

# Principal PRS Plus Equity

(formerly known as CIMB-Principal PRS Plus Equity)

Annual Report

For the Financial Year Ended 31 January 2021

**PRINCIPAL PRS PLUS EQUITY**  
*(formerly known as CIMB-Principal PRS Plus Equity)*

**ANNUAL REPORT**

**FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021**

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**MEMBERS' LETTER**

Dear Valued Members,

The market today is looking beyond the pandemic and we anticipate further recovery in global growth as economies start to reopen. Another positive is while the rollout of the Coronavirus Disease 2019 ("COVID-19") vaccination is still a work-in-progress, the number of people vaccinated globally has exceeded the number of confirmed cases.

At Principal, we continue to assess relative valuations and search for the right opportunities that will give the best potential returns for our customers. With the market starting to experience a strong economic recovery, we believe a disciplined, diversified, and far-sighted approach to investing will remain the best way to grow capital over the long term.

We generally prefer equities over fixed income and remain positive on Asian equities favouring China and more developed Asian economies on a 12-month basis. We've also added more ASEAN names in anticipation of a broader economic recovery which would be strengthened by the greater availability of COVID-19 vaccines by mid-2021.

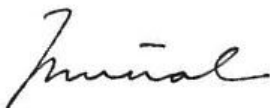
We're here to help you navigate the changing market conditions and manage your investments towards reaching your long-term financial goals. Please visit our website ([www.principal.com.my](http://www.principal.com.my)) and our Facebook page (@PrincipalAssetMY) for ongoing investment updates and educational articles and tips.

Please be informed that effective 22 April 2020, the Fund has been renamed as Principal PRS Plus Equity following the issuance of the Second Replacement Disclosure Document.

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

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

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



**Munirah Khairuddin**  
Chief Executive Officer

## **PRS PROVIDER'S REPORT**

### **FUND OBJECTIVE AND POLICY**

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

The Fund seeks to provide capital growth over the long-term by investing in the domestic market.

#### **Has the Fund achieved its objective?**

For the financial year under review, the Fund registered a gain of 6.61%, while the benchmark registered a gain of 8%. The Fund underperformed largely as it was structured to preserve capital during the COVID-19 crisis.

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

The Fund is managed to achieve a defined target return over the long-term through investments in the domestic market. The Fund will invest between 70% to 99.8% (both inclusive) of the Fund's Net Asset Value ("NAV") in equities.

However, the Fund may take temporary defensive positions that may detract from the Fund's prescribed asset allocation when we believe that the equity market is experiencing excessive volatility, expected prolonged declines or when the outlook of the equity market is unfavourable. Under these circumstances, the Fund may reduce its equity exposure and increase its investment in money market instruments to protect the Fund's investment objective in bearish or non-performing equity market.

The asset allocation strategy for this Fund is as follows:

- Between 70% to 99.8% (both inclusive) of the Fund's NAV will be invested in equities; and
- At least 0.2% of the Fund's NAV will be invested in liquid assets for liquidity purpose.

#### **Fund category/type**

Equity

#### **When was the Fund launched?**

<b>Name of Class</b>	<b>Launch Date</b>
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 2021?**

RM10.74 million (18.40 million units)

#### **What is the Fund's benchmark?**

The Fund has a target return of 8% per annum.

This is not a guaranteed return and is only a measurement of the Fund's performance. The Fund may not achieve the target return in any particular financial year but targets to achieve this growth over the long-term.

**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.

**FUND OBJECTIVE AND POLICY (CONTINUED)**

**What was the net income distribution for the financial year ended 31 January 2021?**

The Fund distributed a total net income of RM0.39 million to members for the financial year ended 31 January 2021.

The Fund's NAV per unit are as follows:

<b>Date</b>	<b>NAV per unit (Before distribution)</b>	<b>NAV per unit (After distribution)</b>
18.12.2020	<b>RM</b>	<b>RM</b>
Class A	0.6158	0.5957
Class C	0.6159	0.5958
Class X	0.6159	0.5958

**PRINCIPAL PRS PLUS EQUITY**  
**(formerly known as CIMB-Principal Plus Equity)**

**PERFORMANCE DATA**

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

	<b>31.01.2021</b>	<b>31.01.2020</b>	<b>31.01.2019</b>
	%	%	%
Quoted securities			
- Construction	5.86	1.30	3.34
- Consumer Products & Services	18.03	7.05	19.70
- Energy	6.23	18.50	7.15
- Financial Services	19.36	28.61	15.87
- Health Care	11.89	2.58	6.38
- Industrial Products & Services	8.88	4.38	7.11
- Plantation	-	7.57	0.67
- Property	-	3.95	-
- Real Estate Investment Trust ("REIT")	6.54	2.39	-
- Technology	10.33	7.08	10.27
- Telecommunications & Media	4.82	5.43	2.36
- Transportation & Logistics	6.86	-	1.26
- Utilities	3.78	4.83	6.75
Cash and other assets	8.75	6.81	20.50
Liabilities	(11.32)	(0.48)	(1.36)
	<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>31.01.2021</b>	<b>31.01.2020</b>	<b>31.01.2019</b>
NAV (RM Million)			
- Class A	6.72	7.02	6.19
- Class C	1.21	1.11	1.09
- Class X	2.81	2.22	1.82
Units in circulation (Million)			
- Class A	11.52	12.40	11.58
- Class C	2.07	1.96	2.03
- Class X	4.81	3.93	3.40
NAV per unit (RM)			
- Class A	0.5837	0.5660	0.5349
- Class C	0.5837	0.5661	0.5349
- Class X	0.5837	0.5661	0.5349
Highest NAV per unit (RM)			
- Class A	0.6292	0.5970	0.6274
- Class C	0.6293	0.5971	0.6274
- Class X	0.6292	0.5971	0.6274
Lowest NAV per unit (RM)			
- Class A	0.4181	0.5348	0.5128
- Class C	0.4182	0.5349	0.5129
- Class X	0.4182	0.5349	0.5129

**PRINCIPAL PRS PLUS EQUITY**  
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**PERFORMANCE DATA (CONTINUED)**

	<b>31.01.2021</b>	<b>31.01.2020</b>	<b>31.01.2019</b>
Total return (%)			
- Class A	6.61	5.83	(14.31)
- Class C	6.61	5.81	(14.29)
- Class X	6.61	5.81	(14.29)
Capital growth (%)			
- Class A	3.13	5.83	(14.31)
- Class C	3.13	5.81	(14.29)
- Class X	3.13	5.81	(14.29)
Income distribution (%)			
- Class A	3.37	-	-
- Class C	3.37	-	-
- Class X	3.37	-	-
Management Expense Ratio ("MER") (%) ^	0.42	0.45	0.49
Portfolio Turnover Ratio ("PTR") (times) #	1.22	1.30	1.13

^ The Fund's MER decreased from 0.45% to 0.42% mainly due to increase in average NAV during the financial year under review.

# The Fund's PTR was decreased from 1.30 times to 1.22 times for the financial year under review due to less trading activities.

**Gross/Net distribution per unit (sen)**

Distribution on 18 December 2020

- Class A	2.01	-	-
- Class C	2.01	-	-
- Class X	2.01	-	-

	<b>31.01.2021</b>	<b>31.01.2020</b>	<b>31.01.2019</b>	<b>31.01.2018</b>	<b>31.01.2017</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Annual total return					
- Class A	6.61	5.83	(14.31)	19.35	3.10
- Class C	6.61	5.81	(14.29)	19.33	3.12
- Class X	6.61	5.81	(14.29)	19.33	3.12

(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 2020 TO 31 JANUARY 2021)**

For the financial year under review, Financial Times Stock Exchange (“FTSE”) Bursa Malaysia (“FBM”) Kuala Lumpur Composite Index (“FBMKLCI”) gained by 2.31% from 1,531.06 points to 1,566.40 points.

The optimism in the market towards the end of 2019 did not last as equities slumped and bonds rallied on heightened concerns that the spread of the COVID-19 will slam global economic growth.

Subsequently, Bank Negara Malaysia (“BNM”) has surprised the market in January 2020 by cutting the Overnight Policy Rate (“OPR”) by 25 basis points (“bps”) to 2.75% as the central bank took pre-emptive measure to support the economic growth trajectory amid benign inflationary pressure and still uncertain geopolitical tensions and policy uncertainties in a number of countries.

Malaysian market continued to descend amid concerns over uncertainty in domestic politics, COVID-19 outbreak and the poor set of lacklustre corporate results. Political uncertainty engulfed Malaysia again following the shocked resignation of Tun Dr Mahathir as Prime Minister after losing a majority support in the parliament. However, the uncertainty of not having a functioning Federal Government was short-lived as the King has appointed Tan Sri Muhyiddin Yasin as the 8<sup>th</sup> Prime Minister after determining that the latter is likely to get a majority support in the parliament. In his last act as interim prime minister, Tun Dr Mahathir unveiled a RM20 billion stimulus package to mitigate the adverse economic impact from the COVID-19 outbreak. He furthers lower Malaysia Gross Domestic Product (“GDP”) growth forecast in 2020 from 4.8% to 3.2%-4.2% while raising the fiscal deficit target from 3.2% to 3.4%.

FBMKLCI declined -8.89% in March 2020 as concerns over the COVID-19 outbreak intensified which was further exacerbated by the sharp 47% fall in Brent crude oil price following the breakdown in talks between Saudi Arabia and Russia to extend the Organization of the Petroleum Exporting Countries (“OPEC”) production cut agreement. The Malaysian Government has enforced an initial 2-week Movement Control Order (“MCO”) since 18 March which was extended until 14 April as the number of new COVID-19 infections spiked. To mitigate the economic impact of COVID-19 and MCO, a RM250 billion stimulus package was announced with the primary focus of (i) sustaining private consumption and confidence, (ii) preserving the viability and continuity of domestic business entities; and (iii) strengthening the domestic economy. Furthermore, on the backdrop of a disappointing fourth quarter of 2019 GDP growth of 3.6% (versus 4.1% street expectation) and a weaker Purchasing Managers’ Index (“PMI”) reading of 48.5 in February 2020, BNM has followed through with its second interest rate cut this year as it lowers the OPR by 25 bps to 2.50% in its March 2020 Monetary Policy Committee (“MPC”) meeting. The central bank continues to take pre-emptive measure to support the economic growth trajectory amid slower growth outlook due to the COVID-19 outbreak and weak commodity markets.

Subsequently, a liquidity driven relief rally lifted the FBKLCI by 2.18% in April 2020 led mainly by technology stocks. The sharp turnaround in investors’ sentiment was driven by coordinated fiscal and monetary responses globally following the COVID-19 outbreak which led to a sharp recession as economic activities came to a halt.

## **MARKET REVIEW (1 FEBRUARY 2020 TO 31 JANUARY 2021) (CONTINUED)**

The rally continued in May 2020 driven mainly by gloves and technology stocks. The former was due to rising average selling price amid tight global supply of medical gloves and the latter on the back of demand resiliency coming from 5G, Internet of Things and medical life-sciences. First quarter of 2020 GDP growth fell sharply to 0.7% as the impact of the global pandemic and the subsequent lockdown severely impacted macroeconomic conditions. Exports fell sharply by 7.1% due to global supply chain disruption following lockdowns. Gross fixed capital formation fell 4.6% as businesses and Government curtailed investment spending given uncertain outlook. While second quarter of 2020 GDP is expected to slide further given the full impact of nationwide lockdown during the MCO, recovery is expected from third quarter of 2020 onwards as the nation prepares to exit from lockdown. In line with other countries, expectations are rising that the Government will end the MCO soon. This will set the stage for a much broader economic recovery as almost all business activities will resume although the pace of recovery will likely be gradual as social distancing practice will remain a norm for some time to come. To provide further boost to the domestic economy, the Government has announced an additional RM35 billion stimulus package on 5 June 2020 to aid the economy during its post-lockdown recovery phase. This is in addition to the RM260 billion Prihatin Rakyat Economic Stimulus Package which has been announced earlier. The central bank has also played its role in ensuring that its monetary stance remains accommodative and has cut the OPR by a further 50 bps to 2.0% in early May 2020.

June 2020 to aid the economy during its post-lockdown recovery phase. This is in addition to the RM260 billion Prihatin Rakyat Economic Stimulus Package which has been announced earlier. The central bank has also played its role in ensuring that its monetary stance remains accommodative and has cut the OPR by a further 50 bps to 2.0% in early May 2020.

Subsequently, FBMKLCI was facing some profit-taking activities after the strong surge since late March 2020 as there are concern of second wave of COVID-19 new infections after MCO is being lifted gradually. Over the course of June 2020, the Government has announced further RM35 billion stimulus under National Economic Recovery Plan (“PENJANA”) which consists of RM10 billion in direct fiscal injections, RM8 billion in tax incentives and the rest via measures by public sector entities. The Government also announced that it is offering up to 100% sales tax exemption for CKD and CBU vehicles from 15 June till 31 December 2020 while property sector will be boosted by reintroduction of the Home Ownership Campaign (“HOC”), exemption of individuals’ Real Property Gain Tax (“RPGT”) and the lifting of the maximum loan-to-value ratio (“LTV”) to 70%.

In July 2020, Malaysia equity market continued to have a strong rally, outperforming its regional peers. The healthcare sector was again the star of the month as the continued rise in global COVID-19 new cases underpinned the spike in demand for Personal Protect Equipment (“PPE”) including gloves. This led to a 68.0% month-on-month (“m-o-m”) gain in Bursa Malaysia Healthcare Index. Besides healthcare, technology (+24.4% m-o-m) and plantation (+6.5% m-o-m) are the two other notable sectors which also contributed to the broad rally.

Nonetheless, the rally was not sustained into the month of August 2020 as market sentiment dented by subdued second quarter of 2020 corporate earnings results despite earlier expectation of severe earnings contraction due to the full impact of MCO. The earnings disappointment was further compounded by the absence of any interim dividends by the banks to preserve capital against potential losses as the end of loan moratorium loomed.

The market continued to slide in September 2020 affected by selling pressure on the Healthcare sector, due to the correction in glove stocks on vaccine development news flow, as well as the sell-down of some blue-chip stocks amid continued net outflow by foreign institutional investors. Politics was another dampener the equity market (especially for the foreign investors). Given slim majority of the current Government, there was concern of snap general election may be called soon. Any potential change in Government could lead to policy uncertainty, thus negatively impacting the markets in the short term.

**MARKET REVIEW (1 FEBRUARY 2020 TO 31 JANUARY 2021) (CONTINUED)**

The equity market slipped for third consecutive month in October 2020 since staging a strong rally in July 2020. The sharp rise in COVID-19 post Sabah state election resulted in the implementation of Conditional MCO (“CMCO”). Despite assurance that all economic sectors would be allowed to operate during the implementation of CMCO, productivity and consumer sentiment as well as spending would be affected. Politics also took the limelight in October 2020 when there was news that the Prime Minister had proposed to the King to call for a state of emergency for the country, which was later declined by the King. With threats to the economy were growing by the day, the market hoped that the Budget 2021 would provide enough economic stimulus to steer past the COVID-19 and providing enough safety net for the Bottom 40% (“B40”). Warily, there would a threat that the Budget 2021 may not get enough support for approval.

Following the news of COVID-19 vaccine breakthrough in November 2020, FBMKLCI along with global markets staged a strong rally as investors switched into the COVID-19 recovery play in the market. However, FBMKLCI outperformed FBM EMAS Shariah Index due to profit taking in healthcare sector as market participants continued to switch from gloves makers to recovery play such as banks, properties, commodities related sectors.

The FBMKLCI eased during the month of January 2021 giving up 60.8 points or 3.73% to end the month at 1566.4 points. The softer sentiment in the market was dampened by the jump in the number of COVID-19 cases that reached new peak over 5,000 cases per day.

**FUND PERFORMANCE**

	1 year to 31.01.2021			3 years to 31.01.2021		
	Class A	Class C	Class X	Class A	Class C	Class X
	%	%	%	%	%	%
Income Distribution	3.37	3.37	3.37	3.37	3.37	3.37
Capital Growth	3.13	3.13	3.13	(6.47)	(6.47)	(6.47)
Total Return	6.61	6.61	6.61	(3.31)	(3.31)	(3.31)
Benchmark	8.00	8.00	8.00	25.97	25.97	25.97
FBMKLCI #	2.31	2.31	2.31	(16.17)	(16.17)	(16.17)
Average Total Return	6.61	6.61	6.61	(1.12)	(1.12)	(1.12)

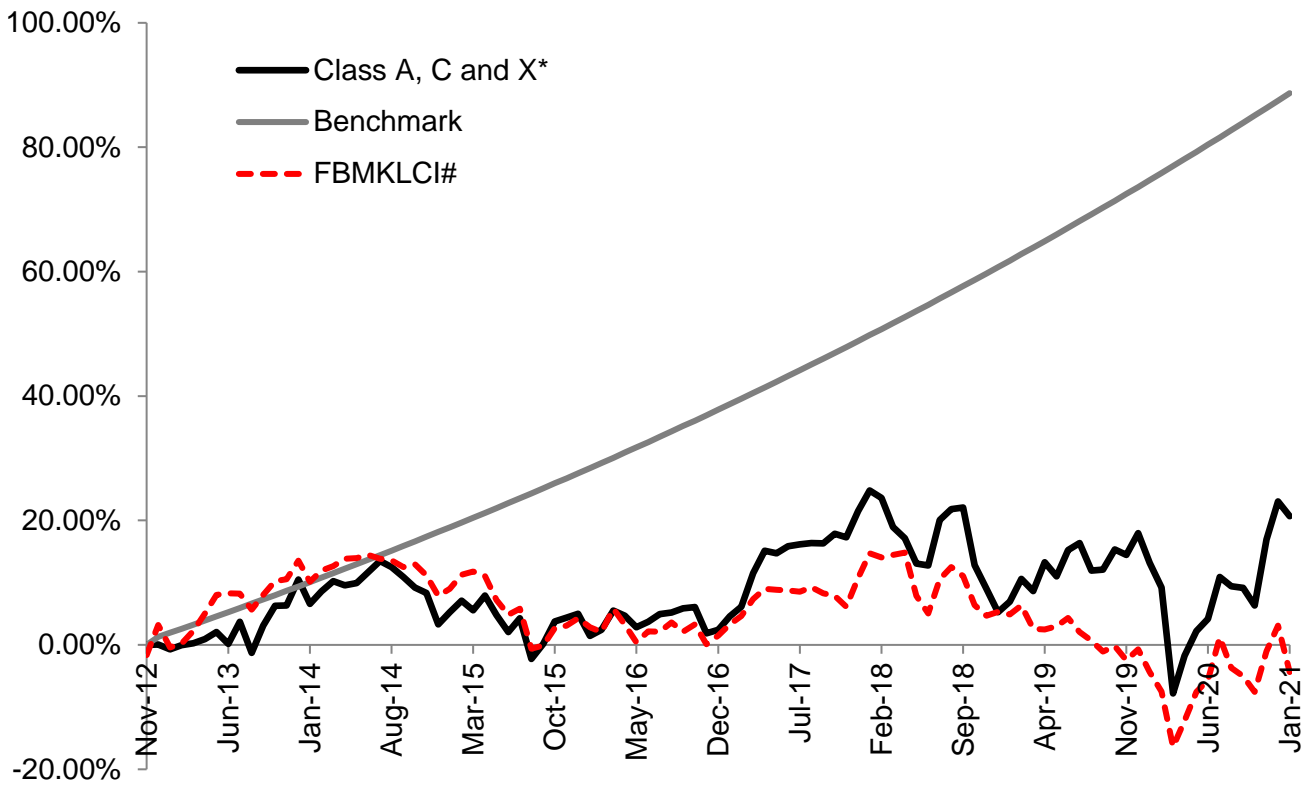
	5 years to 31.01.2021			Since inception to 31.01.2021		
	Class A	Class C	Class X	Class A	Class C	Class X
	%	%	%	%	%	%
Income Distribution	3.37	3.37	3.37	3.37	3.37	3.37
Capital Growth	15.08	15.08	15.08	16.74	16.74	16.74
Total Return	18.97	18.97	18.97	20.68	20.68	20.68
Benchmark	46.93	46.93	46.93	88.69	88.69	88.69
FBMKLCI #	(6.08)	(6.08)	(6.08)	(4.35)	(4.35)	(4.35)
Average Total Return	3.53	3.53	3.53	2.32	2.32	2.32

For the year under review, the Fund gained by 6.61% outperformed FBMKLCI by 4.30%, however, it did not deliver annual target return of 8%.

# The use of FBMKLCI is purely to act as a point reference representing Malaysian market.

**PRINCIPAL PRS PLUS EQUITY**  
(formerly known as CIMB-Principal Plus Equity)

**FUND PERFORMANCE (CONTINUED)**



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

# FBMKLCI is the key benchmark representing Malaysian stock market, added for illustration purpose only.

**Changes in NAV**

<b>CLASS A</b>	<b>31.01.2021</b>	<b>31.01.2020</b>	<b>Changes</b>
			<b>%</b>
NAV (RM Million)	6.72	7.02	(4.27)
NAV/Unit (RM)	0.5837	0.5660	3.13
<b>CLASS C</b>	<b>31.01.2021</b>	<b>31.01.2020</b>	<b>Changes</b>
			<b>%</b>
NAV (RM Million)	1.21	1.11	9.01
NAV/Unit (RM)	0.5837	0.5661	3.11

## FUND PERFORMANCE (CONTINUED)

CLASS X	31.01.2021	31.01.2020	Changes %
NAV (RM Million)	2.81	2.22	26.58
NAV/Unit (RM)	0.5837	0.5661	3.11

The NAV per unit for Class A, Class C and Class X increased by 3.13%, 3.11% and 3.11%, respectively, due to positive investment performance during the financial year. The NAV for Class C and Class X increased by 9.01% and 26.58%, respectively, due to fund inflows whereby Class A faced redemptions as it decreased by 4.27%.

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)	31.01.2021	31.01.2020
Quoted securities	102.57	93.67
Cash and other assets	8.75	6.81
Liabilities	(11.32)	(0.48)
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

Asset allocation for quoted securities increased from 93.67% as at 31 January 2020 to 102.57% as at 31 January 2021 as we became more positive on the market during the financial year under review. The liabilities were higher than cash and other asset due to trading activities and huge redemptions.

### MARKET OUTLOOK\*

Much of the optimism over recovery in November 2020 and December 2020 went away as numbers of COVID-19 cases climbed which led to the Government imposing Second MCO ("MCO 2.0") which began mid-January 2021. In addition, the suspension of Regulated Short Selling ("RSS") from 24 March 2020, was lifted this year adding to the volatility of the market. On the macro end, Malaysia's PMI eased again in January 2021 to 48.9 after picking up to 49.1 in December 2020, remaining below 50 suggesting that growth is not improving at the pace earlier anticipated. With further extension of MCO 2.0, the Government's earlier GDP target of 6.5% to 7.5% for 2021 is at risk of being adjusted 0.5% to 1.0% lower. The market remains hopeful with the vaccine roll-out scheduled at the end of February 2021 but the speed and efficiency of the execution and how that translate to improvement in the numbers of COVID-19 cases is critical to the timing of overall recovery.

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

## INVESTMENT STRATEGY

In a nutshell, recovery and growth all hinges on our fight against COVID-19. With the vaccine roll-out, the economy will normalize and then recovery and growth in the economy as well as in corporate earnings can take place. We remain constructive on the market and look ahead towards normalization. With that, we maintain our high asset allocation of 94% to 98% and focusing on post COVID-19 recovery theme.

## MEMBERS STATISTICS AS AT 31 JANUARY 2021

### CLASS A

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	1,192	1.86	16.15
5,001-10,000	330	2.19	19.01
10,001-50,000	264	5.00	43.40
50,001-500,000	16	2.47	21.44
Above 500,000	-	-	-
<b>Total</b>	<b>1,802</b>	<b>11.52</b>	<b>100.00</b>

### CLASS C

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	286	0.39	18.45
5,001-10,000	67	0.44	21.36
10,001-50,000	50	1.05	50.97
50,001-500,000	3	0.19	9.22
Above 500,000	-	-	-
<b>Total</b>	<b>406</b>	<b>2.07</b>	<b>100.00</b>

### CLASS X

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	435	0.38	7.90
5,001-10,000	67	0.48	9.98
10,001-50,000	97	2.15	44.70
50,001-500,000	19	1.80	37.42
Above 500,000	-	-	-
<b>Total</b>	<b>618</b>	<b>4.81</b>	<b>100.00</b>

## 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 financial wire services and stock quotations system incidental to investment management of the Funds. All dealings with brokers are executed on best available terms.

During the financial year under review, the PRS Provider and the Trustee did not receive any rebates from the brokers or dealers but the PRS Provider has retained soft commissions in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds.

**STATEMENT BY THE PRS PROVIDER TO THE MEMBERS OF  
PRINCIPAL PRS PLUS EQUITY**  
***(formerly known as CIMB-Principal Plus Equity)***

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 18 to 48 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 2021 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**  
Chief Executive Officer/Executive Director

**JUAN IGNACIO EYZAGUIRRE BARAONA**  
Director

Kuala Lumpur  
24 March 2021

**TRUSTEE'S REPORT**

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

We have acted as Trustee for Principal PRS Plus Equity (*formerly known as CIMB-Principal Plus Equity*) (the "Fund") for the financial year ended 31 January 2021. To the best of our knowledge, for the financial year under review, Principal Asset Management Berhad (the "PRS Provider") has operated and managed the Fund in accordance with the following:-

- (a) limitations imposed on the investment powers of the PRS Provider under the Deed(s), the Securities Commission's Guidelines on Private Retirement Schemes, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation and pricing for the Fund is carried out in accordance with the Deed(s) of the Fund and any regulatory requirements; and
- (c) creation and cancellation of units for the Fund are carried out in accordance with the Deed(s) of the Fund and any regulatory requirement.

We are of the view that the distribution made during the financial year ended 31 January 2021 by the PRS Provider is not inconsistent with the objectives of the Fund.

For **Deutsche Trustees Malaysia Berhad**

**NG HON LEONG**  
Head, Trustee Operations

**GERARD ANG**  
Chief Executive Officer

Kuala Lumpur  
10 March 2021



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
PRINCIPAL PRS PLUS EQUITY**  
**(formerly known as CIMB-Principal Plus Equity)**

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

*Opinion*

We have audited the financial statements of Principal PRS Plus Equity (*formerly known as CIMB-Principal PRS Plus Equity*) (the "Fund"), which comprise the statement of financial position of the Fund as at 31 January 2021, 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 a summary of significant accounting policies, as set out on pages 18 to 48.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 January 2021, and of its financial performance and cash flows for the 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 EQUITY**  
**(formerly known as CIMB-Principal Plus Equity) (cont'd.)**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

*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 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 EQUITY**  
**(formerly known as CIMB-Principal Plus Equity) (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 EQUITY**  
***(formerly known as CIMB-Principal Plus Equity) (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 ("PRS") 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.

The financial statements of the Fund for year ended 31 January 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 23 March 2020.

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

Yeo Beng Yean  
No. 03013/10/2022 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
24 March 2021

**PRINCIPAL PRS PLUS EQUITY**  
*(formerly known as CIMB-Principal Plus Equity)*

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021**

	<b>Note</b>	<b>2021</b> <b>RM</b>	<b>2020</b> <b>RM</b>
<b>INCOME</b>			
Dividend income		273,716	257,843
Interest income from deposits with licensed financial institutions and current account		21,794	30,906
Net gain on financial assets at fair value through profit or loss	<b>8</b>	<u>581,656</u>	<u>354,485</u>
		<u>877,166</u>	<u>643,234</u>
<b>EXPENSES</b>			
Private Pension Administrator administration fee	<b>4</b>	4,095	3,958
Trustee fee	<b>5</b>	4,095	3,958
Audit fee		8,100	10,500
Tax agent's fee		6,500	4,600
Transaction costs		80,376	86,627
Other expenses		<u>22,001</u>	<u>22,467</u>
		<u>125,167</u>	<u>132,110</u>
<b>PROFIT BEFORE FINANCE COST AND TAXATION</b>		751,999	511,124
Finance cost:			
- Class A		(255,074)	-
- Class C		(39,517)	-
- Class X		<u>(92,245)</u>	-
	<b>6</b>	<u>(386,836)</u>	-
<b>PROFIT BEFORE TAXATION</b>		365,163	511,124
Taxation	<b>7</b>	<u>-</u>	<u>-</u>
<b>PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		<u>365,163</u>	<u>511,124</u>
Profit after taxation is made up as follows:			
Realised amount		147,492	741,216
Unrealised amount		<u>217,671</u>	<u>(230,092)</u>
		<u>365,163</u>	<u>511,124</u>

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

**PRINCIPAL PRS PLUS EQUITY**  
*(formerly known as CIMB-Principal Plus Equity)*

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JANUARY 2021**

	Note	2021 RM	2020 RM
<b>ASSETS</b>			
Cash and cash equivalents	9	612,205	668,792
Financial assets at fair value through profit or loss	8	11,015,673	9,697,247
Amount due from the PRS Provider			
- creation of units		33,433	11,377
Amount due from stockbrokers		278,817	21,809
Dividends receivable		14,720	2,767
Tax recoverable		55	55
<b>TOTAL ASSETS</b>		<u>11,954,903</u>	<u>10,402,047</u>
<b>LIABILITIES</b>			
Amount due to the PRS Provider			
- cancellation of units		999,646	23
Amount due to stockbrokers		197,612	36,319
Amount due to Private Pension Administrator		396	365
Amount due to Trustee		396	365
Other payables and accruals		17,101	12,700
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS)</b>		<u>1,215,151</u>	<u>49,772</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>10,739,752</u>	<u>10,352,275</u>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u>10,739,752</u>	<u>10,352,275</u>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS</b>			
- CLASS A		6,724,251	7,020,654
- CLASS C		1,205,677	1,108,234
- CLASS X		2,809,824	2,223,387
		<u>10,739,752</u>	<u>10,352,275</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
- CLASS A		11,519,511	12,402,287
- CLASS C		2,065,293	1,957,560
- CLASS X		4,813,369	3,927,469
	10	<u>18,398,173</u>	<u>18,287,316</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>			
- CLASS A		0.5837	0.5660
- CLASS C		0.5837	0.5661
- CLASS X		<u>0.5837</u>	<u>0.5661</u>

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

**PRINCIPAL PRS PLUS EQUITY**  
*(formerly known as CIMB-Principal Plus Equity)*

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS  
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021**

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<u>10,352,275</u>	<u>9,097,250</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class A	570,666	907,483
- Class C	187,507	177,634
- Class X	430,447	375,851
	<u>1,188,620</u>	<u>1,460,968</u>
Creation of units from distribution		
- Class A	255,074	-
- Class C	39,517	-
- Class X	92,245	-
	<u>386,836</u>	<u>-</u>
Cancellation of units		
- Class A	(1,342,747)	(422,651)
- Class C	(163,305)	(215,625)
- Class X	(47,090)	(78,791)
	<u>(1,553,142)</u>	<u>(717,067)</u>
Total comprehensive income for the financial year	<u>365,163</u>	<u>511,124</u>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL YEAR</b>	<u>10,739,752</u>	<u>10,352,275</u>

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

**PRINCIPAL PRS PLUS EQUITY**  
*(formerly known as CIMB-Principal Plus Equity)*

**STATEMENT OF CASH FLOWS**  
**FOR FINANCIAL YEAR ENDED 31 JANUARY 2021**

	Note	2021 RM	2020 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from disposal of quoted securities		11,843,074	11,957,069
Purchase of quoted securities		(12,755,935)	(13,978,836)
Interest received from deposits with licensed financial institutions and current account		21,794	30,906
Dividend income received		259,939	255,768
Private Pension Administrator administration fee paid		(4,064)	(3,898)
Trustee fee paid		(4,064)	(3,898)
Payments for other fees and expenses		(30,376)	(39,669)
<b>Net cash used in operating activities</b>		<u>(669,632)</u>	<u>(1,782,558)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		1,166,564	1,474,280
Payments for cancellation of units		(553,519)	(720,448)
<b>Net cash generated from financing activities</b>		<u>613,045</u>	<u>753,832</u>
Net decrease in cash and cash equivalents		(56,587)	(1,028,726)
Cash and cash equivalents at the beginning of the financial year		<u>668,792</u>	<u>1,697,518</u>
Cash and cash equivalents at the end of the financial year	<b>9</b>	<u><u>612,205</u></u>	<u><u>668,792</u></u>
<u>Cash and cash equivalents comprised of:</u>			
Deposit with licensed financial institution		588,086	650,049
Bank balance		<u>24,119</u>	<u>18,743</u>
Cash and cash equivalents at the end of financial year	<b>9</b>	<u><u>612,205</u></u>	<u><u>668,792</u></u>

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



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR FINANCIAL YEAR ENDED 31 JANUARY 2021**

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

Principal PRS Plus Equity (*formerly known as CIMB-Principal Plus Equity*) (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 and a Third Supplemental Deed dated 3 February 2020 (collectively referred to as the “Deeds”) 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 is managed to achieve a defined target return over the long-term through investments in the domestic market. The Fund will invest between 70% to 99.8% (both inclusive) of the Fund’s Net Asset Value (“NAV”) in equities.

However, the Fund may take temporary defensive positions that may detract from the Fund’s prescribed asset allocation when we believe that the equity market is experiencing excessive volatility, expected prolonged declines or when the outlook of the equity market is unfavourable. Under these circumstances, the Fund may reduce its equity exposure and increase its investment in money market instruments to protect the Fund’s investment objective in bearish or non-performing equity market.

The asset allocation strategy for this Fund is as follows:

- Between 70% to 99.8% (both inclusive) of the Fund’s NAV will be invested in equities; and
- At least 0.2% of the Fund’s NAV will 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 are subjected to the Securities Commission Malaysia (“SC”) Guidelines on Private Retirement Schemes (“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 has changed its name from CIMB-Principal PRS Plus Equity to Principal PRS Plus Equity following the issuance of the Second Replacement Disclosure Document dated 22 April 2020.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### (a) Basis of preparation

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

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

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

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

There are no other standards, amendments to standards or interpretations that are effective for financial year beginning on 1 February 2020 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 2021 are applicable to the Fund.

### Classification

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Financial assets and financial liabilities (continued)**

Classification (continued)

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.

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

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

Recognition and measurement

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

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

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

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

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Financial assets and financial liabilities (continued)**

Recognition and measurement (continued)

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

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

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective interest 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 consider both historical analysis and forward looking information in determining any ECL. The PRS Provider consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month ECL as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by the 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(c) Income recognition**

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

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

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

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

**(d) Functional and presentation currency**

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

**(e) Members’ contributions**

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

The Fund issues cancellable units, in 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 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) Distribution**

Distributions to members are recognised in the statement of comprehensive income as finance costs, as the members’ contribution are classified as financial liability as per Note 2(e). 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(g) Transactions cost**

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.

**(h) Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balance and deposit with licensed financial institutions 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.

**(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.

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

**(j) Amount due from/to stockbrokers**

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund measures the loss allowance on amounts due from broker at an amount equal to the lifetime ECL if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month ECL. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The analysis of realised and unrealised profit/loss after taxation as presented on the statement of comprehensive income is prepared in accordance with SC Guidelines on PRS.

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

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

Estimates and 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.

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.

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

**3. FINANCIAL INSTRUMENTS 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>2021</b>			
Cash and cash equivalents (Note 9)	-	612,205	612,205
Quoted securities (Note 8)	11,015,673	-	11,015,673
Amount due from the PRS Provider			
- creation of units	-	33,433	33,433
Amount due from stockbrokers	-	278,817	278,817
Dividends receivable	-	14,720	14,720
	<u>11,015,673</u>	<u>939,175</u>	<u>11,954,848</u>
<b>2020</b>			
Cash and cash equivalents (Note 9)	-	668,792	668,792
Quoted securities (Note 8)	9,697,247	-	9,697,247
Amount due from the PRS Provider			
- creation of units	-	11,377	11,377
Amount due from stockbrokers	-	21,809	21,809
Dividends receivable	-	2,767	2,767
	<u>9,697,247</u>	<u>704,745</u>	<u>10,401,992</u>

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

The investment objective of the Fund is to provide capital growth over the long-term by investing in the domestic market.

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.



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

**(a) Market risk**

**(i) Price risk**

This is the risk that the fair value of the Fund's investment will fluctuate because of changes in market prices (other than those arising from interest rate risk). The value of investment may fluctuate according to the activities of individual companies, sector and overall political and economic conditions. Such fluctuation may cause the Fund's NAV and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.

The price risk is managed through diversification and selection of quoted securities and other financial instruments within specified limits according to the Deeds.

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

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Financial assets at fair value through profit or loss:		
- Quoted securities	11,015,673	9,697,247

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

<b>% Change in price of quoted securities</b>	<b>Market value</b>	<b>Impact on profit or loss/NAV</b>
	<b>RM</b>	<b>RM</b>
<b>2021</b>		
-5%	10,464,889	(550,784)
0%	11,015,673	-
+5%	11,566,457	550,784
<b>2020</b>		
-5%	9,212,385	(484,862)
0%	9,697,247	-
+5%	10,182,109	484,862

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

**(a) Market risk (continued)**

**(ii) Interest rate risk**

Interest rate is a general economic indicator that will have an impact on the management of the Fund.

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Fund's exposure to fair value interest rate risk arises from investment in money market instruments. The interest rate risk is expected to be minimal as the Fund's investments comprise mainly short term deposits with approved licensed financial institutions.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

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

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

	<b>2021</b>	<b>2020</b>
	%	%
Deposits with licensed financial institutions	1.77	2.75

**(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.

The credit risk arising from cash and cash equivalents is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

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

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

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

**(b) Credit risk (continued)**

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

	Cash and cash equivalents RM	Amount due from the PRS Provider - creation of unit RM	Amount due from stockbrokers RM	Dividends receivable RM	Total RM
<b>2021</b>					
- AAA	588,086	-	-	-	588,086
- AA1	24,119	-	-	-	24,119
- Not Rated	-	33,433	278,817	14,720	326,970
	<u>612,205</u>	<u>33,433</u>	<u>278,817</u>	<u>14,720</u>	<u>939,175</u>
<b>2020</b>					
- AAA	668,792	-	-	-	668,792
- Not Rated	-	11,377	21,809	2,767	35,953
	<u>668,792</u>	<u>11,377</u>	<u>21,809</u>	<u>2,767</u>	<u>704,745</u>

Deposits with licensed financial institutions of the Fund have an average remaining maturity of 2 days (2020: 3 days).

**(c) Liquidity risk**

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

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 balances and deposits with licensed financial institutions, which are capable of being converted into cash within 7 business days. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the 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 potential.

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

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

**(c) Liquidity risk (continued)**

	<b>Less than 1 month RM</b>	<b>Between 1 month to 1 year RM</b>	<b>Total RM</b>
<b>2021</b>			
Amount due to the PRS Provider			
- cancellation of units	999,646	-	999,646
Amount due to stockbrokers	197,612	-	197,612
Amount due to Private Pension Administrator	396	-	396
Amount due to Trustee	396	-	396
Other payables and accruals	-	17,101	17,101
Net assets attributable to members*	<u>10,739,752</u>	<u>-</u>	<u>10,739,752</u>
<b>Contractual undiscounted cash flows</b>	<u>11,937,802</u>	<u>17,101</u>	<u>11,954,903</u>
<b>2020</b>			
Amount due to the PRS Provider			
- cancellation of units	23	-	23
Amount due to stockbrokers	36,319	-	36,319
Amount due to Private Pension Administrator	365	-	365
Amount due to Trustee	365	-	365
Other payables and accruals	-	12,700	12,700
Net assets attributable to members*	<u>10,352,275</u>	<u>-</u>	<u>10,352,275</u>
<b>Contractual undiscounted cash flows</b>	<u>10,389,347</u>	<u>12,700</u>	<u>10,402,047</u>

\* 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.

**(d) Capital risk management**

The capital of the Fund is represented by net asset attributable to members of RM10,739,752 (2020: RMRM10,352,275). The amount of net asset attributable to members 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.

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

**(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 RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**(e) Fair value estimation**

(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>2021</b>				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>11,015,673</u>	<u>-</u>	<u>-</u>	<u>11,015,673</u>
<b>2020</b>				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>9,697,247</u>	<u>-</u>	<u>-</u>	<u>9,697,247</u>

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

- (ii) The carrying values of cash and cash equivalents, amount due from the PRS Provider - creation of units, amount due from stockbrokers, dividends receivable 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 2021 and 31 January 2020, 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%

Nonetheless, no management fee is charged on the Fund for the financial year as the management fee has been waived by the PRS Provider.

The Private Pension Administrator administration fee is recognised at a rate of 0.04% per annum (2020: 0.04% per annum) for each unit class, calculated daily based on the NAV of the Fund.

There is 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 but excluding foreign custodian fee and charges (if any).

For the financial year ended 31 January 2021, the Trustee fee is recognised at a rate of 0.04% per annum (2020: 0.04% per annum) for each unit class.

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

**6. FINANCE COST**

Distribution to members was derived from the following sources (assessed up to distribution declaration date):

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Dividend income	148,845	-
Interest income	13,239	-
Net realised loss from disposal of quoted securities	(234,795)	-
Prior financial year's realised income	519,348	-
	<u>446,637</u>	<u>-</u>
Less:		
Expenses	(59,801)	-
Net distribution amount	<u>386,836</u>	<u>-</u>

**Gross/Net distribution per unit (sen)**

Distribution on 18 December 2020

- Class A	2.01	-
- Class C	2.01	-
- Class X	2.01	-
	<u>6.03</u>	<u>-</u>

**6. FINANCE COST (CONTINUED)**

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.

**7. TAXATION**

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
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 before taxation multiplied by the Malaysian statutory income tax rate and tax expense of the Fund is as follows:

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Profit before taxation	365,163	511,124
Taxation at Malaysian statutory rate of 24% (2020: 24%)	87,639	122,670
Tax effects of:		
- Income not subject to tax	(210,521)	(154,376)
- Expenses not deductible for tax purposes	120,895	27,925
- Restriction on tax deductible expenses for PRS Funds	1,987	3,781
Taxation	-	-

**8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
At fair value through profit or loss:		
- Quoted securities	11,015,673	9,697,247
Net gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	337,000	584,577
- Unrealised fair value gain/(loss)	244,656	(230,092)
	581,656	354,485



**PRINCIPAL PRS PLUS EQUITY**  
*(formerly known as CIMB-Principal Plus Equity)*

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2021</b>				
<b>QUOTED SECURITIES</b>				
<b>Construction</b>				
GDB Holdings Bhd	323,400	311,043	295,911	2.76
IJM Corporation Bhd	170,000	273,904	255,000	2.37
Solarvest Holdings Bhd	28,800	37,220	78,624	0.73
	522,200	622,167	629,535	5.86
<b>Consumer Products &amp; Services</b>				
British American Tobacco Bhd	29,900	425,384	391,690	3.65
Carlsberg Brewery Malaysia Bhd	24,800	514,985	539,152	5.02
Genting Bhd	127,800	553,383	508,644	4.74
Genting Malaysia Bhd	201,700	654,956	496,182	4.62
	384,200	2,148,708	1,935,668	18.03
<b>Energy</b>				
Dialog Group Bhd	72,600	235,745	220,704	2.06
Hibiscus Petroleum Bhd	446,100	340,583	238,664	2.22
Serba Dinamik Holdings Bhd	29,700	28,383	47,817	0.45
Yinson Holdings Bhd	31,100	190,913	161,720	1.51
	579,500	795,624	668,905	6.24
<b>Financial Services</b>				
CIMB Group Holdings Bhd	29,896	163,458	114,801	1.07
Hong Leong Bank Bhd	21,000	335,150	362,460	3.37
Malayan Banking Bhd	36,503	323,642	285,088	2.65
Public Bank Bhd	132,900	502,365	556,851	5.18
RHB Bank Bhd	138,428	734,065	705,983	6.57
Syarikat Takaful Malaysia Keluarga Bhd	12,600	71,000	54,180	0.50
	371,327	2,129,680	2,079,363	19.34
<b>Health Care</b>				
Hartalega Holdings Bhd	33,800	523,280	434,668	4.05
IHH Healthcare Bhd	10,500	56,042	53,655	0.50
Kossan Rubber Industries Bhd	41,200	292,492	183,340	1.71
Optimax Holdings Bhd	345,800	266,917	349,258	3.25
Top Glove Corporation Bhd	38,000	192,560	256,120	2.38
	469,300	1,331,291	1,277,041	11.89

**PRINCIPAL PRS PLUS EQUITY**  
*(formerly known as CIMB-Principal Plus Equity)*

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2021 (CONTINUED)</b>				
<b>QUOTED SECURITIES (CONTINUED)</b>				
<b>Industrial Products &amp; Services</b>				
Cahaya Mata Sarawak Bhd	66,700	140,462	126,730	1.18
Kelington Group Bhd	85,000	95,752	183,600	1.71
Press Metal Aluminium Holdings Bhd	42,900	226,096	342,771	3.19
V.S. Industry Bhd	109,700	292,981	300,578	2.80
	<u>304,300</u>	<u>755,291</u>	<u>953,679</u>	<u>8.88</u>
<b>REIT</b>				
Axis REIT	260,416	479,464	513,019	4.78
IGB REIT	85,300	139,974	145,010	1.35
KLCCP Stapled Group	6,300	49,246	44,415	0.41
	<u>352,016</u>	<u>668,684</u>	<u>702,444</u>	<u>6.54</u>
<b>Technology</b>				
D&O Green Technologies Bhd	96,700	79,627	265,925	2.48
Inari Amertron Bhd	174,800	487,886	594,320	5.53
I-STONE Group Bhd	686,381	156,322	151,004	1.41
JHM Consolidation Bhd	32,300	37,636	80,427	0.75
My Eg Services Bhd	9,000	17,547	17,280	0.16
	<u>999,181</u>	<u>779,018</u>	<u>1,108,956</u>	<u>10.33</u>
<b>Telecommunications &amp; Media</b>				
Telekom Malaysia Bhd	81,500	495,515	517,525	4.82

**PRINCIPAL PRS PLUS EQUITY**  
*(formerly known as CIMB-Principal Plus Equity)*

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2021 (CONTINUED)</b>				
<b>QUOTED SECURITIES (CONTINUED)</b>				
<b>Transportation &amp; Logistics</b>				
Malaysia Airports Holdings Bhd	63,400	338,216	327,144	3.05
MISC Bhd	23,800	191,441	141,848	1.32
Pos Malaysia Bhd	<u>270,000</u>	<u>300,908</u>	<u>267,300</u>	<u>2.49</u>
	<u>357,200</u>	<u>830,565</u>	<u>736,292</u>	<u>6.86</u>
<b>Utilities</b>				
Tenaga Nasional Bhd	<u>42,100</u>	<u>563,725</u>	<u>406,265</u>	<u>3.78</u>
<b>TOTAL QUOTED SECURITIES</b>	<b><u>4,462,824</u></b>	<b><u>11,120,268</u></b>	<b><u>11,015,673</u></b>	<b><u>102.57</u></b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>(104,595)</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>11,015,673</u></b>		

**PRINCIPAL PRS PLUS EQUITY**  
*(formerly known as CIMB-Principal Plus Equity)*

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2020</b>				
<b>QUOTED SECURITIES</b>				
<b>Construction</b>				
Gamuda Bhd	5,693	21,611	21,975	0.21
Gamuda Bhd - Warrant	168,997	70,044	65,064	0.63
IJM Corporation Bhd	22,700	50,494	48,124	0.46
	197,390	142,149	135,163	1.30
<b>Consumer Products &amp; Services</b>				
Berjaya Food Bhd	4,600	6,569	5,980	0.06
Bermaz Auto Bhd	99,200	226,018	183,520	1.77
DRB-Hicom Bhd	124,800	280,776	283,296	2.74
Genting Malaysia Bhd	85,000	329,237	256,700	2.48
	313,600	842,600	729,496	7.05
<b>Energy</b>				
Dayang Enterprise Holdings Bhd	148,100	337,088	410,237	3.96
Dialog Group Bhd	105,400	305,923	344,658	3.33
Hibiscus Petroleum Bhd	397,800	372,852	338,130	3.27
Sapura Energy Bhd	855,700	262,118	209,647	2.03
Serba Dinamik Holdings Bhd	35,700	62,289	80,325	0.78
Serba Dinamik Holdings Bhd - Warrant	10,200	-	3,417	0.03
Wah Seong Corporation Bhd	170,200	186,744	200,836	1.94
Yinson Holdings Bhd	52,800	290,036	327,360	3.16
	1,775,900	1,817,050	1,914,610	18.50
<b>Financial Services</b>				
CIMB Group Holdings Bhd	173,196	946,958	853,856	8.25
Hong Leong Bank Bhd	22,600	373,030	361,600	3.49
Malayan Banking Bhd	102,662	929,841	865,441	8.36
Public Bank Bhd	37,700	784,596	701,220	6.77
RHB Bank Bhd	21,628	121,495	123,063	1.19
Syarikat Takaful Malaysia Keluarga Bhd	12,600	71,000	57,330	0.55
	370,386	3,226,920	2,962,510	28.61
<b>Health Care</b>				
Duopharma Biotech Bhd	51,020	65,769	81,122	0.78
Top Glove Corporation Bhd	31,900	168,258	186,615	1.80
	82,920	234,027	267,737	2.58

**PRINCIPAL PRS PLUS EQUITY**  
*(formerly known as CIMB-Principal Plus Equity)*

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2020 (CONTINUED)</b>				
<b>QUOTED SECURITIES</b>				
<b>(CONTINUED)</b>				
<b>Industrial Products &amp; Services</b>				
Chemical Company of Malaysia Bhd	47,400	97,122	57,354	0.55
Petronas Chemicals Group Bhd	13,500	114,100	83,565	0.81
Press Metal Aluminium Holdings Bhd	49,500	240,454	241,560	2.33
Solarvest Holdings Bhd	92,600	75,506	71,765	0.69
	<u>203,000</u>	<u>527,182</u>	<u>454,244</u>	<u>4.38</u>
<b>Plantation</b>				
IOI Corporation Bhd	83,500	368,976	379,090	3.66
Sime Darby Plantation Bhd	79,900	414,466	405,093	3.91
	<u>163,400</u>	<u>783,442</u>	<u>784,183</u>	<u>7.57</u>
<b>Property</b>				
Malaysian Resources Corporation Bhd	159,600	145,145	106,932	1.03
Sime Darby Property Bhd	138,100	109,030	107,718	1.04
SP Setia Bhd	147,800	207,003	193,617	1.88
	<u>445,500</u>	<u>461,178</u>	<u>408,267</u>	<u>3.95</u>
<b>REIT</b>				
Axis REIT	139,100	254,870	247,598	2.39
<b>Technology</b>				
D&O Green Technologies Bhd	290,800	219,462	231,186	2.23
GHL Systems Bhd	22,400	35,785	33,376	0.32
Inari Amertron Bhd	38,300	79,388	67,408	0.65
I-Stone Group Bhd	64,681	10,883	13,260	0.13
JHM Consolidation Bhd	120,700	144,392	177,429	1.71
Pentamaster Corporation Bhd	42,870	72,730	210,063	2.04
	<u>579,751</u>	<u>562,640</u>	<u>732,722</u>	<u>7.08</u>

**PRINCIPAL PRS PLUS EQUITY**  
*(formerly known as CIMB-Principal Plus Equity)*

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2020 (CONTINUED)</b>				
<b>QUOTED SECURITIES</b>				
<b>(CONTINUED)</b>				
<b>Telecommunications &amp; Media</b>				
Astro Malaysia Holdings Bhd	182,700	284,212	219,240	2.12
Axiata Group Bhd	57,323	257,987	246,489	2.38
Telekom Malaysia Bhd	24,700	94,009	95,342	0.93
	<u>264,723</u>	<u>636,208</u>	<u>561,071</u>	<u>5.43</u>
<b>Utilities</b>				
Tenaga Nasional Bhd	40,100	558,232	499,646	4.83
	<u>40,100</u>	<u>558,232</u>	<u>499,646</u>	<u>4.83</u>
<b>TOTAL QUOTED SECURITIES</b>	<b><u>4,575,770</u></b>	<b><u>10,046,498</u></b>	<b><u>9,697,247</u></b>	<b><u>93.67</u></b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>(349,251)</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u><u>9,697,247</u></u></b>		

**PRINCIPAL PRS PLUS EQUITY**  
*(formerly known as CIMB-Principal Plus Equity)*

**9. CASH AND CASH EQUIVALENTS**

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Deposit with licensed financial institution	588,086	650,049
Bank balance	24,119	18,743
	612,205	668,792

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

	<b>2021</b>	<b>2020</b>
	<b>No. of units</b>	<b>No. of units</b>
Class A (i)	11,519,511	12,402,287
Class C (ii)	2,065,293	1,957,560
Class X (iii)	4,813,369	3,927,469
	18,398,173	18,287,316

(i) Class A

	<b>2021</b>	<b>2020</b>
	<b>No. of units</b>	<b>No. of units</b>
At the beginning of the financial year	12,402,287	11,575,927
Add: Creation of units from applications	1,021,647	1,580,363
Add: Creation of units from distribution	428,191	-
Less: Cancellation of units	(2,332,614)	(754,003)
At the end of the financial year	11,519,511	12,402,287

(ii) Class C

	<b>2021</b>	<b>2020</b>
	<b>No. of units</b>	<b>No. of units</b>
At the beginning of the financial year	1,957,560	2,027,462
Add: Creation of units from applications	333,969	310,222
Add: Creation of units from distribution	66,327	-
Less: Cancellation of units	(292,563)	(380,124)
At the end of the financial year	2,065,293	1,957,560

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

(iii) Class X

	<b>2021</b>	<b>2020</b>
	<b>No. of units</b>	<b>No. of units</b>
At the beginning of the financial year	3,927,469	3,402,593
Add: Creation of units from applications	814,850	664,747
Add: Creation of units from distribution	154,825	-
Less: Cancellation of units	(83,775)	(139,871)
At the end of the financial year	4,813,369	3,927,469

**11. MANAGEMENT EXPENSE RATIO (“MER”)**

	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>
MER	0.42	0.45

MER is derived from the following calculation:

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

- A = Private Pension Administrator administration fee
- B = Trustee fee
- C = Audit fee
- D = Tax agent’s fee
- E = Other expenses excluding withholding tax
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is RM10,247,898 (2020: RM9,903,975).

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

	<b>2021</b>	<b>2020</b>
PTR (times)	1.22	1.30

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 = RM12,875,271 (2020: RM13,865,146)
- total disposal for the financial year = RM12,138,501 (2020: RM11,878,420)



**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
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the shareholder of the PRS Provider
CIMB Bank Bhd	Fellow related party to the PRS Provider
CIMB Investment Bank Bhd	Fellow related party to the PRS Provider
CGS-CIMB Securities Sdn Bhd	Fellow related party to 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 each financial year.

In addition to the related party disclosures 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>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<u>Significant related party balance:</u>		
Quoted security:		
CIMB Group Holdings Bhd	<u>114,801</u>	<u>853,856</u>
<u>Significant related party transactions</u>		
Dividend income:		
- CIMB Group Holdings Bhd	<u>17,604</u>	<u>36,773</u>
Interest income from deposits with licensed financial institution:		
- CIMB Bank Bhd	<u>484</u>	<u>1,003</u>

**14. TRANSACTIONS WITH BROKERS**

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

<b>Brokers</b>	<b>Value of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
CLSA Securities (M) Sdn Bhd	3,704,090	14.82	6,183	12.54
Macquarie Capital Securities (Malaysia) Sdn Bhd	3,653,299	14.61	7,272	14.75
KAF Equities Sdn Bhd	3,420,992	13.68	8,177	16.59
Maybank Investment Bank Bhd	2,955,648	11.82	5,886	11.94
RHB Investment Bank Bhd	2,041,920	8.17	5,263	10.68
UBS Securities (M) Sdn Bhd	2,037,105	8.15	3,512	7.12
JP Morgan Securities Malaysia Sdn Bhd	1,989,457	7.96	1,951	3.96
Hong Leong Investment Bank Bhd	1,267,565	5.07	3,275	6.64
CGS-CIMB Securities Sdn Bhd #	1,254,651	5.02	2,131	4.32
Affin Hwang Investment Bank Bhd	1,219,964	4.88	2,996	6.08
Others	1,457,231	5.82	2,652	5.38
	<u>25,001,922</u>	<u>100.00</u>	<u>49,298</u>	<u>100.00</u>

**14. TRANSACTIONS WITH BROKERS (CONTINUED)**

Details of transactions with the top 10 brokers for the financial year ended 31 January 2020 are as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Maybank Investment Bank Bhd	3,529,089	13.72	8,365	14.94
Macquarie Capital Securities (Malaysia) Sdn Bhd	3,321,506	12.92	6,381	11.40
RHB Investment Bank Bhd	2,936,646	11.42	7,477	13.35
KAF-Seagroatt & Campbell Securities Sdn Bhd	2,897,622	11.27	7,198	12.86
UBS Securities (M) Sdn Bhd	2,761,147	10.74	4,469	7.98
CLSA Securities (M) Sdn Bhd	2,490,850	9.69	5,379	9.61
Affin Hwang Investment Bank Bhd	2,473,310	9.62	6,078	10.86
JP Morgan Securities Malaysia Sdn Bhd	2,451,361	9.53	3,992	7.13
CGS-CIMB Securities Sdn Bhd #	1,315,809	5.12	2,773	4.95
Hong Leong Investment Bank Bhd	584,416	2.27	1,653	2.95
Others	954,589	3.70	2,225	3.97
	<u>25,716,345</u>	<u>100.00</u>	<u>55,990</u>	<u>100.00</u>

# Included in the transactions are trades conducted with CGS-CIMB Securities Sdn Bhd, fellow related party to the PRS Provider, amounting to RM1,254,651 (2020: RM1,315,809). 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. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

The worsening of the macro-economic outlook as a result of COVID-19, both domestically and globally, has impacted the Fund's performance during the financial year.

The PRS Provider continues monitoring the situation closely and will be managing the portfolio to achieve the Fund's objective.

**16. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved for issue by the PRS Provider on 24 March 2021.

**DIRECTORY**

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**Trustee for the Principal PRS Plus Equity**

*(formerly known as CIMB-Principal PRS Plus Equity)*

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**Auditors of the Fund (for the year ended 31 January 2021) and of the PRS Provider (for the year ended 31 December 2020)**

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