

Principal Malaysia Titans Plus Fund

Annual Report

For The Financial Year Ended 31 October 2022

PRINCIPAL MALAYSIA TITANS PLUS FUND

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022

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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 Titans Plus Fund for the financial year ended 31 October 2022. You may also download this report from our website at www.principal.com.my.

We are pleased to share that Principal Malaysia was accorded with the ESG Asset Management Company of the Year-Highly Commended (Malaysia) award at The Asset Triple A Sustainable Investing Awards 2022 for Institutional Investor, ETF, and Asset Servicing Providers 2022. Principal Malaysia was also awarded the Top Investment House, Asset Manager-Highly Commended (Malaysia) award at the Asset Benchmark Research Asian Local Currency Bond Benchmark Review 2022.

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) and LinkedIn page (Principal Asset Management Berhad) for the latest updates, market insights and investment articles.

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

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

Munirah Khairuddin
Chief Executive Officer

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The investment objective of the Fund is to achieve maximum capital appreciation over the long-term through all types of investments.

Has the Fund achieved its objective?

For the financial year under review, the performance of the Fund was impacted by the unfavourable macro environment. Nevertheless, the Fund outperformed the benchmark by 153 basis points ("bps") in terms of MYR and 161 bps in terms of SGD. Since inception, the Fund in term of MYR, has met its objective by delivering a 5.77% annualised total return. The Fund's returns are stated and described under the Fund Performance section of this report.

What are the Fund investment policy and principal investment strategy?

The Fund may invest at least 70% of its Net Asset Value ("NAV") in equities and up to 28% of the Fund's NAV in other permissible investments. In line with its objective, the investment policy and strategy of the Fund will focus on investment in shares of companies with growth potential. Generally, the Fund will invest primarily in large capitalization companies listed on the main market of Bursa Malaysia. The Fund may also invest in 'Access, Certainty, Efficiency' ("ACE") market to provide better return.

The asset allocation strategy for this Fund is as follows:

- at least 70% of the Fund's NAV will be invested in equities;
- up to 28% of the Fund's NAV may be invested in other permissible investments; and
- at least 2% of the Fund's NAV in liquid assets.

Fund category/type

Equity/Aggressive Growth

When was the Fund launched?

Name of Class	Launch Date
Class MYR	28 September 1995
Class SGD	18 February 2016

What was the size of the Fund as at 31 October 2022?

RM164.62 million (198.13 million units)

What is the Fund's benchmark?

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

Note: Investors should note that the risk profile of the Fund is not the same as the risk profile of the benchmark.

What is the Fund distribution policy?

The Manager has the discretion to distribute part or all of the Class' distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.

What was the net income distribution for the financial year ended 31 October 2022?

The Fund distributed a total net income of RM5.94 million to unit holders for the financial year ended 31 October 2022.

Date	NAV per unit (Before distribution) RM	NAV per unit (After distribution) RM
Distribution on 26.10.2022		
Class MYR	0.8584	0.8274
Class SGD	2.7081	2.6101

PERFORMANCE DATA

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

	31.10.2022	31.10.2021	31.10.2020
	%	%	%
Quoted securities			
- Construction	2.96	4.22	1.62
- Consumer Products & Services	13.36	12.99	8.32
- Energy	3.95	6.16	6.22
- Financial Services	29.55	30.72	21.17
- Health Care	2.48	2.70	18.12
- Industrial Products & Services	10.23	14.52	7.94
- Plantation	8.81	3.85	9.35
- Property	-	0.99	-
- Real Estate Investment Trusts ("REITs")	-	-	2.79
- Technology	9.11	16.89	4.26
- Telecommunications & Media	3.10	2.37	4.87
- Transportation & Logistics	4.20	1.94	5.17
- Utilities	1.12	-	6.62
Cash and other net assets	11.44	3.23	3.87
Liabilities	(0.31)	(0.58)	(0.32)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	31.10.2022	31.10.2021	31.10.2020
NAV (RM Million)			
- Class MYR	164.36	192.15	181.97
- Class SGD	0.26	0.45	0.48
Units in circulation (Million)			
- Class MYR	198.03	204.69	222.24
- Class SGD	0.10	0.15	0.19
NAV per unit (RM)			
- Class MYR	0.8299	0.9387	0.8187
- Class SGD	2.6184	2.9613	2.5828
Highest NAV per unit (RM)			
- Class MYR	0.9435	1.0046	0.9317
- Class SGD	2.9766	3.1690	2.9393
Lowest NAV per unit (RM)			
- Class MYR	0.8256	0.8203	0.6968
- Class SGD	2.6045	2.5875	2.1974
Total return (%)			
- Class MYR	(8.29)	19.79	(5.04)
- Class SGD	(15.51)	18.42	(4.21)
- Capital growth (%)			
- Class MYR	(11.60)	14.66	(5.03)
- Class SGD	(18.56)	13.35	(4.11)
- Income distribution (%)			
- Class MYR	3.75	4.48	5.37
- Class SGD	3.74	4.48	5.38

PERFORMANCE DATA (CONTINUED)

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

	31.10.2022	31.10.2021	31.10.2020
Total Expense Ratio (“TER”) (%) ^	1.57	1.58	1.58
Portfolio Turnover Ratio (“PTR”) (times) #	0.50	0.81	0.89

^ The Fund’s TER decreased from 1.58% to 1.57% was mainly due to a decrease in expenses during the financial year under review.

The Fund’s PTR decreased slightly from 0.81 times to 0.50 times reflecting lesser trades conducted during the financial year under review.

	31.10.2022	31.10.2021	31.10.2020
Gross/Net distribution per unit (sen)			
Distribution on 26 October 2022			
- Class MYR	3.10	-	-
- Class SGD	9.77	-	-
Distribution on 27 October 2021			
- Class MYR	-	4.25	-
- Class SGD	-	13.40	-
Distribution on 21 October 2020			
- Class MYR	-	-	4.48
- Class SGD	-	-	14.14

	31.10.2022	31.10.2021	31.10.2020	31.10.2019	31.10.2018
	%	%	%	%	%
Annual total return					
- Class MYR	(8.29)	19.79	(5.04)	(0.27)	(4.07)

(Launch date: 28 September 1995)

	31.10.2022	31.10.2021	31.10.2020	31.10.2019	Since inception to 31.10.2018
		%	%	%	%
Annual total return					
- Class SGD	(15.51)	18.42	(4.21)	(0.20)	(4.10)

(Launch date: 18 February 2016)

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 NOVEMBER 2021 TO 31 OCTOBER 2022)

For the financial year under review, the FBM100 Index decreased by 9.82% from 11,189.09 points (“pts”) to 10,089.93 pts.

The market, in general, went into consolidation mode in November post-Budget 2022, as investors were concerned over the impacts of the punitive tax measures and the hike in stamp duty announced. The discovery of a seemingly more virulent variant of the Coronavirus Diseases 2019 (“COVID-19”) virus in South Africa named Omicron and the new wave of infections in several parts of the world dashed hopes of an uninterrupted reopening and triggered another round of broad-based sell-off.

In December of 2021, the market rebounded from the significant sell-off last month. Sentiment improved as encouraging findings on the severity of the latest COVID-19 variant were published and data pointing to a decoupling of new cases and hospitalization rates.

MARKET REVIEW (1 NOVEMBER 2021 TO 31 OCTOBER 2022) (CONTINUED)

Coming into January 2022, the Index lost 446.22 pts or -4.05% m-m, 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.

Nonetheless, the market rebounded in February 2022 with the index rallied 536.95 pts or 5.08% m-m. The index benefited from the rally in commodities, 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, FBM100 index fell 39.75 pts or -0.36% m-m as profit-taking set in. Tech bounced as investors acclimatized with the US Federal reserve (the "Fed") interest rate hikes, which saw its first lift-off of 25 bps. Tourism plays also saw interest with the 1 April 2022 border reopening. Commodities corrected following the strong rally in the previous month stoked by the Russian-Ukraine conflict.

Coming into April 2022, the Index gained 54.39 pts or 0.49% m-m. Plantation and Energy stocks dominated the gainers board driven by continued strength in the underlying commodities, partly fuelled by the prolonged Russian-Ukraine conflict which has now entered its third month. Technology sector slumped by about -8% m-m on the back of the surge in bond yields driven by Fed rate hikes.

FBM100 index fell by 261.99 pts or -2.36% m-m in May 2022 despite the short month due to the Eid celebrations. The market was in general affected by negative performance in Plantations (-9%), Healthcare (-6%) and Property (-6%).

In June 2022, the Index continued to fall significantly by 811.02 pts or -7.47% m-m. The sell-off was triggered by the release of the US May 2022 inflation data with the Consumer Price Index ("CPI") at 8.6% which was a fresh 40-year high and renewed fears that the Fed could over-tighten and landing the world's largest economy into a recession.

A relief month in July 2022. The Index rebounded 305.39 pts or 3.04% m-m, mainly on the back of easing inflation concerns and rising hopes that a hard landing of the US economy may be avoided. The compression in bond yields also raised the appeal of equities, especially growth stocks.

FBM100 index extended gains, up 96.55 pts or 0.93% m-m in August 2022. Sentiment was earlier lifted by a cooler US inflation print of 8.5% in July vs 9.1% in the previous month, but subsequently dented by comments from Jerome Powell at Jackson Hole that the fight against inflation was not over and the Fed will continue to hike interest rates to cool the economy further.

However, the Index slumped 720.73 pts or -6.90% m-m in September 2022, as the market reeled from renewed fears of a global recession stoked by the ever-so-hawkish Fed which remained adamant about sustaining hikes to cool the economy further. The strong USD, which is at the strongest it has ever been since 1997 also trigger flows out of emerging markets and commodities.

Fortunately, the FBM100 index recovered 361.23 pts or 3.71% m-m to 10,089.93 pts in October 2022 in tandem with the rebound in global and regional markets. Investors shrugged off recent hot inflation print and strong employment data in the US, and instead focused on pockets of softness in the economy and expect the Fed to ease off its aggressive rate hikes soon. Recent corporate earnings in the US were also quite robust, albeit glaring weakness in some of the Tech giants. Consequently, the USD strength waned and treasury yields compressed, helping Emerging Market ("EM") flows and currencies.

FUND PERFORMANCE

Class MYR

	1 year	3 years	5 years	Since
	to 31.10.2022	to 31.10.2022	to 31.10.2022	inception
	%	%	%	%
Income Distribution	3.75	14.22	49.54	260.23
Capital Growth	(11.60)	(8.66)	(33.26)	357.96
Total Return	(8.29)	4.33	(0.19)	27.13
Benchmark	(9.82)	(9.23)	(17.52)	55.50
Average Total Return	(8.29)	1.42	(0.04)	5.77

For the financial year under review, the Fund's Class MYR fell 8.29%, while the benchmark dropped 9.82%. As such, the Fund outperformed its benchmark by 153 bps.

Class SGD

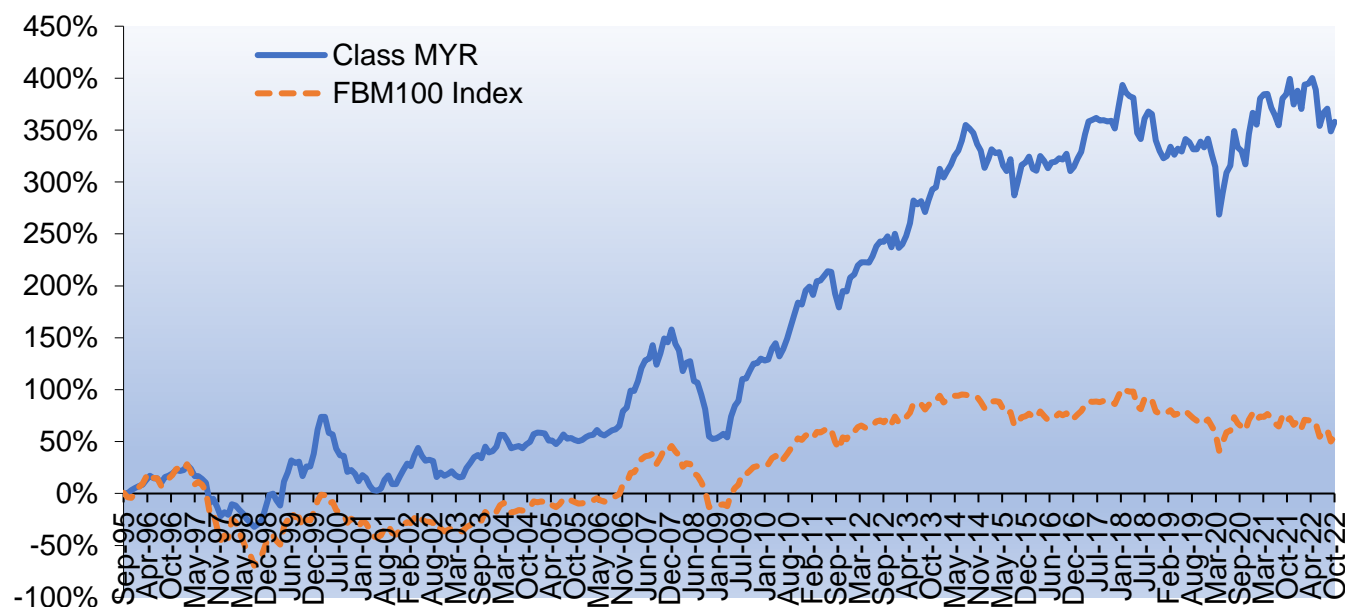
	1 year	3 years	5 years	Since
	to 31.10.2022	to 31.10.2022	to 31.10.2022	inception
	%	%	%	%
Income Distribution	3.74	14.22	23.79	23.79
Capital Growth	(18.56)	(16.09)	(25.01)	(2.98)
Total Return				
(Inclusive of application fee) *	(15.51)	(4.16)	(7.17)	(21.63)
Benchmark	(17.12)	(16.59)	(23.29)	(20.98)
Average Total Return	(15.51)	(1.41)	(1.48)	(0.45)

For the financial year under review, the Fund's Class SGD fell 15.51%, while the benchmark dropped by 17.12%. As such, the Fund outperformed its benchmark by 161 bps.

* The performance of the Class SGD is computed on a single pricing basis (NAV-NAV) (taking into account the maximum Application Fee of up to 5% and Withdrawal Fee/Redemption Fee (if any)) and with dividends and distributions (if any) reinvested. Note that a lower Application Fee may be charged when subscribing for Units.

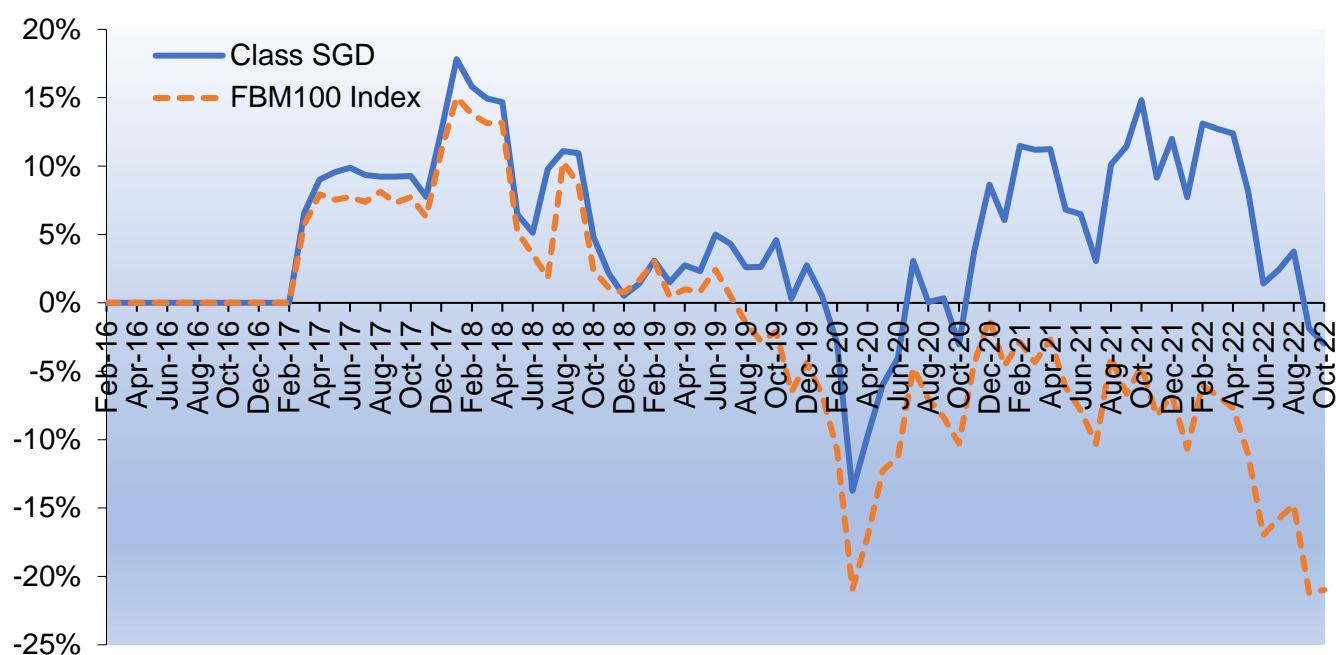
Since Inception

CLASS MYR



FUND PERFORMANCE (CONTINUED)

CLASS SGD



Changes in NAV

	31.10.2022	31.10.2021	Changes %
Class MYR			
NAV (RM Million)	164.36	192.15	(14.46)
NAV/Unit (RM)	0.8299	0.9387	(11.59)
Class SGD			
NAV (RM Million)	0.26	0.45	(42.22)
NAV/Unit (RM)	2.6184	2.9613	(11.58)

NAV for Class MYR decreased by 14.46%, while the NAV for Class SGD decreased by 42.22%. NAV per unit for both Classes decrease by about 11.59% & 11.58% respectively. Changes in NAVs for both classes were mainly due to the investment performance and redemptions. NAV for Class SGD was further impacted by the depreciation of MYR 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)	31.10.2022	31.10.2021
Quoted securities	88.87	97.35
Cash and other assets	11.44	3.23
Liabilities	(0.31)	(0.58)
TOTAL	100.00	100.00

PORTFOLIO STRUCTURE (CONTINUED)

Asset allocation decreased from 97.35% as at 31 October 2021 to 88.87% as at 31 October 2022 reflecting our cautious view on the equity market amid the current challenging macro environment.

MARKET OUTLOOK*

Malaysia's manufacturing sector slowed further in October 2022 with a Purchasing Manager Index ("PMI") reading of 48.7 pts vs 49.1 pts in September 2022, representing the second straight month of contraction. The weak reading stemmed from sluggish global market conditions and muted customer demand – new orders softened for the second month while demand for overseas moderated at the strongest pace in 16 months. Spare capacity persisted, with backlogs depleted for the fifth consecutive month. Employment decreased following growth in the previous month. Positively, inflationary pressures eased with rates of input cost and output prices dipping to 2-year lows. According to Standard & Poor's Global Ratings ("S&P") Global, sentiment remained positive from hopes for global market recovery and successful production launches.

During the Budget 2023 announcement, Malaysia's Gross Domestic Product ("GDP") growth forecast for 2022 was revised upwards to 6.5% to 7.0% from of 5.3% to 6.3% previously, and headline inflation raised to 3.3%. The government expects GDP growth to decelerate to 4% to 5% in 2023. Budget 2023 was expansionary, and the government remains on a gradual fiscal consolidation path. Bank Negara Malaysia ("BNM") may raise Overnight Policy Rate ("OPR") by another 25 bps in the upcoming Monetary Policy Committee ("MPC") meeting in November 2022, translating to a cumulative hike of 100 bps to end the year at 2.75%. Malaysia's CPI decelerated to 4.5% in September 2022 from 4.7% Year-on-Year ("YoY") in August 2022, as food inflation increased at a slower pace.

Despite the rally, valuation at 13.5 times forward Price-to-Earnings ratio ("PE") is still at over -2 Standard Deviation ("SD") below the historical mean. This is based on consensus earnings growth of 2.4% for Calendar Year of 2022 ("CY2022") (15.2% ex-glove) and 10% to 11% growth for Calendar Year of 2023 ("CY2023").

* 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 continue to adopt a balanced approach between value and growth, whilst maintaining adequate diversification in the Fund. In consideration of the current macro environment, we remain wary in the commodities space. We would focus on companies with firm fundamentals, strong cash flows generation and defensive in nature. We would be cautious on companies with relative high borrowings and USD cost components. Key risks are derailment of Malaysia's macro recovery and corporate earnings growth due to a larger-than-expected impact of rising inflation, slower global economic growth as well as heightened geopolitical risks.

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 best available terms.

During the financial year 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 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

Latest changes to the Statement by Manager's signatory as follows:

Mr. Juan Ignacio Eyzaguirre Baraona (retired on 30 June 2022)
Mr. Uday Jayaram (appointed on 30 June 2022)

There were no other significant changes in the state of affairs of the Fund during the 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.

UNIIT 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 TITANS PLUS FUND**

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 7 to 34 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 October 2022 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 Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN
Chief Executive Officer/Executive Director

UDAY JAYARAM
Director

Kuala Lumpur
16 December 2022

TRUSTEE'S REPORT

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

We have acted as Trustee of the Fund for the financial year ended 31 October 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 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 distributions of income by the Fund are appropriate and reflects the investment objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
15 December 2022

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Principal Malaysia Titans Plus Fund (the "Fund"), which comprise the statement of financial position as at 31 October 2022, 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 a summary of significant accounting policies, as set out on pages 7 to 36.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 October 2022, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL MALAYSIA TITANS PLUS 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 for the financial statements

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

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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 TITANS PLUS 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 DALI EQUITY GROWTH FUND (cont'd.)**

Other matters

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

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

Yeo Beng Yean
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Kuala Lumpur, Malaysia
16 December 2022

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022**

	Note	2022 RM	2021 RM
(LOSS)/ INCOME			
Dividend income		5,841,833	6,616,448
Interest income from deposits with licensed financial institutions at amortised cost		195,583	123,762
Net (loss)/ gain on financial assets at fair value through profit or loss	8	(18,064,528)	31,915,449
Net foreign exchange gain		7,666	2,640
		<u>(12,019,446)</u>	<u>38,658,299</u>
EXPENSES			
Management fee	4	2,644,127	2,875,996
Trustee fee	5	88,138	95,867
Audit fee		10,900	10,900
Tax agent's fee		5,800	4,600
Transaction costs		653,906	869,179
Other expenses		26,290	45,794
		<u>3,429,161</u>	<u>3,902,336</u>
(LOSS)/ PROFIT BEFORE DISTRIBUTION AND TAXATION		(15,448,607)	34,755,963
Distribution:			
- Class MYR		5,926,688	8,338,568
- Class SGD		9,630	20,407
	6	<u>5,936,318</u>	<u>8,358,975</u>
(LOSS)/ PROFIT BEFORE TAXATION		(21,384,925)	26,396,988
Taxation	7	-	-
(LOSS)/ PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE FINANCIAL YEAR		<u>(21,384,925)</u>	<u>26,396,988</u>
(Loss)/ Profit after taxation is made up as follows:			
Realised amount		(2,010,142)	(1,262,727)
Unrealised amount		(19,374,783)	27,659,715
		<u>(21,384,925)</u>	<u>26,396,988</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2022**

	Note	2022 RM	2021 RM
ASSETS			
Cash and cash equivalents	9	17,399,922	5,397,667
Financial assets at fair value through profit or loss	8	146,300,932	187,498,673
Amount due from stockbrokers		1,291,908	261,300
Amount due from Manager		7,481	213,223
Dividends receivable		136,187	344,342
TOTAL ASSETS		<u>165,136,430</u>	<u>193,715,205</u>
LIABILITIES			
Amount due to stockbrokers		-	364,609
Amount due to Manager		150,123	279,364
Accrued management fee		206,563	246,122
Amount due to Trustee		6,885	8,204
Distribution payable		123,374	190,307
Other payables and accruals		25,900	20,099
TOTAL LIABILITIES		<u>512,845</u>	<u>1,108,705</u>
NET ASSET VALUE OF THE FUND		<u>164,623,585</u>	<u>192,606,500</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>164,623,585</u>	<u>192,606,500</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- Class MYR		164,362,458	192,152,034
- Class SGD		261,127	454,466
		<u>164,623,585</u>	<u>192,606,500</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class MYR		198,028,995	204,691,632
- Class SGD		99,725	153,466
	10	<u>198,128,720</u>	<u>204,845,098</u>
NET ASSET VALUE PER UNIT (RM)			
- Class MYR		0.8299	0.9387
- Class SGD		2.6184	2.9613
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- Class MYR		MYR0.8299	MYR0.9387
- Class SGD		<u>SGD0.7837</u>	<u>SGD0.9623</u>

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022**

	2022 RM	2021 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>192,606,500</u>	<u>182,451,622</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class MYR	1,745,984	2,695,031
- Class SGD	230,058	448,041
	<u>1,976,042</u>	<u>3,143,072</u>
Creation of units from distributions		
- Class MYR	5,809,900	8,164,850
- Class SGD	3,043	3,818
	<u>5,812,943</u>	<u>8,168,668</u>
Cancellation of units		
- Class MYR	(13,993,839)	(27,015,476)
- Class SGD	(393,136)	(538,374)
	<u>(14,386,975)</u>	<u>(27,553,850)</u>
Total comprehensive (loss)/ income for the financial year	<u>(21,384,925)</u>	<u>26,396,988</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	<u>164,623,585</u>	<u>192,606,500</u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022**

	Note	2022 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of quoted securities		97,865,262	164,464,149
Purchase of quoted securities		(76,781,172)	(144,844,066)
Dividend income received		6,049,988	6,403,766
Interest income received from deposits with licensed financial institutions		195,583	123,762
Management fee paid		(2,683,686)	(2,868,840)
Trustee fee paid		(89,456)	(95,628)
Payments for other fees and expenses		(37,191)	(55,851)
Net cash generated from operating activities		<u>24,519,328</u>	<u>23,127,292</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		2,181,266	2,958,784
Payments for cancellation of units		(14,515,657)	(27,382,131)
Distribution paid		(189,293)	(211,732)
Net cash used in financing activities		<u>(12,523,684)</u>	<u>(24,635,079)</u>
Net increase/ (decrease) in cash and cash equivalents		11,995,644	(1,507,787)
Effects of foreign exchange differences		6,611	2,951
Cash and cash equivalents at the beginning of the financial year		<u>5,397,667</u>	<u>6,902,503</u>
Cash and cash equivalents at the end of the financial year	9	<u>17,399,922</u>	<u>5,397,667</u>
<u>Cash and cash equivalent comprised of:</u>			
Deposits with licensed financial institutions		17,133,197	5,207,749
Bank balance		266,725	189,918
Cash and cash equivalents at the end of the financial year	9	<u>17,399,922</u>	<u>5,397,667</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 OCTOBER 2022****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

Principal Malaysia Titans Plus Fund (the "Fund") was constituted pursuant to a Deed dated 11 July 2005 and is now governed by a Principal Master Deed dated 15 May 2008, a First Supplemental Master Deed dated 25 June 2008, a Third Supplemental Master Deed dated 14 July 2008, and an Eighteenth Supplemental Master Deed dated 25 March 2015 all executed between the Manager and the Universal Trustee (Malaysia) Berhad (hereinafter known as the "Previous Trustee"), a Seventeenth Supplemental Master Deed dated 19 March 2015 entered into between the Manager, the previous Trustee and the Trustee, in respect of a change in trustee to the Fund (hereinafter collectively the "Initial Deed"), a Principal Master Deed dated 10 April 2015 and a First Supplemental Deed dated 28 August 2019 (collectively referred to as the "Deeds"), between Principal Asset Management Berhad (the "Manager") and HSBC (Malaysia) Trustee Berhad (the "Trustee").

The Fund may invest at least 70% of its NAV in equities and up to 28% of the Fund's NAV in other permissible investments. In line with its objective, the investment policy and strategy of the Fund will focus on investment in shares of companies with growth potential. Generally, the Fund will invest primarily in large capitalization companies listed on the main market of Bursa Malaysia. The Fund may also invest in 'Access, Certainty, Efficiency' ("ACE") market to provide better return.

The asset allocation strategy for this Fund is as follows:

- at least 70% of the Fund's NAV will be invested in equities;
- up to 28% of the Fund's NAV may be invested in other permissible investments; and
- at least 2% of the Fund's NAV in liquid assets.

All investments are subject to the Securities Commission Malaysia ("SC") Guidelines on Unit Trust Funds, 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 IFRS as issued by the International Accounting Standards Board ("IASB").

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

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

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(l).

There are no other standards, amendments to standards or interpretations that are effective for financial year beginning on 1 November 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 year beginning on/after 1 November 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 as fair value through other comprehensive income ("OCI").

The Fund classifies cash and cash equivalents, amount due from Manager and dividends receivable 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 (excluding the Net Assets Attributable to Unit Holders) 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.

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

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 date of the statement of financial position.

If a valuation based on the market price does not represent the fair value of the quoted securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

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

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

Impairment for assets carried at amortised cost

The Fund measures credit risk and expected credit losses ("ECL") using probability of default, exposure at default and loss given default. The Manager considers both historical analysis and forward looking information in determining any ECL. The Manager considers 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Write-off

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

(c) Income recognition

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

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

(d) Foreign currencyFunctional 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 MYR, which is the Fund's functional and presentation currency.

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

- i) Significant portion of the Fund's units are denominated in MYR ;
- ii) Significant portion of the Fund's expenses are denominated in MYR ; and
- iii) The Fund's investments are denominated in MYR .

Transactions and balances

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(e) Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances and deposits with licensed financial institutions held in highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of change 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 year.

Withholding taxes on investment income from quoted securities 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.

(g) Distribution

A distribution to the Fund's unit holders is accounted for as finance cost in the statement of comprehensive income. A proposed distribution is recognised as a liability in the financial year in which it is approved by the Trustee.

(h) 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.

(i) Amount due from/to stockbrokers

Amounts due from and amount due to stockbrokers represent receivables for investments sold and payables for investments purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The amount due from stockbrokers balance is held for collection.

(j) Unit holders' contributions

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

The Fund issues cancellable units, in two classes of units, known respectively as the Class MYR and Class SGD, which are cancelled at the unit holder's option. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the member exercises the right to put back the unit to the Fund.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The analysis of realised and unrealised portions of profit or loss after tax presented on the statement of comprehensive income is guided by SC Guidelines on Unit Trust Funds.

(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 SC Guidelines on Unit Trust Funds.

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
2022			
Cash and cash equivalents (Note 9)	-	17,399,922	17,399,922
Quoted securities (Note 8)	146,300,932	-	146,300,932
Amount due from stockbrokers	-	1,291,908	1,291,908
Amount due from Manager	-	7,481	7,481
Dividends receivable	-	136,187	136,187
	146,300,932	18,835,498	165,136,430
2021			
Cash and cash equivalents (Note 9)	-	5,397,667	5,397,667
Quoted securities (Note 8)	187,498,673	-	187,498,673
Amount due from stockbrokers	-	261,300	261,300
Amount due from Manager	-	213,223	213,223
Dividends receivable	-	344,342	344,342
	187,498,673	6,216,532	193,715,205

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

(a) Market risk (continued)

All of the Fund's financial liabilities (excluding the Net Assets Attributable to Unit Holders) are measured at amortised cost.

The investment objective of the Fund is to achieve maximum capital appreciation over the long-term through all types of investments.

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

(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 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 was as follows:

	2022	2021
	RM	RM
Financial assets at fair value through profit or loss:		
- Quoted securities	<u>146,300,932</u>	<u>187,498,673</u>

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

% Change in price of quoted securities	Market value	Impact on profit or loss/NAV
	RM	RM
2022		
-5%	138,985,885	(7,315,047)
0%	146,300,932	-
5%	<u>153,615,979</u>	<u>7,315,047</u>
2021		
-5%	178,123,739	(9,374,934)
0%	187,498,673	-
5%	<u>196,873,607</u>	<u>9,374,934</u>

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

(a) Market risk (continued)

(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 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:

	2022	2021
	%	%
Deposits with licensed financial institutions	2.55	1.75

(iii) 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 instruments in foreign currencies:

Financial assets

	Cash and cash equivalents RM	Total RM
2022		
SGD	153,985	153,985
2021		
SGD	145,324	145,324

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

(a) Market risk (continued)

(iii) Currency risk (continued)

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes in foreign exchange rate movements at the end of the reporting year. The analysis is based on the assumption that the foreign exchange rate fluctuated by 5%, with all other variables remain constant. 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	
		2022 MYR	2021 MYR
SGD	% +/- 5	+/-7,699	+/- 7,266

(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 placements of deposits with licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

For amount due from Manager, the settlement terms of the proceeds from the creation of units' receivable from the Manager are governed by the SC Guidelines on Unit Trust Funds.

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

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

	Cash and cash equivalents RM	Amount due from stockbrokers RM	Amount due from Manager RM	Dividends receivable RM	Total RM
2022					
- AAA	17,399,922	-	-	-	17,399,922
- Not Rated	-	1,291,908	7,481	136,187	1,435,576
	<u>17,399,922</u>	<u>1,291,908</u>	<u>7,481</u>	<u>136,187</u>	<u>18,835,498</u>
2021					
- AAA	5,397,667	-	-	-	5,397,667
- Not Rated	-	261,300	213,223	344,342	818,865
	<u>5,397,667</u>	<u>261,300</u>	<u>213,223</u>	<u>344,342</u>	<u>6,216,532</u>

Deposits with licensed financial institutions of the Fund have an average maturity of 3 days (2021: 2 days).

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

(c) Liquidity risk

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

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

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

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
2022			
Amount due to Manager	150,123	-	150,123
Accrued management fees	206,563	-	206,563
Amount due to Trustee and custodian	6,885	-	6,885
Distribution payable	123,374	-	123,374
Other payables and accruals	-	25,900	25,900
Net assets attributable to unit holders*	164,623,585	-	164,623,585
Contractual undiscounted cash flows	165,110,530	25,900	165,136,430
	RM	RM	RM
2021			
Amount due to stockbrokers	364,609	-	364,609
Amount due to Manager	279,364	-	279,364
Accrued management fees	246,122	-	246,122
Amount due to Trustee and custodian	8,204	-	8,204
Distribution payable	190,307	-	190,307
Other payables and accruals	-	20,099	20,099
Net assets attributable to unit holders*	192,606,500	-	192,606,500
Contractual undiscounted cash flows	193,695,106	20,099	193,715,205

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

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

(d) Capital risk management

The capital of the Fund is represented by net asset attributable to unit holders of RM164,623,585 (2021:RM192,606,500). The amount of capital can change significantly on a daily basis as the Fund is subjected to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit 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 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 market price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

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

(i) Fair value hierarchy

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

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

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

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

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

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

(e) Fair value estimation (continued)

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

(i) Fair value hierarchy (continued)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2022				
Financial asset at fair value through profit or loss:				
- Quoted securities	<u>146,300,932</u>	<u>-</u>	<u>-</u>	<u>146,300,932</u>
2021				
Financial asset at fair value through profit or loss:				
- Quoted securities	<u>187,498,673</u>	<u>-</u>	<u>-</u>	<u>187,498,673</u>

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, 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 and accrued daily based on the NAV of the Fund.

For the financial year ended 31 October 2022 and 31 October 2021, the management fee for the respective classes is recognised at the following rates:

Class MYR	Class SGD
1.50%	1.50%

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 trustee fee of 0.05% 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 fees and charges.

5. TRUSTEE FEE (CONTINUED)

For the financial year ended 31 October 2022 and 31 October 2021, the Trustee fee for the respective classes is recognised at the following rates (including local custodian fee but excluding foreign sub-custodian fee):

Class MYR	Class SGD
0.05%	0.05%

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

6. DISTRIBUTION

Distribution to unit holders is derived from the following sources:

	2022	2021
	RM	RM
Dividend income	185,229	309,798
Interest income	7,379	6,808
Net realised gain from disposal of financial assets at fair value through profit or loss	57,949	519,599
Prior financial years' realised income	5,826,664	7,731,875
	<u>6,077,221</u>	<u>8,568,080</u>
Less:		
Expenses	(140,903)	(209,105)
Net distribution amount	<u>5,936,318</u>	<u>8,358,975</u>
Gross/Net distribution per unit (sen)		
Distribution on 26 October 2022		
- Class MYR	3.10	-
- Class SGD	9.77	-
Distribution on 27 October 2021		
- Class MYR	-	4.25
- Class SGD	-	13.40
	<u>12.87</u>	<u>17.65</u>

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.

During the financial year ended 31 October 2022, the Fund incurred unrealised loss of RM19,374,783.

7. TAXATION

	2022	2021
	RM	RM
Tax charged for the financial year:		
- Current taxation	<u>-</u>	<u>-</u>

7. TAXATION (CONTINUED)

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

	2022	2021
	RM	RM
(Loss)/ Profit before taxation	(21,384,925)	26,396,988
Taxation at Malaysian statutory rate of 24% (2021: 24%)	(5,132,382)	6,335,277
Tax effects of:		
- Loss not deductible to tax purpose/ (Investment income not subject to tax)	2,884,667	(9,277,992)
- Expenses not deductible for tax purposes	1,604,747	2,243,307
- Restriction on tax deductible expenses for Unit Trust Funds	642,968	699,408
Taxation	-	-

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022	2021
	RM	RM
At fair value through profit or loss:		
- Quoted securities	146,300,932	187,498,673
Net (loss)/ gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	1,317,387	4,258,163
- Unrealised fair value (loss)/ gain	(19,381,915)	27,657,286
	(18,064,528)	31,915,449

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2022				
QUOTED SECURITIES				
Construction				
Gamuda Bhd ²	945,941	2,947,775	3,641,873	2.21
IJM Corporation Bhd ²	753,000	1,311,871	1,227,390	0.75
	<u>1,698,941</u>	<u>4,259,646</u>	<u>4,869,263</u>	<u>2.96</u>
Consumer Products & Services				
Genting Bhd ^{2,3}	1,221,500	5,758,319	5,423,460	3.29
Genting Malaysia Bhd ^{2,3}	3,027,400	9,486,811	8,295,076	5.04
Mr D.I.Y. Group (M) Bhd ²	1,327,050	3,116,219	2,680,641	1.63
Sime Darby Bhd ²	1,534,500	3,555,095	3,452,625	2.10
Aeon Co. M Bhd ²	393,600	532,599	543,168	0.33
Farm Fresh Bhd ²	102,600	138,510	169,290	0.10
QL Resources Bhd ²	279,100	1,412,991	1,428,992	0.87
	<u>7,885,750</u>	<u>24,000,544</u>	<u>21,993,252</u>	<u>13.36</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 %
2022 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
Energy				
Dialog Group Bhd ²	557,400	1,847,809	1,148,244	0.70
Hibiscus Petroleum Bhd ²	1,463,266	1,236,201	1,419,368	0.86
Yinson Holdings Bhd ²	1,727,960	4,182,246	3,663,275	2.23
Yinson Holdings Bhd - Warrant ²	586,382	227,929	258,008	0.16
	<u>4,335,008</u>	<u>7,494,185</u>	<u>6,488,895</u>	<u>3.95</u>
Financial Services				
AMMB Holdings Bhd (AA3)	590,400	1,968,809	2,414,736	1.47
CIMB Group Holdings Bhd (AA1) ³	2,398,636	11,449,724	13,240,471	8.04
Hong Leong Bank Bhd (AAA) ³	259,400	4,221,410	5,488,904	3.33
Malayan Banking Bhd (AAA) ³	1,694,982	14,875,175	14,559,895	8.84
Public Bank Bhd (AAA) ³	2,096,465	8,115,651	9,371,199	5.69
RHB Bank Bhd (AA1)	544,112	3,078,877	3,112,321	1.89
Alliance Bank Malaysia Bhd (A1)	132,700	486,719	490,990	0.29
	<u>7,716,695</u>	<u>44,196,148</u>	<u>48,678,516</u>	<u>29.55</u>
Health Care				
IHH Healthcare Bhd ²	685,300	4,363,382	4,077,535	2.48
Industrial Products & Services				
Kelington Group Bhd ²	405,000	591,221	522,450	0.32
Petronas Chemicals Group Bhd ^{2,3}	985,500	7,744,553	8,593,560	5.22
Press Metal Aluminium Holding Bhd ^{2,3}	1,209,400	4,584,564	5,260,890	3.20
SKP Resources Bhd ²	111,000	186,320	176,490	0.11
V.S. Industry Bhd ²	2,683,800	2,859,488	2,267,811	1.38
	<u>5,394,700</u>	<u>15,966,146</u>	<u>16,821,201</u>	<u>10.23</u>
Plantation				
Kuala Lumpur Kepong Bhd ^{2,3}	249,000	6,327,524	5,398,320	3.28
Sime Darby Plantation Bhd ^{2,3}	1,249,351	6,181,772	5,497,144	3.34
IOI Corp Bhd ²	884,700	3,927,526	3,609,576	2.19
	<u>2,383,051</u>	<u>16,436,822</u>	<u>14,505,040</u>	<u>8.81</u>
Technology				
CTOS Digital Bhd ²	1,207,000	1,789,937	1,701,870	1.03
Frontken Corp Bhd ²	986,700	3,457,101	2,417,415	1.47

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 %
2022 (CONTINUED)				
QUOTED SECURITIES				
(CONTINUED)				
Technology (continued)				
Genetec Technology Bhd ²	1,748,800	4,419,599	3,654,992	2.22
Inari Amertron Bhd ²	1,163,900	3,607,057	2,898,111	1.76
My Eg Services Bhd ²	4,186,600	4,473,285	3,705,141	2.25
Pentamaster Corp Bhd ²	162,000	677,314	628,560	0.38
	<u>9,455,000</u>	<u>18,424,293</u>	<u>15,006,089</u>	<u>9.11</u>
Telecommunications & Media				
Telekom Malaysia Bhd ²	<u>918,175</u>	<u>4,968,343</u>	<u>5,105,053</u>	<u>3.10</u>
Transportation & Logistics				
Malaysia Airports Holding Bhd ²	605,600	3,798,024	3,621,488	2.20
MISC Bhd ²	455,600	3,514,078	3,293,988	2.00
	<u>1,061,200</u>	<u>7,312,102</u>	<u>6,915,476</u>	<u>4.20</u>
Utilities				
Tenaga Nasional Bhd ²	<u>218,600</u>	<u>1,794,105</u>	<u>1,840,612</u>	<u>1.12</u>
TOTAL QUOTED SECURITIES	<u>41,783,420</u>	<u>149,215,717</u>	<u>146,300,932</u>	<u>88.87</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(2,914,785)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>146,300,932</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 %
2021				
QUOTED SECURITIES				
Construction				
Gamuda Bhd ²	1,263,000	3,988,984	4,092,120	2.12
IJM Corporation Bhd ²	1,142,000	1,983,132	2,112,700	1.10
Solarvest Holdings ²	1,411,000	1,846,994	1,918,960	1.00
	<u>3,816,000</u>	<u>7,819,110</u>	<u>8,123,780</u>	<u>4.22</u>
Consumer Products & Services				
Genting Bhd ^{2,3}	1,533,200	7,190,452	7,941,976	4.12
Genting Malaysia Bhd ^{2,3}	3,027,400	9,486,811	9,596,858	4.98
Mr D.I.Y. Group (M) Bhd ²	1,332,400	4,656,576	5,023,148	2.61
Sime Darby Bhd ²	1,089,700	2,441,009	2,473,619	1.28
	<u>6,982,700</u>	<u>23,774,848</u>	<u>25,035,601</u>	<u>12.99</u>
Energy				
Bumi Armada Bhd ²	3,754,000	1,938,103	1,914,540	0.99
Dayang Enterprise Holdings Bhd ²	375,800	546,804	370,163	0.19
Dialog Group Bhd ²	1,071,400	3,551,745	3,032,062	1.57
Hibiscus Petroleum Bhd ²	3,526,066	2,149,541	3,173,459	1.65
Yinson Holdings Bhd ²	580,200	3,380,792	3,394,170	1.76
	<u>9,307,466</u>	<u>11,566,985</u>	<u>11,884,394</u>	<u>6.16</u>
Financial Services				
AMMB Holdings Bhd (AA3)	1,667,000	5,119,409	5,601,120	2.91
CIMB Group Holdings Bhd (AAA) ³	3,418,153	15,526,048	17,842,759	9.26
Hong Leong Bank Bhd (AAA) ³	393,900	6,298,349	7,413,198	3.85
Hong Leong Financial Group (AAA)	64,300	1,113,808	1,179,262	0.61
Malayan Banking Bhd (AAA) ³	1,298,107	11,413,378	10,449,761	5.42
Public Bank Bhd (AAA) ³	2,070,465	7,593,660	8,633,839	4.48
RHB Bank Bhd (AA2) ³	1,445,868	7,875,135	8,067,943	4.19
	<u>10,357,793</u>	<u>54,939,787</u>	<u>59,187,882</u>	<u>30.72</u>
Health Care				
IHH Healthcare Bhd ²	795,600	5,039,073	5,203,224	2.70
Industrial Products				
Tat Sang Holdings Bhd - Delisted ¹	31,000	1	-	-

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 %
2021 (CONTINUED)				
QUOTED SECURITIES				
(CONTINUED)				
Industrial Products & Services				
Ann Joo Resources Bhd ²	1,177,800	2,767,425	2,862,054	1.49
Kelington Group Bhd ²	636,000	892,431	1,081,200	0.56
Petronas Chemicals Group Bhd ^{2,3}	905,500	6,600,437	7,868,795	4.09
Press Metal Aluminium Holding Bhd ^{2,3}	1,821,000	5,787,525	10,124,760	5.26
SKP Resources Bhd ²	197,100	351,967	358,722	0.19
V.S. Industry Bhd ²	4,416,600	3,677,795	5,632,573	2.93
	<u>9,154,060</u>	<u>20,077,580</u>	<u>27,928,104</u>	<u>14.52</u>
Plantation				
Kuala Lumpur Kepong Bhd ²	86,000	1,963,230	1,859,320	0.97
Sime Darby Plantation Bhd ²	1,383,051	6,956,941	5,546,035	2.88
	<u>1,469,051</u>	<u>8,920,171</u>	<u>7,405,355</u>	<u>3.85</u>
Plantation				
Sime Darby Property Bhd ²	1,335,100	952,847	967,948	0.50
SP Setia Bhd ²	604,600	672,577	943,176	0.49
	<u>1,939,700</u>	<u>1,625,424</u>	<u>1,911,124</u>	<u>0.99</u>
Technology				
CTOS Digital Bhd ²	887,000	1,272,964	1,711,910	0.89
Frontken Corp Bhd ²	1,106,100	3,928,272	4,214,241	2.19
Genetec Technology Bhd ²	55,000	2,145,832	2,557,500	1.33
GHL Systems Bhd ²	485,100	848,925	965,349	0.50
Inari Amertron Bhd ^{2,3}	2,105,000	6,633,772	8,146,350	4.23
Malaysian Pacific Industries Bhd ²	39,200	1,246,063	1,869,056	0.97
MI Technovation Bhd ²	332,200	1,295,580	1,275,648	0.66
My Eg Services Bhd ²	5,631,000	6,016,592	5,856,240	3.04
Pentamaster Corp Bhd ²	363,800	2,073,737	1,946,330	1.01
Revenue Group Bhd ²	643,200	1,362,385	1,170,624	0.61
UWC Bhd ²	457,000	2,682,119	2,805,980	1.46
	<u>12,104,600</u>	<u>29,506,241</u>	<u>32,519,228</u>	<u>16.89</u>
Telecommunications & Media				
Telekom Malaysia Bhd ²	654,500	3,496,166	3,789,555	1.97
Time Dotcom Bhd ²	170,700	567,406	771,564	0.40
	<u>825,200</u>	<u>4,063,572</u>	<u>4,561,119</u>	<u>2.37</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 %
2021 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
Transportation & Logistics				
Malaysia Airports Holding Bhd ²	270,400	1,480,780	1,752,192	0.91
MISC Bhd ²	281,000	2,217,972	1,986,670	1.03
	<u>551,400</u>	<u>3,698,752</u>	<u>3,738,862</u>	<u>1.94</u>
TOTAL QUOTED SECURITIES	<u>57,334,570</u>	<u>171,031,543</u>	<u>187,498,673</u>	<u>97.35</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>16,467,130</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>187,498,673</u>		

¹ The counter has been de-listed on 27 October 2003 as the counter does not have an adequate level of financial condition to warrant continued listing. The counter will continue to remain deposited with the Malaysian Central Depository Sdn Bhd as it is not mandatory for the securities to be withdrawn.

² The quoted securities is not rated.

³ The quoted securities is one of the top 10 holdings of the Fund.

9. CASH AND CASH EQUIVALENTS

	2022 RM	2021 RM
Deposits with licensed financial institutions	17,133,197	5,207,749
Bank balances	266,725	189,918
	<u>17,399,922</u>	<u>5,397,667</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2022 No. of units	2021 No. of units
Class MYR (i)	198,028,995	204,691,632
Class SGD (ii)	99,725	153,466
	<u>198,128,720</u>	<u>204,845,098</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS) (CONTINUED)

	2022	2021
	No. of units	No. of units
(i) Class MYR		
At the beginning of the financial year	204,691,632	222,239,515
Add : Creation of units from applications	1,949,824	2,887,250
Add : Creation of units from distribution	7,021,875	8,609,986
Less: Cancellation of units	<u>(15,634,336)</u>	<u>(29,045,119)</u>
At the end of the financial year	<u>198,028,995</u>	<u>204,691,632</u>
(ii) Class SGD		
At the beginning of the financial year	153,466	186,915
Add : Creation of units from applications	80,407	150,192
Add : Creation of units from distribution	1,166	1,276
Less: Cancellation of units	<u>(135,314)</u>	<u>(184,917)</u>
At the end of the financial year	<u>99,725</u>	<u>153,466</u>

11. TOTAL EXPENSE RATIO (“TER”)

	2022	2021
	%	%
TER	<u>1.57</u>	<u>1.58</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 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 RM176,445,041 (2021: RM191,840,065).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

Under SC Guidelines

	2022	2021
PTR (times)	<u>0.50</u>	<u>0.81</u>

PTR is derived based on the following calculation:

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

12. PORTFOLIO TURNOVER RATIO (“PTR”) (CONTINUED)

Under SC Guidelines (Continued)

where:

total acquisition for the financial year = RM76,140,035 (2021: RM144,835,547)
 total disposal for the financial year = RM99,273,248 (2021: RM165,221,499)

Under Monetary Authority of Singapore (“MAS”) Guidelines

	2022	2021
PTR (times)	<u>0.43</u>	<u>0.75</u>

PTR is derived from the following calculation:

$$\frac{\text{Lesser of total acquisition or total disposal for the financial year}}{\text{Average NAV of the Fund for the financial year calculated on a daily basis}}$$

where:

total acquisition for the financial year = RM76,140,035 (2021: RM144,835,547)
 total disposal for the financial year = RM99,273,248 (2021: RM165,221,499)

13. 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
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
CIMB Bank Bhd	Fellow related party to the Manager
CGS-CIMB Securities Sdn Bhd	Fellow related party to the Manager

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

Units held by the Manager and parties related to the Manager

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

	2022		2021	
	No. of units	RM	No. of units	RM
Manager				
Principal Asset Management Berhad				
- Class MYR	101,700	84,401	100,293	94,145
- Class SGD	57	149	7	21

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.

	2022 RM	2021 RM
<u>Significant related party transactions</u>		
Interest income from deposits with licensed financial institution:		
- CIMB Bank Bhd	-	1,861
Dividend income:		
- CIMB Group Holdings Bhd	580,505	409,776
<u>Significant related party balances</u>		
Financial assets at fair value through profit or loss:		
- CIMB Group Holdings Bhd	13,240,471	17,842,759

14. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for financial year ended 31 October 2022 are as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage Fees RM	Percentage of total brokerage fees %
CGS-CIMB Securities Sdn Bhd #	27,620,294	15.89	51,308	13.64
Hong Leong Investment Bank Bhd	26,094,775	15.02	58,713	15.61
CLSA Securities M Sdn Bhd	21,693,766	12.48	48,825	12.98
Affin Hwang Investment Bank Bhd	18,213,335	10.48	40,980	10.90
KAF Equities Sdn Bhd	17,645,031	10.15	39,701	10.56
J.P. Morgan Securities (M) Sdn Bhd	17,548,672	10.10	36,402	9.68
Maybank Investment Bank Bhd	10,560,130	6.08	23,774	6.32
Macquarie Capital Securities (Malaysia) Sdn Bhd	9,903,418	5.70	22,283	5.92
UBS Securities (M) Sdn Bhd	8,944,047	5.15	19,313	5.13
RHB Investment Bank Bhd	7,677,281	4.42	17,274	4.59
Others	7,877,772	4.53	17,561	4.67
	<u>173,778,521</u>	<u>100.00</u>	<u>376,134</u>	<u>100.00</u>

Details of transactions with the top 10 brokers for financial year ended 31 October 2021 are as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage Fees RM	Percentage of total brokerage fees %
CGS-CIMB Securities Sdn Bhd #	51,782,158	16.74	68,597	11.03
KAF Equities Sdn Bhd	36,619,074	11.84	82,393	13.25
RHB Investment Bank Bhd	35,636,707	11.52	82,083	13.20
Maybank Investment Bank Bhd	34,780,106	11.24	80,162	12.89
Hong Leong Investment Bank Bhd	32,035,309	10.36	72,090	11.59
Macquarie Capital Securities (Malaysia) Sdn Bhd	30,667,806	9.91	61,970	9.96
Affin Hwang Investment Bank Bhd	22,622,840	7.31	51,066	8.21
CLSA Securities M Sdn Bhd	22,470,087	7.26	43,756	7.04
J.P. Morgan Securities (M) Sdn Bhd	16,025,133	5.18	24,978	4.02
UBS Securities (M) Sdn Bhd	11,289,867	3.65	21,479	3.45
Others	15,401,693	4.99	33,381	5.36
	<u>309,330,780</u>	<u>100.00</u>	<u>621,955</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 parties to the Manager amounting to RM27,620,294 (2021: RM51,782,158). 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 YEAR

The COVID-19 pandemic and related lockdowns and movement restrictions, together with geopolitical tensions and heightened inflationary environment globally have had, and will continue to have, a significant impact on global economic conditions and the environment which the Fund operates.

The Manager continues to closely monitor the macroeconomic outlook affected by these factors and their impact to the Fund's performance and will be managing the risks to achieve the Fund's objective.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 16 December 2022.

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