

Principal Malaysia Titans Plus Fund

Interim Report

For The Six Months Financial Period Ended 30 April 2022

PRINCIPAL MALAYSIA TITANS PLUS FUND

INTERIM REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 APRIL 2022

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INVESTORS' LETTER

Dear Valued Investor,

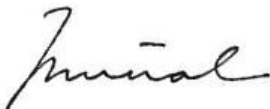
Greetings from Principal Asset Management Berhad and thank you for investing with us!

We are pleased to bring you a copy of the Interim Fund Report of the Principal Malaysia Titans Plus Funds for the financial period ended 30 April 2022. You may also download this report from our website at www.principal.com.my.

We are happy to share that Principal Asset Management Berhad was recognised with three awards at the World Business Outlook Awards 2022. The awards were Best Online & Mobile Platform (Asset Manager) Malaysia 2022, Most Innovative Real Life Solutions Provider Malaysia 2022 (Corporate Cash Management Unit CCMU) and CEO of the Year in Financial Investment Management Malaysia 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), follow us on our Instagram account (@principalassetmanagement_my), and LinkedIn page (Principal Asset Management Berhad) for the latest updates, market insights and investment articles.

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?

The Fund is deemed to have achieved its long-term objective. In terms of its annual total return, the Fund's Class MYR and SGD registered gains of 3.14% and 1.02% respectively.

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 30 April 2022?

RM185.31 million (196.85 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 Fund's 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 six months financial period ended 30 April 2022?

There was no income distribution for the six months financial period ended 30 April 2022.

PERFORMANCE DATA

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

	30.04.2022	30.04.2021	30.04.2020
	%	%	%
Quoted securities			
- Construction	3.73	1.24	0.94
- Consumer Products & Services	13.37	12.93	7.84
- Energy	3.61	8.17	4.42
- Financial Services	29.20	25.43	20.60
- Health Care	3.69	6.54	7.49
- Industrial Products & Services	15.69	13.90	1.59
- Plantation	11.26	2.37	9.67
- Property	0.63	0.32	0.67
- Real Estate Investment Trust ("REITs")	-	-	4.60
- Technology	8.22	11.09	4.69
- Telecommunications & Media	2.18	5.37	9.14
- Transportation & Logistics	2.97	4.69	1.48
- Utilities	-	5.30	8.76
Cash and other assets	6.10	3.18	18.91
Liabilities	(0.65)	(0.53)	(0.80)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	30.04.2022	30.04.2021	30.04.2020
NAV (RM Million)			
- Class MYR	185.06	193.28	180.05
- Class SGD	0.25	0.34	2.93
Units in circulation (Million)			
- Class MYR	196.77	202.88	223.53
- Class SGD	0.08	0.11	1.16
NAV per unit (RM)			
- Class MYR	0.9404	0.9526	0.8054
- Class SGD	2.9669	3.0052	2.5398
	01.11.2021	01.11.2020	01.11.2019
	to 30.04.2022	to 30.04.2021	to 30.04.2020
Highest NAV per unit (RM)			
- Class MYR	0.9435	0.9783	0.9273
- Class SGD	2.9766	3.0862	2.9239
Lowest NAV per unit (RM)			
- Class MYR	0.8722	0.8152	0.6968
- Class SGD	2.7518	2.5714	2.1974
Total return (%)			
- Class MYR	0.15	16.32	(11.34)
- Class SGD	(2.13)	14.73	(10.22)
Capital growth (%)			
- Class MYR	0.15	16.32	(11.34)
- Class SGD	(2.13)	14.73	(10.22)
Income distribution (%)			
- Class MYR	-	-	-
- Class SGD	-	-	-

PERFORMANCE DATA (CONTINUED)

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

Total Expense Ratio ("TER") (%) ^	0.78	0.77	0.80
Portfolio Turnover Ratio ("PTR") (times) #	0.27	0.42	0.44

^ The Fund's TER increased from 0.77% to 0.78% mainly due to decrease in average NAV during the financial period under review.

The Fund's PTR decreased from 0.42 times to 0.27 times for the financial period under review due to lower trading activities.

	30.04.2022	30.04.2021	30.04.2020	30.04.2019	30.04.2018
	%	%	%	%	%
Annual total return					
- Class MYR	3.14	24.58	(9.90)	(10.21)	4.95

(Launch date: 28 September 1995)

	30.04.2022	30.04.2021	30.04.2020	30.04.2019	30.04.2018
	%	%	%	%	%
Annual total return					
- Class SGD	1.02	23.27	(10.22)	(10.41)	5.18

(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 period have been extracted from Lipper.

MARKET REVIEW (1 NOVEMBER 2021 TO 30 APRIL 2022)

For the financial period under review, the FBM100 Index decreased by 68.59 points or 0.61% from 11,189.09 points to 11,120.50 points.

The market went into consolidation mode in November 2021 post-Budget 2022, as investors concerned over the impact of the punitive tax measures and the hike in stamp duty announced. The discovery of a seemingly more virulent variant of the Coronavirus Disease 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 November.

Into the December 2021 month, the market reversed 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.

For the first 4 months of 2022, the market turned to be significantly volatile. Investors were concerned the effect of high inflation on global economic growth and believed that the US Fed was behind the curve in managing inflation. Market volatility was further exacerbated by the Russia-Ukraine conflicts which started towards end-February. The Federal Reserve (the "Fed") delivered its first rate hike of 25 basis points ("bps") in March 2022, in opening bid to curb inflation. Beneficiaries of inflation and interest rate hikes – Financials and Commodities – dominated gainers.

FUND PERFORMANCE

Class MYR

	6 months to 30.04.2022	1 year to 30.04.2022	3 years to 30.04.2022	5 years to 30.04.2022	Since inception to 30.04.2022
	%	%	%	%	%
Income Distribution	-	4.48	18.94	44.14	247.22
Capital Growth	0.15	(1.28)	(2.66)	(24.32)	44.03
Total Return	0.15	3.14	15.77	9.09	400.09
Benchmark	(0.61)	(2.88)	(3.04)	(9.29)	71.38
Average Total Return	0.30	3.14	5.00	1.76	6.90

For the financial period under review, the Fund's total return Class MYR increased by 0.15%, while the benchmark dropped by 0.61%. As such, the Fund outperformed its benchmark by 0.76% or 76 bps.

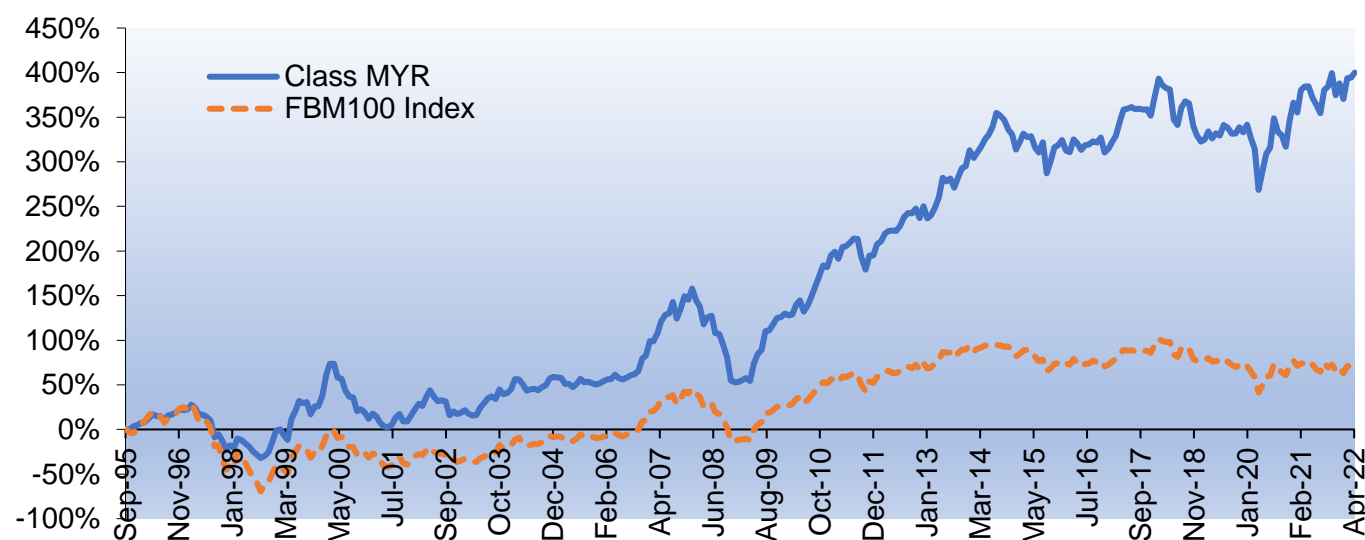
Class SGD

	6 months to 30.04.2022	1 year to 30.04.2022	3 years to 30.04.2022	5 years to 30.04.2022	Since inception to 30.04.2022
	%	%	%	%	%
Income Distribution	-	4.48	18.94	19.33	19.33
Capital Growth	(2.13)	(3.32)	(6.01)	(9.72)	(5.82)
Total Return	(2.13)	1.02	11.79	7.73	12.38
Benchmark	(3.19)	(5.15)	(6.59)	(10.63)	(7.70)
Average Total Return	(4.22)	1.02	3.79	1.50	1.90

For the financial period under review, the Fund's total return Class SGD dropped 2.13%, while the benchmark fell by 3.19%. The Fund outperformed its benchmark by 1.06% or 106 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.

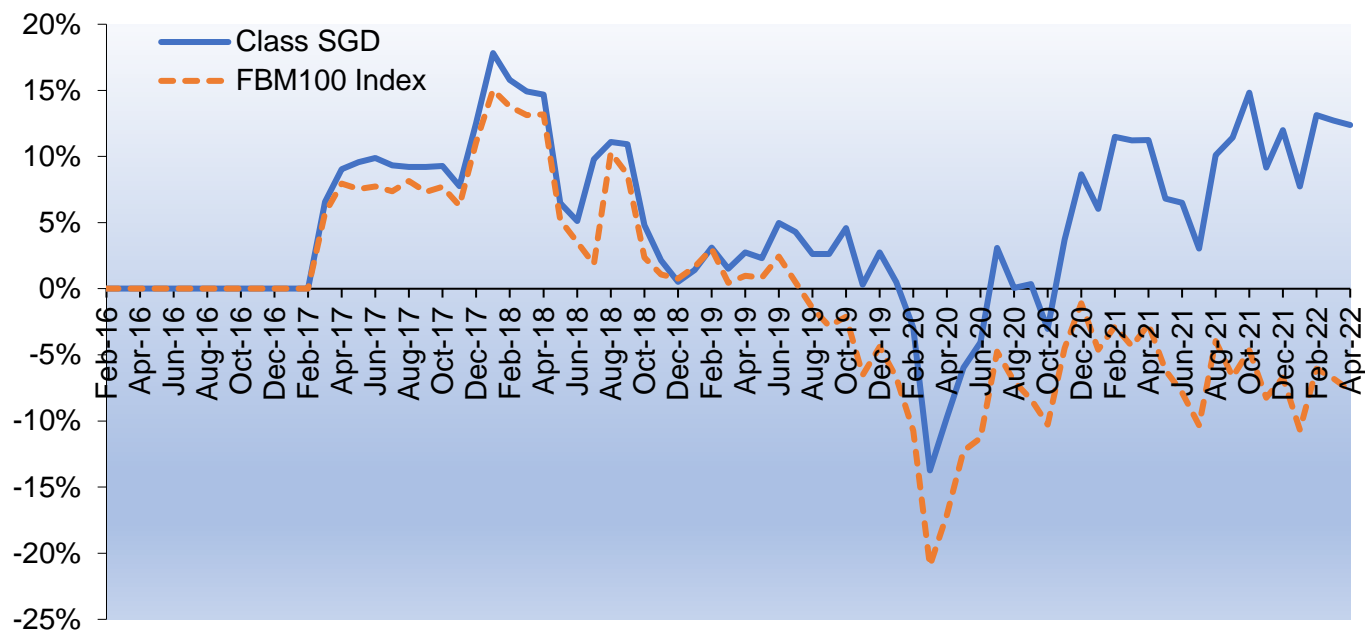
**CLASS MYR
Since Inception**



FUND PERFORMANCE (CONTINUED)

CLASS SGD

Since Inception



Changes in NAV

	30.04.2022	31.10.2021 Audited	Changes %
Class MYR			
NAV (RM Million)	185.06	192.15	(3.69)
NAV/Unit (RM)	0.9404	0.9387	0.18
Class SGD			
NAV (RM Million)	0.25	0.45	(44.44)
NAV/Unit (RM)	2.9669	2.9613	0.19

NAV for the Class MYR decreased by 3.69%, while the respective NAV per unit increased by 0.18%. For the Class SGD, NAV declined by 44.44%, while the respective NAV per unit increased by 0.19%. The fall in NAV for the Class MYR was due to redemptions, whereas the change in NAV for Class SGD was because of redemptions as well as foreign exchange during the financial period 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 period have been extracted from Lipper.

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	30.04.2022	31.10.2021 Audited
Quoted securities	94.55	97.35
Cash and other net assets	6.10	3.23
Liabilities	(0.65)	(0.58)
TOTAL	100.00	100.00

Equity allocation reduced from 97.35% as at 31 October 2021 to 94.55% as at 30 April 2022, reflecting our balanced approach strategy in view of the current challenging market.

MARKET OUTLOOK*

Malaysia's manufacturing sector expanded in April 2022 with a rebound in the Purchasing Manager Index ("PMI") from 49.6pts in March 2022 to 51.6pts. There was a surge in demand for manufactured goods with producers reporting the strongest inflow of new orders since 2014, reflecting a combination of improving sales at home and abroad. However, output contracted for the fourth month running due to persistent sourcing difficulties and fall in employment levels – these in turn had also exerted sustained upward pressure on prices.

Bank Negara Malaysia (BNM) last month trimmed Gross Domestic Product growth forecast to 5.3% to 6.3% for 2022, from 5.5% to 6.5% previously. Despite the re-opening of borders and businesses following the lifting of COVID-19 restrictions, the Central Bank expects some impact from the Russia-Ukraine conflict. Headline inflation is also projected to average higher between 2.2% and 3.2% (versus 2.1% previously). BNM has raised the Overnight Policy Rate by 25bps to 2% during the recent Monetary Policy Committee meeting in May 2022 vs. our expectation of at least 1 to 2 times hikes of 25bps each in 2022. The monetary tightening will be dependent on the inflation print, which is now running hot on the back of surging commodity prices and persistent supply-chain issues.

On the market valuation perspective, we take note that our key market index, FBM Kuala Lumpur Composite Index ("KLCI"), appears less compelling considering its proximity to the historical 10-year mean Price to Earnings of 16.5 times. We still see upside risk to corporate earnings, especially within the commodity space, but geopolitical risks abound with the Russian-Ukraine conflict, even domestically as Malaysia gears up for General Elections, speculated to be held in second half of 2022. We also consider potential policy misstep by the Fed with the interest lift-off soon to commence. As such, risk-reward appears to be in the balance. Nonetheless, dividend yield of 4% is still attractive relative to the region.

Key risks are derailment of Malaysia's macro recovery and corporate earnings growth due to a more severe impact of new COVID-19 variants and heightened geopolitical risks, and larger-than-expected impact of rising inflation leading to stagflation.

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

INVESTMENT STRATEGY

We continue to adopt a balanced approach, with a larger tilt to value overgrowth, and maintain adequate diversification. We are still overweight cyclical themes such as Consumer Discretionary as well as Commodities but have turned neutral on Financials after the strong performance year-to-date ("YTD"). Still avoiding expensive Technology but remain invested in those with structural growth at reasonable valuations. We continue to expect the market to trade sideways, see rotation from leaders to laggards, and could breakout once geopolitical risks abate.

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 30 April 2022 were as follows:

CLASS MYR

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1,875	5.21	2.66
5,001 - 10,000	1,370	9.95	5.06
10,001 - 50,000	3,015	68.97	35.05
50,001 - 500,000	946	101.52	51.59
500,001 and above	14	11.12	5.64
Total	7,220	196.77	100.00

CLASS SGD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	2	0.00*	0.00
5,001 - 10,000	-	-	-
10,001 - 50,000	1	0.03	37.50
50,001 - 500,000	1	0.05	62.50
500,001 and above	-	-	-
Total	4	0.08	100.00

Note: 0.00* denotes unit count less than 0.01 million.

SOFT COMMISSIONS AND REBATES

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

During the financial period under review, the Manager and Trustee did not receive any rebates from the brokers or dealers, but the Manager has retained soft commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. The Manager confirms that the goods and services received were for the benefit of the Fund, the trades were made on a best execution basis and there was no churning of trades.

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIR OF THE FUND

There is neither any significant change to the state affairs of the Fund nor any circumstances that materially affect any interest of the unit holders during the financial period under review.

CROSS TRADE

No cross trade transactions have been carried out during the financial period under reviewed.

**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 unaudited financial statements set out on pages 11 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 30 April 2022 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting and International Accounting Standards ("IAS") 34 - Interim Financial Reporting.

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN
Chief Executive Officer/Executive Director

JUAN IGNACIO EYZAGUIRRE BARAONA
Director

Kuala Lumpur
17 June 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 period ended 30 April 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

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

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
17 June 2022

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 APRIL 2022**

	Note	01.11.2021 to 30.04.2022 RM	01.11.2020 to 30.04.2021 RM
INCOME			
Dividend income		3,120,753	3,621,142
Interest income from deposits with licensed financial institutions at amortised cost		71,518	62,700
Net (loss)/gain on financial assets at fair value through profit or loss	7	(1,318,109)	27,628,823
Net foreign exchange gain		46,124	52,561
		<u>1,920,286</u>	<u>31,365,226</u>
EXPENSES			
Management fee	4	1,363,680	1,464,962
Trustee fee	5	45,456	48,832
Audit fee		5,450	5,850
Tax agent's fee		2,300	2,300
Transaction costs		357,479	445,851
Other expenses		18,235	25,537
		<u>1,792,600</u>	<u>1,993,332</u>
PROFIT BEFORE TAXATION		127,686	29,371,894
Taxation	6	-	-
PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>127,686</u>	<u>29,371,894</u>
Profit after taxation is made up as follows:			
Realised amount		3,229,522	10,949,359
Unrealised amount		(3,101,836)	18,422,535
		<u>127,686</u>	<u>29,371,894</u>

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

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2022

	Note	30.04.2022 RM	31.10.2021 Audited RM
ASSETS			
Cash and cash equivalents	8	9,825,417	5,397,667
Financial assets at fair value through profit or loss	7	175,204,041	187,498,673
Amount due from stockbrokers		1,100,632	261,300
Amount due from Manager		5,876	213,223
Dividends receivable		369,314	344,342
TOTAL ASSETS		<u>186,505,280</u>	<u>193,715,205</u>
LIABILITIES			
Amount due to stockbrokers		792,988	364,609
Amount due to Manager		154,515	279,364
Accrued management fee		228,102	246,122
Amount due to Trustee		7,603	8,204
Distribution payable		-	190,307
Other payables and accruals		16,951	20,099
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>1,200,159</u>	<u>1,108,705</u>
NET ASSET VALUE OF THE FUND		<u>185,305,121</u>	<u>192,606,500</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS*		<u>185,305,121</u>	<u>192,606,500</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- Class MYR		185,058,795	192,152,034
- Class SGD		246,326	454,466
		<u>185,305,121</u>	<u>192,606,500</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class MYR		196,769,053	204,691,632
- Class SGD		83,023	153,466
	9	<u>196,852,076</u>	<u>204,845,098</u>
NET ASSET VALUE PER UNIT (EX-DISTRIBUTION)			
- Class MYR		0.9404	0.9387
- Class SGD		2.9669	2.9613
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- Class MYR		RM0.9404	MYR0.9387
- Class SGD		SGD0.9420	SGD0.9623

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

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 APRIL 2022**

	01.11.2021 to 30.04.2022 RM	01.11.2020 to 30.04.2021 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>192,606,500</u>	<u>182,451,622</u>
Movement due to units created and cancelled during the financial period:		
- Creation of units from applications		
- Class MYR	857,668	1,709,566
- Class SGD	<u>180,723</u>	<u>71,871</u>
	<u>1,038,391</u>	<u>1,781,437</u>
- Cancellation of units		
- Class MYR	(8,081,959)	(19,702,158)
- Class SGD	<u>(385,497)</u>	<u>(283,914)</u>
	<u>(8,467,456)</u>	<u>(19,986,072)</u>
Total comprehensive income for the financial period	<u>127,686</u>	<u>29,371,894</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	<u><u>185,305,121</u></u>	<u><u>193,618,881</u></u>

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

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 APRIL 2022**

	01.11.2021 to 30.04.2022 RM	01.11.2020 to 30.04.2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of quoted securities	53,975,676	89,071,763
Purchase of quoted securities	(43,767,584)	(74,560,259)
Dividend income received	3,095,781	3,602,218
Interest income received from deposits with licensed financial institutions	71,518	62,700
Management fee paid	(1,381,700)	(1,461,738)
Trustee fee paid	(46,057)	(48,725)
Payments for other fees and expenses	(29,133)	(30,993)
Net cash generated from operating activities	11,918,501	16,634,966
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	1,245,159	1,788,653
Payments for cancellation of units	(8,591,622)	(19,729,676)
Distributions paid	(190,288)	(211,732)
Net cash used in financing activities	(7,536,751)	(18,152,755)
Net increase/(decrease) in cash and cash equivalents	4,381,750	(1,517,789)
Effect of foreign exchange differences	46,000	52,632
Cash and cash equivalents at the beginning of the financial period	5,397,667	6,902,503
Cash and cash equivalents at the end of the financial period	9,825,417	5,437,346
<u>Cash and cash equivalents comprised of:</u>		
Deposits in licensed financial institutions	9,570,996	5,077,245
Bank balances	254,421	360,101
Cash and cash equivalents at the end of the financial period	9,825,417	5,437,346

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 APRIL 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 Fourth Supplemental Master Deed dated 18 March 2009, a Fifth Supplemental Master Deed dated 16 July 2009, a Thirteenth Supplemental Master Deed dated 26 June 2012 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 ("GUTF"), SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund's objective.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

It also requires the Manager to exercise 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 estimates and assumptions are significant to the financial statements are disclosed in Note 2(k).

There are no other standards, amendments to standards or interpretations that are effective for financial periods 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 period beginning on/after 1 May 2022 are applicable to the Fund.

Certain information as presented in the notes 7,10 and 11 are prepared in accordance with the GUTF and the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("MAS").

(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 OCI.

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

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

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

Recognition and measurement

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

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

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

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Definition of default and credit-impaired financial assets

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

Write-off

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

(c) Income recognition

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

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

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

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

(d) Functional and presentation currency

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 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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(d) Functional and presentation currency (continued)**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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

(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 income earned during the financial period.

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

(g) Distribution

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

(h) 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.

(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) Realised and unrealised portions of profit or loss after taxation

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(k) Critical accounting estimates and judgements in applying accounting policies**

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the 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. RISK MANAGEMENT OBJECTIVES AND POLICIES

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 (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.

(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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(a) Market risk (Continued)****(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 from money market instruments. The interest rate risk is expected to be minimal as the Fund's investments comprise mainly short-term deposits with approved licensed financial institutions.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund is not exposed to cash flow interest rate risk as the Fund does not hold any financial instruments at variable interest rate.

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

(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 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.

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

(c) Liquidity risk

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

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances and deposits with licensed financial institutions and other instruments, 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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Capital risk management

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

(e) Fair value estimation

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

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial period end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded 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. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (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.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
30.04.2022				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>175,204,041</u>	<u>-</u>	<u>-</u>	<u>175,204,041</u>
31.10.2021				
Audited				
Financial assets 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 six months financial period ended 30 April 2022, the management fee is recognised at a rate of 1.50% per annum (30.04.2021: 1.50% per annum) for each class.

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 fees and charges but excludes the foreign sub-custodian fees and charges.

For the six months financial period ended 30 April 2022, the Trustee fee is recognised at the rate of 0.05% per annum (30.04.2021: 0.05% per annum) (including local custodian fee but excluding foreign sub-custodian fee).

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

6. TAXATION

	01.11.2021 to 30.04.2022 RM	01.11.2020 to 30.04.2021 RM
Tax charged for the financial period:		
- Current taxation	-	-

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

	01.11.2021 to 30.04.2022 RM	01.11.2020 to 30.04.2021 RM
Profit before taxation	127,686	29,371,894
Taxation at Malaysian statutory rate of 24%	30,645	7,049,254
Tax effects of:		
Loss not deductible for tax purpose	(460,869)	(7,527,654)
Expenses not deductible for tax purposes	97,728	121,217
Restriction on tax deductible expenses for Unit Trust Fund	332,496	357,183
Taxation	-	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.04.2022 RM	31.10.2021 Audited RM
At fair value through profit or loss:		
- Quoted securities	175,204,041	187,498,673
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	1,830,634	9,258,976
- Unrealised fair value (loss)/gain	(3,148,743)	18,369,847
	(1,318,109)	27,628,823

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.04.2022				
QUOTED SECURITIES				
Construction				
Econpile Holdings Bhd ²	910,000	283,205	259,350	0.14
Gamuda Bhd ²	1,226,746	3,820,457	4,563,495	2.46
IJM Corporation Bhd ²	1,141,000	1,987,841	2,099,440	1.13
	<u>3,277,746</u>	<u>6,091,503</u>	<u>6,922,285</u>	<u>3.73</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.04.2022 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
Consumer Products & Services				
Farm Fresh Bhd ²	116,600	157,410	200,552	0.11
Genting Bhd ^{2,3}	1,417,200	6,633,461	6,561,636	3.54
Genting Malaysia Bhd ^{2,3}	3,027,400	9,486,811	9,233,570	4.98
Mr D.I.Y. Group (M) Bhd ²	1,319,400	4,647,382	4,631,094	2.50
QL Resources Bhd ²	187,800	945,607	959,658	0.52
Sime Darby Bhd ^{2,3}	1,364,500	3,156,540	3,192,930	1.72
	<u>7,432,900</u>	<u>25,027,211</u>	<u>24,779,440</u>	<u>13.37</u>
Energy				
Dialog Group Bhd ²	557,400	1,847,809	1,393,500	0.75
Hibiscus Petroleum Bhd ²	2,168,266	1,821,898	2,753,698	1.49
Yinson Holdings Bhd ²	1,032,400	3,007,867	2,529,381	1.37
	<u>3,758,066</u>	<u>6,677,574</u>	<u>6,676,579</u>	<u>3.61</u>
Financial Services				
AMMB Holdings Bhd (AA3)	1,415,600	4,486,907	5,223,564	2.82
CIMB Group Holdings Bhd (AAA) ³	1,897,072	8,603,343	9,864,774	5.32
Hong Leong Bank Bhd (AAA) ³	326,900	5,227,038	6,858,362	3.70
Hong Leong Financial Group (AAA)	37,300	646,113	723,620	0.39
Malayan Banking Bhd (AAA) ³	1,981,897	17,399,699	17,975,806	9.70
Public Bank Bhd (AAA) ³	1,900,465	6,970,166	8,913,181	4.81
RHB Bank Bhd (AA2)	729,568	3,973,700	4,559,800	2.46
	<u>8,288,802</u>	<u>47,306,966</u>	<u>54,119,107</u>	<u>29.20</u>
Health Care				
IHH Healthcare Bhd ²	960,600	6,116,248	6,349,566	3.43
Top Glove Corporation Bhd ²	280,000	590,266	470,400	0.26
	<u>1,240,600</u>	<u>6,706,514</u>	<u>6,819,966</u>	<u>3.69</u>
Industrial Products				
Tat Sang Holdings Bhd - Delisted ¹	31,000	1	-	-
Industrial Products & Services				
Ann Joo Resources Bhd ²	995,100	2,152,165	1,711,572	0.92
Kelington Group Bhd ²	629,000	918,218	805,120	0.43
Petronas Chemicals Group Bhd ^{2,3}	1,121,500	8,714,023	11,461,730	6.19
Press Metal Aluminium Holding Bhd ^{2,3}	2,074,000	7,862,068	12,423,260	6.70
V.S. Industry Bhd ²	2,673,800	2,861,348	2,673,800	1.45
	<u>7,493,400</u>	<u>22,507,822</u>	<u>29,075,482</u>	<u>15.69</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.04.2022 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
Plantation				
IOI Corporation Bhd ²	1,110,700	4,930,827	5,186,969	2.80
Kuala Lumpur Kepong Bhd ^{2,3}	264,000	6,708,700	7,777,440	4.20
Sime Darby Plantation Bhd ²	1,508,051	7,461,816	7,902,187	4.26
	<u>2,882,751</u>	<u>19,101,343</u>	<u>20,866,596</u>	<u>11.26</u>
Property				
SP Setia Bhd ²	994,600	1,189,425	1,163,682	0.63
Technology				
CTOS Digital Bhd ²	1,032,000	1,539,547	1,558,320	0.84
Frontken Corporation Bhd ²	1,091,700	3,824,990	3,045,843	1.64
Genetec Technology Bhd ²	624,000	1,872,726	1,372,800	0.74
GHL System Bhd ²	283,100	495,425	418,988	0.23
Inari Amerton Bhd ²	1,091,900	3,409,979	3,100,996	1.67
My Eg Services Bhd ²	5,431,000	5,802,897	5,105,140	2.75
Revenue Group Bhd ²	528,000	826,842	644,160	0.35
	<u>10,081,700</u>	<u>17,772,406</u>	<u>15,246,247</u>	<u>8.22</u>
Telecommunications & Media				
Telekom Malaysia Bhd ²	767,500	4,077,963	3,829,825	2.07
Time Dotcom Bhd ²	43,600	144,926	194,020	0.11
	<u>811,100</u>	<u>4,222,889</u>	<u>4,023,845</u>	<u>2.18</u>
Transportation & Logistics				
Malaysia Airports Holding Bhd ²	218,600	1,320,564	1,499,596	0.81
MISC Bhd ²	513,600	3,961,436	4,011,216	2.16
	<u>732,200</u>	<u>5,282,000</u>	<u>5,510,812</u>	<u>2.97</u>
TOTAL QUOTED SECURITIES	47,024,865	161,885,654	175,204,041	94.55
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		13,318,387		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		175,204,041		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.10.2021				
Audited				
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	-	-

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.10.2021				
Audited (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>9,154,600</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>
Property				
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>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.10.2021				
Audited (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 LOSS 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.

8. CASH AND CASH EQUIVALENTS

	30.04.2022 RM	31.10.2021 Audited RM
Deposits with licensed financial institutions	9,570,996	5,207,749
Bank balances	254,421	189,918
	<u>9,825,417</u>	<u>5,397,667</u>

9. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.11.2021 to 30.04.2022	01.11.2020 to 31.10.2021 Audited
	No. of units	No. of units
Class MYR (i)	196,769,053	204,691,632
Class SGD (ii)	83,023	153,466
	<u>196,852,076</u>	<u>204,845,098</u>

(i) Class MYR	01.11.2021 to 30.04.2022	01.11.2020 to 31.10.2021 Audited
	No. of units	No. of units
At the beginning of the financial period/year	204,691,632	222,239,515
Add : Creation of units from applications	944,945	2,887,250
Add : Creation of units from distribution	-	8,609,986
Less : Cancellation of units	(8,867,524)	(29,045,119)
At the end of the financial period/year	<u>196,769,053</u>	<u>204,691,632</u>

(ii) Class SGD	01.11.2021 to 30.04.2022	01.11.2020 to 31.10.2021 Audited
	No. of units	No. of units
At the beginning of the financial period/year	153,466	186,915
Add : Creation of units from applications	62,204	150,192
Add : Creation of units from distribution	-	1,276
Less : Cancellation of units	(132,647)	(184,917)
At the end of the financial period/year	<u>83,023</u>	<u>153,466</u>

10. TOTAL EXPENSE RATIO (“TER”)

Pursuant to the GUTF and to the MAS Guidelines

	01.11.2021 to 30.04.2022 %	01.11.2020 to 30.04.2021 %
TER	<u>0.78</u>	<u>0.77</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 withholding tax
- F = Average NAV of the Fund calculated on a daily basis

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

The average NAV of the Fund for the financial period calculated on a daily basis is RM183,477,555 (30.04.2021: RM197,170,587).

11. PORTFOLIO TURNOVER RATIO (“PTR”)

Pursuant to the GUTF

	01.11.2021 to 30.04.2022	01.11.2020 to 30.04.2021
PTR (times)	<u>0.27</u>	<u>0.42</u>

PTR is derived based on the following calculation:

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

Pursuant to the MAS Guidelines

	01.11.2021 to 30.04.2022	01.11.2020 to 30.04.2021
PTR (times)	<u>0.24</u>	<u>0.38</u>

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial period = RM44,040,711 (30.04.2021: RM74,770,690)
total disposal for the financial period = RM55,017,234 (30.04.2021: RM89,882,851)

12. 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

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

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

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
CIMB Investment Bank Bhd	Fellow related party to the Manager

Units held by the Manager and parties related to the Manager

Manager	30.04.2022		31.10.2021 Audited	
	No. of units	RM	No. of units	RM
Principal Asset Management Berhad				
- Class MYR	135,949	127,846	100,293	94,145
- Class SGD	8	24	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.

	01.11.2021 to 30.04.2022 RM	01.11.2020 to 30.04.2021 RM
<u>Significant related party transactions</u>		
Interest income from deposits with licensed financial institution:		
- CIMB Bank Bhd	-	1,153
	30.04.2022	31.10.2021
	RM	Audited
		RM
<u>Significant related party balances</u>		
Financial assets at fair value through profit or loss :		
- CIMB Group Holdings Bhd	9,864,774	17,842,759

There was no significant related party balances as at the end of both financial period, apart from those mentioned elsewhere in the financial statements.

13. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for the six months financial period ended 30 April 2022 were as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
CGS-CIMB Securities Sdn Bhd #	21,738,760	22.04	41,201	19.40
Hong Leong Investment Bank Bhd	18,304,912	18.56	41,186	19.40
J.P. Morgan Securities (M) Sdn Bhd	11,059,449	11.22	23,756	11.19
CLSA Securities (M) Sdn Bhd	9,943,463	10.08	22,373	10.54
KAF Equities Sdn Bhd	7,636,860	7.74	17,183	8.09
Affin Hwang Investment Bank Bhd	5,847,399	5.93	13,157	6.20
UBS Securities (M) Sdn Bhd	5,556,834	5.64	11,790	5.55
RHB Investment Bank Bhd	5,166,499	5.24	11,625	5.47
Macquarie Capital Securities (M) Sdn Bhd	4,924,702	4.99	11,081	5.22
Maybank Investment Bank Bhd	4,563,002	4.63	10,267	4.84
Others	3,873,073	3.93	8,714	4.10
	<u>98,614,953</u>	<u>100.00</u>	<u>212,333</u>	<u>100.00</u>

Details of transactions with the top 10 brokers for the six months financial period ended 30 April 2021 were as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
CGS-CIMB Securities Sdn Bhd #	32,334,348	19.67	40,177	12.51
KAF Equities Sdn Bhd	22,520,844	13.70	50,672	15.78
RHB Investment Bank Bhd	18,602,169	11.32	41,292	12.86
Maybank Investment Bank Bhd	18,470,348	11.24	40,747	12.69
Hong Leong Investment Bank Bhd	18,452,050	11.23	41,517	12.93
Macquarie Capital Securities (M) Sdn Bhd	14,506,933	8.83	27,337	8.51
Affin Hwang Investment Bank Bhd	13,986,956	8.51	31,636	9.85
CLSA Securities Malaysia Sdn Bhd	13,024,168	7.92	23,426	7.29
Credit Suisse Securities (M) Sdn Bhd	4,473,707	2.72	9,443	2.94
JP Morgan Securities Malaysia Sdn Bhd	3,354,788	2.04	6,003	1.87
Others	4,645,644	2.82	8,929	2.77
	<u>164,371,955</u>	<u>100.00</u>	<u>321,179</u>	<u>100.00</u>

13. TRANSACTIONS WITH BROKERS (CONTINUED)

Included in the transactions are trades conducted with CGS-CIMB Securities Sdn Bhd fellow related party to the Manager amounting to RM21,738,760 (30.04.2021: RM32,334,348). 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. SIGNIFICANT EVENT DURING THE PERIOD

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

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

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