

Principal DALI Opportunities Fund

Interim Report

For The Financial Period Ended 31 May 2020

PRINCIPAL DALI OPPORTUNITIES FUND

INTERIM REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2020

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INVESTORS' LETTER

Dear Valued Investor,

In Malaysia, things are looking much closer to the “old norm” now, yet with proper social distancing protocols still in place. We’re taking each day and each decision with a mix of enthusiasm and caution. This is how we can continue to flatten the curve of Coronavirus Disease 2019 (“COVID-19”) and remain a viable and dynamic economy. And, this is how our team handle your investments with us. We do our best to make the right decisions to maximise fund returns to help you meet your long-term investment needs.

Markets globally continue to look positive and show signs that the economies worldwide are on the path to recovery. We are increasing exposure to equities vis-à-vis fixed income, as policymakers are assessing the impact of the policies implemented earlier this year to help revive economies. We are positive on Asian equities on a 12-month basis and have added Association of Southeast Asian Nations (“ASEAN”) names in anticipation of a broader market recovery going forward. For our:

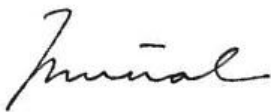
- **Conservative investors, we recommend:** Malaysia focus bond and balanced funds that are income focussed.
- **More aggressive investors, we recommend:** Growth-oriented funds that offer exposure to growth areas in China, Asia-Pacific, Global Technology, ASEAN and Malaysian aggressive funds.

Continue to log on to our website (www.principal.com.my) to receive updates on our latest insights and investing articles.

We are pleased to share that we have won awards for Best Asset Manager (Money Market & Balanced funds) and Best Absolute Return Strategy at the Alpha Southeast Asia Fund Management Awards 2020.

We appreciate your continuous support and the trust you place in us.

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



Munirah Khairuddin
Chief Executive Officer

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to provide investors with medium to long-term capital appreciation through investments in securities of Malaysian companies that will benefit from prevailing investment themes and that conform with Shariah principles.

Has the Fund achieved its objective?

For the financial year under review, the Fund did not achieve its objectives as stated under the Fund investment policy largely due to unfavorable macro environment.

What are the Fund investment policy and principal investment strategy?

The strategy of the Fund is to invest in sectors that are related to the prevailing domestic and/or global investment themes. In identifying the investment themes, we will consider prevailing and potential macroeconomic factors and trends, social and political developments as well as technological advances that may reveal specific thematic investment opportunities. We may revise our outlook on the investment themes during its monthly reviews. You will be informed of the prevailing investment themes that the Fund is focusing on via the Fund's monthly fact sheet which is available on our website at <http://www.principal.com.my>.

The Fund's sector allocation will be actively managed by the Manager, where we have the option to aggressively overweight preferred sectors to take advantage of our market outlook. Sector analysis is done through quantitative and qualitative approaches. In determining the sector allocation and stock selection, we will focus on the following:

- identify the potential sector(s) in light of the prevailing domestic and/or global investment themes;
- study impact of the prevailing economic and political conditions;
- select particular sectors based on the growth prospects and valuation of that sector. The most promising sectors will be chosen according to their rating levels as per the sector analysis;
- invest in stocks of Malaysian companies in the chosen sectors based on the stocks' potential for appreciation relative to the outlook for that sector. However, we may, at its discretion, overweight or underweight at stock level if it is beneficial to the Fund; and
- review sector and stock picks monthly. Depending on prevailing market conditions, we may revise the sector allocation and maintain, add or omit certain stocks during its monthly review.

We will only select securities that conform with Shariah principles and may opt to invest in these Shariah-compliant securities either directly or via Islamic collective investment scheme.

The asset allocation strategy for this Fund is as follows:

- at least 70% of the Fund's NAV will be invested in equities that conform with Shariah principles;
- up to 28% of the Fund's NAV may be invested in other permissible Shariah-compliant investments; and
- at least 2% of the Fund's NAV will be invested in Islamic liquid assets for liquidity purposes.

FUND OBJECTIVE AND POLICY (CONTINUED)

Based Currency

Malaysian Ringgit (“MYR”)

Fund category/type

Equity (Shariah-compliant)/Growth

How long should you invest for?

Recommended three (3) years or more

When was the Fund launched?

Name of Class	Launch Date
Class MYR	28 February 2008
Class SGD	18 February 2016

What was the size of the Fund as at 31 May 2020?

RM532.22 million (1,934.58 million units)

What is the Fund’s benchmark?

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

Note: Investors should note that the risk profile of the Fund is not same as the risk profile of the benchmark.

What is the Fund distribution policy?

Given the Fund's investment objective, the Fund is not expected to pay any distribution. Distributions, if any, will be incidental and will vary from period to period depending on market conditions and performance of the Fund.

What was the net income distribution for the six months financial period ended 31 May 2020?

There was no distribution made for the six months financial period ended 31 May 2020.

PERFORMANCE DATA

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

	31.05.2020	31.05.2019	31.05.2018
	%	%	%
Shariah-compliant quoted securities			
- Construction	5.19	4.92	-
- Consumer Products	-	-	10.94
- Consumer Products & Services	8.66	11.66	-
- Energy	6.85	7.53	-
- Finance	-	-	6.92
- Financials	1.44	2.33	-
- Health care	11.01	6.41	-
- Industrials	-	-	51.21
- Industrial Products & Services	7.34	15.17	-
- Plantation	9.69	9.31	-
- Properties	1.38	3.44	-
- Real Estate Investment Trusts ("REITs")	4.02	2.35	0.22
- Technology	-	3.34	1.76
- Telecommunication	2.98	-	7.20
- Telecommunications/Media	11.71	9.25	-
- Trading/Services	-	-	6.18
- Transportation & Logistics	4.13	4.29	-
- Utilities	11.80	14.85	-
Cash and other net assets	<u>13.80</u>	<u>5.15</u>	<u>15.57</u>
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Note: Effective 24 September 2018, Bursa Malaysia has changed its sectoral index and classification.

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

	31.05.2020	31.05.2019	31.05.2018
NAV (RM Million)			
- Class MYR	532.10	702.74	848.76
- Class SGD	0.12	0.10	0.045
Units in circulation (Million)			
- Class MYR	1,934.54	2,464.12	2,808.97
- Class SGD	0.05	0.04	0.02
NAV per unit (RM)			
- Class MYR	0.2750	0.2851	0.3021
- Class SGD	2.4359	2.5258	2.6059

PERFORMANCE DATA (CONTINUED)

	01.12.2019 to 31.05.2020	01.12.2018 to 31.05.2019	01.12.2017 to 31.05.2018
Highest NAV per unit (RM)			
- Class MYR	0.2928	0.2905	0.3478
- Class SGD	2.5932	2.5729	2.9997
Lowest NAV per unit (RM)			
- Class MYR	0.2195	0.2619	0.3005
- Class SGD	1.9440	2.3201	2.5923
Total return (%)			
- Class MYR	(2.31)	4.54	(7.30)
- Class SGD	(2.30)	4.82	(7.51)
Capital growth (%)			
- Class MYR	(2.31)	4.54	(7.30)
- Class SGD	(2.30)	4.82	(7.51)
Income distribution (%)			
- Class MYR	-	-	-
- Class SGD	-	-	-

	01.12.2019 to 31.05.2020	01.12.2018 to 31.05.2019	01.12.2017 to 31.05.2018
Management Expense Ratio ("MER") (%) ^	0.79	0.78	0.85
Portfolio Turnover Ratio ("PTR") (times) #	0.23	0.19	0.43

^ The Fund's MER increased from 0.78% to 0.79% due to decrease in average NAV during the financial period under review.

For the financial period under review, the Fund's PTR increased slightly to 0.23 times from 0.19 times decrease in average NAV during the financial period.

	31.05.2020 %	31.05.2019 %	31.05.2018 %	31.05.2017 %	31.05.2016 %
Annual total return					
- Class MYR	(3.58)	0.81	(7.71)	6.61	(5.77)

(Launch date: 28 February 2008)

	31.05.2020	31.05.2019 %	31.05.2018 %	31.05.2017 %	Since inception to 31.05.2016 %
Annual total return					
- Class SGD	(3.69)	0.87	(7.77)	4.81	(3.91)

(Launch date: 18 February 2016)

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

MARKET REVIEW (1 DECEMBER 2019 TO 31 MAY 2020)

FBMS Index increased 362.88 points or 3.11% to 12,025.22 points during the financial period under review.

FBMS Index ended year 2019 gaining 3.85% on a full year basis, recording a much better performance as compared to the FBM Kuala Lumpur Composite Index ("KLCI"). In the month of December 2019 alone, FBMS Index gained 3.06% as the continued surge in Crude Palm Oil ("CPO") prices led to a 9.4% surge in the plantation Index. Besides this, market sentiment was also buoyed by the phase 1 trade deal between US and China. Top three contributors towards the KLCI's gains were Sime Darby Plantation (+9.4%), Petronas Gas Bhd (+8.5%) and IOI Corporation Bhd (+6.0%). Externally, the rebound in Purchasing Managers' Index ("PMI") to 50 in Dec 19 after hitting a low of 46.8 in December 2018 bodes well for exports outlook particularly in the electronics and electrical ("E&E") segment.

The FBMS Index started the year positively before succumbing to sell-down as fears of COVID-19 outbreak dampens investors sentiment. The FBMS Index declined 3.3% in January 2020 with notable gainers were gloves and healthcare stocks such as Top Glove Corporation Bhd (+24.5%), Hartalega Holdings Bhd (+8.0%), and IHH Healthcare Bhd (+4.2%) which are beneficiaries of the novel COVID-19 outbreak. Given the widespread travel curtailment imposed by various Governments since the novel COVID-19 outbreak in Wuhan, global tourism has taken a hit. This dampens the prospect of Malaysia achieving its 30 million tourist arrival targets during Visit Malaysia Year 2020 as China accounts for 2.94 million or 12% of arrivals in 2018 versus 0.7 million or 6% in 2002 prior to Severe acute respiratory syndrome ("SARS"). On another note, Bank Negara Malaysia ("BNM") has surprised the market in January 2020 by cutting the Overnight Policy Rate ("OPR") by 25 basis point ("bps") to 2.75% as the Central Bank took pre-emptive measure to support the economic growth trajectory amid benign inflationary pressure and still uncertain geopolitical tensions and policy uncertainties in a number of countries.

The FBMS Index declined 3.7% in February 2020 amid concerns over uncertainty in domestic politics, COVID-19 outbreak and the poor set of lacklustre corporate results. Political uncertainty engulfed Malaysia again following the shocked resignation of Tun Dr Mahathir as prime minister after losing a majority support in the parliament. However, the uncertainty of not having a functioning Federal Government was short-lived as the King has appointed Tan Sri Muhyiddin Yasin as the 8th Prime Minister after determining that the latter is likely to get a majority support in the parliament. In his last act as interim Prime Minister, Tun Dr Mahathir unveiled a RM20 billion stimulus package to mitigate the adverse economic impact from the COVID-19 outbreak. He furthers lower Malaysia Gross Domestic Product ("GDP") growth forecast in 2020 from 4.80% to 3.20% to 4.20% while raising the fiscal deficit target from 3.2% to 3.4%. Against the backdrop of a disappointing fourth quarter of 2019 GDP growth of 3.6% (versus 4.1% street expectation) and a weaker PMI reading of 48.5 in February 2020, BNM has followed through with its second interest rate cut this year as it lowers the OPR by 25 bps to 2.50% in its March 2020 Monetary Policy Committee ("MPC") meeting.

The FBMS Index declined further by 8.29% in March 2020, as concerns over the COVID-19 outbreak intensified which was further exacerbated by the sharp 47% fall in Brent crude oil price following the breakdown in talks between Saudi Arabia and Russia to extend the The Organization of the Petroleum Exporting Countries ("OPEC") production cut agreement. The Malaysian government has enforced an initial 2-week Movement Control Order ("MCO") since 18 March 2020 which was extended until 14 April 2020 as the number of new COVID-19 infections spiked.

A liquidity driven relief rally lifted the FBMS Index by 7.80% in April 2020, trimming year-to-date ("YTD") loss to 8.80%. Small and mid-cap stocks, led mainly by technology stocks, staged a much stronger rebound as the FBM Small Cap Index surged 20.2% in April 2020. The sharp turnaround in investors' sentiment was driven by coordinated fiscal and monetary responses globally following the COVID-19 outbreak which led to a sharp recession as economic activities came to a halt.

MARKET REVIEW (1 DECEMBER 2019 TO 31 MAY 2020) (CONTINUED)

The FBMS Index gained 10.4% in May, outperforming the KLCI and markets in the region (versus Morgan Stanley Capital International (“MSCI”) the Association of Southeast Asian Nations (“ASEAN”) +1.3%). The positive performance was driven entirely by glove stocks as Hartalega Holdings Bhd and Top Glove Corporation Bhd gained 65% and 83% respectively during the month on the back of rising ASP amid tight global supply of medical gloves. Excluding the glove stocks, the benchmark index would have been flat in May 2020.

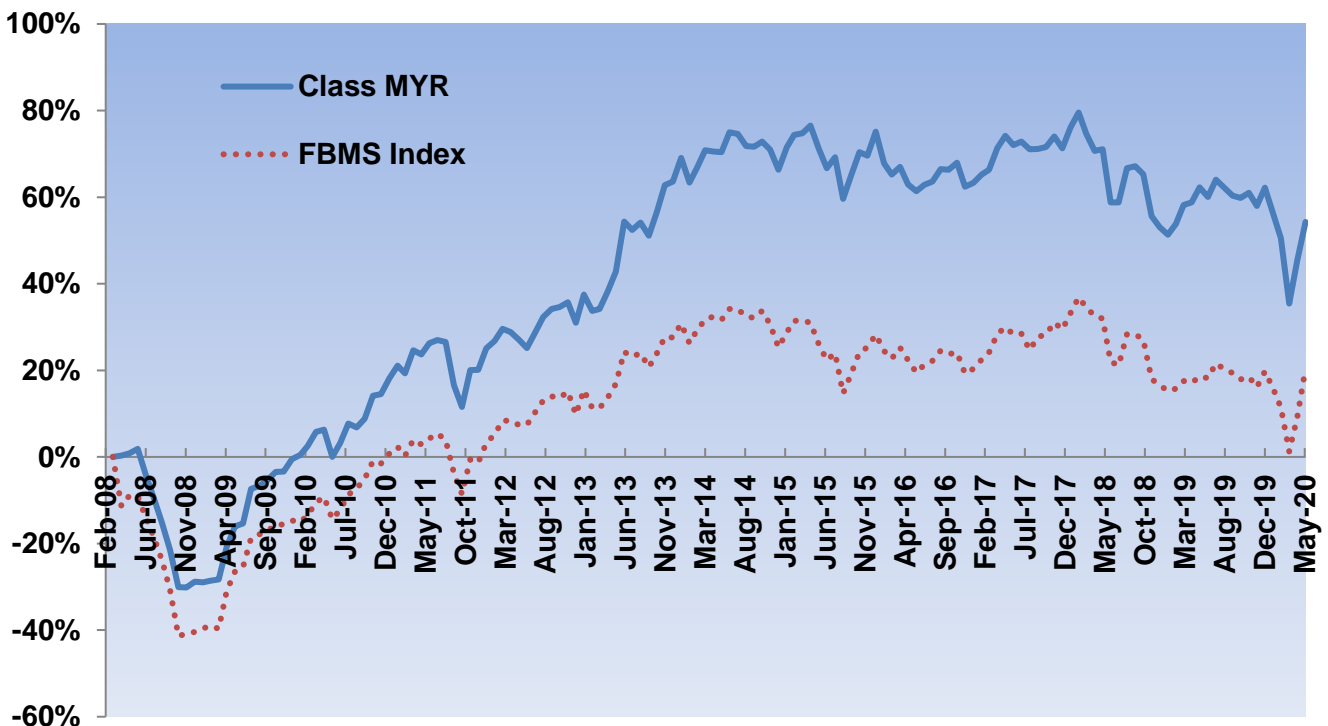
FUND PERFORMANCE

Class MYR	6 months to 31.05.2020 %	1 year to 31.05.2020 %	3 years to 31.05.2020 %	5 years to 31.05.2020 %	Since inception to 31.05.2020 %
Income Distribution	-	-	10.18	22.88	40.23
Capital Growth	(2.31)	(3.58)	(18.60)	(26.59)	10.14
Total Return	(2.31)	(3.58)	(10.29)	(9.88)	54.31
Benchmark	3.73	1.95	(6.08)	(4.38)	20.49
Average Total Return	N/A	(3.58)	(3.56)	(2.06)	3.60

Class SGD	6 months to 31.05.2020 %	1 year to 31.05.2020 %	3 years to 31.05.2020 %	Since inception to 31.05.2020 %
Income Distribution	-	-	7.26	7.26
Capital Growth	(2.30)	(3.69)	(16.40)	(15.83)
Total Return	(2.30)	(3.69)	(10.40)	(9.73)
Benchmark	3.73	1.95	(6.08)	(4.12)
Average Total Return	N/A	0.87	(0.79)	(1.84)

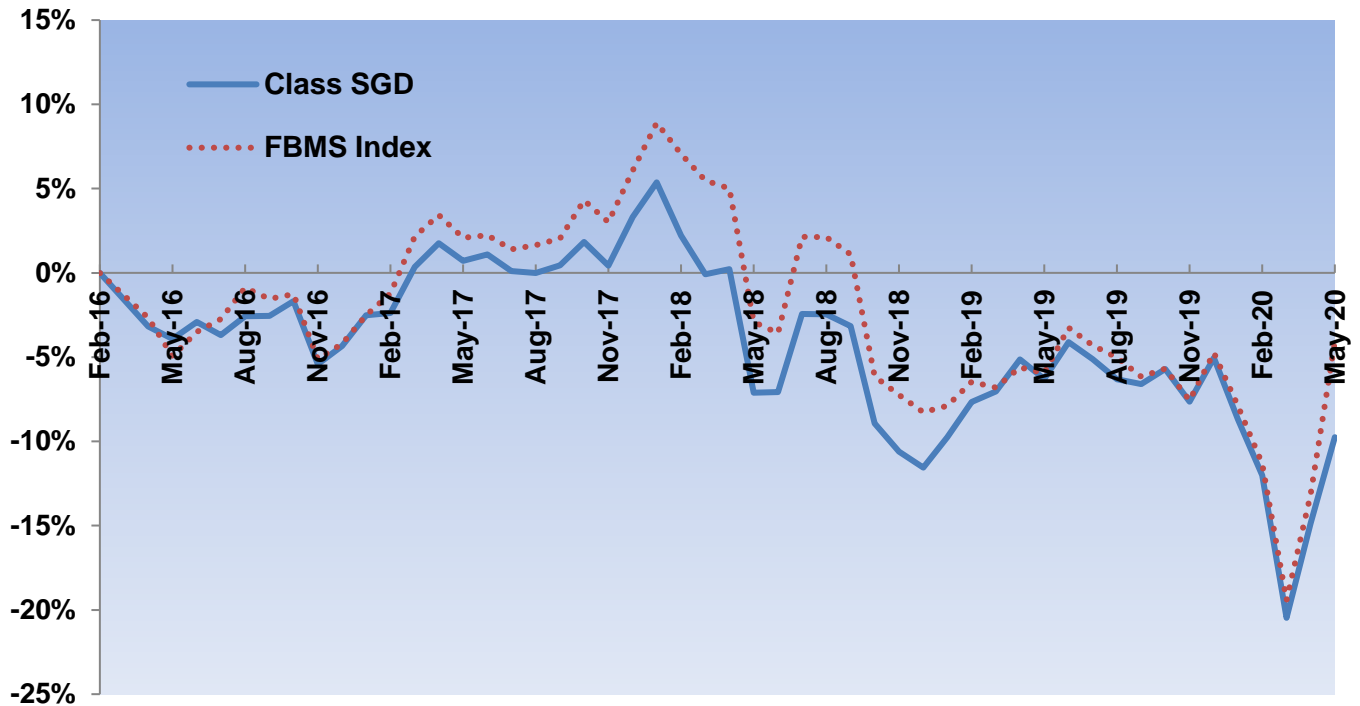
For the financial period under review, the Fund fell by 2.30% underperforming the benchmark by 6.03%.

CLASS MYR



FUND PERFORMANCE (CONTINUED)

CLASS SGD



Changes in NAV

	31.05.2020	30.11.2019 Audited	Changes %
Class MYR			
NAV (RM Million)	532.10	617.66	(13.86)
NAV/Unit (RM)	0.2750	0.2815	(2.31)

Class SGD

NAV (RM Million)	0.12	0.10	20.00
NAV/Unit (RM)	2.4359	2.4937	(2.32)

During the period under review, Class MYR saw outflows from redemptions causing a decrease in NAV by 13.86%. Meanwhile, the NAV for Class SGD increased by 20.00% due to positive inflows from unit creations.

The NAV per unit for both classes decreased mainly due to the negative investment performance recorded during the period.

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)	31.05.2020	30.11.2019 Audited
Shariah-compliant quoted securities	86.20	92.51
Cash and other net assets	13.80	7.49
TOTAL	100.00	100.00

Asset allocation was decreased from 92.51% as at 30 November 2019 to 86.20% as at 31 May 2020 as we turned more cautious on the market.

MARKET OUTLOOK*

Despite elevated equity valuation and earnings risk, we are cognizant that equity risk premium are not excessive following the sharp decline in risk-free rates and that the capital market is flushed with liquidity now following coordinated interest rate cuts by central banks while governments try to revive their economies with massive fiscal stimulus. As such, we are taking a more neutral stance on the Malaysia equity market, given the prevalent expectation of swift earnings rebound in 2021.

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

INVESTMENT STRATEGY

Riding on the optimism, we are taking a tactical approach of utilizing additional cash by buying into the Plantation and Healthcare sector and selective value stocks as proxy for post-pandemic recovery.

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 31 May 2020 are as follows:

CLASS MYR

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	4,289	14.58	0.75
5,001-10,000	8,326	61.31	3.17
10,001-50,000	23,831	574.14	29.68
50,001-500,000	9,767	1,086.18	56.14
500,001 and above	166	198.33	10.26
Total	46,379	1,934.54	100.00

CLASS SGD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001-10,000	1	0.01	20.00
10,001-50,000	2	0.04	80.00
50,001-500,000	-	-	-
500,001 and above	-	-	-
Total	4	0.05	100.00

SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (the “Manager”) and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the 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 Manager and the Trustee did not receive any rebates from the brokers or dealers, but the Manager has retained soft commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds.

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**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL DALI OPPORTUNITIES FUND**

We, being the Directors of Principal Asset Management Berhad (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 14 to 42 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 May 2020 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting and International Accounting Standards ("IAS") 34 - Interim Financial Reporting.

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN
Chief Executive Officer/Executive Director

JUAN IGNACIO EYZAGUIRRE BARAONA
Director

Kuala Lumpur
14 July 2020

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF
PRINCIPAL DALI OPPORTUNITIES FUND**

We have acted as Trustee of Principal DALI Opportunities Fund ("the Fund") for the financial period ended 31 May 2020. To the best of our knowledge, Principal Asset Management Berhad ("the Manager"), has operated and managed the Fund in accordance with the following:

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

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie
Manager, Investment Compliance Monitoring

Kuala Lumpur
14 July 2020

**SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF
PRINCIPAL DALI OPPORTUNITIES FUND**

For the Financial Period from 1 December 2019 to 31 May 2020

We have acted as the Shariah Adviser of Principal DALI Opportunities Fund ("the Fund"). Our responsibility is to ensure that the procedures and processes employed by Principal Asset Management Berhad (the "Manager") are in accordance with Shariah principles.

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

In addition, we confirm that the investment portfolio of the Fund comprises securities and/or instruments which have been classified as Shariah compliant by the Shariah Advisory Council ("SAC") of the SC and/or SAC of Bank Negara Malaysia ("BNM") with exception to Tasco Bhd where applicable. For securities which has yet to be disposed, the same shall be disposed once the market value of the securities held equal the investment cost. For securities and/or instruments which are not classified as Shariah-compliant by the SAC of the SC and/or SAC of BNM, we have determined that such securities and/or instruments are in accordance with Shariah principles and have complied with the applicable Shariah Guidelines.

This report is made solely to the unit holders 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 Manager.

For Amanie Advisors Sdn Bhd,

DATUK DR MOHD DAUD BAKAR
Executive Chairman

14 July 2020

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2020**

	Note	01.12.2019 to 31.05.2020 RM	01.12.2018 to 31.05.2019 RM
INCOME			
Dividend income		8,773,626	10,178,833
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions at amortised cost		617,046	1,204,546
Net (loss)/gain on financial assets at fair value through profit or loss	7	(23,736,759)	26,531,873
Net foreign exchange gain		1,502	223
		<u>(14,344,585)</u>	<u>37,915,475</u>
EXPENSES			
Management fee	4	4,172,757	5,331,012
Trustee's fee	5	139,092	177,701
Audit fee		10,350	10,350
Tax agent's fee		2,000	2,600
Transaction costs		559,561	527,282
Other expenses		61,453	9,218
		<u>4,945,213</u>	<u>6,058,163</u>
(LOSS)/PROFIT BEFORE TAXATION		(19,289,798)	31,857,312
Taxation	6	-	(21,250)
(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>(19,289,798)</u>	<u>31,836,062</u>
(Decrease)/Increase in net assets attributable to unit holders are made up as follows:			
Realised amount		(20,004,452)	(2,193,971)
Unrealised amount		714,654	34,030,033
		<u>(19,289,798)</u>	<u>31,836,062</u>

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

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2020

		31.05.2020	30.11.2019
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents	8	77,922,272	41,798,744
Financial assets at fair value through profit or loss (Shariah-compliant)	7	458,767,008	571,487,130
Amount due from stockbrokers		274,978	5,844,757
Amount due from Manager		49,825	63,176
Dividends receivable		785,749	816,806
Tax recoverable		-	186,032
TOTAL ASSETS		<u>537,799,832</u>	<u>620,196,645</u>
LIABILITIES			
Amount due to stockbrokers		3,811,767	-
Amount due to Manager		1,072,497	1,599,765
Accrued management fee		657,643	784,556
Amount due to Trustee		21,921	26,152
Other payables and accruals		12,350	23,400
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>5,576,178</u>	<u>2,433,873</u>
NET ASSET VALUE OF THE FUND		<u>532,223,654</u>	<u>617,762,772</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>532,223,654</u>	<u>617,762,772</u>

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

UNAUDITED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MAY 2020 (CONTINUED)

	31.05.2020	30.11.2019
Note	RM	Audited RM
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS (RM)		
- Class MYR	532,105,204	617,657,833
- Class SGD	<u>118,450</u>	<u>104,939</u>
	<u>532,223,654</u>	<u>617,762,772</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)		
- Class MYR	1,934,535,022	2,193,606,250
- Class SGD	<u>48,626</u>	<u>42,080</u>
9	<u>1,934,583,648</u>	<u>2,193,648,330</u>
NET ASSET VALUE PER UNIT (RM)		
- Class MYR	0.2750	0.2815
- Class SGD	<u>2.4359</u>	<u>2.4937</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- Class MYR	MYR0.2750	RM0.2815
- Class SGD	<u>SGD0.7919</u>	<u>SGD0.8162</u>

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

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2020**

	01.12.2019 to 31.05.2020 RM	01.12.2018 to 31.05.2019 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	617,762,772	718,609,592
Movement due to units created and cancelled during the financial period:		
- Creation of units from applications		
- Class MYR	919,969	3,796,654
- Class SGD	91,319	58,891
	<u>1,011,288</u>	<u>3,855,545</u>
- Cancellation of units		
- Class MYR	(67,197,886)	(51,443,125)
- Class SGD	(62,722)	(18,249)
	<u>(67,260,608)</u>	<u>(51,461,374)</u>
(Decrease)/Increase in net assets attributable to unit holders are made up as follows:	<u>(19,289,798)</u>	<u>31,836,062</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	<u>532,223,654</u>	<u>702,839,825</u>

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

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2020**

	01.12.2019 to 31.05.2020 RM	01.12.2018 to 31.05.2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of Shariah-compliant quoted securities	175,728,627	133,688,278
Purchases of Shariah-compliant quoted securities	(77,923,279)	(140,587,478)
Dividend income received	8,804,683	10,469,787
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions	617,046	1,204,546
Management fee paid	(4,299,670)	(5,354,116)
Trustee's fee paid	(143,323)	(178,471)
Payments for other fees and expenses	(84,853)	(24,603)
Tax refund received	186,032	-
Net cash generated from/(used in) operating activities	<u>102,885,263</u>	<u>(782,057)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	1,025,124	4,096,695
Payments for cancellation of units	(67,788,023)	(51,257,397)
Net cash used in financing activities	<u>(66,762,899)</u>	<u>(47,160,702)</u>
Net increase/(decrease) in cash and cash equivalents	36,122,364	(47,942,759)
Effects of foreign exchange differences	1,164	279
Cash and cash equivalents at the beginning of the financial period	<u>41,798,744</u>	<u>86,775,924</u>
Cash and cash equivalents at the end of the financial period	<u>77,922,272</u>	<u>38,833,444</u>
<u>Cash and cash equivalents comprised of:</u>		
Shariah-compliant deposits with licensed financial institutions	77,761,309	38,170,245
Bank balances	160,963	663,199
Cash and cash equivalents at the end of the financial period	<u>77,922,272</u>	<u>38,833,444</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2020****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

Principal DALI Opportunities Fund (the “Fund”) is governed by a Principal Master Deed dated 10 April 2015 and a First Supplemental Master Deed dated 31 May 2019 (collectively referred to as the “Deeds”) between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The strategy of the Fund is to invest in sectors that are related to the prevailing domestic and/or global investment themes. In identifying the investment themes, we will consider prevailing and potential macroeconomic factors and trends, social and political developments as well as technological advances that may reveal specific thematic investment opportunities. We may revise our outlook on the investment themes during its monthly reviews. You will be informed of the prevailing investment themes that the Fund is focusing on via the Fund’s monthly fact sheet which is available on our website at <http://www.principal.com.my>.

The Fund’s sector allocation will be actively managed by the Manager, where we have the option to aggressively overweight preferred sectors to take advantage of our market outlook. Sector analysis is done through quantitative and qualitative approaches. In determining the sector allocation and stock selection, we will focus on the following:

- identify the potential sector(s) in light of the prevailing domestic and/or global investment themes;
- study impact of the prevailing economic and political conditions;
- select particular sectors based on the growth prospects and valuation of that sector. The most promising sectors will be chosen according to their rating levels as per the sector analysis;
- invest in stocks of Malaysian companies in the chosen sectors based on the stocks’ potential for appreciation relative to the outlook for that sector. However, we may, at its discretion, overweight or underweight at stock level if it is beneficial to the Fund; and
- review sector and stock picks monthly. Depending on prevailing market conditions, we may revise the sector allocation and maintain, add or omit certain stocks during its monthly review.

We will only select securities that conform with Shariah principles and may opt to invest in these Shariah-compliant securities either directly or via Islamic collective investment scheme.

The asset allocation strategy for this Fund is as follows:

- at least 70% of the Fund’s NAV will be invested in equities that conform with Shariah principles;
- up to 28% of the Fund’s NAV may be invested in other permissible Shariah-compliant investments; and
- at least 2% of the Fund’s NAV will be invested in Islamic liquid assets for liquidity purposes.

All investments will be subjected to the SC Guidelines on Unit Trust Funds, SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

The Manager, is a joint venture between Principal Financial Group®, a member of the FORTUNE 500® and a Nasdaq-listed global financial services and CIMB Group Holdings Berhad, one of Southeast Asia’s leading universal banking groups. The principal activities of the Manager are the establishment and management of Unit Trust Funds and fund management activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

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

Standards, amendments to published standards or interpretations that are effective and relevant:

The Fund has applied the following amendments to published standards for the first time for the financial period beginning 1 December 2019:

- Amendments to MFRS 112 'Income Taxes' (effective from 1 January 2019) clarify that where income tax consequences of dividends on financial instruments classified as equity is recognised (either in profit or loss, other comprehensive income ("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.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 December 2019 that have a material effect on the financial statements of the Fund.

There are no applicable standards, amendments to standards or interpretations that are effective for annual period beginning on/after 1 December 2020 to the financial statements of the Fund.

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

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

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

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

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

The Fund classifies cash and cash equivalents, amount due from stockbrokers, amount due from Manager 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 stockbrokers, amount due to Manager, accrued management fee, amount due to Trustee, and other payables and accruals as other financial liabilities.

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 are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

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

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

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

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

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

Shariah-compliant quoted securities in Malaysia are valued at the last done market price quoted on Bursa Malaysia Securities Berhad ("Bursa Securities") at the date of the statement of financial position.

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 basis approved by the Trustee after appropriate technical consultation.

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

Impairment for assets carried at amortised costs

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(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 is recognised on a time proportionate basis using the effective profit method on an accrual basis.

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.

(d) Foreign Currency**Functional and presentation currency**

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

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

- i) Significant portion of the units of the Fund are denominated in MYR;
- ii) Significant portion of the Fund’s expenses are denominated in MYR; and
- iii) The Fund’s investments are denominated in MYR.

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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(e) Unitholders' contributions**

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

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

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

(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.

(h) Transaction costs

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

(i) Increase/Decrease in net asset attributable to unit holders

Income not distributed is included in net asset attributable to unit holders.

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

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

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

If the credit risk increases to the point that it is considered to be credit impaired, profit income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by the Manager 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) Realised and unrealised portions of profit or loss after tax

The analysis of realised and unrealised profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with SC Guidelines on Unit Trust Funds.

(l) Critical accounting estimates and judgements in applying accounting policies

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgements are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

However, the Manager is of the opinion that in applying these accounting policies, no significant judgement was required.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund aims to provide investors with medium to long-term capital appreciation through investments in securities of Malaysian companies that will benefit from prevailing investment themes and that conform to Shariah principles.

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

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

(a) Market risk

(i) Price risk

This is the risk that the fair value of an investment in Shariah-compliant quoted securities will fluctuate because of changes in market prices (other than those arising from interest rate risk). The value of Shariah-compliant quoted securities 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 and other financial instruments within specified limits according to the Deeds.

(ii) Currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Manager will evaluate the likely directions of a foreign currency versus RM based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

(iii) Interest rate risk

Interest rate is a general economic indicator that will have an impact on the management of the Fund. It does not in any way suggest that this Fund will invest in conventional financial instruments. All investment carried out for the Fund including placements and deposits are in accordance with Shariah.

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Fund's exposure to fair value interest rate risk arises from Shariah-compliant investment in money market instruments. The interest rate risk is expected to be minimal as the Fund's investments comprise mainly Shariah-compliant short term deposits with approved licensed Islamic financial institutions.

Cash flow interest rate risk is the risk that the future cash flow of a financial statement will fluctuate because of changes in market interest rates.

The Fund is not exposed to cash flow interest rate risk as the Fund does not hold any financial instruments at variable profit rate.

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

As at the end of each financial period, the Fund is not exposed to a material level of interest rate risk.

(b) Credit risk

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

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

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

For amount due from Manager, the settlement terms of the proceeds from the creation of units' receivable from the Manager are governed by the SC Guidelines on Unit Trust Funds.

(c) Liquidity risk

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

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank 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 Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

(d) Capital risk management

The capital of the Fund is represented by equity consisting of unit holders' capital and retained earnings. The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation

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

The fair values of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial 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 Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

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

(i) Fair value hierarchy

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

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

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

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

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

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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.05.2020				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted securities	458,707,008	-	-	458,707,008
30.11.2019				
Audited Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted securities	571,487,130	-	-	571,487,130

Shariah-compliant investments which 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).

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

4. MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to a maximum management fee of 3.00% per annum, calculated daily based on the NAV of the Fund.

For the six months financial period ended 31 May 2020, the management fee is recognised at a rate of 1.50% per annum (31.05.2019: 1.50% per annum).

There is no further liability to the Manager in respect of management fee other than the amount recognised above.

5. TRUSTEE'S FEE

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.07% per annum calculated daily based on the NAV of the Fund. The Trustee's fee includes local custodian fee but excludes foreign sub-custodian fees and charges.

For the six months financial period ended 31 May 2020, the Trustee's fee is recognised at a rate of 0.05% per annum (31.05.2019: 0.05% per annum).

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

6. TAXATION

	01.12.2019 to 31.05.2020 RM	01.12.2018 to 31.05.2019 RM
Tax charged for the financial period:		
- Current taxation	-	<u>21,250</u>

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

	01.12.2019 to 31.05.2020 RM	01.12.2018 to 31.05.2019 RM
(Loss)/Profit before taxation	<u>(19,289,798)</u>	<u>31,857,312</u>
Taxation at Malaysian statutory rate of 24%	(4,629,552)	7,645,755
Tax effects of:		
Loss not deductible for tax/(Income not subject to tax) purposes	3,442,700	(9,099,714)
Expenses not deductible for tax purposes	182,082	171,132
Restriction on tax deductible expenses for Unit Trust Funds	1,004,770	1,282,827
Income subject to different tax rate	-	21,250
Taxation	<u>-</u>	<u>21,250</u>

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

	31.05.2019 RM	30.11.2019 Audited RM
At fair value through profit or loss at inception:		
- Shariah-compliant quoted securities	<u>458,707,008</u>	<u>571,487,130</u>
	01.12.2019 to 31.05.2020 RM	01.12.2018 to 31.05.2019 RM
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised loss on disposals	(23,023,268)	(7,497,881)
- Unrealised fair value (loss)/gain	<u>(713,491)</u>	<u>34,029,754</u>
	<u>(23,736,759)</u>	<u>26,531,873</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2020				
SHARIAH-COMPLIANT QUOTED SECURITIES				
Construction				
Econpile Holdings Bhd	7,659,700	7,659,700	4,825,611	0.91
Gabungan AQRS Bhd	3,611,470	3,611,470	3,430,897	0.64
Gamuda Bhd	2,007,561	2,007,561	7,829,488	1.47
IJM Corp Bhd	3,733,040	3,733,040	7,167,437	1.35
MGB Bhd	3,705,800	3,705,800	1,815,842	0.34
Sunway Construction Group Bhd	1,367,400	1,367,400	2,570,712	0.48
	<u>22,084,971</u>	<u>22,084,971</u>	<u>27,639,986</u>	<u>5.19</u>
Consumer Products & Services				
DRB-Hicom Bhd	2,060,700	4,692,615	3,400,155	0.64
MBM Resources Bhd	173,000	524,850	505,160	0.09
Nestle Malaysia Bhd	94,400	13,626,399	13,121,600	2.47
Petronas Dagangan Bhd	537,600	13,492,335	12,622,848	2.37
Sime Darby Bhd	7,176,405	16,848,539	14,998,686	2.82
UMW Holding Bhd	699,900	4,298,044	1,462,791	0.27
	<u>10,742,005</u>	<u>53,482,782</u>	<u>46,111,240</u>	<u>8.66</u>
Energy				
Dialog Group Bhd	5,361,030	17,655,784	21,390,510	4.02
Serba Dinamik Hldgs Bhd	6,891,060	13,818,710	11,094,607	2.08
Wah Seong Corp Bhd	3,237,306	4,392,717	1,796,705	0.34
Yinson Hldgs Bhd	389,600	1,758,434	2,181,760	0.41
	<u>15,878,996</u>	<u>37,625,645</u>	<u>36,463,582</u>	<u>6.85</u>
Financials				
BIMB Holdings Bhd	2,138,500	8,916,992	7,655,830	1.44
Health Care				
Duopharma Biotech Bhd	4,620,900	6,017,854	7,855,530	1.48
Hartalega Holdings Bhd	1,096,449	7,420,917	13,749,470	2.58
IHH Healthcare Bhd	2,619,400	15,799,199	14,223,342	2.67
Kossan Rubber Industries	1,031,800	4,582,121	8,976,660	1.69
Top Glove Corporation Bhd	1,037,362	5,337,932	13,796,915	2.59
	<u>10,405,911</u>	<u>39,158,023</u>	<u>58,601,917</u>	<u>11.01</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2020 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Industrial Products & Services				
Chemical Co. Malaysia Bhd	922,000	2,033,136	1,355,340	0.25
Cypark Resources Bhd	5,376,150	9,362,836	4,892,297	0.92
Petronas Chemicals Group Bhd	1,452,800	12,437,342	9,152,640	1.72
SKP Resources Bhd	2,787,100	4,320,391	3,010,068	0.57
Sunway Bhd	4,012,620	6,486,922	5,376,911	1.01
Sunway Bhd - Warrant 03/10/2024	1,794,600	-	466,596	0.09
Uchi Technologies Bhd	3,574,500	9,740,454	8,971,995	1.69
UEM Edgenta Bhd	2,929,300	8,838,787	5,829,307	1.10
	<u>22,849,070</u>	<u>53,219,868</u>	<u>39,055,153</u>	<u>7.34</u>
Plantation				
FGV Holdings Bhd	8,846,200	14,024,384	9,023,124	1.70
Genting Plantations Bhd	269,710	2,550,239	2,724,071	0.51
IOI Corp Bhd	2,279,500	10,726,913	10,371,725	1.95
Kuala Lumpur Kepong Bhd	461,552	10,990,431	10,172,606	1.91
Sime Darby Plantation Bhd	3,890,251	21,256,630	19,295,645	3.63
	<u>15,747,213</u>	<u>59,548,597</u>	<u>51,587,171</u>	<u>9.69</u>
Property				
LBS Bina Group Bhd	10,596,160	9,163,791	3,920,579	0.74
Malaysian Resources Corp Bhd	4,039,700	3,364,426	2,262,232	0.43
SP Setia Bhd	1,195,124	3,915,079	1,141,343	0.21
	<u>15,830,984</u>	<u>16,443,296</u>	<u>7,324,155</u>	<u>1.38</u>
REIT				
Axis REIT	4,755,317	8,534,376	9,843,506	1.86
KLCCP Stapled Group	1,494,100	11,499,352	11,519,511	2.16
	<u>6,249,417</u>	<u>20,033,728</u>	<u>21,363,017</u>	<u>4.02</u>
Technology				
D&O Green Technologies Bhd	3,412,000	2,595,639	2,234,860	0.42
Frontken Corp Bhd	687,100	331,984	1,669,653	0.31
Globetronics Technology Bhd	3,427,400	7,247,054	6,717,704	1.26
JHM Consolidation	2,531,500	3,284,400	2,177,090	0.41
Vitrox Corporation Bhd	353,100	2,681,779	3,036,660	0.57
	<u>10,411,100</u>	<u>16,140,856</u>	<u>15,835,967</u>	<u>2.98</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2020 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Telecommunications/Media				
Axiata Group Bhd	5,508,754	28,530,411	20,933,265	3.93
Digi.com Bhd	4,087,300	19,374,432	18,597,215	3.49
Telekom Malaysia Bhd	2,939,600	10,780,083	12,434,508	2.34
Time Dotcom Bhd	969,320	7,487,366	10,371,724	1.95
	<u>13,504,974</u>	<u>66,172,292</u>	<u>62,336,712</u>	<u>11.71</u>
Transportation/Logistics				
MISC Bhd - Local	1,734,700	13,000,475	14,398,010	2.71
Pos Malaysia Bhd	3,530,300	17,095,425	3,883,330	0.73
Tasco Berhad #	3,717,900	8,493,980	3,717,900	0.70
	<u>8,982,900</u>	<u>38,589,880</u>	<u>21,999,240</u>	<u>4.13</u>
Utilities				
Malakoff Corp Bhd	8,059,100	7,536,999	7,092,008	1.33
Ranhill Utilities Bhd	9,086,880	6,021,298	8,814,274	1.66
Taliworks Corp Bhd	5,404,600	4,791,249	4,485,818	0.84
Tenaga Nasional Bhd	3,765,625	51,870,768	42,400,938	7.97
	<u>26,316,205</u>	<u>70,220,314</u>	<u>62,793,038</u>	<u>11.80</u>
TOTAL SHARIAH-COMPLIANT QUOTED SECURITIES	<u>181,142,246</u>	<u>518,761,346</u>	<u>458,767,008</u>	<u>86.20</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(59,994,338)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>458,767,008</u>		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2019				
Audited				
SHARIAH-COMPLIANT				
QUOTED SECURITIES				
Construction				
Econpile Holdings Bhd	5,455,700	5,150,979	4,146,332	0.67
Gabungan AQRS Bhd	3,611,470	5,626,438	4,369,879	0.71
Gamuda Bhd	1,346,900	4,424,668	5,064,344	0.82
IJM Corporation Bhd	4,167,840	11,793,576	8,710,786	1.41
MGB Bhd	3,705,800	5,960,745	2,390,241	0.39
Muhibbah Engineering (M) Bhd	1,317,700	3,623,797	3,109,772	0.50
Sunway Construction Group Bhd	1,232,700	2,940,704	2,243,514	0.36
	<u>20,838,110</u>	<u>39,520,907</u>	<u>30,034,868</u>	<u>4.86</u>
Consumer Products & Services				
Bermaz Auto Bhd	1,455,900	3,258,032	3,071,949	0.50
DRB-Hicom Bhd	5,257,800	11,973,034	12,145,518	1.97
MBM Resources Bhd	1,141,500	3,463,098	4,360,530	0.71
Nestle Malaysia Bhd	92,800	13,404,819	13,298,240	2.15
Padini Holdings Bhd	951,100	4,969,074	3,281,295	0.53
Petronas Dagangan Bhd	537,600	13,492,335	12,311,040	1.99
Sime Darby Bhd	7,176,405	16,848,539	16,146,911	2.61
Sime Darby Plantation Bhd	4,162,605	23,165,411	20,729,773	3.36
UMW Holdings Bhd	1,417,200	8,702,940	6,193,164	1.00
	<u>22,192,910</u>	<u>99,277,282</u>	<u>91,538,420</u>	<u>14.82</u>
Energy				
Dialog Group Bhd	7,220,030	23,698,095	24,187,101	3.92
Hibiscus Petroleum Bhd	5,375,700	5,708,248	4,811,251	0.78
Serba Dinamik Holdings Bhd	1,848,600	6,962,177	8,059,896	1.30
Yinson Holdings Bhd	888,800	3,879,463	5,777,200	0.94
	<u>15,333,130</u>	<u>40,247,983</u>	<u>42,835,448</u>	<u>6.94</u>
Financial Services				
BIMB Holdings Bhd	2,080,400	8,680,851	8,654,464	1.40

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2019				
Audited (continued)				
SHARIAH-COMPLIANT				
QUOTED SECURITIES				
(CONTINUED)				
Health Care				
Duopharma Biotech Bhd	4,620,900	6,017,854	6,423,051	1.04
Hartalega Holdings Bhd	1,310,400	6,697,741	6,879,600	1.11
IHH Healthcare Bhd	1,808,500	11,066,805	9,711,645	1.57
Kossan Rubber Industries Bhd	1,055,100	4,503,356	4,410,318	0.71
Top Glove Corporation Bhd	2,247,300	10,933,712	10,112,850	1.64
	<u>11,042,200</u>	<u>39,219,468</u>	<u>37,537,464</u>	<u>6.07</u>
Industrial Products & Services				
Cahaya Mata Sarawak Bhd	1,117,000	4,677,179	2,680,800	0.43
Chemical Company Malaysia Bhd	922,000	2,033,136	1,281,580	0.21
Cypark Resources Bhd	5,376,150	9,362,836	7,150,279	1.16
Petronas Chemicals Group Bhd	5,854,300	50,118,344	41,331,358	6.69
Press Metal Aluminium Holdings Bhd	843,600	4,034,774	3,964,920	0.64
SKP Resources Bhd	3,231,700	5,009,583	3,974,991	0.64
Sunway Bhd	4,834,920	7,816,287	8,509,459	1.38
Sunway Bhd - Warrant	1,794,600	-	708,867	0.11
Uchi Technologies Bhd	3,574,500	9,740,454	10,044,345	1.63
UEM Edgenta Bhd	2,647,200	8,100,105	7,782,768	1.26
	<u>30,195,970</u>	<u>100,892,698</u>	<u>87,429,367</u>	<u>14.15</u>
Plantation				
FGV Holdings Bhd	7,826,700	12,566,370	10,409,511	1.68
IOI Corporation Bhd	3,489,000	16,460,153	15,177,150	2.46
Kuala Lumpur Kepong Bhd	448,700	10,601,339	10,472,658	1.70
	<u>11,764,400</u>	<u>39,627,862</u>	<u>36,059,319</u>	<u>5.84</u>
Property				
LBS Bina Group Bhd	10,596,160	9,163,791	5,245,099	0.85
SP Setia Bhd	1,256,524	4,116,217	1,633,481	0.26
	<u>11,852,684</u>	<u>13,280,008</u>	<u>6,878,580</u>	<u>1.11</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2019				
Audited (continued)				
SHARIAH-COMPLIANT				
QUOTED SECURITIES				
(CONTINUED)				
REITs				
Axis REIT	4,724,200	8,482,411	8,409,076	1.36
KLCCP Stapled Group	1,760,700	13,551,241	14,085,600	2.28
	<u>6,484,900</u>	<u>22,033,652</u>	<u>22,494,676</u>	<u>3.64</u>
Technology				
D&O Green Technologies Bhd	2,622,900	1,941,464	1,901,602	0.31
Frontken Corporation Bhd	2,945,000	1,422,928	5,831,100	0.94
Globetronics Technology Bhd	3,069,100	6,407,281	6,445,110	1.04
Inari Amertron Bhd	3,805,000	7,271,870	6,925,100	1.12
JHM Consolidation Bhd	2,432,200	3,121,608	3,259,148	0.53
Vitrox Corporation Bhd	419,100	3,183,046	3,248,025	0.53
	<u>15,293,300</u>	<u>23,348,197</u>	<u>27,610,085</u>	<u>4.47</u>
Telecommunications & Media				
Axiata Group Bhd	7,282,154	37,702,839	30,075,296	4.87
Digi.com Bhd	3,837,600	18,272,375	17,192,448	2.78
Telekom Malaysia Bhd	2,343,900	8,406,078	8,813,064	1.43
Time Dotcom Bhd	914,520	6,833,091	8,322,132	1.35
	<u>14,378,174</u>	<u>71,214,383</u>	<u>64,402,940</u>	<u>10.43</u>
Transportation & Logistics				
Malaysian Resources Corporation Bhd	12,745,900	10,615,304	9,495,696	1.54
MISC Bhd	1,558,100	11,191,660	12,698,515	2.06
Pos Malaysia Bhd	3,530,300	17,095,425	5,013,026	0.81
Tasco Bhd #	3,780,200	8,636,311	4,385,032	0.71
	<u>21,614,500</u>	<u>47,538,700</u>	<u>31,592,269</u>	<u>5.12</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2019				
Audited (continued)				
SHARIAH-COMPLIANT				
QUOTED SECURITIES				
(CONTINUED)				
Utilities				
Malakoff Corporation Bhd	7,182,300	6,793,560	6,428,159	1.04
Petronas Gas Bhd	733,500	15,178,074	11,369,250	1.84
Ranhill Holdings Bhd	9,086,880	6,021,298	10,359,043	1.68
Taliworks Corporation Bhd	5,404,600	4,791,249	4,837,117	0.78
Tenaga Nasional Bhd	3,907,725	54,528,787	51,425,661	8.32
	<u>26,315,005</u>	<u>87,312,968</u>	<u>84,419,230</u>	<u>13.66</u>
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	<u>209,385,683</u>	<u>632,194,959</u>	<u>571,487,130</u>	<u>92.51</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(60,707,829)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>571,487,130</u>		

During the financial period under review, Tasco Bhd were classified as non Shariah-compliant. Tasco Bhd, which has yet to be disposed, shall be disposed once the market value of the securities held equal the investment cost.

8. CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)

	31.05.2020	30.11.2019
	RM	Audited RM
Shariah-compliant deposits with licensed Islamic financial institutions	77,761,309	41,567,498
Bank balances	160,963	231,246
	<u>77,922,272</u>	<u>41,798,744</u>

9. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.12.2019 to 31.05.2020	01.12.2018 to 30.11.2019
	No. of units	Audited No. of units
Class MYR (i)	1,934,535,022	2,193,606,250
Class SGD (ii)	48,626	42,080
	<u>1,934,583,648</u>	<u>2,193,648,330</u>
(i) Class MYR		
At the beginning of the financial period/year	2,193,606,250	2,633,716,220
Add : Creation of units from applications	3,426,665	17,681,053
Add : Creation of units from distribution	-	-
Less : Cancellation of units	(262,497,893)	(457,791,023)
At the end of the financial period/year	<u>1,934,535,022</u>	<u>2,193,606,250</u>
(ii) Class SGD		
At the beginning of the financial period/year	42,080	23,194
Add : Creation of units from applications	36,866	26,420
Add : Creation of units from distribution	-	-
Less : Cancellation of units	(30,320)	(7,534)
At the end of the financial period/year	<u>48,626</u>	<u>42,080</u>

10. MANAGEMENT EXPENSE RATIO (“MER”)

	01.12.2019 to 31.05.2020 %	01.12.2018 to 31.05.2019 %
MER	<u>0.79</u>	<u>0.78</u>

MER is derived from the following calculation:

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

- A = Management fee
- B = Trustee’s fee
- C = Audit fee
- D = Tax agent’s fee
- E = Other expenses
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM556,862,410 (31.05.2019: RM712,681,333).

11. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.12.2019 to 31.05.2020	01.12.2018 to 31.05.2019
PTR (times)	<u>0.23</u>	<u>0.19</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 = RM81,561,270 (31.05.2019: RM141,554,844)
- total disposal for the financial period = RM170,544,633 (31.05.2019: RM123,261,769)

12. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER, 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 Manager
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the Manager
Principal International (Asia) Ltd	Shareholder of the Manager
Subsidiaries and associates of Principal Financial Group Inc., other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the Manager
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the Manager
CIMB Group Sdn Bhd	Shareholder of the Manager
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the Manager
CIMB Islamic Bank Bhd	Fellow related party to the Manager
CIMB Investment Bank Bhd	Fellow related party to the Manager
CGS-CIMB Securities Sdn Bhd	Fellow related party to the Manager

Units held by the Manager and parties related to the Manager

Class MYR	31.05.2020		30.11.2019	
	No. of units	RM	No. of units	Audited RM
Manager				
Principal Asset Management Berhad				
- Class MYR	144,403	39,711	532,830	149,992
- Class SGD	513	1,250	513	1,279

In the opinion of the Manager, the above units were transacted at the prevailing market price.

The units are held beneficially by the Manager for booking purposes. Other than the above, there were no units held by the Directors or parties related to the Manager.

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

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

	01.12.2019 to 31.05.2020 RM	01.12.2018 to 31.05.2019 RM
<u>Significant related party transactions</u>		
Profit income from Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	<u>13,559</u>	<u>353,402</u>
Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	<u>80,857,000</u>	<u>567,083,000</u>
	31.05.2020	30.11.2019
	RM	Audited
		RM
<u>Significant related party balances</u>		
Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	<u>20,622,000</u>	<u>7,874,235</u>

13. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 31 May 2020 are as follows:

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
UBS Securities Malaysia Sdn Bhd	48,834,505	19.37	58,783	13.67
Macquarie Capital Securities (M) Sdn Bhd	46,973,118	18.63	89,748	20.87
KAF Equities Sdn Bhd	32,571,454	12.92	72,360	16.83
Maybank Investment Bank Bhd	30,329,256	12.03	57,503	13.37
CGS-CIMB Securities Sdn Bhd #	19,506,333	7.74	29,148	6.78
CLSA Securities (M) Sdn Bhd	18,265,684	7.25	29,055	6.76
J.P. Morgan Securities (M) Sdn Bhd	14,912,979	5.92	12,889	3.00
Affin Hwang Investment Bank Bhd	11,152,665	4.42	25,093	5.84
Credit Suisse Securities (M) Sdn Bhd	10,603,625	4.21	14,821	3.45
RHB Investment Bank Bhd	9,825,871	3.9	21,388	4.97
Others	9,130,413	3.61	19,194	4.46
	<u>252,105,903</u>	<u>100.00</u>	<u>429,982</u>	<u>100.00</u>

13. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 31 May 2019 are as follows:

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
UBS Securities Malaysia Sdn Bhd	48,333,355	18.25	43,765	10.83
KAF Seagroatt & Campbell Securities Bhd	34,196,573	12.91	75,385	18.65
CLSA Securities Malaysia Sdn Bhd	25,274,243	9.54	26,146	6.47
RHB Investment Bank Bhd	21,035,401	7.94	46,952	11.62
Macquarie Bank Ltd	20,544,370	7.76	14,938	3.70
JP Morgan Securities (Malaysia) Sdn Bhd	18,897,277	7.14	21,395	5.29
Credit Suisse Securities (Malaysia) Sdn Bhd	16,598,098	6.27	32,637	8.08
Maybank Investment Bank Bhd	15,752,392	5.95	33,842	8.37
Macquarie Capital Securities (M) Sdn Bhd	15,625,680	5.90	35,429	8.77
CIMB Investment Bank Bhd #	13,396,603	5.06	18,192	4.50
Others	35,162,622	13.28	55,464	13.72
	<u>264,816,614</u>	<u>100.00</u>	<u>404,145</u>	<u>100.00</u>

Included in transactions are trades conducted with CGS-CIMB Securities Sdn Bhd and CIMB Investment Bank Bhd, fellow related parties to the Manager amounting to RM19,506,333 (31.05.2019: Nil) and Nil (31.05.2019: RM13,396,603) respectively. The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

14. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The worsening of the macro-economic outlook as a result of COVID-19, both domestically and globally, has impacted the Fund's performance during the financial period.

DIRECTORY

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