

Principal PRS Plus Growth

Interim Report

For The Six Months Financial Period Ended 31 July 2021

PRINCIPAL PRS PLUS GROWTH

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!

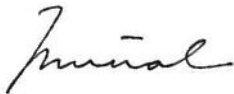
We are pleased to bring you a copy of the Interim Fund Report of the Principal PRS Plus Growth for the financial period ended 31 July 2021. You may also download this report from our website at www.principal.com.my.

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 a portfolio of primarily equities with some exposure in fixed income instruments.

Has the Fund achieved its objective?

Yes, the Fund has achieved its objective of capital growth over the long-term by investing in a portfolio of primarily equities with some exposure in fixed income instruments.

What are the Fund investment policy and principal investment strategy?

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

Before 1 June 2020

The investments by the Fund in equities which include foreign exposure may be up to 70% of the Fund’s Net Asset Value (“NAV”) and investments in local and/or foreign fixed income instruments will be at least 30% of its NAV with a minimum credit rating of “BBB3” or “P2” by RAM Ratings (“RAM”) or equivalent rating by Malaysian Rating Corporation Bhd (“MARC”) or “BBB” by S&P Global Ratings (“S&P”) or equivalent rating by any other international rating agencies.

The asset allocation strategy for this Fund is as follows:

- At least 30% of the Fund’s NAV will be invested in fixed income instruments;
- Up to 70% of the Fund’s NAV may be invested in equities; and
- Up to 5% of the Fund’s NAV may be invested in liquid assets for liquidity purpose.

With effect from 1 June 2020

The investments by the Fund in equities which include foreign exposure may be up to 90% of the Fund’s NAV and investments in local and/or foreign fixed income instruments will be at least 10% of its NAV with a minimum credit rating of “BBB3” or “P2” by RAM or equivalent rating by MARC or “BBB” or “A-2” by S&P or equivalent rating by any other international rating agencies. Notwithstanding, the Fund may also invest up to 10% of its NAV in unrated fixed income instruments.

The asset allocation strategy for this Fund is as follows:

- At least 10% of the Fund’s NAV will be invested in fixed income instruments;
- Up to 10% of the Fund’s NAV may be invested in unrated fixed income instruments;
- Up to 90% of the Fund’s NAV may be invested in equities; and
- Up to 5% of the Fund’s NAV may be invested in liquid assets for liquidity purpose.

Fund category/type

Core (Growth)

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?

RM100.83 million (120.12 million units)

FUND OBJECTIVE AND POLICY (CONTINUED)

What is the Fund's benchmark?

Before 1 June 2020

70% FTSE Bursa Malaysia ("FBM") Top 100 ("FBM100") Index + 30% Quant shop Malaysian Government Securities ("MGS") Short Index.

With effect from 1 June 2020

90% FTSE Bursa Malaysia Top 100 + 10% Quant shop MGS Short Index.

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

What is the Fund distribution policy?

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

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

There was no distribution made for the 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	30.07.2019
	%	%	%
Quoted securities			
- Communication Services	9.21	8.98	4.69
- Consumer Discretionary	11.22	15.01	7.44
- Consumer Staples	1.16	-	4.80
- Energy	2.04	0.68	1.87
- Financials	11.39	8.64	16.24
- Health Care	3.31	1.81	0.68
- Industrials	11.65	7.43	8.10
- Information Technology	18.41	10.43	3.67
- Materials	14.09	8.39	6.15
- Real Estate	-	9.61	11.21
Unquoted securities	12.49	24.35	30.44
Cash and other assets	5.19	5.81	4.87
Liabilities	(0.16)	(1.14)	(0.16)
	<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	30.07.2019
NAV (RM Million)			
- Class A	39.92	26.15	17.72
- Class C	5.03	3.24	2.24
- Class X	55.88	31.36	23.28
Units in circulation (Million)			
- Class A	47.56	36.93	26.05
- Class C	6.00	4.58	3.29
- Class X	66.56	44.28	34.24
NAV per unit (RM)			
- Class A	0.8393	0.7080	0.6799
- Class C	0.8376	0.7077	0.6801
- Class X	0.8395	0.7082	0.6801

PERFORMANCE DATA (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	0.8862	0.7374	0.7196
- Class C	0.8848	0.7366	0.7193
- Class X	0.8863	0.7375	0.7197
Lowest NAV per unit (RM)			
- Class A	0.8076	0.5961	0.6627
- Class C	0.8061	0.5953	0.6626
- Class X	0.8077	0.5963	0.6628
Total return (%)			
- Class A	2.04	2.56	6.03
- Class C	2.01	2.52	5.97
- Class X	2.05	2.58	6.02
Capital growth (%)			
- Class A	2.04	2.56	6.03
- Class C	2.01	2.52	5.97
- Class X	2.05	2.58	6.02
Income distribution (%)			
- Class A	-	-	-
- Class C	-	-	-
- Class X	-	-	-
-			
Management Expense Ratio ("MER") (%) ^	0.79	0.75	0.86
Portfolio Turnover Ratio ("PTR") (times) #	0.16	0.26	0.10

^ The Fund's MER increased from 0.75% to 0.79% mainly due to increase in expenses during the financial period under review.

The Fund's PTR declined to 0.16 times which was lower than the 0.26 times last year. The stock market was comparatively stable which led to a lower turnover in the Fund.

	31.07.2021 %	31.07.2020 %	31.07.2019 %	31.07.2018 %	31.07.2017 %
Annual total return					
- Class A	19.65	2.85	4.13	1.95	15.06
- Class C	19.56	2.77	4.06	1.95	15.06
- Class X	19.64	2.87	4.12	1.95	15.07

(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)**Equities**

For the period under review, the Asia Pacific Ex-Japan stock markets declined, led by China, Hong Kong, China markets. The MSCI Asia ex-Japan Index declined 4.6% in US Dollar ("USD") terms. In the first few months, investors were concerned that the rising inflation rates would be more sustained than expected and that this would lead to a earlier than expected tapering of the US Federal Reserve (the "Fed") bond buying program and also rising interest rates. US 10-year Treasury bond yields spiked up rising to a high of more than 1.7% in March 2021. Investors did shrug off this concern and expect inflation rate to eventually settle at a lower trajectory as the spike was likely caused by transitory factors. These factors included shutdowns in certain countries due to COVID-19 infection surges which affected supply chains, re-opening of the economies in the West and port congestions. Certain components faced shortages and rising material prices added to inflationary concerns.

In China, regulatory scrutiny intensified in second quarter of 2021 on not only the internet companies but also other sectors like education and property. All these new regulations caused much uncertainty and consternation among investors as they grappled to understand the impact of these new regulations. Chinese and Hong Kong, China stocks corrected sharply in the past few months as a result.

Fixed Income

During the period under review, there were no changes to the Overnight Policy Rate ("OPR"). Bank Negara Malaysia ("BNM") maintained OPR at 1.75% at its latest meeting in early July 2021. The latest Monetary Policy Committee ("MPC") statement continued to highlight downside risks to both global and local economic growth. They highlighted that the reimposition of the latest nation-wide containment measures to curb the resurgence in COVID-19 will dampen the growth momentum. However, the degree of impact to the economy is dependent on the stringency and duration of the containment measures. They also mentioned that the stance of monetary policy to be appropriate and accommodative and will continue to be watchful of new data and information and their implications on the overall outlook for inflation and domestic growth.

Headline inflation in the country began to inch upwards as it edged up 0.1% in February 2021 and then by 1.7% in March 2021. In April 2021 and May 2021, it rose by 4.7% and 4.4%, respectively. In June 2021, it continued to rise albeit at a slightly slower pace of 3.4% year-on-year ("y-o-y"). Consumer Price Index ("CPI") remained positive for the fifth consecutive month due to the lower base effect because of the decline in fuel prices for private vehicles. BNM believes this spike is transitory and believes headline inflation will moderate in the near term as the base effect dissipates. Underlying inflation is expected to remain subdued.

The Government announced a few stimulus packages during the period under review as a response to the lockdown measures imposed in the country. The most recent stimulus package announced was named National People's Well-Being and Economic Recovery Package ("PEMULIH") which is worth RM150 billion, including the Government's direct fiscal injection of RM10 billion. Prior to this, in May 2021, the Government unveiled the Program Strategik Memperkasa Rakyat dan Ekonomi ("PEMERKASA") Plus financial aid package which was worth RM40 billion. This package is in addition to the Pemerakasa package which was announced by the government in March 2021 worth RM20 billion.

2021 began with two major announcements— i.e. the Second Movement Control Order ("MCO") 2.0 and the State of Emergency ("SoE"). The entire country was placed under MCO 2.0 (except Sarawak) up until 4 February 2021. MCO 2.0 continued up until 4 March 2021 for 4 states i.e. Selangor, Kuala Lumpur, Johor and Penang due to the high number of cases. Meanwhile, the Palace issued the SoE proclamation to suspend Parliament and State Legislative Assemblies (including elections) until 1 August 2021. At the time of writing, most parts of the country are still under the MCO 3.0 which started in June 2021. In mid-June 2021, Prime Minister Tan Sri Dato' Haji Mahiaddin bin Md. Yasin introduced the National Recovery Plan ("NRP") outlining the necessary conditions to transition from the current lockdown (Phase 1) to the exit phases (Phase 2 - 4).

MARKET REVIEW (1 FEBRUARY 2021 TO 31 JULY 2021) (CONTINUED)

Fixed Income (continued)

On a positive note, S&P reaffirmed Malaysia's rating at A- but maintained its negative outlook to reflect the enduring pressures on Malaysia's fiscal and debt profile. Fitch also affirmed Malaysia's sovereign rating at BBB+ with a stable outlook premised on the strong and broad based medium growth and consistent current account surpluses with a highly diversified export base. However, the rating agency warns that high public debt, low government revenue and lingering political uncertainty will remain key downside risk to rating outlook.

The Malaysian economy expanded by 16.1% in second quarter of 2021 (first quarter of 2021: -0.5%) with economic performance mainly supported by improvement in domestic demand and continued robust exports performance. The strong growth also reflected the low base from the significant decline in activity seen in second quarter of 2020. On a quarter-on-quarter ("q-o-q") seasonally-adjusted basis, the economy registered a decline of 2.0% (first quarter of 2021: 2.7%), weighed by the tighter containment measures.

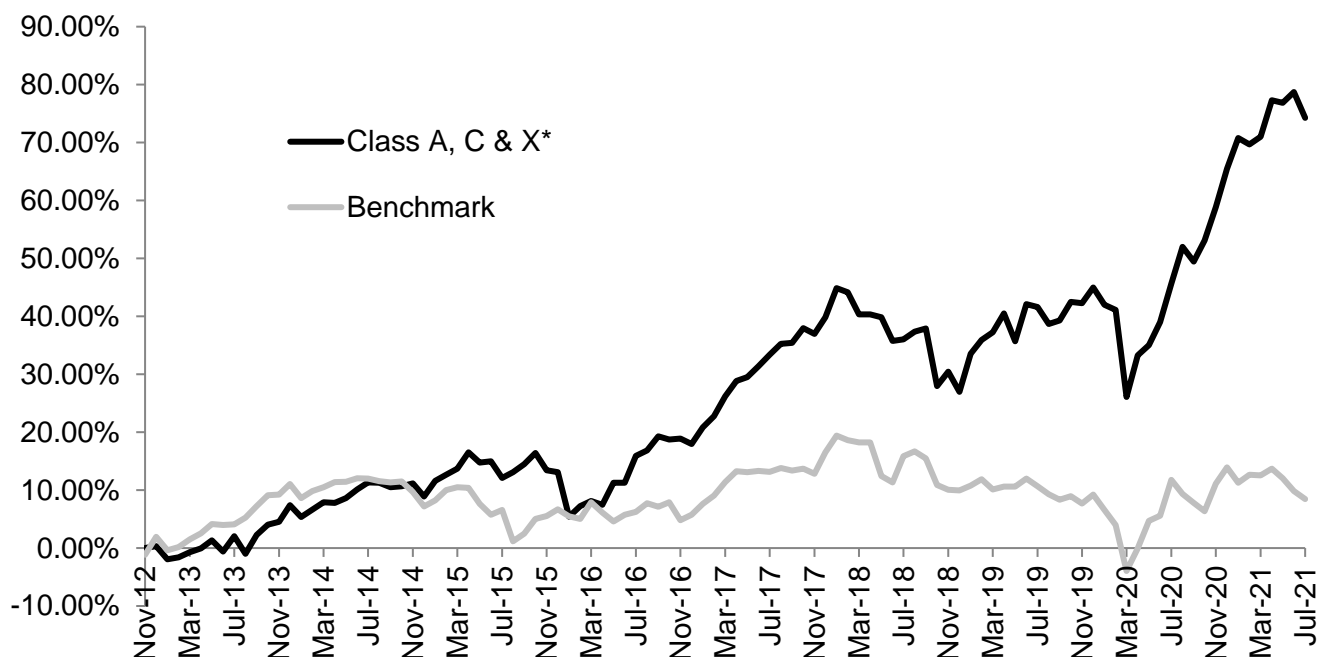
In the month of July 2021, the MGS yield curve ended flatter with yields falling 8 to 19 basis points ("bps") on the long end of the curve while the front to belly yields were between +4 bps to -11 bps. The 3-year, 5-year, 7-year, 10-year, 15-year, 20-year and 30-year MGS yields closed at 2.30% (+4 bps), 2.57% (-11 bps), 3.06% (+4 bps), 3.21% (-8 bps), 3.76% (-13 bps), 4.01% (-19 bps) and 4.22% (-9 bps) respectively at the end of July 2021.

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	-	-	-	3.80	3.79	3.80
Capital Growth	2.04	2.01	2.05	15.27	15.19	15.26
Total Return	2.04	2.01	2.05	19.65	19.56	19.64
Benchmark	(2.50)	(2.50)	(2.50)	(2.96)	(2.96)	(2.96)
Average Total Return	4.13	4.06	4.06	19.65	19.65	15.56
	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	3.80	3.79	3.80	3.80	3.79	3.80
Capital Growth	23.46	23.19	23.45	44.82	44.50	44.83
Total Return	28.14	27.86	28.14	50.32	49.98	50.32
Benchmark	(6.36)	(6.36)	(6.36)	(2.08)	(2.08)	(2.08)
Average Total Return	8.62	8.54	8.54	8.49	8.44	8.44
	Since inception to 31.07.2021					
	Class A	Class C	Class X			
	%	%	%			
Income Distribution	3.80	3.79	3.80			
Capital Growth	67.90	67.56	67.94			
Total Return	74.28	73.91	74.32			
Benchmark	(8.48)	(8.48)	(8.48)			
Average Total Return	6.57	6.55	6.55			

FUND PERFORMANCE (CONTINUED)

For the financial period under review, the Fund recorded a total return of 2.04%, 2.01% & 2.05% for classes A, C & X respectively. The Fund was able to record a positive return as the exposure in other North Asia markets, India, Australia despite the weakness in China & Hong Kong, China.



* 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.

Changes in NAV

	31.07.2021	31.01.2021 Audited	Changes
CLASS A			%
NAV (RM Million)	39.92	38.40	3.96
NAV/Unit (RM)	0.8393	0.8225	2.04
CLASS C			%
NAV (RM Million)	5.03	4.76	5.67
NAV/Unit (RM)	0.8376	0.8212	2.00
CLASS X			%
NAV (RM Million)	55.88	51.04	9.48
NAV/Unit (RM)	0.8395	0.8227	2.04

The NAV of the Fund increased by 3.96%, 5.67% and 9.48% in classes A, C and X respectively. The NAV per unit increased by 2.04%, 2.00% & 2.04% in classes A, C & X. The increase in NAV per unit was due to the increase in value of underlying assets while the increase in NAV was due to subscriptions.

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	82.48	82.26
Unquoted fixed income securities	12.49	13.89
Cash and other assets	5.19	4.01
Liabilities	(0.16)	(0.16)
TOTAL	100.00	100.00

As at 31 July 2021, the Fund held 82.48% in quoted securities, 12.49% in unquoted fixed income securities with the rest in cash and other assets. The cash level is slightly higher than the level at the end of July 2021.

MARKET OUTLOOK*

Equities

In the next 12-months, the outlook for the Asia Pacific ex-Japan equity markets remain positive. The investment environment for equities remains favorable with the backdrop of a global economic recovery, the accelerating rollout of vaccines, and continued monetary and fiscal support. The pace of the roll-out of COVID-19 vaccines and improving employment rate remain the key objectives of all governments globally. While inflation is relatively high, it is expected to be transitory. As such, we do not expect the tapering of Central Banks' balance sheet in the near term nor for interest rates to rise. We expect liquidity to be ample and funds flow to Asia. Asia is under-owned by investors and earnings growth for Asian corporates are expected to be robust in 2021 and into 2022. In addition, policy makers are likely to err on the side of caution and will unlikely pull back abruptly from their accommodative policy stance prematurely. As a result, we expect many sectors to do well and for the recovery in the stock markets to broaden out to other sectors. The near-term risks are a deteriorating US-China relationship and the rise in COVID-19 variant strains which may result in more waves of infections. For China, we expect the recent slew of regulatory tightening to eventually ease by second half of 2021. Coupled with the likely easing in monetary and fiscal policies, we should expect equities to performed better.

Fixed Income

In third quarter of 2021, we are anticipating RM32.2 billion (MGS: RM25.2 billion; Malaysian Government Investment Issue ("MGII"): RM7 billion) of govvnies maturing. As we are looking at about RM42 billion of new issuance, the small net issuance will see some support for the local bond market as investors will look to roll over their positions. The new i-Citra facility is expected to see withdrawals up to RM30 billion. However, these estimates are typically conservative and actual withdrawals could fall short as most of the vulnerable members have already exhausted their balances. Domestic liquidity remains healthy given the strong bid-to-cover ("BTC") for both of the longer dated auctions in July 2021 with the 10-year MGII auction garnered the highest BTC seen in 2021 auctions so far. Foreign investors continue to add Malaysian debt securities in May 2021, the 13th consecutive month of increase since the last outflows in April 2020. However, as of June and July 2021, we are seeing net outflows from foreign investors of -RM0.5 billion and -RM3.6 billion, respectively.

MARKET OUTLOOK* (CONTINUED)**Fixed Income (continued)**

We expect repricing pressure to continue in the primary market and we may find a new equilibrium for credit risk premium. We continue to see many moving parts and factors in play affecting the market currently and believe it will continue in the short to medium term i.e. the vaccination rate in the country, results of the containment measures, political uncertainty, foreign rating of the sovereign in addition to the movement of the US Treasuries (“UST”).

* 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**Equities**

We have a positive view on Asian equities on a 12-month basis. Our expectation is a broadening out of economic recovery, the portfolio is positioned to benefit from the cyclical economic recovery such as financials, materials and industrials. The focus is also on quality companies which are long term winners with strong entry to barriers or market share gainers. We are positioned to benefit from strong trends in the automation, electric vehicle penetration, 5G handsets and the proliferation of digitalization of the society.

Fixed Income

We expect interest rates will remain accommodative for a longer period to support growth with COVID-19 infections spiking new highs. We are optimistically cautious on the sovereign market in the near term and we believe the bond market will stay supported in this quarter. Nevertheless, we are cautious on the upcoming events, 2022 Budget and the ongoing domestic political uncertainties. We remain overweight on corporates for better yield pick up. We believe the credit segment will be well supported with manageable credit supply in the coming months (other than the GG segment). With that said, we continue to be mindful in our credit selection with a preference on names which are more resilient with stronger fundamentals, as well as better liquidity.

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	6,401	12.95	27.23
5,001-10,000	1,283	8.89	18.69
10,001-50,000	1,135	21.37	44.93
50,001-500,000	27	3.07	6.46
500,001 and above	1	1.28	2.69
Total	8,847	47.56	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	612	1.26	21.00
5,001-10,000	162	1.11	18.50
10,001-50,000	137	2.48	41.33
50,001-500,000	6	1.15	19.17
500,001 and above	-	-	-
Total	917	6.00	100.00

CLASS X

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	5,878	4.83	7.26
5,001-10,000	953	7.04	10.58
10,001-50,000	1,786	37.52	56.36
50,001-500,000	223	17.17	25.80
500,001 and above	-	-	-
Total	8,840	66.56	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 GROWTH**

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 13 to 45 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 provisions of 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 GROWTH**

We have acted as Trustee for Principal PRS Plus Growth (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) valuation and pricing for the Fund has been carried out in accordance with the Deed(s) of the Fund and applicable regulatory requirements; and
- (c) creation and cancellation of units for the Fund have been carried out in accordance with the Deed(s) of the Fund and applicable 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			
Dividend income		852,273	822,363
Interest income from deposits with licensed financial institutions at amortised cost		17,799	12,729
Interest income from unquoted fixed income securities at fair value through profit or loss		277,300	461,609
Net gain on financial assets at fair value through profit or loss	7	974,383	1,556,679
Net foreign exchange gain/(loss)		794,524	(103,435)
		<u>2,916,279</u>	<u>2,749,945</u>
EXPENSES			
Management fee	4	702,466	474,809
Private Pension Administrator administration fees	4	20,001	13,516
Trustee and custodian fee	5	20,001	13,516
Audit fee		4,017	6,150
Tax agent's fee		3,080	2,000
Transaction costs		95,334	92,149
Other expenses		120,774	75,992
		<u>965,673</u>	<u>678,132</u>
PROFIT BEFORE TAXATION		1,950,606	2,071,813
Taxation	6	-	-
PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>1,950,606</u>	<u>2,071,813</u>
Profit after taxation is made up as follows:			
Realised amount		1,200,856	(1,805,020)
Unrealised amount		749,750	3,876,833
		<u>1,950,606</u>	<u>2,071,813</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	4,274,292	2,865,313
Financial assets at fair value through profit or loss	7	95,757,983	90,576,355
Amount due from dealers		104,083	105,252
Amount due from the PRS Provider			
- creation of units		784,490	803,081
Dividends receivable		69,289	-
TOTAL ASSETS		<u>100,990,137</u>	<u>94,350,001</u>
LIABILITIES			
Amount due to the PRS Provider			
- cancellation of units		4,379	9,642
Accrued management fee		132,085	113,408
Amount due to Private Pension Administrator		3,763	3,229
Amount due to Trustee		3,763	3,229
Other payables and accruals		19,595	17,100
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS)		<u>163,585</u>	<u>146,608</u>
NET ASSET VALUE OF THE FUND		<u>100,826,552</u>	<u>94,203,393</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>100,826,552</u>	<u>94,203,393</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- Class A		39,917,116	38,397,439
- Class C		5,028,086	4,762,058
- Class X		55,881,350	51,043,896
		<u>100,826,552</u>	<u>94,203,393</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class A		47,555,577	46,678,729
- Class C		6,002,730	5,798,525
- Class X		66,563,166	62,041,445
	9	<u>120,121,473</u>	<u>114,518,699</u>
NET ASSET VALUE PER UNIT (RM)			
- Class A		0.8393	0.8225
- Class C		0.8376	0.8212
- Class X		0.8395	0.8227

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>94,203,395</u>	<u>67,731,558</u>
Movement due to units created and cancelled during the financial period:		
Creation of units from applications		
- Class A	1,400,777	1,126,455
- Class C	221,930	165,901
- Class X	5,859,753	6,001,437
	<u>7,482,460</u>	<u>7,293,793</u>
Cancellation of units		
- Class A	(665,849)	(751,634)
- Class C	(50,058)	(124,052)
- Class X	(2,094,002)	(1,299,795)
	<u>(2,809,909)</u>	<u>(2,175,481)</u>
Total comprehensive income for the financial period	<u>1,950,606</u>	<u>2,071,813</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL PERIOD	<u>100,826,552</u>	<u>74,921,683</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	14,198,149	10,980,809
Proceeds from disposal of unquoted fixed income securities	358,231	3,085,938
Proceeds of redemption of unquoted fixed income securities	-	2,300,000
Purchase of quoted securities	-	(18,887,455)
Purchase of unquoted fixed income securities	(18,143,825)	(1,660,944)
Dividend income received	735,361	643,259
Interest income received from deposits with licensed financial institutions	943,647	12,729
Interest income received from unquoted fixed income securities	291,774	558,307
Management fee paid	(683,789)	(469,525)
Private Pension Administrator administration fees paid	(19,467)	(13,365)
Trustee and custodian paid	(19,467)	(13,365)
Payments for other fees and expenses	(31,099)	(19,966)
Net realised foreign exchange loss	(69,992)	(83,821)
Net cash used in operating activities	<u>(2,440,477)</u>	<u>(3,567,399)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	7,501,051	6,620,222
Payments for cancellation of units	(2,815,170)	(2,190,250)
Net cash generated from financing activities	<u>4,685,881</u>	<u>4,429,972</u>
Net increase in cash and cash equivalents	2,245,404	862,573
Effects of foreign exchange differences	100,875	(28,933)
Cash and cash equivalents at the beginning of the financial period	<u>1,928,013</u>	<u>1,928,013</u>
Cash and cash equivalents at the end of the financial period	<u><u>4,274,292</u></u>	<u><u>2,761,653</u></u>
<u>Cash and cash equivalents comprised of:</u>		
Deposits with licensed financial institutions	2,876,276	1,839,176
Bank balances	<u>1,398,016</u>	<u>922,477</u>
Cash and cash equivalents at the end of the financial period	<u><u>4,274,292</u></u>	<u><u>2,761,653</u></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 Growth (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”) made between Principal Asset Management Berhad (the “PRS Provider”) and Deutsche Trustees Malaysia Berhad (the “Trustee”).

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

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

Before 1 June 2020

The investments by the Fund in equities which include foreign exposure may be up to 70% of the Fund’s NAV and investments in local and/or foreign fixed income instruments will be at least 30% of its NAV with a minimum credit rating of “BBB3” or “P2” by RAM or equivalent rating by MARC or “BBB” by S&P or equivalent rating by any other international rating agencies.

The asset allocation strategy for this Fund is as follows:

- At least 30% of the Fund’s NAV will be invested in fixed income instruments;
- Up to 70% of the Fund’s NAV may be invested in equities; and
- Up to 5% of the Fund’s NAV may be invested in liquid assets for liquidity purpose.

With effect from 1 June 2020

The investments by the Fund in equities which include foreign exposure may be up to 90% of the Fund’s NAV and investments in local and/or foreign fixed income instruments will be at least 10% of its NAV with a minimum credit rating of “BBB3” or “P2” by RAM or equivalent rating by MARC or “BBB” or “A-2” by S&P or equivalent rating by any other international rating agencies. Notwithstanding, the Fund may also invest up to 10% of its NAV in unrated fixed income instruments.

The asset allocation strategy for this Fund is as follows:

- At least 10% of the Fund’s NAV will be invested in fixed income instruments;
- Up to 10% of the Fund’s NAV may be invested in unrated fixed income instruments;
- Up to 90% of the Fund’s NAV may be invested in equities; and
- Up to 5% of the Fund’s NAV may be invested in liquid assets for liquidity purpose.

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

1. THE FUND, THE PRS PROVIDER AND ITS PRINCIPAL ACTIVITIES (CONTINUED)

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 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 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.

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

The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income ("OCI").

The contractual cash flows of the Fund's debt securities are solely 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 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.

Foreign quoted securities are valued at the last traded market price quoted on the respective foreign stock exchanges at the close of the business day of the respective foreign stock exchanges.

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.

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

Deposits with licensed financial 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 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 institution and unquoted fixed income securities are recognised on a time proportionate basis using the effective interest rate method on an accrual basis.

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

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

Realised gain or loss on disposal of unquoted fixed income securities is accounted for as the difference between the net disposal proceeds and the carrying amount of unquoted fixed income securities, determined on cost adjusted for accretion of discount or amortisation of premium.

(d) Foreign currency**Functional and presentation currency**

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

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

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

Transactions and balances

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(e) 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 the statement of financial position if the member exercises the right to reinvest the unit to the Fund.

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

(f) Transactions costs

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

(g) Cash and cash equivalents

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

Tax on dividend income from foreign quoted securities is based on the tax regime of the respective countries that the Fund invests in.

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

(i) Amount due from dealer

Amount due from dealer represent receivables for unquoted fixed income securities sold that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The amount due from dealer balance is held for collection.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(j) Realised and unrealised portions of profit or loss after taxation**

The analysis of realised and 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.

Estimate of fair value of unquoted fixed income securities

In undertaking any of the Fund's investment, the PRS Provider will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the SC Guidelines on PRS.

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund seeks to provide capital growth over the long-term by investing in a portfolio of primarily equities with some exposure in fixed income instruments.

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

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

(a) Market risk**(i) Price risk**

This is the risk that the fair value of the Fund's investment in quoted securities and unquoted fixed income securities will fluctuate because of changes in market prices. The value of investments may fluctuate according to the activities of individual companies, sector and overall political and economic conditions. Such fluctuation may cause the Fund's NAV and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(a) Market risk (continued)****(i) Price risk (continued)**

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

The Fund is exposed to price risk arising from interest rate fluctuation in relation to its investments in unquoted fixed income securities. The Fund's exposure to price risk arising from interest rate fluctuation and the related sensitivity analysis are disclosed in "interest rate risk" below.

(ii) Interest rate risk

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

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

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

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

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

(iii) Currency risk

Currency risk of the Fund is associated with investments that are quoted and/or priced in foreign currency denomination. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The PRS Provider will evaluate the likely directions of a foreign currency versus MYR based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk

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

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

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

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

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 assets attributable to members can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of the 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 the 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. 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 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	83,165,971	-	-	83,165,971
- Unquoted fixed income securities	-	12,592,012	-	12,592,012
	<u>83,165,971</u>	<u>12,592,012</u>	<u>-</u>	<u>95,757,983</u>
31.01.2021				
Audited				
Financial assets at fair value through profit or loss:				
- Quoted securities	77,489,126	-	-	77,489,126
- Unquoted fixed income securities	-	13,087,229	-	13,087,229
	<u>77,489,126</u>	<u>13,087,229</u>	<u>-</u>	<u>90,576,355</u>

Investments which values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed securities. 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).

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. This includes unquoted fixed income securities. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

- (ii) The carrying values of cash and cash equivalents, amount due from the PRS Provider, dividend 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 is recognised at the following rates:

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

The Private Pension Administrator administration fee is recognised at a rate of 0.04% per annum (31.07.2020: 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 AND CUSTODIAN FEE

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

For the six months financial period ended 31 July 2021, the Trustee fee is recognised at a rate of 0.04% per annum (31.07.2020: 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. 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	-	-

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

	01.02.2021 to 31.07.2021	01.02.2020 to 31.07.2020
	RM	RM
Profit before taxation	1,950,606	2,071,813
Taxation at Malaysian statutory rate of 24% (31.07.2020: 24%)	468,146	497,235
Tax effects of:		
- Income not subject to tax	(699,908)	(659,986)
- Expenses not deductible for tax purposes	62,206	47,190
- Restriction on tax deductible expenses for PRS Funds	169,556	115,561
Taxation	-	-

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	83,165,971	77,489,126
- Unquoted fixed income securities	12,592,012	13,087,229
	<u>95,757,983</u>	<u>90,576,355</u>
	01.02.2021	01.02.2020
	to 31.07.2021	to 31.07.2020
	RM	RM
Net gain on financial assets at fair value through profit or loss:		
- Realised gain/(loss) on disposals	325,506	(2,343,827)
- Unrealised fair value gain	648,877	3,900,506
	<u>974,383</u>	<u>1,556,679</u>

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.07.2021				
QUOTED SECURITIES				
AUSTRALIA				
Consumer Discretionary				
Aristocrat Leisure Ltd	13,251	1,091,955	1,723,072	1.71
Energy				
Beach Energy Ltd	310,439	1,699,755	1,163,327	1.15
Industrials				
ALS Ltd	46,907	1,199,195	1,866,170	1.85
Seven Group Holdings Ltd	30,336	1,911,441	2,202,548	2.18
	<u>77,243</u>	<u>3,110,636</u>	<u>4,068,718</u>	<u>4.03</u>
Materials				
BHP Group Ltd	14,139	1,402,193	2,361,758	2.34
BlueScope Steel Ltd	14,112	971,945	1,066,028	1.06
James Hardie Industries PLC	20,981	1,931,275	2,996,205	2.97
OZ Minerals Ltd	19,688	1,465,514	1,425,145	1.41
	<u>68,920</u>	<u>5,770,927</u>	<u>7,849,136</u>	<u>7.78</u>
TOTAL AUSTRALIA	<u>469,853</u>	<u>11,673,273</u>	<u>14,804,253</u>	<u>14.67</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)				
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	25,800	3,348,406	2,645,826	2.62
TOTAL CAYMAN ISLANDS	25,800	3,348,406	2,645,826	2.62
CHINA				
Health Care				
WuXi AppTec Co Ltd	21,960	1,228,007	2,047,082	2.03
TOTAL CHINA	21,960	1,228,007	2,047,082	2.03
HONG KONG, CHINA				
Communication Services				
Tencent Holding Ltd	18,900	4,551,235	4,912,212	4.87
Consumer Discretionary				
Galaxy Entertainment Group Ltd	32,000	1,048,077	915,041	0.91
Li Ning Co. Ltd	76,500	1,094,983	3,399,579	3.37
Meituan	6,300	966,748	734,952	0.73
Xinyi Glass Holding Co. Ltd	58,000	839,744	912,654	0.91
	172,800	3,949,552	5,962,226	5.92
Consumer Staples				
Budweiser Brewing Company APAC	99,600	1,388,690	1,172,732	1.16
Energy				
CNOOC Ltd	214,000	966,932	894,096	0.89
Financials				
AIA Group Ltd	45,400	1,493,247	2,293,429	2.27
Hong Kong Exchanges & Clearing	9,600	2,026,025	2,583,644	2.56
	55,000	3,519,272	4,877,073	4.83
Health Care				
Wuxi Biologics (Cayman) Inc	20,000	589,151	1,285,962	1.28

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)				
HONG KONG, CHINA (CONTINUED)				
Industrials				
Techtronic Industries Co	54,500	1,952,296	4,107,509	4.07
Information Technology				
Kingboard Laminates Holding Ltd	411,000	2,264,966	3,465,554	3.44
TOTAL HONG KONG, CHINA	1,045,800	19,182,094	26,677,364	26.48
INDONESIA				
Consumer Discretionary				
Astra International Tbk PT	709,800	1,321,435	977,270	0.97
Financials				
Bank Central Asia	107,900	1,096,230	939,512	0.93
PT Bank Jago Tbk	286,600	988,616	1,500,642	1.49
	394,500	2,084,846	2,440,154	2.42
TOTAL INDONESIA	1,104,300	3,406,281	3,417,424	3.39
NETHERLANDS				
Information Technology				
ASML Holding N.V.	367	1,005,101	1,187,200	1.18
TOTAL NETHERLANDS	367	1,005,101	1,187,200	1.18
SINGAPORE				
Financials				
DBS Group Holding Ltd	21,900	1,792,231	2,079,186	2.06
Industrials				
Singapore Technologies Engineering	80,000	995,238	1,001,538	0.99
TOTAL SINGAPORE	101,900	2,787,469	3,080,724	3.05

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)				
SOUTH KOREA				
Information Technology				
Samsung Electronics Co. Ltd	17,257	3,402,043	4,968,540	4.93
Materials				
LG Chem Ltd	1,479	2,842,595	4,567,453	4.53
Posco	1,332	1,632,708	1,790,490	1.78
	2,811	4,475,303	6,357,943	6.31
TOTAL SOUTH KOREA	20,068	7,877,346	11,326,483	11.24
TAIWAN				
Industrials				
AirTac International Group	19,000	2,382,887	2,577,523	2.56
Information Technology				
Hon Hai Precision Industry Co.	86,000	1,465,278	1,427,514	1.42
MediaTek Inc.	10,000	1,077,786	1,373,190	1.36
Taiwan Semiconductor Manufacturing Company Ltd	70,000	4,674,031	6,126,540	6.08
	166,000	7,217,095	8,927,244	8.86
TOTAL TAIWAN	185,000	9,599,982	11,504,767	11.42
UNITED STATES				
Communication Services				
SEA LTD	3,376	2,114,796	3,933,442	3.90
Tencent Music Entertainment - ADR ²	10,000	819,937	445,948	0.44
	13,376	2,934,733	4,379,390	4.34
Financials				
HDFC Bank Ltd	7,038	1,646,503	2,095,458	2.08
TOTAL UNITED STATES	20,414	4,581,236	6,474,848	6.42

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>2,995,462</u>	64,689,195	<u>83,165,971</u>	<u>82.48</u>
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>18,476,776</u>		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>83,165,971</u>		

Name of counter	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.07.2021 (CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES				
Bank Pembangunan Malaysia Bhd 4.28% 2/3/2022 (AAA)	700,000	711,798	720,502	0.71
Celcom Networks Sdn Bhd 4.85% 29/8/2022 (AA1)	300,000	306,558	314,349	0.31
Celcom Networks Sdn Bhd 4.85% 29/8/2022 (AA1)	200,000	204,412	209,566	0.21
Celcom Networks Sdn Bhd 4.85% 29/8/2022 (AA1)	100,000	103,026	104,783	0.10
Edra Energy Sdn Bhd 5.67% 05/01/2023 (AA3)	200,000	205,307	208,171	0.21
Fortune Premiere Sdn Bhd 3.98% 11/09/2026 (AA)	400,000	406,720	413,861	0.41
Fortune Premiere Sdn Bhd 4.80% 13/3/2023 (AA)	576,000	586,918	603,310	0.60
Fortune Premiere Sdn Bhd 4.80% 13/3/2023 (AA)	180,000	183,617	188,535	0.19
Fortune Premiere Sdn Bhd 4.80% 13/3/2023 (AA)	36,000	36,733	37,707	0.04
Fortune Premiere Sdn Bhd 4.80% 13/3/2023 (AA)	504,000	515,807	527,897	0.52
Fortune Premiere Sdn Bhd 4.80% 13/3/2023 (AA)	504,000	526,183	527,897	0.52
Fortune Premiere Sdn Bhd 4.85% 07/09/2023 (AA)	200,000	208,205	211,114	0.21

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

Name of counter	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.07.2021 (CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
GENTING CAP 4.42% 08/06/2022 (AA1)	2,250,000	2,260,423	2,275,333	2.26
IJM Land Bhd 4.73% 17/03/2119 (A2)	100,000	101,826	101,018	0.10
MMC Corporation Bhd 5.64% 27/4/2027 (AA3)	750,000	772,409	828,520	0.82
Perbadanan Kemajuan Negeri Selangor 5.10% 10/08/2021 (AA3)	950,000	972,598	972,968	0.96
Perbadanan Kemajuan Negeri Selangor 5.15% 10/08/2023 (AA3)	466,667	479,973	494,487	0.49
Perbadanan Kemajuan Negeri Selangor 5.15% 10/08/2023 (AA3)	233,333	244,898	247,244	0.25
UEM Edgenta Bhd 4.85% 26/4/2022 (AA3)	100,000	101,425	102,845	0.10
UEM Edgenta Bhd 4.85% 26/4/2022 (AA3)	100,000	101,453	102,845	0.10
UEM Edgenta Bhd 4.85% 26/4/2022 (AA3)	100,000	101,436	102,845	0.10
UEM Sunrise Bhd 4.75% 22/03/2024 (AA3)	400,000	417,240	415,363	0.41
United Growth Bhd 4.73% 21/06/2022AA2	300,000	302,156	307,579	0.31
WCT Holdings Bhd 5.32% 11/5/2022 (AA3)	107,143	108,579	109,665	0.11
WCT Holdings Bhd 5.32% 11/5/2022 (AA3)	142,857	145,710	146,221	0.15
YTL Corporation Bhd 4.38% 25/04/2023 (AA1)	2,250,000	2,266,921	2,317,387	2.30
TOTAL UNQUOTED FIXED INCOME SECURITIES	12,150,000	12,372,331	12,592,012	12.49
ACCUMULATED UNREALISED GAIN ON UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		219,681		
TOTAL UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		12,592,012		

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				
AUSTRALIA				
Consumer Discretionary				
Aristocrat Leisure Ltd	13,251	1,091,955	1,273,416	1.35
Energy				
Beach Energy Ltd	310,439	1,699,755	1,580,020	1.68
Industrials				
ALS Ltd	46,907	1,199,195	1,446,949	1.54
Seven Group Holdings Ltd	30,336	1,911,441	2,102,455	2.23
	77,243	3,110,636	3,549,404	3.77
Materials				
BHP Group Ltd	14,139	1,402,193	1,905,579	2.02
James Hardie Industries SE	20,981	1,931,275	2,388,231	2.54
Northern Star Resources Ltd	19,429	896,074	772,456	0.82
	54,549	4,229,542	5,066,266	5.38
TOTAL AUSTRALIA	455,482	10,131,888	11,469,106	12.18
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	25,800	3,348,406	3,316,799	3.53
TOTAL CAYMAN ISLANDS	25,800	3,348,406	3,316,799	3.53
CHINA				
Financials				
Ping An Insurance Group Co of China Ltd - H ¹	27,000	1,138,371	1,284,071	1.36
Health Care				
WuXi AppTec Co Ltd	18,300	1,228,007	1,763,507	1.87
TOTAL CHINA	45,300	2,366,378	3,047,578	3.23

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)				
HONG KONG, CHINA				
Communication Services				
Tencent Holdings Ltd	17,200	4,023,160	6,105,886	6.48
Consumer Discretionary				
Galaxy Entertainment Group Ltd	35,000	1,122,854	1,072,012	1.14
Li Ning Co Ltd	81,500	1,166,551	2,061,110	2.19
Meituan	8,300	643,926	1,538,291	1.63
	124,800	2,933,331	4,671,413	4.96
Consumer Staples				
Budweiser Brewing Company APAC Ltd	99,600	1,388,690	1,351,517	1.43
Financials				
AIA Group Ltd	45,400	1,493,247	2,217,081	2.35
Hong Kong Exchanges & Clearing Ltd	6,800	1,341,373	1,761,850	1.87
	52,200	2,834,620	3,978,931	4.22
Health Care				
Alibaba Health Info Technology Ltd	74,000	965,723	936,682	0.99
Wuxi Biologics Cayman Inc	37,000	1,089,930	2,102,717	2.24
	111,000	2,055,653	3,039,399	3.23
Industrials				
China Conch Venture Holdings Ltd	54,000	1,068,924	1,039,352	1.10
Techtronic Industries Co Ltd	54,500	1,952,296	3,315,841	3.52
	108,500	3,021,220	4,355,193	4.62
Information Technology				
Kingboard Laminates Holdings Ltd	411,000	2,264,966	2,684,687	2.85
TOTAL HONG KONG, CHINA	924,300	18,521,640	26,187,026	27.79

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)				
INDONESIA				
Consumer Discretionary				
PT ASTRA International Tbk	800,100	1,489,546	1,404,151	1.49
Financials				
PT Bank Central Asia Tbk	144,200	1,465,027	1,402,238	1.49
TOTAL INDONESIA	944,300	2,954,573	2,806,389	2.98
SINGAPORE				
Financials				
DBS Group Holdings Ltd	12,200	886,915	933,446	0.99
Information Technology				
Venture Corporation Ltd	15,700	937,138	946,487	1.00
Real Estate				
Frasers Logistics & Commercial Trust	183,000	651,329	800,732	0.85
Keppel DC REIT	55,473	261,291	502,309	0.53
	238,473	912,620	1,303,041	1.38
TOTAL SINGAPORE	266,373	2,736,673	3,182,974	3.37
SOUTH KOREA				
Communication Services				
NCSOFT Corporation	338	876,922	1,162,832	1.23
Information Technology				
Samsung Electro-Mechanics Co Ltd	2,117	1,316,165	1,559,043	1.65
Samsung Electronics Co Ltd	15,868	2,982,214	4,697,245	4.99
	17,985	4,298,379	6,256,288	6.64

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)				
SOUTH KOREA				
(CONTINUED)				
Materials				
LG Chem Ltd	1,479	2,842,595	4,896,037	5.20
TOTAL SOUTH KOREA	19,802	8,017,896	12,315,157	13.07
TAIWAN				
Industrials				
AirTac International Group	13,000	1,336,127	1,873,300	1.99
Information Technology				
MediaTek Inc	10,000	1,077,786	1,260,875	1.34
Taiwan Semiconductor Manufacturing Co Ltd	70,000	4,674,031	5,961,417	6.33
	80,000	5,751,817	7,222,292	7.67
TOTAL TAIWAN	93,000	7,087,944	9,095,592	9.66
UNITED STATES				
Communication Services				
Sea Ltd	3,376	2,114,796	2,954,985	3.14
Consumer Discretionary				
New Oriental Education & Technology Group Inc	1,023	564,098	692,093	0.73
Financials				
HDFC Bank Ltd	8,315	1,945,251	2,421,427	2.58
TOTAL UNITED STATES	12,714	4,624,145	6,068,505	6.45

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>2,787,071</u>	59,789,543	<u>77,489,126</u>	<u>82.26</u>
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>17,699,583</u>		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>77,489,126</u>		

Name of counter	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.01.2021 (CONTINUED)				
Audited (Continued)				
UNQUOTED FIXED INCOME SECURITIES				
Bank Pembangunan Malaysia Bhd 4.28% 02/03/2022 (AAA)	700,000	711,551	727,154	0.77
Celcom Networks Sdn Bhd 4.85% 29/08/2022 (AA1)	600,000	614,781	634,735	0.67
Edra Energy Sdn Bhd 5.67% 05/01/2023 (AA3)	200,000	206,801	210,817	0.22
Fortune Premiere Sdn Bhd 3.985% 11/09/2026 (AA2)	400,000	406,752	421,282	0.45
Fortune Premiere Sdn Bhd 4.80% 13/03/2023 (AA2)	1,800,000	1,853,452	1,905,662	2.02
Fortune Premiere Sdn Bhd 4.85% 07/09/2023 (AA2)	200,000	209,205	213,679	0.23
Genting Cap 4.42% 08/06/2022 (AA1)	2,250,000	2,258,343	2,307,331	2.46
IJM Land Bhd 4.73% 17/03/2119 (A2)	100,000	101,837	101,316	0.11
Malayan Banking Bhd 4.08% 22/02/2117 (AA3)	100,000	102,432	104,961	0.11

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

Name of counter	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.01.2021 (CONTINUED)				
Audited (Continued)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
MMC Corporation Bhd 5.64% 27/04/2027 (AA3)	750,000	773,355	832,334	0.88
Perbadanan Kemajuan Negeri Selangor 5.00% 10/08/2021 (AA3)	950,000	973,727	982,763	1.04
Perbadanan Kemajuan Negeri Selangor 5.15% 10/08/2023 (AA3)	700,000	726,808	748,174	0.79
Telekom Malaysia Bhd 4.20% 13/09/2021 (AAA)	250,000	254,122	257,187	0.27
UEM Edgenta Bhd 4.85% 26/04/2022 (AA3)	300,000	304,661	311,638	0.33
UEM Sunrise Bhd 4.75% 22/03/2024 (AA3)	400,000	419,081	418,295	0.44
United Growth Bhd 4.73% 21/06/2022 (AA2)	300,000	302,507	310,567	0.33
WCT Holdings Bhd 5.32% 11/05/2022 (AA3)	250,000	255,110	257,760	0.27
YTL Corporation Bhd 4.38% 25/04/2023 (AA1)	<u>2,250,000</u>	<u>2,264,707</u>	<u>2,341,574</u>	<u>2.50</u>
TOTAL UNQUOTED FIXED INCOME SECURITIES	<u>12,500,000</u>	<u>12,739,232</u>	<u>13,087,229</u>	<u>13.89</u>
ACCUMULATED UNREALISED GAIN ON UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>347,997</u>		
TOTAL UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>13,087,229</u>		

¹ H shares refer to the shares of companies incorporated in the Chinese mainland that are listed on the Hong Kong Stock Exchange or other foreign exchange. H shares are still regulated by Chinese law, but they are denominated in Hong Kong dollars and trade the same as other equities on the Hong Kong Stock exchange.

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

² ADR, or American depositary receipt, is a negotiable certificate issued by a U.S. bank representing a specified number of shares (or one share) in a foreign stock that is traded on a U.S. exchange. ADRs are denominated in U.S. dollars, with the underlying security held by a U.S. financial institution overseas. ADRs help to reduce administration and duty costs that would otherwise be levied on each transaction.

8. CASH AND CASH EQUIVALENTS

	31.07.2021	31.01.2021
	RM	Audited RM
Deposits with licensed financial institutions	2,876,276	318,046
Bank balances	1,398,016	2,547,267
	<u>4,274,292</u>	<u>2,865,313</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)	47,555,577	46,678,729
Class C (ii)	6,002,730	5,798,525
Class X (iiii)	66,563,166	62,041,445
	<u>120,121,473</u>	<u>114,518,699</u>

(i) Class A

	01.02.2021 to 31.07.2021	01.02.2020 to 31.01.2021
	No. of units	Audited No. of units
At the beginning of the financial period/year	46,678,729	42,159,769
Add : Creation of units from applications	1,655,514	5,408,874
Add : Creation of units from distribution	-	1,673,049
Less : Cancellation of units	(778,666)	(2,562,963)
At the end of the financial period/year	<u>47,555,577</u>	<u>46,678,729</u>

(ii) Class C

	01.02.2021 to 31.07.2021	01.02.2020 to 31.01.2021
	No. of units	Audited No. of units
At the beginning of the financial period/year	5,798,525	5,110,519
Add : Creation of units from applications	262,753	834,231
Add : Creation of units from distribution	-	208,023
Less : Cancellation of units	(58,548)	(354,248)
At the end of the financial period/year	<u>6,002,730</u>	<u>5,798,525</u>

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

(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	62,041,445	48,105,186
Add : Creation of units from applications	6,984,563	15,550,300
Add : Creation of units from distribution	-	2,201,750
Less : Cancellation of units	<u>(2,462,842)</u>	<u>(3,815,791)</u>
At the end of the financial period/year	<u>66,563,166</u>	<u>62,041,445</u>

10. MANAGEMENT EXPENSE RATIO (“MER”)

	01.02.2021 to 31.07.2021	01.02.2020 to 31.07.2020
	%	%
MER	<u>0.79</u>	<u>0.75</u>

MER is derived from the following calculation:

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

- A = Management fee
- B = Private Pension Administrator administration fee
- C = Trustee and custodian fee
- D = Audit fee
- E = Tax agent’s fee
- F = Other expenses excluding withholding tax and CDS transfer fee
- G = 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 is RM99,347,321 (31.07.2020: RM68,032,475).

11. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.02.2021 to 31.07.2021	01.02.2020 to 31.07.2020
PTR (times)	<u>0.16</u>	<u>0.26</u>

PTR is derived based on the following calculation:

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

where:

- total acquisition for the financial period = RM18,077,491 (31.07.2020: RM21,235,641)
- total disposal for the financial period = RM14,576,498 (31.07.2020: RM14,739,404)

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 PRS Provider
CGS-CIMB Securities (Singapore) Pte Ltd	Fellow related party to PRS Provider

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

	<u>31.07.2021</u>		<u>31.01.2021</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
Directors of the PRS Provider				
- Class X	<u>193,545</u>	<u>162,481</u>	<u>-</u>	<u>-</u>

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

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. 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.

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

	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	-	24,273
Interest income from deposits with licensed financial institution:		
- CIMB Bank Bhd	-	446
Cash placement with licensed financial institution:		
- CIMB Bank Bhd	-	4,385,000

There were no related party balances as at the end of the financial period/year, apart from those mentioned elsewhere in the financial statements.

13. TRANSACTIONS WITH BROKERS/DEALERS

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

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
CGS-CIMB Securities (Singapore) Pte Ltd #	23,730,731	73.24	49,835	68.11
Citigroup Global Markets Ltd	604,593	1.87	303	0.41
CLSA Ltd	2,097,079	6.47	5,300	7.24
Credit Suisse (Hong Kong) Ltd	1,040,649	3.21	3,123	4.27
Instinet Pacific Ltd	980,935	3.03	2,439	3.33
JP Morgan Securities (Asia Pacific Ltd)	2,931,867	9.05	9,872	13.49
Malayan Banking Bhd	101,241	0.31	-*	-
Samsung Securities Co Ltd	916,294	2.82	2,293	3.15
	<u>32,403,389</u>	<u>100.00</u>	<u>73,165</u>	<u>100.00</u>

* No brokerage fee is charged for unquoted fixed income securities transaction.

13. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

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

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
CGS-CIMB Securities (Singapore) Pte Ltd #	11,602,935	32.25	25,088	35.78
Credit Suisse (Hong Kong) Ltd	4,941,486	13.74	12,061	17.20
Macquarie Capital Securities (M) Sdn Bhd	4,179,239	11.62	11,892	16.96
Citigroup Global Markets Ltd	3,681,955	10.23	6,057	8.64
RHB Investment Bank Bhd	3,523,318	9.79	2,385	3.40
JP Morgan Securities (Asia Pacific) Ltd	2,682,381	7.46	6,210	8.86
RHB Bank Bhd	1,509,480	4.20	-*	-
CLSA Ltd	1,483,946	4.12	2,375	3.39
Hong Leong Investment Bank Bhd	912,110	2.54	411	0.59
Daiwa Capital Markets Singapore Ltd	606,888	1.69	1,517	2.16
Others	851,307	2.36	2,128	3.02
	<u>35,975,045</u>	<u>100.00</u>	<u>70,124</u>	<u>100.00</u>

* No brokerage fee is charged for unquoted fixed income securities transaction.

Included in the transactions by the Fund are trades conducted with CGS-CIMB Securities (Singapore) Pte Ltd, related party to the PRS Provider amounting to RM23,730,731 (31.07.2020: RM11,602,935). 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.

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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