

Principal PRS Plus Equity

Interim Report

For The Six Months Financial Period Ended 31 July 2021

PRINCIPAL PRS PLUS EQUITY

INTERIM REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2021

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MEMBERS' LETTER

Dear Valued Member,

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

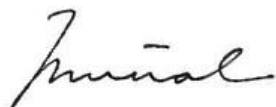
We are pleased to bring you a copy of the Interim Fund Report of the Principal PRS Plus Equity for the financial period ended 31 July 2021. You may also download this report from our website at www.principal.com.my.

We are happy to share that we recently won the Most Innovative New Money Market Fund – Principal e-Cash Fund at the Global Business Outlook Awards 2020.

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

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

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



Munirah Khairuddin
Chief Executive Officer

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 period under review, the Fund has underperformed its benchmark but is still in line with its long-term objective.

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?

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

What was the size of the Fund as at 31 July 2021?

RM10.83 million (18.60 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.

What was the net income distribution for the six months financial period ended 31 July 2021?

There was no distribution for the six months financial period ended 31 July 2021.

PERFORMANCE DATA

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

	31.07.2021	31.07.2020	31.07.2019
	%	%	%
Quoted securities			
- Construction	0.99	1.57	0.31
- Consumer Products & Services	14.38	6.54	17.10
- Energy	6.76	5.80	13.85
- Financial Services	26.03	22.38	19.59
- Health Care	2.77	13.39	1.10
- Industrial Products & Services	13.35	5.97	6.70
- Plantation	-	5.72	8.98
- Property	-	1.95	2.42
- Real Estate Investment Trusts (“REITs”)	4.65	7.11	0.79
- Technology	10.17	10.34	7.27
- Telecommunications & Media	4.59	1.95	4.78
- Transportation & Logistics	4.86	5.20	2.90
- Utilities	-	6.40	4.02
Cash and other assets	11.66	6.17	11.00
Liabilities	(0.21)	(0.49)	(0.81)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	31.07.2021	31.07.2020	31.07.2019
NAV (RM Million)			
- Class A	6.68	6.89	6.98
- Class C	1.21	1.07	1.20
- Class X	2.94	2.44	2.13
Units in circulation (Million)			
- Class A	11.47	12.43	12.00
- Class C	2.08	1.93	2.05
- Class X	5.05	4.40	3.67
NAV per unit (RM)			
- Class A	0.5821	0.5546	0.5817
- Class C	0.5822	0.5546	0.5817
- Class X	0.5821	0.5546	0.5817

PERFORMANCE DATA (CONTINUED)

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

	01.02.2021 to 31.07.2021	01.02.2020 to 31.07.2020	01.02.2019 to 31.07.2019
Highest NAV per unit (RM)			
- Class A	0.6396	0.5792	0.5889
- Class C	0.6396	0.5793	0.5890
- Class X	0.6396	0.5793	0.5889
Lowest NAV per unit (RM)			
- Class A	0.5811	0.4181	0.5348
- Class C	0.5811	0.4181	0.5349
- Class X	0.5811	0.4181	0.5349
Total return (%)			
- Class A	(0.27)	(2.01)	8.79
- Class C	(0.26)	(2.01)	8.77
- Class X	(0.27)	(2.01)	8.77
Capital growth (%)			
- Class A	(0.27)	(2.01)	8.79
- Class C	(0.26)	(2.01)	8.77
- Class X	(0.27)	(2.01)	8.77
Income distribution (%)			
- Class A	-	-	-
- Class C	-	-	-
- Class X	-	-	-
Management Expense Ratio ("MER") (%) ^	0.18	0.22	0.26
Portfolio Turnover Ratio ("PTR") (times) #	0.41	0.58	0.87

^ The Fund's MER decreased from 0.22% to 0.18% mainly due to increase in average NAV during the financial period under review.

For the financial period under review, the Fund's PTR decreased from 0.58 times to 0.41 times as there were lesser trading activities.

	31.07.2021	31.07.2020	31.07.2019	31.07.2018	31.07.2017
	%	%	%	%	%
Annual total return					
- Class A	8.50	(4.68)	(3.10)	3.37	10.69
- Class C	8.52	(4.68)	(3.11)	3.37	10.71
- Class X	8.50	(4.68)	(3.11)	3.37	10.71

(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 period have been extracted from Lipper.

MARKET REVIEW (1 FEBRUARY 2021 TO 31 JULY 2021)

The FTSE Bursa Malaysia (“FBM”) KLCI Index (“FBMKLCI”) decreased 71.80 points or 4.58% to 1,494.60 points in local currency terms over the financial period under review.

The FBMKLCI gained marginally +0.72% for the month of February 2021 and -3.04% year-to-date (“YTD”). Despite better breath whereby most sector generated positive gains in February 2021, the FBMKLCI performance was impacted by sell down in Health Care sector which is down 11.29% led by gloves makers. The best performing sectors were cyclical in nature such as Energy, Industrial and Technology and the worst performer was Health Care.

FBMKLCI ended March 2021 flat at 1,573 points, down 4 points or -0.3%. A plunge on the last day of the month with all 30 constituents in the red, largely attributed to MSCI rebalancing and sell-off on gloves which wiped out over 2% of the Index. The latest tally placed Property and Construction as top performing sector indices, up 8% and 6% respectively during the month, while Health Care (-9%) and Technology (-6%) were the worst performers.

FBMKLCI rose 28 points or 1.8% to 1,601.65 points in April 2021. Gloves rallied on the back of the surge in COVID-19 cases domestically and abroad especially in India, while reopening plays took a hit. The Health Care Sector Index was up 15%, followed by Industrial (+4%), Transport (+4%), Tech (+3%) and Construction (+2%), while Energy and Finance were the worst performers, down 3% and 2% respectively.

FBMKLCI fell 18 points or just over 1% to 1,583.55 points in May 2021. Investors were spooked by the surge in US Consumer Price Index (“CPI”) reading for the month of April 2021 which came in at 4.2%, the sharpest increase since the Global Financial Crisis (“GFC”), while Malaysia instituted much stricter movement controls due the surge in COVID-19 cases domestically. Except Financials where sentiment was lifted by prospects of rising interest rates and strong quarterly results reported during the month, all sectors were in the red led by Energy (-9%), Construction (-8%), Tech (-8%). Health Care was also not spared, down 3%, with gloves the hardest hit.

FBMKLCI fell 51 points or over 3% to 1,533.35 points in June 2021. While Gloves and Plantations were the key culprits for the decline, overall market sentiment was affected by the Malaysian Government resorting to a total lockdown from 1 June 2021 to battle surging COVID-19 cases domestically. Thus, the delay of transitioning into Phase 2 of the National Recovery Plan. To recap, Phase 2, which was slated to commence 1 July 2021, was conditional upon daily cases falling below 4,000, the public health system no longer under significant strain and 10% of the population immunized. With the exception of Financials, Transport and REITs, all the other sectors were in the red led by Health Care (mainly Gloves) (-11%), Plantations (-7%), Property (-4%), Energy (-3%).

FBMKLCI fell 38 points or 2.5% to 1,494.60 points in July 2021, which was a fresh low for the year. It was a relatively broad-based sell-off, but Plantation (-6%) and Energy (-6%) stocks were the worst hit. Financials (-3%), which were quite resilient in the past few months, also succumbed to selling pressure. We believe sentiment was badly affected by political issues domestically, while weakness in regional markets perhaps aggravated the sell-off. Only sector that showed positive returns in July 2021 was Technology (+12%), partly buoyed by the compression in global bond yields and strong corporate results.

FUND PERFORMANCE

	6 months to 31.07.2021			1 year to 31.07.2021		
	Class A	Class C	Class X	Class A	Class C	Class X
	%	%	%	%	%	%
Income Distribution	-	-	-	3.37	3.37	3.37
Capital Growth	(0.27)	(0.26)	(0.27)	4.96	4.98	4.96
Total Return	(0.27)	(0.26)	(0.27)	8.50	8.52	8.50
Benchmark	3.92	3.92	3.92	8.00	8.00	8.00
FBMKLCI #	(4.58)	(4.58)	(4.58)	(6.42)	(6.42)	(6.42)
Average Total Return	(0.55)	(0.52)	(0.55)	8.50	8.52	8.50

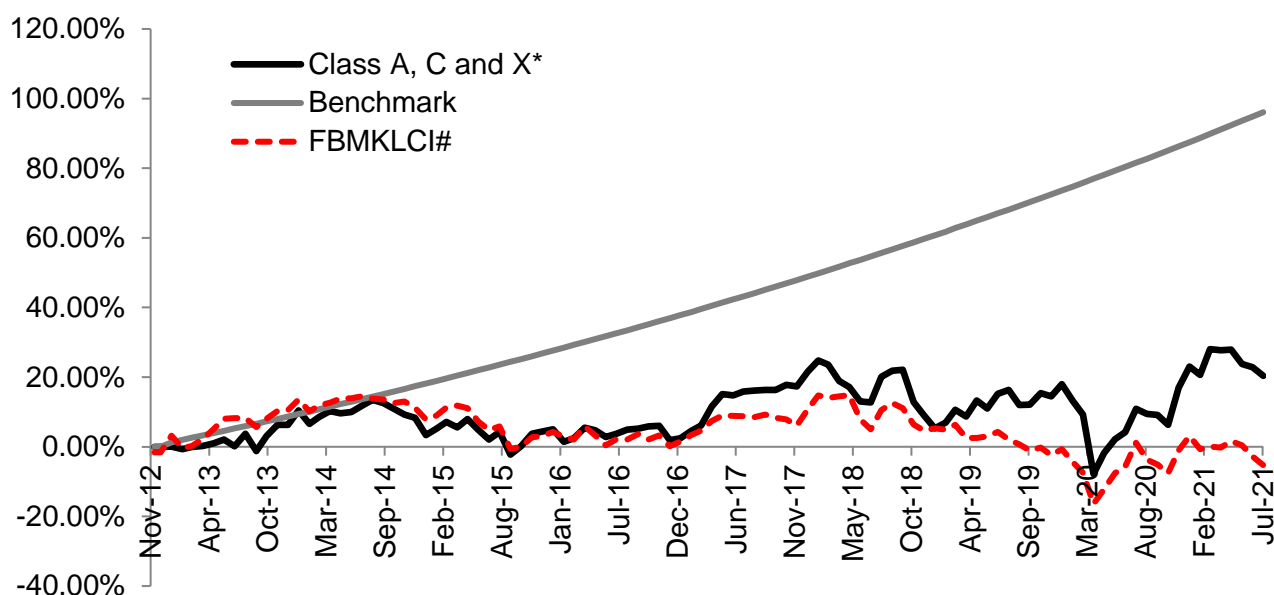
	3 years to 31.07.2021			5 years to 31.07.2021		
	Class A	Class C	Class X	Class A	Class C	Class X
	%	%	%	%	%	%
Income Distribution	3.37	3.37	3.37	3.37	3.37	3.37
Capital Growth	(3.05)	(3.05)	(3.06)	10.94	10.96	10.94
Total Return	0.22	0.22	0.21	14.68	14.70	14.68
Benchmark	25.97	25.97	25.97	46.93	46.93	46.93
FBMKLCI #	(15.77)	(15.77)	(15.77)	(7.35)	(7.35)	(7.35)
Average Total Return	0.07	0.07	0.07	2.78	2.78	2.78

	Since inception to 31.07.2021		
	Class A	Class C	Class X
	%	%	%
Income Distribution	3.37	3.37	3.37
Capital Growth	16.42	16.44	16.42
Total Return	20.35	22.37	20.35
Benchmark	96.09	96.09	96.09
FBMKLCI #	(5.24)	(5.24)	(5.24)
Average Total Return	2.15	2.15	2.15

For the 6-month period under review, total return for Class A, Class C and Class X decreased by 0.27%, 0.26%, and 0.27% respectively. Meanwhile, their benchmark increased by 3.92% over the same period.

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

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

CLASS A	31.07.2021	31.01.2021	Changes
		Audited	%
NAV (RM Million)	6.68	6.72	(0.60)
NAV/Unit (RM)	0.5821	0.5837	(0.27)
CLASS C	31.07.2021	31.01.2021	Changes
		Audited	%
NAV (RM Million)	1.21	1.21	-
NAV/Unit (RM)	0.5822	0.5837	(0.26)
CLASS X	31.07.2021	31.01.2021	Changes
		Audited	%
NAV (RM Million)	2.94	2.81	4.63
NAV/Unit (RM)	0.5821	0.5837	(0.27)

As of 31 July 2021, the total NAV of Class X increased to RM2.94 million. Meanwhile, Class A's total NAV decreased to RM6.68 million. There were no changes to Class C's total NAV during the same financial period under review.

In addition, the Fund's NAV per unit for all 3 classes, Class A, Class C, and Class X decreased by 0.27%, 0.26% and 0.27% respectively during the financial period under review mainly due to the negative investment performance stated under the Fund Performance section.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.07.2021	31.01.2021 Audited
Quoted securities	88.55	102.57
Cash and other assets	11.66	8.74
Liabilities	(0.21)	(11.31)
Total	100.00	100.00

The Fund was fully invested during the financial period under review. A minimal level of liquid assets was maintained primarily for redemption purposes.

MARKET OUTLOOK*

While Malaysia appears to be at a significant discount to the region despite comparable market earnings growth, we opine those concerns over the country's pace of recovery, fiscal position, and domestic political issues remain as the key overhangs. We continue to remain cautious on Malaysia, being selective on stocks from a bottom-up basis that plays into the reopening theme and overlay with growth names through Technology. Reopening theme comprises sectors such as Consumer Discretionary and select Transport. We maintain our underweight stance on Gloves and Plantation given their earnings prospects and ESG issues. The only positive for much-delayed reopening theme is our improving daily vaccination rate. With vaccination rate averaging over 500,000 doses day and undeterred by political uncertainty, we could reach herd immunity by the fourth quarter of 2021 if not the first quarter of 2022.

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

INVESTMENT STRATEGY

We continue to remain cautious on Malaysia, given the prolonged movement controls and lack of clear re-rating catalyst. Due to the risks mentioned above, we approach the market with a balanced approach. We are selective on stocks from a bottom-up basis that plays into the reopening theme and overlay with growth names through Technology.

MEMBERS STATISTICS AS AT 31 JULY 2021

CLASS A

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	1,209	1.89	16.48
5,001-10,000	326	2.16	18.83
10,001-50,000	267	5.10	44.46
50,001-500,000	15	2.32	20.23
500,001 and above	-	-	-
Total	1,817	11.47	100.00

MEMBERS STATISTICS AS AT 31 JULY 2021 (CONTINUED)

CLASS C

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	294	0.39	18.75
5,001-10,000	64	0.41	19.71
10,001-50,000	51	1.02	49.04
50,001-500,000	4	0.26	12.50
500,001 and above	-	-	-
Total	413	2.08	100.00

CLASS X

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	449	0.38	7.52
5,001-10,000	66	0.46	9.11
10,001-50,000	101	2.30	45.54
50,001-500,000	18	1.91	37.83
500,001 and above	-	-	-
Total	634	5.05	100.00

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 period 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**

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 unaudited financial statements set out on pages 12 to 38 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 July 2021 and of its financial performance, changes in net assets attributable to members and cash flows for the financial period then ended in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting.

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
23 September 2021

**TRUSTEE'S REPORT
TO THE MEMBERS OF PRINCIPAL PRS PLUS EQUITY**

We have acted as Trustee for Principal PRS Plus Equity (the "Fund") for the financial period ended 31 July 2021. To the best of our knowledge, for the financial period 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) the 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.

For Deutsche Trustees Malaysia Berhad

Soon Lai Ching
Senior Manager, Trustee Operations

Gerard Ang
Chief Executive Officer

Kuala Lumpur
10 September 2021

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2021**

	Note	01.02.2021 to 31.07.2021 RM	01.02.2020 to 31.07.2020 RM
INCOME/(LOSS)			
Dividend income		154,802	160,858
Interest income from deposits with licensed financial institutions at amortised cost		4,482	15,618
Net loss on financial assets at fair value through profit or loss	7	<u>(135,613)</u>	<u>(293,241)</u>
		<u>23,671</u>	<u>(116,765)</u>
EXPENSES			
Private Pension Administrator administration fee	4	2,217	1,911
Trustee and custodian fees	5	2,217	1,911
Audit fee		4,050	4,950
Tax agent's fee		2,200	2,900
Transaction costs		32,044	33,418
Other expenses		<u>10,129</u>	<u>10,350</u>
		<u>52,857</u>	<u>55,440</u>
LOSS BEFORE TAXATION		(29,186)	(172,205)
Taxation	6	<u>-</u>	<u>-</u>
LOSS AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD		<u>(29,186)</u>	<u>(172,205)</u>
Loss after taxation is made up as follows:			
Realised amount		401,779	(291,364)
Unrealised amount		<u>(430,965)</u>	<u>119,159</u>
		<u>(29,186)</u>	<u>(172,205)</u>

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

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2021

		31.07.2021	31.01.2021
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents	8	1,000,572	612,205
Financial assets at fair value through profit or loss	7	9,587,423	11,015,673
Amount due from stockbrokers		233,044	278,817
Amount due from the PRS Provider			
- creation of units		28,391	33,433
Dividends receivable		-	14,720
Tax recoverable		55	55
TOTAL ASSETS		<u>10,849,485</u>	<u>11,954,903</u>
LIABILITIES			
Amount due to stockbrokers		3,532	197,612
Amount due to the PRS Provider			
- cancellation of units		-	999,646
Amount due to Private Pension Administrator		370	396
Amount due to Trustee		370	396
Other payables and accruals		18,750	17,101
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS)		<u>23,022</u>	<u>1,215,151</u>
NET ASSET VALUE OF THE FUND		<u>10,826,463</u>	<u>10,739,752</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>10,826,463</u>	<u>10,739,752</u>

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2021 (CONTINUED)**

	31.07.2021	31.01.2021
Note	RM	Audited RM
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS		
- CLASS A	6,678,053	6,724,251
- CLASS C	1,209,385	1,205,677
- CLASS X	2,939,025	2,809,824
	<u>10,826,463</u>	<u>10,739,752</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)		
- CLASS A	11,471,028	11,519,511
- CLASS C	2,077,200	2,065,293
- CLASS X	5,048,201	4,813,369
9	<u>18,596,429</u>	<u>18,398,173</u>
NET ASSET VALUE PER UNIT (RM)		
- CLASS A	0.5821	0.5837
- CLASS C	0.5822	0.5837
- CLASS X	0.5821	0.5837
	<u>0.5821</u>	<u>0.5837</u>

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

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2021**

	01.02.2021 to 31.07.2021 RM	01.02.2020 to 31.07.2020 RM
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>10,739,752</u>	<u>10,352,275</u>
Movement due to units created and cancelled during the financial period:		
Creation of units from applications		
- Class A	213,602	190,431
- Class C	61,882	46,920
- Class X	295,768	236,871
	<u>571,252</u>	<u>474,222</u>
Cancellation of units		
- Class A	(245,920)	(185,923)
- Class C	(55,759)	(63,418)
- Class X	(153,676)	(2,590)
	<u>(455,355)</u>	<u>(251,931)</u>
Total comprehensive loss for the financial period	<u>(29,186)</u>	<u>(172,205)</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL PERIOD	<u>10,826,463</u>	<u>10,402,361</u>

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

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2021**

	01.02.2021 to 31.07.2021 RM	01.02.2020 to 31.07.2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of quoted securities	5,284,098	5,274,165
Purchase of quoted securities	(4,171,813)	(5,745,384)
Interest received from deposits with licensed financial institutions and bank balance	4,482	15,707
Dividend income received	169,522	161,994
Private Pension Administrator administration fee paid	(2,243)	(1,926)
Trustee fee paid	(2,243)	(1,926)
Payments for other fees and expenses	(14,729)	(19,288)
Net cash generated from/(used in) operating activities	<u>1,267,074</u>	<u>(316,658)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	576,294	459,772
Payments for cancellation of units	(1,455,001)	(250,490)
Net cash (used in)/generated from financing activities	<u>(878,707)</u>	<u>209,282</u>
Net increase/(decrease) in cash and cash equivalents	388,367	(107,376)
Cash and cash equivalents at the beginning of the financial period	<u>612,205</u>	<u>668,792</u>
Cash and cash equivalents at the end of the financial period	<u>1,000,572</u>	<u>561,416</u>
<u>Cash and cash equivalents comprised of:</u>		
Deposits with licensed financial institution	978,094	541,140
Bank balance	<u>22,478</u>	<u>20,276</u>
Cash and cash equivalents at the end of financial Period	<u>1,000,572</u>	<u>561,416</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2021**

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

Principal PRS 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 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’s (“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 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 International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

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

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

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(k).

There are no other standards, amendments to standards or interpretations that are effective for financial periods beginning on 1 February 2021 that have a material effect on the financial statements of the Fund.

None of the standards, amendments to standards or interpretations that are effective for the financial period beginning on/after 1 August 2021 are applicable to the Fund.

(b) Financial assets and financial liabilities

Classification

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

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

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

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 stockbrokers, amount due from the PRS Provider – creation of units, 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 period which they arise.

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

Quoted securities in Malaysia are valued at the last 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 period.

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) Transaction costs

Transaction costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

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

(h) Taxation

Current tax expense is determined according to Malaysian tax laws at the current rate based upon the taxable profit earned during the financial period.

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

(i) Amount due from/to stockbrokers

Amounts due from and 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.

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

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

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

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

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

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. RISK MANAGEMENT OBJECTIVES AND POLICIES

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.

(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.

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(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.

(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.

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to members. 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.

(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).

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

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 period end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded 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.

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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.07.2021				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>9,587,423</u>	<u>-</u>	<u>-</u>	<u>9,587,423</u>
31.01.2021				
Audited				
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>

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 stockbrokers, amount due from the PRS Provider - creation of units, 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 six months financial period ended 31 July 2021 and 31 July 2020, the management fee for the respective classes was 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 period as the management fee has been waived by the PRS Provider.

The Private Pension Administrator administration fee was recognised at a rate of 0.04% per annum (31.07.2020: 0.04% per annum) for each unit class, calculated daily based on the NAV of the Fund.

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

5. TRUSTEE FEE

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

For the six months financial period ended 31 July 2021, the Trustee fee was recognised at a rate of 0.04% per annum (31.07.2020: 0.04% per annum) for each unit class.

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

6. TAXATION

	01.02.2021 to 31.07.2021	01.02.2020 to 31.07.2020
	RM	RM
Tax charged for the financial period:		
- Current taxation	<u>-</u>	<u>-</u>

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 loss before taxation multiplied by the Malaysian statutory income tax rate and tax expense of the Fund was as follows:

	01.02.2021 to 31.07.2021	01.02.2020 to 31.07.2020
	RM	RM
Loss before taxation	<u>(29,186)</u>	<u>(172,205)</u>
Taxation at Malaysian statutory rate of 24% (31.07.2020: 24%)	(7,005)	(41,329)
Tax effects of:		
- (Income not subject to tax)/Loss not deductible for tax purposes	(5,681)	28,023
- Expenses not deductible for tax purposes	11,300	12,074
- Restriction on tax deductible expenses for PRS Funds	<u>1,386</u>	<u>1,232</u>
Taxation	<u>-</u>	<u>-</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.07.2021	31.01.2021
	RM	Audited RM
At fair value through profit or loss:		
- Quoted securities	<u>9,587,423</u>	<u>11,015,673</u>
	01.02.2021 to 31.07.2021	01.02.2020 to 31.07.2020
	RM	RM
Net loss on financial assets at fair value through profit or loss:		
- Realised gain on disposals	322,339	49,947
- Unrealised fair value loss	<u>(457,952)</u>	<u>(343,188)</u>
	<u>(135,613)</u>	<u>(293,241)</u>

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.07.2021				
QUOTED SECURITIES				
Construction				
GDB Holdings Bhd	<u>232,500</u>	<u>149,078</u>	<u>106,950</u>	<u>0.99</u>
Consumer Products & Services				
British American Tobacco (Malaysia) Bhd	16,300	231,898	238,632	2.20
Genting Bhd	140,300	614,969	660,813	6.10
Genting Malaysia Bhd	201,700	654,956	556,692	5.14
Mr D.I.Y. Group (M) Bhd	<u>29,200</u>	<u>91,450</u>	<u>101,908</u>	<u>0.94</u>
	<u>387,500</u>	<u>1,593,273</u>	<u>1,558,045</u>	<u>14.38</u>
Energy				
Dayang Enterprise Holdings Bhd	209,700	316,133	224,379	2.07
Dialog Group Bhd	72,600	235,745	199,650	1.85
Hibiscus Petroleum Bhd	392,700	299,814	253,292	2.34
Yinson Holdings Bhd	<u>11,200</u>	<u>68,753</u>	<u>53,536</u>	<u>0.50</u>
	<u>686,200</u>	<u>920,445</u>	<u>730,857</u>	<u>6.76</u>
Financial Services				
AMMB Holdings Bhd	92,000	284,896	262,200	2.42
CIMB Group Holdings Bhd	184,290	834,721	820,090	7.58
Hong Leong Bank Bhd	21,000	335,150	378,000	3.49
Malayan Banking Bhd	61,803	526,146	495,042	4.57
Public Bank Bhd	40,900	154,603	162,782	1.50
RHB Bank Bhd	<u>136,976</u>	<u>725,241</u>	<u>699,947</u>	<u>6.47</u>
	<u>536,969</u>	<u>2,860,757</u>	<u>2,818,061</u>	<u>26.03</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.07.2021 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
Health Care				
Hartalega Holdings Bhd	29,100	450,516	204,864	1.89
Optimax Holdings Bhd	76,500	59,049	95,625	0.88
	<u>105,600</u>	<u>509,565</u>	<u>300,489</u>	<u>2.77</u>
Industrial Products & Services				
Ann Joo Resources Bhd	84,900	173,520	191,025	1.77
Kelington Group Bhd	92,000	111,969	114,080	1.05
Lion Industries Corporation Bhd	435,900	354,566	235,386	2.17
Petronas Chemicals Group Bhd	55,400	460,065	445,416	4.11
Sunway Bhd	41,300	70,064	70,210	0.65
V.S. Industry Bhd	233,600	313,263	322,368	2.98
V.S. Industry Bhd - Warrant	195,380	42,166	67,406	0.62
	<u>1,138,480</u>	<u>1,525,613</u>	<u>1,445,891</u>	<u>13.35</u>
REITs				
Axis REIT	261,939	482,327	502,923	4.65
Technology				
CTOS Digital Bhd	93,000	102,300	142,290	1.31
Inari Amertron Bhd	132,700	384,052	441,891	4.08
My E.G. Services Bhd	140,000	295,642	232,400	2.15
Revenue Group Bhd	120,500	232,002	226,540	2.09
Vitrox Corporation Bhd	3,100	56,348	58,590	0.54
	<u>489,300</u>	<u>1,070,344</u>	<u>1,101,711</u>	<u>10.17</u>
Telecommunications & Media				
Telekom Malaysia Bhd	83,600	508,911	496,584	4.59
Transportation & Logistics				
Malaysia Airports Holdings Bhd	63,400	338,216	366,452	3.39
MISC Bhd	23,800	191,441	159,460	1.47
	<u>87,200</u>	<u>529,657</u>	<u>525,912</u>	<u>4.86</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.07.2021 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
TOTAL QUOTED SECURITIES	<u>4,009,288</u>	10,149,970	<u>9,587,423</u>	<u>88.55</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(562,547)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>9,587,423</u>		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.01.2021				
Audited				
QUOTED SECURITIES				
Construction				
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
	<u>522,200</u>	<u>622,167</u>	<u>629,535</u>	<u>5.86</u>
Consumer Products & Services				
British American Tobacco (Malaysia) 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
	<u>384,200</u>	<u>2,148,708</u>	<u>1,935,668</u>	<u>18.03</u>
Energy				
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
	<u>579,500</u>	<u>795,624</u>	<u>668,905</u>	<u>6.24</u>
Financial Services				
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
	<u>371,327</u>	<u>2,129,680</u>	<u>2,079,363</u>	<u>19.34</u>
Health Care				
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
	<u>469,300</u>	<u>1,331,291</u>	<u>1,277,041</u>	<u>11.89</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.01.2021 (CONTINUED)				
Audited (Continued)				
QUOTED SECURITIES (CONTINUED)				
Industrial Products & Services				
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>
REIT				
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>
Technology				
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 E.G. 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>
Telecommunications & Media				
Telekom Malaysia Bhd	81,500	495,515	517,525	4.82
Transportation & Logistics				
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	270,000	300,908	267,300	2.49
	<u>357,200</u>	<u>830,565</u>	<u>736,292</u>	<u>6.86</u>
Utilities				
Tenaga Nasional Bhd	42,100	563,725	406,265	3.78

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.01.2021 (CONTINUED)				
Audited (Continued)				
QUOTED SECURITIES (CONTINUED)				
TOTAL QUOTED SECURITIES	<u>4,462,824</u>	11,120,268	<u>11,015,673</u>	<u>102.57</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(104,595)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>11,015,673</u>		

8. CASH AND CASH EQUIVALENTS

	31.07.2021	31.01.2021
	RM	Audited RM
Deposit with licensed financial institution	978,094	588,086
Bank balance	<u>22,478</u>	<u>24,119</u>
	<u>1,000,572</u>	<u>612,205</u>

9. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.02.2021 to 31.07.2021	01.02.2020 to 31.01.2021
	No of units	Audited No of units
Class A (i)	11,471,028	11,519,511
Class C (ii)	2,077,200	2,065,293
Class X (iii)	<u>5,048,201</u>	<u>4,813,369</u>
	<u>18,596,429</u>	<u>18,398,173</u>

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

(i) Class A

	01.02.2021 to 31.07.2021	01.02.2020 to 31.01.2021
		Audited
	No of units	No of units
At the beginning of the financial period/year	11,519,511	12,402,287
Add: Creation of units from applications	351,100	1,021,647
Add: Creation of units from distribution	-	428,191
Less: Cancellation of units	(399,583)	(2,332,614)
At the end of the financial period/year	<u>11,471,028</u>	<u>11,519,511</u>

(ii) Class C

	01.02.2021 to 31.07.2021	01.02.2020 to 31.01.2021
		Audited
	No of units	No of units
At the beginning of the financial period/year	2,065,293	1,957,560
Add: Creation of units from applications	102,140	333,969
Add: Creation of units from distribution	-	66,327
Less: Cancellation of units	(90,233)	(292,563)
At the end of the financial period/year	<u>2,077,200</u>	<u>2,065,293</u>

(iii) Class X

	01.02.2021 to 31.07.2021	01.02.2020 to 31.01.2021
		Audited
	No of units	No of units
At the beginning of the financial period/year	4,813,369	3,927,469
Add: Creation of units from applications	485,463	814,850
Add: Creation of units from distribution	-	154,825
Less: Cancellation of units	(250,631)	(83,775)
At the end of the financial period/year	<u>5,048,201</u>	<u>4,813,369</u>

10. MANAGEMENT EXPENSE RATIO (“MER”)

	01.02.2021 to 31.07.2021	01.02.2020 to 31.07.2020
	%	%
MER	0.18	0.22

MER was 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 period calculated on a daily basis was RM11,179,860 (31.07.2020: RM9,552,236).

11. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.02.2021 to 31.07.2021	01.02.2020 to 31.07.2020
PTR (times)	0.41	0.58

PTR was derived based on the following calculation:

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

where:

- total acquisition for the financial period = RM3,965,846 (31.07.2020: RM5,730,066)
- total disposal for the financial period = RM5,258,483 (31.07.2020: RM5,322,276)

12. 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
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 period/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.

	01.02.2021 to 31.07.2021 RM	01.02.2020 to 31.07.2020 RM
<u>Significant related party transactions</u>		
Dividend income:		
- CIMB Group Holdings Bhd	3,594	12,537
Interest income received from deposits with licensed financial institution:		
- CIMB Bank Bhd	-	461

PRINCIPAL PRS PLUS EQUITY

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

	31.07.2021	31.01.2021
	RM	Audited RM
<u>Significant related party balances</u>		
Quoted security:		
- CIMB Group Holdings Bhd	820,090	114,801
Bank balance:		
- CIMB Bank Bhd	22,478	24,119

13. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for the six months financial period ended 31 July 2021 were as follows:

Brokers/Dealers	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Credit Suisse Securities (M) Sdn Bhd	1,415,931	15.38	3,012	14.82
CLSA Securities (M) Sdn Bhd	1,402,274	15.23	3,042	14.97
Macquarie Capital Securities (M) Sdn Bhd	1,252,336	13.60	2,343	11.53
UBS Securities (M) Sdn Bhd	1,123,326	12.20	2,035	10.01
Maybank Investment Bank Bhd	905,811	9.84	2,112	10.39
J.P. Morgan Securities (M) Sdn Bhd	694,353	7.54	1,134	5.58
RHB Investment Bank Bhd	538,187	5.85	2,155	10.60
KAF Equities Sdn Bhd	511,017	5.55	1,186	5.84
CGS-CIMB Securities Sdn Bhd #	395,521	4.30	711	3.50
Hong Leong Investment Bank Bhd	285,148	3.10	706	3.47
Others	683,145	7.41	1,887	9.29
	9,207,049	100.00	20,323	100.00

13. TRANSACTIONS WITH BROKERS (CONTINUED)

Details of transactions with the top 10 brokers for the six months financial period ended 31 July 2020 were as follows:

Brokers	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
CLSA Securities (M) Sdn Bhd	1,749,614	15.83	2,450	12.67
Macquarie Capital Securities (M) Sdn Bhd	1,563,661	14.15	2,702	13.97
UBS Securities (M) Sdn Bhd	1,394,501	12.62	2,437	12.60
J.P. Morgan Securities (M) Sdn Bhd	1,127,626	10.20	859	4.44
Maybank Investment Bank Bhd	978,438	8.85	1,541	7.97
KAF-Seagroatt & Campbell Securities Sdn Bhd	903,378	8.17	2,347	12.13
RHB Investment Bank Bhd	767,657	6.95	2,068	10.69
Credit Suisse Securities (M) Sdn Bhd	695,722	6.29	917	4.74
Hong Leong Investment Bank Bhd	666,451	6.03	1,606	8.30
Affin Hwang Investment Bank Bhd	561,201	5.08	1,414	7.31
Others #	644,093	5.83	1,003	5.18
	<u>11,052,342</u>	<u>100.00</u>	<u>19,344</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 RM395,521 (31.07.2020: RM561,092). 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.

14. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

The COVID-19 pandemic and related lockdowns and movement restrictions have had, and will continue to have, a significant impact on global economic conditions and the environment in which the Fund operates. The PRS Provider continues to closely monitor the macro-economic outlook as a result of COVID-19 pandemic and its impact to the Fund's performance and will be managing the risks to achieve the Fund's objective

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