

CIMB ISLAMIC PRS PLUS EQUITY

UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2019

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MEMBERS' LETTER

Dear Valued Member,

Thank you for your continued support and for the confidence that you have placed in us. Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) ("Principal Malaysia") has achieved RM62.98 billion in Asset under Management ("AUM") as of January 2019.

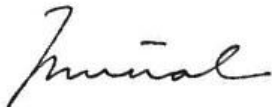
We continue to achieve prestigious recognitions, grabbing six individual awards at The Edge-Thomson Reuters Lipper Fund Awards 2018. In addition, we received recognition from Fundsupermart.com for 'Fund House of the Year' award and Recommended Unit Trust 2018/2019 awards for six funds.

We were also bestowed the 'Best Wealth Manager' in Malaysia at The Asset Triple A Private Banking, Wealth Management, Investment and Exchange-Traded Fund (ETF) Awards 2018. Latest, we were named the 'Best Asset Management Company' in Malaysia at the International Finance Awards 2018.

These prestigious awards are a celebration of the trust that you have placed in us and testament to our capability in bringing potential value to your financial goals and needs. We look forward to serving you for many years to come and to the best of our ability.

Thank you.

Yours faithfully,
for **Principal Asset Management Berhad**
(*formerly known as CIMB-Principal Asset Management Berhad*)



Munirah Khairuddin
Chief Executive Officer

**SHARIAH ADVISER'S REPORT TO THE MEMBERS OF
CIMB ISLAMIC PRS PLUS EQUITY**

We have acted as the Shariah Adviser of CIMB Islamic PRS Plus Equity (the "Fund") for the six months financial period ended 28 February 2019. Our responsibility is to ensure that the procedures and processes employed by Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "PRS Provider") are in accordance with Shariah and Shariah Investment Guidelines.

In our opinion, the PRS Provider has managed and administered the Fund in accordance with the Shariah Investment Guidelines of the Fund and complied with applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters for the six months financial period ended 28 February 2019.

In addition, we also confirm that the investment portfolio of the Fund comprises securities which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission Malaysia and, where applicable the Shariah Advisory Council of Bank Negara Malaysia. For investments other than the abovementioned, we have reviewed the same and are of the opinion that these investments were in accordance with the Shariah Investment Guidelines of the Fund.

This report is made solely to the members of the Fund, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report and we shall not be liable for any errors or non-disclosure on the part of the PRS Provider.

For and on-behalf of the Shariah Adviser
CIMB Islamic Bank Berhad (Company No.:671380-H)

ASHRAF GOMMA ALI

Director/Regional Head, Shariah & Governance/Designated Person Responsible for Shariah Advisory

Kuala Lumpur
31 March 2019

**STATEMENT BY THE PRS PROVIDER TO THE MEMBERS OF
CIMB ISLAMIC PRS PLUS EQUITY**

We, being the Directors of Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "PRS Provider"), do hereby state that, in the opinion of the PRS Provider, the accompanying unaudited financial statements set out on pages 13 to 34 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the statement of financial position of the Fund as at 28 February 2019 and of its financial performance, changes in net assets attributable to members 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 PRS Provider

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

(formerly known as CIMB-Principal Asset Management Berhad)

MUNIRAH KHAIRUDDIN

Chief Executive Officer/Executive Director

PEDRO ESTEBAN BORDA

Director

Kuala Lumpur

23 April 2019

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

We have acted as the Trustee for CIMB Islamic PRS Plus Equity (the "Fund") for the six months financial period ended 28 February 2019. To the best of our knowledge, for the financial period under review, Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*)(the "PRS Provider") has operated and managed the Fund in accordance with the following:-

- (a) limitations imposed on the investment powers of the PRS Provider and Trustee under the Deeds, the Securities Commission's Guidelines on Private Retirement Schemes, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) the valuation/pricing is carried out in accordance with the Deeds and any regulatory requirements; and
- (c) creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirements.

For **Deutsche Trustees Malaysia Berhad (Company No.: 763590-H)**

NG HON LEONG
Head, Trustee Operations

RICHARD LIM HOCK SENG
Chief Executive Officer

Kuala Lumpur
23 April 2019

PRS PROVIDER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund seeks to provide capital growth over the long-term by investing in a target fund with investments in Malaysian securities that comply with the Shariah principles.

Has the Fund achieved its objective?

For the financial period under review, the Fund has performed in line with its objective.

What are the Fund investment policy and principal investment strategy?

The Fund will invest at least 95% of its Net Asset Value ("NAV") in the CIMB Islamic DALI Equity Growth Fund ("Target Fund"), a Malaysian domiciled fund established on 7 May 1998, which invests in Malaysian Shariah-compliant equities. The Fund will also maintain up to a maximum of 5% of its NAV in liquid assets.

Information on the Target Fund

Management Company: Principal Asset Management Berhad
Regulatory Authority: Securities Commission Malaysia ("SC")

Fund category/type

Feeder Fund - Equity (Shariah)

When was the Fund launched?

12 November 2012

What was the size of the Fund as at 28 February 2019?

RM53.32 million (95.12 million units)

What is the Fund's benchmark?

Financial Times Stock Exchange ("FTSE") Bursa Malaysia ("FBM") EMAS Shariah ("FBMS") Index

Note: The risk profile of the Fund is not the same as the risk profile of the benchmark.

What is the Fund distribution policy?

The Fund is not expected to pay any distribution.

PERFORMANCE DATA

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

	28.02.2019	28.02.2018	28.02.2017
	%	%	%
Shariah-compliant collective investment scheme	99.29	99.64	99.07
Cash and other net assets	0.71	0.36	0.93
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	28.02.2019	28.02.2018	28.02.2017
NAV (RM Million)			
- Class A	39.12	39.71	38.59
- Class C	3.04	2.94	2.85
- Class X	11.16	10.76	9.25
Units in circulation (Million)			
- Class A	69.78	61.90	64.36
- Class C	5.43	4.59	4.76
- Class X	19.90	16.77	15.43
NAV per unit (RM)			
- Class A	0.5606	0.6414	0.5995
- Class C	0.5605	0.6413	0.5994
- Class X	0.5606	0.6414	0.5995
	01.09.2018	01.09.2017	01.09.2016
	to 28.02.2019	to 28.02.2018	to 28.02.2017
Highest NAV per unit (RM)			
- Class A	0.6072	0.6606	0.6063
- Class C	0.6071	0.6606	0.6062
- Class X	0.6072	0.6607	0.6063
Lowest NAV per unit (RM)			
- Class A	0.5276	0.6135	0.5806
- Class C	0.5275	0.6135	0.5806
- Class X	0.5276	0.6135	0.5806
Total return (%)			
- Class A	(7.67)	4.24	(0.45)
- Class C	(7.68)	4.24	(0.45)
- Class X	(7.67)	4.24	(0.45)
Capital growth (%)			
- Class A	(7.67)	4.24	(0.45)
- Class C	(7.68)	4.24	(0.45)
- Class X	(7.67)	4.24	(0.45)
Income distribution (%)			
- Class A	-	-	-
- Class C	-	-	-
- Class X	-	-	-
Management Expense Ratio ("MER") (%) ^	0.06	0.09	0.07
Portfolio Turnover Ratio ("PTR") (times) #	0.04	0.04	0.04

PERFORMANCE DATA (CONTINUED)

^ The Fund's MER decreased from 0.09% to 0.06% due to the increase in average NAV during the six months financial period under review.

For the financial period under review, the Fund's PTR remained the same as compared to the last period at 0.04 times.

	28.02.2019	28.02.2018	28.02.2017	29.02.2016	28.02.2015
	%	%	%	%	%
Annual total return					
- Class A	(12.60)	7.10	0.88	(4.52)	3.46
- Class C	(12.60)	7.10	0.88	(4.52)	3.46
- Class X	(12.60)	7.10	0.88	(4.52)	3.46

(Launch date: 12 November 2012)

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

MARKET REVIEW (1 SEPTEMBER 2018 TO 28 FEBRUARY 2019)

The FBMS Index fell 1,081.14 points or 8.4% to 11,725.93 points over the financial period under review.

September 2018 saw the FBMS Index succumbing to selling pressure on worries that the USD200 billion trade tariffs imposed on China may impact global growth and Emerging Market ("EM") currencies. The downtrend was exacerbated by the financial crisis in Argentina which led investors to flee the Argentine Peso, causing worry of a contagion effect in Emerging Markets ("EM"). Sentiment in the local bourse was further affected by the announcement of the cancellation of 3 China-backed projects (the East Coast Railway Link ("ECRL") and the 2 gas pipeline projects estimated at USD23 billion) and the deferment of the High Speed Rail ("HSR") to September 2020, which sent the Construction Index tumbling by 5.4% month-on-month ("m-o-m").

The FBMS Index ended October 2018 was lower by 7.15% or 906.78 points to close at 11,771.78 points. The release of the mid-term review of the austere 11th Malaysia Plan offered no reprieve as investors continued to reduce their equity exposure due to rising economic risk and uncertainties. Local investors were concerned that the Government would unveil new taxes and announce a higher fiscal deficit for Budget 2019. Telecommunication companies were the biggest losers on the back of regulatory risk, while construction sector underperformed on Mass Rapid Transit ("MRT") Line 2 project cost cut. The sell-off continued into November and December 2018 with the FBMS Index falling by 1.2% and 1.1% respectively to close the year at 11,504.43 points.

The FMBS Index hit a low of 11,068.25 points on 18 December 2018 on lower sales guidance from Apple Inc. and an 8.4% m-o-m decline in Brent crude oil to USD53.50 per barrel. For 2018, the FBMS Index was lower by 13.5%.

The FBMS Index ended January 2019 marginally higher by 0.4% to close at 11,552.61 points driven by plantations stocks. The FBMS Index continued to scale higher by 1.6% in February 2019 to close at 11,732.11 points, driven by higher Brent crude oil, which traded up 6.7% m-o-m to USD66.82 per barrel on supply constraints. Sentiment in the local bourse was further lifted by the announcement from the Communications and Multimedia Minister which indicated that there will not be further reductions in high speed broadband prices in 2019 while Fitch re-affirmed Malaysia's sovereign rating.

FUND PERFORMANCE

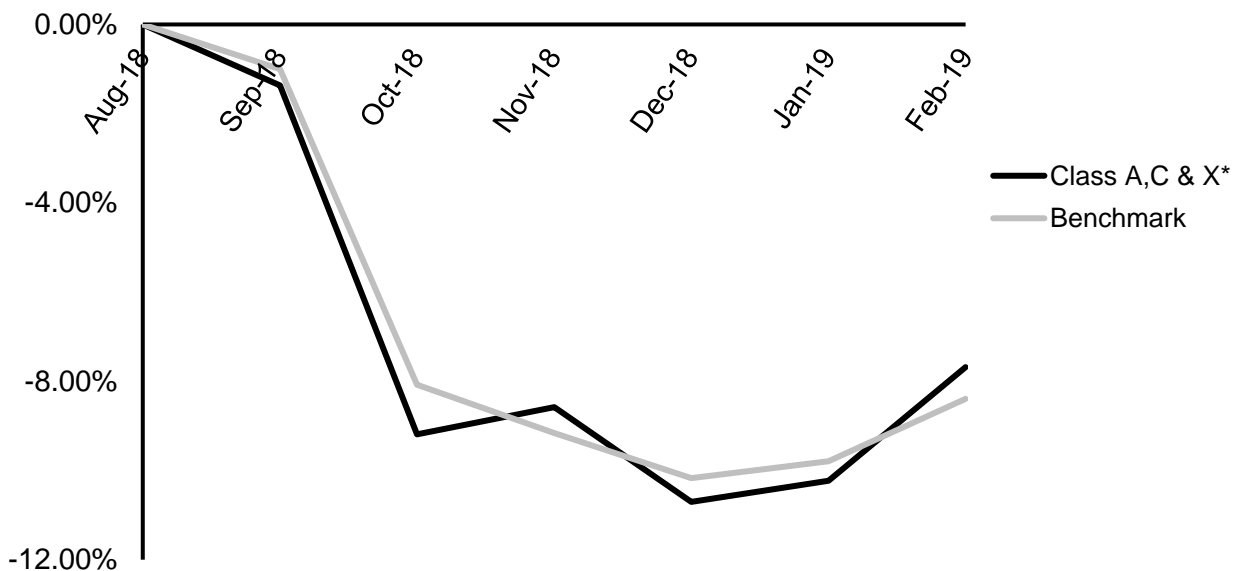
	6 months to 28.02.2019			1 year to 28.02.2019			3 years to 28.02.2019		
	Class A	Class C	Class X	Class A	Class C	Class X	Class A	Class C	Class X
	%	%	%	%	%	%	%	%	%
Income	-	-	-	-	-	-	-	-	-
Capital	(7.67)	(7.68)	(7.67)	(12.60)	(12.60)	(12.60)	(5.58)	(5.58)	(5.58)
Total Return	(7.67)	(7.68)	(7.67)	(12.60)	(12.60)	(12.60)	(5.58)	(5.58)	(5.58)
Benchmark	(8.39)	(8.39)	(8.39)	(12.63)	(12.63)	(12.63)	(4.22)	(4.22)	(4.22)
Average Total Return	N/A	N/A	N/A	(12.60)	(12.60)	(12.60)	(1.90)	(1.90)	(1.90)

	5 years to 28.02.2019			Since inception to 28.02.2019		
	Class A	Class C	Class X	Class A	Class C	Class X
	%	%	%	%	%	%
Income	-	-	-	-	-	-
Capital	(6.72)	(6.72)	(6.72)	12.12	12.10	12.12
Total Return	(6.72)	(6.72)	(6.72)	12.12	12.10	12.12
Benchmark	(9.02)	(9.02)	(9.02)	4.76	4.76	4.76
Average Total Return	(1.38)	(1.38)	(1.38)	1.83	1.83	1.83

For the financial period under review, Class A and Class X decreased by 7.67% while Class C decreased by 7.68%. Meanwhile, the benchmark depreciated 8.39% over the same reporting period. The outperformance of the Fund relative to its benchmark was driven mainly by the stock selection with the Target Fund.

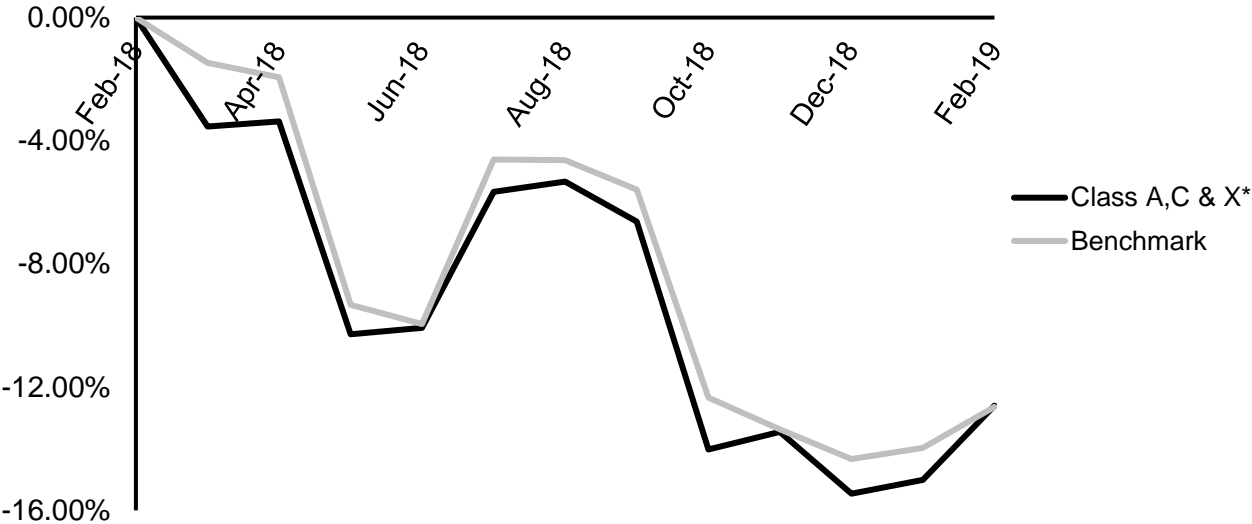
The slight variation in the performance between Class A, Class C and Class X, if any, was due to different timing of units created for each class.

6 months to 28.02.2019

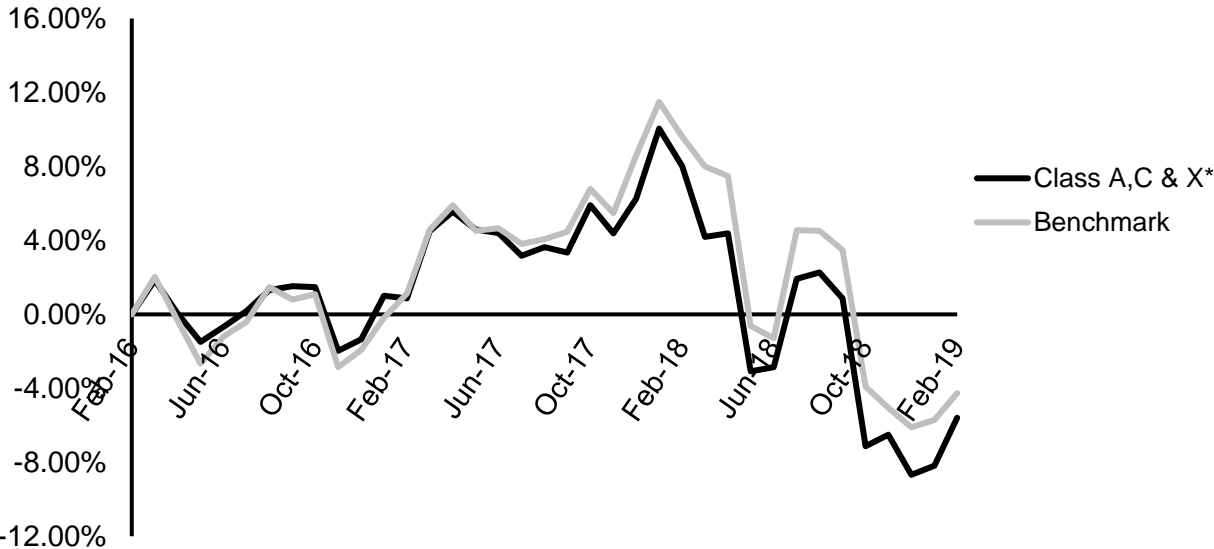


FUND PERFORMANCE (CONTINUED)

1 year to 28.02.2019

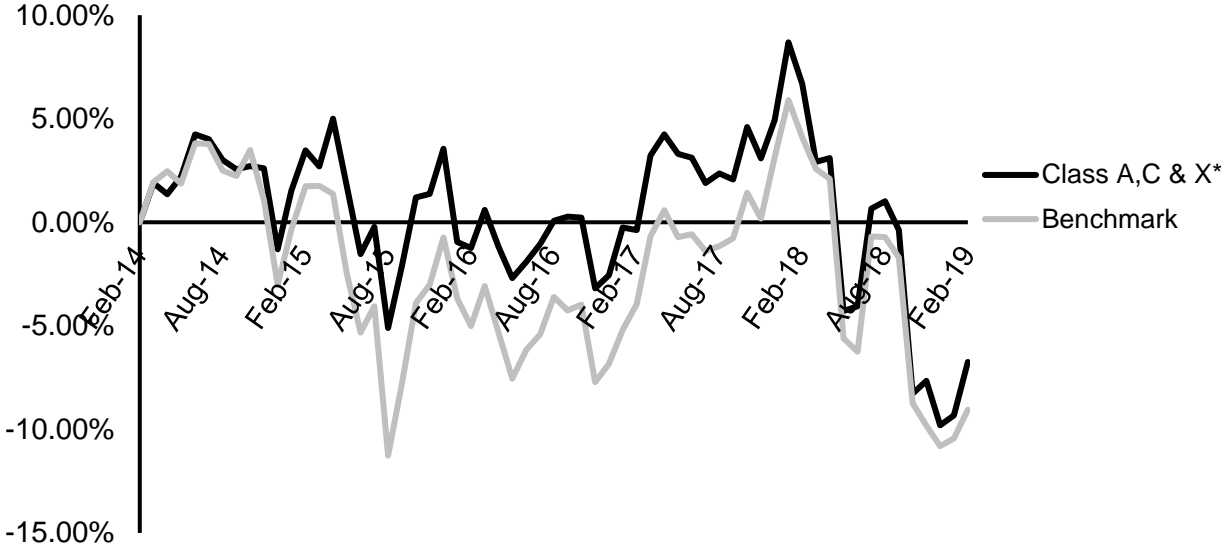


3 years to 28.02.2019

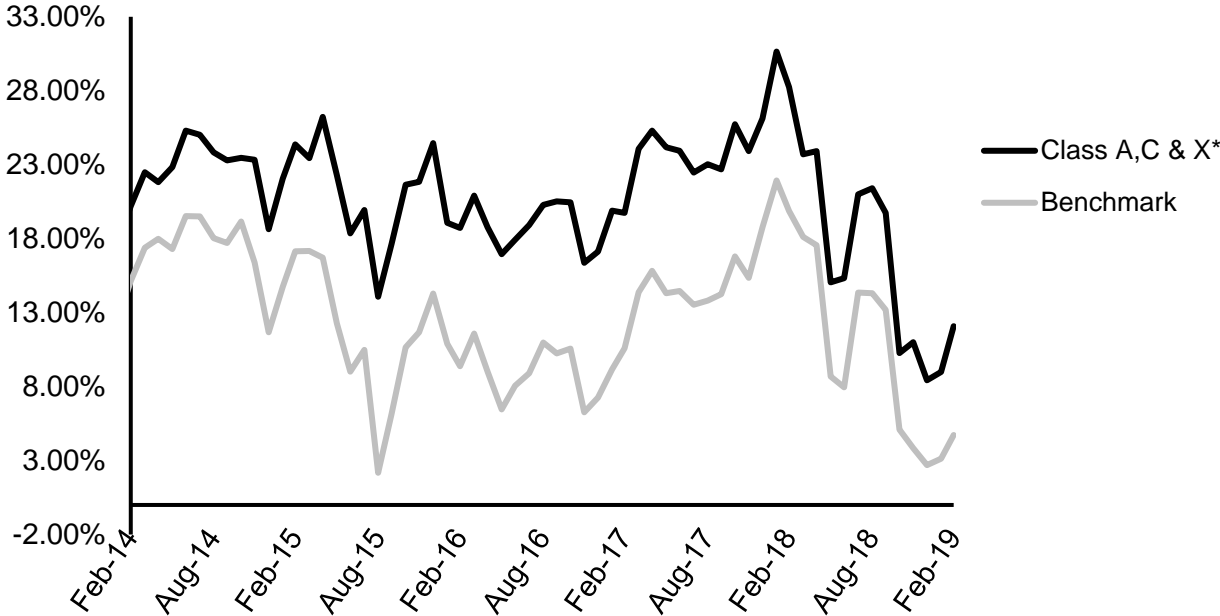


FUND PERFORMANCE (CONTINUED)

5 years to 28.02.2019



Since inception to 28.02.2019 (5 years truncated)



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

FUND PERFORMANCE (CONTINUED)

Changes in NAV

	28.02.2019	31.08.2018	Changes
CLASS A		Audited	%
NAV (RM Million)	39.12	39.48	(0.91)
NAV/Unit (RM)	0.5606	0.6072	(7.67)
CLASS C	28.02.2019	31.08.2018	Changes
		Audited	%
NAV (RM Million)	3.04	3.02	0.66
NAV/Unit (RM)	0.5605	0.6071	(7.68)
CLASS X	28.02.2019	31.08.2018	Changes
		Audited	%
NAV (RM Million)	11.16	11.19	(0.27)
NAV/Unit (RM)	0.5606	0.6072	(7.67)

As at 28 February 2019, the total NAV of Class A fell to RM39.12 million, or by 0.91%, while the total NAV of Class X fell by 0.27%. Meanwhile, the total NAV for Class C increased by 0.66%.

The NAV per unit decreased by 7.67% for Class A and Class X, while Class C decreased by 7.68% during the financial period under review.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	28.02.2019	31.08.2018
		Audited
Shariah-compliant collective investment scheme	99.29	99.55
Cash and other net assets	0.71	0.45
Total	100.00	100.00

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

MARKET OUTLOOK*

We continue to reiterate our cautious stance on the domestic market for 2019 given moderating Gross Domestic Product (“GDP”) growth, tepid corporate earnings growth and regulatory uncertainty. On the back of all these uncertainties, we reiterate our capital preservation investment strategy with preference on big cap Government Linked Companies (“GLCs”) and companies with strong fundamentals and solid cash flow and dividends in sectors such as Utilities & Renewable Energy, Real Estate Investment Trusts (“REITs”), Consumer Staples and Industrials.

* 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 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

As this is a Feeder Fund category under the Private Retirement Schemes (“PRS”), the Fund will continue to remain fully invested in the Target Fund with minimal cash kept for liquidity purposes.

MEMBERS STATISTICS AS AT 28 FEBRUARY 2019

CLASS A

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	8,285	15.84	22.70
5,001-10,000	2,128	15.19	21.77
10,001-50,000	1,467	27.02	38.72
50,001-500,000	106	11.22	16.08
500,001 and above	1	0.51	0.73
Total	11,987	69.78	100.00

CLASS C

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	746	1.14	21.03
5,001-10,000	187	1.27	23.43
10,001-50,000	120	2.19	40.41
50,001-500,000	8	0.83	15.13
500,001 and above	-	-	-
Total	1,061	5.43	100.00

CLASS X

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	1,496	2.30	11.56
5,001-10,000	425	3.12	15.68
10,001-50,000	529	11.85	59.54
50,001-500,000	33	2.63	13.22
500,001 and above	-	-	-
Total	2,483	19.90	100.00

SOFT COMMISSIONS AND REBATES

The PRS Provider and the Trustee (including their officers) 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 Funds unless the soft commission received is retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. All dealings with brokers are executed on best available terms.

During the financial period under review, the PRS Provider and the Trustee did not receive any rebates from the brokers or dealers but have 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.

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2019**

		01.09.2018 to 28.02.2019	01.09.2017 to 28.02.2018
	Note	RM	RM
(LOSS)/INCOME			
Net (loss)/gain on financial assets at fair value through profit or loss	7	<u>(4,076,730)</u>	<u>2,221,678</u>
EXPENSES			
Private Pension Administrator's fee	4	10,230	10,291
Trustee's fee	5	10,280	10,291
Audit fee		6,150	5,800
Tax Agent's fee		2,000	2,000
Other expenses		<u>1,294</u>	<u>17,729</u>
		<u>29,954</u>	<u>46,111</u>
(LOSS)/PROFIT BEFORE TAXATION		(4,106,684)	2,175,567
Taxation	6	<u>-</u>	<u>-</u>
(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>(4,106,684)</u>	<u>2,175,567</u>
(Decrease)/Increase in net assets attributable to members is made up as follows:			
Realised amount		(85,972)	(223,153)
Unrealised amount		<u>(4,020,712)</u>	<u>2,398,720</u>
		<u>(4,106,684)</u>	<u>2,175,567</u>

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2019**

		28.02.2019	31.08.2018
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents (Shariah-compliant)	8	229,488	34,515
Financial assets at fair value through profit or loss (Shariah-compliant)	7	52,943,901	53,445,631
Amount due from the PRS Provider	9	172,097	241,424
TOTAL ASSETS		53,345,486	53,721,570
LIABILITIES			
Amount due to the PRS Provider	9	5,929	16,327
Amount due to Private Pension Administrator		1,608	1,814
Amount due to Trustee		1,608	1,814
Other payables and accruals		12,151	12,200
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS)		21,296	32,155
NET ASSET VALUE OF THE FUND		53,324,192	53,689,415
NET ASSETS ATTRIBUTABLE TO MEMBERS		53,324,192	53,689,415
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- Class A		39,122,687	39,482,149
- Class C		3,042,825	3,023,322
- Class X		11,158,680	11,183,944
		53,324,192	53,689,415
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class A		69,783,646	65,019,070
- Class C		5,428,240	4,979,400
- Class X		19,903,637	18,417,465
	10	95,115,523	88,415,935
NET ASSET VALUE PER UNIT (RM)			
- Class A		0.5606	0.6072
- Class C		0.5605	0.6071
- Class X		0.5606	0.6072

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

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2019**

	01.09.2018 to 28.02.2019	01.09.2017 to 28.02.2018
	RM	RM
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE BEGINNING OF THE FINANCIAL PERIOD	53,689,415	50,750,727
Movement due to units created and cancelled during the financial period:		
Creation of units from applications		
- Class A	3,708,712	3,505,448
- Class C	352,290	221,300
- Class X	942,665	1,151,961
	<u>5,003,667</u>	<u>4,878,709</u>
Cancellation of units		
- Class A	(1,054,904)	(2,984,153)
- Class C	(93,491)	(239,357)
- Class X	(113,811)	(1,175,650)
	<u>(1,262,206)</u>	<u>(4,399,160)</u>
(Decrease)/Increase in net assets attributable to members during the financial period:	(4,106,684)	2,175,567
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL PERIOD	<u>53,324,192</u>	<u>53,405,843</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 28 FEBRUARY 2019**

	01.09.2018 to 28.02.2019	01.09.2017 to 28.02.2018
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from the disposal of Shariah-compliant collective investment scheme	300,000	1,762,000
Purchase of Shariah-compliant collective investment scheme	(3,875,000)	(1,991,999)
Private Pension Administrator's fee paid	(10,436)	(10,380)
Trustee's fee paid	(10,486)	(10,380)
Payments for other fees and expenses	(9,494)	(17,270)
Net cash used in operating activities	<u>(3,605,416)</u>	<u>(268,029)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	5,072,993	4,846,259
Payments for cancellation of units	(1,272,604)	(4,432,684)
Net cash generated from financing activities	<u>3,800,389</u>	<u>413,575</u>
Net increase in cash and cash equivalents	194,973	145,546
Cash and cash equivalents at the beginning of the financial period	34,515	38,376
Cash and cash equivalents at the end of the financial period	<u>229,488</u>	<u>183,922</u>
<u>Cash and cash equivalents comprised of:</u>		
Bank balance	<u>229,488</u>	<u>183,922</u>
Cash and cash equivalents at the end of the financial period	<u>229,488</u>	<u>183,922</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2019****1. THE FUND, THE PRS PROVIDER AND ITS PRINCIPAL ACTIVITIES**

CIMB Islamic PRS Plus Equity (the "Fund") is governed by a Deed dated 8 November 2012, a First Supplemental Deed dated 2 January 2014 and a Second Supplemental Deed dated 25 November 2014 (collectively referred to as the "Deeds"), made between Principal Asset Management Berhad (the "PRS Provider") and Deutsche Trustees Malaysia Berhad (the "Trustee").

The Fund offers three classes of units known respectively as Class A, Class C and Class X. In accordance with the Disclosure Document, Class A and Class C are for Members who have attained the age of 18 years as of the date of opening a private pension account. Class A and C have different management fee. Class X is for Members who participate via respective employers and is subject to a minimum of 200 participating employees per employer or 50 participating employees under payroll deduction per employer.

The Fund will invest at least 95% of its NAV in the Target Fund, a Malaysian domiciled fund established on 7 May 1998, which invest in Malaysian Shariah-compliant equities. The Fund will also maintain up to a maximum of 5% of its NAV in liquid assets.

All investments are subjected to the SC Guidelines on PRS, SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund's objective.

The PRS Provider, a company incorporated in Malaysia, is jointly owned by CIMB Group Sdn Bhd and Principal International (Asia) Limited. The principal activities of the PRS Provider are the establishment and management of unit trust funds and fund management activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements have been prepared in accordance with the provisions of the MFRS and International Financial Reporting Standards ("IFRS").

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

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

It also requires the PRS Provider to exercise their judgment in the process of applying the Fund's accounting policies. Although these estimates and judgment are based on the PRS Provider's best knowledge of current events and actions, actual results may differ.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(j).

Standard that is effective:

The Fund has applied the following standard for the first time for the financial year beginning 1 September 2018:

- A MFRS 9 'Financial Instruments' became effective for annual periods beginning on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in MFRS 139.

Classification and measurement of debt assets¹ is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument¹ is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest² ("SPPI"). A debt instrument¹ is measured at fair value through other comprehensive income ("OCI") if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments¹ must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative³ and equity instruments³ are measured at fair value through profit or loss unless, for equity instruments³ not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. MFRS 9 also introduces a new expected credit loss ("ECL") impairment model.

MFRS 9 has been applied retrospectively by the Fund and did not result in a change to the classification or measurement of financial instruments as outlined in Note 2(b).

The Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. There was no material impact on adoption from the application of the new impairment model.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 September 2018 that have a material effect on the financial statements of the Fund.

¹ For the purposes of the investments made by the Fund, debt instruments refers to Sukuk.

² For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments.

³ For the purposes of the investments made by the Fund, equity instruments and derivatives refers to Shariah-compliant equity instruments and Shariah-compliant derivatives.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

The amendments to published standard that are applicable to the Fund but not yet effective and have not been early adopted are as follows:

(i) Financial year beginning on/after 1 September 2019

- Amendments to MFRS 112 'Income Taxes' (effective from 1 January 2019) clarify that where income tax consequences of dividends on financial instruments classified as equity is recognised (either in profit or loss, OCI or equity) depends on where the past transactions that generated distributable profits were recognised.

Accordingly, the tax consequences are recognised in profit or loss when an entity determines payments on such instruments are distribution of profits (that is, dividends). Tax on dividend should not be recognised in equity merely on the basis that it is related to a distribution to owners.

The Fund will apply these amendments when effective. These amendments are not expected to have a significant impact on the Fund's financial statements.

(b) Financial assets and financial liabilities

Classification

Up to 31 August 2018, the Fund designates its investments in Shariah-compliant collective investment scheme as financial assets at fair value through profit or loss at inception.

Financial assets are designated at fair value through profit or loss when they are managed and their performance are evaluated on a fair value basis.

Financing and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been included in current assets. The Fund's financing and receivables comprise cash and cash equivalents and amount due from the PRS Provider.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The Fund classifies amount due to the PRS Provider, amount due to Private Pension Administrator, amount due to Trustee, and other payables and accruals as other financial liabilities.

From 1 September 2018, 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.

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

Investment in collective investment scheme is debt instrument with contractual cash flow that do not represent SPPI and therefore is classified as fair value through profit or loss.

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

The Fund classifies amount due to the PRS Provider, amount due to Private Pension Administrator, amount due to Trustee, and other payables and accruals as other financial liabilities as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value.

Financial liabilities, within the scope of MFRS 139 up to 31 August 2018 and MFRS 9 from 1 September 2018, 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.

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

Unrealised gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the statement of comprehensive income within net gain or loss on financial assets at fair value through profit or loss in the financial period which they arise.

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

Shariah-compliant collective investment scheme are valued based on the most recent published NAV per unit or share of such Shariah-compliant collective investment scheme or, if unavailable, on the last published price of such unit or share (excluding any sales charge included in such selling price).

Financial assets at amortised cost (2018: financing and receivables) and other financial liabilities are subsequently carried at amortised cost using the effective profit method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Impairment for assets carried at amortised costs

Up to 31 August 2018, for assets carried at amortised cost, the Fund assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective profit rate. The asset's carrying amount is reduced and the amount of the loss is recognised in statement of comprehensive income. If 'financing and receivables' has a variable profit rate, the discount rate for measuring any impairment loss is the current effective profit rate determined under the contract.

As a practical expedient, the Fund may measure impairment on the basis of an instrument's fair value using an observable market price. If, in a subsequent financial period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in statement of comprehensive income.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

From 1 September 2018 onwards, the Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. Management consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses 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 management 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.

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

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

(c) Income recognition

Realised gain or loss on disposal of Shariah-compliant collective investment scheme is accounted for as the difference between the net disposal proceeds and the carrying amount of Shariah-compliant investments, determined on a weighted average cost basis.

(d) Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Fund's functional and presentation currency.

(e) Creation and cancellation of units

The members' contributions to the Fund meet the definition of puttable instruments classified as financial liability under MFRS 132 "Financial Instruments: Presentation".

The Fund issues cancellable units, in three classes of units, known respectively as the Class A, Class C and Class X, which are cancelled at the member's option and do not have identical features subject to restrictions as stipulated in the Disclosure Document and SC Guidelines on PRS. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the member exercises the right to put back the unit to the Fund.

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

(f) Increase/Decrease in net assets attributable to members

Income not distributed is included in net assets attributable to members.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(g) Cash and cash equivalents**

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

(h) Taxation

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

(i) Segment information

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

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

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is to provide capital growth over the long-term by investing in a target fund with investments in Malaysian securities that comply with the Shariah principles.

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

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

(a) Market risk

(i) Price risk

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

The price risk is managed through diversification and selection of Shariah-compliant collective investment scheme and other financial instruments within specified limits according to the Deeds.

(b) Credit risk

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

The credit risk arising from cash and cash equivalents is managed by ensuring that the Fund will only place Shariah-compliant deposits in reputable licensed Islamic financial institutions.

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

(c) Liquidity risk

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

The PRS Provider manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by members. Liquid assets comprise bank balances, which are capable of being converted into cash within 7 business days.

The Fund's investments in Shariah-compliant collective investment scheme are realisable which are capable of being converted into cash within 10 business days. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Capital risk management

The capital of the Fund is represented by equity consisting of net assets attributable to members of RM53,324,192 (31.08.2018: RM53,689,415). The amount of capital can change significantly on a daily basis as the Fund is subjected to daily subscriptions and redemptions at the discretion of members. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to members and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

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

The fair values of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial period end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the PRS Provider will determine the point within the bid-ask spread that is most representative of the fair value.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

(i) Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

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

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

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

The determination of what constitutes 'observable' requires significant judgment 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
28.02.2019				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	52,943,901	-	-	52,943,901
31.08.2018				
Audited				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	53,445,631	-	-	53,445,631

Shariah-compliant investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include Shariah-compliant collective investment scheme. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

- (ii) The carrying values of cash and cash equivalents, amount due from the PRS Provider, and all current liabilities are a reasonable approximation of the fair values due to their short-term nature.

4. MANAGEMENT FEE AND PRIVATE PENSION ADMINISTRATOR'S FEE

In accordance with the Deeds, the PRS Provider is entitled to a maximum management fee of 3.00% per annum for each unit class, calculated daily based on the NAV of the Fund.

For the financial period ended 28 February 2019 and 28 February 2018, the management fee for the respective classes is recognised at the following rates:

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

4. MANAGEMENT FEE AND PRIVATE PENSION ADMINISTRATOR'S FEE (CONTINUED)

Nonetheless, no management fee is charged on the Fund for each of the financial period as the management fee has been waived by the PRS Provider.

The Private Pension Administrator's fee is recognised at a rate of 0.04% per annum (28.02.2018: 0.04% per annum) for each unit class, calculated daily based on the NAV of the Fund.

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

5. TRUSTEE'S FEE

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

For the financial period ended 28 February 2019, the Trustee's fee is recognised at a rate of 0.04% per annum (28.02.2018: 0.04% per annum) for each unit class.

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

6. TAXATION

	01.09.2018 to 28.02.2019 RM	01.09.2017 to 28.02.2018 RM
Tax charged for the financial period:		
- Current taxation	-	-

A numerical reconciliation between the (loss)/profit before taxation multiplied by the Malaysian statutory income tax rate and tax expense of the Fund is as follows:

	01.09.2018 to 28.02.2019 RM	01.09.2017 to 28.02.2018 RM
(Loss)/Profit before taxation	(4,106,684)	2,175,567
Taxation at Malaysian statutory rate of 24% (28.02.2018: 24%)	(985,604)	522,136
Tax effects of:		
- Loss not deductible for tax purposes/(Income not subject to tax)	978,414	(533,203)
- Expenses not deductible for tax purposes	5,490	6,217
- Restriction on tax deductible expenses for PRS Funds	1,700	4,850
Taxation	-	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	28.02.2019	31.08.2018
	RM	Audited RM
Designated at fair value through profit or loss at inception:		
- Shariah-compliant collective investment scheme	<u>52,943,901</u>	<u>53,445,631</u>
	01.09.2018 to 28.02.2019	01.09.2017 to 28.02.2018
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised loss on disposals	(56,018)	(177,042)
- Unrealised fair value (loss)/gain	<u>(4,020,712)</u>	<u>2,398,720</u>
	<u>(4,076,730)</u>	<u>2,221,678</u>

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
28.02.2019 SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME				
CIMB Islamic DALI Equity Growth Fund	<u>48,931,516</u>	<u>65,924,382</u>	<u>52,943,901</u>	<u>99.29</u>
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEME	<u>48,931,516</u>	<u>65,924,382</u>	<u>52,943,901</u>	<u>99.29</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(12,980,481)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>52,943,901</u>		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.08.2018				
Audited				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME				
CIMB Islamic DALI Equity Growth Fund	<u>45,605,965</u>	<u>62,405,400</u>	<u>53,445,631</u>	<u>99.55</u>
TOTAL COLLECTIVE INVESTMENT SCHEME	<u>45,605,965</u>	<u>62,405,400</u>	<u>53,445,631</u>	<u>99.55</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(8,959,769)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>53,445,631</u>		

8. CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)

	28.02.2018	31.08.2018
	RM	Audited RM
Bank balance	<u>229,488</u>	<u>34,515</u>

9. AMOUNT DUE FROM/TO THE PRS PROVIDER

	28.02.2019	31.08.2018
	RM	Audited RM
Amount due from the PRS Provider:		
- Creation of units	<u>172,097</u>	<u>241,424</u>
Amount due to the PRS Provider:		
- Cancellation of units	<u>5,929</u>	<u>16,327</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.09.2018 to 28.02.2019	01.09.2017 to 31.08.2018
	No. of units	Audited No. of units
Class A (i)	69,783,647	65,019,070
Class C (ii)	5,428,240	4,979,400
Class X (iii)	19,903,637	18,417,465
	<u>95,115,524</u>	<u>88,415,935</u>

(i) Class A

	01.09.2018 to 28.02.2019	01.09.2017 to 31.08.2018
	No. of units	Audited No. of units
At the beginning of the financial period/year	65,019,070	61,056,085
Add : Creation of units from applications	6,610,293	10,117,149
Less: Cancellation of units	(1,845,716)	(6,154,164)
At the end of the financial period/year	<u>69,783,647</u>	<u>65,019,070</u>

(ii) Class C

	01.09.2018 to 28.02.2019	01.09.2017 to 31.08.2018
	No. of units	Audited No. of units
At the beginning of the financial period/year	4,979,400	4,617,985
Add : Creation of units from applications	619,212	794,510
Less: Cancellation of units	(170,372)	(433,095)
At the end of the financial period/year	<u>5,428,240</u>	<u>4,979,400</u>

(iii) Class X

	01.09.2018 to 28.02.2019	01.09.2017 to 31.08.2018
	No. of units	Audited No. of units
At the beginning of the financial period/year	18,417,465	16,805,852
Add : Creation of units from applications	1,684,233	3,764,879
Less: Cancellation of units	(198,061)	(2,153,266)
At the end of the financial period/year	<u>19,903,637</u>	<u>18,417,465</u>

11. MANAGEMENT EXPENSE RATIO (“MER”)

	01.09.2018 to 28.02.2019	01.09.2017 to 28.02.2018
	%	%
MER	<u>0.06</u>	<u>0.09</u>

MER is derived based on the following calculation:

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

- A = Private Pension Administrator’s fee
- B = Trustee’s 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 RM51,299,803 (28.02.2018: RM49,565,665).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.09.2018 to 28.02.2019	01.09.2017 to 28.02.2018
PTR (times)	<u>0.04</u>	<u>0.04</u>

PTR is derived from the following calculation:

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

where:

- total acquisition for the financial period = RM 3,875,000 (28.02.2018: RM2,082,000)
- total disposal for the financial period = RM300,000 (28.02.2018: RM1,762,000)

13. UNITS HELD BY THE PRS PROVIDER AND PARTIES RELATED TO THE PRS PROVIDER, AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

The related parties and their relationship with the Fund are as follows:

<u>Related parties</u>	<u>Relationship</u>
Principal Asset Management Berhad	The PRS Provider
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the PRS Provider
Principal International (Asia) Ltd	Shareholder of the PRS Provider
Subsidiaries and associates of Principal Financial Group Inc., other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the PRS Provider
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the PRS Provider
CIMB Group Sdn Bhd	Shareholder of the PRS Provider
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the shareholder of the PRS Provider
CIMB Islamic Bank Bhd	Fellow related party to the PRS Provider

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

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

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

	01.09.2018 to 28.02.2019 RM	01.09.2017 to 28.02.2018 RM
<u>Significant related party transactions</u>		
Purchase of Shariah-compliant collective investment scheme managed by the PRS Provider	<u>3,875,000</u>	<u>2,082,000</u>
Disposal of Shariah-compliant collective investment scheme managed by the PRS Provider	<u>300,000</u>	<u>1,762,000</u>

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

	28.02.2019	31.08.2018
	RM	Audited RM
<u>Significant related party balance</u>		
Shariah-compliant collective investment scheme managed by the PRS Provider:		
- CIMB Islamic DALI Equity Growth Fund	52,943,901	53,445,631

14. TRANSACTIONS WITH BROKERS

Details of transactions with the brokers for the six months financial period ended 28 February 2019 are as follows:

	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Principal Asset Management Berhad #	4,175,000	100.00	-	-

Details of transactions with the brokers for the six months financial period ended 28 February 2018 are as follows:

	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Principal Asset Management Berhad #	3,844,000	100.00	-	-

Included in the transactions are trades conducted with Principal Asset Management Berhad, the PRS Provider of the Fund, amounting to RM4,175,000 (28.02.2018: RM3,844,000). The PRS Provider is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

15. SEGMENT INFORMATION

The internal reporting provided to the chief operating decision-maker for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS. The chief operating decision-maker is responsible for the performance of the Fund and considers the business to have a single operating segment located in Malaysia. Asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

15. SEGMENT INFORMATION (CONTINUED)

The investment objective of the Fund is to provide capital growth over the long-term by investing in a target fund with investments in Malaysian securities that comply with the Shariah principles. The reportable operating segment derives its income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within the portfolio. These returns consist of dividend income earned from Shariah-compliant investment and gains on the appreciation in the value of Shariah-compliant investment, which are derived from Malaysia domiciled Shariah-compliant collective investment scheme.

There were no changes in reportable operating segment during the financial period.

16. MFRS 9 FINANCIAL INSTRUMENTS

As disclosed in Note 2(a), the Fund have adopted MFRS 9, which resulted in changes in accounting policies as disclosed in Note 2(b) and adjustments to the financial position. The main changes are as follows.

The measurement category and the carrying amount of financial assets and financial liabilities in accordance with MFRS 139 and MFRS 9 at 1 September 2018 are compared as follows:

	Measurement category		Carrying amount			
	Original (MFRS 139)	New (MFRS 9)	Original (MFRS 139)	Reclassi- fications	Remeas- urements	New (MFRS 9)
			RM	RM	RM	RM
Assets						
Cash and cash equivalents	Financing and receivables	Amortised cost	34,515	-	-	34,515
Investment in quoted securities	FVTPL	FVTPL	53,445,631	-	-	53,445,631
Amount due from the PRS Provider	Financing and receivables	Amortised cost	241,424	-	-	241,424
Liabilities						
Amount due to PRS Provider	Amortised cost	Amortised cost	16,327	-	-	16,327
Amount due to Private Pension Administrator	Amortised cost	Amortised cost	1,814	-	-	1,814
Amount due to Trustee	Amortised cost	Amortised cost	1,814	-	-	1,814
Other payables and accruals	Amortised cost	Amortised cost	12,200	-	-	12,200

DIRECTORY

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