bhd	440,700	843,534	1,339,728	1.99
Kerjaya Prospek Group Bhd	414,400	845,982	915,824	1.36
	<u>3,972,054</u>	<u>5,126,086</u>	<u>8,035,021</u>	<u>11.94</u>
Consumer Products & Services				
99 Speed Mart Retail Holdings Bhd	316,200	613,756	781,014	1.16
Energy				
Dayang Enterprise Holdings Bhd	396,500	639,006	828,685	1.23
Keyfield International Bhd	529,000	932,899	1,153,220	1.71
Perdana Petroleum Bhd	2,200,827	759,890	550,207	0.82
Wasco Bhd	1,067,800	1,316,811	1,089,156	1.62
Yinson Holdings Bhd - Warrant	1,350,222	1,041,479	587,347	0.87
	<u>5,544,349</u>	<u>4,690,085</u>	<u>4,208,615</u>	<u>6.25</u>
Financial Services				
AMMB Holdings Bhd	482,700	2,348,251	2,645,196	3.93
CIMB Group Holdings Bhd	747,072	4,592,290	6,125,990	9.10
Hong Leong Bank Bhd	145,800	3,077,480	2,997,648	4.45
Malayan Banking Bhd	594,600	5,763,296	6,088,704	9.04
Public Bank Bhd	568,000	2,602,496	2,590,080	3.85
	<u>2,538,172</u>	<u>18,383,813</u>	<u>20,447,618</u>	<u>30.37</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2024 (CONTINUED)				
QUOTED SECURITIES				
(CONTINUED)				
Health Care				
Hartalega Holdings Bhd	337,800	890,575	1,334,310	1.98
Kossan Rubber Industries Bhd	360,000	810,699	1,018,800	1.51
	<u>697,800</u>	<u>1,701,274</u>	<u>2,353,110</u>	<u>3.49</u>
Industrial Products & Services				
HSS Engineers Bhd	963,300	990,272	992,199	1.47
Kelington Group Bhd	110,000	381,667	392,700	0.58
Nationgate Holdings Bhd	665,900	1,230,650	1,684,727	2.50
Solarvest Holdings Bhd	716,700	1,096,944	1,211,223	1.80
Sunway Bhd	207,400	762,701	993,446	1.48
TMK Chemical Bhd	250,000	437,500	467,500	0.69
	<u>2,913,300</u>	<u>4,899,734</u>	<u>5,741,795</u>	<u>8.52</u>
Plantation				
Genting Plantations Bhd	50,100	304,425	295,590	0.44
Johor Plantations Group Bhd	926,200	848,820	1,250,370	1.86
SD Guthrie Bhd	261,900	1,283,410	1,296,405	1.93
	<u>1,238,200</u>	<u>2,436,655</u>	<u>2,842,365</u>	<u>4.23</u>
Property				
Eastern and Oriental Bhd	999,900	639,556	954,905	1.42
Malaysian Resources Corporation Bhd	2,056,800	1,225,915	1,079,820	1.60
Sime Darby Property Bhd	794,200	989,891	1,342,198	1.99
SP Setia Bhd	1,285,700	1,815,555	1,877,122	2.79
UEM Sunrise Bhd	1,105,200	816,818	1,193,616	1.77
	<u>6,241,800</u>	<u>5,487,735</u>	<u>6,447,661</u>	<u>9.57</u>
Technology				
Cloudpoint Technology Bhd	1,191,100	1,106,937	1,119,634	1.66
Frontken Corporation Bhd	158,000	644,451	704,680	1.05
Greatech Technology Bhd	145,600	350,989	336,336	0.50
Ifca Msc Bhd	1,469,100	1,233,058	962,261	1.43
Inari Amertron Bhd	326,000	1,093,276	997,560	1.48
ITMAX System Bhd	544,000	1,223,643	2,007,360	2.98
LGMS Bhd	725,200	836,850	906,500	1.35
SMRT Holdings Bhd	651,300	625,413	840,177	1.25
	<u>5,210,300</u>	<u>7,114,617</u>	<u>7,874,508</u>	<u>11.70</u>
Utilities				
Tenaga Nasional Bhd	360,700	3,863,634	5,388,858	8.00
YTL Corporation Bhd	274,100	443,711	731,847	1.09
YTL Power International Bhd	237,100	508,957	1,047,981	1.56
	<u>871,900</u>	<u>4,816,302</u>	<u>7,168,686</u>	<u>10.65</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2024 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
TOTAL QUOTED SECURITIES	<u>29,544,075</u>	<u>55,270,057</u>	<u>65,900,393</u>	<u>97.88</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>10,630,336</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>65,900,393</u>		
2023				
COLLECTIVE INVESTMENT SCHEME				
Principal Islamic ASEAN Equity Fund	<u>16,204</u>	<u>761,170</u>	<u>760,136</u>	<u>1.48</u>
TOTAL COLLECTIVE INVESTMENT SCHEME	<u>16,204</u>	<u>761,170</u>	<u>760,136</u>	<u>1.48</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(1,034)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>760,136</u>		
QUOTED SECURITIES				
Construction				
Econpile Holdings Bhd	1,914,400	647,229	583,892	1.14
Gamuda Bhd	273,486	1,124,581	1,255,301	2.46
IJM Corporation Bhd	515,200	918,924	968,576	1.89
	<u>2,703,086</u>	<u>2,690,734</u>	<u>2,807,769</u>	<u>5.49</u>
Consumer Products & Services				
Karex Bhd	1,343,500	1,049,628	980,755	1.92
Mr D.I.Y. Group (M) Bhd	427,600	647,972	620,020	1.21
	<u>1,771,100</u>	<u>1,697,600</u>	<u>1,600,775</u>	<u>3.13</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2023 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
Energy				
Bumi Armada Bhd	2,121,600	1,176,610	1,050,192	2.05
Dayang Enterprise Holding Bhd	835,100	1,270,987	1,336,160	2.62
Hibiscus Petroleum Bhd	239,440	661,973	608,178	1.19
Wasco Bhd	680,800	681,926	677,396	1.32
Yinson Holdings Bhd	470,020	793,815	795,550	1.55
Yinson Holdings Bhd - Warrant	1,072,222	479,654	538,570	1.05
	<u>5,419,182</u>	<u>5,064,965</u>	<u>5,006,046</u>	<u>9.78</u>
Financial Services				
AMMB Holding Bhd	265,800	1,022,586	1,065,858	2.08
CIMB Group Holdings Bhd	836,372	4,274,425	4,892,776	9.57
Malayan Banking Bhd	279,300	2,503,693	2,482,977	4.85
Public Bank Bhd	958,500	3,965,265	4,111,965	8.04
	<u>2,339,972</u>	<u>11,765,969</u>	<u>12,553,576</u>	<u>24.54</u>
Health Care				
Hartalega Holding Bhd	378,000	812,587	1,020,600	2.00
KPJ Healthcare Bhd	150,000	195,000	216,000	0.42
	<u>528,000</u>	<u>1,007,587</u>	<u>1,236,600</u>	<u>2.42</u>
Industrial Products & Services				
Ancom Nylex Bhd	118,100	136,630	133,453	0.26
Cape EMS Bhd	824,500	989,400	873,970	1.71
Nationgate Holdings Bhd	353,300	561,388	533,483	1.04
Press Metal Aluminium Holding Bhd	196,200	970,209	943,722	1.85
Scicom (MSC) Bhd	483,300	549,422	536,463	1.05
Sunway Bhd - WB 03/10/2024	1,753,200	992,567	1,192,176	2.33
	<u>3,728,600</u>	<u>4,199,616</u>	<u>4,213,267</u>	<u>8.24</u>
Property				
Eastern and Oriental Bhd	1,296,800	785,561	745,660	1.46
Iskandar Waterfront City Bhd	621,100	437,813	453,403	0.89
Sime Darby Property Bhd	621,300	409,685	423,875	0.83
Skyworld Development Bhd	416,200	307,905	228,910	0.45
SP Setia Bhd	1,158,800	1,039,603	927,040	1.81
UEM Sunrise Bhd	961,700	588,907	783,785	1.53
	<u>5,075,900</u>	<u>3,569,474</u>	<u>3,562,673</u>	<u>6.97</u>
REIT				
Pavilion REIT	324,900	396,378	393,129	0.77

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2023 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
Technology				
ECA Integrated Solution Bhd	410,500	369,450	207,302	0.41
Frontken Corporation Bhd	234,200	856,048	758,808	1.48
Genetec Technology Bhd	1,141,200	2,812,520	2,693,232	5.26
Greatech Technology Bhd	212,300	976,431	1,019,040	1.99
Inari Amertron Bhd	569,600	1,724,497	1,714,496	3.35
LGMS Bhd	637,200	655,743	586,224	1.15
My E.G. Services Bhd	2,064,946	2,036,929	1,682,931	3.29
Oppstar Bhd	417,000	765,662	546,270	1.07
SMRT Holdings Bhd	481,400	456,078	515,098	1.01
	<u>6,168,346</u>	<u>10,653,358</u>	<u>9,723,401</u>	<u>19.01</u>
Telecommunications & Media				
Time Dotcom Bhd	<u>78,700</u>	<u>412,288</u>	<u>424,980</u>	<u>0.83</u>
Transportation & Logistics				
Malaysia Airports Holding Bhd	<u>305,700</u>	<u>2,109,160</u>	<u>2,249,952</u>	<u>4.40</u>
Utilities				
Tenaga Nasional Bhd	255,400	2,443,422	2,564,216	5.01
YTL Corporation Bhd	521,200	728,353	985,068	1.93
YTL Power International Bhd	<u>505,500</u>	<u>642,259</u>	<u>1,283,970</u>	<u>2.51</u>
	<u>1,282,100</u>	<u>3,814,034</u>	<u>4,833,254</u>	<u>9.45</u>
TOTAL QUOTED SECURITIES	<u>29,725,586</u>	<u>47,381,163</u>	<u>48,605,422</u>	<u>95.03</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>1,224,259</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>48,605,422</u>		

9. CASH AND CASH EQUIVALENTS

	2024 RM	2023 RM
Deposits with licensed financial institutions	774,070	1,674,440
Bank balances	509,785	55,742
	<u>1,283,855</u>	<u>1,730,182</u>

10. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

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

	2024 RM	2023 RM
Unit holders' contributions **	3,837,597	(946,811)
Retained earnings	63,489,678	52,100,685
	<u>67,327,275</u>	<u>51,153,874</u>

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

	Unit holders' contributions** RM	Retained earnings RM	Total RM
Balance as at 1 January 2024			
Movement in unit holders' contributions:			
- Creation of units from applications	(946,811)	52,100,685	51,153,874
- Creation of units from distribution	13,424,291	-	13,424,291
- Cancellation of units	1,913,807	-	1,913,807
Total comprehensive income for the financial year	(10,553,690)	-	(10,553,690)
Distribution	-	13,640,396	13,640,396
Balance as at 31 December 2024	<u>3,837,597</u>	<u>(2,251,403)</u>	<u>(2,251,403)</u>
Balance as at 1 January 2023	(315,775)	51,733,787	51,418,012
Movement in unit holders' contributions:			
- Creation of units from applications	1,739,006	-	1,739,006
- Creation of units from distribution	1,969,939	-	1,969,939
- Cancellation of units	(4,339,981)	-	(4,339,981)
Total comprehensive income for the financial year	-	2,717,579	2,717,579
Distribution	-	(2,350,681)	(2,350,681)
Balance as at 31 December 2023	<u>(946,811)</u>	<u>52,100,685</u>	<u>51,153,874</u>

** The negative unit holders' contributions balance as at reporting date is due to the cancellation of units at a higher NAV price than when the units were created.

11. NUMBER OF UNITS IN CIRCULATION (UNITS)

	<u>2024</u>	<u>2023</u>
	No. of units	No. of units
At the beginning of the financial year	45,108,554	45,607,072
Add : Creation of units from applications	9,951,633	1,559,181
Add : Creation of units from distribution	1,422,481	1,820,309
Less: Cancellation of units	<u>(7,971,563)</u>	<u>(3,878,008)</u>
At the end of the financial year	<u>48,511,105</u>	<u>45,108,554</u>

12. TOTAL EXPENSE RATIO (“TER”)

	<u>2024</u>	<u>2023</u>
	%	%
TER	<u>1.96</u>	<u>2.00</u>

TER is derived from the following calculation:

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

- A = Management fee (excludes management fee rebates)
- B = Trustee fee
- C = Audit fee
- D = Tax agent's fee
- E = Other expenses excluding CDS fee and withholding tax
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is RM61,266,178 (2023: RM50,085,050).

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2024</u>	<u>2023</u>
PTR (times)	<u>1.01</u>	<u>1.30</u>

PTR is derived based on the following calculation:

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

where:

- total acquisition for the financial year = RM63,097,752 (2023: RM66,311,839)
- total disposal for the financial year = RM60,131,024 (2023: RM66,709,214)

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

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

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

Manager	2024		2023	
	No. of units	RM	No. of units	RM
Principal Asset Management Berhad	268	372	450	510

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.

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

	2024 RM	2023 RM
<u>Significant related party transactions</u>		
Interest income from deposits with licensed financial institutions:		
- CIMB Islamic Bank Bhd	2,815	140
Dividend income		
- CIMB Group Holdings Bhd	379,853	236,893
<u>Significant related party balance</u>		
Quoted securities		
- CIMB Group Holdings Bhd	6,125,990	4,892,776

15. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for financial year ended 31 December 2024 are as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
RHB Investment Bank Bhd	25,044,600	20.33	52,835	18.04
Affin Hwang Investment Bank Bhd	17,907,488	14.54	40,044	13.67
Maybank Investment Bank Bhd	17,351,001	14.09	47,958	16.38
Nomura Securities Malaysia Sdn Bhd	15,471,008	12.56	34,898	11.92
Macquarie Capital Securities (Malaysia) Sdn Bhd	12,981,036	10.54	29,356	10.03
CGS International Securities Malaysia Sdn Bhd	8,038,342	6.53	18,401	6.28
CLSA Securities Malaysia Sdn Bhd	7,076,472	5.75	17,982	6.14
KAF Equities Sdn Bhd	4,758,059	3.86	14,654	5.00
JP Morgan Securities (Malaysia) Sdn Bhd	3,548,710	2.88	6,692	2.29
Hong Leong Investment Bank Bhd	2,653,489	2.15	6,094	2.08
Others #	8,334,666	6.77	23,913	8.17
	<u>123,164,871</u>	<u>100.00</u>	<u>292,827</u>	<u>100.00</u>

15. TRANSACTIONS WITH BROKERS (CONTINUED)

Details of transactions with the top 10 brokers for financial year ended 31 December 2023 are as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
CLSA Securities Malaysia Sdn Bhd	25,060,222	18.85	56,162	19.75
RHB Investment Bank Bhd	18,797,482	14.14	43,123	15.16
Macquarie Capital Securities (Malaysia) Sdn Bhd	15,026,949	11.30	33,236	11.69
UBS Securities Malaysia Sdn Bhd	13,231,417	9.95	28,148	9.90
JP Morgan Securities (Malaysia) Sdn Bhd	10,575,492	7.95	20,109	7.07
CGS-CIMB Securities Sdn Bhd #	10,515,937	7.91	23,605	8.30
Maybank Investment Bank Bhd	8,686,945	6.53	19,395	6.82
Nomura Securities Malaysia Sdn Bhd	5,642,496	4.24	12,703	4.47
KAF Equities Sdn Bhd	5,178,280	3.89	11,222	3.95
Citigroup Global Markets Malaysia Sdn Bhd	5,131,135	3.86	10,640	3.74
Others	15,114,808	11.38	26,022	9.15
	<u>132,961,163</u>	<u>100.00</u>	<u>284,365</u>	<u>100.00</u>

Included in the transactions are trades conducted with Principal Islamic Asset Management Plc and CGS-CIMB Securities Sdn Bhd fellow related parties to the Manager amounting to RM755,550 (2023: Nil) and Nil (2023: RM10,515,937). 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.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 14 February 2025.

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