

**PRINCIPAL E-CASH FUND**

**INTERIM REPORT**

**FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022**

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**INVESTORS' LETTER**

Dear Valued Investor,

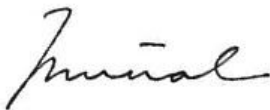
Greetings from Principal Asset Management Berhad and thank you for investing with us!

We are pleased to bring you a copy of the Interim Fund Report of the Principal E-Cash Fund for the financial period ended 31 May 2022. You may also download this report from our website at [www.principal.com.my](http://www.principal.com.my).

We are happy to share that Principal Asset Management Berhad won three accolades at Alpha Southeast Asia's 13<sup>th</sup> Annual Fund Management Awards 2022. The awards were for Best Online & Mobile Platform (Asset Manager), Best Fund with the optimal Sharpe ratio and Best Absolute Return Strategy. Principal Asset Management Berhad was also honoured with multiple awards at the iFast Awards Night 2022 and FSMOne Recommended Unit Trusts Awards 2022/23 including Top Fund House 2021 and Investors' Choice Fund House of the year 2022.

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](http://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.

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



**Munirah Khairuddin**  
Chief Executive Officer

**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 period 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 MYR. 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.

**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 31 May 2022?**

RM336.67 million (336.67 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](http://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 period from 1 December 2021 to 31 May 2022?**

The Fund distributed a total net income of RM3.13 million to unit holders for the financial period from 1 December 2021 to 31 May 2022.

The Fund's NAV per unit before and after distribution were as follows:

| <b>Date 01.12.2021 to 31.05.2022</b> | <b>NAV per unit<br/>(Before distribution)</b> | <b>NAV per unit<br/>(After distribution)</b> |
|--------------------------------------|---|--|
| Class A                              | 1.0000  | 1.0000                                       |

**PERFORMANCE DATA**

Details of portfolio composition of the Fund for the financial period were as follows:

|   | <b>31.05.2022</b> |
|---|-------------------|
|   | <b>%</b>          |
| Islamic Deposits with licensed Islamic financial institutions | 98.79             |
| Cash and other assets   | 2.95              |
| Liabilities   | (1.74)            |
|   | <b>100.00</b>     |

Performance details of the Fund for the financial period were as follows:

|                                | <b>31.05.2022</b> |
|--------------------------------|-------------------|
| NAV (RM Million)*              |                   |
| - Class A                      | 336.67            |
| - Class B                      | 0.00*             |
| Units in circulation (Million) |                   |
| - Class A                      | 336.67            |
| - Class B                      | 0.00*             |
| NAV per unit (RM)*             |                   |
| - Class A                      | 1.0000            |
| - Class B                      | 1.0183            |

Note: 0.00\* denotes fair value less than 0.01 million

**PERFORMANCE DATA (CONTINUED)**

Performance details of the Fund for the financial period were as follows: (continued)

|                           | <b>01.12.2021<br/>to 31.05.2022</b> |
|---------------------------|-------------------------------------|
| Highest NAV per unit (RM) |                                     |
| - Class A                 | 1.0000                              |
| - Class B                 | 1.0183                              |
| Lowest NAV per unit (RM)* |                                     |
| - Class A                 | 1.0000                              |
| - Class B                 | 1.0105                              |
| Total return (%)          |                                     |
| - Class A                 | 0.76                                |
| - Class B                 | 0.77                                |
| - Capital growth (%)      |                                     |
| - Class A                 | -                                   |
| - Class B                 | -                                   |
| - Income distribution (%) |                                     |
| - Class A                 | 0.76                                |
| - Class B                 | 0.77                                |

\*Ex-distribution

|  |       |
|--|-------|
| Total Expense Ratio ("TER") (%) <sup>^</sup> | 0.24  |
| Portfolio Turnover Ratio ("PTR") (times) #   | 17.65 |

<sup>^</sup> The Fund's TER for the financial period under review came in at 0.24%.

# The Fund's PTR for the financial period under review came in at 17.65 times due to the higher denomination amount for each deposit contract with the financial institution, which have led to a lower number of transactions during the period.

|   | <b>01.12.2021<br/>to 31.05.2022</b> |
|---|-------------------------------------|
| <b>Date of distribution</b>               |                                     |
| <b>Daily from 1.12.2021 to 31.05.2022</b> |                                     |
| Gross/ Net distribution per unit (sen)    | 0.76                                |

|                            | <b>01.12.2021<br/>to 31.05.2022<br/>%</b> |
|----------------------------|---|
| <b>Annual total return</b> |   |
| Class A                    | 1.49                                      |
| Class B                    | 1.52                                      |

(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 period have been extracted from Lipper.

**MARKET REVIEW (1 December 2021 to 31 May 2022)**

The Monetary Policy Committee (“MPC”) of Bank Negara Malaysia (“BNM”) decided to increase the Overnight Policy Rate (“OPR”) by 25 basis points (“bps”) from 1.75% to 2.00%, earlier than previously expected. The ceiling and floor rates of the corridor of the OPR are correspondingly increased to 2.25% and 1.75%, respectively.

In its monetary policy statement, BNM reiterated that over the course of the Coronavirus Disease 2019 (“COVID-19”) crisis, the OPR was reduced by a cumulative 125 bps to a historic low of 1.75% to provide support to the economy and highlighted that the unprecedented conditions that necessitated such actions have since abated. With the domestic growth on a firmer footing, the MPC decided to begin reducing the degree of monetary accommodation which will be done in a measured and gradual manner, ensuring that monetary policy remains accommodative to support a sustainable economic growth in an environment of price stability.

Malaysia’s First Quarter of 2022 Gross Domestic Product (“GDP”) expanded at 5.0% as compared to 3.6% in Fourth Quarter of 2021. Monthly real GDP expanded at rising pace during the quarter i.e., +4.3% Year Over Year (“YoY”) in January 2022; +5.2% YoY in February 2022; +5.4% YoY in March 2022 (December 2021: +2.0% YoY).

Data released in May 2022 showed that Industrial Production Index (“IPI”) grew at its fastest pace in March 2022 at 5.1% year-on-year beating estimates of an expansion of 4.8%, versus revised +4% in February, as all three sectors of the IPI expanded, particularly for the manufacturing sector. The expansion of IPI was contributed by the increment in all three sectors: Manufacturing index, 6.9%, Electricity index, 0.8 % and Mining index, 0.3%.

Malaysia’s total trade performance continued its growth momentum in April 2022, expanded by 21.3%, reaching RM231.4 billion as compared to RM190.8 billion in the preceding year. Exports increased by 20.7% to RM127.5 billion in April 2022. Imports amounted at RM103.9 billion rose by 22.0% YoY. Trade balance continued to record a surplus, with a value of RM23.5 billion, an increase of 15.7% from the previous year.

Headline inflation inched higher to +2.3% YoY in Apr 2022 (March 2022: +2.2% YoY; Fourth Quarter 2022: 2.2% YoY) mainly on higher food & non-alcoholic beverages cost. Core inflation also edged up to +2.1% YoY (March 2022: +2.0% YoY) amid pent up discretionary spending and services demand.

Producer Price Index (“PPI”) for local production continued to register double-digit growth in April 2022 at 11% YoY, slightly lower than the 11.6% growth recorded in March 2022. The increase was attributed by Mining index that increased 18.4 per cent as compared to 28.2 per cent recorded in March 2022.

**FUND PERFORMANCE**

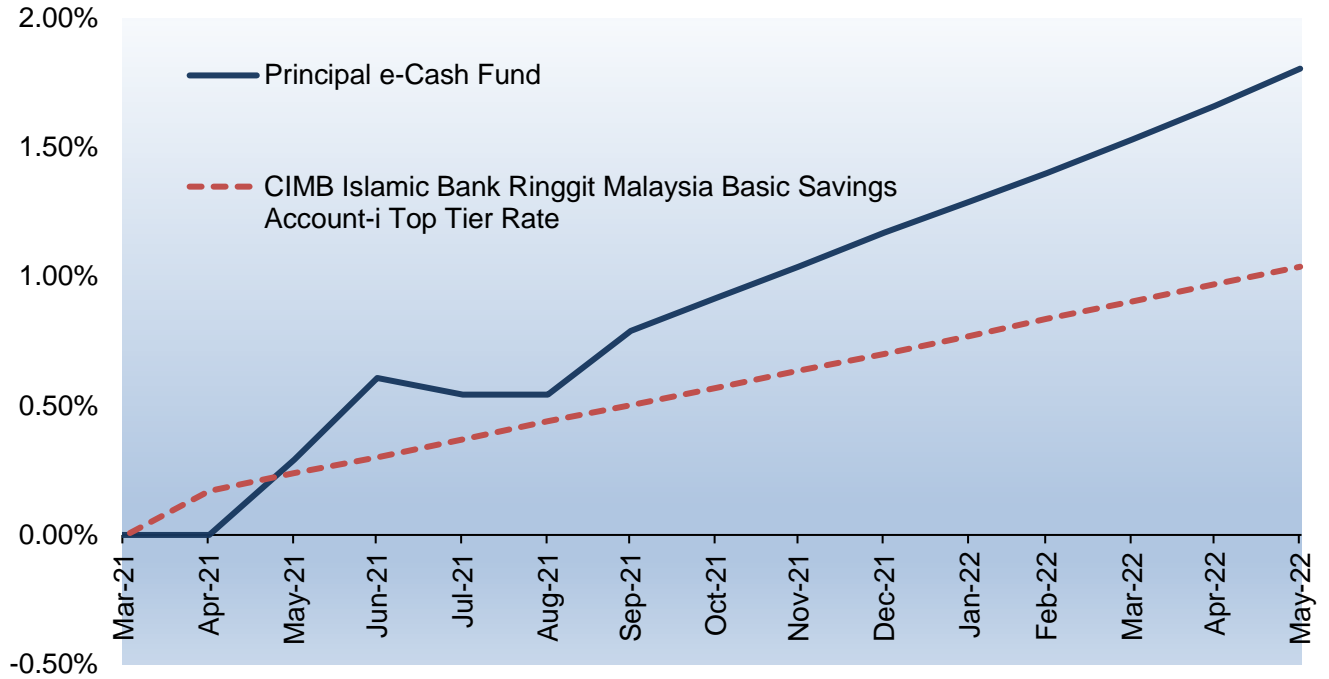
|                      | 6 months to<br>31.05.2022 |              | 1 year to<br>31.05.2022 |              | Since inception to<br>31.05.2022 |              |
|----------------------|---------------------------|--------------|-------------------------|--------------|----------------------------------|--------------|
|                      | Class A<br>%              | Class B<br>% | Class A<br>%            | Class B<br>% | Class A<br>%                     | Class B<br>% |
| Income Distribution  | 0.76                      | 0.77         | 1.49                    | 1.52         | 1.80                             | 1.83         |
| Capital Growth       | -                         | -            | -                       | -            | -                                | -            |
| Total Return         | 0.76                      | 0.77         | 1.49                    | 1.52         | 1.80                             | 1.83         |
| Benchmark            | 0.76                      | 0.40         | 0.80                    | 0.80         | 1.04                             | 1.04         |
| Average Total Return | 1.53                      | 1.55         | 1.49                    | 1.52         | 1.48                             | 1.51         |

Since inception until 31 May 2022, the total return for Class A stood at 1.80% and Class B at 1.83%, which outperformed the benchmark return of 1.04%.

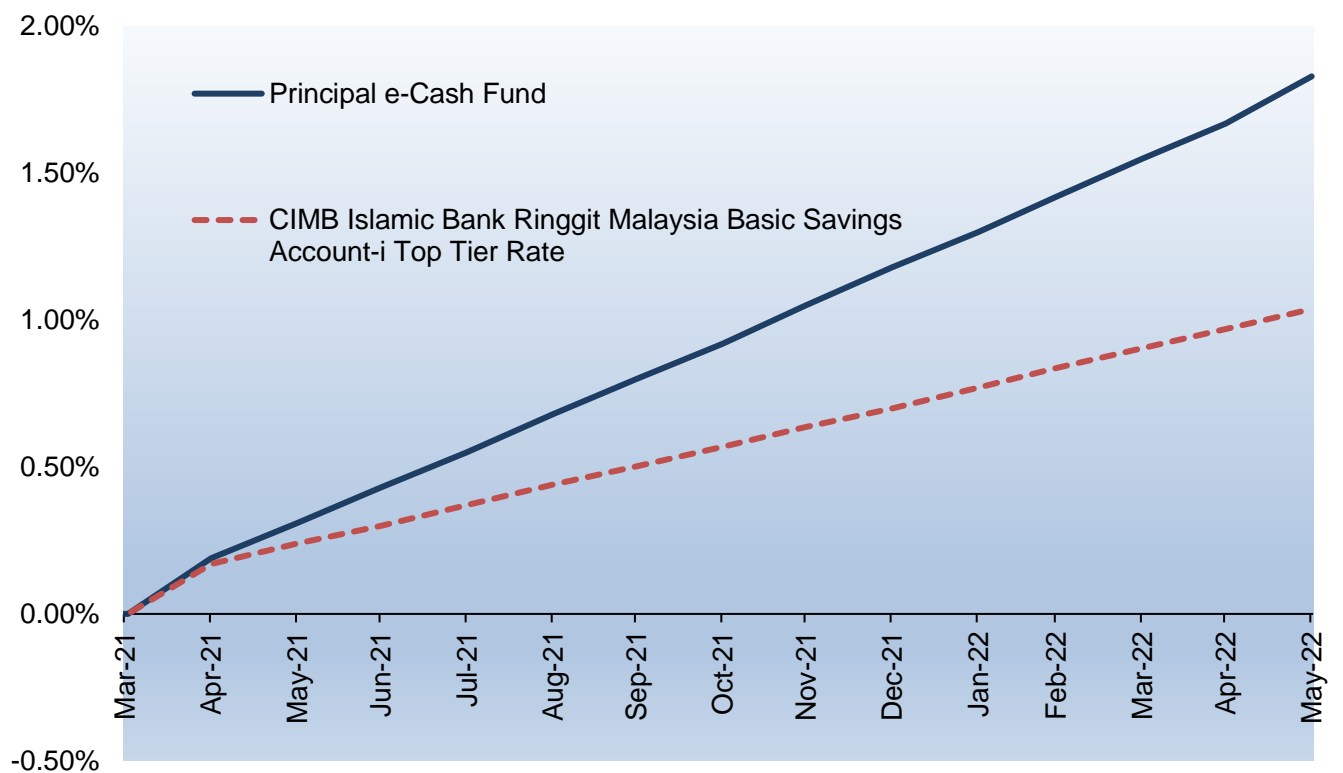
FUND PERFORMANCE (CONTINUED)

Since Inception

Class A



Class B





**FUND PERFORMANCE (CONTINUED)**

**Changes in NAV**

|                  | <b>31.05.2022</b> | <b>30.11.2021<br/>Audited</b> | <b>Changes<br/>%</b> |
|------------------|-------------------|-------------------------------|----------------------|
| <b>Class A</b>   |                   |                               |                      |
| NAV (RM Million) | 336.67            | 405.66                        | (17.01)              |
| NAV/Unit (RM)    | 1.0000            | 1.0000                        | -                    |
| <b>Class B</b>   |                   |                               |                      |
| NAV (RM Million) | 0.00*             | 0.00*                         | -                    |
| NAV/Unit (RM)    | 1.0183            | 1.0105                        | 0.77                 |

Note: 0.00\* denotes fair value less than 0.01 million

The Fund's NAV for Class A stood at RM336.67 million and less than RM0.01 million for Class B on 31 May 2022. Meanwhile, the NAV per unit for Class A stood at RM1.0000 per unit, and RM1.0183 per unit 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 period have been extracted from Lipper.

**PORTFOLIO STRUCTURE**

**Asset allocation**

| <b>(% of NAV)</b>   | <b>31.05.2022</b> | <b>31.11.2021<br/>Audited</b> |
|---|-------------------|-------------------------------|
| Shariah-compliant deposits with licensed islamic financial institutions | 98.79             | 97.96                         |
| Cash and other assets   | 2.95              | 3.71                          |
| Liabilities   | (1.74)            | (1.67)                        |
| <b>TOTAL</b>  | <b>100.00</b>     | <b>100.00</b>                 |

As at 31 May 2022, the Fund was fully invested in Shariah-compliant deposits with licensed Islamic financial institutions, and cash and other assets.

**MARKET OUTLOOK\***

Going into the Second Half of 2022, we are expecting the domestic economy to continue to benefit from the reopening – supported by the border reopening and additional support from the Employees Provident Fund (“EPF”) withdrawals. With this, we are expecting between 1 – 2 hikes in the Overnight Policy Rate (“OPR”) by Bank Negara Malaysia, which would bring the OPR to a range of 2.25% - 2.50% by the end-2022.

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

## INVESTMENT STRATEGY

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.

## UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 31 May 2022 were as follows:

### Class A

| Size of unit holdings (units) | No. of unit holders | No. of units held (million) | % of units held |
|-------------------------------|---------------------|-----------------------------|-----------------|
| 5,000 and below               | 2,173,119           | 197.15                      | 58.56           |
| 5,001 – 10,000                | 17,863              | 139.49                      | 41.43           |
| 10,001 – 50,000               | 3                   | 0.03                        | 0.01            |
| 50,001 – 500,000              | -                   | -                           | -               |
| 500,001 and above             | -                   | -                           | -               |
| <b>Total</b>                  | <b>2,190,985</b>    | <b>336.67</b>               | <b>100.00</b>   |

### Class B

| Size of unit holdings (units) | No. of unit holders | No. of units held (million) | % of units held |
|-------------------------------|---------------------|-----------------------------|-----------------|
| 5,000 and below               | 1                   | 0.00*                       | 100.00          |
| 5,001 – 10,000                | -                   | -                           | -               |
| 10,001 – 50,000               | -                   | -                           | -               |
| 50,001 – 500,000              | -                   | -                           | -               |
| 500,001 and above             | -                   | -                           | -               |
| <b>Total</b>                  | <b>1</b>            | <b>0.00*</b>                | <b>100.00</b>   |

Note: 0.00\* denotes unit count less than 0.01 million.

## SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (the "Manager") and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Principal Malaysia Funds ("Funds") unless the soft commission received is retained in the form of goods and services such as research and advisory services that assist in the decision making process relating to the Fund's investments. All dealings with brokers are executed on most favourable terms available for the Fund. Any rebates will be directed to the account of the Fund.

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

**STATE OF AFFAIR OF THE FUND**

Please find the latest changes to the Manager's board of directors as follows:

Mr. Juan Ignacio Eyzaguirre Baraona (resigned on 30 June 2022)

Mr. Uday Jayaram (appointed on 30 June 2022) ^

^Also serves as Investment Committee member (non-independent).

**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 period under review.

**CROSS TRADE**

No cross-trade transactions have been carried out during the financial period 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 unaudited financial statements set out on pages 13 to 31 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 May 2022 of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting.

For and on behalf of the Manager

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

**MUNIRAH KHAIRUDDIN**  
Chief Executive Officer/Executive Director

**UDAY JAYARAM**  
Director

Kuala Lumpur  
15 July 2022

**TRUSTEE'S REPORT**

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

We have acted as Trustee of the Fund for the financial period ended 31 May 2022 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 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  
15 July 2022

**SHARIAH ADVISER'S REPORT**

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

**For the Financial Period Ended 31 May 2022**

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 period 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 ("SC") pertaining to Shariah matters; and
2. The asset of the Fund comprises of instruments that have been classified as Shariah compliant.

**For Amanie Advisors Sdn Bhd**

**Tan Sri Dr Mohd Daud Bakar**  
Executive Chairman

Kuala Lumpur  
15 July 2022

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022**

|   | Note | 01.12.2021<br>to 31.05.2022<br>RM |
|---|------|-----------------------------------|
| <b>INCOME</b>   |      |                                   |
| Profit income from Shariah-compliant deposits with licensed Islamic financial institutions at fair value through profit or loss |      | <u>4,136,969</u>                  |
| <b>EXPENSES</b>   |      |                                   |
| Management fee  | 4    | 936,428                           |
| Trustee fee   |      | 50,669                            |
| Audit fee   |      | 7,979                             |
| Tax agent's fee   |      | 2,493                             |
| Other expenses  |      | <u>8,297</u>                      |
|   |      | <u>1,005,866</u>                  |
| <b>PROFIT BEFORE DISTRIBUTION AND TAXATION</b>  |      | 3,131,103                         |
| Distribution:   |      |                                   |
| - Class A   | 6    | <u>3,131,095</u>                  |
| <b>PROFIT BEFORE TAXATION</b>   |      | 8                                 |
| Taxation  | 7    | <u>-</u>                          |
| <b>PROFIT AFTER TAXATION,<br/>REPRESENTING TOTAL COMPREHENSIVE<br/>INCOME FOR THE FINANCIAL PERIOD</b>                          |      | <u>8</u>                          |
| Profit after taxation is made up as follows:  |      |                                   |
| Realised amount   |      | <u>8</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 MAY 2022

|   | Note | 31.05.2022<br>RM   | 31.11.2021<br>Audited<br>RM |
|---|------|--------------------|-----------------------------|
| <b>ASSETS</b>   |      |                    |                             |
| Cash and cash equivalents                             | 9    | 9,940,188          | 15,055,501                  |
| Financial assets at fair value through profit or loss | 8    | 332,591,166        | 397,378,802                 |
| <b>TOTAL ASSETS</b>                                   |      | <u>342,531,354</u> | <u>412,434,303</u>          |
| <b>LIABILITIES</b>                                    |      |                    |                             |
| Amount due to manager                                 |      | 5,684,343          | 6,634,073                   |
| Accrued management fee                                |      | 138,046            | 119,404                     |
| Amount due to Trustee                                 |      | 9,203              | -                           |
| Distribution payable                                  |      | 16,003             | 16,224                      |
| Other payables and accruals                           |      | 14,146             | 656                         |
| <b>TOTAL LIABILITIES</b>                              |      | <u>5,861,741</u>   | <u>6,770,357</u>            |
| <b>NET ASSET VALUE OF THE FUND</b>                    |      | <u>336,669,613</u> | <u>405,663,946</u>          |
| <b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>        |      | <u>336,669,613</u> | <u>405,663,946</u>          |
| <b>REPRESENTED BY:</b>                                |      |                    |                             |
| <b>FAIR VALUE OF OUTSTANDING UNITS</b>                |      |                    |                             |
| - Class A   |      | 336,668,595        | 405,662,935                 |
| - Class B   |      | 1,018              | 1,011                       |
|   |      | <u>336,669,613</u> | <u>405,663,946</u>          |
| <b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>         |      |                    |                             |
| - Class A   |      | 336,668,595        | 405,662,935                 |
| - Class B   |      | 1,000              | 1,000                       |
|   | 10   | <u>336,669,595</u> | <u>405,663,935</u>          |
| <b>NET ASSET VALUE PER UNIT</b>                       |      |                    |                             |
| - Class A   |      | 1.0000             | 1.0000                      |
| - Class B   |      | 1.0183             | 1.0105                      |

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 UNIT HOLDERS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022**

|   | 01.12.2021<br>to 31.05.2022<br>RM |
|---|-----------------------------------|
| <b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS<br/>AT THE BEGINNING OF THE FINANCIAL PERIOD</b> | <u>405,663,946</u>                |
| Movement due to units created and cancelled during<br>the financial year:                   |                                   |
| Creation of units from applications   |                                   |
| - Class A   | 2,155,602,379                     |
| - Class B   | <u>-</u>                          |
|   | <u>2,155,602,379</u>              |
| Creation of units from distributions  |                                   |
| - Class A   | 3,131,095                         |
| Cancellation of units   |                                   |
| - Class A   | (2,227,727,815)                   |
| Total comprehensive income for the financial period   | <u>8</u>                          |
| <b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS<br/>AT THE END OF THE FINANCIAL PERIOD</b>       | <u><u>336,669,613</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 MAY 2022**

**01.12.2021  
to 31.05.2022  
RM**

**CASH FLOWS FROM OPERATING  
ACTIVITIES**

|   |                   |
|---|-------------------|
| Proceeds from maturity Shariah-compliant of deposits with licensed Islamic financial institutions   | 7,205,867,448     |
| Placement of deposits with licensed Islamic financial institutions                                  | (7,141,079,812)   |
| Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions | 4,136,969         |
| Management fee paid   | (917,786)         |
| Trustee fee paid  | (41,466)          |
| Payments for other fees and expenses  | (5,279)           |
| <b>Net cash generated from operating activities</b>   | <b>67,960,074</b> |

**CASH FLOWS FROM FINANCING  
ACTIVITIES**

|  |                     |
|--|---------------------|
| Cash proceeds from units created             | 2,155,602,379       |
| Payments for cancellation of units           | (2,228,677,545)     |
| Distribution paid                            | (221)               |
| <b>Net cash used in financing activities</b> | <b>(73,075,387)</b> |

|   |                  |
|---|------------------|
| Net decrease in cash and cash equivalents                     | (5,115,313)      |
| Cash and cash equivalent at the beginning of financial period | 15,055,501       |
| Cash and cash equivalents at the end of the financial period  | <b>9,940,188</b> |

Cash and cash equivalents comprise:

|  |                  |
|--|------------------|
| Bank balance   | 9,940,188        |
| Cash and cash equivalents at the end of the financial period | <b>9,940,188</b> |

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 MAY 2022****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 and a First Supplemental Master Deed dated 16 June 2021 (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 MYR. 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, 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).

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

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

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

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

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

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.

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 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 Shariah-compliant investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

<sup>1</sup> 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)**

Shariah-compliant deposits with licensed Islamic financial institutions are stated at fair value. Due to the short-term nature of the deposits, the cost-plus accrued profit calculated based on the effective profit method over the period 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 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 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/period.

**(c) Income recognition**

Profit income from Shariah-compliant 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).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(d) Functional and presentation currency**

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

**(e) 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 a deduction from the statement of comprehensive income except where dividend is sourced out of distribution equalisation which is accounted for as a deduction from unitholders’ contributions. A proposed distribution is recognised as a liability in the financial year in which it is approved by the Manager.

**(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 SC Guidelines on Unit Trust Funds. 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 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 SC Guidelines on Unit Trust Funds.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(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 SC Guidelines on Unit Trust Funds.

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:

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

The Fund aims to provide investors with a low-risk investment portfolio by investing primarily in Shariah-compliant deposits.

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 SC Guidelines on Unit Trust Funds.

**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****(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 investment in money market instruments. The interest rate risk is expected to be minimal as the Fund's investments comprise mainly short-term Shariah-compliant 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, Shariah-compliant deposits with licensed Islamic financial 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 period 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)****(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 Shariah-compliant deposits in licensed Islamic financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed 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 SC Guidelines on Unit Trust Funds.

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

**(d) Capital risk management**

The capital of the Fund is net assets attributable to unit holders. 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.

**3. FINANCIAL INSTRUMENTS AND 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 difference levels have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

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

**(e) Fair value estimation (continued)**

**(i) Fair value hierarchy (continued)**

|   | <b>Level 1<br/>RM</b> | <b>Level 2<br/>RM</b> | <b>Level 3<br/>RM</b> | <b>Total<br/>RM</b> |
|---|-----------------------|-----------------------|-----------------------|---------------------|
| <b>31.05.2022</b>   |                       |                       |                       |                     |
| Financial assets at fair value through profit or loss:                    |                       |                       |                       |                     |
| - Shariah-compliant deposits with licensed Islamic financial institutions | -                     | 332,591,166           | -                     | 332,591,166         |
|   | <b>RM</b>             | <b>RM</b>             | <b>RM</b>             | <b>RM</b>           |
| <b>30.11.2021</b>   |                       |                       |                       |                     |
| <b>Audited</b>  |                       |                       |                       |                     |
| Financial assets at fair value through profit or loss:                    |                       |                       |                       |                     |
| - Shariah-compliant deposits with licensed Islamic financial institutions | -                     | 397,378,802           | -                     | 397,378,802         |

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 Shariah-compliant 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 six months financial period ended 31 May 2022, the management fee is recognised at a rate of 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 six months financial period ended 31 May 2022, the Trustee fee is recognised at a rate of 0.03% per annum.

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:

|                         | <b>01.12.2021<br/>to 31.05.2022<br/>RM</b> |
|-------------------------|--|
| Profit income           | <u>4,136,958</u>                           |
| Less:                   |  |
| Expenses                | <u>(1,005,863)</u>                         |
| Net distribution amount | <u><u>3,131,095</u></u>                    |

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

**Distribution on 1 December 2021 to 31 May 2022**

Gross/ Net distribution per unit (sen) 0.76

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

**7. TAXATION**

|                                     | <b>01.12.2021<br/>to 31.05.2022<br/>RM</b> |
|-------------------------------------|--|
| Tax charged for the financial year: |  |
| - Current taxation                  | <u>-</u>                                   |

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:

|   | <b>01.12.2021<br/>to 31.05.2022<br/>RM</b> |
|---|--|
| Profit before taxation  | <u>8</u>                                   |
| Taxation at Malaysian statutory rate of 24%                   | 2  |
| Tax effects of:   |  |
| - Investment income not subject to tax                        | (992,873)                                  |
| - Expenses not deductible for tax purposes                    | 768,128                                    |
| - Restriction on tax deductible expenses for Unit Trust Funds | <u>224,743</u>                             |
| Taxation  | <u>-</u>                                   |

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

|  | <b>31.05.2022<br/>RM</b> | <b>30.11.2021<br/>Audited<br/>RM</b> |
|--|--------------------------|--------------------------------------|
| At fair value through profit or loss:                                      |                          |                                      |
| - Shariah-compliant deposits with licensed Islamic financial institutions* | <u>332,591,166</u>       | <u>397,378,802</u>                   |

\* Includes profit receivable of RM592,223

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

|   | <b>31.05.2022<br/>%</b> | <b>30.11.2021<br/>Audited<br/>%</b> |
|---|-------------------------|-------------------------------------|
| Shariah-compliant deposits with licensed Islamic financial institutions | <u>2.18</u>             | <u>1.88</u>                         |

Shariah-compliant deposits with licensed Islamic financial institutions of the Fund have an average remaining maturity of 35 days.

**9. CASH AND CASH EQUIVALENTS**

|              | <b>31.05.2022<br/>RM</b> | <b>30.11.2021<br/>Audited<br/>RM</b> |
|--------------|--------------------------|--------------------------------------|
| Bank balance | <u>9,940,188</u>         | <u>15,055,501</u>                    |

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

|   | 31.05.2022             | 30.11.2021<br>Audited  |
|---|------------------------|------------------------|
|   | <u>No. of units</u>    | <u>No. of units</u>    |
| Class A                                   | 336,668,595            | 405,662,935            |
| Class B                                   | 1,000                  | 1,000                  |
|   | <u>336,669,595</u>     | <u>405,663,935</u>     |
| <br>(i) Class A                           |                        |                        |
| At the beginning of the financial period  | 405,662,935            | -                      |
| Add: Creation of units from applications  | 2,155,602,380          | 1,771,775,429          |
| Add: Creation of units from distributions | 3,131,095              | 1,318,527              |
| Less: Cancellation of units               | <u>(2,227,727,815)</u> | <u>(1,367,431,021)</u> |
| At the end of the financial period        | <u>336,668,595</u>     | <u>405,662,935</u>     |
| <br>(ii) Class B                          |                        |                        |
| At the beginning of the financial period  | 1,000                  | -                      |
| Add: Creation of units from applications  | <u>-</u>               | <u>1,000</u>           |
| At the end of the financial period        | <u>1,000</u>           | <u>1,000</u>           |

11. TOTAL EXPENSE RATIO (“TER”)

|     | 01.12.2021<br>to 31.05.2022<br>% |
|-----|----------------------------------|
| TER | <u>0.24</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 period calculated on a daily basis is RM417,264,528.

12. PORTFOLIO TURNOVER RATIO (“PTR”)

01.12.2021  
to 31.05.2022

PTR (times) 17.65

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 period = RM7,331,000,000

total maturity for the financial period = RM7,398,667,860

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  |

13. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER, AND SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

Units held by the Manager and parties related to the Manager

|                                   | 31.05.2022   |        | 30.11.2021<br>Audited |       |
|-----------------------------------|--------------|--------|-----------------------|-------|
|                                   | No. of units | RM     | No. of units          | RM    |
| <b>Manager</b>                    |              |        |                       |       |
| Principal Asset Management Berhad |              |        |                       |       |
| - Class B                         | 1,000        | 1,0183 | 1,000                 | 1,011 |

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.

|  | 31.05.2022        | 01.12.2021<br>to 31.05.2022 |
|--|-------------------|-----------------------------|
|  | RM                | RM                          |
| <u>Significant related party transactions</u>  |                   |                             |
| Profit income from Shariah-compliant deposits with licensed Islamic financial institution: |                   |                             |
| - CIMB Islamic Bank Bhd  |                   | 688,857                     |
|  | <b>31.05.2022</b> | <b>30.11.2021</b>           |
|  | <b>RM</b>         | <b>Audited</b>              |
|  |                   | <b>RM</b>                   |
| <u>Significant related party balances</u>  |                   |                             |
| Bank balance:  |                   |                             |
| - CIMB Islamic Bank Bhd  | 2,007,036         | 27,048,544                  |



**14. TRANSACTIONS WITH FINANCIAL INSTITUTIONS**

Details of transactions, with the financial institutions for the financial period ended 31 May 2022 were as follows:

| <b>Financial Institutions</b>             | <b>Value of placements<br/>RM</b> | <b>Percentage of<br/>total placements<br/>%</b> |
|---|-----------------------------------|---|
| Public Islamic Bank Bhd                   | 7,758,649,741                     | 53.85%  |
| Hong Leong Islamic Bank Bhd               | 2,130,722,630                     | 14.79%  |
| CIMB Islamic Bank Bhd #                   | 1,549,687,243                     | 10.76%  |
| RHB Islamic Bank Bhd                      | 1,142,666,599                     | 7.93%   |
| Maybank Islamic Bhd                       | 654,333,049                       | 4.54%   |
| AmBank Islamic Bhd                        | 614,467,178                       | 4.27%   |
| United Overseas Bank (M) Bhd<br>(Islamic) | 278,021,833                       | 1.93%   |
| Bank Islam Malaysia Bhd                   | 200,306,112                       | 1.39%   |
| United Overseas Bank (M) Bhd              | 78,011,448                        | 0.54%   |
|   | <u>14,406,865,833</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 RM1,549,687,243. 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. SIGNIFICANT EVENT DURING THE PERIOD**

The COVID-19 pandemic and related lockdowns and movement restrictions have had, and will continue to have, a significant impact on global economic conditions and the environment in which the Fund operates.

The Manager continue to closely monitor the macro-economic outlook as a result of COVID-19 pandemic and its impact to the Fund's performance and will be managing the risks to achieve the Fund's objective.

**16. COMPARATIVES**

There are no comparatives as this is the Fund's first set of interim financial statements.

**DIRECTORY**

**Head Office of the Manager**

Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))  
10<sup>th</sup> Floor, Bangunan CIMB,  
Jalan Semantan,  
Damansara Heights,  
50490 Kuala Lumpur, MALAYSIA.  
Tel: (03) 2084 8888

**Website**

[www.principal.com.my](http://www.principal.com.my)

**E-mail address**

[service@principal.com.my](mailto:service@principal.com.my)

**Customer Care Centre**

(03) 7723 7260

**Trustee for The Principal e-Cash Fund**

HSBC (Malaysia) Trustee Berhad (Company No.: 193701000084 (1281-T))  
19th Floor, Menara IQ, Lingkaran TRX,  
55188 Tun Razak Exchange, Kuala Lumpur, MALAYSIA.  
Tel: (03) 2075 7800  
Fax: (03) 8894 2611

**Shariah Adviser of the Principal Islamic Deposit Fund**

Amanie Advisors Sdn. Bhd. (Company No.: 200501007003 (0684050-H))  
Level 13A-2, Menara Tokio Marine Life,  
No 189, Jalan Tun Razak,  
50400 Kuala Lumpur, MALAYSIA.  
Tel: (03) 2161 0260  
Fax: (03) 2161 0262