

CIMB Islamic PRS Plus Growth

Annual Report

For The Financial Year Ended 31 August 2019

CIMB ISLAMIC PRS PLUS GROWTH
ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2019

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MEMBERS' LETTER

Dear Valued Members,

We have recently announced through the media our collaboration with the Employee Provident Fund (“EPF”) that consumers can now invest in our Unit Trust Funds at 0% sales fee*, as part of our offering for the EPF’s newly launched i-Invest online platform within the i-Akaun (Member) portal facility.

The online facility enables EPF i-Akaun members to invest in Unit Trust Funds using their EPF savings without needing to complete and submit physical forms and enables them to perform various transactions including purchase, redeem and switch funds - anytime, anywhere.

In today’s era of dynamic change, there is a growing need to accommodate the emergence of more tech savvy investors. We’re glad to have the opportunity to partner with the EPF and are excited to bring our global experience and expertise to make saving for retirement faster and easier for those who prefer to manage their money, their way. The Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (“Principal Malaysia”) online platform is just one more tool we offer to help you save enough and have enough in retirement and complements our other methods of investing. To find out more on how you can maximise your retirement savings, please visit <https://www.principal.com.my/en/unit-trust-investment-through-epf-i-akaun-investment>.

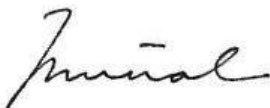
Effective 1 April 2019, we have appointed Amanie Advisors Sdn Bhd (“Amanie”) as our new Shariah advisor. Amanie is a Shariah advisory, consultancy, training and research and development boutique for institutional and corporate clientele focusing on Islamic financial services. It is a registered Shariah advisory company for Islamic unit trust with the Securities Commission Malaysia (“SC”). Amanie was established with the aim of addressing the global needs for experts' and Shariah scholars' pro-active input. This will ultimately allow the players in the industry to manage and achieve their business and financial goals in accordance with the Shariah Principles.

As of August 2019, our Assets under Management (“AUM”) stood at RM56.5 billion. Going forward we will be launching a new global Fund with a unique combination that will help cushion the impact of any unforeseen eventualities. We look forward to introducing it to you.

Thank you for your continuous support and allowing us to help you achieve your financial goals and live your best life.

Thank you.

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



Munirah Khairuddin
Chief Executive Officer

*The 0% sales fee is subject to change

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

For the Financial Period from 1 September 2018 to 31 March 2019

We have acted as the Shariah Adviser of CIMB Islamic PRS Plus Growth (the "Fund") for the financial period from 1 September 2018 to 31 March 2019. Our responsibility is to ensure that the procedures and processes employed by 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 financial period from 1 September 2018 to 31 March 2019.

In addition, we 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 ("SACSC") 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

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

For the Financial Period from 1 April 2019 to 31 August 2019

We have acted as the Shariah Adviser of CIMB Islamic PRS Plus Growth ("the Fund"). 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 principles.

In our opinion, the PRS Provider has managed and administered the Fund in accordance with Shariah principles and complied with applicable guidelines, rulings or decisions issued by the Securities Commission (SC) pertaining to Shariah matters.

In addition, we confirm that the investment portfolio of the Fund comprises securities and/or instruments which have been classified as Shariah compliant by the Shariah Advisory Council (SAC) of the SC and/or Shariah Advisory Council (SAC) of Bank Negara Malaysia (BNM), where applicable. For securities and/or instruments which are not classified as Shariah-compliant by the SAC of the SC and/or SAC of BNM, we have determined that such securities and/or instruments are in accordance with Shariah principles and have complied with the applicable Shariah Guidelines.

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 **Amanie Advisors Sdn Bhd**,

DATUK DR MOHD DAUD BAKAR
Executive Chairman

17 October 2019

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

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 audited financial statements set out on pages 21 to 67 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 31 August 2019 and of its financial performance, changes in net assets attributable to members and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

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

JUAN IGNACIO EYZAGUIRRE BARAONA
Director

Kuala Lumpur
17 October 2019

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

We have acted as Trustee for CIMB Islamic PRS Plus Growth (the "Fund") for the financial year ended 31 August 2019. To the best of our knowledge, for the financial year 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 under the Deed(s), the Securities Commission's Guidelines on Private Retirement Schemes, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation and pricing for the Fund is carried out in accordance with the Deed(s) of the Fund and any regulatory requirements; and
- (c) creation and cancellation of units for the Fund are carried out in accordance with the Deed(s) of the Fund and any regulatory requirement.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Trustee Operations

Richard Lim Hock Seng
Chief Executive Officer

Kuala Lumpur
17 October 2019

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CIMB ISLAMIC PRS PLUS GROWTH**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of CIMB Islamic PRS Plus Growth (the "Fund") give a true and fair view of the financial position of the Fund as at 31 August 2019, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 August 2019, and the statement of comprehensive income, statement of changes in net assets attributable to members and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 21 to 67.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CIMB ISLAMIC PRS PLUS GROWTH (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The PRS Provider of the Fund is responsible for the other information. The other information comprises PRS Provider's report but does not include the financial statements of the Fund and our auditor's report thereon.

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

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

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

Responsibilities of the PRS Provider for the financial statements

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CIMB ISLAMIC PRS PLUS GROWTH (CONTINUED)****REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**Auditors' responsibilities for the audit of the financial statements

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CIMB ISLAMIC PRS PLUS GROWTH (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

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

OTHER MATTERS

This report is made solely to the members of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
17 October 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 portfolio of primarily Shariah-compliant equities with some exposure in Sukuk.

Has the Fund achieved its objective?

For the financial year under review, the Fund has performed in line with its objective as stated under the Fund Performance section.

What are the Fund investment policy and principal investment strategy?

The Fund will invest in a portfolio of mixed assets, primarily in Shariah-compliant equities with some exposure in Sukuk, to provide capital growth to the Fund.

The investments by the Fund in Shariah-compliant equities which include foreign exposure shall not exceed 70% of the Fund's NAV and investments in both local and foreign Sukuk shall not be less than 30% of its NAV with a minimum credit rating of "BBB3" or "P2" by RAM Ratings ("RAM") or equivalent rating by Malaysian Rating Corporation Berhad ("MARC") or "BBB" by Standard & Poor's ("S&P") or equivalent rating by Moody's or Fitch.

The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The Fund may opt to invest in Sukuk and Shariah-compliant equities either directly or via Shariah-compliant collective investment schemes.

Fund category/type

Core (Growth)

When was the Fund launched?

12 November 2012

What was the size of the Fund as at 31 August 2019?

RM76.49 million (109.56 million units)

What is the Fund's benchmark?

70% Financial Times Stock Exchange ("FTSE") Bursa Malaysia ("FBM") EMAS Shariah ("FBMS") Index + 30% Quant shop Government Investment Issues ("GII") Short 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 financial years are as follows:

	31.08.2019	31.08.2018	31.08.2017
	%	%	%
Shariah-compliant collective investment schemes	-	-	98.88
Shariah-compliant quoted securities			
- Communication Services	6.66	6.46	-
- Consumer Discretionary	5.51	8.13	-
- Consumer Staples	3.47	2.64	-
- Energy	9.04	8.38	-
- Financials	0.78	0.90	-
- Health Care	2.66	2.03	-
- Industrials	11.94	12.39	-
- Information Technology	6.59	10.04	-
- Materials	5.56	5.52	-
- Real Estate	11.13	9.91	-
- Utilities	2.73	1.73	-
Unquoted Sukuk	30.50	30.01	-
Cash and other net assets	3.43	1.86	1.12
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

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

	31.08.2019	31.08.2018	31.08.2017
NAV (RM Million)			
- Class A	37.30	26.49	19.38
- Class C	2.74	2.43	1.69
- Class X	36.45	28.60	21.02
Units in circulation (Million)			
- Class A	53.42	38.79	28.99
- Class C	3.93	3.57	2.52
- Class X	52.21	41.88	31.45
NAV per unit (RM)			
- Class A	0.6982	0.6828	0.6685
- Class C	0.6976	0.6827	0.6685
- Class X	0.6981	0.6827	0.6685
Highest NAV per unit (RM)			
- Class A	0.7215	0.7011	0.6686
- Class C	0.7210	0.7011	0.6686
- Class X	0.7215	0.7011	0.6686

PERFORMANCE DATA (CONTINUED)

Performance details of the Fund for the last three financial years are as follows (continued):

	31.08.2019	31.08.2018	31.08.2017
Lowest NAV per unit (RM)			
- Class A	0.6275	0.6574	0.5899
- Class C	0.6273	0.6574	0.5898
- Class X	0.6274	0.6574	0.5899
Total return (%)			
- Class A	2.00	2.39	11.47
- Class C	1.91	2.41	11.47
- Class X	2.00	2.41	11.45
Capital growth (%)			
- Class A	2.00	2.39	11.47
- Class C	1.91	2.41	11.47
- Class X	2.00	2.41	11.45
Income distribution (%)			
- Class A	-	-	-
- Class C	-	-	-
- Class X	-	-	-
Management Expense Ratio ("MER") (%) ^	1.42	0.19	0.16
Portfolio Turnover Ratio ("PTR") (times) #	0.38	1.46	0.55

^ The Fund's MER increased from 0.19% to 1.42% due to increased expenses during the financial year under review.

The Fund's PTR has decreased to 0.38 times from 1.46 times due to less trades during the financial year under review.

	31.08.2019	31.08.2018	31.08.2017	31.08.2016	31.08.2015
	%	%	%	%	%
Annual total return					
- Class A	2.00	2.39	11.47	3.27	4.20
- Class C	1.91	2.41	11.47	3.27	4.20
- Class X	2.00	2.41	11.45	3.27	4.20

(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 year have been extracted from Lipper.

MARKET REVIEW (1 SEPTEMBER 2018 TO 31 AUGUST 2019)**Local Equity**

The FBMS Index fell 895.02 points or 7.0% to 11,912.05 points over the period under review.

September 2018 saw the FBMS Index succumbing to selling pressure on worries that the US200 billion trade tariff 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 Argentina Peso (“ARS”), causing worry of a contagion effect in EM. Sentiment in the local bourse was further affected by the announcement of the cancellation of 3 China-backed projects (the East Coast Rail Line (“ECRL”) and the 2 gas pipeline projects estimated at US Dollar (“USD”) 23 billion) and the deferment of the Kuala Lumpur–Singapore 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 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 2018 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 Index hit a low of 11,068.25 on 18 December 2018 on lower sales guidance from Apple 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 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.

The FBMS Index dipped 0.38% in March 2019 on receding concerns over moderation in global economic growth following the yield curve inversion in the US. March 2019 saw FBMS outperforming the KLCI and FBMS Index driven by construction and plantation sectors. However, the index rebounded by 1.27% in April 2019 largely driven by rebound in Construction, Technology and Energy sectors. Positive news flow continues to buoy the construction sector as the revival of Bandar Malaysia project has lifted sentiment and expectation that the shelved HSR and Manila Metro Rail Transit System Line 3 (“MRT3”) projects may be revived soon. Sustained rebound in crude oil prices have also seen the revival of job flows to oil & gas service providers.

Heading into May 2019, The FBMS Index ended May 2019 marginally lower by 0.35% on a disappointed first quarter of 2019 earnings season. Plantation, Technology, Aviation and Basic Materials were the major disappointments while positive results came from Automotive, Construction, Telco and Utilities. While the moderation in first quarter of 2019 Gross Domestic Product (“GDP”) growth of 4.5% was shallower than street expectation, growth drivers going forward are weak given the escalating trade tension between the US and its major trading partners and slowing private investment. The Malaysian equities benefitted from relief rally in June 2019 stemming from expectation of the US Federal Reserve (the “Fed”) rate cuts and de-escalation of US-China trade war which saw the FBMS gained 2.86% in Jun 2019. Tenaga Nasional Bhd (“TNB”) (+9.0%), Axiata Group Bhd (+6.2%) and Yinson Holdings Bhd (+30.1%) are some of the notable gainers among the FBMS component stocks. The broader market’s sentiment was buoyed by two Mergers and acquisitions (“M&A”) announcements involving Axiata-Telenor and YTL Cement Bhd and Lafarge Malaysia and partly driven by foreign buying in the last three days of May 2019.

MARKET REVIEW (1 SEPTEMBER 2018 TO 31 AUGUST 2019) (CONTINUED)**Local Equity (continued)**

Domestic factors which also helped to boost the market include dissipating concern over regulatory risk particularly for airport operator Malaysia Airports Holdings Bhd (“MAHB”) following the release of the latest consultation paper on the implementation of Regulatory Asset Base (“RAB”) framework.

In July 2019, the FBMS Index took a turn which shed by 1.07%. This was mainly due to the sell down in Petronas Chemical Group Bhd (-10.83%), SP Setia Bhd (-9.26%), IOI Properties Bhd (-8.70%) and Sime Plantation Bhd (-6.3%). Weak petrochemical and the crude palm oil (“CPO”) prices, and slow loans growth have been a drag on Bursa Malaysia performance. The FBMS Index continued the decline by 0.75% in August 2019 (year-to-date (“YTD”): +3.5%) in tandem with the selloff in global equity markets. Domestically, the underwhelming second quarter of 2019 earnings season and sell-down of Cahaya Mata Sarawak and some other construction and property names like Malaysian Resources Corporation Bhd (“MRCB”), TRC Synergy Bhd and SP Setia Bhd also led to the decline in the benchmark index. Second quarter of 2019 earnings season was a major disappointment as reflected by further negative earnings revision leading to a much higher earnings contraction of 7.2% in 2019 (vs 4.5% a month ago). Banks (Net interest margin (“NIM”) compression following The Overnight Policy Rate (“OPR”) cut and rising nonperforming loan (“NPL”), plantation (low CPO price), chemical (lower commodity price) and basic material (lower commodity price) sectors were the main contributors to the earnings cut.

Foreign Equity

Regional equity markets as measured by the MSCI AC Islamic Asia ex Japan declined by 11.1% in USD during the period under review. Topical issues were US and China trade negotiations, rising US bond yield which subsequently declined and weak global economic growth.

In the initial periods of September 2018 to October 2018, investors were fearful of the divergence in the US economic growth with the rest of the world. Amidst strong economic data from the US, the US 10-year bond yield rose above 3% which caused sentiment to deteriorate especially in asset classes of countries with twin deficits such as India, Indonesia and Philippines.

The US Federal Reserve (the “Fed”), concerned that the weak global economic growth could affect the US adversely, made a pivot to its monetary policy in November 2018, by declaring that “US interest rates were closing in on neutral levels”, sending a dovish signal. Equity markets rebounded from January 2019 supported by the dovish the Fed, domestic easing in China via Reserve Requirement Ratio (“RRR”) cuts and some positive news flow on the ongoing US and China trade issue.

Emboldened by the loose monetary policy in developed countries, Central Banks in Asia have also embarked on similar monetary policies with India being the first country in Asia Pacific to reduce its benchmark rate in February 2019, followed by many others such as Indonesia, Australia, Philippines in the subsequent months.

Equity markets fell in May 2019 as trade tensions flared up with US accusing China of attempting to renegotiate certain terms, culminating in additional taxes on Chinese exports to US and blacklisting of Huawei by the Trump administration. The tensions between the two countries temporarily stabilized in June after an agreement to resume trade talks post the Group of 20 (“G20”) meeting, which caused equity markets to rebound. However, US surprised investors in August 2019 announcing it would place more tariffs on additional Chinese goods, suggesting that negotiations have not gone smoothly. The People's Bank of China (“PBOC”) had allowed the Renminbi to depreciate with US labelling China as a currency manipulator.

MARKET REVIEW (1 SEPTEMBER 2018 TO 31 AUGUST 2019) (CONTINUED)**Foreign Equity (continued)**

Around the same period, Hong Kong's civil tensions which started over an extradition bill have snowballed into various demands with the Chief Executive Carrie Lam finally offering to withdraw the bill completely. Other issues such as an inverted yield curve in the US which historically tend to be associated with recessions added to investors' wall of concerns in August. On a positive note, the weak economic growth has prompted more assertive fiscal policies from certain countries such as that seen in India on top of accommodative monetary policies by various countries.

Unquoted Sukuk

Between the months of September to December 2018, Bank Negara Malaysia's ("BNM") Monetary Policy Committee ("MPC") kept the overnight policy rate ("OPR") unchanged at 3.25%. On 7 May 2019, the MPC cut the OPR by 25 basis points ("bps") to 3.00% as a pre-emptive measure upon signs of tightening financial conditions whilst also highlighting that the domestic monetary and financial conditions remained supportive of economic growth. BNM also announced that it was taking several development initiatives to improve the domestic foreign exchange ("FX") and bond market liquidity, likely in response to FTSE Russell's action whereby Malaysia was placed on the watch list for their World Government Bond Index ("WGBI"). At the most recent MPC meeting held on 9 July 2019, the MPC kept the OPR unchanged but continued to reiterate the downside risks from ongoing uncertainties in the global and domestic environment, worsening trade tensions and extended weakness in commodity related sectors.

The Consumer Price Index ("CPI") in the month of September 2018 grew at a pace of 0.3% year-on-year ("y-o-y") and then moderately increased to 0.6% in the month of October 2018. It continued to grow at a slow pace of 0.2% y-o-y in the months of November and December 2018. Overall, in 2018, CPI increased by 1.0% compared to the same period in the prior year. A decline in the CPI was seen in the months of January and February 2019 where it dipped -0.7% y-o-y and -0.4% y-o-y mainly due to a decrease in Transport index caused by lower petrol prices. In the months of March 2019, April 2019 and May 2019, it displayed growth again as it grew 0.2% y-o-y for each consecutive month. Generally, apart from the cost of transport which declined by -2.6% in April 2019, the other segments registered stable inflation or saw moderation during the month. It remained steady at 0.2% for the third straight month in May 2019. However, a sharp pick-up was seen in the month of June 2019 whereby it rose 1.5% y-o-y, due entirely to the low base in June 2018 following the removal of the Goods and Services Tax ("GST") and the start of the three-month tax holiday. It continued to pick-up further in July 2019 as it registered an increase of 1.4% y-o-y.

The Malaysian economy grew 4.7% in the last quarter of 2018 which was above consensus estimates, following the moderation seen in the previous two quarters of 2018. The key drivers of growth in the final quarter of the year were resilient private consumption and the improvement in the commodity related sectors, amid temporary supply disruptions. The country's economy then grew at 4.5% in the first quarter of 2019 as it continued to be supported by domestic activities, particularly private consumption. It grew faster by 4.9% in the second quarter of 2019 as a faster expansion in household spending and slightly higher private investment growth was seen during the months of April to June 2019. Higher net exports were also recorded in the second quarter of 2019.

As for government bond yields, the Malaysian Government bond yield curve bull flattened in December 2018 as well as year-to-date following the OPR hike seen in the beginning of 2018 as well as due to foreign selling. The 10-year Malaysian Government Securities ("MGS") ended at 4.10% at the end of December 2018. In the first quarter of 2019, the MGS yield curve shifted lower on the back of dovish MPC minutes and weaker 2019 GDP growth forecast published in BNM's annual report. The 10-year MGS ended at 3.71% at the end of March 2019. Following that, the MGS yield curve continued to move lower in the following months and at the end of August 2019, the 10-year MGS closed at 3.32%.

MARKET REVIEW (1 SEPTEMBER 2018 TO 31 AUGUST 2019) (CONTINUED)

Unquoted Sukuk (continued)

In the US, the Fed hiked its benchmark rate in September 2018 as well as in December 2018. The interest rate was increased by a quarter of a percentage point at both meetings. Then, in 2019, the Fed lowered its benchmark rate by a quarter point at its meeting at the end of July 2019. The Fed cited 'implications of global developments for the economic outlook as well as muted inflation pressures' as their reason for the rate cut. The move marked the first reduction in rates seen since 2008.

FUND PERFORMANCE

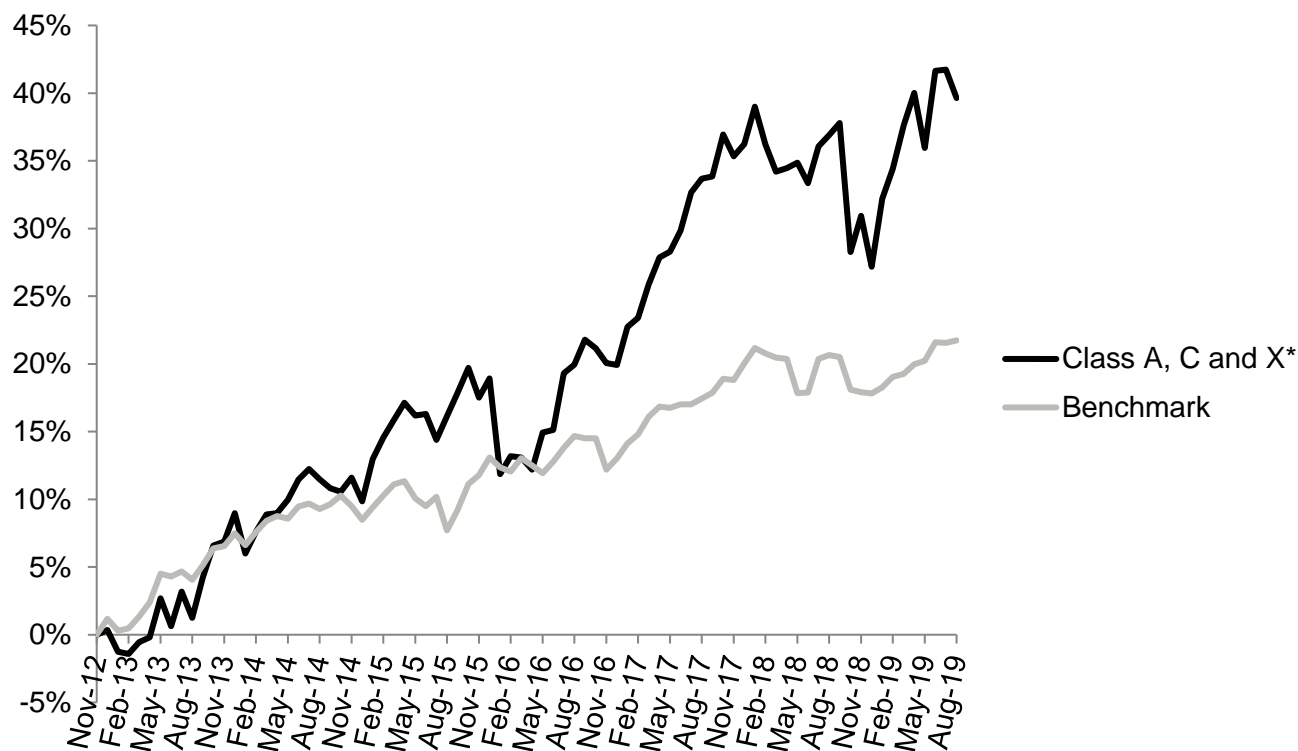
	1 year to 31.08.2019			3 years to 31.08.2019		
	Class A	Class C	Class X	Class A	Class C	Class X
	%	%	%	%	%	%
Income	-	-	-	-	-	-
Capital	2.00	1.91	2.00	16.42	16.34	16.42
Total Return	2.00	1.91	2.00	16.42	16.34	16.42
Benchmark	0.88	0.88	0.88	6.13	6.13	6.13
Average Total Return	2.00	1.91	2.00	5.20	5.17	5.20

	5 years to 31.08.2019			Since inception to 31.08.2019		
	Class A	Class C	Class X	Class A	Class C	Class X
	%	%	%	%	%	%
Income	-	-	-	-	-	-
Capital	25.28	25.19	25.28	39.66	39.54	39.66
Total Return	25.28	25.19	25.28	39.66	39.54	39.66
Benchmark	11.16	11.16	11.16	21.65	21.65	21.65
Average Total Return	4.61	4.60	4.61	5.03	5.02	5.03

For the 1-year period, Class A and Class X gained 2.00%, while Class C gained 1.91%. Meanwhile, the benchmark rose by 0.88% over the same reporting period. The slight variation in the performance between Class A, Class C and Class X was due to different timing of units created for each class.

FUND PERFORMANCE (CONTINUED)

Since inception to 31.08.2019



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

Changes in NAV

Class A	31.08.2019	31.08.2018	Changes %
NAV (RM Million)	37.30	26.49	40.81
NAV/Unit (RM)	0.6982	0.6828	2.26
Class C	31.08.2019	31.08.2018	Changes %
NAV (RM Million)	2.74	2.43	12.76
NAV/Unit (RM)	0.6976	0.6827	2.18
Class X	31.08.2019	31.08.2018	Changes %
NAV (RM Million)	36.45	28.60	27.45
NAV/Unit (RM)	0.6981	0.6827	2.26

The Fund's NAV for all classes has increased from unit creations while NAV per unit have increased approximately 2.26% for Class A and X and 2.18% for Class C during the current financial year under review.

The Fund is ranked 2, Quartile 1 over the last 1 year and ranked No.1 over a 5 year horizon in Lipper rankings.

FUND PERFORMANCE (CONTINUED)

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

PORTFOLIO STRUCTURE

Asset allocation

(%) of NAV	31.08.2019	31.08.2018
Shariah-compliant quoted securities	66.07	68.14
Unquoted Sukuk	30.50	30.01
Cash and other net assets	3.43	1.85
Total	100.00	100.00

The Fund’s allocation towards Shariah-compliant quoted securities have decreased by 2.07% in favour of cash as compared to the same period last year while allocation towards Sukuk is roughly similar.

MARKET OUTLOOK*

Local Equity

Going into 2020, consensus projects 7.2% earnings rebound driven largely by banks and plantation sectors, which we remain skeptical. Over the past few weeks, policy flip-flop of the new federal government rears its ugly head again. Policy concern will likely dampen investors sentiment until there is clarity. While we remain sanguine on infrastructure spending resumption and RAB framework themes, we believe re-rating will only come once certainty is achieved. In this regard, we will be watching closely to the Budget 2020.

Foreign Equity

US and China trade progress have been volatile and unpredictable throughout the year. Given the high stakes involved for both US and China, we expect trade negotiations to be a protracted affair that will continue to weigh on the weak global economic growth.

On a positive note, subdued inflation worldwide has allowed central banks to adopt accommodative monetary policies. Emboldened by the US Fed’s dovish monetary policy stance, most Central Banks in Asia are embarking on similar monetary policies. This resulting low interest rate environment has been supportive of equity valuations. We had also begun to see more assertive fiscal stimulus by certain governments to address the economic slowdown.

MARKET OUTLOOK* (CONTINUED)**Unquoted Sukuk**

On 7 May 2019, the MPC cut the OPR by 0.25% to 3.00% as a pre-emptive measure to maintain the degree of monetary accommodativeness. We believe the current monetary policy remains accommodative and are of the view that BNM will maintain its OPR unchanged for the remainder of 2019 unless the trade wars worsen significantly, or domestic growth is significantly lower than expected.

We expect the bond market to remain well supported due to the ample domestic liquidity as well as the lack of primary issuances. Apart from BNM's upcoming MPC meetings in September and November 2019, another potential event to look out for in the upcoming months would be FTSE Russell's decision on the potential MGS exclusion from their WGBI index in September. We are expecting some primary issuances in the second half of 2019 but supply seems to be fairly limited in the near term.

* 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**Local Equity**

We maintain NEUTRAL on Malaysia while await policy clarity post Budget 2020 announcement on 11 October 2019. With expectation of further OPR cuts over the next 18 months, we continue to like the dividend investment theme, favouring high dividend yielders with earnings resilience. We also look to accumulate selective growth stocks on weakness within the REITs, Utilities, Basic Material, Automotive, Oil and Gas, and Construction sectors. We will also look for opportunistic trade on weakening MYR, especially glove manufacturers and equipment makers in the technology sectors.

Foreign Equity

We adopt a barbell strategy by owning defensives with yield together with stocks with mid to long run growth potential. Under the current environment, we would remain focused on capital preservation.

Unquoted Sukuk

As the yield curve continued to flatten in August 2019, we find the long-end yields being too rich and the risk/reward of staying long duration as no longer attractive. As such, we continue to prefer credit over sovereign bonds, particularly in the AA-rated space with strong fundamentals for better total return and yield pick-up.

MEMBERS STATISTICS AS AT 31 AUGUST 2019

CLASS A

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	8,779	16.46	30.81
5,001-10,000	1,891	12.43	23.27
10,001-50,000	823	14.30	26.77
50,001-500,000	67	8.99	16.83
500,001 and above	2	1.24	2.32
Total	11,562	53.42	100.00

CLASS C

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	620	1.12	28.50
5,001-10,000	104	0.73	18.58
10,001-50,000	96	1.55	39.44
50,001-500,000	4	0.53	13.48
500,001 and above	-	-	-
Total	824	3.93	100.00

CLASS X

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	9,841	10.13	19.40
5,001-10,000	1,815	12.89	24.69
10,001-50,000	1,380	24.61	47.14
50,001-500,000	54	4.58	8.77
500,001 and above	-	-	-
Total	13,090	52.21	100.00

SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "PRS Provider") and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Funds unless the soft commission received is retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. All dealings with brokers are executed on best available terms.

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2019**

	Note	2019 RM	2018 RM
INCOME			
Dividend income		1,367,390	890,302
Profit income on unquoted Sukuk at fair value through profit and loss		935,908	568,789
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions at amortised cost		16,810	10,671
Net gain/(loss) on financial assets at fair value through profit or loss	7	550,538	(51,260)
Net foreign exchange gain/(loss)		839	(130,069)
		<u>2,871,485</u>	<u>1,288,433</u>
EXPENSES			
Management fee	4	754,176	-
Private Pension Administrator's fee	4	26,288	19,685
Trustee's and custodian fees	5	37,218	33,983
Audit fee		10,500	9,900
Tax agent's fee		4,600	4,600
Transaction costs		107,133	168,504
Other expenses		18,512	29,643
		<u>958,427</u>	<u>266,315</u>
PROFIT BEFORE TAXATION		1,913,058	1,022,118
Taxation	6	-	(21,926)
INCREASE IN NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>1,913,058</u>	<u>1,000,192</u>
Increase in net assets attributable to members is made up as follows:			
Realised amount		781,903	3,527,227
Unrealised amount		1,131,155	(2,527,035)
		<u>1,913,058</u>	<u>1,000,192</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2019**

	Note	2019 RM	2018 RM
ASSETS			
Cash and cash equivalents	8	1,924,495	784,099
Financial assets at fair value through profit or loss (Shariah-compliant)	7	73,868,692	56,452,547
Amount due from stockbrokers		-	256,935
Amount due from the PRS Provider			
- Creation of units		795,486	625,227
Dividends receivable		51,537	26,847
Tax recoverable		56	56
TOTAL ASSETS		<u>76,640,266</u>	<u>58,145,711</u>
LIABILITIES			
Amount due to stockbrokers		-	547,283
Amount due to the PRS Provider			
- Cancellation of units		35,924	61,475
Accrued management fee		88,790	-
Amount due to Private Pension Administrator		2,530	1,904
Amount due to Trustee		2,530	1,904
Other payables and accruals		17,900	12,799
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS)		<u>147,674</u>	<u>625,365</u>
NET ASSET VALUE OF THE FUND		<u>76,492,592</u>	<u>57,520,346</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>76,492,592</u>	<u>57,520,346</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- Class A		37,300,198	26,488,775
- Class C		2,743,096	2,433,696
- Class X		36,449,298	28,597,875
		<u>76,492,592</u>	<u>57,520,346</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class A		53,423,040	38,793,745
- Class C		3,932,067	3,564,559
- Class X		52,205,872	41,884,051
	9	<u>109,560,979</u>	<u>84,242,355</u>
NET ASSET VALUE PER UNIT (RM)			
- Class A		0.6982	0.6828
- Class C		0.6976	0.6827
- Class X		<u>0.6981</u>	<u>0.6827</u>

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2019**

	2019	2018
	RM	RM
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE BEGINNING OF THE FINANCIAL YEAR	57,520,346	42,090,581
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class A	11,463,420	8,313,570
- Class C	610,859	798,843
- Class X	9,400,586	8,854,477
	<u>21,474,865</u>	<u>17,966,890</u>
Cancellation of units		
- Class A	(1,615,796)	(1,663,838)
- Class C	(377,759)	(94,510)
- Class X	(2,422,122)	(1,778,969)
	<u>(4,415,677)</u>	<u>(3,537,317)</u>
Increase in net assets attributable to members during the financial year	<u>1,913,058</u>	<u>1,000,192</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL YEAR	<u>76,492,592</u>	<u>57,520,346</u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2019**

	Note	2019 RM	2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of Shariah-compliant quoted securities		14,992,991	14,280,285
Purchase of Shariah-compliant quoted securities		(26,619,488)	(54,255,513)
Proceeds from unquoted Sukuk		1,114,562	5,321,367
Proceeds from redemption of unquoted Sukuk		800,000	-
Purchase of unquoted Sukuk		(7,703,329)	(22,696,088)
Proceeds from disposal of Shariah-compliant collective investment schemes		-	44,509,982
Purchase of Shariah-compliant collective investment schemes		-	(1,978,343)
Dividend income received		1,335,250	844,578
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions		16,810	10,671
Profit income received from unquoted Sukuk		1,089,316	664,933
Management fees paid		(665,386)	-
Private Pension Administrator's fees paid		(25,662)	(19,180)
Trustee's and custodian fees paid		(36,592)	(19,180)
Payments for other fees and expenses		(21,159)	(56,761)
Net realised foreign exchange loss		(18,970)	(154,158)
Net cash used in operating activities		<u>(15,741,657)</u>	<u>(13,547,407)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		21,304,606	17,829,982
Payments for cancellation of units		(4,441,228)	(3,529,856)
Net cash generated from financing activities		<u>16,863,378</u>	<u>14,300,126</u>
Net increase in cash and cash equivalents		1,121,721	752,719
Effects of foreign exchange differences		18,675	(43,789)
Cash and cash equivalents at the beginning of the financial year		784,099	75,169
Cash and cash equivalents at the end of the financial year	8	<u>1,924,495</u>	<u>784,099</u>
<u>Cash and cash equivalents comprised of:</u>			
Bank balances		160,201	255,006
Shariah-compliant deposits with licensed Islamic financial institutions		1,764,294	529,093
Cash and cash equivalents at the end of the financial year	8	<u>1,924,495</u>	<u>784,099</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2019****1. THE FUND, THE PRS PROVIDER AND ITS PRINCIPAL ACTIVITIES**

CIMB Islamic PRS Plus Growth (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 (*formerly known as CIMB-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 in a portfolio of mixed assets, primarily in Shariah-compliant equities with some exposure in Sukuk, to provide capital growth to the Fund. The investments by the Fund in Shariah-compliant equities which include foreign exposure shall not exceed 70% of the Fund's Net Asset Value ("NAV") and investments in both local and foreign Sukuk shall not be less than 30% of its NAV with a minimum credit rating of "BBB3" or "P2" by RAM Ratings ("RAM") or equivalent rating by Malaysian Rating Corporation Berhad ("MARC") or "BBB" by Standard & Poor's ("S&P") or equivalent rating by Moody's or Fitch.

The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The Fund may opt to invest in Sukuk and Shariah-compliant equities either directly or via Shariah-compliant collective investment schemes.

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

The PRS Provider, is a joint venture between Principal Financial Group®, a member of the FORTUNE 500® and a Nasdaq-listed global financial services and CIMB Group Holdings Berhad, one of Southeast Asia's leading universal banking groups. The principal activities of the PRS Provider are the establishment and management of unit trust funds and fund management activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements have been prepared in accordance with the provisions of the MFRS and 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 year.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

Standard that is effective and relevant:

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

- 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 represent solely 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 OCI. 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 any change to the classification or measurement of financial instruments as outlined in Note 2(b).

In accordance with the transitional provisions provided in MFRS 9, comparative information was not restated and continued to be reported under previous accounting policies governed under MFRS 139.

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)

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.

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, other comprehensive income 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 to published standard when effective. These amendments to published standard 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 quoted securities and unquoted Sukuk 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, amount due from stockbrokers, amount due from the PRS Provider and dividends receivable.

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

The Fund classifies net assets attributable to members (Note 2(e)) as a financial liability at fair value through profit or loss.

From 1 September 2018, the Fund classifies its financial assets in the following measurement categories:

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

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

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through OCI.

The contractual cash flows of the Fund's debt securities are solely principal and profit. However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from PRS Provider and dividends receivable 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 PRS Provider, accrued management fee, amount due to Trustee, amount due to Private Pension Administrator, and other payables and accruals as financial liabilities measured at amortised cost.

The Fund classifies net assets attributable to members (Note 2(e)) as a financial liability at fair value through profit or loss.

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. Shariah-compliant investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

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 year which they arise.

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

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

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

If a valuation based on the market price does not represent the fair value of the Shariah-compliant quoted securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the Shariah-compliant quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the Shariah-compliant quoted securities are valued as determined in good faith by the PRS Provider, based on the methods or bases approved by the Trustee after appropriate technical consultation.

Unquoted Sukuk denominated in Ringgit Malaysia ("RM") are revalued on a daily basis based on fair value prices quoted by a Bond Pricing Agency ("BPA") registered with the SC as per the SC Guidelines on PRS. Refer to Note 2(l) for further explanation.

Shariah-compliant deposits with licensed Islamic financial institutions are stated at cost plus accrued profit calculated on the effective profit method over the year from the date of placement to the date of maturity of the respective Shariah-compliant deposits.

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 year 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 year, 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 ECL using probability of default, exposure at default and loss given default. The PRS Provider considers both historical analysis and forward looking information in determining any ECL. The PRS Provider 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Significant increase in credit risk

A significant increase in credit risk is defined by the PRS Provider as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

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

Write-off

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

(c) Income recognition

Dividend income is recognised on the ex-dividend date when the right to receive payment is established.

Up to 31 August 2018, when a financing and receivable is impaired, the Fund reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective profit rate of the instrument and continue unwinding the discount as profit income. Profit income on impaired financing and receivables are recognised using the original effective profit rate.

From 1 September 2018, profit income is 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).

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

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

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 Ringgit Malaysia (“RM”), which is the Fund’s functional and presentation currency.

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

- i) Significant portion of the Fund’s expenses are denominated in RM ; and
- ii) Significant portion of the Fund’s Shariah-compliant investments are denominated in RM ; and
- iii) Units of the Fund are denominated in RM.

Transactions and balances

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

(e) Members’ contributions

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

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

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances and Shariah-compliant deposits held in highly liquid investments that are readily convertible to known amounts of cash and which are subjected to an insignificant risk of changes in value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) 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 investment are based on tax regime of the respective countries that the Fund invests in. Such withholding taxes are not "income tax" in nature and are recognised and measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

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

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

(i) Transaction costs

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

(j) Amount due from/to stockbrokers

Amounts due from and amount due to stockbrokers represent receivables for Shariah-compliant quoted securities and unquoted Sukuk sold and payables for Shariah-compliant quoted securities and unquoted Sukuk purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are recognised initially at fair value up to 31 August 2019 and subsequently measured at amortised cost using the effective profit method, less provision for impairment for amount due from stockbrokers. A provision for impairment of amount due from stockbrokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant stockbrokers. Significant financial difficulties of the stockbrokers, probability that the stockbrokers will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from stockbrokers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, profit income is recognised using the profit rate used to discount the future cash flows for the purpose of measuring the impairment loss.

From 1 September 2018, these amounts are subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from stockbrokers at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, profit income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by the PRS Provider as any contractual payment which is more than 30 days past due.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(j) Amount due from/to stockbrokers (continued)**

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

(k) 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.

(l) 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 Funds' 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.

Estimate of fair value of unquoted Sukuk

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

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss RM	Financial assets at amortised cost RM	Total RM
2019			
Cash and cash equivalents (Note 8)	-	1,924,495	1,924,495
Shariah-compliant quoted securities (Note 7)	50,542,046	-	50,542,046
Unquoted Sukuk (Note 7)	23,326,646	-	23,326,646
Amount due from the PRS Provider	-	795,486	795,486
Dividends receivable	-	51,537	51,537
	<u>73,868,692</u>	<u>2,771,518</u>	<u>76,640,210</u>
	Financial assets at fair value through profit or loss	Financing and receivables	Total
2018			
Cash and cash equivalents (Note 8)	-	784,099	784,099
Shariah-compliant quoted securities (Note 7)	39,192,327	-	39,192,327
Unquoted Sukuk (Note 7)	17,260,220	-	17,260,220
Amount due from stockbrokers	-	256,935	256,935
Amount due from the PRS Provider	-	625,227	625,227
Dividends receivable	-	26,847	26,847
	<u>56,452,547</u>	<u>1,693,108</u>	<u>58,145,655</u>

All liabilities are financial liabilities which are carried at amortised cost except net assets attributable to members which are carried at fair value through profit or loss.

The investment objective of the Fund is to provide capital growth over the long-term by investing in a portfolio of primarily Shariah-compliant equities with some exposure in Sukuk.

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

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

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

(a) Market risk

(i) Price risk

This is the risk that the fair value of an investment in Shariah-compliant quoted securities and unquoted Sukuk will fluctuate because of changes in market prices. The value of investments in Shariah-compliant quoted securities and unquoted Sukuk 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 quoted securities, unquoted Sukuk and other financial instruments within specified limits according to the Deeds.

The Fund's overall exposure to price risk was as follows:

	2019	2018
	RM	RM
Financial assets at fair value through profit or loss:		
- Shariah-compliant quoted securities	50,542,046	39,192,327
- Unquoted Sukuk*	<u>23,326,646</u>	<u>17,260,220</u>
	<u><u>73,868,692</u></u>	<u><u>56,452,547</u></u>

* Includes profit receivables of RM359,700 (2018: RM287,741).

The table below summarises the sensitivity of the Fund's profit or loss and NAV to movements in prices of Shariah-compliant quoted securities. The analysis is based on the assumptions that the price of the Shariah-compliant quoted securities fluctuates by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the Shariah-compliant quoted securities, having regard to the historical volatility of the prices.

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

(a) Market risk (continued)

(i) Price risk (continued)

% Change in price of Shariah-compliant quoted securities	Market value RM	Impact on profit or loss/NAV RM
2019		
-5%	48,014,944	(2,527,102)
0%	50,542,046	-
5%	53,069,148	2,527,102
2018		
-5%	37,232,711	(1,959,616)
0%	39,192,327	-
5%	41,151,943	1,959,616

The Fund is exposed to price risk arising from profit rate fluctuation in relation to its investments of RM23,326,646 (2018: RM17,260,220) in unquoted Sukuk. The Fund's exposure to price risk arising from profit rate fluctuation and the related sensitivity analysis are disclosed in "interest rate risk" below.

(ii) Interest rate risk

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

Although unquoted Sukuk is a non-interest bearing instrument, investors should note that the movement in prices of unquoted Sukuk are correlated to the movement in interest rates. As such, the investments in unquoted Sukuk are exposed to the movement of the interest rates. Even though the Fund does not invest in interest bearing instruments, the interest rate referred herein is to the general interest rate of the country, which may affect the value of the investment of the Fund. However, it does not in any way suggest that this Fund will invest in conventional financial instruments. All investments carried out for the Fund including placement and deposits are in accordance with Shariah.

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

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

(a) Market risk (continued)

(ii) Interest rate risk (continued)

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

The table below summarises the sensitivity of the Fund's profit or loss and NAV to movements in prices of unquoted Sukuk held by the Fund as a result of movement in profit rate at the end of each reporting year. The analysis is based on the assumptions that the profit rate changed by 1% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the profit rate, having regard to the historical volatility of the profit rate.

% Change in profit rate	Impact on profit or loss/NAV	
	2019 RM	2018 RM
+1%	(32,466)	(23,852)
-1%	32,534	23,912

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

(iii) Currency risk

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

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

(a) Market risk (continued)

(iii) Currency risk (continued)

The following table sets out the foreign currency risk concentrations arising from the denomination of the Fund's financial instruments in foreign currencies:

Financial assets 2019	Cash and cash equivalents RM	Financial assets at fair value through profit or loss RM	Dividends receivable RM	Total RM
AUD	-	1,439,294	-	1,439,294
HKD	-	13,951,201	7,328	13,958,529
IDR	-	1,067,161	-	1,067,161
KRW	-	1,331,982	-	1,331,982
SGD	-	4,312,308	-	4,312,308
USD	134,343	3,333,349	-	3,467,692
	<u>134,343</u>	<u>25,435,295</u>	<u>7,328</u>	<u>25,576,966</u>
2018				
AUD	-	1,374,746	-	1,374,746
HKD	-	13,830,002	7,328	13,837,330
IDR	-	503,798	-	503,798
KRW	-	1,322,009	-	1,322,009
SGD	-	2,894,179	-	2,894,179
USD	234,674	3,026,023	-	3,260,697
	<u>234,674</u>	<u>22,950,757</u>	<u>7,328</u>	<u>23,192,759</u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes in foreign exchange movements at the end of each reporting year. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in foreign exchange rate %	Impact on profit or loss/NAV	
		2019 RM	2018 RM
AUD	5	71,965	68,737
HKD	5	697,926	691,867
IDR	5	53,358	25,190
KRW	5	66,599	66,100
SGD	5	215,615	144,709
USD	5	163,035	163,035
		<u>1,278,848</u>	<u>1,159,638</u>

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

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

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

The credit risk arising from bank balance and placements of Shariah-compliant deposits in licensed Islamic financial institutions 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 receivable from the PRS Provider are governed by the SC Guidelines on PRS.

For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective stock exchanges. The credit risk is minimal as all transactions in Shariah-compliant quoted securities are settled/paid upon delivery using approved stockbrokers.

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

(b) Credit risk (continued)

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

	Cash and equivalents RM	Financial assets at fair value through profit or loss RM	Amount due from the PRS Provider RM	Dividends receivable RM	Total RM
2019					
AAA	1,764,294	2,905,815	-	-	4,670,109
AA1	160,201	1,845,158	-	-	2,005,359
AA2	-	4,859,668	-	-	4,859,668
AA3	-	12,266,428	-	-	12,266,428
A1	-	1,449,577	-	-	1,449,577
Not Rated	-	-	795,486	51,537	847,023
	<u>1,924,495</u>	<u>23,326,646</u>	<u>795,486</u>	<u>51,537</u>	<u>26,098,164</u>

	Cash and equivalents RM	Financial assets at fair value through profit or loss RM	Amount due from stockbroker s RM	Amount due from the PRS Provider RM	Dividends receivable RM	Total
2018						
AAA	529,093	2,849,362	-	-	-	3,378,455
AA1	255,006	1,523,697	-	-	-	1,778,703
AA2	-	2,338,759	-	-	7,328	2,346,087
AA3	-	10,548,402	-	-	-	10,548,402
BBB1	-	-	-	-	4,731	4,731
Not rated	-	-	256,935	625,227	14,788	896,950
	<u>784,099</u>	<u>17,260,220</u>	<u>256,935</u>	<u>625,227</u>	<u>26,847</u>	<u>18,953,328</u>

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

(c) Liquidity risk

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

The PRS Provider manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by members. Liquid assets comprise bank balances and Shariah-compliant deposits with licensed Islamic financial institutions, which are capable of being converted into cash within 7 business days. Generally, all Shariah-compliant investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the PRS Provider will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

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

(c) Liquidity risk (continued)

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

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
2019			
Accrued management fee	88,790	-	88,790
Amount due to the PRS Provider	35,924	-	35,924
Amount due to Private Pension Administrator	2,530	-	2,530
Amount due to Trustee	2,530		2,530
Other payables and accruals	-	17,900	17,900
Net assets attributable to members*	<u>76,492,592</u>	<u>-</u>	<u>76,492,592</u>
Contractual undiscounted cash flows	<u><u>76,622,366</u></u>	<u><u>17,900</u></u>	<u><u>76,640,266</u></u>
2018			
Amount due to stockbrokers	547,283	-	547,283
Amount due to the PRS Provider	61,475	-	61,475
Amount due to Private Pension Administrator	1,904	-	1,904
Amount due to Trustee	1,904	-	1,904
Other payables and accruals	-	12,799	12,799
Net assets attributable to members*	<u>57,520,346</u>	<u>-</u>	<u>57,520,346</u>
Contractual undiscounted cash flows	<u><u>58,132,912</u></u>	<u><u>12,799</u></u>	<u><u>58,145,711</u></u>

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

(d) Capital risk management

The capital of the Fund is represented by equity consisting of net assets attributable to members of RM76,492,592 (2018: RM57,520,346). 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.

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

(e) Fair value estimation

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2019				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted securities	50,542,046	-	-	50,542,046
- Unquoted Sukuk	-	23,326,646	-	23,326,646
	<u>50,542,046</u>	<u>23,326,646</u>	<u>-</u>	<u>73,868,692</u>
Financial liabilities at fair value through profit or loss:				
- Net assets attributable to members	76,492,592	-	-	76,492,592
	<u>76,492,592</u>	<u>-</u>	<u>-</u>	<u>76,492,592</u>
2018				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted securities	39,192,327	-	-	39,192,327
- Unquoted Sukuk	-	17,260,220	-	17,260,220
	<u>39,192,327</u>	<u>17,260,220</u>	<u>-</u>	<u>56,452,547</u>
Financial liabilities at fair value through profit or loss:				
- Net assets attributable to members	57,520,346	-	-	57,520,346
	<u>57,520,346</u>	<u>-</u>	<u>-</u>	<u>57,520,346</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include Shariah-compliant quoted securities. Net assets attributable to members are valued based on the NAV per unit as at the financial year end. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

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

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

4. MANAGEMENT FEE AND PRIVATE PENSION ADMINISTRATOR'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 year ended 31 August 2019 and 31 August 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%

Nonetheless, no management fee is charged on the Fund up until 15 November 2018 and for the financial year ended 31 August 2018 as the management fee has been waived by the PRS Provider. Effective from 16 November 2018 the fee is charged to the Fund.

The Private Pension Administrator's fee is recognised at a rate of 0.04% per annum (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 AND CUSTODIAN FEES

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 fees.

For the financial year ended 31 August 2019, the Trustee's fee is recognised at a rate of 0.04% per annum (2018: 0.04% per annum).

During the financial year 31 August 2019, the Fund incurred custodian fees of RM10,929 (2018: RM14,297).

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

6. TAXATION

	2019 RM	2018 RM
Tax charged for the financial year:		
- Withholding tax	<u>-</u>	<u>21,926</u>

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

	2019 RM	2018 RM
Profit before taxation	<u>1,913,058</u>	<u>1,022,118</u>
Taxation at Malaysian statutory rate of 24% (2018: 24%)	459,134	245,308
Tax effects of:		
Income not subject to tax	(689,156)	(309,224)
Expenses not deductible for tax purposes	227,231	56,887
Restriction on tax deductible expenses for PRS Funds	2,791	7,029
Income subject to withholding tax	<u>-</u>	<u>21,926</u>
Taxation	<u>-</u>	<u>21,926</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT)

	2019 RM	2018 RM
At fair value through profit or loss:		
- Shariah-compliant quoted securities	50,542,046	39,192,327
- Unquoted Sukuk	<u>23,326,646</u>	<u>17,260,220</u>
	<u>73,868,692</u>	<u>56,452,547</u>
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised (loss)/gain on disposals	(554,685)	2,433,747
- Unrealised fair value gain/(loss)	<u>1,105,223</u>	<u>(2,485,007)</u>
	<u>550,538</u>	<u>(51,260)</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 SHARIAH-COMPLIANT QUOTED SECURITIES				
AUSTRALIA				
Materials				
BHP Billiton Ltd	14,010	1,388,589	1,439,294	1.88
TOTAL AUSTRALIA	14,010	1,388,589	1,439,294	1.88
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	4,529	3,349,041	3,333,349	4.36
TOTAL CAYMAN ISLANDS	4,529	3,349,041	3,333,349	4.36
CHINA				
Energy				
China Petroleum & Chemical Corporation	316,000	967,966	778,451	1.02
Materials				
Anhui Conch Cement Co. Ltd	47,500	871,907	1,125,527	1.46
Real Estate				
China Vanke Co Ltd - H ¹	49,000	746,828	712,684	0.93
TOTAL CHINA	412,500	2,586,701	2,616,662	3.41
HONG KONG Special Administrative Region ("SAR"), CHINA				
Communication Services				
Tencent Holdings Ltd	10,700	2,171,506	1,865,226	2.44
Consumer Discretionary				
Brilliance China Automotive Holdings Ltd	82,000	881,473	366,598	0.48
Consumer Staples				
China Mengniu Dairy Co. Ltd	42,000	479,204	701,038	0.92
Tingyi (Cayman Islands) Holding Corporation	64,000	489,785	370,967	0.48
	106,000	968,989	1,072,005	1.40
Energy				
CNOOC Ltd	198,000	1,156,873	1,243,319	1.63

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
HONG KONG SAR, CHINA (CONTINUED)				
Industrials				
MTR Corporation Ltd	56,000	1,360,121	1,364,506	1.78
Techtronic Industries Co. Ltd	41,000	1,011,055	1,192,655	1.56
	<u>97,000</u>	<u>2,371,176</u>	<u>2,557,161</u>	<u>3.34</u>
Information Technology				
Sunny Optical Technology Group Co. Ltd	<u>10,800</u>	<u>696,581</u>	<u>630,064</u>	<u>0.82</u>
Real Estate				
China Resources Land Ltd	68,000	879,036	1,164,210	1.52
Henderson Land Development Co. Ltd	49,610	1,163,977	971,838	1.27
Link REIT	<u>31,000</u>	<u>1,101,936</u>	<u>1,464,118</u>	<u>1.92</u>
	<u>148,610</u>	<u>3,114,949</u>	<u>3,600,166</u>	<u>4.71</u>
TOTAL HONG KONG SAR, CHINA	<u>653,110</u>	<u>11,391,547</u>	<u>11,334,539</u>	<u>14.82</u>
INDONESIA				
Communication Services				
PT Telekomunikasi Indonesia Persero Tbk	<u>809,900</u>	<u>1,045,373</u>	<u>1,067,161</u>	<u>1.40</u>
TOTAL INDONESIA	<u>809,900</u>	<u>1,045,373</u>	<u>1,067,161</u>	<u>1.40</u>
MALAYSIA				
Communication Services				
Axiata Group Bhd	153,808	792,095	776,730	1.02
Digi.com Bhd	136,900	607,894	687,238	0.90
Time dotCom Bhd	<u>76,400</u>	<u>659,335</u>	<u>697,532</u>	<u>0.91</u>
	<u>367,108</u>	<u>2,059,324</u>	<u>2,161,500</u>	<u>2.83</u>
Consumer Discretionary				
Bermaz Auto Bhd	<u>224,400</u>	<u>571,775</u>	<u>511,632</u>	<u>0.67</u>
Consumer Staples				
FGV Holdings Bhd	568,000	693,372	542,440	0.71
IOI Corp Bhd	93,400	427,582	411,894	0.54
Kuala Lumpur Kepong Bhd	6,100	151,017	146,278	0.19
Sime Darby Plantation Bhd	<u>96,600</u>	<u>515,869</u>	<u>481,068</u>	<u>0.63</u>
	<u>764,100</u>	<u>1,787,840</u>	<u>1,581,680</u>	<u>2.07</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Energy				
Dayang Enterprise Holding Bhd	533,200	692,948	741,148	0.97
Dialog Group Bhd	355,800	994,106	1,238,184	1.62
Hibiscus Petroleum Bhd	337,500	354,009	305,438	0.40
Petronas Dagangan Bhd	40,800	1,069,716	933,504	1.22
Yinson Holdings Bhd	241,400	1,214,903	1,677,729	2.19
	<u>1,508,700</u>	<u>4,325,682</u>	<u>4,896,003</u>	<u>6.40</u>
Financials				
BIMB Holdings Bhd	<u>148,200</u>	<u>600,915</u>	<u>600,210</u>	<u>0.78</u>
Health Care				
Hartalega Holdings Bhd	192,400	931,901	987,012	1.29
IHH Healthcare Bhd	173,300	1,007,427	1,003,407	1.31
Top Glove Corporation Bhd	<u>9,500</u>	<u>44,080</u>	<u>45,125</u>	<u>0.06</u>
	<u>375,200</u>	<u>1,983,408</u>	<u>2,035,544</u>	<u>2.66</u>
Industrials				
Cypark Resources Bhd	199,500	344,439	259,350	0.34
Frontken Corporation Bhd	265,100	283,685	413,556	0.54
Malaysian Resources Corporation Bhd	498,500	436,273	363,905	0.48
MISC Bhd	150,500	1,001,616	1,092,630	1.43
Pentamaster Corporation Bhd	552,900	1,054,792	1,929,621	2.52
Sime Darby Bhd	319,700	800,600	732,113	0.96
Sunway Construction Group Bhd	178,600	344,017	362,558	0.47
Westports Holdings Bhd	<u>193,100</u>	<u>705,334</u>	<u>811,020</u>	<u>1.06</u>
	<u>2,357,900</u>	<u>4,970,756</u>	<u>5,964,753</u>	<u>7.80</u>
Information Technology				
Globetronics Technology Bhd	264,100	478,017	443,688	0.58
Inari Amertron Bhd	406,800	847,350	663,084	0.87
JHM Consolidation Bhd	542,100	582,516	607,152	0.79
Revenue Group Bhd	<u>486,200</u>	<u>473,488</u>	<u>739,024</u>	<u>0.97</u>
	<u>1,699,200</u>	<u>2,381,371</u>	<u>2,452,948</u>	<u>3.21</u>
Materials				
Petronas Chemicals Group Bhd	<u>243,900</u>	<u>2,065,186</u>	<u>1,690,227</u>	<u>2.21</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Real Estate				
Axis REIT	238,900	442,813	453,910	0.59
KLCCP Stapled Group	76,100	587,465	620,976	0.81
Sime Darby Property Bhd	54,900	54,131	48,312	0.06
	<u>369,900</u>	<u>1,084,409</u>	<u>1,123,198</u>	<u>1.46</u>
Utilities				
Petronas Gas Bhd	62,200	1,161,871	1,000,176	1.31
Tenaga Nasional Bhd	78,000	1,122,477	1,088,880	1.42
	<u>140,200</u>	<u>2,284,348</u>	<u>2,089,056</u>	<u>2.73</u>
TOTAL MALAYSIA	<u>8,198,808</u>	<u>24,115,014</u>	<u>25,106,751</u>	<u>32.82</u>
SINGAPORE				
Industrials				
Keppel Corporation Ltd	34,600	817,833	613,345	0.80
Information Technology				
Venture Corporation Ltd	13,600	810,718	626,652	0.83
Real Estate				
CapitaLand Commercial Trust	251,000	1,355,871	1,622,816	2.12
CapitaLand Mall Trust	180,200	1,140,653	1,449,495	1.89
	<u>431,200</u>	<u>2,496,524</u>	<u>3,072,311</u>	<u>4.01</u>
TOTAL SINGAPORE	<u>479,400</u>	<u>4,125,075</u>	<u>4,312,308</u>	<u>5.64</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
SOUTH KOREA				
Information Technology				
Samsung Electronics Co Ltd	8,722	1,499,825	1,331,982	1.74
TOTAL SOUTH KOREA	8,722	1,499,825	1,331,982	1.74
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	10,580,979	49,501,165	50,542,046	66.07
ACCUMULATED UREALISED GAIN ON SHARIAH-COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		1,040,881		
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		50,542,046		

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 (CONTINUED)				
UNQUOTED SUKUK				
Bandar Serai Development Sdn Bhd 4.78% 07/10/2020 (AA3)	2,500,000	2,551,236	2,570,675	3.36
Bank Islam Malaysia Bhd 5.50% 15/12/2025 (A1)	1,400,000	1,438,430	1,449,577	1.90
Bank Pembangunan Malaysia Bhd 4.28% 02/03/2022 (AAA)	1,800,000	1,832,270	1,869,833	2.44
Celcom Transmission (M) Sdn Bhd 4.85% 29/08/2022 (AA1)	500,000	501,858	517,459	0.68
Fortune Premiere Sdn Bhd 4.65% 21/12/2022 (AA)	450,000	453,727	467,007	0.61
Fortune Premiere Sdn Bhd 4.80% 13/3/2023 (AA)	1,700,000	1,741,706	1,798,363	2.35
Imtiaz Sukuk II Bhd 4.58% 27/05/2022 (AA2)	1,250,000	1,265,881	1,293,038	1.69
Jimah Energy Ventures Sdn Bhd 9.15% 05/12/2020 (AA3)	1,250,000	1,325,664	1,332,038	1.74
Jimah Energy Ventures Sdn Bhd 9.35% 12/05/2020 (AA3)	1,250,000	1,328,078	1,334,483	1.74
MMC Corporation Bhd 5.64% 27/04/2027 (AA3)	2,000,000	2,076,992	2,140,010	2.80
Perbadanan Kemajuan Negeri Selangor 5.00% 10/08/2021 (AA3)	1,100,000	1,107,646	1,128,352	1.48
Perbadanan Kemajuan Negeri Selangor 5.15% 10/08/2023 (AA3)	1,150,000	1,162,049	1,207,699	1.58
Sabah Credit Corporation 4.70% 08/05/2020 (AA1)	1,300,000	1,326,040	1,327,699	1.74
Telekom Malaysia Bhd 4.20% 13/09/2021 (AAA)	1,000,000	1,021,120	1,035,982	1.35
UEM Edgenta Bhd 4.85% 26/04/2022 (AA3)	400,000	408,761	416,759	0.54
UEM Sunrise Bhd 4.75% 22/03/2024 (AA)	250,000	262,878	265,621	0.35
UMW Holding Bhd 4.83% 22/6/2022 (AA2)	600,000	609,380	625,812	0.82
United Growth Bhd 4.73% 21/06/2022 (AA2)	650,000	660,528	675,448	0.88
WCT Holdings Bhd 5.32% 11/05/2022 (AA3)	1,800,000	1,838,128	1,870,791	2.45
TOTAL UNQUOTED SUKUK	22,350,000	22,912,372	23,326,646	30.50

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 (CONTINUED) UNQUOTED SUKUK (CONTINUED)				
ACCUMULATED UNREALISED GAIN ON UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS		414,274		
TOTAL UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS		23,326,646		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2018				
SHARIAH-COMPLIANT QUOTED SECURITIES				
AUSTRALIA				
Materials				
BHP Billiton Ltd	13,914	1,365,142	1,374,746	2.39
TOTAL AUSTRALIA	13,914	1,365,142	1,374,746	2.39
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	4,209	3,113,762	3,026,023	5.26
TOTAL CAYMAN ISLANDS	4,209	3,113,762	3,026,023	5.26
CHINA				
Energy				
China Petroleum & Chemical Corporation	316,000	967,966	1,304,962	2.27
Materials				
Anhui Conch Cement Co Ltd	48,500	853,351	1,213,398	2.11
Real Estate				
China Vanke Co Ltd - H ¹	49,000	746,828	697,588	1.21
TOTAL CHINA	413,500	2,568,145	3,215,948	5.59
HONG KONG SAR, CHINA				
Communication Services				
Tencent Holdings Ltd	9,400	1,905,690	1,672,786	2.91
Consumer Discretionary				
Brilliance China Automotive Holdings Ltd	82,000	881,473	533,910	0.93
Consumer Staples				
China Mengniu Dairy Co Ltd	42,000	479,204	497,910	0.87
Tingyi (Cayman Islands) Holding Corporation	64,000	489,785	469,636	0.82
	106,000	968,989	967,546	1.68
Energy				
CNOOC Ltd	198,000	1,156,873	1,438,429	2.50

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2018 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
HONG KONG SAR, CHINA (CONTINUED)				
Materials				
MTR Corp Ltd	56,000	1,360,121	1,185,606	2.06
Techtronic Industries Co Ltd	41,000	1,011,055	1,030,051	1.79
	<u>97,000</u>	<u>2,371,176</u>	<u>2,215,657</u>	<u>3.85</u>
Information Technology				
Sunny Optical Technology Group Co Ltd	<u>10,800</u>	<u>696,581</u>	<u>563,859</u>	<u>0.98</u>
Real Estate				
China Resources Land Ltd	68,000	879,036	973,419	1.69
Henderson Land Development Co Ltd	45,100	1,163,977	979,622	1.70
Link REIT	<u>31,000</u>	<u>1,101,936</u>	<u>1,268,826</u>	<u>2.21</u>
	<u>144,100</u>	<u>3,144,949</u>	<u>3,221,867</u>	<u>5.60</u>
TOTAL HONG KONG	<u>647,300</u>	<u>11,125,731</u>	<u>10,614,054</u>	<u>18.45</u>
INDONESIA				
Communication Services				
Telekomunikasi Indonesia Persero Tbk PT	<u>517,400</u>	<u>677,643</u>	<u>503,798</u>	<u>0.88</u>
TOTAL INDONESIA	<u>517,400</u>	<u>677,643</u>	<u>503,798</u>	<u>0.88</u>
MALAYSIA				
Communication Services				
Axiata Group Bhd	153,808	792,095	738,278	1.28
Telekom Malaysia Bhd	97,000	477,223	321,070	0.56
TIME dotCom Bhd	<u>58,800</u>	<u>517,715</u>	<u>482,160</u>	<u>0.84</u>
	<u>309,608</u>	<u>1,787,033</u>	<u>1,541,508</u>	<u>2.68</u>
Consumer Discretionary				
Bermaz Auto Bhd	162,900	346,372	348,606	0.61
Padini Holdings Bhd	90,000	474,670	538,200	0.94
UMW Holdings Bhd	<u>39,000</u>	<u>251,231</u>	<u>231,660</u>	<u>0.40</u>
	<u>291,900</u>	<u>1,072,273</u>	<u>1,118,466</u>	<u>1.95</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2018 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Consumer Staples				
FGV Holdings Bhd	111,300	178,460	168,063	0.29
IOI Corporation Bhd	26,300	120,114	118,876	0.21
Sime Darby Plantation Bhd	48,800	272,792	261,568	0.45
	<u>186,400</u>	<u>571,366</u>	<u>548,507</u>	<u>0.95</u>
Energy				
Dialog Group Bhd	167,200	420,235	581,856	1.01
Petronas Dagangan Bhd	14,000	378,210	380,800	0.66
Serba Dinamik Holdings Bhd	221,700	776,652	853,545	1.49
Yinson Holdings Bhd	57,100	241,986	262,661	0.45
	<u>460,000</u>	<u>1,817,083</u>	<u>2,078,862</u>	<u>3.61</u>
Financials				
BIMB Holdings Bhd	130,800	533,730	516,660	0.90
Health Care				
Hartalega Holdings Bhd	39,700	251,558	281,870	0.49
IHH Healthcare Bhd	106,900	652,087	596,502	1.04
Top Glove Corporation Bhd	26,000	261,770	289,640	0.50
	<u>172,600</u>	<u>1,165,415</u>	<u>1,168,012</u>	<u>2.03</u>
Industrials				
Frontken Corporation Bhd	685,600	370,581	589,616	1.03
Gamuda Bhd	65,100	245,482	240,870	0.42
MISC Bhd	67,600	503,494	400,868	0.70
Muhibbah Engineering (M) Bhd	41,900	125,775	131,147	0.23
Pentamaster Corporation Bhd	214,000	504,629	734,020	1.27
Pos Malaysia Bhd	155,500	573,840	561,355	0.98
Sime Darby Bhd	334,200	1,042,905	852,210	1.48
Tasco Bhd	95,300	224,259	152,480	0.27
Westports Holdings Bhd	153,200	559,192	569,904	0.98
	<u>1,812,400</u>	<u>4,150,157</u>	<u>4,232,470</u>	<u>7.36</u>
Information Technology				
Inari Amertron Bhd	406,800	847,350	911,232	1.58
JHM Consolidation Bhd	463,000	489,645	574,120	1.00
Revenue Group Bhd	385,300	269,248	439,242	0.76
Unisem (M) Bhd	244,300	535,782	706,027	1.23
V.S. Industry Bhd	330,425	599,637	522,072	0.91
	<u>1,829,825</u>	<u>2,741,662</u>	<u>3,152,693</u>	<u>5.48</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2018 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Materials				
Petronas Chemicals Group Bhd	62,000	453,887	586,520	1.02
Real Estate				
SP Setia Bhd – Preference Share	20,200	17,776	16,564	0.03
Sunway Bhd	184,100	306,733	287,196	0.50
	204,300	324,509	303,760	0.53
Utilities				
Tenaga Nasional Bhd	63,400	952,102	994,112	1.73
TOTAL MALAYSIA	5,523,233	15,569,217	16,241,570	28.24
SINGAPORE				
Industrials				
Keppel Corporation Ltd	34,600	817,833	678,040	1.18
Information Technology				
Venture Corporation Ltd	13,600	810,718	739,134	1.27
Real Estate				
CapitaLand Commercial Trust	127,900	714,179	679,375	1.18
CapitaLand Mall Trust	124,200	780,102	797,630	1.40
	252,100	1,494,281	1,477,005	2.58
TOTAL SINGAPORE	300,300	3,122,832	2,894,179	5.03

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2018 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
SOUTH KOREA				
Information Technology				
Samsung Electronics Co Ltd	<u>7,397</u>	<u>1,283,236</u>	<u>1,322,009</u>	<u>2.30</u>
TOTAL SOUTH KOREA	<u>7,397</u>	<u>1,283,236</u>	<u>1,322,009</u>	<u>2.30</u>
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	<u>7,427,253</u>	<u>38,825,708</u>	<u>39,192,327</u>	<u>68.14</u>
ACCUMULATED UNREALISED GAIN ON SHARIAH-COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>366,619</u>		
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>39,192,327</u>		

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
2018 (CONTINUED)				
UNQUOTED SUKUK				
Bandar Serai Development Sdn Bhd 4.78% 27/10/2020 (AA3)	2,500,000	2,560,510	2,560,454	4.45
Bank Pembangunan Malaysia Bhd 4.28% 02/03/2022 (AAA)	1,800,000	1,830,122	1,828,060	3.18
Celcom Transmission (M) Sdn Bhd 4.85% 29/08/2022 (AA1)	500,000	502,363	505,869	0.88
Intiaz Sukuk II Bhd 4.58% 27/05/2022 (AA2)	1,250,000	1,266,081	1,268,744	2.21
Jimah Energy Ventures Sdn Bhd 9.15% 05/12/2020 (AA3)	1,250,000	1,382,529	1,382,564	2.40
Jimah Energy Ventures Sdn Bhd 9.35% 12/05/2020 (AA3)	1,250,000	1,387,238	1,387,344	2.41
MMC Corporation Bhd 5.64% 27/04/2027 (AA3)	2,000,000	2,081,584	2,051,048	3.57
Telekom Malaysia Bhd 4.20% 13/09/2021 (AAA)	1,000,000	1,021,740	1,021,302	1.78
UEM Edgenta Bhd 4.85% 26/04/2022 (AA3)	400,000	409,448	410,407	0.71
UMW Holdings Bhd 4.83% 22/06/2022 (AA2)	600,000	610,823	611,235	1.06
UniTapah Sdn Bhd 5.01% 12/06/2019 (AA1)	1,000,000	1,017,424	1,017,828	1.77
United Growth Bhd 4.73% 21/06/2022 (AA2)	450,000	457,646	458,780	0.80
WCT Holdings Bhd 4.8% 28/12/2018 (AA3)	900,000	908,438	908,448	1.58
WCT Holdings Bhd 5.32% 11/05/2022 (AA3)	1,800,000	1,840,961	1,848,137	3.21
TOTAL UNQUOTED SUKUK	16,700,000	17,276,907	17,260,220	30.01
ACCUMULATED UNREALISED LOSS ON UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS		(16,687)		
TOTAL UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS		17,260,220		

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

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

8. CASH AND CASH EQUIVALENTS

	2019	2018
	RM	RM
Shariah-compliant deposits with licensed Islamic financial institutions	1,764,294	529,093
Bank balances	160,201	255,006
	1,924,495	784,099

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

	2019	2018
	%	%
Shariah-compliant deposits with licensed Islamic financial institutions	3.05	3.20

Shariah-compliant deposits with licensed Islamic financial institutions of the Fund have an average maturity of 2 days (2018: 2 days).

9. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2019	2018
	No. of units	No. of units
Class A (i)	53,423,040	38,793,745
Class C (ii)	3,932,067	3,564,559
Class X (iii)	52,205,872	41,884,051
	109,560,979	84,242,355

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

(i) Class A

	<u>2019</u>	<u>2018</u>
	No. of units	No. of units
At the beginning of the financial year	38,793,745	28,990,175
Add: Creation of units from applications	17,006,144	12,257,704
Less: Cancellation of units	<u>(2,376,849)</u>	<u>(2,454,134)</u>
At the end of the financial year	<u>53,423,040</u>	<u>38,793,745</u>

(ii) Class C

	<u>2019</u>	<u>2018</u>
	No. of units	No. of units
At the beginning of the financial year	3,564,559	2,520,426
Add: Creation of units from applications	910,799	1,183,959
Less: Cancellation of units	<u>(543,291)</u>	<u>(139,826)</u>
At the end of the financial year	<u>3,932,067</u>	<u>3,564,559</u>

(iii) Class X

	<u>2019</u>	<u>2018</u>
	No. of units	No. of units
At the beginning of the financial year	41,884,051	31,449,076
Add: Creation of units from applications	13,904,104	13,068,787
Less: Cancellation of units	<u>(3,582,283)</u>	<u>(2,633,812)</u>
At the end of the financial year	<u>52,205,872</u>	<u>41,884,051</u>

10. MANAGEMENT EXPENSE RATIO ("MER")

	<u>2019</u>	<u>2018</u>
	%	%
MER	<u>1.42</u>	<u>0.19</u>

MER is derived based on the following calculation:

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

- A = Management fee
- B = Private Pension Administrator's fee
- C = Trustee's and custodian fees
- D = Audit fee
- E = Tax agent's fee
- F = Other expenses excluding Sales and Service Tax ("SST") on transaction costs and withholding tax
- G = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is RM65,797,916 (2018: RM49,238,513).

11. PORTFOLIO TURNOVER RATIO (“PTR”)

	2019	2018
PTR (times)	0.38	1.46

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial year = RM33,602,716 (2018: RM79,124,515)

total disposal for the financial year = RM15,877,859 (2018: RM64,415,866)

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

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

<u>Related parties</u>	<u>Relationship</u>
Principal Asset Management Berhad <i>(formerly known as CIMB-Principal Asset Management Berhad)</i>	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 Berhad, 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
CGS-CIMB Securities Sdn Bhd (formerly known as CIMB Securities Sdn Bhd)	Fellow related party to the PRS Provider
CIMB Islamic Bank Bhd	Fellow related party to PRS Provider
CIMB Investment Bank Bhd	Fellow related party to PRS Provider
CIMB Bank Bhd	Fellow related party to PRS Provider

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

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

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

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

	2019	2018
	RM	RM
<u>Significant related party transactions</u>		
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions:		
- CIMB Islamic Bank Bhd	<u>389</u>	<u>66</u>
Cash placements with Shariah-compliant deposits with licensed Islamic financial institutions		
- CIMB Islamic Bank Bhd	<u>3,619,000</u>	<u>488,000</u>
Dividend income from Shariah-compliant collective investment schemes managed by the PRS Provider		
	<u>-</u>	<u>128,343</u>
Purchase of Shariah-compliant collective investment schemes:		
- Principal Asset Management Berhad (<i>formerly known as CIMB-Principal Asset Management Berhad</i>)	<u>-</u>	<u>1,958,343</u>
Disposal of Shariah-compliant collective investment schemes:		
- Principal Asset Management Berhad (<i>formerly known as CIMB-Principal Asset Management Berhad</i>)	<u>-</u>	<u>44,509,982</u>

13. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with the brokers/dealers for the financial year ended 31 August 2019 are as follows:

Brokers/Dealers	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
RHB Investment Bank Bhd	10,054,648	20.31	7,311	9.61
Hong Leong Investment Bank Bhd	7,744,325	15.65	13,591	17.86
Maybank Investment Bank Bhd	3,985,024	8.05	8,082	10.62
Affin Hwang Investment Bank Bhd	3,334,952	6.74	7,504	9.86
KAF-Seagroatt & Campbell Securities Sdn Bhd	3,331,983	6.73	7,497	9.85
J.P. Morgan Securities (Malaysia) Sdn Bhd	3,297,118	6.66	4,417	5.80
Macquarie Capital Securities (Malaysia) Sdn Bhd	3,138,164	6.34	4,437	5.83
CGS-CIMB Securities Sdn Bhd	2,750,377	5.56	4,080	5.36
Alliance Investment BK Bhd	2,216,827	4.48	4,988	6.56
CLSA Securities M Sdn Bhd	2,195,751	4.44	2,156	2.83
Others #	7,449,406	15.04	12,029	15.82
	<u>49,498,575</u>	<u>100.00</u>	<u>76,092</u>	<u>100.00</u>

Details of transactions with the brokers/dealers for the financial year ended 31 August 2018 are as follows:

Brokers/Dealers	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Principal Asset Management Berhad (<i>formerly known as CIMB-Principal Asset Management Berhad</i>) #	46,339,982	32.63	-	-
Citigroup Global Markets Ltd	18,994,410	13.37	6,379	6.05
RHB Investment Bank Bhd	12,597,092	8.87	4,719	4.48
RHB Bank Bhd	9,485,408	6.68	-	-
Maybank Investment Bank Bhd	7,048,555	4.96	14,731	13.98
Hong Leong Bank Bhd	6,319,150	4.45	-	-
Affin Hwang Investment Bank Bhd	5,840,053	4.11	13,140	12.47
Credit Suisse Securities (Malaysia) Sdn Bhd	3,755,683	2.64	8,451	8.02
CIMB Investment Bank Bhd #	3,235,280	2.28	6,753	6.41
Hong Leong Investment Bank Bhd	3,144,511	2.21	4,576	4.34
Others #	25,258,360	17.80	46,620	44.25
	<u>142,018,484</u>	<u>100.00</u>	<u>105,369</u>	<u>100.00</u>

13. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

Included in transactions are trades conducted with Principal Asset Management Berhad (formerly known as CIMB-Principal Asset Management Berhad), the PRS Provider of the Fund, amounting to Nil (2018: RM46,339,982) CIMB Investment Bank Bhd, CGS-CIMB Securities Sdn Bhd and CIMB Bank Bhd, fellow related parties to the PRS Provider amounting to Nil (2018: RM3,235,280), RM2,750,377 (2018: RM Nil) and Nil (2018: RM302,370). The PRS Provider is of the opinion that all transactions have been entered into in the normal course of business at agreed terms between the related parties.

14. 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.

The investment objective of the Fund is to provide capital growth over the long-term by investing in a portfolio of primarily Shariah-compliant equities with some exposure in Sukuk. 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 profit income and dividend income earned from Shariah-compliant investments and gains on the appreciation in the value of Shariah-compliant investments, which are derived from Ringgit denominated Shariah-compliant deposits with licensed Islamic financial institutions, Malaysia domiciled Shariah-compliant collective investment schemes, Shariah-compliant quoted securities listed on the Bursa Securities, Malaysia, Shariah-compliant quoted securities of companies domiciled in, listed in, and/or have significant operations in countries in Asia Pacific ex Japan and unquoted Sukuk traded in Malaysia.

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

15. 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) RM	Reclassi- fications RM	Remeas- urements RM	New (MFRS 9) RM
Assets						
Cash and cash equivalents	Financing and receivables	Amortised cost	784,099	-	-	784,099
Investment in Shariah-compliant quoted securities	FVTPL	FVTPL	39,192,327	-	-	39,192,327
Investment in unquoted Sukuk	FVTPL	FVTPL	17,260,220	-	-	17,260,220
Amount due from stockbrokers	Financing and receivables	Amortised cost	256,935	-	-	256,935
Amount due from the PRS Provider	Financing and receivables	Amortised cost	625,227	-	-	625,227
Dividends receivables	Financing and receivables	Amortised cost	26,847	-	-	26,847
Liabilities						
Amount due to stockbrokers	Amortised cost	Amortised cost	547,283	-	-	547,283
Amount due to the PRS Provider	Amortised cost	Amortised cost	61,475	-	-	61,475
Amount due to Trustee	Amortised cost	Amortised cost	1,904	-	-	1,904
Amount due to Private Pension Administrator's	Amortised cost	Amortised cost	1,904	-	-	1,904
Other payables and accruals	Amortised cost	Amortised cost	12,799	-	-	12,799
Net assets attributable to members	FVTPL	FVTPL	57,520,346	-	-	57,520,346

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the PRS Provider on 17 October 2019.

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