

CIMB ISLAMIC PRS PLUS MODERATE

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 - 53
DIRECTORY	54

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.

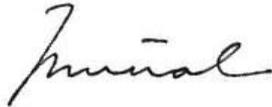
We continue to achieve prestigious recognitions, grabbing six individual awards at The Edge-Thomson Reuters Lipper Fund Awards 2018. In addition, we received recognition from Fundsupermart.com for 'Fund House of the Year' award and Recommended Unit Trust 2018/2019 awards for six funds.

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 MODERATE**

We have acted as the Shariah Adviser of CIMB Islamic PRS Plus Moderate (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 MODERATE**

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 53 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 MODERATE**

We have acted as the Trustee for CIMB Islamic PRS Plus Moderate (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 a moderate level of capital growth over the long-term by investing in a diversified portfolio of Shariah-compliant equity and 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 mix of Shariah-compliant equities and Sukuk to provide a moderate level of capital growth to the Fund.

The investments by the Fund in Shariah-compliant equities which include foreign exposure shall not exceed 60% of the Fund's Net Asset Value ("NAV") and investments in both local and foreign Sukuk shall not be less than 40% 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 (Moderate)

When was the Fund launched?

12 November 2012

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

RM33.78 million (52.12 million units)

What is the Fund's benchmark?

60% Financial Times Stock Exchange ("FTSE") Bursa Malaysia ("FBM") EMAS Shariah ("FBMS") Index + 40% Quant shop Government Investment Issue ("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 unaudited financial periods are as follows:

	28.02.2019	28.02.2018	28.02.2017
	%	%	%
Shariah-compliant collective investment schemes	-	-	97.65
Shariah-compliant quoted securities			
- Basic Materials	4.83	0.28	-
- Construction	-	3.56	-
- Consumer Products	6.53	6.73	-
- Energy	7.63	2.22	-
- Finance	3.18	3.34	-
- Health Care	2.58	-	-
- Industrials	11.98	7.67	-
- Infrastructure Project Companies ("IPC")	-	1.50	-
- Plantations	-	4.48	-
- Properties	-	1.03	-
- Real Estate Investment Trusts ("REITs")	4.59	1.29	-
- Technology	5.02	6.09	-
- Telecommunications	4.08	0.80	-
- Trading/Services	-	18.49	-
- Utilities	6.18	-	-
Unquoted Sukuk	41.82	41.21	-
Cash and other net assets	1.58	1.31	2.35
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	28.02.2019	28.02.2018	28.02.2017
NAV (RM Million)			
- Class A	14.25	11.32	9.09
- Class C	1.30	0.83	0.61
- Class X	18.23	14.83	10.50
Units in circulation (Million)			
- Class A	21.98	17.10	14.91
- Class C	2.01	1.26	1.01
- Class X	28.13	22.42	17.23
NAV per unit (RM)			
- Class A	0.6481	0.6615	0.6094
- Class C	0.6481	0.6616	0.6095
- Class X	0.6481	0.6615	0.6094
	01.09.2018	01.09.2017	01.09.2016
	to 28.02.2019	to 28.02.2018	to 28.02.2017
Highest NAV per unit (RM)			
- Class A	0.6708	0.6787	0.6134
- Class C	0.6709	0.6788	0.6135
- Class X	0.6707	0.6787	0.6134
Lowest NAV per unit (RM)			
- Class A	0.6193	0.6474	0.5854
- Class C	0.6193	0.6475	0.5856
- Class X	0.6193	0.6474	0.5854

PERFORMANCE DATA (CONTINUED)

Performance details of the Fund for the last three unaudited 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
Total return (%)			
- Class A	(2.60)	2.21	2.51
- Class C	(2.61)	2.21	2.51
- Class X	(2.58)	2.19	2.51
Capital growth (%)			
- Class A	(2.60)	2.21	2.51
- Class C	(2.61)	2.21	2.51
- Class X	(2.58)	2.19	2.51
Income distribution (%)			
- Class A	-	-	-
- Class C	-	-	-
- Class X	-	-	-
Management Expense Ratio ("MER") (%) ^	0.50	0.15	0.12
Portfolio Turnover Ratio ("PTR") (times) #	0.29	1.25	0.41

^ The Fund's MER increased from 0.15% to 0.50% during the financial period under review mainly due to increase in expenses.

The Fund's PTR decreased from 1.25 times to 0.29 times due to less trading activities during the financial period under review.

	28.02.2019 %	28.02.2018 %	28.02.2017 %	29.02.2016 %	28.02.2015 %
Annual total return					
- Class A	(2.06)	8.60	8.26	(0.78)	4.86
- Class C	(2.07)	8.60	8.24	(0.76)	4.84
- Class X	(2.04)	8.58	8.26	(0.78)	4.84

(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)

Sukuk

Bank Negara Malaysia's ("BNM") Monetary Policy Committee ("MPC") maintained the Overnight Policy Rate ("OPR") at 3.25% throughout the 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.

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

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 to 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, and 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 the 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.

Local Equity

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

September 2018 saw the FBMS Index succumbing to selling pressure on worries that the USD200 billion trade tariffs imposed on China may impact global growth and Emerging Market (“EM”) currencies. The downtrend was exacerbated by the financial crisis in Argentina which led investors to flee the Argentine Peso (“ARS”), causing worry of a contagion effect in EM. Sentiment in the local bourse was further affected by the announcement of the cancellation of 3 China-backed projects (the East Coast Rail Line (“ECRL”) and the 2 gas pipeline projects estimated at 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”).

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

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 Incorporation and 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.

Asian Equity

The Morgan Stanley Capital International All Country (“MSCI AC”) Asia ex Japan Islamic Index declined 3.8% in US Dollar (“USD”) terms and 5% in Ringgit Malaysian (“RM”) terms during the financial period under review with China and US trade rift being the major highlight. In September 2018, sentiment deteriorated towards countries with twin deficits such as India, Indonesia and Philippines with the US 10-year bond yield rising above 3% amidst strong data from the US while oil price rose above USD80 per barrel.

Oil price fell by 22% in November 2018 to USD58.71 per barrel as US pressured Saudi Arabia not to cut production ahead of the Organisation of the Petroleum Exporting Countries (“OPEC”) meeting in December 2018, giving bond yields a reprieve. The Fed testimony that profit rates were closing in on “neutral levels” was a major shift in policy towards being dovish. US and China agreed on a 3 month ceasefire on higher tariffs for China imports as negotiations take place. The Fed Chairman Powell subsequently indicated less tighter 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.

In January 2019, Islamic Asian equities rebounded sharply by 10% in USD terms from the monetary policy stance taken by the Fed in the previous month and China being more assertive in arresting its economic slowdown. The People’s Bank of China (“PBOC”) continued to reduce the RRR while 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

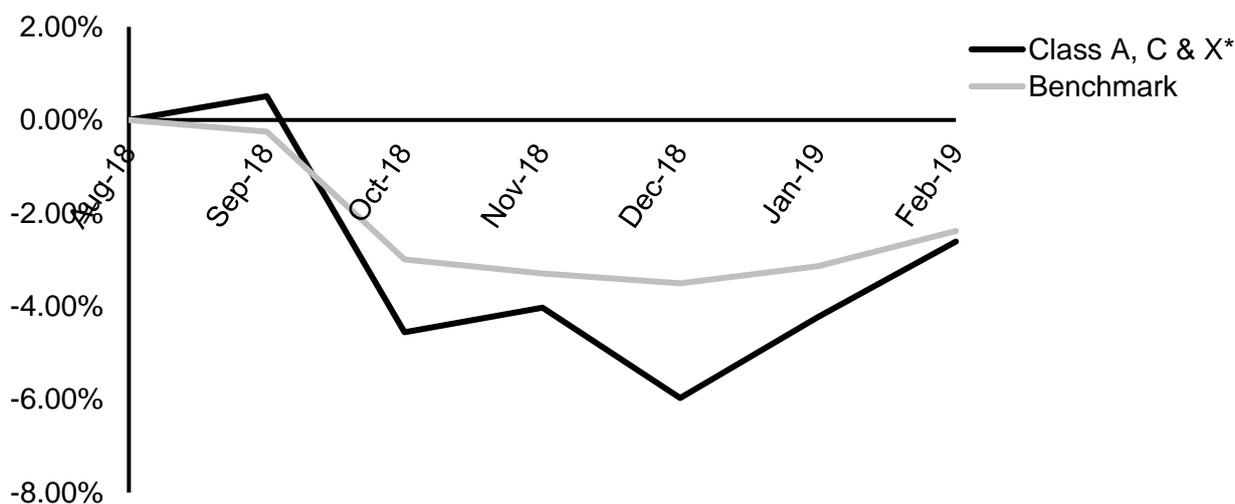
	6 months to 28.02.2019			1 year to 28.02.2019		
	Class A	Class C	Class X	Class A	Class C	Class X
	%	%	%	%	%	%
Income	-	-	-	-	-	-
Capital	(2.60)	(2.61)	(2.58)	(2.06)	(2.07)	(2.04)
Total Return	(2.60)	(2.61)	(2.58)	(2.06)	(2.07)	(2.04)
Benchmark	(2.38)	(2.38)	(2.38)	(3.10)	(3.10)	(3.10)
Average Total Return	N/A	N/A	N/A	(2.06)	(2.07)	(2.04)

	3 years to 28.02.2019			5 years to 28.02.2019		
	Class A	Class C	Class X	Class A	Class C	Class X
	%	%	%	%	%	%
Income	-	-	-	-	-	-
Capital	15.15	15.11	15.15	19.82	19.77	19.79
Total Return	15.15	15.11	15.15	19.82	19.77	19.79
Benchmark	4.74	4.74	4.74	7.72	7.72	7.72
Average Total Return	4.81	4.80	4.81	3.68	3.67	3.68

	Since inception to 28.02.2019		
	Class A	Class C	Class X
	%	%	%
Income	-	-	-
Capital	29.64	29.64	29.64
Total Return	29.64	29.64	29.64
Benchmark	17.00	17.00	17.00
Average Total Return	4.21	4.21	4.21

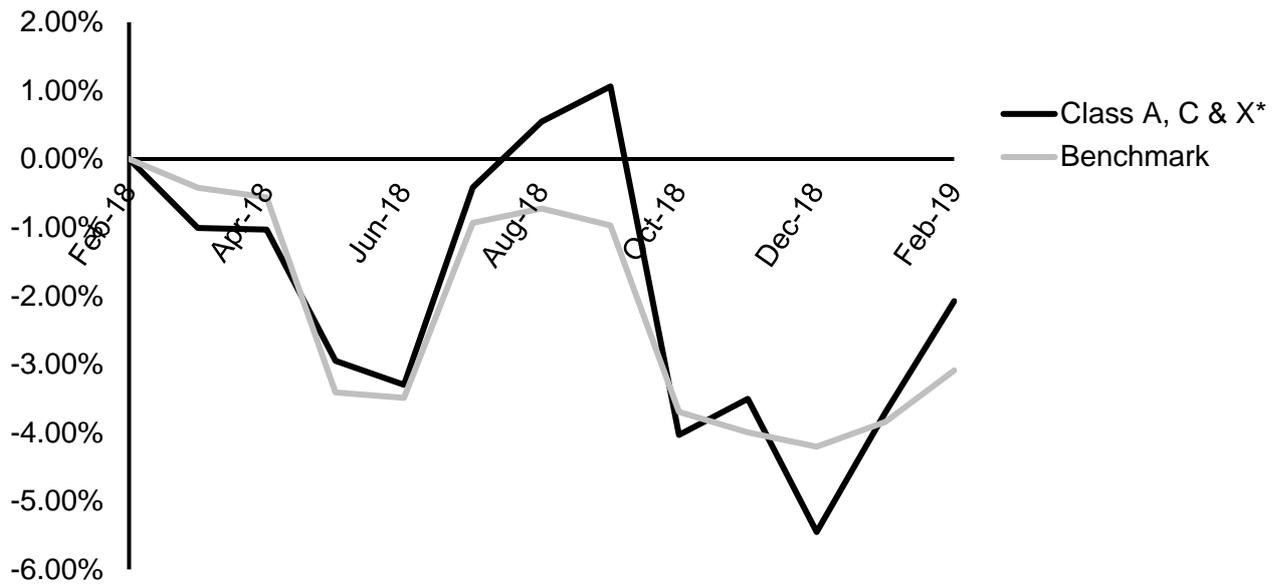
During the financial period under review, the Fund's performance had declined by 2.60%, 2.61% and 2.58% for Class A, Class C and Class X respectively which underperformed the benchmark by 22 bps. For Class A, over the 1 year, 3 year and 5 years, the Fund outperformed the benchmark by 104 bps, 1,041 bps and 1,210 bps respectively.

6 months to 28.02.2019

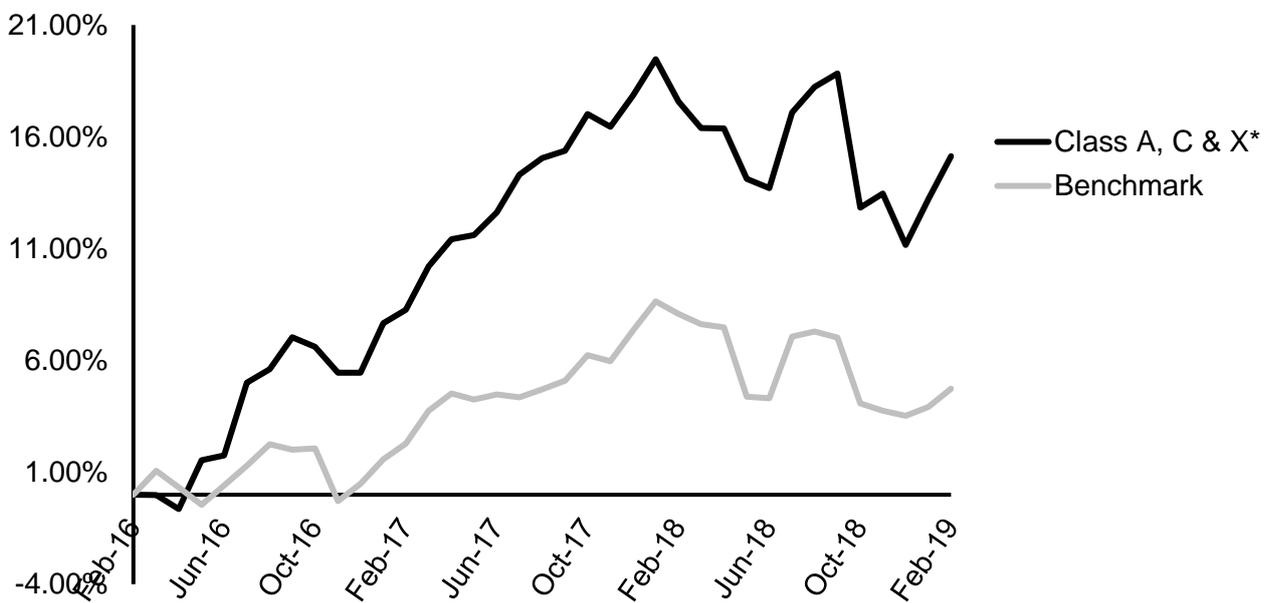


FUND PERFORMANCE (CONTINUED)

1 year to 28.02.2019

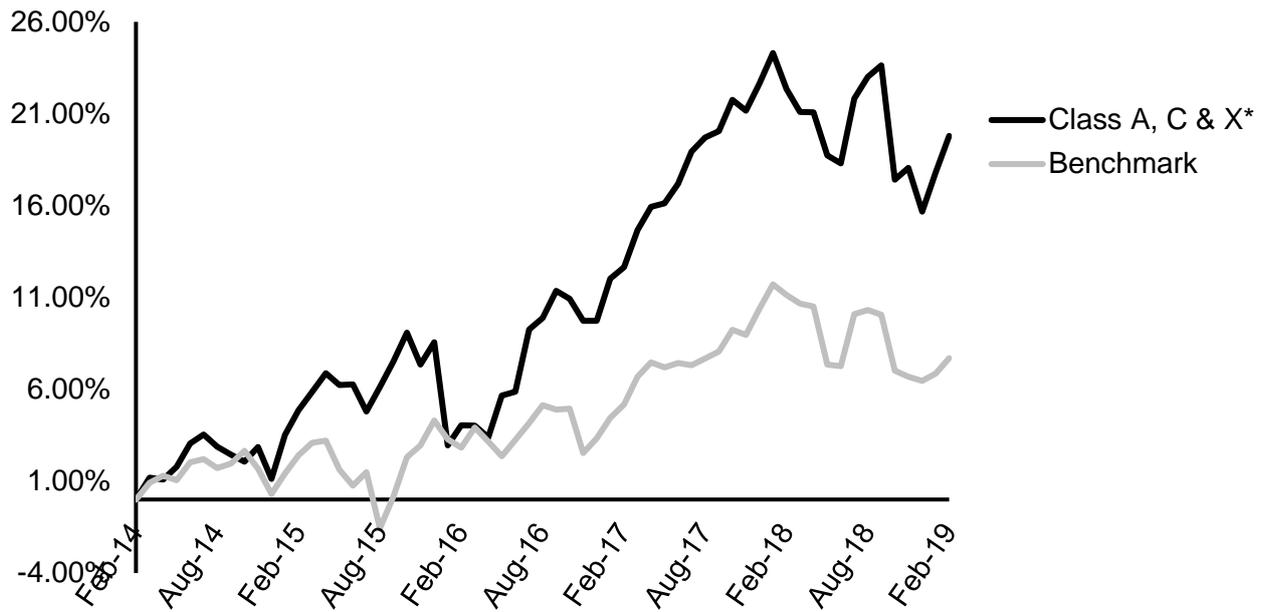


3 years to 28.02.2019

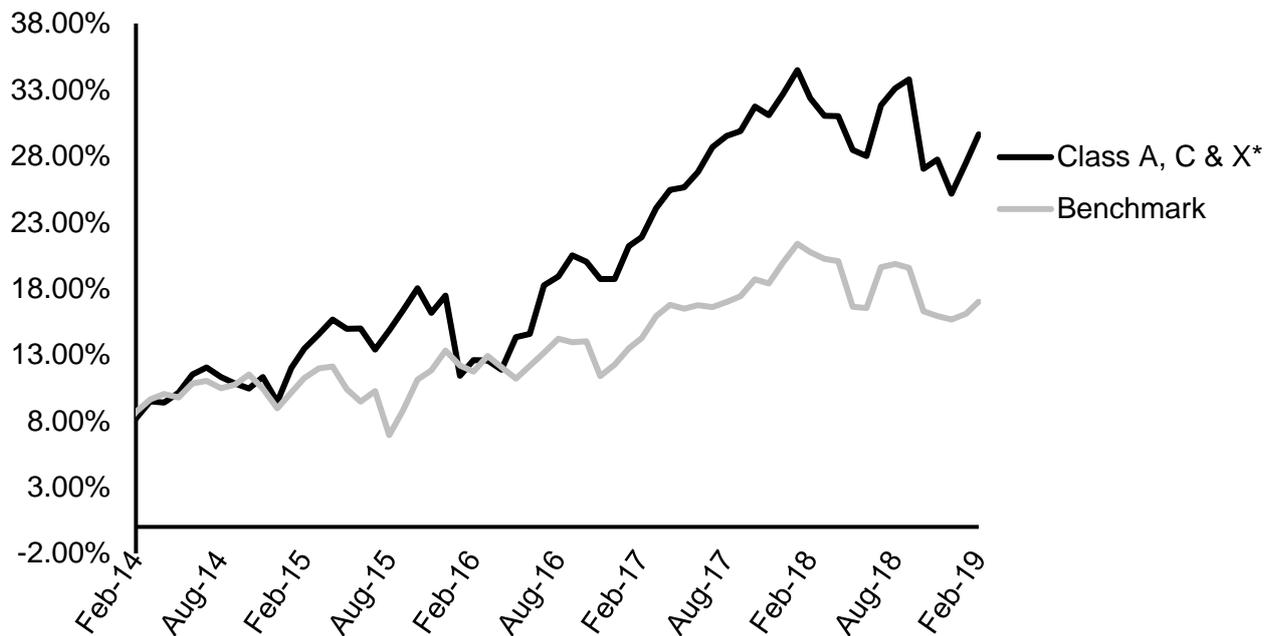


FUND PERFORMANCE (CONTINUED)

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)	14.25	12.07	18.06
NAV/Unit (RM)	0.6481	0.6643	(2.44)
Class C			
NAV (RM Million)	1.30	1.02	27.45
NAV/Unit (RM)	0.6481	0.6644	(2.45)
Class X			
NAV (RM Million)	18.23	17.20	5.99
NAV/Unit (RM)	0.6481	0.6643	(2.44)

NAV per unit for Class A, C and X were declined by 2.44%, 2.45% and 2.44% respectively. It was due to market conditions while NAV had increased due to more unit subscriptions.

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	56.60	58.19
Unquoted Sukuk	41.82	39.86
Cash and other net assets	1.58	1.95
Total	100.00	100.00

The allocation towards Shariah-compliant quoted securities decreased marginally at the expense of unquoted Sukuk.

MARKET OUTLOOK*

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. We believe some near-term volatility will remain due to pockets of policy uncertainty following the change in Government. That being said, we continue to believe that there may be long term gains following this short-term volatility.

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.

MARKET OUTLOOK* (CONTINUED)**Sukuk (continued)**

Total MGS/MGII gross issuances for 2019 is expected to be within RM120.0 billion with higher net issuances in first half of 2019 due to lower maturity and heavier issuances versus second half of 2019. We expect the 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-Earnings (“PE”) Ratio of 16.2 times versus historical mean of 15.2 times. In the fourth quarter of 2018 earnings season (which ended in February 2019) was a lackluster event. Consensus earnings for 2019 were cut by 3.7% which was largely driven by Tenaga Nasional Berhad and Maxis Berhad. 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 Berhad’s earnings following the imposition of casino tax hike. Excluding both Genting Malaysia Berhad and Genting Berhad 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 or 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 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.

Asian Equity

The Fed hike is on hold and the pause is expected to last until second half of 2019. This is allowing various countries in Asia to undertake a looser monetary stance, with China reducing the RRR and EM such as India already starting to reduce policy rates. As monetary policy in Asia is biased towards easing, profit rate sensitive such as REIT’s should do well.

China’s economic growth slowdown is being arrested by reflationary efforts such as the Value Added Tax (“VAT”) cuts and incentives to purchase white goods. The Total Social Financing (“TSF”) growth however remains more mixed, with strong data in January 2019 but weak in February 2019.

Risks to Asia’s outlook include:

- A strong US economy which will cause the Fed to be 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**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 favorable 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 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, 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	1,836	2.34	10.65
5,001-10,000	599	3.89	17.70
10,001-50,000	506	9.57	43.54
50,001-500,000	46	5.58	25.39
500,001 and above	1	0.60	2.72
Total	2,988	21.98	100.00

CLASS C

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	177	0.26	12.94
5,001-10,000	58	0.38	18.91
10,001-50,000	56	1.01	50.25
50,001-500,000	3	0.36	17.90
500,001 and above	-	-	-
Total	294	2.01	100.00

CLASS X

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	2,600	2.91	10.34
5,001-10,000	414	2.98	10.59
10,001-50,000	678	15.71	55.85
50,001-500,000	69	6.53	23.22
500,001 and above	-	-	-
Total	3,761	28.13	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		269,504	192,565
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah earned		5,331	3,088
Profit income from unquoted Sukuk		293,017	140,232
Net (loss)/gain on financial assets at fair value through profit or loss	7	(1,039,461)	370,246
Net foreign exchange loss		(4,812)	(68,134)
		<u>(476,421)</u>	<u>637,997</u>
EXPENSES			
Management fee	5	129,894	-
Private Pension Administrator's fee	4	6,246	5,046
Trustee's and Custodian's fee	5	10,542	11,776
Audit fee		6,150	5,800
Tax Agent's fee		2,300	2,000
Transaction cost		44,510	64,755
Other expenses		2,415	16,308
		<u>202,057</u>	<u>105,685</u>
(LOSS)/PROFIT BEFORE TAXATION		(678,478)	532,312
Taxation	6	(21,167)	(418)
(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>(699,645)</u>	<u>531,894</u>
(Decrease)/Increase in net assets attribution to members is made up as follows:			
Realised amount		(494,941)	867,804
Unrealised amount		(204,704)	(335,910)
		<u>(699,645)</u>	<u>531,894</u>

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

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

		28.02.2019	31.08.2018
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents (Shariah-compliant)	8	360,865	462,126
Financial assets at fair value through profit or loss (Shariah-compliant)	7	33,245,355	29,694,908
Amount due from stockbroker		694,374	421,087
Amount due from the PRS Provider	9	319,670	371,973
Dividends receivable		13,380	18,418
Tax recoverable		118	118
TOTAL ASSETS		<u>34,633,762</u>	<u>30,968,630</u>
LIABILITIES			
Amount due to stockbroker		798,976	661,093
Amount due to the PRS Provider	9	38,193	7,718
Amount due to Trustee and Custodian		1,019	1,011
Amount due to Private Pension Administrator		1,019	1,011
Other payables and accruals		13,833	12,800
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS)		<u>853,040</u>	<u>683,633</u>
NET ASSET VALUE OF THE FUND		<u>33,780,722</u>	<u>30,284,997</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>33,780,722</u>	<u>30,284,997</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- CLASS A		14,247,133	12,066,126
- CLASS C		1,298,540	1,018,062
- CLASS X		18,235,049	17,200,809
		<u>33,780,722</u>	<u>30,284,997</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- CLASS A		21,979,956	18,161,477
- CLASS C		2,003,579	1,532,096
- CLASS X		28,133,408	25,891,054
	10	<u>52,116,943</u>	<u>45,584,627</u>
NET ASSET VALUE PER UNIT (RM)			
- CLASS A		0.6481	0.6643
- CLASS C		0.6481	0.6644
- CLASS X		0.6481	0.6643

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	30,284,997	23,551,272
Movement due to units created and cancelled during the financial period:		
Creation of units from applications		
- Class A	2,979,997	1,684,052
- Class C	325,315	141,469
- Class X	2,455,151	2,476,547
	<u>5,760,463</u>	<u>4,302,068</u>
Cancellation of units		
- Class A	(528,703)	(486,985)
- Class C	(22,459)	(22,564)
- Class X	(1,013,931)	(896,186)
	<u>(1,565,093)</u>	<u>(1,405,735)</u>
(Decrease)/Increase in net assets attributable to members during the financial period:	<u>(699,645)</u>	<u>531,894</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL PERIOD	<u>33,780,722</u>	<u>26,979,499</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 collective investment schemes	-	24,684,598
Purchase of Shariah-compliant collective investment schemes	(661,093)	(959,000)
Proceeds from disposal of Shariah-compliant quoted securitites	6,159,166	3,002,621
Purchase of Shariah-compliant quoted securities	(8,259,867)	(18,431,023)
Proceeds from disposal of unquoted Sukuk	455,276	2,327,515
Purchase of unquoted Sukuk	(2,534,516)	(13,461,371)
Profit income from unquoted Sukuk	364,099	140,324
Profit income from Shariah-compliant deposits with licensed financial institutions	5,331	3,088
Dividend income received	253,811	104,815
Management fee paid	(94,122)	-
Private Pension Administrator's fee paid	(6,238)	(5,015)
Trustee's and Custodian's fees paid	(10,534)	(11,745)
Payments for other fees and expenses	(9,832)	(24,105)
Net realised foreign exchange loss	(8,601)	(25,395)
Net cash used in operating activities	(4,347,120)	(2,654,693)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	5,812,766	4,240,938
Payments for cancellation of units	(1,570,390)	(1,415,174)
Net cash generated from financing activities	4,242,376	2,825,764
Net (decrease)/increase in cash and cash equivalents	(104,744)	171,071
Effect of foreign exchange differences	3,483	(33,343)
Cash and cash equivalents at the beginning of the financial period	462,126	124,674
Cash and cash equivalents at the end of the financial period	360,865	262,402
<u>Cash and cash equivalents comprised of:</u>		
Bank balances	104,843	262,402
Shariah-compliant deposits with licensed Islamic financial institutions	256,022	-
Cash and cash equivalents at the end of the financial period	360,865	262,402

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 Moderate (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 Documents, Class A and Class C are for members who have attained 18 years of age 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 mix of Shariah-compliant equities and Sukuk to provide a moderate level of capital growth to the Fund.

The investments by the Fund in Shariah-compliant equities which include foreign exposure shall not exceed 60% of the Fund’s NAV and investments in both local and foreign Sukuk shall not be less than 40% 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 are subjected to the Securities Commission Malaysia (“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 judgment in the process of applying the Fund's accounting policies. Although these estimates and assumptions 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 judgment 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 period beginning 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 standards are applicable to the Fund but not yet effective and have not been early adopted are as follows:

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

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

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

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

(b) Financial assets and financial liabilities

Classification

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

From 1 September 2018, the Fund classify 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 portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities at fair value through other comprehensive income. Consequently, all investments are measured at fair value through OCI.

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

The Fund classifies amount due to the PRS Provider, amount due to stockbroker, amount due to Trustee, amount due to Private Pension Administrator's fee 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 up to 31 August 2018 and MFRS 9 from 1 September 2018, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

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

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

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

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

Shariah-compliant quoted securities in Malaysia are valued at the last done 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 based on the last traded market price quoted on the respective foreign stock exchange at the close of the business day of the respective foreign stock exchanges.

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

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 Manager, 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 deposits.

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

Impairment for assets carried at amortised costs

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

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

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

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

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 considers both historical analysis and forward looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month 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.

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.

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

From 1 September 2018, profit income is calculated by applying the effective profit rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective profit rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

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

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

(d) Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(e) Creation and cancellation of units**

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

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

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

(f) 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 subject to an insignificant risk of changes in value.

(g) Taxation

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

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

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

(i) 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.

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

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

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 stockbrokers. Significant financial difficulties of the stockbrokers, probability that the stockbrokers will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from stockbrokers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, profit income is recognised using the profit rate used to discount the future cash flows for the purpose of measuring the impairment loss. From 1 September 2018, these amounts are subsequently measured at amortised cost. At each reporting date, the Fund 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 stockbrokers, probability that the stockbrokers 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.

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

(k) Segment information

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Critical accounting estimates and judgments 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 judgment are continually evaluated by the PRS Provider and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimate of fair value of unquoted Sukuk

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

Ringgit-denominated unquoted Sukuk are valued using fair value prices quoted by a BPA. Where the Manager is of the view that the price quoted by BPA for a specific unquoted Sukuk differs from the market price by more than 20 bps, the Manager may use market price, provided that the Manager 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 a moderate level of capital growth over the long-term by investing in a diversified portfolio of Shariah-compliant equity and 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 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 quoted securities, unquoted Sukuk, and other financial instruments within specified limits according to the Deeds.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(a) Market risk (continued)****(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.

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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(b) Credit risk**

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

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

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

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

For the 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 Funds.

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.

(c) Liquidity risk

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

The PRS Provider manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by members. Liquid assets comprise bank balances and Shariah-compliant deposits with licensed Islamic financial institutions, which are capable of being converted into cash within 7 business days. Generally, all 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 potential.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to members of RM33,780,722 (31.08.2018: RM30,284,997). The amount of net assets attributable to members 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 ongoing basis.

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

(i) Fair value hierarchy

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

- 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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
28.02.2019				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted securities	19,117,676	-	-	19,117,676
- Unquoted Sukuk	-	14,127,679	-	14,127,679
	<u>19,117,676</u>	<u>14,127,679</u>	<u>-</u>	<u>33,245,355</u>
31.08.2018				
Audited				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted securities	17,621,971	-	-	17,621,971
- Unquoted Sukuk	-	12,072,937	-	12,072,937
	<u>17,621,971</u>	<u>12,072,937</u>	<u>-</u>	<u>29,694,908</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).

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

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. This includes 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 FEE

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

For the six months financial period ended 28 February 2019, the Trustee's and Custodian's fee are recognised at a rate of 0.04% per annum (28.02.2018: 0.04% per annum) for each unit class while the Global Custodian's fee is recognized at RM4,296 (28.02.2018: RM6,730)

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

6. TAXATION

	01.09.2018 to 28.02.2019 RM	01.09.2017 to 28.02.2018 RM
Tax charged for the financial period:		
- Withholding taxation	<u>21,167</u>	<u>418</u>

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

	01.09.2018 to 28.02.2019 RM	01.09.2017 to 28.02.2018 RM
(Loss)/Profit before taxation	<u>(678,478)</u>	<u>532,312</u>
Taxation at Malaysian statutory rate of 24% (28.02.2018: 24%)	(162,835)	127,755
Tax effects of:		
Loss not deductible for tax purpose/(Income not subject to tax)	114,341	(153,119)
Expenses not deductible for tax purposes	15,532	21,460
Restriction on tax deductible expenses for PRS Funds	32,962	3,904
Income subject to withholding tax	<u>21,167</u>	<u>418</u>
Taxation	<u>21,167</u>	<u>418</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	28.02.2019	31.08.2018
	RM	Audited RM
At fair value through profit or loss at inception:		
- Shariah-compliant quoted securities	19,117,676	17,621,971
- Unquoted Sukuk	14,127,679	12,072,937
	<u>33,245,355</u>	<u>29,694,908</u>
	01.09.2018	01.09.2017
	to 28.02.2019	to 28.02.2018
	RM	RM
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised (loss)/gain on disposals	(830,981)	673,009
- Unrealised fair value loss	(208,480)	(302,763)
	<u>(1,039,461)</u>	<u>370,246</u>

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 Group Ltd	7,550	760,269	816,359	2.42
TOTAL AUSTRALIA	7,550	760,269	816,359	2.42
CAYMAN ISLANDS				
Consumer Products				
Alibaba Group Holding Ltd	588	434,741	437,482	1.30
TOTAL CAYMAN ISLANDS	588	434,741	437,482	1.30
CHINA				
Energy				
China Petroleum & Chemical Corporation	44,000	135,275	154,470	0.46
Finance				
China Vanke Limited Company - H*	64,000	167,440	169,735	0.50

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)				
CHINA (CONTINUED)				
Industrials				
Anhui Conch Cement Ltd Company	9,000	161,508	209,243	0.62
TOTAL CHINA	117,000	464,223	533,448	1.58
HONG KONG				
Consumer Products				
Brilliance China Automotive Holdings Ltd	8,000	86,042	31,855	0.09
MTR Corporation Ltd	3,500	85,064	81,735	0.24
Techtronic Industries Ltd Company	20,500	506,047	556,751	1.65
	32,000	677,153	670,341	1.98
Energy				
CNOOC Ltd	14,000	82,643	98,154	0.29
Finance				
China Resources Land Ltd	8,000	103,107	121,372	0.36
Henderson Land Development Ltd Company	9,900	252,345	227,604	0.67
	17,900	355,452	348,976	1.03
REITs				
Link REIT	3,500	125,231	160,842	0.48
Technology				
Tencent Holdings Ltd	3,700	764,909	643,346	1.90
TOTAL HONG KONG	71,100	2,005,388	1,921,659	5.68
INDONESIA				
Telecommunications				
PT Telekomunikasi Tbk	189,000	247,456	210,764	0.62
TOTAL INDONESIA	189,000	247,456	210,764	0.62

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				
Basic Materials				
Petronas Chemicals Group Bhd	88,400	697,860	815,048	2.41
Consumer Products				
IOI Corporation Bhd	53,500	241,285	240,215	0.71
Kuala Lumpur Kepong Bhd	6,400	159,331	158,336	0.47
UMW Holdings Bhd	86,100	423,958	499,380	1.48
	146,000	824,574	897,931	2.66
Energy				
Dayang Enterprise Holdings Bhd	286,000	287,716	286,000	0.85
Dialog Group Bhd	238,200	587,106	769,386	2.28
Hibiscus Petroleum Bhd	316,700	328,021	323,034	0.96
Petronas Dagangan Bhd	27,200	713,680	726,240	2.15
	868,100	1916,523	2,104,660	6.24
Finance				
BIMB Holdings Bhd	106,100	455,585	450,925	1.34
Revenue Group Bhd	63,000	44,024	74,340	0.22
Revenue Group Bhd - Warrant	57,650	-	23,637	0.07
SP Setia Bhd - Preference Shares	10,080	8,870	7,862	0.02
	236,830	508,479	556,764	1.65
Health Care				
Hartalega Holdings Bhd	44,300	243,223	221,500	0.66
IHH Healthcare Bhd	113,400	664,324	649,782	1.92
	157,700	907,547	871,282	2.58

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)				
Industrials				
MISC Bhd	125,500	839,222	865,950	2.56
Muhibbah Engineering (M) Bhd	71,700	205,946	214,383	0.63
Pentamaster Corporation Bhd	267,200	658,920	903,136	2.67
Ranhill Holdings Bhd	136,000	165,920	182,240	0.54
Sime Darby Bhd	194,800	464,121	422,716	1.25
Sime Darby Plantation Bhd	53,200	296,317	271,320	0.80
Westports Holdings Bhd	127,200	465,006	469,368	1.39
Yinson Holdings Bhd	82,200	337,622	357,570	1.06
	<u>1,057,800</u>	<u>3,433,074</u>	<u>3,686,683</u>	<u>10.90</u>
REITs				
KLCCP Stapled Group	81,500	631,547	638,960	1.89
Technology				
Globetronics Technology Bhd	177,100	318,990	340,032	1.01
Inari Amertron Bhd	246,750	490,059	387,397	1.15
JHM Consolidation Bhd	275,800	298,054	322,686	0.96
	<u>699,650</u>	<u>1,107,103</u>	<u>1,050,115</u>	<u>3.12</u>
Telecommunications				
Axiata Group Bhd	128,856	678,913	536,041	1.59
Digi.com Bhd	71,000	319,926	323,050	0.96
Time Dotcom Bhd	39,600	357,353	306,900	0.91
	<u>239,456</u>	<u>1,356,192</u>	<u>1,165,991</u>	<u>3.46</u>
Utilities				
Petronas Gas Bhd	28,900	542,885	522,512	1.55
Tenaga Nasional Bhd	116,600	1,718,130	1,564,772	4.63
	<u>145,500</u>	<u>2,261,015</u>	<u>2,087,284</u>	<u>6.18</u>
TOTAL MALAYSIA	<u>3,720,936</u>	<u>13,643,914</u>	<u>13,874,718</u>	<u>41.09</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)				
SINGAPORE				
Energy				
Keppel Corporation Ltd	11,700	276,341	217,362	0.64
Industrials				
Venture Corporation Ltd	2,900	172,696	155,681	0.46
REITs				
CapitaLand Commercial Trust	99,900	520,245	584,500	1.73
CapitaLand Mall Trust	23,000	146,612	166,478	0.49
	122,900	666,857	750,978	2.22
TOTAL SINGAPORE	137,500	1,115,894	1,124,021	3.32
SOUTH KOREA				
Consumer Products				
Samsung Electronics Ltd Company	1,222	206,619	199,225	0.59
TOTAL SOUTH KOREA	1,222	206,619	199,225	0.59
TOTAL QUOTED SECURITIES	4,244,896	18,878,504	19,117,676	56.60
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		239,172		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		19,117,676		

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% 27/10/2020 (AA3)	2,500,000	2,554,975	2,558,420	7.57
Bank Pembangunan Malaysia Bhd 4.28% 02/03/2022 (AAA)	500,000	508,600	509,354	1.51
Celcom Networks Sdn Bhd 4.85% 29/08/2022 (AA1)	400,000	401,676	406,477	1.20
Fortune Premiere Sdn Bhd 4.80% 13/03/2023 (AA2)	1,350,000	1,382,161	1,394,653	4.13
Imtiaz Sukuk II Bhd 4.58% 27/05/2022 (AA2)	750,000	759,356	764,095	2.26
Jimah Energy Ventures Sdn Bhd 9.15% 05/12/2020 (AA3)	1,500,000	1,625,053	1,628,535	4.82
Jimah Energy Ventures Sdn Bhd 9.35% 12/05/2020 (AA3)	1,500,000	1,629,341	1,632,898	4.83
MMC Corporation Bhd 5.64% 27/04/2027 (AA3)	750,000	779,402	773,179	2.29
Perbadanan Kemajuan Negeri Selangor 5.00% 10/08/2021 (AA3)	450,000	453,532	455,143	1.35
Perbadanan Kemajuan Negeri Selangor 5.15% 10/08/2023 (AA3)	700,000	707,840	711,433	2.11
Telekom Malaysia Bhd 4.20% 13/09/2021 (AAA)	1,250,000	1,276,361	1,276,971	3.78
UEM Edgenta Bhd 4.85% 26/04/2022 (AA3)	320,000	327,258	329,274	0.97
UMW Holdings Bhd 4.83% 22/06/2022 (AA2)	300,000	304,939	306,521	0.91
UniTapah Sdn Bhd 5.01% 12/06/2019 (AA1)	500,000	506,594	506,942	1.50
United Growth Bhd 4.73% 21/06/2022 (AA2)	100,000	101,580	102,464	0.30
WCT Holdings Bhd 5.32% 11/05/2022 (AA3)	750,000	766,326	771,320	2.29
TOTAL UNQUOTED SUKUK	<u>13,620,000</u>	<u>14,084,994</u>	<u>14,127,679</u>	<u>41.82</u>
ACCUMULATED UNREALISED GAIN ON UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>42,685</u>		
TOTAL UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>14,127,679</u>		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.08.2018				
Audited				
SHARIAH-COMPLIANT				
QUOTED SECURITIES				
AUSTRALIA				
Basic Materials				
BHP Billiton Ltd	4,443	439,501	438,982	1.45
TOTAL AUSTRALIA	4,443	439,501	438,982	1.45
CAYMAN ISLANDS				
Consumer Products				
Alibaba Group Holdings Ltd	588	434,741	422,737	1.40
TOTAL CAYMAN ISLANDS	588	434,741	422,737	1.40
CHINA				
Energy				
China Petroleum & Chemical Corp	44,000	135,275	181,704	0.60
Finance				
China Vanke Co. Ltd – H*	64,000	167,440	156,601	0.52
Industrials				
Anhui Conch Cement Co. Ltd	9,000	161,508	225,167	0.74
TOTAL CHINA	117,000	464,223	563,472	1.86
HONG KONG				
Consumer Products				
Brilliance China Automotive Holdings Ltd	8,000	86,042	52,089	0.17
MTR Corp Ltd	3,500	85,064	74,100	0.24
Techtronic Industries Co. Ltd	20,500	506,047	515,026	1.70
	32,000	677,153	641,215	2.11
Energy				
CNOOC Ltd	14,000	82,643	101,707	0.34
Finance				
China Resources Land Ltd	8,000	103,107	114,520	0.38
Henderson Land Development Co. Ltd	353,953	252,345	215,039	0.71
	361,953	355,452	329,559	1.09
REITs				
Link REIT	3,500	125,231	143,255	0.47

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 (CONTINUED)				
HONG KONG (CONTINUED)				
Technology				
Tencent Holdings Ltd	3,700	764,909	658,437	2.17
TOTAL HONG KONG	415,153	2,005,388	1,874,173	6.18
INDONESIA				
Telecommunications				
PT Telekomunikasi Indonesia Persero Tbk	189,000	247,456	184,031	0.61
TOTAL INDONESIA	189,000	247,456	184,031	0.61
MALAYSIA				
Construction				
Gamuda Bhd	58,300	215,009	215,710	0.71
Muhibbah Engineering (M) Bhd	71,700	205,946	224,421	0.74
	130,000	420,955	440,131	1.45
Consumer Products				
Padini Holdings Bhd	74,700	395,762	446,706	1.48
Revenue Group Bhd	159,500	111,459	181,830	0.60
UMW Holdings Bhd	21,500	138,499	127,710	0.42
	255,700	645,720	756,246	2.50
Finance				
BIMB Holdings Bhd	101,200	440,003	399,740	1.32
Industrials				
Frontken Corp Bhd	358,900	308,259	308,654	1.02
Hartalega Holdings Bhd	24,000	138,156	170,400	0.56
Petronas Chemicals Group Bhd	68,100	497,706	644,226	2.13
Top Glove Corp Bhd	20,400	189,437	227,256	0.75
V.S. Industry Bhd	209,350	432,981	330,773	1.09
	680,750	1,566,539	1,681,309	5.55
IPC				
Time Dotcom Bhd	32,800	302,636	268,960	0.89

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 %
31.08.2018 (CONTINUED)				
Audited (continued)				
SHARIAH-COMPLIANT (CONTINUED)				
MALAYSIA (CONTINUED)				
Plantations				
FGV Holdings Bhd	97,200	155,873	146,772	0.48
Genting Plantations Bhd	11,500	123,280	108,445	0.36
IOI Corp Bhd	53,500	241,285	241,820	0.80
Kuala Lumpur Kepong Bhd	2,900	71,678	71,514	0.24
Sime Darby Plantation Bhd	53,200	296,317	285,152	0.94
	<u>218,300</u>	<u>888,433</u>	<u>853,703</u>	<u>2.82</u>
Properties				
SP Setia Bhd - Preference Shares	10,080	8,870	8,266	0.03
Technology				
Inari Amertron Bhd	246,750	490,060	552,720	1.83
JHM Consolidation Bhd	314,500	324,316	389,980	1.29
Pentamaster Corp Bhd	267,200	658,920	916,496	3.03
Unisem Bhd	155,900	305,221	450,551	1.49
	<u>984,350</u>	<u>1,778,517</u>	<u>2,309,747</u>	<u>7.64</u>
Trading/Services				
Axiata Group Bhd	128,856	678,913	618,509	2.04
Bermaz Auto Bhd	119,100	258,616	254,874	0.84
Dialog Group Bhd	229,400	558,503	798,312	2.64
IHH Healthcare Bhd	69,600	423,904	388,368	1.28
MISC Bhd	64,700	470,584	383,671	1.27
Petronas Dagangan Bhd	14,000	370,459	380,800	1.26
Serba Dinamik Holdings Bhd	117,100	409,493	450,835	1.49
Sime Darby Bhd	210,800	518,351	537,540	1.77
Sunway Bhd	211,400	352,569	329,784	1.09
Tasco Bhd	93,700	220,505	149,920	0.50
Telekom Malaysia Bhd	73,600	396,366	243,616	0.80
Tenaga Nasional Bhd	87,800	1,326,093	1,376,704	4.55
Westports Holdings Bhd	103,100	376,735	383,533	1.26
YINSON Holdings Bhd	100,200	411,554	460,921	1.51
	<u>1,623,356</u>	<u>6,772,645</u>	<u>6,757,387</u>	<u>22.30</u>
TOTAL MALAYSIA	<u>4,036,536</u>	<u>12,824,318</u>	<u>13,475,489</u>	<u>44.50</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 (CONTINUED)				
SINGAPORE				
Energy				
Keppel Corp Ltd	11,700	276,341	229,279	0.76
Finance				
CapitaLand Mall Trust	23,600	56,501	57,799	0.19
Industrials				
Venture Corp Ltd	2,900	172,696	157,610	0.52
TOTAL SINGAPORE	38,200	505,538	444,688	1.47
SOUTH KOREA				
Consumer Products				
Samsung Electronics Co. Ltd	1,222	206,619	218,399	0.72
TOTAL SOUTH KOREA	1,222	206,619	218,399	0.72
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	4,802,142	17,127,784	17,621,971	58.19
ACCUMULATED UNREALISED GAIN ON SHARIAH-COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		494,187		
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		17,621,971		

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

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				
UNQUOTED SUKUK				
Bandar Serai Development Sdn Bhd 4.78% 27/10/2020 (AA3)	2,500,000	2,560,509	2,560,454	8.45
Bank Pembangunan Malaysia Bhd 4.28% 02/03/2022 (AAA)	500,000	508,367	507,794	1.68
Celcom Transmission (M) Sdn Bhd 4.85% 29/08/2022 (AA1)	400,000	401,990	404,695	1.34
Imtiaz Sukuk II Bhd 4.58% 27/05/2022 (AA2)	750,000	759,650	761,248	2.51
Jimah Energy Ventures Sdn Bhd 9.15% 05/12/2020 (AA3)	1,500,000	1,659,034	1,659,076	5.48
Jimah Energy Ventures Sdn Bhd 9.35% 12/05/2020 (AA3)	1,500,000	1,664,685	1,664,812	5.50
MMC Corporation Bhd 5.64% 27/04/2027 (AA3)	750,000	780,593	769,142	2.54
Telekom Malaysia Bhd 4.20% 13/09/2021 (AAA)	1,250,000	1,277,175	1,276,627	4.22
UEM Edgenta Bhd 4.85% 26/04/2022 (AA3)	320,000	327,621	328,326	1.08
UMW Holdings Bhd 4.83% 22/06/2022 (AA2)	300,000	305,411	305,617	1.01
UniTapah Sdn Bhd 5.01% 12/06/2019 (AA1)	500,000	508,812	508,914	1.67
United Growth Bhd 4.73% 21/06/2022 (AA2)	100,000	101,699	101,951	0.34
WCT Holdings Bhd 4.8% 28/12/2018 (AA3)	450,000	454,174	454,224	1.50
WCT Holdings Bhd 5.32% 11/05/2022 (AA3)	750,000	767,067	770,057	2.54
TOTAL UNQUOTED SUKUK	11,570,000	12,076,787	12,072,937	39.86
ACCUMULATED UNREALISED LOSS ON UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS		(3,850)		
TOTAL UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS		12,072,937		

8. CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)

	28.02.2019	31.08.2018
	RM	Audited RM
Shariah-compliant deposits with licensed Islamic financial institutions	256,022	304,053
Bank balances	104,843	158,073
	<u>360,865</u>	<u>462,126</u>

9. AMOUNT DUE FROM/TO THE PRS PROVIDER

	28.02.2019	31.08.2018
	RM	Audited RM
Amount due from the PRS Provider:		
- Creation of units	<u>319,670</u>	<u>371,973</u>
Amount due to the PRS Provider:		
- Accrued management fee	35,772	-
- Cancellation of units	2,421	7,718
	<u>38,193</u>	<u>7,718</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.09.2018 to 28.02.2019	01.09.2017 to 31.08.2018
	No. of units	Audited No. of units
Class A (i)	21,979,956	18,161,477
Class C (ii)	2,003,579	1,532,096
Class X (iii)	28,133,408	25,891,054
	<u>52,116,943</u>	<u>45,584,627</u>

(i) Class A

	01.09.2018 to 28.02.2019	01.09.2017 to 31.08.2018
	No. of units	Audited No. of units
At the beginning of the financial period/year	18,161,477	15,282,875
Add: Creation of units from applications	4,641,479	4,348,170
Less: Cancellation of units	(823,000)	(1,469,568)
At the end of the financial period/year	<u>21,979,956</u>	<u>18,161,477</u>

(i) Class C

	01.09.2018 to 28.02.2019	01.09.2017 to 31.08.2018
	No. of units	Audited No. of units
At the beginning of the financial period/year	1,532,096	1,076,980
Add: Creation of units from applications	506,654	513,378
Less: Cancellation of units	(35,171)	(58,262)
At the end of the financial period/year	<u>2,003,579</u>	<u>1,532,096</u>

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

(ii) 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	25,891,054	20,016,140
Add: Creation of units from applications	3,818,379	8,080,977
Less: Cancellation of units	<u>(1,576,025)</u>	<u>(2,206,063)</u>
At the end of the financial period/year	<u>28,133,408</u>	<u>25,891,054</u>

11. MANAGEMENT EXPENSE RATIO (“MER”)

	01.09.2018 to 28.02.2019 %	01.09.2017 to 28.02.2018 %
MER	<u>0.50</u>	<u>0.15</u>

MER is derived from 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 fee
- C = Audit fee
- D = Tax Agent's fee
- E = Other expenses excluding GST on transaction costs
- 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 RM31,521,818 (28.02.2018: RM25,459,206).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.09.2018 to 28.02.2019	01.09.2017 to 28.02.2018
PTR (times)	<u>0.29</u>	<u>1.25</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 = RM11,543,407 (28.02.2018: RM33,058,141)
- total disposal for the financial period = RM6,900,882 (28.02.2018: RM30,422,770)

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

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

<u>Related parties</u>	<u>Relationship</u>
Principal Asset Management Berhad	The PRS Provider
Principal Financial Group, Incorporation	Ultimate holding company of shareholder of the PRS Provider
Principal International (Asia) Limited	Shareholder of the PRS Provider
Subsidiaries and associates of Principal Financial Group Incorporation, 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
CIMB Investment Bank Bhd	Fellow related party to the PRS Provider
CIMB Securities (Singapore) Ptd 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, the Directors or parties related to the PRS Provider as at the end of the financial period.

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

<u>Significant related party transactions</u>	01.09.2018 to 28.02.2019 RM	01.09.2017 to 28.02.2018 RM
Dividend income from Shariah-compliant collective investment schemes managed by the PRS Provider	-	72,030
Purchase of Shariah-compliant collective investment schemes:		
- Principal Asset Management Berhad	-	859,000

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

Units held by the PRS Provider and parties related to the PRS Provider (continued)

	01.09.2018 to 28.02.2019 RM	01.09.2017 to 28.02.2018 RM
<u>Significant related party transactions (continued)</u>		
Disposal of Shariah-compliant collective investment schemes:		
- Principal Asset Management Berhad	-	24,684,598
Profit income from deposits with licensed financial institution:		
- CIMB Islamic Bank Bhd	26	-
Cash placement with licensed financial institution:		
- CIMB Islamic Bank Bhd	297,000	-

There were no related party balances as at the end of the financial period (31.08.2018: nil), apart from those mentioned elsewhere in the financial statements.

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	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
RHB Investment Bank Bhd	3,117,827	17.40	2,619	8.62
Hong Leong Investment Bank Bhd	2,650,268	14.79	3,711	12.22
Affin Hwang Investment Bank Bhd	2,162,094	12.07	4,865	16.02
Maybank Investment Bank Bhd	1,511,472	8.44	2,914	9.60
JP Morgan Securities (Malaysia) Sdn Bhd	1,445,502	8.07	1,922	6.33
Kenanga Investment Bank Bhd	1,211,399	6.76	2,726	8.98
Alliance Investment Bank Bhd	1,000,170	5.58	2,250	7.41
Credit Suisse Securities (Malaysia) Sdn Bhd	939,598	5.24	2,114	6.96
CIMB Investment Bank Bhd #	908,653	5.07	1,702	5.60
Macquarie Capital Securities (Malaysia) Sdn Bhd	666,828	3.72	1,500	4.94
Others #	2,303,542	12.86	4,043	13.32
	<u>17,917,353</u>	<u>100.00</u>	<u>30,366</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	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
CIMB-Principal Asset Management Bhd #	26,542,051	41.81	-	-
Hong Leong Bank Bhd	7,127,950	11.23	-	-
Credit Suisse (Malaysia) Sdn Bhd	7,125,258	11.22	16,032	39.33
RHB Investment Bank Bhd	4,327,052	6.82	1,432	3.51
RHB Bank Bhd	4,104,231	6.47	-	-
Maybank Investment Bank Bhd	2,718,361	4.28	6,131	15.04
Citigroup Global Markets Ltd	2,203,705	3.47	661	1.62
CIMB Investment Bank Bhd #	1,332,165	2.10	3,024	7.42
JP Morgan Securities (Malaysia) Sdn Bhd	1,136,502	1.79	2,570	6.30
Affin Hwang Investment Bank Bhd	1,127,134	1.78	2,549	6.25
Others #	5,738,378	9.03	8,363	20.53
	<u>63,482,787</u>	<u>100.00</u>	<u>40,762</u>	<u>100.00</u>

Included in transactions are trades conducted with CIMB-Principal Asset Management Berhad, the PRS Provider, amounting to Nil (28.02.2018: RM26,542,051), CIMB Investment Bank Bhd, CIMB Bank Bhd and CIMB Securities (Singapore) Pte Ltd, fellow related parties to the PRS Provider amounting to RM908,653 (28.02.2018: RM1,332,165), Nil (28.02.2018: RM201,580) and RM520,245 (28.02.2018: RM168,488) respectively. 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.

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)	Reclassi- fications	Remeas- urements	New (MFRS 9)
			RM	RM	RM	RM
Assets						
Cash and cash equivalents	Financing and receivables	Amortised cost	462,126	-	-	462,126
Investment in Shariah-compliant quoted securities	FVTPL	FVTPL	17,621,971	-	-	17,621,971
Investment in unquoted Sukuk	FVTPL	FVTPL	12,072,937	-	-	12,072,937
Amount due from stockbrokers	Financing and receivables	Amortised cost	421,087	-	-	421,087
Amount due from the PRS Provider	Financing and receivables	Amortised cost	371,973	-	-	371,973
Dividends receivable	Financing and receivables	Amortised cost	18,418	-	-	18,418
Liabilities						
Amount due to stockbroker	Amortised cost	Amortised cost	661,093	-	-	661,093
Amount due to the PRS Provider	Amortised cost	Amortised cost	7,718	-	-	7,718
Amount due to Trustee	Amortised cost	Amortised cost	1,011	-	-	1,011
Amount due to Private Pension Administrator's fee	Amortised cost	Amortised cost	1,011	-	-	1,011
Other payables and accruals	Amortised cost	Amortised cost	12,800	-	-	12,800

DIRECTORY

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