

PRINCIPAL E-CASH FUND

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

CONTENTS	PAGE(S)
INVESTORS' LETTER	i
MANAGER'S REPORT	ii - viii
Fund Objective and Policy	
Performance Data	
Market Review	
Fund Performance	
Portfolio Structure	
Market Outlook	
Investment Strategy	
Soft Commissions and Rebates	
Securities Financing Transactions	
State of Affair of The Fund	
Circumstances That Materially Affect Any Interest of Unit Holders	
Cross Trade	
Unit Split	
STATEMENT BY MANAGER	1
TRUSTEE'S REPORT	2
SHARIAH ADVISER'S REPORT	3
INDEPENDENT AUDITORS' REPORT	4 - 7
STATEMENT OF COMPREHENSIVE INCOME	8
STATEMENT OF FINANCIAL POSITION	9
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	10
STATEMENT OF CASH FLOWS	11
NOTES TO THE FINANCIAL STATEMENTS	12 – 26
DIRECTORY	27

INVESTORS' LETTER

Dear Valued Investor,

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

Firstly, allow us to wish you a fantastic New Year 2024! As we kick off another year, it's time to set new investment goals and embrace fresh opportunities. Despite the challenges of 2023, here's to a brighter and promising year ahead!

We are pleased to bring you a copy of the Annual Fund Report of the Principal e-Cash Fund for the financial year ended 30 November 2023. You may also download this report from our website at www.principal.com.my.

We are happy to share that Principal Malaysia won two awards at the International Finance's 2023 Financial Awards and Leadership Awards. The awards were for Best Asset Management Company (Malaysia) and Best Asset Management CEO (Malaysia) – Ms. Munirah Khairuddin. We also won the Best Impact – Climate Action, Gold award for Principal Asia Pacific Renewables Fund at The Edge ESG Awards 2023.

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), follow us on our Instagram account (@principalassetmanagement_my), and LinkedIn page (Principal Asset Management Berhad) for the latest updates, market insights and investment articles.

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

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

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

MANAGER'S REPORT**FUND OBJECTIVE AND POLICY****What is the investment objective of the Fund?**

The Fund aims to provide investors with liquidity and income.

Has the Fund achieved its objective?

For the financial year under review, the Fund is in line with its stated objective.

What are the Fund investment policy and principal investment strategy?

The Fund is actively managed with the aim of achieving a liquid and low risk portfolio. In managing the Fund, we employ a two-pronged strategy that focuses on liquidity (primary focus) and yield enhancement (secondary focus), while ensuring that the overall risk of the portfolio is within the acceptable range.

All NAV of the Fund will be invested in a combination of cash (at bank), placement of Islamic Deposits, Islamic money market instruments and/or sukuk in Malaysian Ringgit ("MYR/RM"). We ("Principal Asset Management Berhad") are flexible in the allocation and the selection of the Shariah-compliant investments. Generally, the Fund tends to invest in Shariah compliant investments that are of short duration and/or high quality to provide the liquidity required by the Fund. Where opportunity arises, the Fund may also invest in high quality sukuk for yield enhancement if we are of the opinion that such investment will not compromise the liquidity and the performance of the Fund. The minimum credit rating for the Islamic money market instrument and sukuk must be at least "P2" or "A3" respectively by RAM or equivalent by MARC or any reputable credit rating agency in Malaysia.

Fund category/type

Money Market (Islamic)/Income

When was the Fund launched?

Name of Class	Launch Date
Class A	15 March 2021
Class B	15 March 2021

What was the size of the Fund as at 30 November 2023?

RM553.52 million (553.52 million units)

What is the Fund's benchmark?

CIMB Islamic Bank Ringgit Malaysia Basic Savings Account-i Top Tier Rate.

Note: The benchmark is for performance comparison only. You are cautioned that the risk profile of the Fund is higher than the benchmark. The information of the benchmark can be obtained from www.cimb.com.my.

What is the Fund distribution policy?**Class A**

The Manager has the discretion to make income distribution on a daily basis, taking into consideration the level of realised income and/or realised gains, as well as the performance of the Fund. The Manager has the right to make provisions for reserves in respect of distribution of the Class. If the income available is too small or insignificant, any distribution may not be of benefit to the Unit holders as the total cost to be incurred in any such distribution may be higher than the amount for distribution. The Manager has the discretion to decide on the amount to be distributed to the Unit holders.

FUND OBJECTIVE AND POLICY (CONTINUED)

What is the Fund distribution policy? (continued)

Class B

The Manager has the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of realised income and/or realised gains, as well as the performance of the Fund. The Manager has the right to make provisions for reserves in respect of distribution of the Class. If the income available is too small or insignificant, any distribution may not be of benefit to the Unit holders as the total cost to be incurred in any such distribution may be higher than the amount for distribution. The Manager has the discretion to decide on the amount to be distributed to the Unit holders.

What was the net income distribution for the financial year ended 30 November 2023?

The Fund distributed a total net income of RM15.84 million to unit holders for the financial year ended 30 November 2023.

The Fund's NAV per unit were as follows:

Date of distribution from 01.12.2022 to 30.11.2023	NAV per unit (Before distribution)	NAV per unit (After distribution)
Class A	1.0000	1.0000

Breakdown of distribution were as follows:

Source of distribution	2023		2022	
	RM	%	RM	%
Distribution out of current year's income	15,841,683	100.00	6,643,290	100.00
Distribution out of prior year's income/capital	-	-	-	-
Total	<u>15,841,683</u>	<u>100.00</u>	<u>6,643,290</u>	<u>100.00</u>

PERFORMANCE DATA

Details of portfolio composition of the Fund for the last three audited financial years/period were as follows:

	2023 %	2022 %	2021 %
Deposits with licensed Islamic financial institutions	95.26	98.41	97.96
Cash and other assets	10.18	3.56	3.71
Liabilities	<u>(5.44)</u>	<u>(1.97)</u>	<u>(1.67)</u>
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Performance details of the Fund for the last three audited financial years/period were as follows:

	2023	2022	2021
NAV (RM Million)*			
- Class A	553.52	315.79	405.66
- Class B	0.00*	0.00*	0.00*
Units in circulation (Million)			
- Class A	553.52	315.79	405.66
- Class B	0.00*	0.00*	0.00*

Note: 0.00* denotes fair value less than 0.01 million

PERFORMANCE DATA (CONTINUED)

Performance details of the Fund for the last three audited financial years/period were as follows:
(continued)

	2023	2022	2021
NAV per unit (RM)*			
- Class A	1.0000	1.0000	1.0000
- Class B	1.0676	1.0298	1.0110
	01.12.2022	01.12.2021	15.03.2021
	to 30.11.2023	to 30.11.2022	(date of launch)
			to 30.11.2021
Highest NAV per unit (RM)			
- Class A	1.0000	1.0000	1.0000
- Class B	1.0680	1.0298	1.0110
Lowest NAV per unit (RM)*			
- Class A	1.0000	1.0000	1.0000
- Class B	1.0299	1.0106	1.0000
Total return (%)			
- Class A	3.46	1.88	1.04
- Class B	3.67	1.91	1.05
Capital growth (%)			
- Class A	-	-	-
- Class B	-	-	-
Income distribution (%)			
- Class A	3.46	1.88	1.04
- Class B	3.67	1.91	1.05
*Ex-distribution			
Total Expense Ratio ("TER") (%)	0.49	0.49	0.32
Portfolio Turnover Ratio ("PTR") (times) #	66.54	32.50	62.48

The Fund's PTR increased from 32.50 to 66.54 times reflecting the higher number of transactions recorded for the financial year under review.

	01.12.2022	01.12.2021	15.03.2021
	to 30.11.2023	to 30.11.2022	(date of launch)
			to 30.11.2021
Gross/Net distribution per unit (sen)			
Distribution from 01.12.2022 to 30.11.2023	2.84	2.10	0.33
	30.11.2023	30.11.2022	Since inception
	%	%	to 30.11.2021
			%
Annual total return			
Class A	3.46	1.88	1.04
Class B	3.67	1.91	1.05

(Launch date: 15 March 2021)

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up. All performance figures for the financial year have been extracted from Lipper.

MARKET REVIEW (1 DECEMBER 2022 TO 30 NOVEMBER 2023)

Bank Negara Malaysia (“BNM”) raised its Overnight Policy Rate (“OPR”) to 3.00% (+25 basis points (“bps”) during Monetary Policy Committee (“MPC”) meeting in May 2023. The hike came after two consecutive pauses in January 2023 and March 2023. In November 2023, BNM kept its monetary policy rate unchanged at 3.00% for a third straight MPC meeting which was largely within market consensus. BNM said it will ensure the monetary policy stance remains conducive to sustain economic growth amid price stability.

Malaysia’s economic growth accelerated in the third quarter as consumer spending along with services and construction sectors helped counter the impact of faltering exports. Gross Domestic Products (“GDP”) expanded 3.3% in the third quarter of 2023 year-on-year (“YOY”), in line with the preliminary reading last month and from a 2.9% gain in second quarter of 2023.

Headline inflation, measured by the consumer price index (“CPI”), continued to slow to 1.8% in October 2023, with the index points recorded at 130.9, compared with 128.6 a year ago. This is lower than the 1.9% increase recorded in September and marks the second straight month that inflation is easing. Meanwhile, core inflation was lower at 2.4% (Sept: 2.5%) during the month. The moderation was due to lower inflation for selected services including food away from home and repair and maintenance of personal transport.

FUND PERFORMANCE

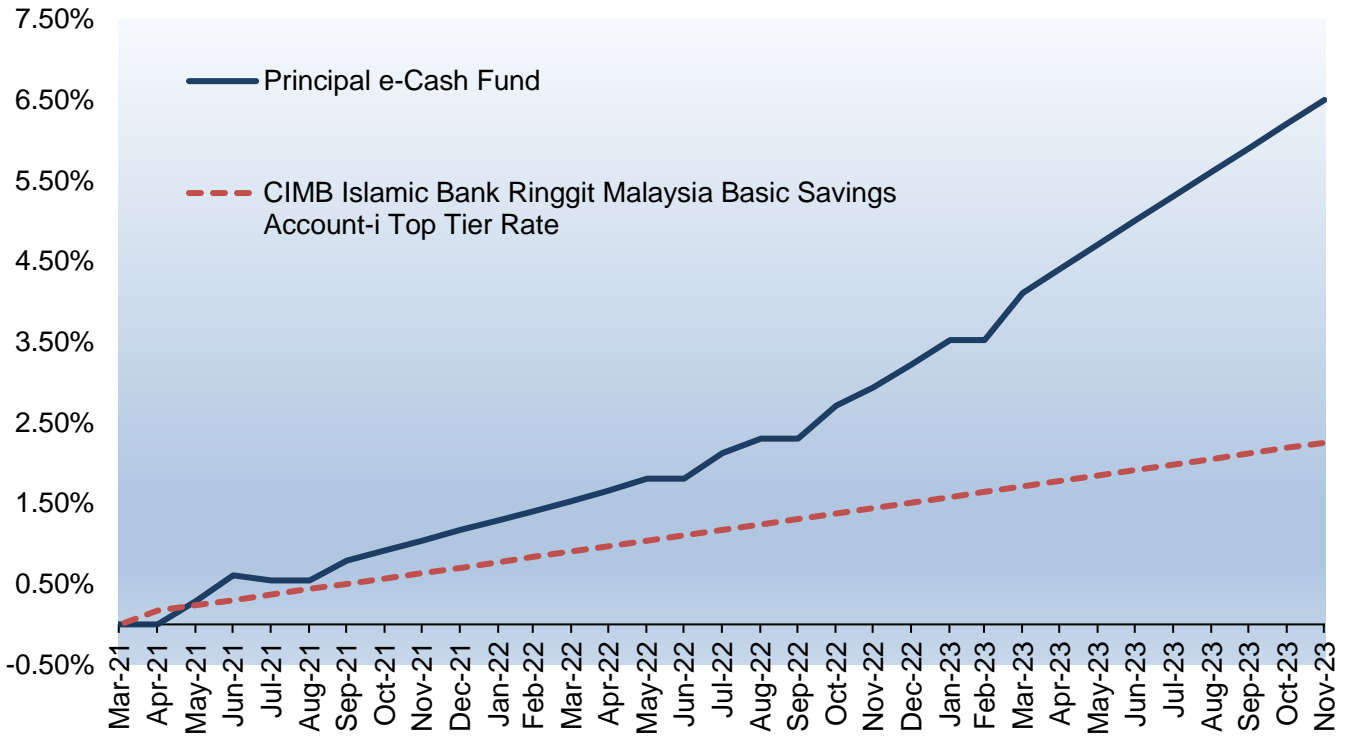
	1 year to 30.11.2023	Since inception to 30.11.2023
	%	%
Income Distribution		
- Class A	3.46	6.50
- Class B	3.67	6.76
Capital Growth		
- Class A	-	-
- Class B	-	-
Total Return		
- Class A	3.46	6.50
- Class B	3.67	6.76
Benchmark		
- Class A	0.80	2.25
- Class B	0.80	2.25
Average Total Return		
- Class A	3.46	2.35
- Class B	3.67	2.44

As at 30 November 2023, the Fund’s Class A and Class B gave a 1-year return of 3.46% and 3.67%, outperforming the benchmark by 266 bps and 287 bps respectively. Since inception, the Fund’s Class A and Class B have delivered a return of 6.50% and 6.76% to unit holders, outperforming the benchmark by 424 bps and 451 bps respectively.

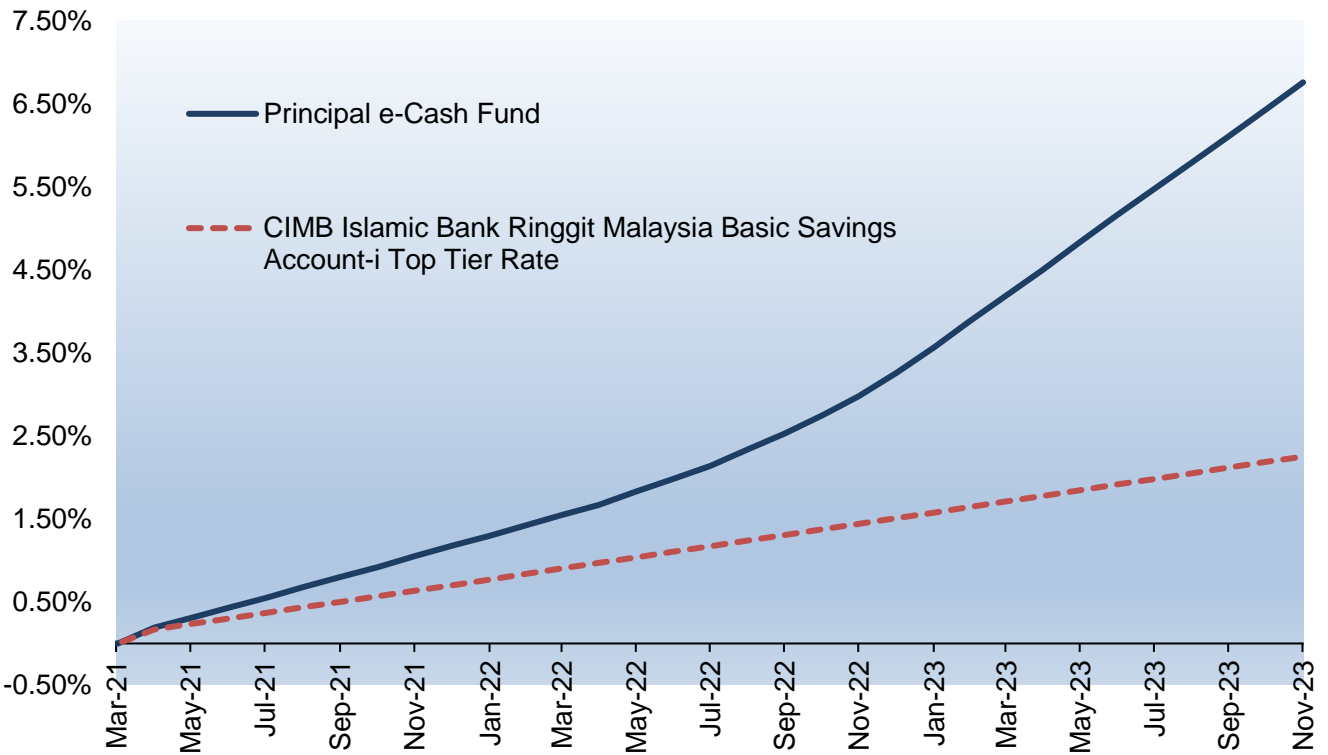
FUND PERFORMANCE (CONTINUED)

Since Inception

Class A



Class B



FUND PERFORMANCE (CONTINUED)

Changes in NAV

	2023	2022	Changes %
Class A			
NAV (RM Million)	553.52	315.79	75.28
NAV/Unit (RM)	1.0000	1.0000	-
Class B			
NAV (RM Million)	0.00*	0.00*	-
NAV/Unit (RM)	1.0676	1.0298	3.67

Note: 0.00* denotes fair value less than 0.01 million

The Fund's NAV increased by 75.28% from RM315.79 million to RM553.52 million on 30 November 2023 for class A and no NAV movement for Class B.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	2023	2022
Deposits with licensed Islamic financial institutions	95.26	98.41
Cash and other assets	10.18	3.56
Liabilities	(5.44)	(1.97)
TOTAL	100.00	100.00

As at 30 November 2023, the Fund was fully invested in deposits with licensed Islamic financial institutions.

MARKET OUTLOOK*

In November 2023, BNM kept the OPR rate at 3.00% in its last MPC meeting of the year, given the stable domestic inflation and positive economic growth outlook amid the challenging external environment. BNM highlighted that the sharp depreciation of the Malaysian Ringgit ("MYR" or "RM") against the US Dollar ("USD") should not impact Malaysia's growth prospects. We expect BNM to keep OPR unchanged at 3.00% for an extended period to strengthen economic growth and maintain the current stable inflation.

* 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

The Fund's objective is to provide investors with liquidity and income – and is actively managed with the aim of achieving a liquid and low risk portfolio. In managing the Fund, we employ a two-pronged strategy that focuses on liquidity (primary focus) and yield enhancement (secondary focus), while ensuring that the overall risk of the portfolio is within the acceptable range. As such, we will continue to maintain the investment primarily in Shariah-compliant deposits with licensed Islamic financial institutions.

SOFT COMMISSIONS AND REBATES

We and the Trustee will not retain any form of rebate from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Fund. Accordingly, any rebate or shared commission will be directed to the account of the Fund. We may retain goods and services (soft commission) provided by any broker or dealer if the following conditions are met:

- (a) 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 Fund; and
- (c) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with brokers or dealer, and we will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

During the financial year under review, the Manager and the Trustee did not receive any rebates from the brokers or dealers, but the Manager 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 Manager 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 year under review.

STATE OF AFFAIR OF THE FUND

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

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

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

CROSS TRADE

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

UNIT SPLIT

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL E-CASH FUND**

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 8 to 26 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 30 November 2023 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN

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

Kuala Lumpur
17 January 2024

UDAY JAYARAM

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

TRUSTEE'S REPORT

**TO THE UNIT HOLDERS OF
PRINCIPAL E-CASH FUND ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 30 November 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquires, Principal Asset Management Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

1. Limitations imposed on the investment powers of the Management Company under the Deeds, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

We are of the opinion that the distributions of income by the Fund are appropriate and reflects the investment objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
17 January 2024

SHARIAH ADVISER'S REPORT

To the Unit Holders of Principal e-Cash Fund ("Fund")

For the Financial Year ended 30 November 2023

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The assets of the Fund comprise instruments that have been classified as Shariah-compliant.

For **Amanie Advisors Sdn Bhd**

Tan Sri Dr Mohd Daud Bakar
Executive Chairman

Kuala Lumpur
17 January 2024

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL E-CASH FUND**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Principal e-Cash Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 30 November 2023, and statement of comprehensive income, changes in net assets attributable to unit holders and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 8 to 26.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 November 2023, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL E-CASH FUND (cont'd.)**

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

Information other than the financial statements and auditors' report thereon

The Manager of the Fund (the "Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager and the Trustee for the financial statements

The Manager is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL E-CASH FUND (cont'd.)**

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL E-CASH FUND (cont'd.)**

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

Other matters

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

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

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

Kuala Lumpur, Malaysia
17 January 2024

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023**

	Note	2023 RM	2022 RM
INCOME			
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions at fair value through profit or loss		<u>18,136,957</u>	<u>8,436,713</u>
EXPENSES			
Management fee	4	2,118,173	1,655,972
Trustee's fees	5	139,839	98,638
Audit fee		16,000	16,000
Tax agent's fee		8,000	8,000
Other expenses		<u>13,225</u>	<u>14,793</u>
		<u>2,295,237</u>	<u>1,793,403</u>
PROFIT BEFORE DISTRIBUTION AND TAXATION		15,841,720	6,643,310
Distribution:			
- Class A	6	<u>15,841,683</u>	<u>6,643,290</u>
PROFIT BEFORE TAXATION		37	20
Taxation	7	<u>-</u>	<u>-</u>
PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u>37</u>	<u>20</u>
Profit after taxation is made up as follows:			
Realised amount		<u>37</u>	<u>20</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2023**

	Note	2023 RM	2022 RM
ASSETS			
Cash and cash equivalents	9	56,354,106	11,233,615
Financial assets at fair value through profit or loss	8	<u>527,275,262</u>	<u>310,780,944</u>
TOTAL ASSETS		<u>583,629,368</u>	<u>322,014,559</u>
LIABILITIES			
Amount due to manager		29,810,058	6,050,588
Accrued management fee		202,609	118,236
Amount due to Trustee		13,507	7,882
Distribution payable		51,732	24,313
Other payables and accruals		<u>28,279</u>	<u>26,561</u>
TOTAL LIABILITIES		<u>30,106,185</u>	<u>6,227,580</u>
NET ASSET VALUE OF THE FUND		<u>553,523,183</u>	<u>315,786,979</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>553,523,183</u>	<u>315,786,979</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- Class A		553,522,115	315,785,949
- Class B		<u>1,068</u>	<u>1,030</u>
		<u>553,523,183</u>	<u>315,786,979</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class A		553,522,115	315,785,949
- Class B		<u>1,000</u>	<u>1,000</u>
	10	<u>553,523,115</u>	<u>315,786,949</u>
NET ASSET VALUE PER UNIT			
- Class A		1.0000	1.0000
- Class B		<u>1.0676</u>	<u>1.0298</u>

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023**

	2023	2022
	RM	RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>315,786,979</u>	<u>405,663,946</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class A	<u>12,124,095,751</u>	<u>3,801,822,869</u>
Creation of units from distributions		
- Class A	<u>15,789,951</u>	<u>6,643,290</u>
Cancellation of units		
- Class A	<u>(11,902,149,535)</u>	<u>(3,898,343,146)</u>
Total comprehensive income for the financial year	<u>37</u>	<u>20</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	<u><u>553,523,183</u></u>	<u><u>315,786,979</u></u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023**

	Note	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from maturity of deposits with licensed Islamic financial institutions		11,195,649,964	11,560,075,639
Placement of deposits with licensed Islamic financial institutions		(11,412,144,282)	(11,473,477,781)
Profit income received from deposits with licensed Islamic financial institutions		18,136,957	8,436,713
Management fee paid		(2,033,800)	(1,657,140)
Trustee's fee paid		(134,214)	(90,756)
Payments for other fees and expenses		(35,507)	(12,888)
Net cash (used in)/generated from operating activities		<u>(200,560,882)</u>	<u>93,273,787</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		12,124,071,438	3,801,830,958
Payments for cancellation of units		(11,878,390,065)	(3,898,926,631)
Net cash generated from/(used in) financing activities		<u>245,681,373</u>	<u>(97,095,673)</u>
Net increase/(decrease) in cash and cash equivalents		45,120,491	(3,821,886)
Cash and cash equivalent at the beginning of the financial year		<u>11,233,615</u>	<u>15,055,501</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>56,354,106</u></u>	<u><u>11,233,615</u></u>
<u>Cash and cash equivalents comprise:</u>			
Bank balance		<u>56,354,106</u>	<u>11,233,615</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>56,354,106</u></u>	<u><u>11,233,615</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal e-Cash Fund (the “Fund”) is governed by a Principal Deed dated 6 April 2020, a First Supplemental Master Deed dated 16 June 2021 and a Second Supplemental Deed dated 22 December 2022 (collectively referred to as the “Deed”) made between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund is actively managed with the aim of achieving a liquid and low risk portfolio. In managing the Fund, we employ a two-pronged strategy that focuses on liquidity (primary focus) and yield enhancement (secondary focus), while ensuring that the overall risk of the portfolio is within the acceptable range.

All NAV of the Fund will be invested in a combination of cash (at bank), placement of Islamic Deposits, Islamic money market instruments and/or sukuk in Malaysian Ringgit (“MYR/RM”). We (“Principal Asset Management Berhad”) are flexible in the allocation and the selection of the Shariah-compliant investments. Generally, we tend to invest in Shariah compliant investments that are of short duration and/or high quality to provide the liquidity required by the Fund. Where opportunity arises, we may also invest in high quality sukuk for yield enhancement if we are of the opinion that such investment will not compromise the liquidity and the performance of the Fund. The minimum credit rating for the Islamic money market instrument and sukuk must be at least “P2” or “A3” respectively by RAM or equivalent by MARC or any reputable credit rating agency in Malaysia.

The Fund has been converted to shariah-compliant on 16 August 2021.

All investments are subjected to the Securities Commission Malaysia (“SC”) Guidelines on Unit Trust Funds (“GUTF”), 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 Manager, 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 Manager are the establishment and management of unit trust funds and fund management activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(a) Basis of preparation (continued)**

It also requires the Manager to exercise judgement in the process of applying the Fund's accounting policies. Although these estimates and assumptions are based on the Manager'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 estimates and assumptions are significant to the financial statements are disclosed in Note 2(j).

There are no other standards, amendments to standards or interpretations that are effective for financial year beginning on 1 December 2022 that have a material effect on the financial statements of the Fund.

There are no new applicable standards, amendments to standards or interpretations that are effective for financial year beginning on/after 1 December 2023 that are applicable to the financial statements of the Fund.

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

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

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

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The contractual cash flows of the Fund's debt securities are solely 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.

Investment in Shariah-compliant collective investment scheme are debt instruments with contractual cash flows that do not represent solely payment of principal and interest¹ ("SPPI"), and therefore are classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

¹ For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**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 with licensed Islamic financial institutions are initially recognised at fair value.

Financial liabilities 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.

Deposits with licensed Islamic financial institutions are stated at fair value. Due to the short term nature of the deposits, the cost plus accrued interest and profit calculated based on the effective profit method over the year from the date of placement to the date of maturity of the respective deposits is a reasonable estimate of fair value.

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

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective profit 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 Manager consider both historical analysis and forward looking information in determining any ECL. The Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. 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 Manager as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

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

Write-off

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(c) Income recognition**

Profit income from deposits with licensed Islamic financial institutions is recognised on a time proportionate basis using the effective profit rate method on an accrual basis.

Profit income are calculated by applying the effective profit 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 profit rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(d) Functional and presentation currency

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

(e) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balance which are subject to an insignificant risk of changes in value.

(f) Taxation

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

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

(g) Distribution

A distribution to the Fund’s unit holders is accounted for as distribution in the statement of comprehensive income as the unit holders’ contributions are classified as financial liability as per Note 2(h). A proposed distribution is recognised as a financial liability in the financial year in which it is approved by the Trustee.

(h) Unit holders’ contributions

The unit holders’ 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 two classes of units, known respectively as the Class A and Class B which are cancelled at the unit holder’s option and do not have identical features subject to restrictions as stipulated in the Prospectus and GUTF. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Unit holders' contributions (continued)

Units are created and cancelled at the unit holders' 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.

(i) Realised and unrealised portions of profit or loss after tax

The analysis of realised and unrealised portions on profit or loss after tax as presented on the statement of comprehensive income is guided by GUTF.

(j) 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 judgement are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss RM	Financial assets at amortised cost RM	Total RM
2023			
Cash and cash equivalents (Note 9)	-	56,354,106	56,354,106
Deposits with licensed Islamic financial institutions (Note 8)	<u>527,275,262</u>	<u>-</u>	<u>527,275,262</u>
	<u>527,275,262</u>	<u>56,354,106</u>	<u>583,629,368</u>
2022			
Cash and cash equivalents (Note 9)	-	11,233,615	11,233,615
Deposits with licensed Islamic financial institutions (Note 8)	<u>310,780,944</u>	<u>-</u>	<u>310,780,944</u>
	<u>310,780,944</u>	<u>11,233,615</u>	<u>322,014,559</u>

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

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

The Fund is actively managed with the aim of achieving a liquid and low risk portfolio. In managing the Fund, we employ a two-pronged strategy that focuses on liquidity (primary focus) and yield enhancement (secondary focus), while ensuring that the overall risk of the portfolio is within the acceptable range.

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

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated in the Deeds and GUTF.

(a) Market risk

(i) Interest rate risk

Interest rate is a general economic indicator that will have an impact on the management of the Fund. It does not in any way suggest that this Fund will invest in conventional financial instruments. All investment carried out for the Fund including placements and deposits are in accordance with Shariah. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

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

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

The Fund is not exposed to cash flow interest rate risk as the Fund does not hold any financial instruments at variable interest rate. As at the end of each financial year, the Fund is not exposed to a material level of interest rate risk.

(b) Liquidity risk

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

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balance, deposits with licensed financial Islamic institutions and other instruments, which are capable of being converted into cash within 7 business days. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

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

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

(b) Liquidity risk (continued)

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
2023			
Amount due to manager	29,810,058	-	29,810,058
Accrued management fee	202,609	-	202,609
Amount due to Trustee	13,507	-	13,507
Distribution payable	51,732	-	51,732
Other payables and accruals	-	28,279	28,279
Net assets attributable to unit holders*	<u>553,523,183</u>	<u>-</u>	<u>553,523,183</u>
Contractual undiscounted cash flows	<u><u>583,601,089</u></u>	<u><u>28,279</u></u>	<u><u>583,629,368</u></u>
2022			
Amount due to manager	6,050,588	-	6,050,588
Accrued management fee	118,236	-	118,236
Amount due to Trustee	7,882	-	7,882
Distribution payable	24,313	-	24,313
Other payables and accruals	-	26,561	26,561
Net assets attributable to unit holders*	<u>315,786,979</u>	<u>-</u>	<u>315,786,979</u>
Contractual undiscounted cash flows	<u><u>321,987,998</u></u>	<u><u>26,561</u></u>	<u><u>322,014,559</u></u>

* Outstanding units are redeemed on demand at the holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

(c) Credit risk

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

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

For amount due from Manager, the settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the GUTF.

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

(c) Credit risk (continued)

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

	Cash and cash equivalents RM	Financial assets at fair value through profit or loss RM	Total RM
2023			
- AAA	<u>56,354,106</u>	<u>527,275,262</u>	<u>583,629,368</u>
2022			
- AAA	<u>11,233,615</u>	<u>310,780,944</u>	<u>322,014,559</u>

All financial assets of the Fund at the end of each financial year are neither past due nor impaired.

(d) Capital risk management

The capital of the Fund is net assets attributable to unit holders of RM553,523,183 (2022: RM315,786,979). The amount of capital can change significantly on a daily basis as the Fund is subjected to daily subscriptions and redemptions at the discretions of unit holders. 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 unit holder and benefits for other stakeholders and to maintain strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

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

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

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

- 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
2023				
Financial assets at fair value through profit or loss:				
- Deposits with licensed Islamic financial institutions	-	<u>527,275,262</u>	-	<u>527,275,262</u>
2022				
Financial assets at fair value through profit or loss:				
- Deposits with licensed Islamic financial institutions	-	<u>310,780,944</u>	-	<u>310,780,944</u>

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(e) Fair value estimation (continued)****(i) Fair value hierarchy (continued)**

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 deposits with licensed Islamic financial institutions.

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 of valuation of these financial assets are stated in Note 2(b).

(ii) The carrying values of cash and cash equivalents and all liabilities are a reasonable approximation of their fair values due to their short term nature.**4. MANAGEMENT FEE**

In accordance with the Deeds, the Manager is entitled to a maximum management fee of 3.00% per annum, calculated daily based on the NAV of the Fund.

For the financial year ended 30 November 2023, the management fee is recognised at the following rates 0.45% per annum (2022: 0.45% per annum).

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

5. TRUSTEE FEE

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.03% per annum, calculated daily based on the NAV of the Fund, (including local custodian fee but excluding foreign sub custodian fee and charges).

For the financial period from 1 December 2022 until 31 July 2023, the Trustee fee is recognised at a rate of 0.03% per annum. Effective 1 August 2023, the Trustee fee is recognised at a rate of 0.015% per annum for each class (2022: 0.03% per annum) for each class.

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

6. DISTRIBUTION

Distributions to unit holders were derived from the following sources (assessed up to distribution declaration date):

Source of distribution	2023		2022	
	RM	%	RM	%
Distribution out of current year's income	15,841,683	100.00	6,643,290	100.00
Distribution out of prior year's income/capital	-	-	-	-
Total	15,841,683	100.00	6,643,290	100.00

	2023 RM	2022 RM
Profit income	18,136,915	8,436,688
Less:		
Expenses	(2,295,232)	(1,793,398)
Net distribution amount	15,841,683	6,643,290

Gross/Net distribution per unit (sen)

Distribution from 1 December 2022 to 30 November 2023

2.84 -

Distribution from 1 December 2021 to 30 November 2022

- 2.10

Gross distribution is derived using total income less total expenses. Net distribution above is sourced from current financial year realised income.

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

Distribution equalisation represents the average amount of distributable income included in the creation and cancellation prices of units. It is computed as at each date of creation and cancellation of units. For the purpose of determining amount available for distribution, distribution equalisation is included in the computation of realised gains or income available for distribution.

There were no unrealised losses during the financial year ended 30 November 2023 and 30 November 2022.

7. TAXATION

	2023 RM	2022 RM
Tax charged for the financial year:		
- Current taxation	-	-

7. TAXATION (CONTINUED)

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:

	2023	2022
	RM	RM
Profit before taxation	37	20
Taxation at Malaysian statutory rate of 24% (2022: 24%)	9	5
Tax effects of:		
- Investment income not subject to tax	(4,352,870)	(2,024,811)
- Expenses not deductible for tax purposes	3,844,499	1,627,373
- Restriction on tax deductible expenses for Unit Trust Funds	508,362	397,433
Taxation	-	-

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023	2022
	RM	RM
At fair value through profit or loss:		
- Deposits with licensed Islamic financial institutions*	527,275,262	310,780,944

* Includes profit receivable of RM5,275,262 (2022: RM782,764)

The effective weighted average profit rate per annum was as follows:

	2023	2022
	%	%
Deposits with licensed Islamic financial institutions	3.82	3.48

Deposits with licensed Islamic financial institutions of the Fund have an average remaining maturity of 72 days (2022: 48 days).

9. CASH AND CASH EQUIVALENTS

	2023	2022
	RM	RM
Bank balance	56,354,106	11,233,615

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2023	2022
	No. of units	No. of units
Class A	553,522,115	315,785,949
Class B	1,000	1,000
	553,523,115	315,786,949

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

	2023	2022
	No. of units	No. of units
(i) Class A		
At the beginning of the financial year	315,785,949	405,662,935
Add: Creation of units from applications	12,124,095,752	3,801,847,182
Add: Creation of units from distributions	15,789,950	6,618,977
Less: Cancellation of units	<u>(11,902,149,536)</u>	<u>(3,898,343,145)</u>
At the end of the financial year	<u>553,522,115</u>	<u>315,785,949</u>
(ii) Class B		
At the beginning of the financial year	1,000	1,000
Add: Creation of units from applications	<u>-</u>	<u>-</u>
At the end of the financial year	<u>1,000</u>	<u>1,000</u>

11. TOTAL EXPENSE RATIO (“TER”)

	2023	2022
	%	%
TER	<u>0.49</u>	<u>0.49</u>

TER is derived from the following calculation:

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

A	=	Management fee
B	=	Trustee fee
C	=	Audit fee
D	=	Tax agent’s fee
E	=	Other expenses
F	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is RM466,126,073 (2022: RM368,092,010).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	2023	2022
PTR (times)	<u>65.54</u>	<u>32.50</u>

PTR is derived from the following calculation:

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

where:

total placements for the financial year = RM11,767,300,000 (2022: RM11,957,300,000)
total maturity for the financial year = RM11,736,842,198 (2022: RM11,966,882,542)

13. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER, 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 Manager
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the Manager
Principal International (Asia) Ltd	Shareholder of the Manager
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 Manager
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the Manager
CIMB Group Sdn Bhd	Shareholder of the Manager
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 Manager
CIMB Islamic Bank Bhd	Fellow related party to the Manager

Units held by the Manager and parties related to the Manager

	<u>No. of units</u>	<u>2023 RM</u>	<u>No. of units</u>	<u>2022 RM</u>
Manager				
Principal Asset Management Berhad				
- Class B	1,000	1,068	1,000	1,030

In the opinion of the Manager, the above units were transacted at the prevailing market price.

The units are held beneficially by the Manager for booking purposes. Other than the above, there were no units held by the Directors or parties related to the Manager.

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

	<u>2023 RM</u>	<u>2022 RM</u>
<u>Significant related party transactions</u>		
Profit income from deposits with licensed financial institution:		
- CIMB Islamic Bank Bhd	1,116,837	1,479,536

14. TRANSACTIONS WITH FINANCIAL INSTITUTIONS

Details of transactions with the financial institutions for the financial year ended 30 November 2023 were as follows:

Financial Institutions	Value of placements RM	Percentage of total placements %
Public Islamic Bank Bhd	9,962,405,305	42.39
Hong Leong Islamic Bank Bhd	6,045,269,041	25.72
United Overseas Bank Malaysia Bhd	2,355,140,586	10.02
CIMB Islamic Bank Bhd #	2,378,716,684	10.12
RHB Islamic Bank Bhd	1,671,767,361	7.11
Bank Islam Malaysia Bhd	496,748,259	2.11
AmBank Islamic Bhd	479,294,572	2.04
Maybank Islamic Bhd	114,800,390	0.49
	<u>23,504,142,198</u>	<u>100.00</u>

Details of transactions with the financial institutions for the financial year ended 30 November 2022 were as follows:

Financial Institutions	Value of placements RM	Percentage of total placements %
Public Islamic Bank Bhd	11,518,844,079	48.15
Hong Leong Islamic Bank Bhd	4,565,274,193	19.08
CIMB Islamic Bank Bhd #	3,505,479,535	14.65
RHB Islamic Bank Bhd	1,823,474,003	7.62
AmBank Islamic Bhd	818,908,247	3.42
Maybank Islamic Bhd	724,624,172	3.03
Bank Islam Malaysia Bhd	521,541,536	2.18
United Overseas Bank (M) Bhd	446,036,777	1.87
	<u>23,924,182,542</u>	<u>100.00</u>

Included in the transactions are trades conducted with CIMB Islamic Bank Bhd fellow related parties to the Manager amounting to RM2,378,716,684 (2022: RM3,505,479,535). The Manager 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.

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 17 January 2024.

DIRECTORY

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