

**PRINCIPAL PRS PLUS CONSERVATIVE**

**ANNUAL REPORT**

**FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024**

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**MEMBERS' LETTER**

Dear Valued Members,

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 PRS Plus Conservative for the financial year ended 31 January 2024. You may also download this report from our website at [www.principal.com.my](http://www.principal.com.my).

We are happy to share that Principal Malaysia won two honours at the Asia Asset Management 2024 Best of the Best Awards. The awards were for Best of the Best Performance Awards: China A-Share Equity (3 years) for the Principal China Direct Opportunities Fund (Class MYR) and Best of the Best Country Awards: Best Institutional House – Malaysia. We also won another two awards at the 2024 Global Banking & Finance Awards® for Asset Management CEO of the Year Malaysia 2024 - Munirah Khairuddin and Asset Management Company of the Year Malaysia 2024. The World Business Outlook magazine also awarded us with the Best Investment Management and Solutions Provider Malaysia 2024, Best Institutional House Malaysia 2024, and Asset Management CEO (Munirah Khairuddin) of the Year Malaysia 2024 awards at its 2024 Annual Awards. We also won three awards at iFast Awards 2024 and another 7 awards at the LSEG Lipper Fund Awards 2024.

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

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

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

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

**PRS PROVIDER’S REPORT**

**FUND OBJECTIVE AND POLICY**

**What is the investment objective of the Fund?**

The Fund seeks to provide Members with capital preservation\* through investment primarily in fixed income instruments.

\*The Fund is neither a capital guaranteed fund nor a capital protected fund.

**Has the Fund achieved its objective?**

For the financial year under review, the Fund has performed in line with its objective.

**What are the Fund investment policy and principal investment strategy?**

The Fund aims to invest in a diversified portfolio of primarily fixed income instruments with some exposure in equities. The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The Fund may opt to invest in fixed income instruments, money market instruments and equities either directly or via collective investment schemes.

At least 80% of the Fund’s Net Asset Value (“NAV”) will be invested in fixed income instruments and money market instruments, of which a minimum 20% of the Fund’s NAV will be invested in money market instruments, all of which have a minimum credit rating of “BBB3” or “P2” by RAM Ratings (“RAM”) or equivalent rating by Malaysian Rating Corporation Berhad (“MARC”). The investments in equities shall not exceed 20% of the Fund’s NAV.

The asset allocation strategy for this Fund is as follows:

- At least 80% of the Fund’s NAV will be invested in fixed income instruments and money market instruments, of which a minimum 20% of the Fund’s NAV will be invested in money market instruments;
- Up to 20% of the Fund’s NAV may be invested in equities; and
- Up to 5% of the Fund’s NAV may be invested in liquid assets for liquidity purpose.

**Fund category/type**

Fixed income

**When was the Fund launched?**

Name of Class	Launch Date
Class A	12 November 2012
Class C	12 November 2012
Class X	12 November 2012

**What was the size of the Fund as at 31 January 2024?**

RM24.53 million (39.04 million units)

**What is the Fund’s benchmark?**

60% Quant shop Malaysian Government Securities (“MGS”) Short Index + 20% CIMB Bank 1-Year Fixed Deposit Rate + 20% FTSE Bursa Malaysia (“FBM”) Top 100 (“FBM100”) Index

*Note: The Fund’s benchmark is for performance comparison purpose only. The risk profile of the Fund is not the same as the risk profile of the benchmark.*

**What is the Fund distribution policy?**

The Fund is not expected to pay any distribution. All income earned by members will automatically be reinvested into the Fund.

**What was the net income distribution for the financial year ended 31 January 2024?**

There was no income distribution made for the financial year ended 31 January 2024.

**PERFORMANCE DATA**

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

	<b>31.01.2024</b>	<b>31.01.2023</b>	<b>31.01.2022</b>
	%	%	%
Quoted securities			
- Construction	-	-	0.44
- Consumer Products & Services	-	-	2.01
- Energy	-	-	2.70
- Financial Services	-	-	3.23
- Industrial Products & Services	-	-	6.16
- Property	-	-	0.39
- Technology	-	-	2.11
Unquoted fixed income securities	96.44	96.96	80.44
Cash and other assets	4.15	3.37	2.84
Liabilities	(0.59)	(0.33)	(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 are as follows:

	<b>31.01.2024</b>	<b>31.01.2023</b>	<b>31.01.2022</b>
NAV (RM Million)			
- Class A	18.26	18.60	34.65
- Class C	3.42	2.70	2.25
- Class X	2.85	3.00	13.44
Units in circulation (Million)			
- Class A	29.04	30.58	56.00
- Class C	5.47	4.45	3.65
- Class X	4.53	4.93	21.72
NAV per unit (RM)			
- Class A	0.6286	0.6082	0.6188
- Class C	0.6260	0.6063	0.6171
- Class X	0.6300	0.6097	0.6188
Highest NAV per unit (RM)			
- Class A	0.6286	0.6236	0.6600
- Class C	0.6261	0.6219	0.6584
- Class X	0.6301	0.6236	0.6600
Lowest NAV per unit (RM)			
- Class A	0.6085	0.5995	0.6154
- Class C	0.6065	0.5979	0.6138
- Class X	0.6099	0.6008	0.6154
Total return (%)			
- Class A	3.35	0.99	1.69
- Class C	3.25	0.89	1.60
- Class X	3.33	1.02	1.69
Capital growth (%)			
- Class A	3.35	(1.71)	(3.84)
- Class C	3.25	(1.75)	(3.92)
- Class X	3.33	(1.47)	(3.84)
Income distribution (%)			
- Class A	-	2.75	5.75
- Class C	-	2.69	5.75
- Class X	-	2.53	5.75
Total Expense Ratio ("TER") (%) ^	1.57	1.55	1.54
Portfolio Turnover Ratio ("PTR") (times) #	0.24	0.79	0.56

^ The Fund's TER increased from 1.55% to 1.57% mainly due to the decrease in average NAV during the financial year under review.

**PERFORMANCE DATA (CONTINUED)**

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

# The Fund's PTR decreased from 0.79 to 0.24 times for the financial year under review due to lesser trading activities compared to prior year as the fund went through a rebalancing phase then.

	31.01.2024	31.01.2023	31.01.2022		
Gross/Net distribution per unit (sen)					
Date of distribution					
Distribution on 12 August 2022					
- Class A	-	1.65	-		
- Class C	-	1.61	-		
- Class X	-	1.52	-		
Distribution on 14 October 2021					
- Class A	-	-	3.59		
- Class C	-	-	3.58		
- Class X	-	-	3.59		
	31.01.2024	31.01.2023	31.01.2022	31.01.2021	31.01.2020
	%	%	%	%	%
Annual total return					
- Class A	3.35	0.99	1.69	5.87	5.41
- Class C	3.25	0.89	1.60	5.77	5.32
- Class X	3.33	1.02	1.69	5.87	5.40

(Launch date: 12 November 2012)

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 FEBRUARY 2023 TO 31 JANUARY 2024)**

During the financial year under review, in the month of May 2023, the Central Bank's Monetary Policy Committee ("MPC") increased the Overnight Policy Rate ("OPR") by 25 basis points ("bps") as they judged that it was timely to further normalise the degree of monetary accommodation and to ensure the stance of the monetary policy would prevent future risks of financial imbalances. There were no further changes made at the remaining MPC meetings in 2023. The MPC then maintained the OPR at 3.00% at its first meeting of the year in January 2024 as widely expected. Overall, the monetary policy statement shows their stance remains neutral and guided by the assessment of policy reforms and demand conditions. The narrative of the statement did not change very much from November 2023, with BNM highlighting that the tightening cycle has peaked for most central banks, but the monetary policy stance will likely remain tight in the near term.

The Consumer Price Index ("CPI") continued its deceleration pace in February 2023 at 3.7% after being in a deceleration pace from the last few months prior. In the month of March 2023, it eased further to 3.4% and 3.3% in the month of April 2023. Continuing its easing pace, inflation in the month of May 2023 was at 2.8% whilst June 2023 recorded a slower pace of 2.4%. In July 2023, it slowed down further to 2% year-on-year ("YoY"), amid a slower increase in the costs of restaurants, hotels and food & non-alcoholic beverages. It continued to remain at 2% in August 2023 and inched lower to 1.9% in September 2023. In October 2023, it continued to moderate lower to 1.8% and then to 1.5% in November 2023. It continued to remain at 1.5% in the month of December 2023 and January 2024.

**MARKET REVIEW (1 FEBRUARY 2023 TO 31 JANUARY 2024) (CONTINUED)**

In 2023, the full year fixed income foreign flows totaled RM23.6 billion which was a marked improvement from the outflow of RM9.8 billion we saw in 2022. Total foreign holdings stood at RM270.4 billion at the end of December 2023. In general, the year 2023 saw a choppy trend for fixed income foreign flows. Foreign funds continued to cut their position in Malaysian Ringgit (“MYR/RM”) bonds in January 2024 by – RM5.1 billion which was a larger decline than the month prior whereby outflows were -RM2.1 billion.

For year-to-date (“YTD”) December 2023, the Bond Pricing Agency Malaysia (“BPAM”) Corporates All Bond (7 year over) Index was the best performer recording a return of +10.54%. Meanwhile, the Quantshop MGS Short Index was the worst performer for the year with returns of +3.76%. The best performer in the month of January 2024 was the BPAM Corporates All Bond (7 year over) Index with a return of +0.81% and this was followed closely by the BPAM Corporates Sukuk (7 year over) Index while the worst performer was the Quantshop GII Long Index with a return of 0.21%. The 3-, 5-, 7-, 10-15-year, 20-year and 30-year benchmarks closed at 3.45%, 3.61%, 3.73%, 3.81%, 3.98%, 4.08% and 4.22%, respectively at the end of January 2024.

**FUND PERFORMANCE**

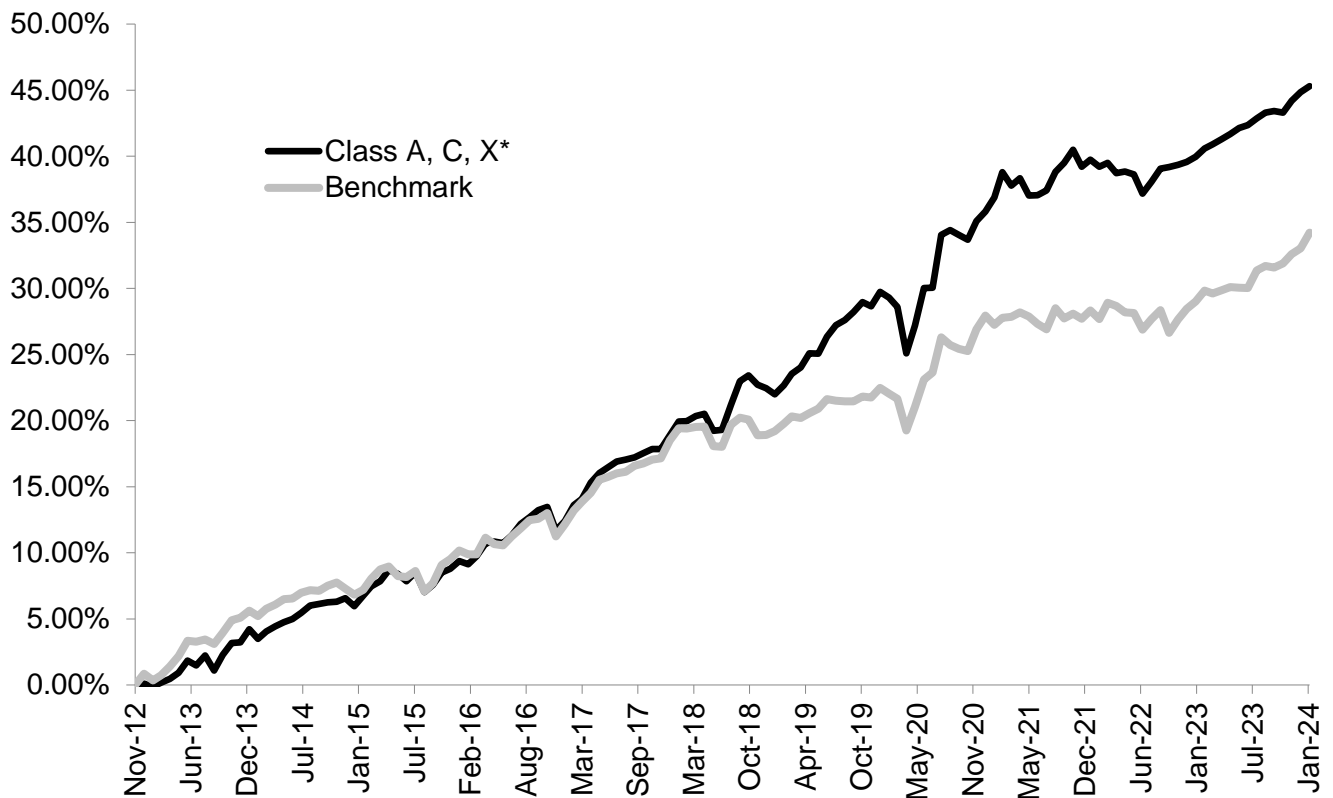
	<b>1 year to 31.01.2024</b>	<b>3 years to 31.01.2024</b>	<b>5 years to 31.01.2024</b>	<b>Since inception to 31.01.2024</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Income Distribution				
- Class A	-	8.66	15.57	15.57
- Class C	-	8.59	15.50	15.50
- Class X	-	8.42	15.32	15.32
Capital Growth				
- Class A	3.35	(2.32)	2.49	25.72
- Class C	3.25	(2.54)	2.07	25.20
- Class X	3.33	(2.10)	2.71	26.00
Total Return				
- Class A	3.35	6.14	18.46	45.30
- Class C	3.25	5.84	17.89	44.60
- Class X	3.33	6.15	18.44	45.31
Benchmark				
- Class A	3.37	5.54	12.23	34.22
- Class C	3.37	5.54	12.23	34.22
- Class X	3.37	5.54	12.23	34.22
Average Total Return				
- Class A	3.35	2.01	3.44	3.38
- Class C	3.25	1.91	3.34	3.34
- Class X	3.33	2.01	3.44	3.39

For the 1-year period ended 31 January 2024, Class A, Class C and Class X gained 3.35%, 3.25% and 3.33% respectively. Meanwhile, the benchmark appreciated 3.37% over the same reporting period.

The slight variation in the performance between Class A, Class C and Class X, if any, was due to different timing of units created for each of the class.

**FUND PERFORMANCE (CONTINUED)**

Since inception



\* Performance of Class A, Class C and Class X are almost the same. Slight variant was due to different timing of units created for each of the class.

**Changes in NAV**

	31.01.2024	31.01.2023	Changes %
<b>CLASS A</b>			
NAV (RM Million)	18.26	18.60	(1.83)
NAV/Unit (RM)	0.6286	0.6082	3.35
<b>CLASS C</b>			
NAV (RM Million)	3.42	2.70	26.67
NAV/Unit (RM)	0.6260	0.6063	3.25
<b>CLASS X</b>			
NAV (RM Million)	2.85	3.00	(5.00)
NAV/Unit (RM)	0.6300	0.6097	3.33

The Fund recorded an outflow from unit creations over the financial year under review for all the three classes - Class A, Class C and Class X.

For the 1-year period, the Fund ranked 68<sup>th</sup> in Quartile 4 under the Bond MYR category in the Lipper rankings.

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)	31.01.2024	31.01.2023
Unquoted fixed income securities	96.44	96.96
Cash and other assets	4.15	3.37
Liabilities	(0.59)	(0.33)
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

The Fund was fully invested during the financial year under review. A minimal level of liquid assets was maintained primarily for redemption purposes. At the reporting date, there was a maturity of a sukuk resulting in the lower unquoted sukuk portion and higher cash portion. Following that, the cash was promptly invested into sukuk.

### MARKET OUTLOOK\*

In October 2023, the Prime Minister announced its largest ever budget of RM394 billion for 2024 which was 2% higher than the previous year's RM386 billion. Budget 2024 demonstrates policy continuity and much needed fiscal reforms. The Government maintains its gradual fiscal consolidation path, with the fiscal deficit improving from a projected 5% in 2023 to 4.3% in 2024. It sets out a series of targets to be met within 3 to 5 years which include achieving a fiscal deficit of 3% of Gross Domestic Product ("GDP") by 2026 and capping federal debt and government guarantees at 60% and 25% of GDP respectively.

Focus in 2024 would be on fiscal reformation implementation which includes the recent announcement on sales tax on low value goods starting 1 January 2024, 2% hike in service tax from March 2024 and higher electricity tariffs for targeted users among others. This is expected to keep inflation levels elevated. There is also focus on targeted petrol subsidy which is expected to take place in 2024. To implement the targeted petrol subsidy plan, the Government has developed a central database hub called Pangkalan Data Utama ("PADU"), which will be used to determine the eligibility of a person for a targeted fuel subsidy that is premised upon one's net disposable income.

Overall, we remain positive for the domestic bond market as we believe Bank Negara Malaysia ("BNM") will keep its OPR unchanged for now unless growth and inflationary outlook continue to surprise the market. We believe the local bond market will remain well supported for now with volatility mainly coming from global yield movements.

\* This market outlook does not constitute an offer, invitation, commitment 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 prefer corporate bonds driven by the compelling potential for a more favorable total return. We maintain our defensive stance in our credit selections and will opportunistically trade to take profit when possible, to reinvest in primary issuances.

### SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (the "PRS Provider") 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.

**SOFT COMMISSIONS AND REBATES (CONTINUED)**

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

During the financial year under review, the PRS Provider and Trustee did not receive any rebates from the brokers or dealers but the PRS Provider 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**

We have issued the First Supplemental Disclosure Document dated 30 August 2023 for Principal PRS Plus. We are of view that the changes above do not affect the existing unit holder to stay invested in the Fund and it is not a significant change.

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

**CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF MEMBERS**

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

**CROSS TRADE**

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

**UNIT SPLIT**

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

**STATEMENT BY THE PRS PROVIDER TO THE MEMBERS OF  
PRINCIPAL PRS PLUS CONSERVATIVE**

We, being the Directors of Principal Asset Management Berhad (the “PRS Provider”), do hereby state that, in the opinion of the PRS Provider, the accompanying audited financial statements set out on pages 7 to 30 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 January 2024 and of its financial performance, changes in net assets attributable to members 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 PRS Provider

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

**MUNIRAH KHAIRUDDIN**

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

**UDAY JAYARAM**

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

Kuala Lumpur  
27 March 2024

**THE SCHEME TRUSTEE'S REPORT**

**TO THE MEMBERS OF PRINCIPAL PRS PLUS CONSERVATIVE**

We have acted as the Scheme Trustee of the Fund for the financial year ended 31 January 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management (the "PRS Provider") 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 PRS Provider under the deed, securities laws and the Guidelines on Private Retirement Schemes;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For Deutsche Trustees Malaysia Berhad

**Ng Hon Leong**  
Head, Fund Operations

**Sylvia Beh**  
Chief Executive Officer

Kuala Lumpur  
27 March 2024

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
PRINCIPAL PRS PLUS CONSERVATIVE**

**Report on the audit of the financial statements**

*Opinion*

We have audited the financial statements of Principal PRS Plus Conservative (the "Fund"), which comprise the statement of financial position of the Fund as at 31 January 2024, and statement of comprehensive income, statement of changes in net assets attributable to members and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 7 to 30.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 January 2024, 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 MEMBERS OF  
PRINCIPAL PRS PLUS CONSERVATIVE (cont'd.)**

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

*Information other than the financial statements and auditors' report thereon*

The PRS Provider of the Fund (the "PRS Provider") 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 PRS Provider and the Trustee for the financial statements*

The PRS Provider 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 PRS Provider is also responsible for such internal control as the PRS Provider 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 PRS Provider 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 PRS Provider 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 PRS Provider maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
PRINCIPAL PRS PLUS CONSERVATIVE (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 PRS Provider.
- Conclude on the appropriateness of the PRS Provider'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 PRS Provider 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 MEMBERS OF  
PRINCIPAL PRS PLUS CONSERVATIVE (cont'd.)**

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

**Other matters**

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

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

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

Kuala Lumpur, Malaysia  
27 March 2024



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

	Note	2024 RM	2023 RM
<b>INCOME/(LOSS)</b>			
Dividend income		-	150,260
Interest income from deposits with licensed financial institutions		27,448	70,210
Interest income from unquoted fixed income securities at fair value through profit or loss		923,728	1,210,351
Net gain/(loss) on financial assets at fair value through profit or loss	8	201,435	(497,706)
		<u>1,152,611</u>	<u>933,115</u>
<b>EXPENSES</b>			
Management fee	4	335,123	580,258
Private Pension Administrator administration fee	4	9,495	16,513
Trustee fee	5	9,495	16,513
Audit fee		8,100	8,100
Tax agent's fee		5,000	5,603
Transaction costs		-	51,898
Other expenses		5,474	10,432
		<u>372,687</u>	<u>689,317</u>
<b>PROFIT BEFORE DISTRIBUTION AND TAXATION</b>		779,924	243,798
Distribution:			
- Class A		-	928,657
- Class C		-	57,463
- Class X		-	371,569
	6	-	<u>1,357,689</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		779,924	(1,113,891)
Taxation	7	-	-
<b>PROFIT/(LOSS) AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>779,924</u>	<u>(1,113,891)</u>
Profit/(Loss) after taxation is made up as follows:			
Realised amount		685,709	(311,705)
Unrealised amount		94,215	(802,186)
		<u>779,924</u>	<u>(1,113,891)</u>

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

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

	Note	2024 RM	2023 RM
<b>ASSETS</b>			
Cash and cash equivalents	9	984,032	769,424
Financial assets at fair value through profit or loss	8	23,657,260	23,561,214
Amount due from the PRS Provider			
- creation of units		33,437	47,567
Tax recoverable		78	78
<b>TOTAL ASSETS</b>		<b>24,674,807</b>	<b>24,378,283</b>
<b>LIABILITIES</b>			
Amount due to the PRS Provider			
- management fee		29,431	29,097
- cancellation of units		95,158	30,844
Amount due to Private Pension Administrator		833	825
Amount due to Trustee		833	825
Other payables and accruals		17,500	17,497
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS)</b>		<b>143,755</b>	<b>79,088</b>
<b>NET ASSET VALUE OF THE FUND</b>		<b>24,531,052</b>	<b>24,299,195</b>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<b>24,531,052</b>	<b>24,299,195</b>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS</b>			
- Class A		18,255,606	18,597,730
- Class C		3,422,207	2,698,516
- Class X		2,853,239	3,002,949
		<b>24,531,052</b>	<b>24,299,195</b>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
- Class A		29,039,818	30,575,334
- Class C		5,465,989	4,450,784
- Class X		4,528,344	4,925,074
	<b>10</b>	<b>39,034,151</b>	<b>39,951,192</b>
<b>NET ASSET VALUE PER UNIT (RM)</b>			
- Class A		0.6286	0.6082
- Class C		0.6260	0.6063
- Class X		<b>0.6300</b>	<b>0.6097</b>

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS  
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<u>24,299,195</u>	<u>50,348,004</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class A	1,168,860	2,524,059
- Class C	1,021,673	964,303
- Class X	431,246	3,105,754
	<u>2,621,779</u>	<u>6,594,116</u>
Creation of units from distribution		
- Class A	-	928,657
- Class C	-	57,463
- Class X	-	371,569
	<u>-</u>	<u>1,357,689</u>
Cancellation of units		
- Class A	(2,100,547)	(18,760,616)
- Class C	(389,147)	(538,924)
- Class X	(680,152)	(13,587,183)
	<u>(3,169,846)</u>	<u>(32,886,723)</u>
Total comprehensive income/(loss) for the financial year	<u>779,924</u>	<u>(1,113,891)</u>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL YEAR</b>	<u>24,531,052</u>	<u>24,299,195</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 JANUARY 2024**

	Note	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from disposal of quoted securities		-	12,171,188
Purchase of quoted securities		-	(3,839,159)
Proceeds from disposal of unquoted fixed income securities		216,005	24,641,200
Proceeds from redemption of unquoted fixed income securities		11,000,000	16,650,000
Purchase of unquoted fixed income securities		(11,429,342)	(24,977,065)
Interest income received from deposits with licensed financial institutions		27,448	70,210
Interest income received from unquoted fixed income securities		1,242,454	1,535,087
Dividend income received		-	158,673
Management fee paid		(334,789)	(611,337)
Private Pension Administrator administration fee paid		(9,487)	(17,402)
Trustee fee paid		(9,487)	(17,402)
Payments for other fees and expenses		(18,571)	(24,134)
<b>Net cash generated from operating activities</b>		<u>684,231</u>	<u>25,739,859</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		2,635,909	6,689,232
Payments for cancellation of units		(3,105,532)	(32,938,272)
<b>Net cash used in financing activities</b>		<u>(469,623)</u>	<u>(26,249,040)</u>
Net increase/(decrease) in cash and cash equivalents		214,608	(509,181)
Cash and cash equivalents at the beginning of the financial year		<u>769,424</u>	<u>1,278,605</u>
Cash and cash equivalents at the end of the financial year	<b>9</b>	<u><u>984,032</u></u>	<u><u>769,424</u></u>
<u>Cash and cash equivalents comprised:</u>			
Deposit with licensed financial institution		963,084	749,057
Bank balance		<u>20,948</u>	<u>20,367</u>
Cash and cash equivalents at the end of financial year	<b>9</b>	<u><u>984,032</u></u>	<u><u>769,424</u></u>

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

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

**1. THE FUND, THE PRS PROVIDER AND ITS PRINCIPAL ACTIVITIES**

Principal PRS Plus Conservative (the "Fund") is governed by a Deed dated 8 November 2012, a First Supplemental Deed dated 2 January 2014, a Second Supplemental Deed dated 25 November 2014, a Third Supplemental Deed dated 3 February 2020, a Fourth Supplemental Deed dated 17 December 2021, a Fifth Supplemental Deed dated 12 July 2022 and a Sixth Supplemental Deed dated 14 June 2023 (collectively referred to as the "Deeds") made between Principal Asset Management Berhad (the "PRS Provider") and Deutsche Trustees Malaysia Berhad (the "Trustee").

The Fund offers three classes of units known respectively as Class A, Class C and Class X. In accordance with the Disclosure Document, subject to the PRS Provider's absolute discretion, Class A and Class C are for an individual who has attained the age 18 years as of the date of opening a private pension account while Class X is for Member who participates via his/her employer. Class A and Class C have different Sales Charge and Management Fee while Class X has no Sales Charge.

The Fund aims to invest in a diversified portfolio of primarily fixed income instruments with some exposure in equities. The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The Fund may opt to invest in fixed income instruments, money market instruments and equities either directly or via collective investment schemes.

At least 80% of the Fund's NAV will be invested in fixed income instruments and money market instruments, of which a minimum 20% of the Fund's NAV will be invested in money market instruments, all of which have a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC. The investments in equities shall not exceed 20% of the Fund's NAV.

The asset allocation strategy for this Fund is as follows:

- At least 80% of the Fund's NAV will be invested in fixed income instruments and money market instruments, of which a minimum 20% of the Fund's NAV will be invested in money market instruments;
- Up to 20% of the Fund's NAV may be invested in equities; and
- Up to 5% of the Fund's NAV may be invested in liquid assets for liquidity purpose.

With effect from 1 June 2020, Principal Asset Management (S) Pte Ltd ("Principal Singapore") has been appointed as the Sub-Adviser of the Fund. Principal Singapore will provide investment research and recommendation to us in accordance with the investment objective and within the investment restrictions of the Fund.

All investments will be subjected to the Securities Commission Malaysia ("SC") Guidelines on PRS, SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund's objective.

The Fund had issued the First Supplemental Disclosure Document dated 30 August 2023.

The PRS Provider, 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 PRS Provider are the establishment and management of unit trust funds and fund management activities.

## 2. MATERIAL ACCOUNTING POLICIES

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

### (a) Basis of preparation

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

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.

It also requires the PRS Provider to exercise their judgement in the process of applying the Fund’s accounting policies. Although these estimates and assumptions are based on the PRS Provider’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(k).

There are no other standards, amendments to standards or interpretations that are effective for financial year beginning on 1 February 2023 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 February 2024 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 contractual cash flows of the Fund’s debt securities are solely payment of principal and interest (“SPPI”). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The 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.

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

The Fund classifies cash and cash equivalents and amount due from the PRS Provider - creation of units as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

Recognition and measurement

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

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

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

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

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

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

Unquoted fixed income securities denominated in MYR/RM are revalued on a daily basis based on fair value prices quoted by a Bond Pricing Agency ("BPA") registered with the SC as per the SC Guidelines on PRS. Refer to Note 2(k) for further explanation.

Deposits with licensed financial institution 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 method.

Impairment for assets carried at amortised costs

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

**2. MATERIAL ACCOUNTING POLICIES (CONTINUED)****(b) Financial assets and financial liabilities (continued)**Impairment for assets carried at amortised costs (continued)

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 PRS Provider as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

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

Write-off

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

**(c) Income recognition**

Interest income from deposits with licensed financial institution and unquoted fixed income securities are 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 unquoted fixed income securities is accounted for as the difference between the net disposal proceeds and the carrying amount of unquoted fixed income securities, determined on cost adjusted for accretion of discount or amortisation of premium.

**(d) Functional and presentation currency**

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

**(e) Members' contributions**

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



**2. MATERIAL ACCOUNTING POLICIES (CONTINUED)****(e) Members' contributions (continued)**

The Fund issues cancellable units, in three classes of units, known respectively as the Class A, Class C and Class X, which are cancelled at the member's option and do not have identical features subject to restrictions as stipulated in the Disclosure Document and SC Guidelines on PRS. The units are classified as financial liabilities. Cancellable units can be reinvested 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 reinvest the unit to the Fund.

Units are created and cancelled at the member's 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.

**(f) 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.

**(g) Cash and cash equivalents**

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

**(h) Distribution**

Distributions to members are recognised in the statement of comprehensive income as the members' contribution are classified as financial liability. Distribution is reinvested into the PRS on the ex-date. Reinvestment of units is based on the NAV per unit on the ex-date, which is also the time of creation. Proposed distributions are recognised as a liability in the financial year in which it is approved by the Trustee.

**(i) 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.

**(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 SC Guidelines on PRS.

2. MATERIAL 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 judgements are continually evaluated by the PRS Provider and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimate of fair value of unquoted fixed income securities

In undertaking any of the Fund's investment, the PRS Provider 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 PRS.

MYR-denominated unquoted fixed income securities are valued using fair value prices quoted by a BPA. Where the PRS Provider is of the view that the price quoted by BPA for a specific unquoted fixed income securities differs from the market price by more than 20 bps, the PRS Provider may use market price, provided that the PRS Provider records its basis for using a non-BPA price, obtains necessary internal approvals to use the non-BPA price, and keeps an audit trail of all decisions and basis for adoption the use of non-BPA price.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	<b>Financial assets at fair value through profit or loss RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Total RM</b>
<b>2024</b>			
Cash and cash equivalents (Note 9)	-	984,032	984,032
Unquoted fixed income securities (Note 8)	23,657,260	-	23,657,260
Amount due from the PRS Provider - creation of units	-	33,437	33,437
	<u>23,657,260</u>	<u>1,017,469</u>	<u>24,674,729</u>
<b>2023</b>			
Cash and cash equivalents (Note 9)	-	769,424	769,424
Unquoted fixed income securities (Note 8)	23,561,214	-	23,561,214
Amount due from the PRS Provider - creation of units	-	47,567	47,567
	<u>23,561,214</u>	<u>816,991</u>	<u>24,378,205</u>

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

The investment objective of the Fund is to provide Members with capital preservation through investment primarily in fixed income instruments.

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

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

Financial risk management is carried out through internal control process adopted by the PRS Provider and adherence to the investment restrictions as stipulated in the Deeds and SC Guidelines on PRS.

**(a) Market risk**

**(i) Price risk**

This is the risk that the fair value of the Fund's investment in quoted securities and unquoted fixed income securities will fluctuate because of changes in market prices. The value of investments 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 investments and other financial instruments within specified limits according to the Deeds.

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

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Financial assets at fair value through profit or loss:		
- Unquoted fixed income securities*	23,657,260	23,561,214

\* Includes interest receivables of RM248,898 (2023: RM343,936).

The Fund is exposed to price risk arising from interest rate fluctuation in relation to its investments of RM23,657,260 (2023: RM23,561,214) in unquoted fixed income securities. The Fund's exposure to price risk arising from interest rate fluctuation and the related sensitivity analysis are disclosed in "interest rate risk" below.

**(ii) Interest rate risk**

In general, when interest rates rise, unquoted fixed income securities prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund holds an unquoted fixed income securities till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the PRS Provider will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the PRS Provider, which is based on its continuous fundamental research and analysis.

Investors should note that movement in prices of unquoted fixed income securities and money market instruments are benchmarked against interest rates. As such, the investments are exposed to the movement of the interest rates.

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

(a) Market risk (continued)

(ii) Interest rate risk (continued)

This risk is crucial since unquoted fixed income securities portfolio management depends on forecasting interest rate movements. Prices of unquoted fixed income securities move inversely to interest rate movements, therefore as interest rates rise, the prices of unquoted fixed income securities decrease and vice versa. Furthermore, unquoted fixed income securities with longer maturity and lower yield coupon rates are more susceptible to interest rate movements.

Such investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuers to meet the obligation under the instrument, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.

The table below summarises the sensitivity of the Fund's profit or loss and NAV to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changed by 1% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the interest rate, having regard to the historical volatility of the interest rate.

% Change in interest rate	Impact on profit or loss/NAV	
	2024 RM	2023 RM
+1%	(19,699)	(16,360)
-1%	19,727	16,406

The Fund's exposure to interest rate risk associated with deposits with licensed financial institution is not material as the deposits are held on short-term basis.

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

	2024 %	2023 %
Deposit with licensed financial institution	3.20	2.80

(b) Credit risk

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

Investment in unquoted fixed income securities may involve a certain degree of credit/default risk with regards to the issuers. Generally, credit risk or default risk is the risk of loss due to the issuer's non-payment or untimely payment of the investment amount as well as the returns on investment. This will cause a decline in value of the defaulted unquoted fixed income securities and subsequently depress the NAV of the Fund. Usually credit risk is more apparent for an investment with a longer tenure, i.e. the longer the duration, the higher the credit risk.

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

(b) Credit risk (continued)

Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer. In addition, the PRS Provider imposes a minimum rating requirement as rated by either local and/or foreign rating agencies and manages the duration of the investment in accordance with the objective of the Fund. For this Fund, the unquoted fixed income securities must satisfy a minimum rating requirement of at least “BBB3” or “P2” by RAM or equivalent rating by MARC.

The credit risk arising from bank balance and placements of deposits with licensed financial institution is managed by ensuring that the Fund will only place deposits in reputable licensed financial institution.

For amount due from the PRS Providers, the settlement terms of the proceeds from the creation of units receivable from the PRS Providers are governed by the SC Guidelines on PRS.

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

	Financial assets at fair value through profit or loss RM	Cash and cash equivalents RM	Amount due from the PRS Provider - creation of units RM	Total RM
<b>2024</b>				
- AAA	4,954,932	984,032	-	5,938,964
- AA1	1,583,463	-	-	1,583,463
- AA2	7,564,742	-	-	7,564,742
- AA3	8,659,864	-	-	8,659,864
- AA	793,445	-	-	793,445
- A2	100,814	-	-	100,814
- Not Rated	-	-	33,437	33,437
	<u>23,657,260</u>	<u>984,032</u>	<u>33,437</u>	<u>24,674,729</u>
<b>2023</b>				
- AAA	1,844,421	769,424	-	2,613,845
- AA1	2,558,670	-	-	2,558,670
- AA2	4,746,558	-	-	4,746,558
- AA3	398,335	-	-	398,335
- AA	3,416,477	-	-	3,416,477
- AA-	9,464,910	-	-	9,464,910
- AA+	1,032,673	-	-	1,032,673
- A2	99,170	-	-	99,170
- Not Rated	-	-	47,567	47,567
	<u>23,561,214</u>	<u>769,424</u>	<u>47,567</u>	<u>24,378,205</u>

All deposits with licensed financial institution of the Fund have an average remaining maturity of 1 day (2023: 1 day).

(c) Liquidity risk

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

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

(c) Liquidity risk (continued)

The PRS Provider manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by members. Liquid assets comprise bank balance and deposits with licensed financial institution, 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 PRS Provider will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

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

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
<b>2024</b>			
Amount due to the PRS Provider			
- management fee	29,431	-	29,431
- cancellation of units	95,158	-	95,158
Amount due to Private Pension Administrator	833	-	833
Amount due to Trustee	833	-	833
Other payables and accruals	-	17,500	17,500
Net assets attributable to members*	24,531,052	-	24,531,052
<b>Contractual undiscounted cash flows</b>	<b>24,657,307</b>	<b>17,500</b>	<b>24,674,807</b>
<b>2023</b>			
Amount due to the PRS Provider			
- management fee	29,097	-	29,097
- cancellation of units	30,844	-	30,844
Amount due to Private Pension Administrator	825	-	825
Amount due to Trustee	825	-	825
Other payables and accruals	-	17,497	17,497
Net assets attributable to members*	24,299,195	-	24,299,195
<b>Contractual undiscounted cash flows</b>	<b>24,360,786</b>	<b>17,497</b>	<b>24,378,283</b>

\* Outstanding units are redeemed on demand at the member's option. However, the PRS Provider 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 for 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 assets attributable to members of RM24,531,052 (2023: RM24,299,195). The amount of net assets attributable to member can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of members. 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 members and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

#### (e) Fair value estimation

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

The fair values of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial year-end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the PRS Provider 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)

(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
<b>2024</b>				
Financial assets at fair value through profit or loss:				
- Unquoted fixed income securities	-	23,657,260	-	23,657,260
<b>2023</b>				
Financial assets at fair value through profit or loss:				
- Unquoted fixed income securities	-	23,561,214	-	23,561,214

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted fixed income securities.

As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. 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 the PRS Provider - creation of units and all current liabilities are a reasonable approximation of their fair values due to their short term nature.

4. MANAGEMENT FEE AND PRIVATE PENSION ADMINISTRATOR ADMINISTRATION FEE

In accordance with the Deeds, the PRS Provider is entitled to a maximum management fee of 3.00% per annum for each unit class, calculated daily based on the NAV of the Fund.

For the financial year ended 31 January 2024 and 31 January 2023, the management fee for the respective classes is recognised at the following rates:

Class A	Class C	Class X
1.40%	1.50%	1.40%

The Private Pension Administrator administration fee is recognised at a rate of 0.04% per annum (2023: 0.04% per annum) for each unit class, calculated daily based on the NAV of the Fund.



**4. MANAGEMENT FEE AND PRIVATE PENSION ADMINISTRATOR ADMINISTRATION FEE (CONTINUED)**

There was no further liability in respect of management fee and Private Pension Administrator administration fee other than the amount recognised above.

**5. TRUSTEE FEE**

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.04% per annum for each unit class, calculated daily based on the NAV of the Fund. The Trustee fee includes local custodian fees and charges but excluding foreign sub-custodian fees and charges (if any).

For the financial year ended 31 January 2024, the Trustee fee is recognised at a rate of 0.04% per annum (2023: 0.04% per annum) for each unit class.

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

**6. DISTRIBUTION**

Breakdown of distribution were as follows:

	<b>2024</b>		<b>2023</b>	
<b>Source of distribution</b>	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>%</b>
Distribution out of current year's income	-	-	165,189	12.17
Distribution out of prior year's income/capital*	-	-	1,192,500	87.83
<b>Total</b>	-	-	1,357,689	100.00

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Gross/Net distribution per unit (sen)		
Distribution on 12 August 2022		
- Class A	-	1.65
- Class C	-	1.61
- Class X	-	1.52

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

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

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

There were no unrealised losses during the financial year ended 31 January 2024 (2023: RM802,186).

7. TAXATION

	2024 RM	2023 RM
Tax charged for the financial year:		
- Current taxation	-	-

Income from PRS approved by the SC in accordance with the Capital Markets and Services Act 2007 is exempted from tax in accordance with Schedule 6, Paragraph 20 of the Income Tax Act, 1967 ("ITA").

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:

	2024 RM	2023 RM
Profit/(Loss) before taxation	779,924	(1,113,891)
Taxation at Malaysian statutory rate of 24% (2023: 24%)	187,182	(267,334)
Tax effects of:		
- Income not subject to tax	(276,626)	(223,947)
- Expenses not deductible for tax purposes	6,396	348,118
- Restriction on tax deductible expenses for PRS Funds	83,048	143,163
Taxation	-	-

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 RM	2023 RM
At fair value through profit or loss:		
- Unquoted fixed income securities	23,657,260	23,561,214
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised gain on disposals	-	289,449
- Unrealised fair value gain/(loss)	201,435	(787,155)
	201,435	(497,706)

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2024</b>				
<b>UNQUOTED FIXED INCOME SECURITIES</b>				
Aeon Credit Service (M) Bhd 3.80% 10/02/2027 (AA3)	1,050,000	1,052,675	1,061,792	4.33
AZRB Capital Sdn Bhd 4.85% 26/12/2024 (AA3)	900,000	905,382	905,613	3.69
Bumitama Agri Ltd 4.20% 22/07/2026 (AA2)	1,350,000	1,355,309	1,361,273	5.55
DIGI Telecommunication Sdn Bhd 4.99% 02/12/2027 (AAA)	400,000	419,043	419,966	1.71

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2024 (CONTINUED)</b>				
<b>UNQUOTED FIXED INCOME SECURITIES (CONTINUED)</b>				
IJM Corporation Bhd 4.76% 10/04/2029 (AA3)	1,000,000	1,026,232	1,049,657	4.28
IJM Land Bhd 4.73% 17/03/2119 (A2)	100,000	101,767	100,814	0.41
Imtiaz Sukuk II Bhd 3.54% 17/04/2026 (AA2)	1,200,000	1,199,754	1,203,580	4.91
Imtiaz Sukuk II Bhd 4.38% 12/05/2027 (AA2)	1,620,000	1,646,928	1,656,725	6.75
Malayan Banking Bhd 3.10% 08/10/2032 (AA1)	550,000	553,283	539,268	2.20
MMC Corporation Bhd 5.64% 27/4/2027 (AA3)	1,450,000	1,521,786	1,538,129	6.27
MMC Corporation Bhd 5.80% 12/11/2025 (AA3)	150,000	155,000	156,395	0.64
Penang Port Sdn Bhd 4.48% 27/12/2029 (AA3)	150,000	146,198	154,186	0.63
Pengerang LNG (Two) Sdn Bhd 2.67% 21/10/2026 (AAA)	300,000	288,327	293,321	1.20
Pengurusan Air SPV Bhd 4.30% 03/06/2026 (AAA)	2,250,000	2,285,603	2,293,292	9.35
Press Metal Aluminium Holding Bhd 4.10% 17/10/2024 (AA2)	2,600,000	2,635,147	2,636,086	10.75
RHB Islamic Bank Bhd 4.32% 21/05/2029 (AA2)	700,000	707,135	707,078	2.88
Sarawak Energy Bhd 4.70% 24/11/2028 (AAA)	1,500,000	1,532,051	1,568,818	6.40
Sarawak Petchem Sdn Bhd 5.05% 27/07/2029 (AAA)	360,000	372,700	379,535	1.55
SP Setia Bhd 4.22% 21/04/2027 (AA)	780,000	788,002	793,445	3.22
UEM Sunrise Bhd 4.75% 22/03/2024 (AA3)	3,220,000	3,278,503	3,279,016	13.36
UEM Sunrise Bhd 5.15% 31/10/2025 (AA3)	500,000	512,123	515,076	2.10
UMW Holding Bhd 3.03% 05/11/2025 (AA1)	1,050,000	1,051,343	1,044,195	4.26
<b>TOTAL UNQUOTED FIXED INCOME SECURITIES</b>	<b>23,180,000</b>	<b>23,534,291</b>	<b>23,657,260</b>	<b>96.44</b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>122,969</b>		

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2024 (CONTINUED)</b>				
<b>UNQUOTED FIXED INCOME SECURITIES (CONTINUED)</b>				
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>23,657,260</u></b>		
<b>2023</b>				
<b>UNQUOTED FIXED INCOME SECURITIES</b>				
AZRB Capital Sdn Bhd 4.85% 26/12/2024 (AA-)	900,000	906,350	901,767	3.71
Bermaz Auto Bhd 3.26% 18/12/2023 (AA3)	400,000	401,164	398,335	1.64
Fortune Premiere Sdn Bhd 4.80% 13/3/2023 (AA)	3,350,000	3,416,520	3,416,477	14.06
IJM Land Bhd 4.73% 17/03/2119 (A2)	100,000	101,791	99,170	0.41
Konsortium KAJV Sdn Bhd 5.05% 12/05/2023 (AA-)	100,000	101,235	101,196	0.42
Malayan Banking Bhd 3.10% 08/10/2032 (AA1)	550,000	552,669	525,738	2.16
MMC Corporation Bhd 5.290% 26/04/2023 (AA-)	800,000	815,193	814,106	3.35
MMC Corporation Bhd 5.64% 27/04/2027 (AA-)	1,150,000	1,217,196	1,208,683	4.97
MMC Corporation Bhd 5.80% 12/11/2025 (AA-)	150,000	156,649	157,143	0.65
Penang Port Sdn Bhd 4.48% 27/12/2029 (AA-)	150,000	145,565	148,992	0.61
Pengerang LNG (Two) Sdn Bhd 2.67% 21/10/2026 (AAA)	300,000	283,676	287,764	1.18
Perbadanan Kemajuan Negeri Selangor 5.15% 10/08/2023 (AA2)	2,050,000	2,103,929	2,110,394	8.69
Press Metal Aluminium Holding Bhd 4.10% 17/10/2024 (AA2)	2,600,000	2,640,637	2,636,164	10.85
Quantum Solar Park Green 5.24% 06/10/2023 (AA-)	2,300,000	2,363,960	2,357,294	9.70
Sarawak Energy Bhd 4.70% 24/11/2028 (AAA)	1,500,000	1,535,211	1,556,657	6.41
UEM Sunrise Bhd 4.75% 22/03/2024 (AA-)	3,220,000	3,302,353	3,271,643	13.46
UEM Sunrise Bhd 5.15% 31/10/2025 (AA-)	500,000	515,137	504,086	2.07
UMW Holding Bhd 3.03% 05/11/2025 (AA+)	1,050,000	1,047,758	1,032,673	4.25

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2023 (CONTINUED)</b>				
<b>UNQUOTED FIXED INCOME SECURITIES (CONTINUED)</b>				
YTL Power International Bhd 4.49% 24/03/2023 (AA1)	2,000,000	2,032,687	2,032,932	8.37
<b>TOTAL UNQUOTED FIXED INCOME SECURITIES</b>	<b>23,170,000</b>	<b>23,639,680</b>	<b>23,561,214</b>	<b>96.96</b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>(78,466)</b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>23,561,214</b>		

9. CASH AND CASH EQUIVALENTS

	2024 RM	2023 RM
Deposit with licensed financial institution	963,084	749,057
Bank balance	20,948	20,367
	<u>984,032</u>	<u>769,424</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2024 No of units	2023 No of units
Class A (i)	29,039,818	30,575,334
Class C (ii)	5,465,989	4,450,784
Class X (iii)	4,528,344	4,925,074
	<u>39,034,151</u>	<u>39,951,192</u>
(i) Class A		
At the beginning of the financial year	30,575,334	55,995,630
Add : Creation of units from applications	1,882,060	4,147,102
Add : Creation of units from distribution	-	1,548,020
Less : Cancellation of units	(3,417,576)	(31,115,418)
At the end of the financial year	<u>29,039,818</u>	<u>30,575,334</u>

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

	<u>2024</u>	<u>2023</u>
	No of units	No of units
(ii) Class C		
At the beginning of the financial year	4,450,784	3,649,627
Add : Creation of units from applications	1,646,317	1,594,943
Add : Creation of units from distribution	-	96,044
Less : Cancellation of units	<u>(631,112)</u>	<u>(889,830)</u>
At the end of the financial year	<u>5,465,989</u>	<u>4,450,784</u>
(iii) Class X		
At the beginning of the financial year	4,925,074	21,720,524
Add : Creation of units from applications	696,537	5,084,508
Add : Creation of units from distribution	-	618,046
Less : Cancellation of units	<u>(1,093,267)</u>	<u>(22,498,004)</u>
At the end of the financial year	<u>4,528,344</u>	<u>4,925,074</u>

11. TOTAL EXPENSE RATIO (“TER”)

	<u>2024</u>	<u>2023</u>
	%	%
TER	<u>1.57</u>	<u>1.55</u>

TER is derived from the following calculation:

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

A	=	Management fee
B	=	Private Pension Administrator administration fee
C	=	Trustee fee
D	=	Audit fee
E	=	Tax agent’s fee
F	=	Other expenses excluding withholding tax
G	=	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 RM23,737,902 (2023: RM41,215,612).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2024</u>	<u>2023</u>
PTR (times)	<u>0.24</u>	<u>0.79</u>

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial year	=	RM11,289,163 (2023: RM28,602,715)
total disposal for the financial year	=	RM214,100 (2023: RM36,588,888)

**13. UNITS HELD BY THE PRS PROVIDER AND PARTIES RELATED TO THE PRS PROVIDER, AND SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES**

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

<u>Related parties</u>	<u>Relationship</u>
Principal Asset Management Berhad	The PRS Provider
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the PRS Provider
Principal International (Asia) Ltd	Shareholder of the PRS Provider
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 PRS Provider
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the PRS Provider
CIMB Group Sdn Bhd	Shareholder of the PRS Provider
CGS-CIMB Securities Sdn Bhd	Fellow related party to the PRS Provider
CIMB Bank Bhd	Fellow related party to the PRS Provider
CIMB Investment Bank Bhd	Fellow related party to the PRS Provider
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 PRS Provider

Units held by the PRS Provider and parties related to the PRS Provider

There were no units held by the PRS Provider, the Directors or parties related to the PRS Provider as at the end of the financial year.

In addition to the related party disclosure mentioned elsewhere in the financial statements, set out below are other significant related party transactions. The PRS Provider 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.

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<u>Significant related party transactions:</u>		
Dividend income:		
- CIMB Group Holdings Bhd	-	14,793
Interest income from deposits with licensed financial institution:		
- CIMB Bank Bhd	87	2,155

14. TRANSACTIONS WITH BROKERS/DEALERS

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

Brokers/Dealers	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
RHB Investment Bank Bhd	5,226,325	45.44	-	-
RHB Bank Bhd	4,950,125	43.03	-	-
Hong Leong Investment Bank Bhd	653,850	5.68	-	-
Affin Hwang Investment Bank Bhd	459,163	3.99	-	-
Hong Leong Islamic Bank Bhd	213,800	1.86	-	-
	<u>11,503,263</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

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

Brokers/Dealers	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
RHB Investment Bank Bhd	15,213,648	23.34	1,414	5.52
RHB Bank Bhd	14,699,924	22.56	-	-
J.P. Morgan Securities (M) Sdn Bhd	8,739,970	13.41	5,684	22.20
Hong Leong Investment Bank Bhd	6,776,187	10.40	1,149	4.49
AmBank (M) Bhd	5,067,500	7.78	-	-
Affin Hwang Investment Bank Bhd	4,116,382	6.32	1,523	5.95
Standard Chartered Bank Bhd	1,913,300	2.94	-	-
CIMB Bank Bhd #	1,003,760	1.54	-	-
CGS-CIMB Securities Sdn Bhd #	923,956	1.42	-	-
Hong Leong Bank Bhd	922,680	1.41	-	-
Others #	5,789,785	8.88	15,831	61.84
	<u>65,167,092</u>	<u>100.00</u>	<u>25,601</u>	<u>100.00</u>

# Included in the transactions are trades conducted with CGS-CIMB Securities Sdn Bhd, CIMB Bank Bhd and CIMB Islamic Bank Bhd, fellow related parties to the PRS Provider amounting to nil (2023: RM923,056), nil (2023: RM2,120,433) and nil (2023: RM1,003,760). The PRS Provider is of the opinion that all transactions have been entered into in the normal course of business at agreed terms between the related parties.

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the PRS Provider on 27 March 2024.



## DIRECTORY

### Head Office of the PRS Provider

Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))  
Level 32, Exchange 106,  
Lingkaran TRX,  
55188 Tun Razak Exchange,  
Kuala Lumpur, Malaysia  
Tel: (03) 8680 8888

### Website

[www.principal.com.my](http://www.principal.com.my)

### E-mail address

[myservice@principal.com](mailto:myservice@principal.com)

### Customer Care Centre

(03) 7723 7260

### Chat with us via WhatsApp:

(6016) 299 9792

### Trustee for the Principal PRS Plus Conservative

Deutsche Trustees Malaysia Berhad (Co. No.: 200701005591 (763590-H))  
Level 20 Menara IMC,  
8 Jalan Sultan Ismail,  
50250 Kuala Lumpur, MALAYSIA.  
Tel: (03) 2053 7522  
Fax: (03) 2053 7526

### Auditors of the Fund and of the PRS Provider

Ernst & Young PLT 202006000003 (LLP0022760-LCA) & AF 0039  
Level 23A, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
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Tel: +603 7495 8000  
Fax: +603 2095 5332

**List of Amendment  
First Supplemental Disclosure Document for Principal PRS Plus**

**Appendix 1**

Fourth Replacement Disclosure Document dated 23 September 2022 ("Prospectus 1")					First Supplemental Disclosure Document dated 30 August 2023 ("Prospectus 2")													
Section / Page	Description				Description													
Corporate Directory/ 7	Investment Committee Yoon Mun Thim* Alejandro Elias Echegorri Rodriguez May Tong Mohamad Safri Shahul Hamid Nor Azamin Salleh* Uday Jayaram  <i>*Independent member</i>				Removed.													
1.4.1/ 24	Minimum Contribution				Minimum Contribution													
	Funds	Min initial Contribution (RM)	Min subsequent contribution (RM)	Regular Savings Plan (RSP)		Funds	Min initial contribution (RM)	Min subsequent contribution (RM)	Regular Savings Plan (RSP)									
				Min initial contribution (RM)	Min subsequent contribution (RM)				Min initial contribution (RM)	Min subsequent contribution (RM)								
	RE60	Class A : 100	Class A : 50	Class A : 100	Class A : 50	RE60	Class A : 100	Class A : 50	Class A : 100	Class A : 50								
	RE50																	
	RE40																	
	RE30																	
	REI																	
	PRS-C																	
	PRS-M																	
	PRS-G																	
	PRS-E																	
	PRS-AP																	
						Class C : 100					Class C : 50	Class C : 100	Class C : 50	REI	Class C : 100	Class C : 50	Class C : 100	Class C : 50
						Class X : N/A					Class X : N/A	Class X : N/A	Class X : N/A	PRS-C	Class X : 100	Class X : 50	Class X : 100	Class X : 50
						PRS-M												
						PRS-G												
						PRS-E												
						PRS-AP												

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	<i>Note: The amount stipulated in the minimum initial contribution and minimum subsequent contribution includes any applicable fees and charges, such as Sales Charge and PPA account opening fee, as the case may be. In other words, the amount is gross of fees and charges.</i>	<p><i>Note:</i></p> <ul style="list-style-type: none"> <li>▪ <i>The amount stipulated in the minimum initial contribution and minimum subsequent contribution includes any applicable fees and charges, such as Sales Charge and PPA account opening fee, as the case may be. In other words, the amount is gross of fees and charges.</i></li> <li>▪ <i>We reserve the right to change the above-stipulated amounts from time to time.</i></li> <li>▪ <i>All transfer from other PRS provider into Principal PRS Plus or Principal Islamic PRS Plus will be subject to the minimum initial contribution amount of the Funds' respective Classes or any amount as may be determined by us from time to time.</i></li> </ul>
1.5.1/ 25	<p>Deed</p> <p>The Scheme is governed by a Deed dated 8 November 2012, First Supplemental Deed dated 2 January 2014, Second Supplemental Deed dated 25 November 2014, Third Supplemental Deed dated 3 February 2020, Fourth Supplemental Deed dated 17 December 2021 and Fifth Supplemental Deed dated 12 July 2022.</p>	<p>Deed</p> <p>The Scheme is governed by a Deed dated 8 November 2012, First Supplemental Deed dated 2 January 2014, Second Supplemental Deed dated 25 November 2014, Third Supplemental Deed dated 3 February 2020, Fourth Supplemental Deed dated 17 December 2021, Fifth Supplemental Deed dated 12 July 2022 and Sixth Supplemental Deed dated 14 June 2023.</p>
1.5.2/ 26	<p>Avenues for advice available to prospective Members or lodge a complaint</p> <p>Federation of Investment Managers Malaysia's Complaints Bureau:</p> <ul style="list-style-type: none"> <li>▪ via phone to : 03-2092 3800</li> <li>▪ Via fax to : 03-2093 2700</li> <li>▪ via e-mail to : <a href="mailto:complaints@fimm.com.my">complaints@fimm.com.my</a></li> <li>▪ via online complaint form available at <a href="http://www.fimm.com.my">www.fimm.com.my</a></li> <li>▪ via letter to : Legal, Secretarial &amp; Regulatory Affairs Federation of Investment Managers Malaysia 9-06-1, 6<sup>th</sup> Floor, Wisma Tune No. 19, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur</li> </ul>	<p>Avenues for advice available to prospective Members or lodge a complaint</p> <p>Federation of Investment Managers Malaysia's Complaints Bureau:</p> <ul style="list-style-type: none"> <li>▪ via phone to : 03-7890 4242</li> <li>▪ via e-mail to : <a href="mailto:complaints@fimm.com.my">complaints@fimm.com.my</a></li> <li>▪ via online complaint form available at <a href="http://www.fimm.com.my">www.fimm.com.my</a></li> <li>▪ via letter to : Legal, Secretarial &amp; Regulatory Affairs Federation of Investment Managers Malaysia 9-06-1, 6<sup>th</sup> Floor, Wisma Tune No. 19, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur</li> </ul>

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4.1.1/ 37	Principal RetireEasy 2060  <u>Investment policy and strategy - 6<sup>th</sup> paragraph</u> Nil	Principal RetireEasy 2060  <u>Investment policy and strategy - 6<sup>th</sup> paragraph</u> The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows: <ul style="list-style-type: none"> <li>▪ Regular review by the designated fund manager on the Fund's investment portfolio to maintain healthy liquidity level.</li> <li>▪ Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of Members. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet Members withdrawal requests.</li> <li>▪ The PRS Provider may request the Trustee to suspend withdrawal requests due to exceptional circumstances where the market value or fair value of a material portion of the Funds' assets cannot be determined (i.e. due to the closure of a securities exchange or trading restrictions on a securities exchange; an emergency or other state of affairs; the declaration of a moratorium in a country where that Fund has assets; for the purpose of conversion of any currency, a closure or restrictions on trading in the relevant foreign exchange market; or the realisation of the assets not being able to be effected at prices which would be realised if assets were realised in an orderly fashion over a reasonable period in a stable market). During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. In such case, a Member will not be able to redeem the units and will be compelled to remain invested in the Fund for a longer period of time than original timeline. Members' investments will continue to be subjected to the risks inherent to the Fund (Please refer to the "Risk Factors" section in the Disclosure Document).</li> </ul>

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		<ul style="list-style-type: none"> <li>▪ The action to suspend withdrawal requests from Members may be exercised by the Trustee on its own accord in accordance with the GPRS where there are good and sufficient reason to do so, after having considered the interest of Members .</li> </ul>
4.1.2./ 39	Principal RetireEasy 2050  <u>Investment policy and strategy - 6<sup>th</sup> paragraph</u> Nil	Principal RetireEasy 2050  <u>Investment policy and strategy - 6<sup>th</sup> paragraph</u> The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows: <ul style="list-style-type: none"> <li>▪ Regular review by the designated fund manager on the Fund's investment portfolio to maintain healthy liquidity level.</li> <li>▪ Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of Members. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet Members' withdrawal requests.</li> <li>▪ The PRS Provider may request the Trustee to suspend withdrawal requests due to exceptional circumstances where the market value or fair value of a material portion of the Funds' assets cannot be determined (i.e. due to the closure of a securities exchange or trading restrictions on a securities exchange; an emergency or other state of affairs; the declaration of a moratorium in a country where that Fund has assets; for the purpose of conversion of any currency, a closure or restrictions on trading in the relevant foreign exchange market; or the realisation of the assets not being able to be effected at prices which would be realised if assets were realised in an orderly fashion over a reasonable period in a stable market). During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. In such case, a Member will not be able to redeem the units and will be compelled to remain invested in the Fund for a longer period of time than original timeline.</li> </ul>

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		Members' investments will continue to be subjected to the risks inherent to the Fund (Please refer to the "Risk Factors" section in the Disclosure Document). The action to suspend withdrawal requests from Members may be exercised by the Trustee on its own accord in accordance with the GPRS where there are good and sufficient reason to do so, after having considered the interest of Members.
4.1.3./ 41	Principal RetireEasy 2040  <u>Investment policy and strategy - 6<sup>th</sup> paragraph</u> Nil	Principal RetireEasy 2040  <u>Investment policy and strategy - 6<sup>th</sup> paragraph</u> The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows: <ul style="list-style-type: none"> <li>▪ Regular review by the designated fund manager on the Fund's investment portfolio to maintain healthy liquidity level.</li> <li>▪ Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of Members. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet Members' withdrawal requests.</li> <li>▪ The PRS Provider may request the Trustee to suspend withdrawal requests due to exceptional circumstances where the market value or fair value of a material portion of the Funds' assets cannot be determined (i.e. due to the closure of a securities exchange or trading restrictions on a securities exchange; an emergency or other state of affairs; the declaration of a moratorium in a country where that Fund has assets; for the purpose of conversion of any currency, a closure or restrictions on trading in the relevant foreign exchange market; or the realisation of the assets not being able to be effected at prices which would be realised if assets were realised in an orderly fashion over a reasonable period in a stable market). During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted.</li> </ul>

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		In such case, a Member will not be able to redeem the units and will be compelled to remain invested in the Fund for a longer period of time than original timeline. Members' investments will continue to be subjected to the risks inherent to the Fund (Please refer to the "Risk Factors" section in the Disclosure Document). The action to suspend withdrawal requests from Members may be exercised by the Trustee on its own accord in accordance with the GPRS where there are good and sufficient reason to do so, after having considered the interest of Members.
4.1.4/ 43	Principal RetireEasy 2030  <u>Investment policy and strategy - 6<sup>th</sup> paragraph</u> Nil.	Principal RetireEasy 2030  <u>Investment policy and strategy - 6<sup>th</sup> paragraph</u>  The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:  <ul style="list-style-type: none"> <li>▪ Regular review by the designated fund manager on the Fund's investment portfolio to maintain healthy liquidity level.</li> <li>▪ Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of Members. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet Members' withdrawal requests.</li> <li>▪ The PRS Provider may request the Trustee to suspend withdrawal requests due to exceptional circumstances where the market value or fair value of a material portion of the Funds' assets cannot be determined (i.e. due to the closure of a securities exchange or trading restrictions on a securities exchange; an emergency or other state of affairs; the declaration of a moratorium in a country where that Fund has assets; for the purpose of conversion of any currency, a closure or restrictions on trading in the relevant foreign exchange market; or the realisation of the assets not being able to be effected at prices which would be realised if assets were realised in an orderly fashion over a</li> </ul>

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		<p>reasonable period in a stable market). During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. In such case, a Member will not be able to redeem the units and will be compelled to remain invested in <b>the Fund for a longer period of time than original timeline. Members' investments will continue to be subjected to the risks inherent to the Fund (Please refer to the "Risk Factors" section in the Disclosure Document).</b></p> <ul style="list-style-type: none"> <li>▪</li> <li>▪ The action to suspend withdrawal requests from Members may be exercised by the Trustee on its own accord in accordance with the GPRS where there are good and sufficient reason to do so, after having considered the interest of Members.</li> </ul>
4.1.5./ 44	<p>Principal RetireEasy Income</p> <p><u>Investment policy and strategy - 5<sup>th</sup> paragraph</u></p> <p>Nil</p>	<p>Principal RetireEasy Income</p> <p><u>Investment policy and strategy - 5<sup>th</sup> paragraph</u></p> <p>The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk.</p> <p>The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:</p> <ul style="list-style-type: none"> <li>▪ Regular review by the designated fund manager on the Fund's investment portfolio to maintain healthy liquidity level.</li> <li>▪ Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of Members. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to <b>the Fund's ability to meet Members' withdrawal requests.</b></li> <li>▪ The PRS Provider may request the Trustee to suspend withdrawal requests due to exceptional circumstances where the market value or fair value of a material portion of the Funds' assets cannot be determined (i.e. due to the closure of a securities exchange or trading</li> </ul>



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		<p>restrictions on a securities exchange; an emergency or other state of affairs; the declaration of a moratorium in a country where that Fund has assets; for the purpose of conversion of any currency, a closure or restrictions on trading in the relevant foreign exchange market; or the realisation of the assets not being able to be effected at prices which would be realised if assets were realised in an orderly fashion over a reasonable period in a stable market). During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted.</p> <p>In such case, a Member will not be able to redeem the units and will be compelled to remain invested in the Fund for a longer period of time than original timeline. Members' investments will continue to be subjected to the risks inherent to the Fund (Please refer to the "Risk Factors" section in the Disclosure Document). The action to suspend withdrawal requests from Members may be exercised by the Trustee on its own accord in accordance with the GPRS where there are good and sufficient reason to do so, after having considered the interest of Members.</p>
4.1.6./ 45	<p>Principal PRS Plus Conservative</p> <p><u>Investment policy and strategy - 7<sup>th</sup> paragraph</u> Nil</p>	<p>Principal PRS Plus Conservative</p> <p><u>Investment policy and strategy - 7<sup>th</sup> paragraph</u></p> <p>The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:</p> <ul style="list-style-type: none"> <li>▪ Regular review by the designated fund manager on the Fund's investment portfolio to maintain healthy liquidity level.</li> <li>▪ Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of Members.</li> </ul>

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		<p>These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet Members' withdrawal requests.</p> <ul style="list-style-type: none"> <li>▪ The PRS Provider may request the Trustee to suspend withdrawal requests due to exceptional circumstances where the market value or fair value of a material portion of the Funds' assets cannot be determined (i.e. due to the closure of a securities exchange or trading restrictions on a securities exchange; an emergency or other state of affairs; the declaration of a moratorium in a country where that Fund has assets; for the purpose of conversion of any currency, a closure or restrictions on trading in the relevant foreign exchange market; or the realisation of the assets not being able to be effected at prices which would be realised if assets were realised in an orderly fashion over a reasonable period in a stable market).</li> </ul> <p>During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. In such case, a Member will not be able to redeem the units and will be compelled to remain invested in the Fund for a longer period of time than original timeline. Members' investments will continue to be subjected to the risks inherent to the Fund (Please refer to the "Risk Factors" section in the Disclosure Document).</p> <p>The action to suspend withdrawal requests from Members may be exercised by the Trustee on its own accord in accordance with the GPRS where there are good and sufficient reason to do so, after having considered the interest of Members</p>
4.1.7./ 46	<p>Principal PRS Plus Moderate</p> <p><u>Investment policy and strategy - 7<sup>th</sup> paragraph</u></p> <p>Nil.</p>	<p>Principal PRS Plus Moderate</p> <p><u>Investment policy and strategy - 7<sup>th</sup> paragraph</u></p> <p>The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk.</p>

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		<p>The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:</p> <ul style="list-style-type: none"> <li>▪ Regular review by the designated fund manager on the Fund's investment portfolio to maintain healthy liquidity level.</li> <li>▪ Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of Members. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet Members' withdrawal requests.</li> <li>▪ The PRS Provider may request the Trustee to suspend withdrawal requests due to exceptional circumstances where the market value or fair value of a material portion of the Funds' assets cannot be determined (i.e. due to the closure of a securities exchange or trading restrictions on a securities exchange; an emergency or other state of affairs; the declaration of a moratorium in a country where that Fund has assets; for the purpose of conversion of any currency, a closure or restrictions on trading in the relevant foreign exchange market; or the realisation of the assets not being able to be effected at prices which would be realised if assets were realised in an orderly fashion over a reasonable period in a stable market). During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. In such case, a Member will not be able to redeem the units and will be compelled to remain invested in the Fund for a longer period of time than original timeline.</li> <li>▪ Members' investments will continue to be subjected to the risks inherent to the Fund (Please refer to the "Risk Factors" section in the Disclosure Document). The action to suspend withdrawal requests from Members may be exercised by the Trustee on its own accord in accordance with the GPRS where there are good and sufficient reason to do so, after having considered the interest of Members.</li> </ul>

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4.1.8./ 47	Principal PRS Plus Growth  <u>Investment policy and strategy - 7<sup>th</sup> paragraph</u> Nil	Principal PRS Plus Growth  <u>Investment policy and strategy - 7<sup>th</sup> paragraph</u>  The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:  <ul style="list-style-type: none"> <li>▪ Regular review by the designated fund manager on the Fund's investment portfolio to maintain healthy liquidity level.</li> <li>▪ Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of Members. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet Members' withdrawal requests.</li> <li>▪ The PRS Provider may request the Trustee to suspend withdrawal requests due to exceptional circumstances where the market value or fair value of a material portion of the Funds' assets cannot be determined (i.e. due to the closure of a securities exchange or trading restrictions on a securities exchange; an emergency or other state of affairs; the declaration of a moratorium in a country where that Fund has assets; for the purpose of conversion of any currency, a closure or restrictions on trading in the relevant foreign exchange market; or the realisation of the assets not being able to be effected at prices which would be realised if assets were realised in an orderly fashion over a reasonable period in a stable market). During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted.</li> <li>▪ In such case, a Member will not be able to redeem the units and will be compelled to remain invested in the Fund for a longer period of time than original timeline. Members' investments will continue to be subjected to the risks inherent to the Fund (Please refer to the "Risk Factors" section in the Disclosure Document).</li> </ul>

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		The action to suspend withdrawal requests from Members may be exercised by the Trustee on its own accord in accordance with the GPRS where there are good and sufficient reason to do so, after having considered the interest of Members.
4.1.9./ 48	Principal PRS Plus Equity  <u>Investment policy and strategy - 7<sup>th</sup> paragraph</u> Nil.	Principal PRS Plus Equity  <u>Investment policy and strategy - 7<sup>th</sup> paragraph</u>  The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:  <ul style="list-style-type: none"> <li>▪ Regular review by the designated fund manager on the Fund's investment portfolio to maintain healthy liquidity level.</li> <li>▪ Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of Members. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet Members' withdrawal requests.</li> <li>▪ The PRS Provider may request the Trustee to suspend withdrawal requests due to exceptional circumstances where the market value or fair value of a material portion of the Funds' assets cannot be determined (i.e. due to the closure of a securities exchange or trading restrictions on a securities exchange; an emergency or other state of affairs; the declaration of a moratorium in a country where that Fund has assets; for the purpose of conversion of any currency, a closure or restrictions on trading in the relevant foreign exchange market; or the realisation of the assets not being able to be effected at prices which would be realised if assets were realised in an orderly fashion over a reasonable period in a stable market).</li> </ul>

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		<ul style="list-style-type: none"> <li>▪ During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. In such case, a Member will not be able to redeem the units and will be compelled to remain invested in the Fund for a longer period of time <b>than original timeline. Members' investments will continue to be</b> subjected to the risks inherent to the Fund (Please refer to the "Risk Factors" section in the Disclosure Document). The action to suspend withdrawal requests from Members may be exercised by the Trustee on its own accord in accordance with the GPRS where there are good and sufficient reason to do so, after having considered the interest of Members.</li> </ul>
4.1.10./ 49	Principal PRS Plus Asia Pacific Ex Japan Equity  <u>Investment policy and strategy - 7<sup>th</sup> paragraph</u>  Nil.	Principal PRS Plus Asia Pacific Ex Japan Equity  <u>Investment policy and strategy - 7<sup>th</sup> paragraph</u>  The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows: <ul style="list-style-type: none"> <li>▪ Regular review by the designated fund manager on the Fund's investment portfolio to maintain healthy liquidity level.</li> <li>▪ Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of Members. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to <b>the Fund's ability to meet Members' withdrawal requests.</b></li> <li>▪ The PRS Provider may request the Trustee to suspend withdrawal requests due to exceptional circumstances (for example the suspension of redemption request by the Target Fund) where the <b>market value or fair value of a material portion of the Target Funds' assets cannot be determined (i.e. due to the closure of a securities exchange or trading restrictions on a securities exchange;</b></li> </ul>

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		<p>an emergency or other state of affairs; the declaration of a moratorium in a country where that Target Fund has assets; for the purpose of conversion of any currency, a closure or restrictions on trading in the relevant foreign exchange market; or the realisation of the assets not being able to be effected at prices which would be realised if assets were realised in an orderly fashion over a reasonable period in a stable market). During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. In such case, a Member will not be able to redeem the units and will be compelled to remain invested in the Fund for a longer period of time than original timeline. Members' investments will continue to be subjected to the risks inherent to the Fund (Please refer to the "Risk Factors" section in the Disclosure Document). The action to suspend withdrawal requests from Members may be exercised by the Trustee on its own accord in accordance with the GPRS where there are good and sufficient reason to do so, after having considered the interest of Members.</p>
4.1.10./ 50- 53	<p>About Principal Asia Pacific Dynamic Income Fund</p> <p><u>Investment policy and principal investment strategy – 1<sup>st</sup> paragraph</u></p> <p>The Target Fund will be managed with the aim of achieving a stable and positive investment returns over the medium to long term through investments primarily in Asia Pacific ex Japan, i.e. companies that are domiciled in, listed in, and/or have significant operations in the Asia Pacific ex Japan region. For listed securities, the investment must be traded in an exchange that is a member of WFE. 'Significant operations' means major businesses of the company. For example, the Target Fund can invest in a company with significant business/operations in Thailand but listed on the New York Stock Exchange. The threshold for 'significant operations' would be if more than 25% of total group revenue is derived from countries in the Asia Pacific ex Japan region.</p> <p>The calculation would be based on the most recent financial reports released by the companies (e.g., interim and annual reports). <del>The term "medium to long term" refers to a period of three (3) years and more. With effect from 31 March 2021, the Target Fund may also</del></p>	<p>About Principal Asia Pacific Dynamic Income Fund</p> <p><u>Investment policy and principal investment strategy – 1<sup>st</sup> paragraph</u></p> <p>The Target Fund will be managed with the aim of achieving a stable and positive investment returns over the medium to long term through investments primarily in Asia Pacific ex Japan, i.e. companies that are domiciled in, listed in, and/or have significant operations in the Asia Pacific ex Japan region. For listed securities, the investment must be traded in an exchange that is a member of World Federation of Exchange ("WFE"). 'Significant operations' means major businesses of the company. For example, the Target Fund can invest in a company with significant business/operations in Thailand but listed on the New York Stock Exchange.</p> <p><b>The threshold for 'significant operations' would be where more than 25% of total group revenue is derived from countries in the Asia Pacific ex Japan region. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports).</b></p>

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	<p>invest up to 20% of its NAV in companies that are listed globally with some business/operations within the Asia Pacific ex Japan region to capture growth opportunities.</p> <p><u>Investment policy and principal investment strategy – 10<sup>th</sup> paragraph</u></p> <p>Nil</p> <p><u>Permitted Investments – 1<sup>st</sup> bullet point</u></p> <ul style="list-style-type: none"> <li>▪ Equities and debt securities dealt in <del>an organised market</del> and traded in or under the rules of an eligible market;</li> </ul>	<p>The Target Fund may also invest up to 20% of its NAV in companies that are listed globally with some business/operations within the Asia Pacific ex Japan region to capture growth opportunities.</p> <p><u>Investment policy and principal investment strategy – 10<sup>th</sup> paragraph</u></p> <p>The Target Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Target Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:</p> <ul style="list-style-type: none"> <li>▪ Regular review by the designated fund manager on the Target Fund's investment portfolio including its liquidity level.</li> <li>▪ Periodic assessments are carried out on the Target Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Target Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Target Fund's ability to meet unitholders' withdrawal requests.</li> <li>▪ Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from unit holders shall be exercised only as a last resort by the Target Fund's manager.</li> </ul> <p><i>Note: Please refer to Section 3.11 of the Target Fund's prospectus for more information.</i></p> <p><u>Permitted Investments – 1<sup>st</sup> bullet point</u></p> <ul style="list-style-type: none"> <li>▪ Equities and debt securities dealt in and traded in or under the rules of an Eligible Market;</li> </ul>	



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	<p><u>Investment restrictions and limits</u></p> <p>The Target Fund is subject to the following investment restrictions and limits:</p> <ul style="list-style-type: none"> <li>▪ Transferable Securities and money market instruments held by the Target Fund must be dealt in an organised market and traded in or under the rules of an eligible market;</li> <li>▪ The aggregate value of the Target Fund's investment in transferable securities or money market instruments issued by a single issuer must not exceed 10% of the Target Fund's NAV;</li> <li>▪ The value of the Target Fund's placement in deposits with any single investment grade financial institution must not exceed 20% of the Target Fund's NAV;</li> <li>▪ In the case where the Target Fund invested in the following assets, the limit in clause 2 and clause 3 above is lowered to 5%: <ul style="list-style-type: none"> <li>(a) Deposits placed with unrated or non-investment grade financial institution;</li> <li>(b) debt securities or money market instruments not dealt in on organised market or issued by an unrated or non-investment grade issuing body; and</li> <li>(c) unlisted equities.</li> </ul> <p>Notwithstanding clause 4(b), we may rely on the rating of an unrated or non-investment grade issuer's parent company or guarantor provided that an explicit guarantee by the parent company or the guarantor for the issuer is in place.</p> </li> <li>▪ The aggregate value of the Target Fund's investment in transferable securities, money market instruments, deposits and OTC derivatives issued by or placed with (as the case may be) any single business group, must not exceed 20% of the Target Fund's NAV. For the purpose of this clause, a business group refers to a body, its subsidiaries, fellow subsidiaries, holding body, and ultimate holding body;</li> <li>▪ The Target Fund may invest up to 15% of the Target Fund's NAV in aggregate in debt securities or money market instruments issued by a single body if the issuing body or the guarantor of the debt securities or money market instruments is a government or sovereign or central bank with at least a "BBB" rating by an international rating agency as prescribed under the Standard of</li> </ul>	<p><u>Investment restrictions and limits</u></p> <p>The Target Fund is subject to the following investment restrictions and limits that are structured in accordance with the regulatory requirements outlined in the SC Guidelines on Unit Trust Funds ("SC Guideline") and the Standards of Qualifying CIS:</p> <ol style="list-style-type: none"> <li>1) Transferable securities and money market instruments held by the Target Fund must be dealt in an Eligible Market and traded in or under the rules of an Eligible Market;</li> <li>2) The aggregate value of the Target Fund's investment in transferable securities or money market instruments issued by a single issuer must not exceed 10% of the Target Fund's NAV;</li> <li>3) The value of the Target Fund's placement in Deposits with any single investment grade financial institution must not exceed 20% of the Target Fund's NAV;</li> <li>4) The single financial institution limit in clause 3 does not apply to placements of Deposits arising from: <ul style="list-style-type: none"> <li>(a) Subscription monies received prior to the commencement of investment by the Target Fund; or</li> <li>(b) Liquidation of investments prior to the termination of the Target Fund, where the placement of Deposits with various financial institutions would not be in the best interests of unit holders;</li> </ul> </li> <li>5) In the case where the Target Fund invested in the following assets, the limit in clause 2 and clause 3 above is lowered to 5%: <ul style="list-style-type: none"> <li>(a) Deposits placed with unrated or non-investment grade financial institution;</li> <li>(b) debt securities or money market instruments not dealt in an Eligible Market or issued by an unrated or non-investment grade issuing body; and</li> <li>(c) unlisted equities.</li> </ul> <p>Notwithstanding clause 5(b), we may rely on the rating of an unrated or non-investment grade issuer's parent company or guarantor provided that an explicit guarantee by the parent company or the guarantor for the issuer is in place;</p> </li> <li>6) The aggregate value of the Target Fund's investment in transferable securities, money market instruments, Deposits and OTC derivatives issued by or placed with (as the case may be) any single business group, must not exceed 20% of the Target Fund's NAV.</li> </ol>

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	<p>Qualifying CIS or its equivalent by other international rating agencies. However, if the issuing body or the guarantor of the debt securities or money market instruments is a Malaysian government or Bank Negara Malaysia, the Target Fund may invest up to 35% of the Target Fund's NAV in aggregate in debt securities or money market instruments;</p> <ul style="list-style-type: none"> <li>▪ <del>The value of the Target Fund's investments in unlisted equities must not exceed 10% of the Target Fund's NAV;</del></li> <li>▪ The aggregate value of the Target Fund's investment in deposits placed with unrated or non-investment grade financial institution, debt securities or money market instruments not dealt in an organised market or issued by an unrated or non-investment grade issuing body, unlisted equities and OTC derivatives with non-investment grade or unrated counterparty must not exceed 15% of the Target Fund's NAV. For the purpose of this clause, the limit does not apply to deposits, debt securities or money market instruments or OTC derivatives where the: <ul style="list-style-type: none"> <li>(a) financial institution, issuing body or counterparty is rated investment grade only with a national rating scale; and</li> <li>(b) the jurisdiction in which the issuing body or counterparty is domiciled has a sovereign credit rating that is at least investment grade;</li> </ul> </li> <li>▪ The value of the Target Fund's investment in units of each Qualifying CIS or non-Qualifying CIS authorised in Signatory Countries for public offers must not exceed 10% of the Target Fund's NAV;</li> <li>▪ The value of the Target Fund's investment in units of all non-Qualifying CIS (excluding investment in units of non-Qualifying CIS with underlying assets of real estate and/or real estate-related) must not exceed 20% of the Target Fund's NAV;</li> <li>▪ The Target Fund's investments in CIS must not exceed 25% of the units in any one CIS. Where the Target Fund invests in units in other CIS operated by us or our related corporation, we must ensure that- <ul style="list-style-type: none"> <li>(a) there is no cross-holding between the Target Fund and the target fund;</li> <li>(b) all initial charges on the target fund is waived; and</li> <li>(c) the management fee must only be charged once, either at the Target Fund or the target fund;</li> </ul> </li> </ul>	<p>For the purpose of this clause, a business group refers to a body, its subsidiaries, fellow subsidiaries, holding body, and ultimate holding body;</p> <p>7) The Target Fund may invest up to 35% of the Target Fund's NAV in aggregate in debt securities or money market instruments issued by a single body if the issuing body or the guarantor of the debt securities or money market instruments is a government or sovereign or central bank with a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency;</p> <p>8) The aggregate value of the Target Fund's investment in Deposits placed with unrated or non-investment grade financial institution, debt securities or money market instruments not dealt in an Eligible Market or issued by an unrated or non-investment grade issuing body, CIS that do not comply with paragraphs 6.11(a), (b) and (c) of the SC Guideline; unlisted equities and OTC derivatives with non-investment grade or unrated counterparty must not exceed 15% of the Target Fund's NAV subject to a maximum limit of 10% of the Target Fund's NAV in a single issuer or single CIS, as the case may be. For the purpose of this clause, the limit does not apply to Deposits, debt securities, money market instruments or OTC derivatives where the: <ul style="list-style-type: none"> <li>(a) financial institution, issuing body or counterparty is rated investment grade only with a national rating scale; and</li> <li>(b) the jurisdiction in which the issuing body or counterparty is domiciled has a sovereign credit rating that is at least investment grade;</li> </ul> </p> <p>9) The value of the Target Fund's investment in units of each Qualifying CIS or non-Qualifying CIS must not exceed 10% of the Target Fund's NAV;</p> <p>10) The value of the Target Fund's investment in units of all non-Qualifying CIS (excluding investment in units of non-Qualifying CIS that are listed for quotation and traded on an organised exchange in a Signatory Country with underlying assets of real estate and/or real estate-related) must not exceed 20% of the Target Fund's NAV;</p> <p>11) The Target Fund's investments in CIS must not exceed 25% of the units in any one CIS. Where the Target Fund invests in units in other CIS operated by us or our related corporation, we must ensure that- <ul style="list-style-type: none"> <li>(a) there is no cross-holding between the Fund and the Target Fund;</li> <li>(b) all initial charges on the Target Fund is waived; and</li> </ul> </p>

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	<ul style="list-style-type: none"> <li>▪ The aggregate value of the Target Fund's borrowing for the purpose of meeting repurchase request for units and for short-term bridging requirements should not exceed 10% of the Target Fund's NAV at the time the borrowing is incurred. For the purpose of this clause, we should ensure that–               <ul style="list-style-type: none"> <li>(a) the Target Fund's cash borrowing is only on a temporary basis and that borrowings are not persistent;</li> <li>(b) the borrowing period should not exceed one (1) month; and</li> <li>(c) the Target Fund may only borrow from financial institutions;</li> </ul> </li> <li>▪ The Target Fund's investments in equities or securities equivalent to equities must not exceed 10% of the equities or securities equivalent to equities issued by any single issuer;</li> <li>▪ The Target Fund's investments in debt securities must not exceed 10% of the debt securities issued by any single issuer; and</li> <li>▪ The Target Fund's investments in money market instruments must not exceed 10% of the money market instruments issued by any single issuer.</li> <li>▪ For investments in derivatives (including for hedging purpose):               <ul style="list-style-type: none"> <li>(a) the exposure of the underlying assets must not exceed the investment spread limits stipulated in the SC Guidelines on Unit Trust Funds;</li> <li>(b) the value of the Target Fund's OTC derivative transaction with any single counter-party must not exceed 10% of the Target Fund's NAV;</li> <li>(c) the Target Fund's exposure from derivatives position should not exceed the Target Fund's NAV at all times; and</li> <li>(d) the counter-party of an OTC derivative is a financial institution with a minimum long-term rating provided by any domestic or global rating agency that indicates strong capacity for timely payment of financial obligations.</li> </ul> </li> </ul>	<p>(c) the management fee must only be charged once, either at the Fund or the Target Fund;</p> <p>12) <b>The aggregate value of the Target Fund's borrowing for the purpose of meeting repurchase request for units and for short-term bridging requirements should not exceed 10% of the Target Fund's NAV at the time the borrowing is incurred.</b> Credit balances of the Target Fund (e.g. cash holdings) may not be offset against borrowings when determining the percentage of borrowings outstanding. For the purpose of this clause, we should ensure that–</p> <ul style="list-style-type: none"> <li>(d) <b>the Target Fund's cash borrowing is only on a temporary basis and that borrowings are not persistent;</b></li> <li>(e) the borrowing period should not exceed one month; and</li> <li>(f) the Target Fund may only borrow from financial institutions;</li> </ul> <p>13) <b>The Target Fund's investments in equities or securities equivalent to equities must not exceed 10% of the equities or securities equivalent to equities issued by any single issuer;</b></p> <p>14) <b>The Target Fund's investments in debt securities must not exceed 10% of the debt securities issued by any single issuer; and</b></p> <p>15) <b>The Target Fund's investments in money market instruments must not exceed 10% of the money market instruments issued by any single issuer.</b></p> <p>16) For investments in derivatives (for hedging purpose):</p> <ul style="list-style-type: none"> <li>(a) <b>the Target Fund's global exposure calculated based on the commitment approach below from derivatives position must not exceed 20% of the net assets of the Target Fund's NAV;</b></li> <li>(b) the underlying assets must comprise of eligible assets, financial indices, foreign exchange rates/currencies, interest rates or a rate of inflation calculated, endorsed or determined by a government agency;</li> <li>(c) the exposure to the underlying assets must not exceed the investment spread limits stipulated in the SC Guideline;</li> <li>(d) <b>the maximum exposure of the Target Fund's OTC derivative transaction with the counterparty, calculated based on the method below must not exceed 10% of the Target Fund's NAV;</b></li> <li>(e) the counter-party of an OTC derivative is a financial institution with a minimum long-term credit rating of investment grade (including gradation and subcategories); and</li> <li>(f) Where the underlying instrument of a derivative is a commodity, such derivative must be settled in cash at all times.</li> </ul>

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		<p>Calculation of exposure to counterparty of OTC derivatives will be the sum of the:</p> <p>(a) current positive replacement cost of each OTC derivative by carrying out a valuation at market price; and</p> <p>(b) "add-on factor" by multiplying the notional principal amount or the market value of the underlying asset of the OTC derivative, whichever is more conservative, by the percentages in Table 1 to reflect the potential credit risk:</p> <p>Table 1:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Residual Term</th> <th style="text-align: center;">Interest rate contracts</th> <th style="text-align: center;">Exchange rate contracts</th> <th style="text-align: center;">Equity derivative contracts</th> <th style="text-align: center;">Other contracts</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1 year or less</td> <td style="text-align: center;">0%</td> <td style="text-align: center;">1%</td> <td style="text-align: center;">6%</td> <td style="text-align: center;">10%</td> </tr> <tr> <td style="text-align: center;">&gt;1 year and &lt;=5 years</td> <td style="text-align: center;">0.5%</td> <td style="text-align: center;">5%</td> <td style="text-align: center;">8%</td> <td style="text-align: center;">12%</td> </tr> <tr> <td style="text-align: center;">&gt;5years</td> <td style="text-align: center;">1.50%</td> <td style="text-align: center;">7.5%</td> <td style="text-align: center;">10%</td> <td style="text-align: center;">15%</td> </tr> </tbody> </table> <p>For total return swaps, the relevant percentage is 10% regardless of the residual term.</p> <p>The global exposure of the Target Fund is calculated based on the following:</p> <p><u>Commitment approach</u></p> <p>The global exposure of the Target Fund to derivatives is calculated as the sum of the:</p> <ul style="list-style-type: none"> <li>▪ absolute value of the exposure of each individual derivative not involved in netting or hedging arrangements;</li> <li>▪ absolute value of the net exposure of each individual derivative after netting or hedging arrangement; and</li> <li>▪ the values of cash collateral received pursuant to: <ul style="list-style-type: none"> <li>(i) the reduction of exposure to counterparties of OTC derivatives; and</li> <li>(ii) efficient portfolio management techniques relating to securities lending (if applicable).</li> </ul> </li> </ul>					Residual Term	Interest rate contracts	Exchange rate contracts	Equity derivative contracts	Other contracts	1 year or less	0%	1%	6%	10%	>1 year and <=5 years	0.5%	5%	8%	12%	>5years	1.50%	7.5%	10%	15%
Residual Term	Interest rate contracts	Exchange rate contracts	Equity derivative contracts	Other contracts																						
1 year or less	0%	1%	6%	10%																						
>1 year and <=5 years	0.5%	5%	8%	12%																						
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		<p><u>Netting arrangements</u> Netting arrangements may be taken into account to reduce the Target Fund's exposure to derivatives. The Target Fund may net positions between:</p> <ul style="list-style-type: none"> <li>(a) derivatives on the same underlying constituents, even if the maturity dates are different; or</li> <li>(b) derivatives and the same corresponding underlying constituents, if those underlying constituents are transferable securities, money market instruments, or units or shares in collective investment schemes.</li> </ul> <p><u>Hedging arrangements</u> Hedging arrangements may be taken into account to reduce the Target Fund's exposure to derivatives. The marked-to-market value of transferable securities, money market instruments, or units or shares in collective investment schemes involved in hedging arrangements may be taken into account to reduce the exposure of the Target Fund to derivatives.</p> <p>The hedging arrangement must:</p> <ul style="list-style-type: none"> <li>(a) not be aimed at generating a return;</li> <li>(b) result in an overall verifiable reduction of the risk of the Target Fund;</li> <li>(c) offset the general and specific risks linked to the underlying constituent being hedged;</li> <li>(d) relate to the same asset class being hedged; and</li> <li>(e) be able to meet its hedging objective in all market conditions.</li> </ul> <p><i>Note: Subject to the investment limit (10) and (11), the Target Fund may invest into non-Qualifying CIS, provided:</i></p> <ul style="list-style-type: none"> <li>o <i>the level of protection for Members of the non-Qualifying CIS is at least equivalent to that provided for Members in a Qualifying CIS. The non-Qualifying CIS should invest in units of other CIS from countries that either:</i> <ul style="list-style-type: none"> <li>(i) <i>have been assessed by World Bank/ International Monetary Fund at least "broadly implemented" on the principles relevant to CIS; or</i></li> <li>(ii) <i>does not comply with a)(i) but the Home Regulator of the Qualifying CIS is satisfied with the relevant reason/ explanation on the weak points and how equivalence of protection can still be achieved;</i></li> </ul> </li> </ul>
	<p><i>Note: Subject to the investment limit (9) and (10), the Target Fund may invest into non-qualifying CIS, provided:</i></p>	

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	<ul style="list-style-type: none"> <li>○ <i>the level of protection for unit holders of the non-qualifying CIS is at least equivalent to that provided for unit holders in a Qualifying CIS. The non-qualifying CIS should originate from countries that either:</i> <ul style="list-style-type: none"> <li><i>(i) have been assessed by World Bank/ International Monetary Fund at least "broadly implemented" on the principles relevant to CIS; or</i></li> <li><i>(ii) does not comply with (a)(i) but the Home Regulator of the Qualifying CIS is satisfied with the relevant reason/ explanation on the weak points and how equivalence of protection can still be achieved;</i></li> </ul> </li> <li>○ <i>semi-annual and annual reports are published by the non-qualifying CIS; and</i></li> <li>○ <i>the investment policy of the non-qualifying CIS is such that the:</i> <ul style="list-style-type: none"> <li>▪ <i>invested assets are similar to the types and categories that a Qualifying CIS may invest in and the non-qualifying CIS is subject to investment limits that are in line with those applicable to a Qualifying CIS; or</i></li> <li>▪ <i>invested assets are real estate and/or real estate-related, provided that the units of the non-qualifying CIS are listed for quotation and traded on an organised exchange in a Signatory country.</i></li> </ul> </li> </ul> <p>In respect of the above investment restrictions and limits, the SC Guidelines on Unit Trust Funds provides for an allowance of 5% from the restrictions and limits due to appreciation or depreciation of the NAV of the Target Fund (whether as a result of an appreciation or depreciation in value of the Target Fund's investments, or as a result of repurchase of units or payment made out of the Target Fund). If the Target Fund is not within the investment restrictions and limits, the Target Fund Manager should not make any further acquisitions in relation to the relevant restrictions and limits and must rectify as soon as practicable (maximum three (3) months from the date of occurrence). In addition, the Target Fund Manager should inform the SC and the trustee within three (3) Business Days after the Target Fund Manager become aware of such occurrence, except where such occurrence are due to appreciation or depreciation of the NAV of the Target Fund.</p>	<ul style="list-style-type: none"> <li>○ <i>semi-annual and annual reports are published by the non-Qualifying CIS; and</i></li> <li>○ <i>the investment policy of the non-Qualifying CIS is such that the:</i> <ul style="list-style-type: none"> <li>▪ <i>invested assets are similar to the types and categories that a Qualifying CIS may invest in and the non-Qualifying CIS is subject to investment limits that are in line with those applicable to a Qualifying CIS; or</i></li> <li>▪ <i>invested assets are real estate and/or real estate-related, provided that the units of the non-Qualifying CIS are listed for quotation and traded on an organised exchange in a Signatory Country.</i></li> </ul> </li> </ul> <p>In respect of the above investment restrictions and limits, we must notify the SC, within three (3) Business Days, of any breach of investment limits and restrictions with the steps taken to rectify and prevent such breach from recurring. However, the SC Guideline provides that any breach of the restrictions and limits due to appreciation or depreciation in value of the Target Fund's investments, repurchase of units or payment made out of the Target Fund, change in capital of a corporation in which the Target Fund has invested in, or downgrade in or cessation of a credit rating need not be reported to the SC but we must rectify as soon as practicable within three (3) months from the date of breach unless stated otherwise in the SC Guideline. However, the three-month period may be extended if it is in the best interest of unit holders <b>and Trustee's consent is obtained</b>. Such extension must be subject to at least a monthly review by the trustee.</p>

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4.2/ 54	<p>Permitted Investments</p> <p><u>CORE FUNDS</u></p> <p><u>1<sup>st</sup> bullet point</u></p> <ul style="list-style-type: none"> <li>▪ Equities and debentures/fixed income instruments traded in or under the rules of an Eligible Market.</li> </ul> <p><u>8<sup>th</sup> &amp; 9<sup>th</sup> bullet point</u></p> <ul style="list-style-type: none"> <li>▪ Securities listed or traded on foreign markets where the regulatory authority is a member of the IOSCO.</li> <li>▪ RM-denominated foreign debentures /fixed income instruments.</li> </ul> <p><u>NON-CORE FUNDS</u></p> <p><u>1<sup>st</sup> bullet point</u></p> <ul style="list-style-type: none"> <li>▪ Equities and debentures/fixed income instruments traded in or under the rules of an Eligible Market.</li> </ul> <p><u>8<sup>th</sup> &amp; 9<sup>th</sup> bullet point</u></p> <ul style="list-style-type: none"> <li>▪ Securities listed or traded on foreign markets where the regulatory authority is a member of the IOSCO<sup>Note 3</sup>.</li> <li>▪ RM-denominated foreign debentures/fixed income instruments.</li> </ul>	<p>Permitted Investments</p> <p><u>CORE FUNDS</u></p> <p><u>1<sup>st</sup> bullet point</u></p> <ul style="list-style-type: none"> <li>▪ Equities and debt securities/fixed income instruments traded in or under the rules of an Eligible Market.</li> </ul> <p><u>8<sup>th</sup> &amp; 9<sup>th</sup> bullet point</u></p> <ul style="list-style-type: none"> <li>▪ Securities listed or traded on foreign markets, where the regulatory authority must be under an Eligible Market;</li> <li>▪ RM-denominated foreign debt securities/fixed income instruments.</li> </ul> <p><u>NON-CORE FUNDS</u></p> <p><u>1<sup>st</sup> bullet point</u></p> <ul style="list-style-type: none"> <li>▪ Equities and debt securities/fixed income instruments traded in or under the rules of an Eligible Market.</li> </ul> <p><u>8<sup>th</sup> &amp; 9<sup>th</sup> bullet point</u></p> <ul style="list-style-type: none"> <li>▪ Securities listed or traded on foreign markets, where the regulatory authority must be under an Eligible Market<sup>Note 3</sup>.</li> <li>▪ RM-denominated foreign debt securities/fixed income instruments.</li> </ul>
4.3/ 54-55	<p>Investment Restrictions and Limits</p> <p>CORE FUNDS &amp; NON-CORE FUNDS*</p> <ul style="list-style-type: none"> <li>▪ The value of the Fund's investment in unlisted securities must not exceed 10% of the Fund's NAV.</li> <li>▪ The value of the Fund's investment in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV.</li> <li>▪ the value of the Fund's investments in transferable securities and money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV<sup>Note 1</sup>.</li> <li>▪ The value of the Fund's placement in Deposits with any single institution must not exceed 20% of the Fund's NAV.</li> <li>▪ The Fund's exposure from derivatives positions should not exceed the Fund's NAV. Further,</li> </ul>	<p>Investment Restrictions and Limits</p> <p>CORE FUNDS &amp; NON-CORE FUNDS*</p> <p><u>Exposure limit</u></p> <p>The Fund is subject to the following investment restrictions/limits:</p> <p>(1) the aggregate value of the Fund's investment in</p> <ol style="list-style-type: none"> <li>a) Transferable securities that are not traded or dealt in or under the rules of an Eligible Market;</li> <li>b) CIS that do not comply with 6(a), (b) and (c); and</li> <li>c) other securities,</li> </ol> <p>must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer or single CIS, as the case may be.</p>

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	<p>a) the exposure to the underlying assets must not exceed the investment spread limits stipulated in the GPRS; and</p> <p>b) the value of the Fund's OTC derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV.</p> <ul style="list-style-type: none"> <li>▪ The value of the Fund's investment in structured products issued by a single counter-party must not exceed 15% of the Fund's NAV.</li> <li>▪ The aggregate value of the Fund's investments in transferable securities, money market instruments, Deposits, OTC derivatives and structured products issued by or placed with (as the case maybe) any single issuer/institution must not exceed 25% of the Fund's NAV<sup>Note 1</sup>.</li> <li>▪ Except for investments by Core Funds, the value of the Fund's investments in units/shares of any CIS must not exceed 20% of the Fund's NAV<sup>Note 2</sup>.</li> <li>▪ The value of the Fund's investment in transferable securities and money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV<sup>Note 1</sup>.</li> <li>▪ The Fund's investments in transferable securities (other than debentures) must not exceed 10% of the securities issued by any single issuer.</li> <li>▪ The Fund's investments in debentures must not exceed 20% of the debentures issued by any single issuer.</li> <li>▪ The Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments that do not have a pre-determined issue size.</li> <li>▪ Except for investments by Core Funds, the Fund's investments in CIS must not exceed 25% of the units/shares in any one (1) CIS.</li> </ul> <p><i>Note 1: Not applicable for PRS-C. Instead, the following apply:</i></p> <p>(i) The value of the PRS-C's investments in debentures issued by any single issuer must not exceed 20% of the PRS-C's NAV. This single issuer limit may be increased to 30% if the debentures are rated by any domestic rating agency to be of the best quality and offer highest safety for timely payment of interest and principal.</p>	<p><u>Investment spread limits</u></p> <p>(2) the value of the Fund's investment in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV;</p> <p>(3) the value of the Fund's investments in transferable securities and money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV ("single issuer limit"). In determining the single issuer limit, the value of the Fund's investments in instruments in (1) issued by the same issuer must be included in the calculation<sup>Note 1</sup>;</p> <p>(4) the value of the Fund's placement in Deposits with any single financial institution must not exceed 20% of the Fund's NAV;</p> <p>(5) the aggregate value of the Fund's investments in transferable securities, money market instruments, Deposits, underlying assets of derivatives and counterparty exposure arising from the use of OTC derivatives must not exceed 25% of the Fund's NAV ("single issuer aggregate limit"). In determining the single issuer aggregate limit, the value of the Fund's investments in (1) issued by the same issuer must be included in the calculation<sup>Note 1</sup>;</p> <p>(6) the value of the Fund's investment in units/shares of any CIS must not exceed 20% of the Fund's NAV, provided that the CIS complies with the following conditions<sup>Note 1</sup>:</p> <p>(a) A CIS authorised or recognised by the SC; or</p> <p>(b) A CIS that meets the following criteria:</p> <p>(i) The CIS is constituted and regulated in a jurisdiction where the laws and practices provide the level of investor protection that is at least equivalent to that offered in Malaysia;</p> <p>(ii) The rules on investments, borrowing and lending are substantially similar to the requirements in these Guidelines. This would exclude hedge funds;</p> <p>(iii) The assets of the CIS are managed by an entity which is approved, authorised or licensed by a securities regulator to conduct fund management activities; and</p> <p>(iv) The business of the CIS is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period; or</p> <p>(c) A CIS that meets the following criteria, excluding a CIS that invests in real estate:</p> <p>(i) The CIS invests in:</p>



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	<p>(ii) Where the single issuer limit of investments in debentures is increased to 30% of the PRS-C's NAV, the aggregate value of the PRS-C's investment must not exceed 30% of the PRS-C's NAV.</p> <p>(iii) The value of the PRS-C's investments in debentures issued by any one group of companies must not exceed 30% of the PRS-C's NAV.</p> <p>(iv) Investment in debentures/fixed income instruments must be rated at least BBB3/P2 by RAM (or equivalent rating by MARC). However, debentures/fixed income instruments which are rated below BBB3/P2 and/or are unrated, may comprise up to 5% of PRS-C's NAV ("the 5% Limit").</p> <p>In the event the 5% Limit is exceeded, whether as a result of:</p> <p>(i) a downgrade of any debenture/fixed income instrument to below BBB3/P2;</p> <p>(ii) an increase in the aggregate value of debentures/fixed income instruments which are rated below BBB3/P2 and/or are unrated; or</p> <p>(iii) a decrease in the NAV of PRS-C,</p> <p>we must reduce such investments to comply with the 5% Limit unless in the opinion of the Scheme Trustee, the disposal of such investments is not in the best interest of the Members.</p> <ul style="list-style-type: none"> <li>▪ Use of derivatives is for hedging purposes only.</li> <li>▪ No investments in warrants except as a result of PRS-C holdings in equities.</li> <li>▪ No investment in products with embedded derivatives.</li> </ul> <p><i>Note 2: Not applicable for REI. Instead, the following apply:</i> Investment into one or more CIS is permitted in the following circumstances:</p> <ul style="list-style-type: none"> <li>▪ upon reaching RM200 million NAV, the value of REI's investment in any of the CIS must not exceed 40% of the REI's NAV; and</li> <li>▪ that the investment objective of the CIS are similar to REI.</li> </ul> <p><i>*Except PRS-AP.</i></p>	<ul style="list-style-type: none"> <li>▪ permitted investments that comply with the GPRS,</li> <li>▪ physically-backed metal ETF that comply with the following: <ul style="list-style-type: none"> <li>a. The assets of the physically-backed metal ETF, i.e. the physical metal, is held in trust and is segregated from the assets of the manager, sponsor, trustee or custodian; and</li> <li>b. The physically-backed metal ETF adopts a passive management strategy with the objective of tracking the price of the metal.</li> </ul> </li> </ul> <p>(ii) The CIS meets the criteria imposed on transferable securities as following:</p> <ul style="list-style-type: none"> <li>▪ The maximum potential loss which the Fund may incur as a result of the investment is limited to the amount paid for it;</li> <li>▪ The investment is liquid, and will not impair the Fund's ability to satisfy its redemption and other payment commitments;</li> <li>▪ The investment is subject to reliable and verifiable valuation on a daily basis; and</li> <li>▪ There is appropriate information available to the market on the investment;</li> </ul> <p>(iii) The units or shares in the CIS are listed for quotation and traded on a stock exchange that is an Eligible Market; and</p> <p>(iv) The CIS is not an inverse or leveraged product; or</p> <p>(d) A CIS that does not comply with the above, but subject to the exposure limit stipulated in this section;</p> <p>(7) The value of the Fund's investments in units or shares of a CIS that invests in real estate pursuant to 6(c) must not exceed 15% of the Fund's NAV.</p> <p>(8) the value of the Fund's investment in transferable securities and money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV ("group limit"). In determining the group limit, the value of the Fund's investments in instruments in the paragraph (1) exposure limit issued by the issuers within the same group of companies must be included in the calculation <sup>Note 1</sup>.</p> <p>(9) For investments in derivatives (for hedging purpose):</p>

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	<p style="background-color: #0070C0; color: white; padding: 2px;">PRS-AP</p> <ul style="list-style-type: none"> <li>▪ The Fund must be invested in one (1) CIS.</li> </ul> <hr style="border: 1px solid black; margin: 10px 0;"/> <p>In respect of the above investment restrictions and limits, the GPRS provides for an allowance of 5% from the restrictions and limits due to appreciation or depreciation of the NAV of the Funds (whether as a result of an appreciation or depreciation in value of the Funds' investments, or as a result of repurchase of Units or payment made out of the Funds). If the Funds are not within the investment restrictions and limits, we should not make any further acquisitions in relation to the relevant restrictions and limits and we must rectify as soon as practicable (maximum three (3) months from the date of occurrence).</p>	<ul style="list-style-type: none"> <li>▪ the Fund's global exposure from derivatives positions should not exceed the Fund's NAV.</li> <li>▪ the exposure to the underlying assets must not exceed the investment spread limits stipulated in the GPRS;</li> <li>▪ the maximum exposure of the Fund's OTC derivative transaction with the counterparty calculated based on the method below must not exceed 10% of the Fund's NAV;</li> <li>▪ the counterparty of an OTC derivative is a financial institution with a minimum long-term of investment grade (including gradation and subcategories); and</li> <li>▪ Where the underlying instrument of a derivative is a commodity, such derivative must be settled in cash at all times.</li> </ul> <p><u>Calculation of exposure to counterparty of OTC derivatives</u></p> <ul style="list-style-type: none"> <li>▪ The exposure to a counterparty of an OTC derivative must be measured based on the maximum potential loss that may be incurred by the Fund if the counterparty defaults and not on the basis of the notional value of the OTC derivative.</li> <li>▪ The total exposure to a single counterparty is calculated by summing the exposure arising from all OTC derivative transactions entered into with the same counterparty.</li> </ul> <p><u>Exceptions to investment spread limits</u></p> <p>Government and other public securities or money market instruments</p> <p>(10) The single issuer limit in (3) may be raised to 35% of the Fund's NAV if the issuing entity is, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency.</p> <p>(11) Where the single issuer limit is increased to 35% of the Fund's NAV, the single issuer aggregate limit in (5) may be raised, subject to the group limit in (8) not exceeding 35% of the Fund's NAV.</p>

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		<p>Deposits</p> <p>(12) The single financial institution limit in (4) does not apply to placements of Deposits arising from:</p> <ul style="list-style-type: none"> <li>(a) subscription monies received prior to the commencement of investment by the Fund;</li> <li>(b) liquidation of investments prior to the termination or maturity of the Fund, where the placement of Deposits with various financial institutions would not be in the best interests of Members; or</li> <li>(c) monies held for the settlement of redemption or other payment obligations, where the placement of Deposits with various financial institutions would not be in the best interests of Members.</li> </ul> <p>CIS</p> <p>(13) Notwithstanding paragraph (6) and (7), investment in units or shares of one or more CIS is permitted in the following circumstances:</p> <ul style="list-style-type: none"> <li>• from the launch of the Fund, the value of the Fund's investment in any of the CIS must not exceed 95% of the Fund's NAV;</li> <li>• upon reaching an NAV of RM200 million, the value of the Fund's investment in any of the CIS must not exceed 40% of the Fund's NAV; and</li> <li>• that the investment objective of the CIS is similar to the Fund.</li> </ul> <p><u>Investment concentration limits</u></p> <p>(14) the Fund's investments in shares or securities equivalent to shares must not exceed 10% of the shares or securities equivalent to shares issued by any single issuer;</p> <p>(15) the Fund's investments in debt securities must not exceed 20% of the debt securities issued by any single issuer. This limit may be disregarded at the time of acquisition if at that time of acquisition the gross amount of debt securities in issue cannot be determined;</p> <p>(16) the Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments that do not have a pre-determined issue size;</p> <p>(17) Except for investments by core funds, the Fund's investments in CIS must not exceed 25% of the units/shares in any one CIS.</p>

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		<p>The global exposure of the Fund is calculated based on the following:</p> <p><u>Commitment approach</u></p> <ul style="list-style-type: none"> <li>(a) absolute value of the exposure of each individual derivative not involved in netting or hedging arrangements;</li> <li>(b) absolute value of the net exposure of each individual derivative after netting or hedging arrangement; and</li> <li>(c) the values of cash collateral received pursuant to: <ul style="list-style-type: none"> <li>(i) the reduction of exposure to counterparties of OTC derivatives; and</li> <li>(ii) efficient portfolio management techniques relating to securities lending and repurchase transactions (if applicable).</li> </ul> </li> </ul> <p><u>Netting arrangements</u></p> <p>Netting arrangements may be taken into account to reduce the Fund's exposure to derivatives.</p> <p>The Fund may net positions between:</p> <ul style="list-style-type: none"> <li>(a) derivatives on the same underlying constituents, even if the maturity dates are different; or</li> <li>(b) derivatives and the same corresponding underlying constituents, if those underlying constituents are transferable securities, money market instruments, or units or shares in collective investment schemes.</li> </ul> <p><u>Hedging arrangements</u></p> <p>Hedging arrangements may be taken into account to reduce the Fund's exposure to derivatives.</p> <p>The marked-to-market value of transferable securities, money market instruments, or units or shares in collective investment schemes involved in hedging arrangements may be taken into account to reduce the exposure of the Fund to derivatives.</p> <p>The hedging arrangement must:</p> <ul style="list-style-type: none"> <li>(a) not be aimed at generating a return;</li> <li>(b) result in an overall verifiable reduction of the risk of the Fund;</li> <li>(c) offset the general and specific risks linked to the underlying constituent being hedged;</li> <li>(d) relate to the same asset class being hedged; and</li> </ul>

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		<p>(e) be able to meet its hedging objective in all market conditions.</p> <p><i>Note 1: Not applicable for PRS-C. Instead, the following apply:</i></p> <p>(i) The value of the PRS-C's investments in transferable securities and money market instruments issued by any single issuer must not exceed 20% of the PRS-C's NAV ("single issuer limit"). In determining the single issuer limit, the value of the PRS-C's investments in instruments in paragraph (1) issued by the same issuer must be included in the calculation;</p> <p>(ii) For avoidance of doubt, the single issuer aggregate limit requirement in paragraph (5) applies to a bond or fixed income fund.</p> <p>(iii) This single issuer limit in (ii) may be increased to 30% if the debt securities is rated by any domestic or global rating agency to have the highest long-term credit rating;</p> <p>(iv) Where the single issuer limit of investments in debt securities is increased to 30% pursuant to (iii), the single issuer aggregate limit of 25% in paragraph (5) may be raised to 30% of the PRS-C's NAV;</p> <p>(v) The value of the PRS-C's investments in transferable securities and money market instruments issued by any group of companies must not exceed 30% of the PRS-C's NAV ("group limit"). In determining the group limit, the value of the PRS-C's investments in instruments in paragraph (1) issued by the issuers within the same group of companies must be included in the calculation;</p> <p>(vi) Where the debt securities or money market instruments are issued, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency, the fund manager may apply the limit in paragraphs (10) and (11).</p> <p>(vii) Investment in debt securities or money market instruments must be-</p> <p>(a) at least long-term credit rating of investment grade (including gradation and subcategories); or</p> <p>(b) at least top two short-term rating, by any Malaysian or global rating agency. However, debt securities or money market instruments which are rated below the rating in i) or ii), or are unrated, may comprise up to 5% of the PRS-C's NAV ("the 5% limit"). In the case where the 5% limit is exceeded, whether as a result of</p>

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		<ul style="list-style-type: none"> <li>▪ a downgrade of rating listed in (a) or (b);</li> <li>▪ an increase in the aggregate value of debt securities or money market instruments which are rated below the rating in (a) or (b), or are unrated; or</li> <li>▪ a decrease in the NAV of PRS-C,</li> </ul> <p>the PRS Provider must reduce such investments to comply with the 5% limit unless in the opinion of the Scheme Trustee, the disposal of such investments is not in the best interest of the Members.</p> <p>(viii) Investment in derivatives, including embedded derivatives, are not permitted except for the following:</p> <ul style="list-style-type: none"> <li>▪ the derivatives are used for hedging purposes; and</li> <li>▪ the holding of warrants as a result of the PRS-C's holdings in equities.</li> </ul> <p><i>*Except PRS-AP.</i></p> <div style="background-color: #0070C0; color: white; padding: 2px; text-align: center; margin: 5px 0;">PRS-AP</div> <ul style="list-style-type: none"> <li>▪ The Fund must be invested in one (1) CIS.</li> </ul> <hr style="border: 1px solid black; margin: 10px 0;"/> <p>In respect of the above investment restrictions and limits, the GPRS provides that any breach of the restrictions and limits due to appreciation or depreciation in value of the Fund's investments, repurchase of units or payment made out of the Fund, or change in capital of a corporation in which the Fund has invested in, or downgrade in or cessation of a credit rating need not be reported to the SC but we must rectify as soon as practicable within three (3) months from the date of breach unless stated otherwise in the GPRS.</p> <p>However, the three-month period may be extended if it is in the best interest of Members and Trustee's consent is obtained. Such extension must be subject to at least a monthly review by the trustee.</p>
5.2.3./60	Other expenses  Nil	Other expenses  <u>Last bullet point</u> <ul style="list-style-type: none"> <li>▪ costs, fees and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent.</li> </ul>

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5.3/60	<p>Rebates and Soft Commissions</p> <p>We, the Sub-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 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 <b>the Fund's investments</b>. 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.</p>				<p>Rebates and Soft Commissions</p> <p>We, the Sub-Manager and the Trustee will not retain any form of rebate from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Fund. Accordingly, any rebate or shared commission will be directed to the account of the Fund.</p> <p>We may retain goods and services (soft commission) provided by any broker or dealer if the following conditions are met:</p> <p>(a) the soft commission brings direct benefit or advantage to the management of the Fund and may include research and advisory related services;</p> <p>(b) any dealings with the broker or dealer is executed on terms which are the most favourable for the Fund; and</p> <p>(c) the availability of soft commission is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and we will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commission.</p>																												
6.4.2./ 64	<p>How to invest?</p> <p><u>1<sup>st</sup> bullet point</u></p> <ul style="list-style-type: none"> <li>▪ by crossed cheque, <del>banker's draft, money order or cashier's order</del> (made payable as advised by us or our Distributors as the case may be). You will have to bear the commission charges for outstation cheques, if any;</li> </ul>				<p>How to invest?</p> <p><u>1<sup>st</sup> bullet point</u></p> <ul style="list-style-type: none"> <li>▪ by crossed cheque (made payable as advised by us or our Distributors as the case may be); You will have to bear the commission charges for outstation cheques, if any;</li> </ul>																												
6.5.1./ 65	<p>Minimum Contribution</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Funds</th> <th rowspan="2">Min initial contribution (RM)</th> <th rowspan="2">Min subsequent contribution (RM)</th> <th colspan="2">Regular Savings Plan (RSP)</th> </tr> <tr> <th>Min initial contribution (RM)</th> <th>Min subsequent contribution (RM)</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>				Funds	Min initial contribution (RM)	Min subsequent contribution (RM)	Regular Savings Plan (RSP)		Min initial contribution (RM)	Min subsequent contribution (RM)						<p>Minimum Contribution</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Funds</th> <th rowspan="2">Min initial contribution (RM)</th> <th rowspan="2">Min subsequent contribution (RM)</th> <th colspan="2">Regular Savings Plan (RSP)</th> </tr> <tr> <th>Min initial contribution (RM)</th> <th>Min subsequent contribution (RM)</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>					Funds	Min initial contribution (RM)	Min subsequent contribution (RM)	Regular Savings Plan (RSP)		Min initial contribution (RM)	Min subsequent contribution (RM)					
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	RE50								
	RE40								
	RE30	Class A : 100	Class A : 50	Class A : 100	Class A : 100	Class A : 50	Class A : 100	Class A : 100	Class A : 50
	REI	Class C : 100	Class C : 50	Class C : 100	Class A : 50 Class C : 50	Class C : 100	Class C : 50	Class C : 100	Class C : 50
	PRS-C	Class X : N/A	Class X : N/A	Class X : N/A	Class X : N/A	Class X : 100	Class X : 50	Class X : 100	Class X : 50
	PRS-M								
	PRS-G								
	PRS-E								
	PRS-AP								
6.5.2./ 66	Processing an application  <u>1<sup>st</sup> &amp; 2<sup>nd</sup> paragraph</u> If we receive a complete application form together with the contribution payment by 12.00p.m. on a Business Day, we will process it within ten (10) calendar days from that Business Day (T). It will be processed using the NAV per Unit for that Business Day (T).  If we receive a complete application form together with the contribution payment after 12.00p.m. on a Business Day, we will process it within ten (10) calendar days from the next Business Day (T+1). It will be processed using the NAV per Unit for the next Business Day (T+1).				Processing an application  <u>1<sup>st</sup> &amp; 2<sup>nd</sup> paragraph</u> If we receive and accepted a complete application form together with the contribution payment by 12.00p.m. on a Business Day, we will process it within seven (7) Business Days from that Business Day (T). It will be processed using the NAV per Unit for that Business Day (T).  If we receive and accepted a complete application form together with the contribution payment after 12.00p.m. on a Business Day, we will process it within seven (7) Business Days from the next Business Day (T+1). It will be processed using the NAV per Unit for the next Business Day (T+1).				
6.6/ 66	Withdrawals  <u>2<sup>nd</sup> paragraph</u> Upon receiving your request to withdraw some or all of the Accrued Benefits in any of the Fund, you may be required by us and/or the PPA to provide evidence of the facts necessary to establish your right to withdraw moneys from any of the Fund. We will pay the withdrawal				Withdrawals  <u>2<sup>nd</sup> paragraph</u> Upon receiving your request to withdraw some or all of the Accrued Benefits in any of the Fund, you may be required by us and/or the PPA to provide evidence of the facts necessary to establish your right to withdraw moneys from any of the Fund. We will pay the withdrawal proceeds within				



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	proceeds within ten (10) calendar days after we receive a complete withdrawal request from you and, where required, the authorization of the PPA.	seven (7) Business Days after we receive a complete withdrawal request from you and, where required, the authorization of the PPA.
6.6.2./ 66	<p>Processing a withdrawal</p> <p>If we receive a complete withdrawal request and, where required, the authorization of the PPA by 12.00p.m. on a Business Day, we will process it within ten (10) calendar days from that Business Day (T). It will be processed using the NAV per Unit for that Business Day (T).</p> <p>If we receive a complete withdrawal request and, where required, the authorization of the PPA after 12.00p.m. on a Business Day, we will process it within ten (10) calendar days from the next Business Day (T+1). It will be processed using the NAV per Unit for the next Business Day (T+1).</p> <p>If you request for a specific amount in RM, the number of Units will be calculated by dividing the requested amount in RM by the NAV per Unit, and the number of Units will be rounded to two (2) decimal places. The amount that you will receive is calculated by the withdrawal value less the Redemption Charge (if any) and less tax penalty (if any). That amount will be paid in RM within ten (10) calendar days from that Business Day (T) or the next Business Day (T+1) (whichever applicable).</p> <p>Any applicable bank charges and other bank fees incurred as a result of a withdrawal by way of telegraphic transfer, bank cheque or other special payment method will be charged to you.</p>	<p>Processing a withdrawal</p> <p>If we receive a complete withdrawal request and, where required, the authorization of the PPA by 12.00p.m. on a Business Day, we will process it within seven (7) Business Days from that Business Day (T). It will be processed using the NAV per Unit for that Business Day (T).</p> <p>If we receive a complete withdrawal request and, where required, the authorization of the PPA after 12.00p.m. on a Business Day, we will process it within seven (7) Business Days from the next Business Day (T+1). It will be processed using the NAV per Unit for the next Business Day (T+1).</p> <p>If you request for a specific amount in RM, the number of Units will be calculated by dividing the requested amount in RM by the NAV per Unit, and the number of Units will be rounded to two (2) decimal places. The amount that you will receive is calculated by the withdrawal value less the Redemption Charge (if any) and less tax penalty (if any). That amount will be paid in RM within seven (7) Business Days from that Business Day (T) or the next Business Day (T+1) (whichever applicable).</p> <p>Any applicable bank charges and other bank fees incurred as a result of a withdrawal by way of telegraphic transfer, bank cheque or other special payment method will be charged to you.</p> <p>For the feeder fund (e.g. PRS-AP), the withdrawal payment period may be extended to within 5 Business Days from the receipt of withdrawal proceeds from the target fund.</p>
6.7/ 67	<p>Permitted Withdrawals and Pre-Retirement Withdrawals</p> <p><u>4<sup>th</sup> paragraph</u>  In relation to item (c), we must obtain prior authorization from the PPA before issuing instructions to the Trustee to cancel Units.</p>	<p>Permitted Withdrawals and Pre-Retirement Withdrawals</p> <p><u>4<sup>th</sup> paragraph</u>  In relation to item (c), (e), (f) and (g), we must obtain prior authorization from the PPA before issuing instructions to the Trustee to cancel Units.</p>

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6.8/ 68	<p>Cooling-off Period</p> <p>You have six (6) Business Days after your initial contribution (i.e. the date the complete application is received and accepted by us or our Distributors) to reconsider the appropriateness and suitability for your investment needs. Within this period, you may withdraw your investment at the same NAV per Unit when the units were purchased. We must obtain prior authorization of the PPA before proceeding with the refund. We will refund the investment amount including the Sales Charge (if any) to you in RM within ten (10) calendar days of receiving the authorization of the PPA. Please note that this cooling-off right is only given to a first time Member registered with PPA who is investing with any PRS provider. However, Principal Malaysia's staff, person(s) registered by a body approved by the SC to deal in PRS and contributions made to PRS by an employer on behalf of the employee are not entitled to the cooling-off right.</p>	<p>Cooling-off Period</p> <p>You have six (6) Business Days after your initial contribution (i.e. the date the complete application is received and accepted by us or our Distributors) to reconsider the appropriateness and suitability for your investment needs. Within this period, you may withdraw your investment at the same NAV per unit when the units were purchased or prevailing NAV per unit at the point of cooling-off (whichever is lower) ("Refund Amount"). We must obtain prior authorization of the PPA before proceeding with the refund. We will pay the Refund Amount including the Sales Charge (if any) to you in RM within seven (7) Business Days of receiving the authorization of the PPA. Please note that this cooling-off right is only given to a first time Member registered with PPA who is investing with any PRS provider. However, Principal Malaysia's staff, person(s) registered by a body approved by the SC to deal in PRS and contributions made to PRS by an employer on behalf of the employee are not entitled to the cooling-off right.</p>
6.9/ 68	<p>Switching</p> <p><b>January 2022</b> Initial contributions You invest into RE60</p> <p><b>August 2022</b> Switching You decide to switch your existing contributions into PRS-AP</p> <p><b>December 2022</b> New contributions ** Your new contributions will be allocated into the initial choice of Fund i.e. RE60.</p> <p><i>** New contributions refer to subsequent contributions made into the Fund after the switching exercise.</i></p>	<p>Switching</p> <p><b>January 2022</b> Initial contributions You invest into RE60</p> <p><b>August 2022</b> Switching You decide to switch your existing contributions into PRS-AP</p> <p><b>September 2022</b> New contributions ** Your new contributions will be allocated into the initial choice of Fund i.e. RE60.</p> <p><i>** New contributions refer to subsequent contributions made into the Fund after the switching exercise.</i></p>

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	A switch is processed as a withdrawal from one (1) fund and an investment into another fund. If we receive a complete switching request by 12.00p.m. on a Business Day, we will process it within ten (10) calendar days from that Business Day. If we receive a complete switching request after 12.00p.m. on a Business Day, we will process it within ten (10) calendar days from the next Business Day.	A switch is processed as a withdrawal from one (1) fund and an investment into another fund. If we receive a complete switching request by 12.00p.m. on a Business Day, we will process it within seven (7) Business Days from that Business Day. If we receive a complete switching request after 12.00p.m. on a Business Day, we will process it within seven (7) Business Days from the next Business Day.												
7.3/ 71	Deed  The Scheme is governed by Deed dated 8 November 2012, First Supplemental Deed dated 2 January 2014, Second Supplemental Deed dated 25 November 2014, Third Supplemental Deed dated 3 February 2020, Fourth Supplemental Deed dated 17 December 2021 and Fifth Supplemental Deed dated 12 July 2022.	Deed  The Scheme is governed by a Deed dated 8 November 2012, First Supplemental Deed dated 2 January 2014, Second Supplemental Deed dated 25 November 2014, Third Supplemental Deed dated 3 February 2020, Fourth Supplemental Deed dated 17 December 2021, Fifth Supplemental Deed dated 12 July 2022 and Sixth Supplemental Deed dated 14 June 2023.												
7.6/ 72	<p>Potential Conflicts of Interests and Related-Party Transactions</p> <p><u>3<sup>rd</sup> &amp; 4<sup>th</sup> Paragraph</u> As at LPD, none of our directors and substantial shareholders has either direct or indirect interest in other corporations that carry on a similar business with Principal Malaysia, except for the following:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Director / Shareholder</th> <th style="width: 20%;">Position</th> <th style="width: 15%;">Shareholding (Direct / Indirect)</th> <th style="width: 45%;">Name of corporation</th> </tr> </thead> <tbody> <tr> <td>CIMB Group Sdn Bhd</td> <td>Shareholder</td> <td>Direct</td> <td>Principal Islamic Asset Management Sdn Bhd</td> </tr> <tr> <td>Principal Financial Services, Inc.</td> <td>Shareholder<sup>#</sup></td> <td>Direct</td> <td>Principal Islamic Asset Management Sdn Bhd</td> </tr> </tbody> </table> <p><sup>#</sup> Principal Financial Services, Inc. has indirect interest in the PRS Provider.</p>	Director / Shareholder	Position	Shareholding (Direct / Indirect)	Name of corporation	CIMB Group Sdn Bhd	Shareholder	Direct	Principal Islamic Asset Management Sdn Bhd	Principal Financial Services, Inc.	Shareholder <sup>#</sup>	Direct	Principal Islamic Asset Management Sdn Bhd	<p>Potential Conflicts of Interests and Related-Party Transactions</p> <p><u>3<sup>rd</sup> &amp; 4<sup>th</sup> Paragraph</u> Removed.</p>
Director / Shareholder	Position	Shareholding (Direct / Indirect)	Name of corporation											
CIMB Group Sdn Bhd	Shareholder	Direct	Principal Islamic Asset Management Sdn Bhd											
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	<p>The substantial shareholders of the PRS Provider may have direct or indirect interest in other non-Malaysian corporations carrying on similar business as the PRS Provider.</p> <p><u>6<sup>th</sup> Paragraph</u>            We generally discourage cross trades and prohibit any transactions between client(s) accounts and fund accounts. Any cross trade activity require prior approval with the relevant supporting justification(s) to ensure the trades are executed in the best interest of both funds and such transactions were executed at arm's length. Cross trades will be reported to the Investment Committee to ensure compliance to the relevant regulatory requirements</p>	<p><u>6<sup>th</sup> Paragraph</u>            We generally discourage cross trades and prohibit any transactions between client(s) accounts and fund accounts. Any cross trade activity require prior approval with the relevant supporting justification(s) to ensure the trades are executed in the best interest of both funds and such transactions were executed at arm's length. Cross trades will be reported to the person(s) or members of a committee undertaking the oversight function of the Fund to ensure compliance to the relevant regulatory requirements.</p>																																									
8.1.1 & 8.1.2/ 74	<p>The Board of Directors</p> <p>As at 30 June 2022, the Board of Directors consists of eleven (11) members including three (3) independent directors and three (3) alternate directors. The Board of Directors oversees the management and operations of the Principal Malaysia and meets at least four (4) times a year.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;"><del>Effendy Shahul Hamid</del></td> <td style="text-align: center;"><del>- Non-independent director</del></td> <td style="text-align: center;">Lai Mee Fong<sup>2</sup></td> <td style="text-align: center;">- Non-independent director</td> </tr> <tr> <td style="text-align: center;">Thomas Cheong Wee Yee</td> <td style="text-align: center;">- Non-independent director</td> <td style="text-align: center;">Chong Chooi Wan<sup>3</sup></td> <td style="text-align: center;">- Non-independent director</td> </tr> <tr> <td style="text-align: center;">Munirah Khairuddin</td> <td style="text-align: center;">- Non-independent director</td> <td style="text-align: center;">Wong Joon Hian</td> <td style="text-align: center;">- Independent director</td> </tr> <tr> <td style="text-align: center;">Uday Jayaram</td> <td style="text-align: center;">- Non-independent director</td> <td style="text-align: center;">Liew Swee Lin</td> <td style="text-align: center;">- Independent director</td> </tr> <tr> <td style="text-align: center;">Mohd Haniz Mohd Nazlan</td> <td style="text-align: center;">- Non-independent director</td> <td style="text-align: center;">Dato' Jaganath Derek</td> <td style="text-align: center;">- Independent director</td> </tr> </table>	<del>Effendy Shahul Hamid</del>	<del>- Non-independent director</del>	Lai Mee Fong <sup>2</sup>	- Non-independent director	Thomas Cheong Wee Yee	- Non-independent director	Chong Chooi Wan <sup>3</sup>	- Non-independent director	Munirah Khairuddin	- Non-independent director	Wong Joon Hian	- Independent director	Uday Jayaram	- Non-independent director	Liew Swee Lin	- Independent director	Mohd Haniz Mohd Nazlan	- Non-independent director	Dato' Jaganath Derek	- Independent director	<p>The Board of Directors</p> <p>The Board of Directors consists of ten (10) members including three (3) independent directors and two (2) alternate directors. The Board of Directors oversees the management and operations of the Principal Malaysia and meets at least four (4) times a year.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Thomas Cheong Wee Yee</td> <td style="text-align: center;">- Non-independent director</td> <td style="text-align: center;">Lai Mee Fong</td> <td style="text-align: center;">- Non-independent director</td> </tr> <tr> <td style="text-align: center;">Munirah Khairuddin</td> <td style="text-align: center;">- Non-independent director</td> <td style="text-align: center;">Chong Chooi Wan<sup>2</sup></td> <td style="text-align: center;">- Non-independent director</td> </tr> <tr> <td style="text-align: center;">Uday Jayaram</td> <td style="text-align: center;">- Non-independent director</td> <td style="text-align: center;">Wong Joon Hian</td> <td style="text-align: center;">- Independent director</td> </tr> <tr> <td style="text-align: center;">Mohd Haniz Mohd Nazlan</td> <td style="text-align: center;">- Non-independent director</td> <td style="text-align: center;">Liew Swee Lin</td> <td style="text-align: center;">- Independent director</td> </tr> <tr> <td style="text-align: center;">Julian Christopher Vivian Pull<sup>1</sup></td> <td style="text-align: center;">- Non-independent director</td> <td style="text-align: center;">Dato' Jaganath Derek Steven Sabapathy</td> <td style="text-align: center;">- Independent director</td> </tr> </table>		Thomas Cheong Wee Yee	- Non-independent director	Lai Mee Fong	- Non-independent director	Munirah Khairuddin	- Non-independent director	Chong Chooi Wan <sup>2</sup>	- Non-independent director	Uday Jayaram	- Non-independent director	Wong Joon Hian	- Independent director	Mohd Haniz Mohd Nazlan	- Non-independent director	Liew Swee Lin	- Independent director	Julian Christopher Vivian Pull <sup>1</sup>	- Non-independent director	Dato' Jaganath Derek Steven Sabapathy	- Independent director
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<sup>1</sup> Alternate director to Thomas Cheong Wee Yee

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Julian Christopher Vivian Pull <sup>1</sup>	- Non- independent director	Steven Sabapathy					
12.2.1/ 83	<p>Expenses Permitted by the Deed</p> <p><u>Fifth bullet point</u></p> <ul style="list-style-type: none"> <li>▪ remuneration and out of pocket expenses of the independent members of the investment committee and/or the members of the Shariah committee or advisers (if any) of that Fund, unless we decide to bear the same;</li> </ul> <p><u>last bullet point</u></p> <p>Nil</p>	<p>Expenses Permitted by the Deed</p> <p><u>Fifth bullet point</u></p> <ul style="list-style-type: none"> <li>▪ remuneration and out of pocket expenses of the person(s) undertaking the oversight functions of the Fund of the investment committee and/or the members of the Shariah committee or advisers (if any) of that Fund, unless we decide to bear the same;</li> </ul> <p><u>last bullet point</u></p> <ul style="list-style-type: none"> <li>▪ costs, fees and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent.</li> </ul>					

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12.4/ 84	Retirement, Removal and Replacement of the Trustee  <u>Last paragraph</u> Nil	Retirement, Removal and Replacement of the Trustee  <u>Last paragraph</u> Notwithstanding the above and subject to the provision set out below, the Fund may be terminated or wound-up, <b>without the need to seek Members'</b> prior approval, as proposed by the PRS Provider with the consent of the Trustee (which consent shall not be unreasonably withheld) upon the occurrence of any of the following events, by giving a notice in writing to the Members of such period not less than that specified in the Guidelines as hereinafter provided (i) if any law shall be passed which renders it illegal or (ii) if in the reasonable opinion of that PRS Provider it is impracticable or inadvisable to continue the Fund, and in any case the termination of the Fund is in the best interest of the Members.
12.5/ 84	Termination of the Scheme and/or Funds  <u>Last paragraph</u> Nil	Termination of the Scheme and/or Funds  <u>Last paragraph</u> Where a Fund has only one (1) remaining Member, such Member, whether present in person or by proxy, at the meeting shall constitute a quorum required for the meeting of Members.
12.6/ 84-85	Meetings of Members  <u>Last paragraph</u> Nil	Meetings of Members  <u>Last paragraph</u> Nothing herein shall preclude us from convening any Members' meeting at more than one venue using any communication facility or technology or method available as we shall determine to enable the Members to participate and to exercise their right to speak and vote at that meeting. Where such meeting is convened, any reference to a Member being "present in person" in the Deed, meetings or resolutions shall include, where permitted by us, to that Member being present either remotely or virtually and for the avoidance of doubt it is hereby agreed that the participation by a Member in such meeting using the prescribed communication facility or technology or method shall be deemed as being

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		present at that meeting notwithstanding that the Member is not physically present at the main venue of that meeting.