

PRINCIPAL PRS PLUS MODERATE

UNAUDITED SEMI-ANNUAL REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2024

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MEMBERS' LETTER

Dear Valued Member,

Greetings from Principal Asset Management Berhad ("Principal Malaysia") and thank you for investing with us!

We are pleased to bring you a copy of the Unaudited Semi-Annual Fund Report of the Principal PRS Plus Moderate for the financial period ended 31 July 2024. You may also download this report from our website at www.principal.com.my.

We are proud to announce that Principal Malaysia has earned numerous accolades in 2024. At the Asia Asset Management 2024 Best of the Best Awards, we were honored with the Best of the Best Performance Award for China A-Share Equity (3 years) and recognized as the Best Institutional House – Malaysia. At the 2024 Global Banking & Finance Awards, our CEO, Munirah Khairuddin, was named Asset Management CEO of the Year Malaysia, and our company was recognized as Asset Management Company of the Year Malaysia. Additionally, we received the Best International Equity Fund Manager for MSCI EM Latin America 2023 at the EPF External Fund Managers Awards 2023.

At the Alpha Southeast Asia Fund Management Awards 2024, we won three awards: Best Absolute Return Strategy, Best Online & Mobile Platform (Asset Manager), and Best Asset Manager (Income-Oriented, Money Market & Alternative Investment Funds). The International Finance Awards honored us with 'Best Asset Management Company – Malaysia 2024' and 'Best Asset Management CEO – Munirah Khairuddin – Malaysia 2024'. At the Triple A Sustainable Investing Awards 2024, we secured the Asset Management Company of the Year (Malaysia) award. The World Business Outlook magazine recognized us with the titles of Best Investment Management and Solutions Provider Malaysia, Best Institutional House Malaysia, and Asset Management CEO (Munirah Khairuddin) of the Year Malaysia. Additionally, we received three awards at the iFast Awards 2024, seven at the LSEG Lipper Fund Awards 2024, and ten at the FSMOne Recommended Funds 2023/2024.

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

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

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

Munirah Khairuddin
Chief Executive Officer
Malaysia & Global Shariah & Managing Director,
Strategic Distribution & Institutional Client Relations
(Southeast Asia & Global Shariah)
Non-Independent Executive Director

PRS PROVIDER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund seeks to provide a moderate level of capital growth over the long-term by investing in a diversified portfolio of equity and fixed income instruments.

Has the Fund achieved its objective?

The Fund has performed in line with its objective of achieving a moderate level of capital growth for the financial period under review as well as over the longer term.

What are the Fund investment policy and principal investment strategy?

The Fund will invest in a mix of equities and fixed income instruments to provide a moderate level of capital growth. 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 ("CIS").

The investments by the Fund in equities which include foreign exposure shall not exceed 60% of the Fund's NAV and investments in local and/or foreign fixed income instruments shall not be less than 40% of its NAV with a minimum credit rating of "BBB3" or "P2" by RAM ratings ("RAM") or equivalent rating by Malaysia Rating Corporation Berhad ("MARC") or "BBB" or "A-2" by Standard and Poor's ("S&Ps") or equivalent rating by any other international rating agencies. Notwithstanding, the Fund may also invest up to 5% of its NAV in unrated fixed income instruments.

The asset allocation strategy for this Fund is as follows:

- At least 40% of the Fund's NAV will be invested in fixed income instruments, of which up to 5% of the Fund's NAV may be invested in unrated fixed income instruments;
- Up to 60% 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

Balanced

When was the Fund launched?

12 November 2012

What was the size of the Fund as at 31 July 2024?

RM40.89 million (54.48 million units)

What is the Fund's benchmark?

60% FTSE Bursa Malaysia ("FBM") Top 100 ("FBM100") Index + 40% Quant shop Malaysian Government Securities ("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 six months financial period ended 31 July 2024?

There was no distribution made for the six months financial period ended 31 July 2024.

PERFORMANCE DATA

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

	31.07.2023	31.07.2023	31.07.2022
	%	%	%
Quoted securities			
- Communication Services	6.05	7.63	7.83
- Consumer Discretionary	0.68	3.72	5.45
- Consumer Staples	-	3.18	-
- Energy	6.85	-	1.06
- Financials	7.78	12.22	9.01
- Health Care	2.60	2.34	4.16
- Industrials	5.24	5.19	4.19
- Information Technology	17.83	7.79	10.10
- Materials	2.20	3.41	3.69
- Real Estate	4.22	8.35	7.23
- Utilities	0.82	-	1.21
Unquoted fixed income securities	41.87	42.59	42.77
Cash and other assets	4.09	3.81	3.45
Liabilities	(0.23)	(0.23)	(0.15)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

* Note: The Fund has adopted the Global Industry Classification Standard ("GICS") sectors classification.

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

	31.07.2024	31.07.2023	31.07.2022
NAV (RM Million)			
- Class A	17.39	16.51	25.44
- Class C	6.17	4.60	4.01
- Class X	17.33	12.57	36.26
Units in circulation (Million)			
- Class A	23.18	22.86	35.66
- Class C	8.27	6.39	5.64
- Class X	23.04	17.36	50.84
NAV per unit (RM)			
- Class A	0.7504	0.7225	0.7132
- Class C	0.7467	0.7194	0.7108
- Class X	0.7518	0.7239	0.7132
	01.02.2024	01.02.2023	01.02.2022
	to 31.07.2024	to 31.07.2023	to 31.07.2022
Highest NAV per unit (RM)			
- Class A	0.7826	0.7355	0.7549
- Class C	0.7789	0.7325	0.7528
- Class X	0.7840	0.7369	0.7549
Lowest NAV per unit (RM)			
- Class A	0.7247	0.6923	0.6959
- Class C	0.7213	0.6895	0.6936
- Class X	0.7262	0.6937	0.6959
Total return (%)			
- Class A	3.55	1.63	(3.18)
- Class C	3.52	1.60	(3.24)
- Class X	3.54	1.63	(3.19)

PERFORMANCE DATA (CONTINUED)

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

	01.02.2024 to 31.07.2024	01.02.2023 to 31.07.2023	01.02.2022 to 31.07.2022
Capital growth (%)			
- Class A	3.55	1.63	(3.18)
- Class C	3.52	1.60	(3.24)
- Class X	3.54	1.63	(3.19)
Income distribution (%)			
- Class A	-	-	-
- Class C	-	-	-
- Class X	-	-	-
Total Expense Ratio ("TER") (%) ^	0.87	0.77	0.76
Portfolio Turnover Ratio ("PTR") (times) #	0.26	0.13	0.19

^ The Fund's TER increased from 0.77% to 0.87% due to increase in expenses during the financial period under review.

The Fund's PTR increased to 0.26 times from 0.13 times during the period under review due to more trading activities during the financial period.

	31.07.2023 %	31.07.2022 %	31.07.2021 %	31.07.2020 %	31.07.2019 %
Annual total return					
- Class A	3.86	4.05	(7.10)	14.51	3.94
- Class C	3.78	3.98	(7.22)	14.42	3.85
- Class X	3.84	4.06	(7.11)	14.51	3.94

(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 2024 TO 31 JULY 2024)

Fixed Income

For the financial period under review, the Central Bank maintained the Overnight Policy Rate ("OPR") at 3.00% throughout all the Monetary Policy Committee ("MPC") meetings held. Bank Negara Malaysia ("BNM") kept the OPR at 3.00% for the seventh consecutive MPC meeting on 10-11 July 2024 amid "hold-for-longer" the US Federal Reserves (the "Fed"), as well as firmer economic growth, upside risk to domestic inflation and stable Malaysian Ringgit ("RM/MYR").

Malaysia's inflation climbed up 1.8% in the month of February 2024 and for the next two months of March 2024 and April 2024, it continued to stay at 1.8%. The spike in February 2024 was partly due to the lunar new year as well as the increase in transportation, housing and utilities. Inflation then climbed up to 2.0% in May 2024 driven by price increases in the main groups of housing, water, electricity, gas and other fuels ("HWEG") and a hike in restaurant & accommodation services. The HWEG increase was attributable to higher housing and water tariff hikes. Core inflation increased by 1.9% in May 2024, similar to April 2024. Inflation remained at 2.0% in the month of June, with the country's core inflation increased 1.9% in June 2024, equal to the rate in May 2024.

MARKET REVIEW (1 FEBRUARY 2024 TO 31 JULY 2024) (CONTINUED)**Fixed Income (continued)**

In July 2024, foreign demand for local debts surged to RM7.8 billion, the highest in a year backed by the expectation of Fed easing drawing large bond flows. Daily foreign holdings data showed that the surge was especially strong in the final week of July 2024. This was positive after the net outflows of -RM0.6 billion in the month of June 2024. May 2024: RM5.5 billion, April 2024: RM0.6 billion; March 2024: RM1.7 billion). The outflows in June 2024 occurred due to a sizeable MGS maturity of RM21.5 billion on 14 June 2024 which caused a big reduction on the day. The foreign share of MGS increased to 34.2% (June 2024: 33.3%) and that of Government Investment Issue ("GII") rose to 9.3% (Jun: 9.2%), while the combined foreign share of MGS+GII went up to 22.2% (June 2024: 21.7%)

Year-to-date ("YTD") July 2024, the Bond Pricing Agency Malaysia ("BPAM") Corporates All Bond (7-years over) Index maintained its position as the best performer returning 4.13%, whilst the Quantshop GII Short Index underperformed the rest with a return of 2.23%. Total corporate bond issuances amounted to RM59.1 billion for the first 7 months ("7M") of 2024, representing an increase of 2.2% YoY compared to the same period in 2023. (7M2023: RM57.8 billion). The 3-years, 5-years, 7-years, 10-years, 15-years, 20-years and 30-years benchmarks closed at 3.38%, 3.52%, 3.68%, 3.74%, 3.88%, 4.04% and 4.17%, respectively in July 2024.

Equity

For the financial period under review, Asian markets as measured by MSCI AC Asia Pacific ex Japan rose 12.34% in USD terms while Financial Times Stock Exchange ("FTSE") Bursa Malaysia Top 100 Index rose by 14.4%. Global inflation progress continues to grab market attention during this period, as the US economy keeps defying pessimists. Gross Domestic Products ("GDP") growth, the labour market and financial health of household and business were all in good shape. Hence inflation remained sticky in the US, until data suggested in May 2024 that U.S. inflation may have returned to its more disinflationary trend. The Core Personal Consumption Expenditures ("PCE") of +2.6% year-on-year ("yoy") in May 2024 is below the Fed's year-end target of +2.8% yoy. The US labour market is gradually cooling, with the unemployment rate rising in June 2024 in 4.1% versus 3.8% in March 2024. Contrary to six rate cuts by the Fed that the market was expecting in 2024, the expectations quickly moved to just 2 rate cuts in 2024 during the course of the year. The June 2024 Consume Price Index ("CPI") reading in the US was encouraging which marks a step in the right direction and pave the way for a potential rate cut in September 2024. On a 3-month annualized basis, core CPI is now 2.1% which is near the Fed's target.

Asian currencies have depreciated generally against the USD in the first half of 2024, with Thai Baht (THB), Korean Won ("KRW") and Indonesian Rupiah ("IDR") being the worst performing. However, with the June headline CPI in the US at -0.1% month-on-month, the first negative print since May 2020, Dollar Index ("DXY") depreciated by 1.7% during the month of July 2024. Taiwan and India have done well year to date to July 2024 while The Association of Southeast Asian Nations ("ASEAN") has underperformed the broader Asian markets except Malaysia.

There seemed to be some signs of recovery in China at first where the total social financing grew at 9.5% yoy in January 2024 and initial spending data for the festive period looked encouraging. In response to the weak economy, the Government continued to roll out new policies such as cutting the five-year loan prime rate by 25 basis points ("bps") and promote equipment renewals and trade-ins of consumer goods. Exports rose +7% yoy in Jan 2024 & Feb 2024, and manufacturing Purchasing Managers' Index ("PMI") printed above 50 in March 2024, the first time since October 2023. First quarter of 2024 GDP growth also surprised on the upside, at 5.3% yoy. The Government lifted home purchase restrictions in nearly all cities, removed the floor for mortgage rates and lowered the downpayment for first-time home buyers to 15%. The People's Bank of China also provided RMB300 billion to local Governments to buy completed but unsold homes from developers. However, China's economic data started to disappoint with GDP growth slowed to 4.7% yoy in second quarter of 2024 on the back of weak consumption and is below the Government's target of 5%. Caixin Manufacturing PMI fell below 50 in July 2024 and inflation is very subdued at 0.2%. The 10-yr Chinese government bond yield has also fallen below the levels seen in early 2020, reflecting concerns about growth and inflation.

MARKET REVIEW (1 FEBRUARY 2024 TO 31 JULY 2024) (CONTINUED)

Equity (continued)

People's Bank of China (“PBoC”) unexpectedly cut its key policy rate by 10 bps to 1.7% in July 2024. The 3rd Plenary Session ended with largely no change in policy stance, as expected.

India re-elected Prime Minister Modi as expected in June 2024, but Modi’s Bharatiya Janata Party (“BJP”) party unexpectedly lost its outright majority, casting doubt on its ability to push forward with important reforms. Upon further reflection, investor confidence improved, and the Indian market resumed its upward March 2024 to finish higher than pre-election levels during the review financial period.

FUND PERFORMANCE

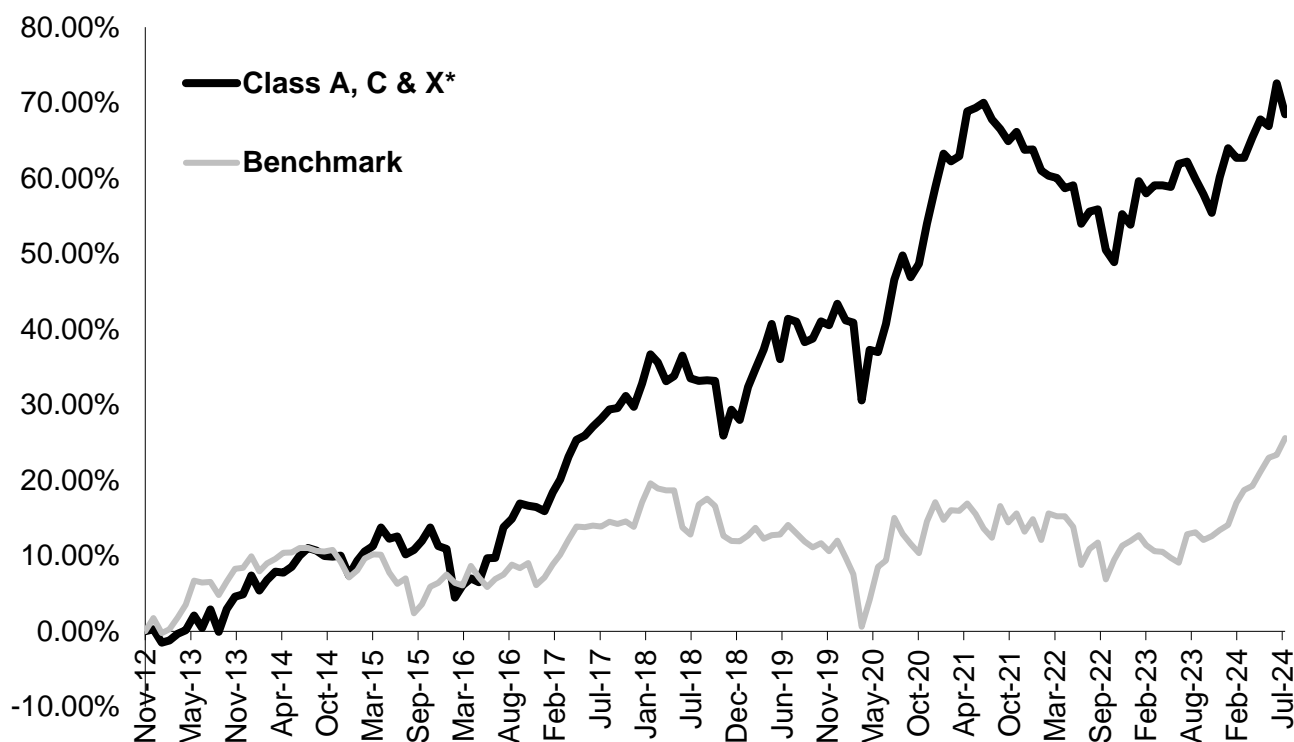
	6 months to 31.07.2024	1 year to 31.07.2024	3 years to 31.07.2024	5 years to 31.07.2024	Since inception to 30.06.2024
	%	%	%	%	%
Income Distribution					
- Class A	-		6.76	12.26	12.26
- Class C	-		6.75	12.24	12.24
- Class X	-		6.53	12.02	12.02
Capital Growth					
- Class A	3.55	3.86	(5.95)	6.45	50.08
- Class C	3.52	3.78	(6.21)	5.99	49.34
- Class X	3.54	3.84	(5.78)	6.65	50.36
Total Return					
- Class A	3.55	3.86	0.40	19.50	68.48
- Class C	3.52	3.78	0.12	18.97	67.62
- Class X	3.54	3.84	0.37	19.47	68.43
Benchmark					
- Class A	7.34	11.28	11.68	11.17	25.59
- Class C	7.34	11.28	11.68	11.17	25.59
- Class X	7.34	11.28	11.68	11.17	25.59
Average Total Return					
- Class A	7.24	3.86	0.13	3.62	4.55
- Class C	7.19	3.78	0.04	3.53	4.50
- Class X	7.22	3.84	0.12	3.62	4.55

For the financial period under review, total return of Class A, Class C and Class X increased by 3.55%, 3.52% and 3.54% respectively. Meanwhile, the benchmark rose by 7.34% over the same reporting period as the FTSE Bursa Malaysia Top 100 Index performed strongly for the past 6 months. The underperformance of the Fund relative to its benchmark was driven mainly by the allocation into Asian equities.

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

FUND PERFORMANCE (CONTINUED)

Since inception



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

Changes in NAV

	31.07.2024	31.01.2024 Audited	Changes %
CLASS A			
NAV (RM Million)	17.39	17.1	1.70
NAV/Unit (RM)	0.7504	0.7247	3.55
CLASS C			
NAV (RM Million)	6.17	6.54	(5.66)
NAV/Unit (RM)	0.7467	0.7213	3.52
CLASS X			
NAV (RM Million)	17.33	14.23	21.78
NAV/Unit (RM)	0.7518	0.7261	3.54

For the financial period under review, the Fund's NAV has increased by 1.7% and 21.7% for Classes A and X, respectively. Meanwhile, Class C's NAV declined by 5.66%. As for NAV/Unit (RM), Class A, Class C and Class X saw an increase of 3.55%, 3.52% and 3.54%, respectively. The number of units in circulation increased significantly for Class X, leading to the significant increase in NAV, while there has been redemption seen in Class A and Class C.

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)	31.07.2024	31.01.2024 Audited
Quoted securities	54.27	53.58
Unquoted fixed income securities	41.87	42.82
Cash and other assets	4.09	5.12
Liabilities	(0.23)	(1.52)
Total	100.00	100.00

As at 31 July 2024, the Fund held 54.3% in quoted securities, 41.9% in fixed income securities with the rest held in cash. The Fund was fully invested during the financial period under review. Some level of liquid assets was maintained primarily for redemption purposes.

MARKET OUTLOOK*

Fixed Income

The inflation impact of broadening of services tax base and its rate from 6% to 6%-8% range effective 1 March 2024 was mild, as can be seen in services inflation number. There was also muted impact from diesel price adjustment in Peninsular Malaysia so far, which was set higher at RM3.35 per liter from RM2.15 per liter from 10 Jun 2024 as the Government embarked on targeted diesel subsidy rationalization. As for petrol RON95 subsidy rationalization, Prime Minister, Anwar announced that the Government is waiting for the diesel subsidy rationalization to stabilise before any implementation. The Government now intends also to evaluate returns of rationalizing subsidies on electricity, chicken and diesel.

Slightly lower gross MGS/GII supply for 2024 should provide positive catalyst for the local bond market. Additionally, the market is past the heavy net supply in the first four months and will turn favorable for the remaining part of the year. However, the impact from the new Account 3 introduction from EPF warrants close monitoring, as it could potentially dampen the demand from the institution depending on the response and take-up on the one-off transfer.

Additionally, the announcement of an increase in civil servants salary which is expected to be implemented in December is another event to watch out for as it is expected to cost the Government more than RM10 billion annually.

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

Equity

The June 2024 CPI reading in the US was encouraging which marks a step in the right direction and pave the way for a potential rate cut in September 2024. On a 3-month annualized basis, core CPI is now 2.1% which is near the Fed's target. Amid jittery over recession risk in the US post nonfarm payrolls report, we retain our view that US economy will have a soft landing. In China, GDP growth slowed to 4.7% yoy in second quarter of 2024 on the back of weak consumption, and is below the Government's target of 5%. The 3rd Plenary Session ended with largely no change in policy stance, as expected. Caixin Manufacturing PMI fell below 50 in July and inflation is very subdued at 0.2%. PBoC unexpectedly cut its key policy rate by 10bps to 1.7%. The Chinese government has to do more in terms of policy to hit the 5% GDP growth target. ASEAN appears under-owned and could benefit from Foreign Direct Investment flows, tourism and decent export markets going forward. We are positive on Asian equities on a 12 months basis as negative earnings revisions come to an end and we believe that Asia is under-owned with attractive valuation.

MARKET OUTLOOK* (CONTINUED)

* 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

Fixed Income

We continue to prefer corporate bonds for the fund driven by the compelling potential for a more favorable total return on the back of sound economic outlook for 2024.

Equity

The portfolio is positioned to benefit from long-term structural growth drivers. In Asia, growth drivers include increasing demand for more advanced chips due to A.I, recovery in the semiconductor industry, India’s strong economic growth and capex cycle, or rising consumer discretionary spent. We are also selective in our investments in China, especially for those companies who have shown signs of turnaround. As this is a core Fund for the PRS, the Fund will continue to remain fully invested with minimal cash kept for redemption purposes.

SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (the “PRS Provider”), the Sub-Manager and the Trustee will not retain any form of rebate from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Fund. Accordingly, any rebate or shared commission will be directed to the account of the Principal Malaysia Funds (“Funds”). The PRS Provider may retain goods and services (soft commission) provided by any broker or dealer if the following conditions are met:

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

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

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIR OF THE FUND

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

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF MEMBERS

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

CROSS TRADE

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

UNIT SPLIT

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

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

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 3 to 33 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 2024 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,
Malaysia & Global Shariah & Managing Director,
Strategic Distribution & Institutional Client Relations
(Southeast Asia & Global Shariah)
Non-Independent Executive Director

UDAY JAYARAM

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

Kuala Lumpur
23 September 2024

TRUSTEE'S REPORT

TO THE MEMBERS OF PRINCIPAL PRS PLUS MODERATE ("Fund")

We have acted as Scheme Trustee for the Fund for the financial period ended 31 July 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the period covered by these financial statement in accordance with the following:-

1. Limitations imposed on the investment powers of the PRS Provider under the deed, securities laws and the Guidelines on Private Retirement Schemes;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
17 September 2024

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2024**

	Note	01.02.2024 to 31.07.2024 RM	01.02.2023 to 31.07.2023 RM
INCOME/(LOSS)			
Dividend income		333,653	325,906
Interest income from deposits with licensed financial institutions at amortised cost		10,918	11,038
Interest income from unquoted fixed income securities at fair value through profit or loss		337,119	261,939
Net gain/(loss) on financial assets at fair value through profit or loss	7	737,304	(157,686)
Net foreign exchange gain		364,862	381,989
		<u>1,783,856</u>	<u>823,186</u>
EXPENSES			
Management fee	4	283,977	225,899
Private Pension Administrator administration fee	4	8,022	6,392
Trustee and custodian fees	5	35,326	10,225
Audit fee		4,028	3,972
Tax agent's fee		15,386	2,500
Transaction costs		44,235	9,704
Other expenses		37,742	38,065
		<u>428,716</u>	<u>296,757</u>
PROFIT BEFORE TAXATION		1,355,140	526,429
Taxation	6	-	-
PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>1,355,140</u>	<u>526,429</u>
Profit after taxation is made up as follows:			
Realised amount		(130,259)	581,423
Unrealised amount		1,485,399	(54,994)
		<u>1,355,140</u>	<u>526,429</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 2024**

		31.07.2024	31.01.2024
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents	8	1,608,952	1,898,928
Financial assets at fair value through profit or loss	7	39,310,546	36,508,871
Amount due from the PRS Provider			
- creation of units		45,985	39,547
Dividend receivables		17,268	3,234
TOTAL ASSETS		<u>40,982,751</u>	<u>38,450,580</u>
LIABILITIES			
Amount due to the PRS Provider			
- management fees		49,965	45,175
- cancellation of units		24,953	82,569
Amount due to dealer		-	429,384
Amount due to Private Pension Administrator		1,412	1,275
Amount due to Trustee		1,412	1,275
Other payables and accruals		15,914	17,500
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS)		<u>93,656</u>	<u>577,178</u>
NET ASSET VALUE OF THE FUND		<u>40,889,095</u>	<u>37,873,402</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>40,889,095</u>	<u>37,873,402</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- Class A		17,391,684	17,099,424
- Class C		6,173,065	6,539,050
- Class X		17,324,346	14,234,928
		<u>40,889,095</u>	<u>37,873,402</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class A		23,175,134	23,594,700
- Class C		8,266,962	9,065,282
- Class X		23,041,481	19,602,806
	9	<u>54,483,577</u>	<u>52,262,788</u>
NET ASSET VALUE PER UNIT (RM)			
- Class A		0.7504	0.7247
- Class C		0.7467	0.7213
- Class X		0.7518	0.7261

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 2024**

	01.02.2024 to 31.07.2024 RM	01.02.2023 to 31.07.2023 RM
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>37,873,402</u>	<u>30,543,659</u>
Movement due to units created and cancelled during the financial period:		
Creation of units from applications		
- Class A	310,267	285,359
- Class C	157,852	254,467
- Class X	<u>2,617,218</u>	<u>2,738,660</u>
	<u>3,085,337</u>	<u>3,278,486</u>
Cancellation of units		
- Class A	(625,516)	(500,151)
- Class C	(749,594)	(51,564)
- Class X	<u>(49,674)</u>	<u>(114,259)</u>
	<u>(1,424,784)</u>	<u>(665,974)</u>
Total comprehensive income for the financial period	<u>1,355,140</u>	<u>526,429</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL PERIOD	<u><u>40,889,095</u></u>	<u><u>33,682,600</u></u>

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

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2024**

	01.02.2024 to 31.07.2024 RM	01.02.2023 to 31.07.2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of quoted securities	8,241,639	1,978,577
Purchase of quoted securities	(9,932,668)	(2,769,264)
Proceeds from redemption of unquoted fixed income securities	3,000,000	1,800,000
Purchase of unquoted fixed income securities	(3,925,557)	(4,255,876)
Interest income received from deposits with licensed financial institutions	10,918	11,038
Interest income received from unquoted fixed income securities	415,715	352,208
Dividend income received	284,983	268,893
Management fee paid	(279,188)	(221,939)
Private Pension Administrator administration fee paid	(7,885)	(6,280)
Trustee and custodian fees paid	(35,189)	(10,113)
Payments for other fees and expenses	(24,392)	(3,018)
Payment of other foreign exchange loss	(26,861)	(15,758)
Net cash used in operating activities	<u>(2,278,485)</u>	<u>(2,871,532)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	3,078,899	3,277,429
Payments for cancellation of units	(1,482,401)	(657,482)
Net cash generated from financing activities	<u>1,596,498</u>	<u>2,619,947</u>
Net decrease in cash and cash equivalents	(681,987)	(251,585)
Effects of foreign exchange differences	392,011	45,636
Cash and cash equivalents at the beginning of the financial period	<u>1,898,928</u>	<u>1,409,068</u>
Cash and cash equivalents at the end of the financial period	<u>1,608,952</u>	<u>1,203,119</u>
<u>Cash and cash equivalents comprised of:</u>		
Deposit with licensed financial institutions	553,048	692,058
Bank balances	<u>1,055,904</u>	<u>511,061</u>
Cash and cash equivalents at the end of financial period	<u>1,608,952</u>	<u>1,203,119</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 2024**

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

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

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

The Fund will invest in a mix of equities and fixed income instruments to provide a moderate level of capital growth. 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.

The investments by the Fund in equities which include foreign exposure shall not exceed 60% of the Fund’s NAV and investments in local and/or foreign fixed income instruments shall not be less than 40% 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 5% of its NAV in unrated fixed income instruments.

The asset allocation strategy for this Fund is as follows:

- At least 40% of the Fund’s NAV will be invested in fixed income instruments, of which up to 5% of the Fund’s NAV may be invested in unrated fixed income instruments;
- Up to 60% of the Fund’s NAV may be invested in equities; and
- Up to 5% of the Fund’s NAV may be invested in liquid assets for liquidity purpose.

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

All investments 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.

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 2024 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 2024 are applicable to the Fund.

(b) Financial assets and financial liabilities

Classification

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

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

The Fund classifies its investments based on both the Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The 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. However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments are measured at fair value through profit or loss.

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

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.

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

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.

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 bases approved by the Trustee after appropriate technical consultation.

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

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

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

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective interest method.

Impairment for assets carried at amortised costs

The Fund measures credit risk and expected credit losses ("ECL") using probability of default, exposure at default and loss given default. The PRS Provider 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.

(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).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Income recognition (continued)

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/RM, 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/RM primarily due to the following factors:

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

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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

(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 put back 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 put back 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(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 balances and deposits with licensed financial institution 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.

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

(i) Amount due from/to dealer/stockbroker

Amounts due from/to dealer/stockbroker represent receivables for investments sold and payables for investments purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The amount due from dealer/stockbroker balance is held for collection.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Estimate of fair value of unquoted fixed income securities (continued)

MYR/RM-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 investment objective of the Fund is to provide Members with a moderate level of capital growth over the long-term by investing in a diversified portfolio of equity and 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.

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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(a) Market risk (continued)****(ii) Interest rate risk (continued)**

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

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

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

The 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 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/RM based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

(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 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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(b) Credit risk (continued)**

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

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

(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 institution, which are capable of being converted into cash within 7 business days. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the PRS Provider will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

(d) Capital risk management

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

(e) Fair value estimation

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

The fair values of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial 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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(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.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.07.2024				
Financial assets at fair value through profit or loss:				
- Quoted securities	22,190,773	-	-	22,190,773
- Unquoted fixed income securities		17,119,773	-	17,119,773
	<u>22,190,773</u>	<u>17,119,773</u>	<u>-</u>	<u>39,310,546</u>

31.01.2024

Audited

Financial assets at fair value through profit or loss:				
- Quoted securities	20,291,157	-	-	20,291,157
- Unquoted fixed income securities	-	16,217,714	-	16,217,714
	<u>20,291,157</u>	<u>16,217,714</u>	<u>-</u>	<u>36,508,871</u>

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

Investments which 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).

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 include unquoted fixed income securities. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

(ii) The carrying values of cash and cash equivalents, amount due from the PRS Provider - creation of units, 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 2024 and 31 July 2023, 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%

The Private Pension Administrator administration fee was recognised at a rate of 0.04% per annum (31.07.2023: 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 and charges but excluding foreign sub-custodian fees and charges.

For the six months financial period ended 31 July 2024, the Trustee fee was recognised at a rate of 0.04% per annum (31.07.2023: 0.04% per annum) for each unit class.

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

6. TAXATION

	01.02.2024 to 31.07.2024	01.02.2023 to 31.07.2023
	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 profit before taxation multiplied by the Malaysian statutory income tax rate and tax expense of the Fund was as follows:

	01.02.2024 to 31.07.2024	01.02.2023 to 31.07.2023
	RM	RM
Profit before taxation	<u>1,355,140</u>	<u>526,429</u>
Taxation at Malaysian statutory rate of 24% (31.07.2023: 24%)	325,234	126,343
Tax effects of:		
- Income not subject to tax	(428,112)	(197,565)
- Expenses not deductible for tax purposes	33,420	15,520
- Restriction on tax deductible expenses for PRS Funds	<u>69,458</u>	<u>55,702</u>
Taxation	<u>-</u>	<u>-</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.07.2024	31.01.2024
	RM	Audited RM
At fair value through profit or loss:		
- Quoted securities	22,190,773	20,291,157
- Unquoted fixed income securities	<u>17,119,773</u>	<u>16,217,714</u>
	<u>39,310,546</u>	<u>36,508,871</u>

	01.02.2024 to 31.07.2024	01.02.2023 to 31.07.2023
	RM	RM
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised gain/(loss) on disposals	758,157	(56,434)
- Unrealised fair value loss	<u>(20,853)</u>	<u>(101,252)</u>
	<u>737,304</u>	<u>(157,686)</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 %
31.07.2024				
QUOTED SECURITIES				
AUSTRALIA				
Communication Services				
Carsales.com Ltd	2,706	588,414	281,130	0.69
Health Care				
CSL Ltd	670	585,442	618,615	1.51
Industrials				
Seven Group Holdings Ltd	4,340	1,091,604	506,910	1.24
Materials				
BHP Group Ltd	4,674	912,124	589,394	1.44
Real Estate				
Goodman Group	9,890	307,243	1,034,856	2.53
TOTAL AUSTRALIA	22,280	3,484,827	3,030,905	7.41
CHINA				
Industrials				
Contemporary Amperex Technolog	4,400	501,334	520,829	1.27
Nari Tech Dev Co Ltd A	30,336	265,202	462,954	1.14
	34,736	766,536	983,783	2.41
TOTAL CHINA	34,736	766,536	983,783	2.41
HONG KONG SAR CHINA				
Communication Services				
China Mobile Ltd	23,000	458,979	980,674	2.40
Tencent Holding Ltd	5,700	1,138,200	1,212,504	2.96
	28,700	1,597,179	2,193,178	5.36
Energy				
CNOOC Ltd	85,000	459,726	1,023,370	2.50
Financials				
AIA Group Ltd	24,400	435,216	752,331	1.85
Industrials				
Techtronic Industries Co	5,000	216,034	293,944	0.72
TOTAL HONG KONG SAR CHINA	143,100	2,708,155	4,262,823	10.43

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 %
31.07.2024 (continued)				
QUOTED SECURITIES (CONTINUED)				
INDONESIA				
Financials				
Bank Central Asia	222,600	286,411	645,223	1.58
TOTAL INDONESIA	222,600	286,411	645,223	1.58
JAPAN				
Information Technology				
Hitachi Ltd	6,000	393,773	601,684	1.47
TOTAL JAPAN	6,000	393,773	601,684	1.47
MALAYSIA				
Financials				
CIMB Group Hldgs Bhd	46,700	324,883	346,981	0.84
Utilities				
Tenaga Nasional Bhd	23,700	326,420	333,696	0.82
TOTAL MALAYSIA	70,400	651,303	680,677	1.66
SINGAPORE				
Financials				
DBS Group Hldg Ltd	6,160	523,144	772,562	1.89
Industrials				
Singapore Technologies Engineer	23,600	216,034	357,540	0.88
Real Estate				
CapitaLand Integrated Comm Tru	96,600	1,000,807	688,701	1.68
TOTAL SINGAPORE	126,360	1,739,985	1,818,803	4.45

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 %
31.07.2024 (continued)				
QUOTED SECURITIES (CONTINUED)				
SOUTH KOREA				
Consumer Discretionary				
KIA Corporation	745	403,307	279,147	0.68
Information Technology				
Samsung Electronics Co. Ltd	4,534	277,432	1,271,496	3.11
SK Hynix Inc	1,739	1,138,200	1,131,133	2.77
	6,273	1,415,632	2,402,629	5.88
TOTAL SOUTH KOREA	7,018	1,818,939	2,681,776	6.56
SWITZERLAND				
Health Care				
Lonza Group AG	145	1,373,919	443,360	1.08
TOTAL SWITZERLAND	145	1,373,919	443,360	1.08
TAIWAN				
Information Technology				
E Ink Hldg Inc	17,000	403,749	640,036	1.57
Largan Precision Co. Ltd	1,000	569,438	393,256	0.96
MediaTek Inc.	3,000	972,047	511,302	1.25
Taiwan Semiconductor Manufacturing	21,000	1,374,140	2,740,076	6.70
	42,000	3,319,374	4,284,670	10.48
TOTAL TAIWAN	42,000	3,319,374	4,284,670	10.48
THAILAND				
Financials				
Bangkok Bank PCL - Foreign	13,600	246,570	232,738	0.57
TOTAL THAILAND	13,600	246,570	232,738	0.57
UNITED KINGDOM				
Energy				
Reliance Industries Ltd - GDR	4,437	264,358	1,467,896	3.59
Shell PLC	1,875	1,374,140	313,536	0.77
	6,312	1,638,498	1,781,432	4.36

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 %
31.07.2024 (continued)				
QUOTED SECURITIES (CONTINUED)				
UNITED KINGDOM (CONTINUED)				
TOTAL UNITED KINGDOM	6,312	1,638,498	1,781,432	4.36
UNITED STATES				
Financials				
ICICI Bank Ltd -SPON ADR	3,225	320,272	430,767	1.06
Materials				
Linde PLC	150	447,700	312,133	0.76
Total United States	3,375	767,972	742,900	1.82
TOTAL QUOTED SECURITIES	697,926	19,196,262	22,190,774	54.27
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		2,994,512		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		22,190,774		
Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.07.2024				
UNQUOTED FIXED INCOME SECURITIES				
Aeon Credit Service (M) Bhd 3.80% 10/02/2027 (AA3)	600,000	603,690	610,373	1.49
AZRB Capital Sdn Bhd 4.85% 26/12/2024 (AA3)	200,000	201,686	201,179	0.49
Bumitama Agri Ltd 4.20% 22/07/2026 (AA2)	550,000	554,071	554,477	1.36

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.07.2024 (continued)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
DIGI Telecommunication Sdn Bhd 4.99% 02/12/2027 (AAA)	600,000	624,559	628,272	1.54
Fortune Premiere Sdn Bhd 3.985% 11/09/2026 (AA)	670,000	685,803	680,467	1.66
IJM Corporation Bhd 4.76% 10/04/2029 (AA3)	500,000	512,556	526,913	1.29
IJM Land Bhd 4.73% 17/03/2119 (A2)	150,000	152,631	152,359	0.37
Imtiaz Sukuk II Bhd 3.54% 17/04/2026 (AA2)	850,000	850,794	855,361	2.09
Imtiaz Sukuk II Bhd 4.38% 12/05/2027 (AA2)	700,000	712,368	716,996	1.75
Imtiaz Sukuk II Bhd 4.97% 08/11/2027 (AA2)	410,000	423,550	428,911	1.05
Malayan Banking Bhd 3.10% 08/10/2032 (AA1)	600,000	584,817	592,705	1.45
Malayan Banking Bhd 3.41% 05/08/2031 (AA1)	250,000	252,310	252,412	0.62
MMC Corporation Bhd 5.64% 27/4/2027 (AA3)	1,350,000	1,399,831	1,431,155	3.50
MMC Corporation Bhd 5.80% 12/11/2025 (AA3)	500,000	514,591	518,576	1.27
Pengurusan Air SPV Bhd 4.30% 03/06/2026 (AAA)	700,000	709,393	711,825	1.74
Pengurusan Air SPV Bhd 4.40% 03/06/2027 (AAA)	50,000	51,042	51,176	0.13
Press Metal Aluminium Holding Bhd 4.10% 17/10/2024 (AA2)	350,000	354,372	354,475	0.87
Perbadanan Tabung Pendidikan Tinggi Nasional 4.11% 07/03/2039 (GG)	500,000	513,780	515,906	1.26
Public Islamic Bank Bhd 4.50% 17/12/2027 (AAA)	990,000	1,015,713	1,018,236	2.49
Sabah Credit Corporation Bhd 3.91% 25/01/2027 (AA1)	1,200,000	1,201,610	1,202,520	2.94
Sarawak Energy Bhd 4.70% 24/11/2028 (AAA)	1,800,000	1,917,028	1,882,546	4.60
Sarawak Petchem Sdn Bhd 5.05% 27/07/2029 (AAA)	100,000	103,244	105,727	0.26

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.07.2024 (continued)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
Sarawak Petchem Sdn Bhd 5.19% 27/07/2033 (AAA)	650,000	691,348	713,119	1.74
TG Excellence Bhd 3.95% 27/02/2120 (A)	1,000,000	1,011,970	1,011,582	2.47
UEM Edgenta Bhd 4.25% 24/04/2026 (AA3)	200,000	202,190	203,655	0.51
UMW Holding Bhd 3.03% 05/11/2025 (AA1)	1,200,000	1,196,734	1,198,849	2.93
TOTAL UNQUOTED FIXED INCOME SECURITIES	16,670,000	17,041,681	17,119,772	41.87

ACCUMULATED UNREALISED GAIN ON UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

78,091

TOTAL UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

17,119,772

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.01.2024				
Audited QUOTED SECURITIES				
AUSTRALIA				
Consumer Discretionary				
Aristocrat Leisure Ltd	4,532	366,075	627,993	1.66
Financials				
Macquarie Group Ltd	1,101	445,849	652,940	1.72
Health Care				
CSL Ltd	670	458,979	629,441	1.66

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 %
31.01.2024				
Audited				
QUOTED SECURITIES				
AUSTRALIA				
(CONTINUED)				
Industrials				
Seven Group Holdings Ltd	4,340	265,202	488,002	1.29
Materials				
BHP Group Ltd	4,674	435,216	687,985	1.82
Real Estate				
Goodman Group	9,890	585,442	788,390	2.08
TOTAL AUSTRALIA	25,207	2,556,763	3,874,751	10.23
CHINA				
Industrials				
Nari Technology Development Co Ltd A ¹	30,336	447,700	420,103	1.11
TOTAL CHINA	30,336	447,700	420,103	1.11
FRANCE				
Consumer Discretionary				
LVMH Moet Hennessy Louis Vuitton	95	382,050	376,272	0.99
L'Oreal SA	100	202,669	227,682	0.60
	195	584,719	603,954	1.59
TOTAL FRANCE	195	584,719	603,954	1.59
HONG KONG, CHINA				
Communication Services				
China Mobile Ltd	18,500	730,138	743,742	1.96
Tencent Holdings Ltd	2,100	393,286	343,796	0.91
	20,600	1,123,424	1,087,538	2.87
Consumer Discretionary				
Samsonite International SA	14,400	233,885	189,922	0.50
Financials				
AIA Group Ltd	19,800	724,328	730,120	1.93
Industrials				
Techtronic Industries Co Ltd	11,000	475,273	553,695	1.46

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 %
31.01.2024 (CONTINUED)				
Audited				
QUOTED SECURITIES				
(CONTINUED)				
HONG KONG, CHINA				
(CONTINUED)				
Industrials				
Techtronic Industries Co Ltd	11,000	475,273	553,695	1.46
Real Estate				
Link REIT	18,000	498,785	426,888	1.13
TOTAL HONG KONG, CHINA	83,800	3,055,695	2,988,163	7.89
INDONESIA				
Communication Services				
PT Telekomunikasi Indonesia (Telkom)	315,800	338,335	374,794	0.99
Financials				
Bank Central Asia	222,600	409,369	637,111	1.68
TOTAL INDONESIA	538,400	747,704	1,011,905	2.67
JAPAN				
Consumer Discretionary				
Fast Retailing Co Ltd	200	249,637	256,498	0.68
TOTAL JAPAN	200	249,637	256,498	0.68
SINGAPORE				
Communication Services				
NetLink NBN Trust Singapore	180,000	528,791	536,974	1.42
Telecommunications Ltd	57,700	451,496	488,890	1.29
	237,700	980,287	1,025,864	2.71
Financials				
DBS Group Holdings Ltd	5,600	459,726	630,275	1.66
Industrials				
Singapore Technologies Engineering Ltd	23,600	277,432	310,774	0.82

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 %
31.01.2024 (CONTINUED)				
Audited				
QUOTED SECURITIES				
(CONTINUED)				
SINGAPORE (CONTINUED)				
Real Estate				
CapitaLand Integrated Commercial Trust Management Ltd	96,600	246,570	685,484	1.81
Capitaland Investment Ltd	44,300	489,796	462,934	1.22
CapitaLand Ascendas REIT	59,714	511,472	615,578	1.63
	<u>200,614</u>	<u>1,247,838</u>	<u>1,763,996</u>	<u>4.66</u>
TOTAL SINGAPORE	<u>467,514</u>	<u>2,965,283</u>	<u>3,730,909</u>	<u>9.85</u>
SOUTH KOREA				
Information Technology				
Samsung Electronics Co. Ltd	5,544	1,188,581	1,428,687	3.77
Materials				
LG Chem Ltd	218	399,054	335,758	0.89
TOTAL SOUTH KOREA	<u>5,762</u>	<u>1,587,635</u>	<u>1,764,445</u>	<u>4.66</u>
TAIWAN				
Communication Services				
Chunghwa Telecom Co. Ltd	22,000	390,046	395,842	1.05
Consumer Staples				
President Chain Store Corp	9,000	363,652	359,251	0.95
Information Technology				
E Ink Holdings Inc	14,000	389,496	440,294	1.16
Taiwan Semiconductor Manufacturing Co Ltd	21,000	1,374,140	1,994,026	5.26
	<u>35,000</u>	<u>1,763,636</u>	<u>2,434,320</u>	<u>6.42</u>
TOTAL TAIWAN	<u>66,000</u>	<u>2,517,334</u>	<u>3,189,413</u>	<u>8.42</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 %
31.01.2024 (CONTINUED)				
Audited				
QUOTED SECURITIES				
(CONTINUED)				
THAILAND				
Information Technology				
Advanced Information Technology Public Company	9,200	261,245	267,268	0.71
Financials				
Bangkok Bank PCL - Foreign	13,600	345,845	253,729	0.67
TOTAL THAILAND	22,800	607,090	520,997	1.38
UNITED KINGDOM				
Energy				
Reliance Industries Ltd - GDR	3,017	902,813	990,471	2.62
Shell PLC	1,875	264,358	274,976	0.73
	4,892	1,167,171	1,265,447	3.35
TOTAL UNITED KINGDOM	4,892	1,167,171	1,265,447	3.35
UNITED STATES				
Financials				
HDFC Bank Ltd	1,090	345,922	286,120	0.75
Information Technology				
Synopsys Inc	150	388,041	378,452	1.00
TOTAL UNITED STATES	1,240	733,963	664,572	1.75
TOTAL QUOTED SECURITIES	1,246,346	17,220,694	20,291,157	53.58
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		3,070,463		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		20,291,157		

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.01.2024 (CONTINUED)				
Audited				
UNQUOTED FIXED INCOME SECURITIES				
Aeon Credit Service M Bhd 3.80% 10/02/2027 (AA3)	600,000	602,723	606,738	1.60
Azrb Capital Sdn Bhd 4.85% 26/12/2024 (AA)	200,000	202,608	201,247	0.53
Bumitama Agri Ltd 4.20% 22/07/2026 (AA2)	50,000	50,073	50,418	0.13
Digi Telecommunications Sdn Bhd 4.99% 02/12/2027 (AAA)	600,000	627,389	629,950	1.66
Fortune Premiere Sdn Bhd IMTN 3.98% 11/09/2026 (AA)	670,000	687,015	678,403	1.79
IJM Corp Bhd IMTN 4.76% 10/04/2029 (AA3)	500,000	513,116	524,828	1.39
IJM Land Bhd 4.73% 17/03/2119 (A2)	150,000	152,651	151,221	0.40
Imtiaz Sukuk II Berhad 3.54% 17/04/2026 (AA2)	850,000	848,717	852,536	2.25
Imtiaz Sukuk II Berhad 4.38% 12/05/2027 (AA2)	700,000	713,241	715,869	1.89
Imtiaz Sukuk II Berhad 4.97% 08/11/2027 (AA2)	410,000	424,793	428,981	1.13
Malayan Banking Bhd 3.10% 08/10/2032 (AA1)	600,000	581,891	588,292	1.55
MMC Corporation Berhad 5.64% 27/4/2027 (AA)	1,350,000	1,405,611	1,432,051	3.78
MMC Corporation Berhad 5.80% 12/11/2025 (AA)	500,000	517,607	521,317	1.38
Pengurusan Air SPV Bhd 4.30% 03/06/2026 (AAA)	700,000	710,677	713,468	1.88
Pengurusan Air SPV Bhd 4.40% 03/06/2027 (AAA)	50,000	51,162	51,234	0.14
Press Metal Aluminium Holding Bhd 4.10% 17/10/2024 (AA2)	350,000	354,928	354,858	0.94
Public Islamic Bank Bhd 4.50% 17/12/2027 (AAA)	390,000	398,634	402,224	1.06
RHB Islamic Bank Bhd 4.32% 21/05/2029 (AA2)	800,000	808,152	808,089	2.14
Sarawak Energy Bhd IMTN 4.70% 24/11/2028 (AAA)	1,500,000	1,613,032	1,568,818	4.14

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.01.2024 (CONTINUED)				
Audited				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
Sarawak Petchem Sdn Bhd 5.05% 27/07/2029 (AAA)	100,000	103,528	105,427	0.28
Sarawak Petchem Sdn Bhd 5.19% 27/07/2033 (AAA)	650,000	693,195	704,468	1.86
TG Excellence Berhad 3.95% 27/02/2120 (AA)	1,000,000	1,007,955	999,170	2.64
UEM Edgenta Bhd 4.25% 24/04/2026 (AA)	200,000	202,197	203,584	0.54
UEM Sunrise Bhd IMTN 4.75% 22/03/2024 (AA)	1,700,000	1,731,736	1,731,158	4.57
UMW Holding Bhd 3.03% 05/11/2025 (AA)	1,200,000	1,192,090	1,193,365	3.15
TOTAL UNQUOTED FIXED INCOME SECURITIES	15,820,000	16,194,721	16,217,714	42.82
ACCUMULATED UNREALISED GAIN ON UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		22,993		
TOTAL UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		16,217,714		

8. CASH AND CASH EQUIVALENTS

	31.07.2024	31.01.2024
	RM	Audited RM
Deposits with licensed financial institution	553,048	692,060
Bank balances	1,055,904	1,206,868
	<u>1,608,952</u>	<u>1,898,928</u>

9. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.02.2024 to 31.07.2024	01.02.2023 to 31.01.2024 Audited
	No of units	No of units
Class A (i)	23,175,134	23,594,700
Class C (ii)	8,266,962	9,065,282
Class X (iii)	23,041,481	19,602,806
	<u>54,483,577</u>	<u>52,262,788</u>
(i) Class A		
At the beginning of the financial period/year	23,594,700	23,156,113
Add : Creation of units from applications	414,387	1,783,982
Less : Cancellation of units	(833,953)	(1,345,395)
At the end of the financial period/year	<u>23,175,135</u>	<u>23,594,700</u>
(ii) Class C		
At the beginning of the financial period/year	9,065,282	6,107,055
Add : Creation of units from applications	211,490	3,188,831
Less : Cancellation of units	(1,009,810)	(230,604)
At the end of the financial period/year	<u>8,266,962</u>	<u>9,065,282</u>
(iii) Class X		
At the beginning of the financial period/year	19,602,806	13,694,983
Add : Creation of units from applications	3,505,087	6,638,123
Less : Cancellation of units	(66,412)	(730,300)
At the end of the financial period/year	<u>23,041,481</u>	<u>19,602,806</u>

10. TOTAL EXPENSE RATIO (“TER”)

	01.02.2024 to 31.07.2024	01.02.2023 to 31.07.2023
	%	%
TER	<u>0.87</u>	<u>0.77</u>

TER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on a daily basis was RM40,327,245 (31.07.2023: RM32,237,125).

11. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.02.2024 to 31.07.2024	01.02.2023 to 31.07.2023
PTR (times)	<u>0.26</u>	<u>0.13</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 = RM12,964,586 (31.07.2023: RM6,591,111)

total disposal for the financial period = RM8,278,779 (31.07.2023: RM1,980,897)

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
CIMB Bank Bhd	Fellow related party to the PRS Provider
CGS-CIMB Securities (Singapore) Pte Ltd	Fellow related party to the PRS Provider
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the PRS Provider

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

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

In addition to the related party disclosure mentioned elsewhere in the financial statements, set out below are other significant related party transactions. The PRS Provider is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

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 2024 were as follows:

Brokers/Dealers	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Securities Singapore Pte Ltd	4,854,582	22.85	10,204	30.75
Instinet Pacific Limited	3,024,883	14.24	6,365	19.18
Citigroup Global Markets Ltd	1,961,040	9.23	690	2.08
Hong Leong Investment Bank Bhd	1,704,675	8.02	-	-
RHB Bank Bhd	1,681,460	7.92	-	-
Macquarie Securities AU Ltd	1,319,300	6.21	1,294	3.90
J.P. Morgan Securities (Asia Pacific) Ltd	1,227,244	5.78	2,922	8.81
CGS Int Sec HK Ltd Korea	1,034,364	4.87	2,586	7.79
CGS-CIMB Securities (Singapore) Pte Ltd #	782,940	3.69	1,372	4.14
CLSA Ltd	754,988	3.55	2,643	7.96
Others	2,897,889	13.64	5,108	15.39
	<u>21,243,365</u>	<u>100.00</u>	<u>33,184</u>	<u>100.00</u>

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 31 July 2023 were as follows:

Brokers/Dealers	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
CGS-CIMB Securities (Singapore) Pte Ltd #	2,595,596	30.28	5,631	70.73
RHB Bank Bhd	2,215,570	25.85	-	-
RHB Investment Bank Bhd	1,405,035	16.39	-	-
J.P. Morgan Securities (Asia Pacific) Ltd	408,127	4.76	1,633	20.51
Citigroup Global Markets Ltd	345,922	4.04	104	1.30
Jefferies International Ltd	255,201	2.98	510	6.41
Hong Leong Islamic Bank Bhd	213,800	2.49	-	-
Instinet Pacific Limited	33,263	0.39	83	1.05
Others	1,099,494	12.82	-	-
	<u>8,572,008</u>	<u>100.00</u>	<u>7,961</u>	<u>100.00</u>

Included in the transactions are trades conducted with CGS-CIMB Securities (Singapore) Ptd Ltd, fellow related party to the PRS provider amounting to RM782,940 (31.07.2023: RM2,595,596). 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.

DIRECTORY

Head Office of the PRS Provider

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

Website

<http://www.principal.com.my>

E-mail address

myservice@principal.com

Customer Care Centre

(03) 7723 7260

Chat with us via WhatsApp

(6016) 299 9792

Trustee for the Principal PRS Plus Moderate

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