

CIMB ISLAMIC PRS PLUS GROWTH

UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2019

CONTENTS	PAGE(S)
MEMBERS' LETTER	1
SHARIAH ADVISER'S REPORT	2
STATEMENT BY PRS PROVIDER	3
TRUSTEE'S REPORT	4
PRS PROVIDER'S REPORT	5 - 16
Fund Objective and Policy	
Performance Data	
Market Review	
Fund Performance	
Portfolio Structure	
Market Outlook	
Investment Strategy	
Members Statistics	
Soft Commissions and Rebates	
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME	17
UNAUDITED STATEMENT OF FINANCIAL POSITION	18
UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS	19
UNAUDITED STATEMENT OF CASH FLOWS	20
NOTES TO THE FINANCIAL STATEMENTS	21 - 56
DIRECTORY	57

MEMBERS' LETTER

Dear Valued Member,

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

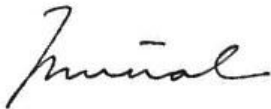
We continue to achieve prestigious recognitions, grabbing six individual awards at The Edge-Thomson Reuters Lipper Fund Awards 2018. In addition, we received recognition from Fundsupermart.com for 'Fund House of the Year' award and Recommended Unit Trust 2018/2019 awards for six funds.

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

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

Thank you.

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



Munirah Khairuddin
Chief Executive Officer

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

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

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

In addition, we confirm that the investment portfolio of the Fund comprises securities which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission Malaysia and, where applicable the Shariah Advisory Council of Bank Negara Malaysia. For investments other than the abovementioned, we have reviewed the same and are of the opinion that these investments were in accordance with the rulings of the Shariah Adviser and 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 Shariah Adviser
CIMB Islamic Bank Berhad (Company No.:671380-H)

ASHRAF GOMMA ALI

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

Kuala Lumpur
31 March 2019

**STATEMENT BY THE PRS PROVIDER TO THE MEMBERS OF
CIMB ISLAMIC PRS PLUS 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 unaudited financial statements set out on pages 17 to 56 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the statement of financial position of the Fund as at 28 February 2019 and of its financial performance, changes in net assets attributable to members and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting and International Accounting Standards ("IAS") 34 - Interim Financial Reporting.

For and on behalf of the PRS Provider
Principal Asset Management Berhad (Company No.: 304078-K)
(formerly known as CIMB-Principal Asset Management Berhad)

MUNIRAH KHAIRUDDIN
Chief Executive Officer/Executive Director

PEDRO ESTEBAN BORDA
Director

Kuala Lumpur
23 April 2019

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

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

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

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

NG HON LEONG
Head, Trustee Operations

RICHARD LIM HOCK SENG
Chief Executive Officer

Kuala Lumpur
23 April 2019

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

The Fund seeks to provide capital growth over the long-term by investing in a 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 underperformed its benchmark as described under the Fund Performance section. Nevertheless, the Fund's objective of providing capital growth over the long-term is still in place.

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 28 February 2019?

RM66.26 million (98.59 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 periods are as follows:

	28.02.2019	28.02.2018	28.02.2017
	%	%	%
Shariah-compliant collective investment schemes	-	-	98.22
Shariah-compliant quoted securities			
- Basic Materials	6.85	3.43	-
- Construction	-	3.07	-
- Consumer Products	12.11	13.23	-
- Energy	10.06	6.54	-
- Finance	2.76	6.23	-
- Health Care	2.01	-	-
- Industrials	6.91	2.55	-
- Infrastructure Project Companies ("IPC")	-	0.63	-
- Plantation	-	2.15	-
- Properties	-	0.04	-
- REITs	10.36	6.42	-
- Technology	9.10	10.99	-
- Telecommunications	3.67	1.18	-
- Trading/Services	-	9.82	-
- Utilities	3.31	-	-
Unquoted Sukuk	31.11	31.97	-
Cash and other net assets	1.75	1.75	1.78
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	28.02.2019	28.02.2018	28.02.2017
NAV (RM Million)			
- Class A	32.04	23.16	15.98
- Class C	2.73	1.96	1.29
- Class X	31.50	24.62	16.51
Units in circulation (Million)			
- Class A	47.67	34.00	25.89
- Class C	4.06	2.88	2.09
- Class X	46.86	36.15	26.76
NAV per unit (RM)			
- Class A	0.6721	0.6811	0.6171
- Class C	0.6718	0.6810	0.6171
- Class X	0.6720	0.6810	0.6171

PERFORMANCE DATA (CONTINUED)

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

	01.09.2018 to 28.02.2019	01.09.2017 to 28.02.2018	01.09.2016 to 28.02.2017
Highest NAV per unit (RM)			
- Class A	0.6902	0.7011	0.6219
- Class C	0.6901	0.7011	0.6218
- Class X	0.6901	0.7011	0.6219
Lowest NAV per unit (RM)			
- Class A	0.6275	0.6628	0.5899
- Class C	0.6273	0.6627	0.5898
- Class X	0.6274	0.6627	0.5899
Total return (%)			
- Class A	(1.81)	1.88	2.88
- Class C	(1.86)	1.88	2.90
- Class X	(1.81)	1.88	2.88
Capital growth (%)			
- Class A	(1.81)	1.88	2.88
- Class C	(1.86)	1.88	2.90
- Class X	(1.81)	1.88	2.88
Income distribution (%)			
- Class A	-	-	-
- Class C	-	-	-
- Class X	-	-	-
Management Expense Ratio ("MER") (%) ^	0.48	0.12	0.08
Portfolio Turnover Ratio ("PTR") (times) #	0.25	1.29	0.50

^ The Fund's MER increased from 0.12% to 0.48% due to increased expenses during the financial period under review.

The Fund's PTR has declined from 1.29 times to 0.25 times primarily due to lower trading activities in the Fund.

	28.02.2019	28.02.2018	28.02.2017	29.02.2016	28.02.2015
	%	%	%	%	%
Annual total return					
- Class A	(1.32)	10.39	9.03	(1.19)	6.45
- Class C	(1.35)	10.37	9.05	(1.19)	6.45
- Class X	(1.31)	10.37	9.03	(1.19)	6.45

(Launch date: 12 November 2012)

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

MARKET REVIEW (1 SEPTEMBER 2018 TO 28 FEBRUARY 2019)**Unquoted Sukuk**

Bank Negara Malaysia's ("BNM") Monetary Policy Committee ("MPC") maintained the Overnight Policy Rate ("OPR") at 3.25% throughout the financial period under review. At the first MPC meeting held in 2019 on 24 January 2019, BNM decided to maintain the OPR at 3.25% as widely expected. In its latest statement, the Central Bank painted a more negative outlook highlighting the moderating global growth momentum on the back of trade tensions, tightening financial conditions and heightened volatility in financial markets. BNM also mentioned that they expect inflation to 'average moderately higher' in 2019. They also cited that domestic demand will remain the key driver of growth for Malaysia and they expect the Malaysian economy to remain on a steady growth path this financial period.

Inflation in September 2018 increased by 0.3% in comparison to prior year and picked up to 0.6% year-on-year ("y-o-y") in the month of October 2018. In the month of November 2018, it moderated its pace again to 0.2% and rose similarly at 0.2% in the month of December 2018. However, on the back of a higher base, it decreased by 0.7% in January 2019. This was due to the drop in the Consumer Price Index ("CPI") transport component caused by lower fuel prices. Overall, headline inflation averaged at 1% in 2018 compared to 3.7% in 2017.

The Malaysian economy grew at 4.4% in the third quarter of 2018 ("3Q18") but rose slightly to 4.7% in the fourth quarter of 2018 ("4Q18"). The growth rate was the strongest since the first quarter of 2018 ("1Q18") as net external demand contributed positively to Gross Domestic Product ("GDP") growth while private consumption, Government spending and investment slowed. Overall, the economy grew 4.7% in 2018 compared to a higher 5.9% expansion seen in 2017. Going forward, the Malaysian economy is expected to remain on a steady growth path with private sector activity to remain as the key driver of growth amid the reprioritisation of public sector expenditure.

Following three months of outflows, a surge was seen in the month of October 2018 but investors continued to remain neutral then. The slight surge then was most likely due to an improvement in sentiment seen for emerging markets. At the end of 2018, foreign investors remained net sellers of Malaysian debt securities but the pace of selling moderated slightly. For the whole of 2018, total net foreign holdings of Malaysia's debt fell markedly by RM21.9 billion in comparison to only -RM8.0 billion seen in 2017. Overall, the sell-off occurred against a backdrop of financial market turmoil, trade war concerns, global oil prices tumbling as well monetary policy movements. This trend continued in January 2019 as foreign holdings declined by RM2.3 billion. However, the dovish tone of US Federal Reserve (the "Fed") in their monetary policy statement is expected to support investor appetite moving forward. In terms of Malaysian Government Securities ("MGS") movement, the 10-year MGS continued to climb following the sell-offs seen and ended at 4.09% at the end of September 2018. We saw the MGS 10-year close at 4.10% at the end of 2018 and by the end of February 2019 it closed at 3.88% on the back of the dovish statement released by the Fed. As for the Malaysian GII ("MGII"), it closed at 4.02% at the end of February 2019.

MARKET REVIEW (1 SEPTEMBER 2018 TO 28 FEBRUARY 2019)**Local Equity**

The FBMS Index fell 1,074.96 points or 8.4% to 11,732.11 points over the period under review.

September 2018 saw the FBMS succumbing to selling pressure on worries that the USD200 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 Argentine 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 ECRL and the 2 gas pipeline projects estimated at USD23 billion and the deferment of 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 FBMS Index hit a low of 11,068.25 on 18 December 2018 on lower sales guidance from Apple Inc. and an 8.4% m-o-m decline in Brent crude oil to USD53.50 per barrel. For 2018, the FBMS Index was lower by 13.5%.

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

Foreign Equity

The MSCI AC Asia Islamic ex Japan Index declined 3.8% in US Dollar (“USD”) terms and 5% in Ringgit Malaysia (“RM”) terms during the period under review, with the China and US trade tensions being a key concern. In September 2018, sentiment deteriorated towards countries with twin deficits such as India, Indonesia and Philippines as the US 10-year bond yield rose above 3% amidst strong data from the US while oil price rose above USD80 per barrel.

Oil price fell 22% in November 2018 to USD58.71 as US pressured Saudi Arabia not to cut production ahead of the Organisation of the Petroleum Exporting Countries (“OPEC”) meeting in December 2018. The Fed testimony that profit rates were closing in on ‘neutral levels’ was a major shift in policy towards being dovish. Bond yields fell. The Fed Chairman Powell also indicated less tight monetary policy by announcing that they will be ‘patient’ in deciding on any more profit rate increases, and ‘wouldn’t hesitate’ in pausing its balance sheet shrinkage if necessary. China also eased its Reserve Requirement Ratio (“RRR”) to help cushion the slowdown in economic growth. The US and China agreed on a 3-month ceasefire on higher tariffs for China imports as negotiations take place.

In January 2019, Islamic Asian equities rebounded sharply +10% in USD terms given the Fed’s change stance. China was also seen as doing more to arrest its economic slowdown. The People’s Bank of China (“PBOC”) continued to reduce the RRR and India followed suit in February 2019. With benign inflation, expectations are that other EM would also have the capacity to reduce their policy rates.

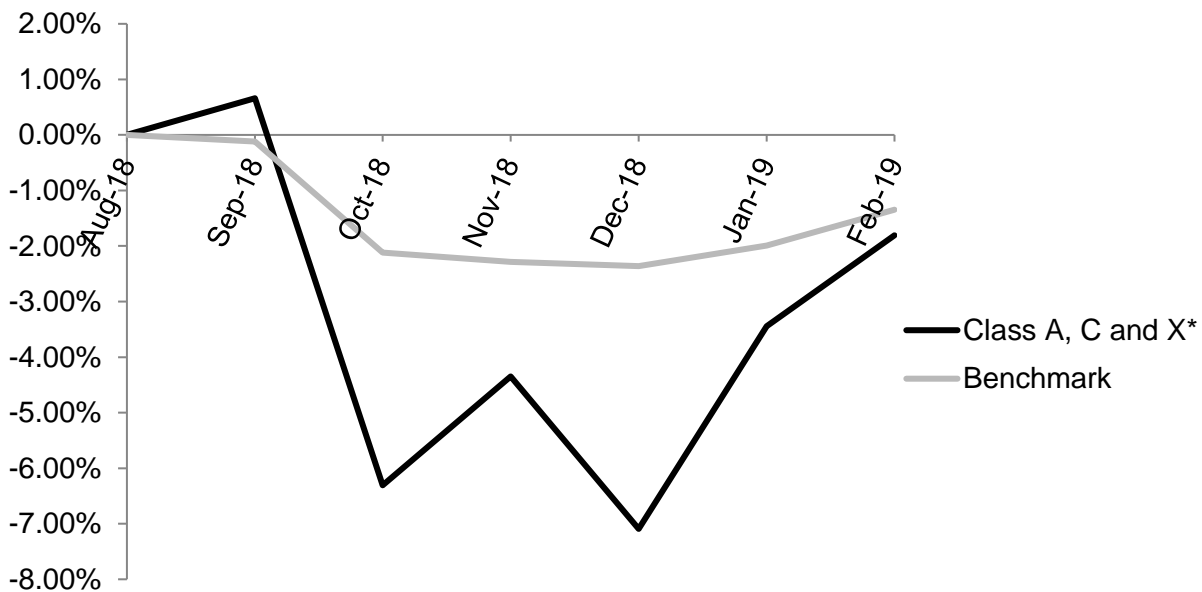
FUND PERFORMANCE

	6 months to 28.02.2019			1 year to 28.02.2019			3 years to 28.02.2019		
	Class A	Class C	Class X	Class A	Class C	Class X	Class A	Class C	Class X
	%	%	%	%	%	%	%	%	%
Income	-	-	-	-	-	-	-	-	-
Capital	(1.81)	(1.86)	(1.81)	(1.32)	(1.35)	(1.31)	18.76	18.73	18.76
Total Return	(1.81)	(1.86)	(1.81)	(1.32)	(1.35)	(1.31)	18.76	18.73	18.76
Benchmark	(1.36)	(1.36)	(1.36)	(1.45)	(1.45)	(1.45)	6.23	6.23	6.23
Average Total Return	N/A	N/A	N/A	(1.32)	(1.35)	(1.31)	5.90	5.89	5.90

	5 years to 28.02.2019			Since inception to 28.02.2019		
	Class A	Class C	Class X	Class A	Class C	Class X
	%	%	%	%	%	%
Income	-	-	-	-	-	-
Capital	24.72	24.89	24.92	34.44	34.38	34.44
Total Return	24.72	24.89	24.92	34.44	34.38	34.44
Benchmark	10.61	10.61	10.61	18.96	18.96	18.96
Average Total Return	4.55	4.55	4.55	5.11	4.80	4.81

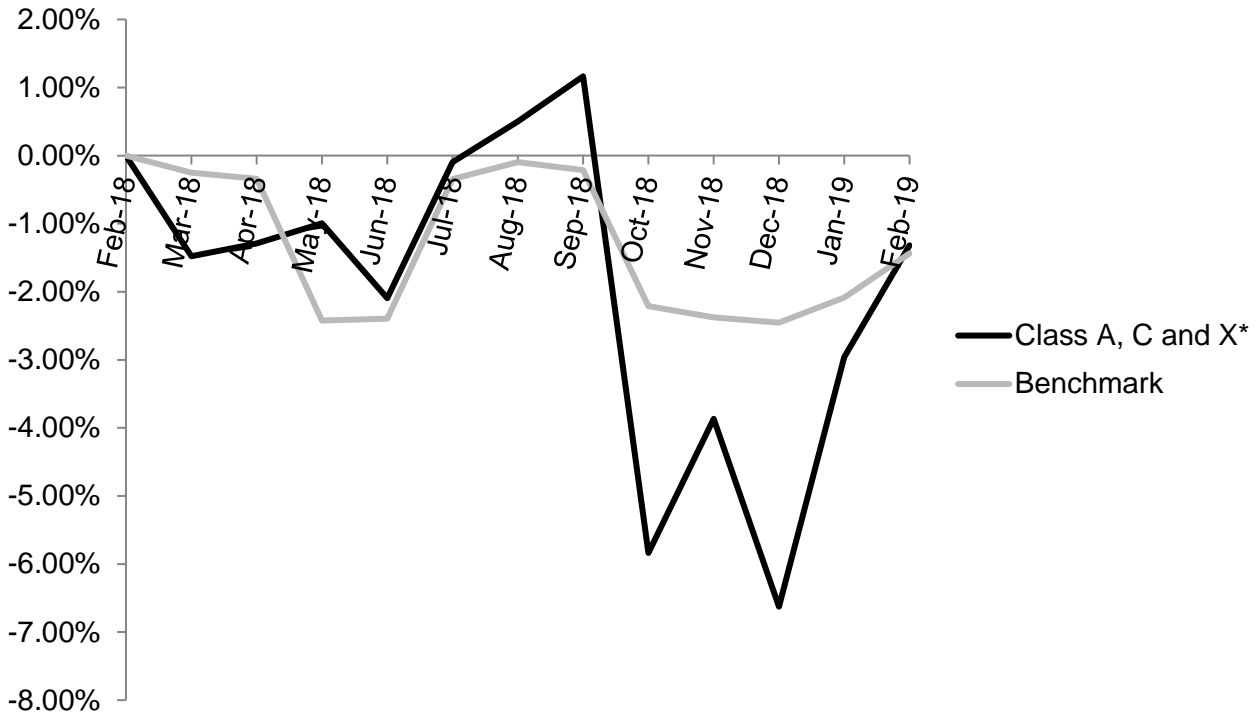
During the financial period, Class A and Class X fell by 1.81% while Class C fell by 1.86%, which underperformed the benchmark by 0.45% for Class A and Class X, and 0.5% for Class C. The Fund was in-line over 1 year. Over 3 years Class A and Class X outperformed the benchmark by 12.53% and Class C by 12.50%. Class A, Class C and Class X outperformed the benchmark over 5 years by 14.11%, 14.28% and 14.31% respectively.

6 months to 28.02.2019

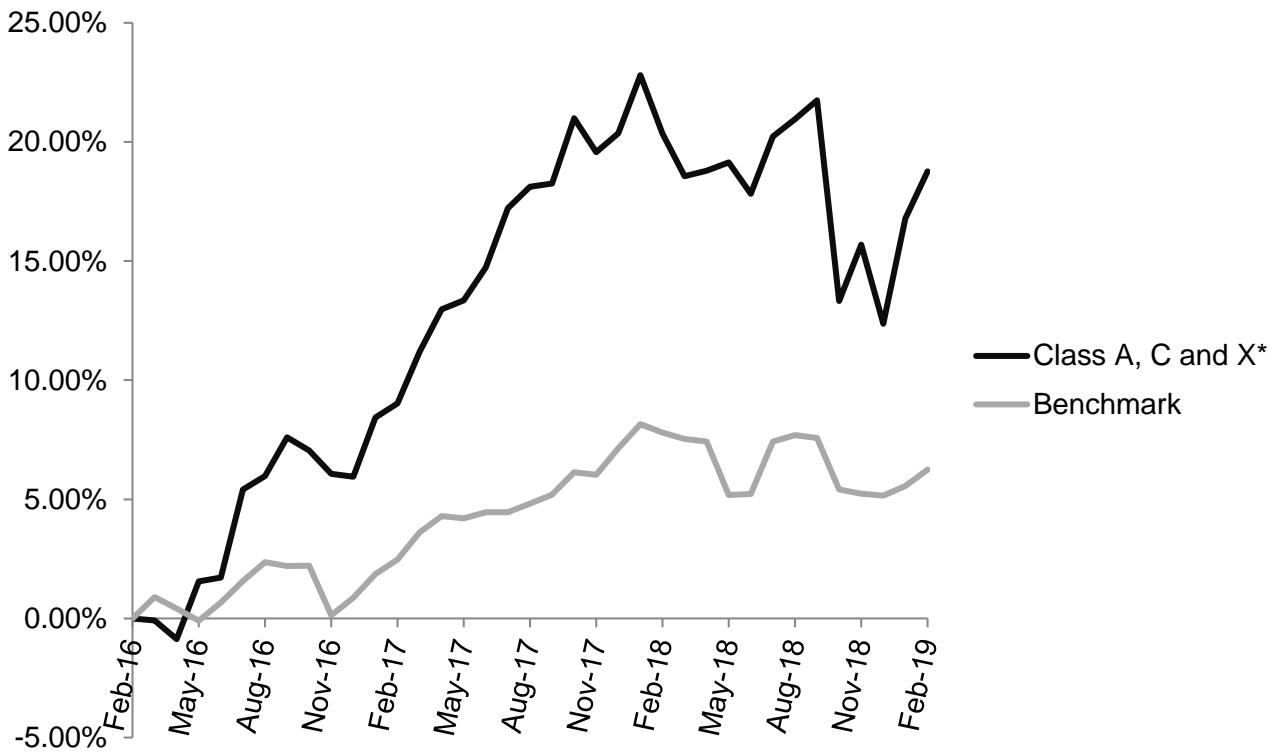


FUND PERFORMANCE (CONTINUED)

1 year to 28.02.2019

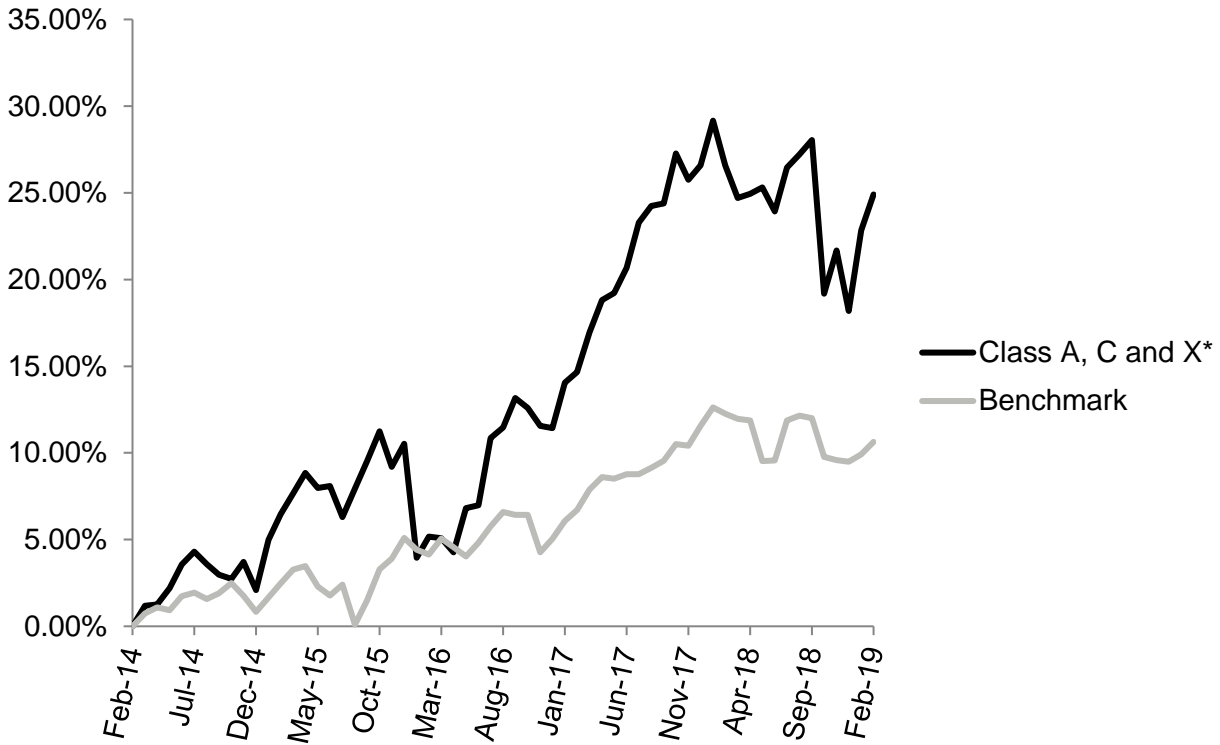


3 years to 28.02.2019

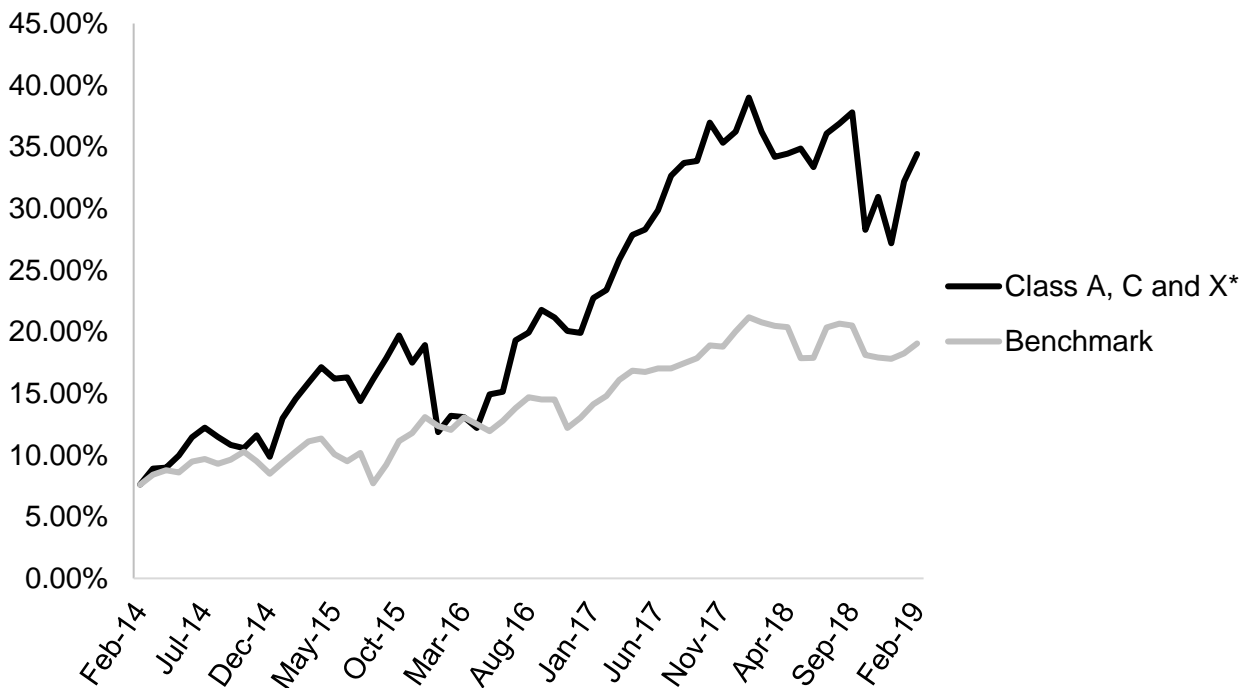


FUND PERFORMANCE (CONTINUED)

5 years to 28.02.2019



Since inception to 28.02.2019 (5 years truncated)



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

FUND PERFORMANCE (CONTINUED)

Changes in NAV

	28.02.2019	31.08.2018 Audited	Changes %
Class A			
NAV (RM Million)	32.04	26.49	20.95
NAV/Unit (RM)	0.6721	0.6828	(1.57)
Class C			
NAV (RM Million)	2.73	2.43	12.35
NAV/Unit (RM)	0.6718	0.6827	(1.60)
Class X			
NAV (RM Million)	31.50	28.60	10.14
NAV/Unit (RM)	0.6720	0.6827	(1.57)

NAV of the Fund increased as we saw more unit subscriptions while NAV per unit declined given a drop in markets.

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

PORTFOLIO STRUCTURE

Asset allocation

(%) of NAV	28.02.2019	31.08.2018 Audited
Shariah-compliant quoted securities	67.14	68.14
Unquoted Sukuk	31.11	30.01
Cash and other net assets	1.75	1.85
Total	100.00	100.00

As at 31 January 2019, the Fund held 67.14% in Shariah-compliant quoted securities, 31.11% in unquoted Sukuk with the rest in cash and other net assets. These levels are similar to the levels the previous period.

MARKET OUTLOOK***Unquoted Sukuk**

At the last MPC meeting held in January 2019, BNM kept the OPR unchanged at 3.25%. Overall, we continue to expect that the OPR will remain unchanged for the remainder of 2019. That said, we are seeing the market pricing in a potential rate cut with some sources expecting a cut as early as May 2019. As such, we do not completely rule out the possibility of a rate cut in the near to medium term.

In terms of the country's growth, we note that the country's Finance Minister has recently stated that the country's economy remains strong and the GDP is expected to expand at 4.9% in 2019. We believe the decline in CPI numbers seen in the month of January 2019 is temporary and largely caused by the higher base seen in 2018 caused by the cheaper fuel prices currently.

Total MGS/MGII gross issuances for 2019 is expected to be within RM120.0 billion with higher net issuances in the first half of 2019 due to lower maturity and heavier issuances versus the second half of 2019. We expect Private Debt Securities ("PDS") issuances for 2019 to be similar to 2018 at around RM100.0 billion. The total PDS (rated bonds and Commercial Papers) maturity in 2019 is RM55.68 billion, with the largest maturity being in the month of August 2019 with an amount of RM9.2 billion.

Local Equity

Valuation of the FBM Kuala Lumpur Composite Index ("FBMKLCI") remains unattractive. It is currently trading at 2019 Price-to-Earning ("PE") ratio of 16.2 times versus historical mean of 15.2 times. The fourth quarter of 2018 earnings season (which ended in Feb 2019) was a lacklustre event. Consensus earnings for 2019 were cut by 3.7% which was largely driven by Tenaga Nasional Bhd and Maxis Bhd. Post fourth quarter of 2018 earnings season, consensus 2019 growth has been lowered to below 3%. However, this is largely due to the steep earnings contraction in Genting Malaysia Bhd following the imposition of casino tax hike. Excluding both Genting Malaysia Bhd and Genting Bhd from the FBKMLCI, earnings growth for 2019 would be around 5% to 6%.

In terms of flows, Malaysia fell out of favour for international investors as they sold down RM815.7 million in equities in February 2019 (versus net inflow of RM1.03 billion in January 2019), bringing year-to-date ("YTD") net inflow of equities to only RM211.1 million. Foreign net inflow YTD also pales in comparison to February 2018 net inflow of RM2.26 billion and February 2017 of RM1.37 billion.

Investors will be watching out for new developments (policies) from the upcoming Parliament sitting which will take place from 11 March to 11 April 2019, the release of the Federal Land Development Authority ("FELDA") White Paper as well as BNM annual report (slated for 27 March 2019). In addition, investors will also be awaiting a decision on whether the scrapped East Coast Rail Link ("ECRL") project will be revived. If the project is revived, it could signal the return of pump-priming, albeit on a smaller scale. This will be positive for the stock market.

MARKET OUTLOOK* (CONTINUED)**Foreign Equity**

The Fed has stopped hiking rates, with a pause expected to last until second quarter of 2019 (“2Q19”). This is allowing various countries in Asia to take a looser monetary stance. China has reduced its RRR and EM such as India are starting to reduce policy rates. As monetary policy in Asia is biased towards easing, profit rate-sensitive sectors such as REITs should do well.

China’s economic growth slowdown is being arrested by reflationary efforts such as the Value Added Tax (“VAT”) cuts and subsidies for white goods purchases. Total Social Financing growth however remains mixed, with strong data in January 2019 and weak numbers in February.

Risks to Asia’s outlook include:

- A strong US economy which will cause the Fed to take a more hawkish stance
- Failure to resolve the trade agreement between US and China
- Political risks due to elections in Asia

* 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**Unquoted Sukuk**

In line with the cautious investor sentiment, we have a preference for high quality corporate bonds with strong fundamentals versus Government bonds for better yield pick-up and better total return.

Local Equity

Despite all the global geopolitical and trade uncertainties, we are of the view that from a risk/reward perspective, it is favourable to be more neutral on the market given the improving sentiment towards equities regionally and domestically. Inflow into EM and especially Malaysia could signal rising risk appetite and investors are now looking forward towards the second half of 2019. Hence, we are adopting a more balanced view to the portfolio with a combination of growth and defensive sectors. We will take the opportunity to add quality large caps and alpha into the portfolio. We prefer big cap Government-linked Companies (“GLCs”) with improving fundamentals and companies with solid cash flow and dividends in sectors such as Utilities & Renewable Energy, Banks, Oil & Gas, and Industrials.

Asian Equity

We barbell the portfolio by owning both defensives and stocks with mid to long run growth potential. In Information Technology, we are positioned in companies which are dominant in market share and able to innovate to find new growth drivers while for REITs, we prefer those that own high quality assets in countries with stable exchange rates, with high occupancy rates and stable to positive rental reversions.

MEMBERS STATISTICS AS AT 28 FEBRUARY 2019

CLASS A

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	8,688	15.70	32.93
5,001-10,000	1,720	11.30	23.71
10,001-50,000	757	13.17	27.63
50,001-500,000	59	6.95	14.58
500,001 and above	1	0.55	1.15
Total	11,225	47.67	100.00

CLASS C

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	594	0.99	24.38
5,001-10,000	111	0.76	18.72
10,001-50,000	91	1.44	35.47
50,001-500,000	4	0.87	21.43
500,001 and above	-	-	-
Total	800	4.06	100.00

CLASS X

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	9739	10.30	21.98
5,001-10,000	1679	11.92	25.44
10,001-50,000	1178	20.84	44.47
50,001-500,000	44	3.80	8.11
500,001 and above	-	-	-
Total	12,640	46.86	100.00

SOFT COMMISSIONS AND REBATES

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.

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

	Note	01.09.2018 to 28.02.2019 RM	01.09.2017 to 28.02.2018 RM
(LOSS)/INCOME			
Dividend income		517,032	288,441
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah earned		9,608	4,708
Profit income from unquoted Sukuk		434,773	198,216
Net (loss)/gain on financial assets at fair value through profit or loss	7	(1,263,912)	605,719
Net foreign exchange loss		(5,753)	(135,920)
		<u>(308,252)</u>	<u>961,164</u>
EXPENSES			
Management Fee	4	249,595	-
Private Pension Administrator's fee	4	11,910	9,115
Trustee's and Custodian's fees	5	18,135	16,111
Audit fee		6,150	6,341
Tax Agent's fee		2,300	4,600
Transaction costs		66,269	102,212
Other expenses		1,737	22,157
		<u>356,096</u>	<u>160,536</u>
(LOSS)/PROFIT BEFORE TAXATION		(664,348)	800,628
Taxation	6	(9,294)	(6,612)
(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>(673,642)</u>	<u>794,016</u>
(Decrease)/Increase in net assets attributable to members is made up as follows:			
Realised amount		(602,840)	3,251,153
Unrealised amount		(70,802)	(2,457,137)
		<u>(673,642)</u>	<u>794,016</u>

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

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

	Note	28.02.2019 RM	31.08.2018 Audited RM
ASSETS			
Cash and cash equivalents (Shariah-compliant)	8	747,954	784,099
Financial assets at fair value through profit or loss (Shariah-compliant)	7	65,105,893	56,452,547
Amount due from stockbrokers		1,238,928	256,935
Amount due from the PRS Provider	9	709,775	625,227
Dividends receivable		20,624	26,847
Tax recoverable		56	56
TOTAL ASSETS		<u>67,823,230</u>	<u>58,145,711</u>
LIABILITIES			
Amount due to stockbrokers		1,422,294	547,283
Amount due to the PRS Provider	9	121,088	61,475
Amount due to Private Pension Administrator		1,987	1,905
Amount due to Trustee and Custodian		1,987	1,905
Other payables and accruals		13,050	12,801
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS)		<u>1,560,406</u>	<u>625,365</u>
NET ASSET VALUE OF THE FUND		<u>66,262,824</u>	<u>57,520,346</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>66,262,824</u>	<u>57,520,346</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- Class A		32,042,142	26,488,775
- Class C		2,725,363	2,433,696
- Class X		31,495,319	28,597,875
		<u>66,262,824</u>	<u>57,520,346</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class A		47,674,022	38,793,745
- Class C		4,056,431	3,564,559
- Class X		46,861,810	41,884,051
	10	<u>98,592,263</u>	<u>84,242,355</u>
NET ASSET VALUE PER UNIT (RM)			
- Class A		0.6721	0.6828
- Class C		0.6718	0.6827
- Class X		<u>0.6720</u>	<u>0.6827</u>

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

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

	01.09.2018 to 28.02.2019 RM	01.09.2017 to 28.02.2018 RM
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE BEGINNING OF THE FINANCIAL PERIOD	57,520,346	42,090,581
Movement due to units created and cancelled during the financial period:		
Creation of units from applications		
- Class A	6,493,944	4,086,975
- Class C	345,980	301,788
- Class X	4,469,877	4,157,007
	<u>11,309,801</u>	<u>8,545,770</u>
Cancellation of units		
- Class A	(664,636)	(680,650)
- Class C	(26,114)	(54,903)
- Class X	(1,202,931)	(954,162)
	<u>(1,893,681)</u>	<u>(1,689,715)</u>
(Decrease)/Increase in net assets attributable to members during the financial period	<u>(673,642)</u>	<u>794,016</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL PERIOD	<u><u>66,262,824</u></u>	<u><u>49,740,652</u></u>

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

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2019**

	01.09.2018 to 28.02.2019 RM	01.09.2017 to 28.02.2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of Shariah-compliant quoted securities	7,927,384	6,333,473
Proceeds from disposal of Shariah-compliant collective investment schemes	-	44,509,982
Proceeds from disposal of unquoted Sukuk	1,114,562	5,324,474
Purchase of Shariah-compliant quoted securities	(14,739,795)	(39,196,466)
Purchase of Shariah-compliant collective investment schemes	-	(1,958,343)
Purchase of unquoted Sukuk	(4,466,405)	(21,278,749)
Dividend income received	515,523	233,536
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions	9,608	4,708
Profit income received from unquoted Sukuk	509,197	228,507
Management fee paid	(179,791)	
Private Pension Administrator's fees paid	(11,826)	(9,017)
Trustee's and Custodian's fees paid	(18,050)	(16,013)
Payments for other fees and expenses	(9,937)	(32,218)
Net realised foreign exchange loss	(14,183)	(259,088)
Net cash used in operating activities	(9,363,713)	(6,115,214)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	11,225,253	8,403,204
Payments for cancellation of units	(1,903,872)	(1,724,103)
Net cash generated from financing activities	9,321,381	6,679,101
Net (decreased)/increase in cash and cash equivalents	(42,332)	563,887
Effects of foreign exchange differences	6,187	(60,963)
Cash and cash equivalents at the beginning of the financial period	784,099	75,169
Cash and cash equivalents at the end of the financial period	784,954	578,093
<u>Cash and cash equivalents comprised of:</u>		
Shariah-compliant deposits with licensed Islamic financial institutions	286,024	470,041
Bank balances	461,930	108,052
Cash and cash equivalents at the end of the financial period	784,954	578,093

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2019

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

CIMB Islamic PRS Plus 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 (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 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 or equivalent rating by MARC or “BBB” by 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 will be subjected to the Securities Commission Malaysia’s (“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, a company incorporated in Malaysia, is jointly owned by CIMB Group Sdn Bhd and Principal International (Asia) Limited. The principal activities of the PRS Provider are the establishment and management of unit trust funds and fund management activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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).

Standard that is effective:

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

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

(i) Financial period 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 when effective. These amendments are not expected to have a significant impact on the Fund's financial statements.

(b) Financial assets and financial liabilities

Classification

Up to 31 August 2018, the Fund designates its investments in Shariah-compliant 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 the PRS Provider, amount due from stockbrokers 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 stockbrokers, amount due to the PRS Provider, amount due to Private Pension Administrator's fee, amount due to Trustee and other payables and accruals as other financial liabilities.

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

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

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 designated any equity securities as fair value through other comprehensive income. 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 the PRS Provider, amount due from stockbrokers 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 stockbrokers, amount due to the PRS Provider, amount due to Private Pension Administrator's fee, amount due to Trustee and other payables and accruals as other financial liabilities measured at amortised cost.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. 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, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the Shariah-compliant investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

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

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

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

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

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 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 period from the date of placement to the date of maturity of the respective Shariah-compliant deposits.

Financing and receivables and other financial liabilities are subsequently carried at amortised cost using the effective profit method.

Impairment for assets carried at amortised costs

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

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

As a practical expedient, the Fund may measure impairment on the basis of an instrument’s fair value using an observable market price.

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

If, in a subsequent financial period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in statement of comprehensive income.

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

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

(c) Income recognition

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

Profit income from Shariah-compliant deposits with licensed Islamic financial institutions and unquoted Sukuk are recognised on a time proportionate basis using the effective profit rate method on an accrual basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Income recognition (continued)

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 investments, 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.

(d) Foreign currency

Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in 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) Unit of the Fund are denominated in RM; and
- ii) Significant portion of the Fund’s expenses 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 period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

(e) 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)**(f) Creation and cancellation of units**

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

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

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

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

(h) Transaction costs

Transactions 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.

(i) Taxation

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

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

(j) 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.

(k) Amount due from/to stockbrokers

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Amount due from/to stockbrokers (continued)

These amounts are recognised initially at fair value and, up to 31 August 2018, subsequently measured at amortised cost using the effective profit method, less provision for impairment for amounts due from stockbrokers. A provision for impairment of amounts 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 stockbroker. Significant financial difficulties of the stockbroker, probability that the stockbroker 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 measure the loss allowance on amounts due from broker 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 management as any contractual payment which is more than 30 days past due.

(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 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 fixed income securities differs from the market price by more than 20 bps, the PRS Provider may use market price, provided that the PRS Provider records its basis for using a non-BPA price, obtains necessary internal approvals to use the non-BPA price, and keeps an audit trail of all decisions and basis for adopting the use of non-BPA price.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is to provide capital growth over the long-term by investing in a 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, profit rate risk and currency risk), credit risk and liquidity risk.

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

(a) Market risk

(i) Price risk

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

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

(ii) Profit 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.

Investors should note that the movement in prices of unquoted Sukuk and Shariah-compliant money market instruments are benchmarked against profit rates. As such, the investments are exposed to the movement of the profit rates. However, it does not in any way suggest that the Fund will invest in conventional financial instruments. All investments carried out for the Fund, including placements 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. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(a) Market risk (continued)****(ii) Profit rate risk (continued)**

Such 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.

(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.

(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 rating requirement of at least "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 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. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(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 unit holders. 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 investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the PRS Provider will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

(d) Capital risk management

The capital of the Fund is represented by equity consisting of net assets attributable to members of RM66,262,824 (31.08.2018: 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.

(e) Fair value estimation

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

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

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy

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

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

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
28.02.2019				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted securities	44,490,537	-	-	44,490,537
- Unquoted Sukuk	-	20,615,356	-	20,615,356
	<u>44,490,537</u>	<u>20,615,356</u>	<u>-</u>	<u>65,105,893</u>

3. 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
31.08.2018				
Audited				
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>

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

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. This 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 six months financial period ended 28 February 2019 and 28 February 2018, the management fee for the respective classes is recognised at the following rates:

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

Nonetheless, no management fee is charged on the Fund up until 15 November 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 (28.02.2018: 0.04% per annum) for each unit class, calculated daily based on the NAV of the Fund.

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

5. TRUSTEE'S AND CUSTODIAN'S 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's fee but excludes foreign sub-custodian's fees. The foreign sub-custodian's fee is dependent on the country invested and is charged monthly in areas.

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

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

6. TAXATION

	01.09.2018 to 28.02.2019	01.09.2017 to 28.02.2018
	RM	RM
Tax charged for the financial period:		
- Withholding tax	<u>9,294</u>	<u>6,612</u>

6. TAXATION (CONTINUED)

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

	01.09.2018 to 28.02.2019	01.09.2017 to 28.02.2018
	RM	RM
(Loss)/Profit before taxation	<u>(664,348)</u>	<u>800,628</u>
Taxation at Malaysian statutory rate of 24% (28.02.2018: 24%)	(159,444)	192,151
Tax effects of:		
Loss not deductible for tax purpose/(Income not subject to tax)	73,980	(230,679)
Expenses not deductible for tax purposes	83,766	33,508
Restriction on tax deductible expenses for PRS Funds	1,698	5,020
Income subject to withholding tax	<u>9,294</u>	<u>6,612</u>
Taxation	<u>9,294</u>	<u>6,612</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	28.02.2019	31.08.2018
	RM	Audited RM
Designated at fair value through profit or loss at inception:		
- Shariah-compliant quoted securities	44,490,537	39,192,327
- Unquoted Sukuk	20,615,356	17,260,220
	<u>65,105,893</u>	<u>56,452,547</u>
	01.09.2018 to 28.02.2019	01.09.2017 to 28.02.2018
	RM	RM
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised (loss)/gain on disposals	(1,255,426)	3,002,598
- Unrealised fair value loss	(8,486)	(2,396,879)
	<u>(1,263,912)</u>	<u>605,719</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
28.02.2019				
SHARIAH-COMPLIANT QUOTED SECURITIES				
AUSTRALIA				
Basic Materials				
BHP Billiton Ltd	17,560	1,740,444	1,898,712	2.87
TOTAL AUSTRALIA	17,560	1,740,444	1,898,712	2.87
CAYMAN ISLANDS				
Consumer Products				
Alibaba Group Holding Ltd	4,209	3,113,762	3,131,567	4.73
TOTAL CAYMAN ISLANDS	4,209	3,113,762	3,131,567	4.73
CHINA				
Basic Materials				
Anhui Conch Cement Co. Ltd	48,500	853,351	1,127,587	1.70
Energy				
China Petroleum & Chemical Corporation	316,000	967,966	1,109,376	1.67
Finance				
China Vanke Co Ltd - H ¹	49,000	746,828	756,092	1.14
TOTAL CHINA	413,500	2,568,145	2,993,055	4.51
HONG KONG				
Consumer Products				
Brilliance China Automotive Holdings Ltd	82,000	881,473	326,515	0.49
China Mengniu Dairy Co. Ltd	42,000	479,204	527,379	0.80
MTR Corporation Ltd	56,000	1,360,121	1,307,756	1.97
Techtronic Industries Co. Ltd	41,000	1,011,055	1,113,503	1.68
Tingyi (Cayman Islands) Holding Corporation	64,000	489,785	361,217	0.55
	285,000	4,221,638	3,636,370	5.49

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
28.02.2019 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
HONG KONG (CONTINUED)				
Energy				
CNOOC Ltd	198,000	1,156,873	1,388,180	2.09
REITs				
China Resources Land Ltd	68,000	879,036	1,031,665	1.56
Henderson Land Development Co. Ltd	45,100	1,163,977	1,036,863	1.56
Link REIT	31,000	1,101,936	1,424,597	2.15
	144,100	3,144,949	3,493,125	5.27
Technology				
Sunny Optical Technology Group Co. Ltd	10,800	696,581	520,078	0.78
Tencent Holdings Ltd	9,400	1,905,690	1,634,446	2.47
	20,200	2,602,271	2,154,524	3.25
TOTAL HONG KONG	647,300	11,125,731	10,672,199	16.10
INDONESIA				
Telecommunications				
PT Telekomunikasi Indonesia Persero Tbk	517,400	677,643	576,981	0.87
TOTAL INDONESIA	517,400	677,643	576,981	0.87
MALAYSIA				
Basic Materials				
Petronas Chemicals Group Bhd	163,900	1,398,375	1,511,158	2.28
Consumer Products				
IOI Corporation Bhd	93,400	427,582	419,366	0.63
Kuala Lumpur Kepong Bhd	6,100	151,017	150,914	0.23
UMW Holding Bhd	117,600	563,885	682,080	1.03
	217,100	1,142,484	1,252,360	1.89

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
28.02.2019 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Energy				
Dayang Enterprise Holding Bhd	661,400	626,880	661,400	1.00
Dialog Group Bhd	355,800	994,106	1,149,234	1.73
Hibiscus Petroleum Bhd	622,600	644,797	635,052	0.96
Petronas Dagangan Bhd	40,800	1,069,716	1,089,360	1.64
	<u>1,680,600</u>	<u>3,335,499</u>	<u>3,535,046</u>	<u>5.33</u>
Finance				
BIMB Holdings Bhd	137,100	553,764	582,675	0.88
Revenue Group Bhd	338,900	236,823	399,902	0.60
Revenue Group Bhd - Warrant	192,650	-	78,987	0.12
SP Setia Bhd	4,809	17,776	15,756	0.02
	<u>673,459</u>	<u>808,363</u>	<u>1,077,320</u>	<u>1.62</u>
Health Care				
Hartalega Holding Bhd	68,100	374,707	340,500	0.51
IHH Healthcare Bhd	173,300	1,007,427	993,009	1.50
	<u>241,400</u>	<u>1,382,134</u>	<u>1,333,509</u>	<u>2.01</u>
Industrials				
Malaysian Resources Corporation Bhd	391,900	326,923	305,682	0.46
MISC Bhd	150,500	1,001,616	1,038,450	1.57
Muhibbah Engineering (M) Bhd	41,900	125,775	125,281	0.19
Pentamaster Corporation Bhd	214,000	504,629	723,320	1.09
Serba Dinamik Holdings Bhd	45,700	175,122	180,515	0.27
Sime Darby Bhd	319,700	800,600	693,749	1.05
Sime Darby Plantation Bhd	96,600	515,869	492,660	0.74
Westports Holdings Bhd	193,100	705,334	712,539	1.08
Yinson Holdings Bhd	69,700	295,723	303,195	0.46
	<u>1,523,100</u>	<u>4,451,591</u>	<u>4,575,391</u>	<u>6.91</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
28.02.2019 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
REITs				
KLCCP Stapled Group	76,100	587,465	596,624	0.90
Technology				
Globetronics Technology Bhd	348,100	630,055	668,352	1.01
Inari Amertron Bhd	406,800	847,350	638,676	0.96
JMH Consolidation Bhd	542,100	582,516	634,257	0.96
	<u>1,297,000</u>	<u>2,059,921</u>	<u>1,941,285</u>	<u>2.93</u>
Telecommunications				
Axiata Group Bhd	153,808	792,095	639,841	0.97
Digi.Com Bhd	136,900	607,894	622,895	0.94
TIME dotCom Bhd	76,400	659,335	592,100	0.89
	<u>367,108</u>	<u>2,059,324</u>	<u>1,854,836</u>	<u>2.80</u>
Utilities				
Petronas Gas Bhd	62,200	1,161,871	1,124,576	1.70
Tenaga Nasional Bhd	79,300	1,188,323	1,064,206	1.61
	<u>141,500</u>	<u>2,350,194</u>	<u>2,188,782</u>	<u>3.31</u>
TOTAL MALAYSIA	<u>6,381,267</u>	<u>19,575,350</u>	<u>19,866,311</u>	<u>29.98</u>
SINGAPORE				
Energy				
Keppel Corp Ltd	34,600	817,833	642,797	0.97
REITs				
CapitaLand Commercial Trust	251,000	1,355,871	1,468,562	2.22
CapitaLand Mall Trust	180,200	1,140,653	1,304,316	1.97
	<u>431,200</u>	<u>2,496,524</u>	<u>2,772,878</u>	<u>4.19</u>
Technology				
Venture Corporation Ltd	13,600	810,718	730,089	1.10
TOTAL SINGAPORE	<u>479,400</u>	<u>4,125,075</u>	<u>4,145,764</u>	<u>6.26</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
28.02.2019 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
SOUTH KOREA				
Technology				
Samsung Electronics Co. Ltd	7,397	1,283,236	1,205,948	1.82
TOTAL SOUTH KOREA	7,397	1,283,236	1,205,948	1.82
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	8,468,033	44,209,386	44,490,537	67.14
ACCUMULATED UNREALISED GAIN ON SHARIAH-COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		281,151		
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		44,490,537		

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
28.02.2019 (CONTINUED)				
UNQUOTED SUKUK				
Bandar Serai Development Sdn Bhd 4.78% 07/10/2020 (AA3)	2,500,000	2,554,975	2,558,420	3.86
Bank Pembangunan Malaysia Bhd 4.28% 02/03/2022 (AAA)	1,800,000	1,830,960	1,833,673	2.77
Celcom Transmission (M) Sdn Bhd 4.85% 29/08/2022 (AA1)	500,000	501,985	508,096	0.77
Fortune Premiere Sdn Bhd 4.65% 21/12/2022 (AA)	450,000	453,561	456,528	0.69
Fortune Premiere Sdn Bhd 4.80% 13/3/2023 (AA)	1,500,000	1,534,685	1,549,614	2.34
Imtiaz Sukuk II Bhd 4.58% 27/05/2022 (AA2)	1,250,000	1,265,594	1,273,493	1.92
Jimah Energy Ventures Sdn Bhd 9.15% 05/12/2020 (AA3)	1,250,000	1,354,211	1,357,112	2.05
Jimah Energy Ventures Sdn Bhd 9.35% 12/05/2020 (AA3)	1,250,000	1,357,784	1,360,748	2.05
MMC Corporation Bhd 5.64% 27/04/2027 (AA3)	2,000,000	2,078,405	2,061,812	3.11
Perbadanan Kemajuan Negeri Selangor 5.00% 10/08/2021 (AA3)	1,100,000	1,108,634	1,112,572	1.68
Perbadanan Kemajuan Negeri Selangor 5.15% 10/08/2023 (AA3)	1,150,000	1,162,880	1,168,783	1.76
Telekom Malaysia Bhd 4.20% 13/09/2021 (AAA)	1,000,000	1,021,089	1,021,577	1.54
UEM Edgenta Bhd 4.85% 26/04/2022 (AA3)	400,000	409,005	411,593	0.62
UMW Holding Bhd 4.83% 22/6/2022 (AA2)	600,000	609,878	613,042	0.93
UniTapah Sdn Bhd 5.01% 12/06/2019 (AA1)	800,000	810,492	811,107	1.22
United Growth Bhd 4.73% 21/06/2022 (AA2)	650,000	661,112	666,017	1.01
WCT Holdings Bhd 5.32% 11/05/2022 (AA3)	1,800,000	1,839,181	1,851,169	2.79
TOTAL UNQUOTED SUKUK	20,000,000	20,554,431	20,615,356	31.11

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
28.02.2019 (CONTINUED)				
UNQUOTED SUKUK (CONTINUED)				
ACCUMULATED UNREALISED GAIN ON UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS		60,295		
TOTAL UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS		20,615,356		
Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.08.2018				
Audited SHARIAH-COMPLIANT QUOTED SECURITIES				
AUSTRALIA				
Basic 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 Products				
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

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.08.2018 (CONTINUED)				
Audited (continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
CHINA				
Basic Materials				
Anhui Conch Cement Co. Ltd	48,500	853,351	1,213,398	2.11
Energy				
China Petroleum & Chemical Corporation	316,000	967,966	1,304,962	2.27
Finance				
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				
Consumer Products				
Brilliance China Automotive Holdings Ltd	82,000	881,473	533,910	0.93
China Mengniu Dairy Co. Ltd	42,000	479,204	497,910	0.87
MTR Corporation 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
Tingyi (Cayman Islands) Holding Corporation	64,000	489,785	469,636	0.82
	285,000	4,221,638	3,717,113	6.47
Energy				
CNOOC Ltd	198,000	1,156,873	1,438,429	2.50
REITs				
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	31,000	1,101,936	1,268,826	2.21
	144,100	3,144,949	3,221,867	5.60

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.08.2018 (CONTINUED)				
Audited (continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
HONG KONG (CONTINUED)				
Technology				
Sunny Optical Technology Group Co. Ltd	10,800	696,581	563,859	0.98
Tencent Holdings Ltd	9,400	1,905,690	1,672,786	2.91
	<u>20,200</u>	<u>2,602,271</u>	<u>2,236,645</u>	<u>3.89</u>
TOTAL HONG KONG	<u>647,300</u>	<u>11,125,731</u>	<u>10,614,054</u>	<u>18.46</u>
INDONESIA				
Telecommunications				
PT Telekomunikasi Indonesia Persero Tbk	517,400	677,643	503,798	0.88
TOTAL INDONESIA	<u>517,400</u>	<u>677,643</u>	<u>503,798</u>	<u>0.88</u>
MALAYSIA				
Construction				
Gamuda Bhd	65,100	245,482	240,870	0.42
Muhibbah Engineering (M) Bhd	41,900	125,775	131,147	0.23
	<u>107,000</u>	<u>371,257</u>	<u>372,017</u>	<u>0.65</u>
Consumer Products				
Padini Holdings Bhd	90,000	474,670	538,200	0.94

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.08.2018 (CONTINUED)				
Audited (continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Finance				
BIMB Holdings Bhd	130,800	533,730	516,660	0.90
Industrials				
Hartalega Holdings Bhd	39,700	251,558	281,870	0.49
Petronas Chemicals Group Bhd	62,000	453,887	586,520	1.02
Top Glove Corporation Bhd	26,000	261,770	289,640	0.50
UMW Holdings Bhd	39,000	251,231	231,660	0.40
V.S. Industry Bhd	330,425	599,637	522,072	0.91
	<u>497,125</u>	<u>1,818,083</u>	<u>1,911,762</u>	<u>3.32</u>
IPC				
TIME dotCom Bhd	58,800	517,715	482,160	0.84
Plantation				
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>
Properties				
SP Setia Bhd - Preference Share	20,200	17,776	16,564	0.03
Technology				
Frontken Corporation Bhd	685,600	370,581	589,616	1.03
Inari Amertron Bhd	406,800	847,350	911,232	1.58
JHM Consolidation Bhd	463,000	489,645	574,120	1.00
Pentamaster Corporation Bhd	214,000	504,629	734,020	1.28
Revenue Group Bhd	385,300	269,248	439,242	0.76
Unisem (M) Bhd	244,300	535,782	706,027	1.23
	<u>2,399,000</u>	<u>3,017,235</u>	<u>3,954,257</u>	<u>6.88</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.08.2018 (CONTINUED)				
Audited (continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Trading/Services				
Axiata Group Bhd	153,808	792,095	738,278	1.28
Bermaz Auto Bhd	162,900	346,372	348,606	0.61
Dialog Group Bhd	167,200	420,235	581,856	1.01
IHH Healthcare Bhd	106,900	652,087	596,502	1.04
MISC Bhd	67,600	503,494	400,868	0.70
Petronas Dagangan Bhd	14,000	378,210	380,800	0.66
Pos Malaysia Bhd	155,500	573,840	561,355	0.98
Serba Dinamik Holdings Bhd	221,700	776,652	853,545	1.48
Sime Darby Bhd	334,200	1,042,905	852,210	1.48
Sunway Bhd	184,100	306,733	287,196	0.50
Tasco Bhd	95,300	224,259	152,480	0.27
Telekom Malaysia Bhd	97,000	477,223	321,070	0.56
Tenaga Nasional Bhd	63,400	952,102	994,112	1.73
Westports Holdings Bhd	153,200	559,192	569,904	0.98
Yinson Holdings Bhd	57,100	241,986	262,661	0.45
	<u>2,033,908</u>	<u>8,247,385</u>	<u>7,901,443</u>	<u>13.73</u>
TOTAL MALAYSIA	<u>5,523,233</u>	<u>15,569,217</u>	<u>16,241,570</u>	<u>28.24</u>
SINGAPORE				
Energy				
Keppel Corp Ltd	<u>34,600</u>	<u>817,833</u>	<u>678,040</u>	<u>1.18</u>
REITs				
CapitaLand Commercial Trust	127,900	714,179	679,375	1.18
CapitaLand Mall Trust	<u>124,200</u>	<u>780,102</u>	<u>797,630</u>	<u>1.39</u>
	<u>252,100</u>	<u>1,494,281</u>	<u>1,477,005</u>	<u>2.57</u>
Technology				
Venture Corporation Ltd	<u>13,600</u>	<u>810,718</u>	<u>739,134</u>	<u>1.27</u>
TOTAL SINGAPORE	<u>300,300</u>	<u>3,122,832</u>	<u>2,894,179</u>	<u>5.02</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.08.2018 (CONTINUED)				
Audited (continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
SOUTH KOREA				
Technology				
Samsung Electronics Corporation 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>	38,825,708	<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 (CONTINUED)

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.08.2018 (CONTINUED)				
Audited (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
Imtiaz 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		

8. CASH AND CASH EQUIVALENTS

	28.02.2019	31.08.2018
	RM	Audited
		RM
Shariah-compliant deposits with licensed Islamic financial institutions	286,024	529,093
Bank balances	461,930	255,006
	<u>747,954</u>	<u>784,099</u>

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

	28.02.2019	31.08.2018
	%	Audited
		%
Shariah-compliant deposits with licensed Islamic financial institutions	<u>3.15</u>	<u>3.20</u>

Shariah-compliant deposits with licensed Islamic financial institutions of the Fund have an average maturity of 1 day (31.08.2018: 2 days).

9. AMOUNT DUE FROM/TO THE PRS PROVIDER

	28.02.2019	31.08.2018
	RM	Audited
		RM
Amount due from the PRS Provider:		
- Creation of units	<u>709,775</u>	<u>625,227</u>
Amount due to the PRS Provider:		
- Cancellation of units	51,284	61,475
- Accrued management fee	69,804	-
	<u>121,088</u>	<u>61,475</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.09.2018	01.09.2017
	to 28.02.2019	to 31.08.2018
		Audited
	No. of units	No. of units
Class A (i)	47,674,022	38,793,745
Class C (ii)	4,056,431	3,564,559
Class X (iiii)	46,861,810	41,884,051
	<u>98,592,263</u>	<u>84,242,355</u>

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

(i) Class A

	01.09.2018 to 28.02.2019	01.09.2017 to 31.08.2018
		Audited
	No. of units	No. of units
At the beginning of the financial period/year	38,793,745	28,990,175
Add: Creation of units from applications	9,889,805	12,257,704
Less: Cancellation of units	<u>(1,009,528)</u>	<u>(2,454,134)</u>
At the end of the financial period/year	<u><u>47,674,022</u></u>	<u><u>38,793,745</u></u>

(ii) Class C

	01.09.2018 to 28.02.2019	01.09.2017 to 31.08.2018
		Audited
	No. of units	No. of units
At the beginning of the financial period/year	3,564,559	2,520,426
Add: Creation of units from applications	531,673	1,183,959
Less: Cancellation of units	<u>(39,801)</u>	<u>(139,826)</u>
At the end of the financial period/year	<u><u>4,056,431</u></u>	<u><u>3,564,559</u></u>

(iii) Class X

	01.09.2018 to 28.02.2019	01.09.2017 to 31.08.2018
		Audited
	No. of units	No. of units
At the beginning of the financial period/year	41,884,051	31,449,076
Add: Creation of units from applications	6,804,191	13,068,787
Less: Cancellation of units	<u>(1,826,432)</u>	<u>(2,633,812)</u>
At the end of the financial period/year	<u><u>46,861,810</u></u>	<u><u>41,884,051</u></u>

11. MANAGEMENT EXPENSE RATIO (“MER”)

	01.09.2018 to 28.02.2019	01.09.2017 to 28.02.2018
	%	%
MER	<u>0.48</u>	<u>0.12</u>

MER is derived based on the following calculation:

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

A	=	Private Pension Administrator’s fee
B	=	Trustee’s and custodian fees
C	=	Audit fee
D	=	Tax Agent’s fee
E	=	Other expenses (excluding GST on transaction cost)
F	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM60,121,425 (28.02.2018: RM45,989,541).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.09.2018 to 28.02.2019	01.09.2017 to 28.02.2018
PTR (times)	<u>0.25</u>	<u>1.29</u>

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial period	=	RM19,992,764 (28.02.2018: RM62,680,033)
total disposal for the financial period	=	RM10,034,557 (28.02.2018: RM56,430,600)

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

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

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

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

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

	01.09.2018 to 28.02.2019 RM	01.09.2017 to 28.02.2018 RM
<u>Significant related party transactions</u>		
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions:		
- CIMB Islamic Bank Bhd	9	-
Cash placements with Shariah-compliant deposits with licensed Islamic financial institutions		
- CIMB Islamic Bank Bhd	109,000	-

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

	01.09.2018 to 28.02.2019 RM	01.09.2017 to 28.02.2018 RM
<u>Significant related party transactions (continued)</u>		
Dividend income from Shariah-compliant collective investment schemes managed by the PRS Provider	-	128,343
Purchase of Shariah-compliant collective investment schemes:		
- Principal Asset Management Berhad	-	1,958,343
Disposal of Shariah-compliant collective investment schemes:		
- Principal Asset Management Berhad	-	40,742,220

14. TRANSACTIONS WITH BROKERS/DEALERS

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

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
RHB Investment Bank Bhd	5,375,362	17.90	3,503	7.40
Hong Leong Investment Bank Bhd	4,969,884	16.55	7,349	15.51
Maybank Investment Bank Bhd	2,988,414	9.95	5,840	12.33
J.P. Morgan Securities (Malaysia) Sdn Bhd	2,497,011	8.32	3,737	7.89
Alliance Investment Bank Bhd	2,000,700	6.66	4,502	9.50
Kenanga Investment Bank Bhd	1,997,320	6.65	4,494	9.49
Affin Hwang Investment Bank Bhd	1,780,012	5.93	4,005	8.46
CIMB Investment Bank Bhd #	1,715,159	5.71	3,158	6.67
Macquarie Capital Sec (Malaysia) Sdn Bhd	1,502,233	5.00	3,380	7.14
Credit Suisse Securities (Malaysia) Sdn Bhd	1,259,949	4.20	2,835	5.98
Others #	3,941,277	13.13	4,564	9.63
	<u>30,027,321</u>	<u>100.00</u>	<u>47,367</u>	<u>100.00</u>

14. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

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

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Principal Asset Management Berhad #	46,339,982	38.90	-	-
Citigroup Global Markets Ltd	18,742,342	15.74	5,623	9.67
RHB Investment Bank Bhd	10,739,203	9.02	1,891	3.25
RHB Bank Bhd	8,678,930	7.29	-	-
Hong Leong Bank Bhd	6,319,150	5.31	-	-
Maybank Investment Bank Bhd	4,369,282	3.67	9,831	16.91
Affin Hwang Investment Bank Bhd	3,421,751	2.87	7,699	13.24
Credit Suisse Securities (Malaysia) Sdn Bhd	2,780,662	2.33	6,257	10.76
CIMB Investment Bank Bhd #	1,659,047	1.39	3,444	5.92
Hong Leong Investment Bank Bhd	1,630,761	1.37	1,170	2.01
Others #	14,429,522	12.11	22,214	38.24
	<u>119,110,632</u>	<u>100.00</u>	<u>58,129</u>	<u>100.00</u>

Included in transactions are trades conducted with Principal Asset Management Berhad, the PRS Provider of the Fund, amounting to Nil (28.02.2018: RM46,339,982), CIMB Investment Bank Bhd, CIMB Securities (Singapore) Pte Ltd and CIMB Bank Bhd, fellow related parties to the PRS Provider amounting to RM1,715,159 (28.02.2018: RM1,659,047), RM641,692 (28.02.2018: RM1,068,239) and Nil (28.02.2018: RM303,270). 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.

15. SEGMENT INFORMATION

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

15. SEGMENT INFORMATION (CONTINUED)

The investment objective of the Fund is to provide capital growth over the long-term by investing in a 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, 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 period.

16. MFRS 9 FINANCIAL INSTRUMENTS

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

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

	Measurement category		Carrying amount			
	Original (MFRS 139)	New (MFRS 9)	Original (MFRS 139) 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	1,905	-	-	1,905
Amount due to Private Pension Administrator's fee	Amortised cost	Amortised cost	1,905	-	-	1,905
Other payables and accruals	Amortised cost	Amortised cost	12,801	-	-	12,801

DIRECTORY

Head office of the PRS Provider

Principal Asset Management Berhad (Company No.: 304078-K)
(formerly known as *CIMB-Principal Asset Management Berhad*)
8th Floor, Bangunan CIMB,
Jalan Semantan,
Damansara Heights,
50490 Kuala Lumpur, MALAYSIA.
Tel: (03) 2084 8888

Website

www.principal.com.my

E-mail address

service@principal.com.my

General investment enquiries

(03) 7718 3100

Trustee for the CIMB Islamic PRS Plus Growth

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

Shariah Adviser of the CIMB Islamic PRS Plus Growth

CIMB Islamic Bank Berhad (Company No.:671380-H)
Level 34, Menara Bumiputra-Commerce,
No 11, Jalan Raja Laut,
50350 Kuala Lumpur, MALAYSIA.
Tel: (03) 2619 1188
Fax: (03) 2691 3513