

Principal Islamic Enhanced Opportunities Fund

Unaudited Semi-Annual Report

For The Six Months Financial Period Ended 30 June 2024

PRINCIPAL ISLAMIC ENHANCED OPPORTUNITIES FUND
UNAUDITED SEMI-ANNUAL REPORT
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2024

CONTENTS	PAGE(S)
INVESTORS' LETTER	i
MANAGER'S REPORT	ii – ix
Fund Objective and Policy	
Performance Data	
Market Review	
Fund Performance	
Portfolio Structure	
Market Outlook	
Investment Strategy	
Soft Commissions and Rebates	
Securities Financing Transactions	
State of Affair of the Fund	
Circumstances That Materially Affect Any Interest of Unit Holders	
Cross Trade	
Unit Split	
STATEMENT BY MANAGER	1
TRUSTEE'S REPORT	2
SHARIAH ADVISER'S REPORT	3
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME	4
UNAUDITED STATEMENT OF FINANCIAL POSITION	5
UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	6
UNAUDITED STATEMENT OF CASH FLOWS	7
NOTES TO THE FINANCIAL STATEMENTS	8 - 27
DIRECTORY	28

INVESTORS' LETTER

Dear Valued Investor,

Greetings from Principal Asset Management Berhad ("Principal Malaysia") and thank you for investing with us!

We are pleased to bring you a copy of the unaudited Semi-Annual Fund Report of the Principal Islamic Enhanced Opportunities Fund for the financial period ended 30 June 2024. You may also download this report from our website at www.principal.com.my.

We are proud to announce that Principal Malaysia has received numerous accolades in 2024. At the Asia Asset Management 2024 Best of the Best Awards, we won the Best of the Best Performance Award: China A-Share Equity (3 years) and Best Institutional House – Malaysia. At the 2024 Global Banking & Finance Awards, our CEO, Munirah Khairuddin, was named Asset Management CEO of the Year Malaysia, and we were recognized as Asset Management Company of the Year Malaysia. We also received the Best International Equity Fund Manager for MSCI EM Latin America 2023 at the EPF External Fund Managers Awards 2023.

At the Alpha Southeast Asia Fund Management Awards 2024, we won three awards: Best Absolute Return Strategy, Best Online & Mobile Platform (Asset Manager), and Best Asset Manager (Income Oriented, Money Market & Alternative Investment Funds). At the Triple A Sustainable Investing Awards 2024, we secured the Asset Management Company of the Year (Malaysia) award. The World Business Outlook magazine awarded us Best Investment Management and Solutions Provider Malaysia, Best Institutional House Malaysia, and Asset Management CEO (Munirah Khairuddin) of the Year Malaysia. Additionally, we received three awards at the iFast Awards 2024, seven at the LSEG Lipper Fund Awards 2024, and ten at the FSMOne Recommended Funds 2023/2024.

Digital innovation is central to our strategy, as we use data and technology to develop the right solutions for you. We will continue to advance our digital capabilities to provide easy access to your investment portfolio and enable you to carry out transactions seamlessly. Please continue to check out our website (www.principal.com.my), like our Facebook page (@PrincipalAssetMY), follow us on our Instagram account (@principalassetmanagement_my), and LinkedIn page (Principal Asset Management Berhad) for the latest updates, market insights and investment articles.

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

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

Munirah Khairuddin
Chief Executive Officer
Malaysia & Global Shariah & Managing Director,
Strategic Distribution & Institutional Client Relations
(Southeast Asia & Global Shariah)
Non-Independent Executive Director

MANAGER’S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to earn reasonable returns for investors by investing in approved equities* listed on Bursa Malaysia as well as unlisted securities and other non-interest bearing assets acceptable under Shariah principles.

* This refers to equities classified as Shariah compliant by the SAC of SC.

Has the Fund achieved its objective?

The Fund has achieved its objective of providing outperforming returns for investors.

What are the Fund investment policy and principal investment strategy?

The Fund may invest a minimum of 70% and up to a maximum of 98% of the Fund’s Net Asset value (“NAV”) in local Shariah-compliant equities. The Fund may also invest up to 28% of its NAV in other permissible Shariah-compliant investments. As an aggressive Fund, the Fund will be managed with higher beta and tracking error. The investment policy and strategy of the Fund will be to invest in Shariah-compliant stocks which are selected based on their future growth prospects. The Fund may also opt to seek investment exposure via Islamic Collective Investment Scheme (“CIS”) that is in line with the Fund’s objective, subject to the requirements of the Guideline on Unit Trust Funds (“GUTF”). In addition, Islamic liquid assets may also be strategically used if we feel that the market downside risk is high in the short-term.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund’s NAV will be invested in Shariah-compliant equities;
- up to 28% of the Fund’s NAV in other permissible Shariah-compliant investments; and
- at least 2% of Fund’s NAV in Islamic liquid assets.

Fund category/ type

Equity (Shariah-compliant)/ Growth

When was the Fund launched?

Name of Class	Launch Date
Class MYR	15 June 1995
Class D	9 October 2023

What was the size of the Fund as at 30 June 2024?

RM181.45 million (206.75 million units)

What is the Fund’s benchmark?

FTSE Bursa Malaysia (“FBM”) EMAS Shariah (“FBMS”) Index.

What is the Fund distribution policy?

Distribution (if any) is expected to be distributed every January at the Manager’s discretion.

What was the net income distribution for the six months financial period ended 30 June 2024?

There was no income distribution made for the six months financial period ended 30 June 2024.

PERFORMANCE DATA

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

	30.06.2024	30.06.2023	30.06.2022
	%	%	%
Shariah-compliant quoted securities			
- Construction	13.64	4.83	1.46
- Consumer Products and Services	9.94	9.75	5.66
- Energy	12.07	4.20	3.54
- Financial Services	-	0.63	2.45
- Health Care	8.04	10.08	10.29
- Industrial Products & Services	13.38	14.96	22.87
- Plantation	0.85	6.11	11.75
- Property	12.87	0.98	1.48
- Real Estate Investment Trusts ("REITS")	-	3.79	3.69
- Technology	8.45	16.19	14.93
- Telecommunications & Media	4.84	5.96	8.52
- Transportation & Logistics	1.88	3.68	4.18
- Utilities	9.49	8.51	1.94
Cash and other assets	5.93	10.81	7.83
Liabilities	(1.38)	(0.48)	(0.59)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	30.06.2024	30.06.2023	30.06.2022
NAV (RM Million)			
- Class MYR	179.67	114.29	99.84
- Class D	1.78	-	-
Units in circulation (Million)			
- Class MYR	205.41	182.42	161.29
- Class D	1.34	-	-
NAV per unit (RM)			
- Class MYR	0.8747	0.6265	0.6190
- Class D	1.3297	-	-
	01.01.2024	01.01.2023	01.01.2022
	to 30.06.2024	to 30.06.2023	to 30.06.2022
Highest NAV per unit (RM)			
- Class MYR	0.9081	0.6628	0.7497
- Class D	1.3805	-	-
Lowest NAV per unit (RM)			
- Class MYR	0.6832	0.6224	0.6117
- Class D	1.0386	-	-
Total return (%)			
- Class MYR	27.84	(0.25)	(14.78)
- Class D	27.82	-	-
Capital growth (%)			
- Class MYR	27.84	(0.74)	(17.43)
- Class D	27.82	-	-
Income distribution (%)			
- Class MYR	-	0.50	3.22
- Class D	-	-	-

PERFORMANCE DATA (CONTINUED)

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

	01.01.2024 to 30.06.2024	01.01.2023 to 30.06.2023	01.01.2022 to 30.06.2022
Total Expense Ratio ("TER") (%) ^	0.78	0.80	0.80
Portfolio Turnover Ratio ("PTR") (times) #	0.45	0.41	0.17

^ During the financial period under review, the Fund's TER decreased from 0.80% to 0.78% due to increase in average NAV.

The Fund's PTR increased from 0.41 times to 0.45 times was due to more trading activities during the financial period under review.

	01.01.2024 to 30.06.2024	01.01.2023 to 30.06.2023	01.01.2022 to 30.06.2022
Gross/Net distribution per unit (sen)			
Class MYR			
Distribution on 18 January 2023	-	0.32	-
Distribution on 19 January 2022	-	-	2.20

CLASS MYR

	30.06.2024	30.06.2023	30.06.2022	30.06.2021	30.06.2020
	%	%	%	%	%
Annual total return					
- Class MYR	39.62	1.72	(7.96)	11.41	(3.37)

(Launch date: 15 June 1995)

Class D

Annual total return	Since inception to 30.06.2024
- Class D	% 32.97

(Launch date: 9 October 2023)

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 JANUARY 2024 TO 30 JUNE 2024) (CONTINUED)

The FBMS Index rose 11.30% in Malaysian Ringgit (“MYR”) terms during the financial period under review.

FBMS Index was up 2.6% or 289.4 points in January 2024, closing the month at 11,278.09 points (“pts”). Sentiment was lifted by the Federal Reserve (the “Fed”) communication on interest rates given the recent cooling inflation and economic data out of the US. The weaker US Dollar (“USD”) and lower treasury yield that ensued favored Emerging Markets (“EM”). Utilities, Commodities, and Telecommunication topped the gainers list. Within the broader market, Energy, Construction and Property did well, while Technology languished despite the sentiment on the Fed rates.

FBMS Index rally extended into February 2024, up 2.2% to close the month at 11,527.99 pts. This marked the 4th consecutive month of gains, with Malaysia outperforming most the Association of Southeast Asian Nations (“ASEAN”) markets. This was also despite the stronger USD following stronger-than-expected inflation and economic data out of the US, and bets on rate cuts by the Fed pushed back. Utilities, Commodities and Telecommunication topped the gainers list. Within the broader market, Energy did well, and Technology rebounded strongly.

FBMS Index rally extended into March 2024, up 1.0% to close the month at 11,643.52 pts. This marked the 4th consecutive month of gains, with Malaysia outperforming most ASEAN markets. Bets on rate cuts by the Fed were pushed back given the persistent strong data out of the US, and there was an absence of fresh catalysts domestically. During the month, there were also distortions caused by FTSE rebalancing (as well as MSCI rebalancing in February 2024) and many index stocks going ex-dividends. Transport, Utilities and Commodities topped the gainers list while Telcos languished. Within the broader market, Property, Construction, Technology, Healthcare and Energy did well.

FBMS Index rally extended into April 2024, up 3.9% to close the month at 11,085.94 pts. This marked the 5th consecutive month of gains, with Malaysia outperforming most ASEAN markets. Bets on rate cuts by the Fed were pushed back given the persistent strong data out of the US. The rally was broad-based but Utilities, Industrial (mainly Press Metal Aluminum Holdings Bhd), Healthcare and Transport led gains while Energy eased. Within the broader market, Property and Consumer did well.

FBMS Index rally extended into May 2024, up 2.54% to close the month at 12,392.36 pts. Investors stayed upbeat despite bets on rate cuts by the Fed pushed back given the persistent strong economic data out of the US and sticky inflation. Utilities, Consumer and Industrial led gains while Telecommunication and Commodities lagged. Within the broader market, Construction, Property and Technology did well.

FBMS Index was up 1.3% in June 2024 as investors remained relatively upbeat considering the recent weakness in US economic data and inflation moderating. Utilities and Healthcare rose while Consumer eased. Within the broader market, Construction and Technology posted strong gains, while other sectors were mixed.

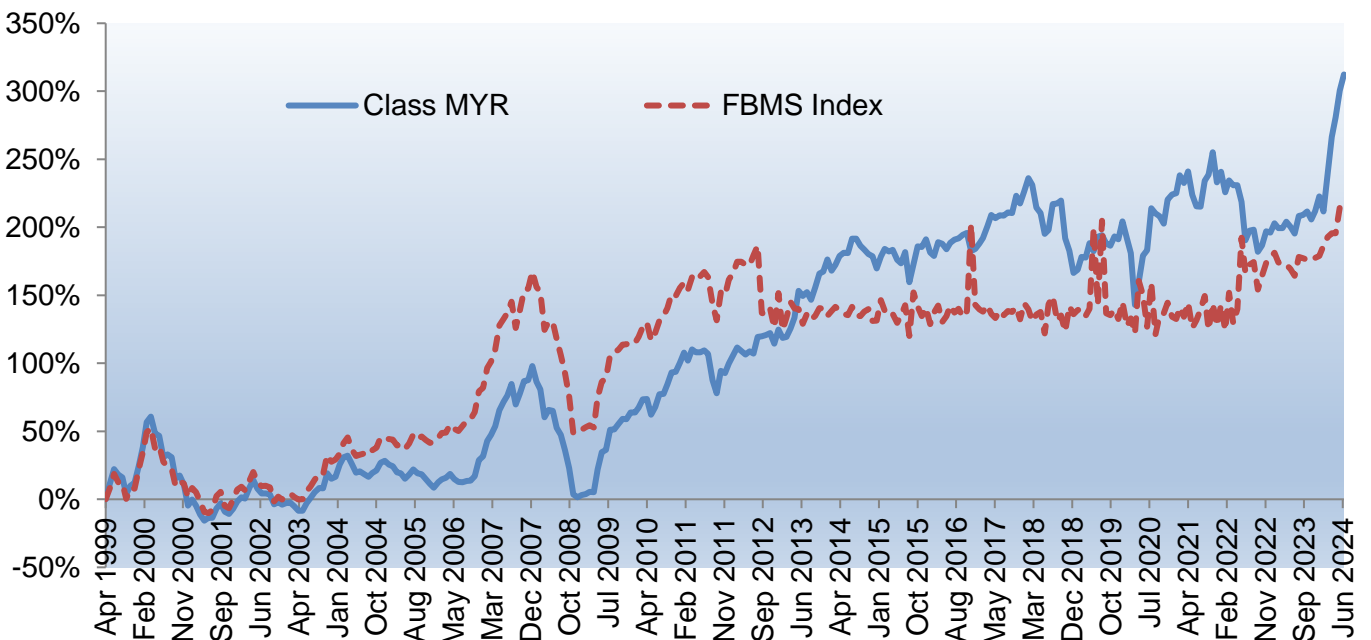
FUND PERFORMANCE

	6 months to 30.06.2024 %	1 year to 30.06.2024 %	3 years to 30.06.2024 %	5 years to 30.06.2024 %	Since inception 30.06.2024 %
Income Distribution					
- Class MYR	-	-	3.73	7.66	145.13
- Class D	-	-	-	-	-
Capital Growth					
- Class MYR	27.84	39.62	26.00	30.69	68.21
- Class D	27.82	-	-	-	32.97
Total Return					
- Class MYR	27.84	39.62	30.71	40.71	312.34
- Class D	27.82	-	-	-	32.97
Benchmark					
- Class MYR	14.23	20.53	3.07	3.46	218.71
- Class D	14.23	-	-	-	16.32
Average Total Return					
- Class MYR	63.66	39.62	9.33	7.06	3.15
- Class D	63.60	-	-	-	48.07

For the financial period under review, Class MYR and Class D gained 27.84% and 27.82%, while the benchmark gained 14.23% for both class. As such, the Fund outperformed the benchmark by 13.61 basis points (“bps”) and 13.59 bps respectively.

Since Inception

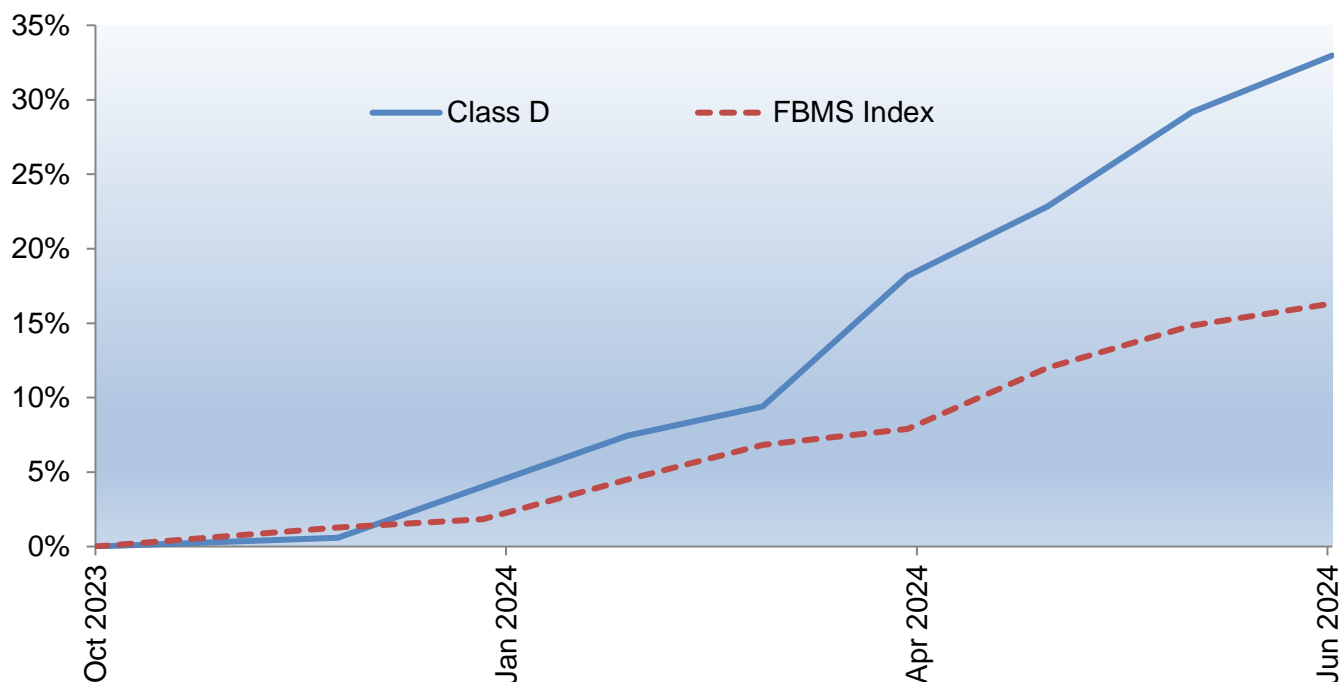
Class MYR



FUND PERFORMANCE (CONTINUED)

Since Inception

Class D



Changes in NAV

	30.06.2024	31.12.2023 Audited	Changes %
CLASS MYR			
NAV (RM million)	179.67	126.30	42.26
NAV/Unit (RM)	0.8747	0.6842	27.84
CLASS D			
NAV (RM million)	1.78	0.15	>100.00
NAV/Unit (RM)	1.3297	1.0403	27.82

For the financial period under review, the Fund's NAV for Class MYR and Class D increased by 42.26% and 100.00% respectively.

In addition, the NAV per unit for Class MYR and Class D increased by 27.84% and 27.82% respectively.

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)	30.06.2024	31.12.2023 Audited
Shariah-compliant quoted securities	95.45	88.31
Cash and other assets	5.93	12.07
Liabilities	(1.38)	(0.38)
TOTAL	100.00	100.00

Asset allocation into Shariah-compliant quoted securities increased to 95.45% as at 30 June 2024 compared to 88.31% as at 31 December 2023 while cash and other assets levels decreased to 5.93% from 12.07%. This reflects our positive view on equities.

MARKET OUTLOOK *

Malaysia’s manufacturing sector reflected stable conditions in June 2024, with the Purchase Managers Index (“PMI”) reading at 49.9pts vs 50.2pts in May 2024. Standard & Poor 500 Global saw further expansion in total new orders and exports, while staffing levels were unchanged. There was also stability in input cost inflation and firms raised prices at an accelerated pace. Firms remained cautious and scaled back purchases as well as inventories, and business confidence waned further. That said, the latest PMI data supports an acceleration in Gross Domestic Product (“GDP”) growth into second quarter of 2024. To recap, Bank Negara Malaysia (“BNM”) projects GDP to grow 4% to 5% in 2024, from an estimate of 3.8% in 2023, and 4.2% in first quarter of 2024.

We expect BNM to maintain Overnight Policy Rate (“OPR”) at 3.00% for the rest of the financial period given muted inflation and modest economic growth. Inflation was at 2% in May 2024, an uptick from April 2024. There appears to be sufficient headroom to central bank’s latest 2.0% to 3.5% consumer price index (“CPI”) forecast for 2024 with the impending subsidy.

* 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

We remain positive on the market. We remain constructive on sectors that stand to gain from 1 National Energy Transition Roadmap (“NETR”) including Utilities, Construction, and Property. Additionally, we remain optimistic on selective Technology due to the ongoing structural growth trends in the sector.

Key risks are the derailment of Malaysia’s macroeconomic recovery and corporate earnings growth due to the larger-than-expected impact of rising inflation, slower global economic growth, and heightened geopolitical risks.

SOFT COMMISSIONS AND REBATES

Principal Malaysia (the “Manager”) and the Trustee will not retain any form of rebate from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Principal Malaysia Funds (“Funds”). Accordingly, any rebate or shared commission will be directed to the account of the Fund. The Manager may retain goods and services (soft commission) provided by any broker or dealer if the following conditions are met:

- (a) the soft commission brings direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- (b) any dealings with the broker or dealer is executed on terms which are the most favourable for the Fund; and
- (c) the availability of soft commission is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and we and the fund the manager will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commission.

During the financial period under review, the Manager and 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 for the benefit of the fund such as financial wire services and stock quotations system incidental to investment management of the Funds and there was no churning of trades.

SECURITIES FINANCING TRANSACTIONS

The Fund has not undertaken any securities lending or repurchase transactions during the financial period under review.

STATE OF AFFAIR OF THE FUND

There were no significant changes in the state of affairs of the Fund during the period up to the date of Manager’s report, not otherwise disclosed in the financial statements.

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

There were no circumstances that had materially affected the interest of the unit holders during the financial period under review.

CROSS TRADE

No cross trade transactions have been carried out during the financial period under review.

UNIT SPLIT

No unit split exercise has been carried out during the financial period under review.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC ENHANCED 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 4 to 27 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 30 June 2024 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 the provisions of the 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
Malaysia & Global Shariah & Managing Director,
Strategic Distribution & Institutional Client Relations
(Southeast Asia & Global Shariah)
Non-Independent Executive Director

UDAY JAYARAM

Executive Managing Director,
Head of Southeast Asia
Non-Independent Executive Director

Kuala Lumpur
16 August 2024

TRUSTEE'S REPORT

**TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC ENHANCED OPPORTUNITIES FUND ("Fund")**

We have acted as Trustee of the Fund for the financial period ended 30 June 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management Company under the Deeds, securities laws and the Guidelines on the Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
16 August 2024

SHARIAH ADVISER'S REPORT

To the Unit Holders of Principal Islamic Enhanced Opportunities Fund ("Fund")

For the Six Months Financial Period ended 30 June 2024

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia ("SC") pertaining to Shariah matters; and
2. The asset of the Fund comprises instruments that have been classified as Shariah compliant.

For Amanie Advisors Sdn Bhd

Tan Sri Dr Mohd Daud Bakar
Executive Chairman

Kuala Lumpur
16 August 2024

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2024**

		01.01.2024 to 30.06.2024	01.01.2023 to 30.06.2023
	Note	RM	RM
INCOME/(LOSS)			
Dividend income		1,562,976	1,270,789
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions and hibah earned		125,464	180,787
Net gain/(loss) on financial assets at fair value through profit or loss	8	<u>36,612,974</u>	<u>(391,321)</u>
		<u>38,301,414</u>	<u>1,060,255</u>
EXPENSES			
Management fee	4	1,126,530	880,564
Trustee fee	5	33,796	52,834
Audit fee		4,623	4,661
Tax Agent's fee		2,459	2,752
Transaction costs		455,220	324,423
Other expenses		<u>16,723</u>	<u>16,432</u>
		<u>1,639,351</u>	<u>1,281,666</u>
PROFIT/(LOSS) BEFORE TAXATION		36,662,063	(221,411)
Taxation	7	<u>-</u>	<u>-</u>
PROFIT/(LOSS) AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD		<u><u>36,662,063</u></u>	<u><u>(221,411)</u></u>
Profit/(Loss) after taxation is made up as follows:			
Realised amount		2,848,934	298,441
Unrealised amount		<u>33,813,129</u>	<u>(519,852)</u>
		<u>36,662,063</u>	<u>(221,411)</u>

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

		30.06.2024	31.12.2023
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents	9	7,334,117	14,663,866
Financial assets at fair value through profit or loss	8	173,201,004	111,657,237
Amount due from Manager		3,176,187	467,023
Dividends receivable		190,352	78,097
Tax recoverable		59,660	59,660
TOTAL ASSETS		<u>183,961,320</u>	<u>126,925,883</u>
LIABILITIES			
Amount due to stockbrokers		701,925	-
Amount due to Manager		1,561,909	291,978
Accrued management fee		220,216	158,733
Amount due to Trustee		6,606	4,762
Other payables and accruals		16,481	18,800
TOTAL LIABILITIES		<u>2,507,137</u>	<u>474,273</u>
NET ASSET VALUE OF THE FUND		<u>181,454,183</u>	<u>126,451,610</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	11	<u>181,454,183</u>	<u>126,451,610</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- Class MYR		179,678,024	126,304,533
- Class D		1,776,159	147,077
		<u>181,454,183</u>	<u>126,451,610</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class MYR		205,414,795	184,574,931
- Class D		1,335,733	141,373
	10	<u>206,750,528</u>	<u>184,716,304</u>
NET ASSET VALUE PER UNIT (RM)			
- Class MYR		0.8747	0.6842
- Class D		1.3297	1.0403

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 30 JUNE 2024**

	Note	01.01.2024 to 30.06.2024 RM	01.01.2023 to 30.06.2023 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD		<u>126,451,610</u>	<u>117,853,690</u>
Movement due to units created and cancelled during the financial period:			
Creation of units from applications			
- Class MYR		49,055,712	8,328,111
- Class D		<u>2,222,503</u>	<u>-</u>
		<u>51,278,215</u>	<u>8,328,111</u>
Creation of units from distribution			
- Class MYR		<u>-</u>	<u>579,056</u>
		<u>-</u>	<u>579,056</u>
Cancellation of units			
- Class MYR		(32,222,688)	(11,650,154)
- Class D		<u>(715,017)</u>	<u>-</u>
		<u>(32,937,705)</u>	<u>(11,650,154)</u>
Total comprehensive income/(loss) for the financial period		36,662,063	(221,411)
Distribution		<u>-</u>	<u>(595,229)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	11	<u>181,454,183</u>	<u>114,294,063</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 30 JUNE 2024**

	01.01.2024 to 30.06.2024	01.01.2023 to 30.06.2023
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of Shariah-compliant quoted securities	54,723,155	52,507,899
Purchase of Shariah-compliant quoted securities	(79,407,241)	(52,342,978)
Dividend income received	1,450,721	1,383,326
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions and hibah earned	125,464	180,787
Management fee paid	(1,065,048)	(886,520)
Trustee paid	(31,952)	(53,192)
Payments for other fees and expenses	(26,125)	(31,704)
Net cash (used in)/generated from operating activities	(24,231,026)	757,618
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	48,569,051	8,800,153
Payments for cancellation of units	(31,667,774)	(11,512,260)
Distribution paid	-	(16,173)
Net cash generated from/(used in) financing activities	16,901,277	(2,728,280)
Net decrease in cash and cash equivalents	(7,329,749)	(1,970,662)
Cash and cash equivalents at the beginning of the financial period	14,663,866	14,007,601
Cash and cash equivalents at the end of the financial period	7,334,117	12,036,939
<u>Cash and cash equivalents comprised:</u>		
Shariah-compliant deposits with licensed Islamic financial institutions	7,235,843	11,971,968
Bank balances	98,274	64,971
Cash and cash equivalents at the end of financial period	7,334,117	12,036,939

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 30 JUNE 2024**

1. THE FUND, THE MANAGER, AND ITS PRINCIPAL ACTIVITIES

Principal Islamic Enhanced Opportunities Fund (the “Fund”) is governed by a Principal Master Deed dated 15 May 2008, a First Supplemental Deed dated 26 May 2008, a Third Supplemental Master Deed dated 25 June 2008, a Sixth Supplemental Master Deed dated 14 July 2008, a Seventh Supplemental Master Deed dated 19 November 2008, a Twelfth Supplemental Master Deed dated 14 June 2010, a Fourteenth Supplemental Master Deed dated 26 June 2012, a Seventeenth Supplemental Master Deed dated 25 March 2015, a Nineteenth Supplemental Master Deed dated 18 June 2019, a Twentythird Supplemental Master Deed dated 27 June 2022, a Twentyfourth Supplemental Master Deed dated 20 September 2022 and a Twenty Fifth Supplemental Master Deed dated 26 May 2023 (collectively referred to as the “Deeds”) made between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund may invest a minimum of 70% and up to a maximum of 98% of the NAV in local Shariah-compliant equities. The Fund may also invest up to 28% of its NAV in other permissible Shariah-compliant investments. As an aggressive Fund, the Fund will be managed with higher beta and tracking error. The investment policy and strategy of the Fund will be to invest in Shariah-compliant stocks which are selected based on their future growth prospects. The Fund may also opt to seek investment exposure via Islamic Collective Investment Scheme that is in line with the Fund’s objective, subject to the requirements of the GUTF. In addition, Islamic liquid assets may also be strategically used if we feel that the market downside risk is high in the short-term.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund’s NAV will be invested in Shariah-compliant equities;
- up to 28% of the Fund’s NAV in other permissible Shariah-compliant investments; and
- at least 2% of Fund’s NAV in Islamic liquid assets.

All investments are subjected to the GUTF, 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. MATERIAL 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 as issued by the Malaysian Accounting Standards Board (“MASB”) and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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 financial period.

It also requires the Manager to exercise their judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement 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(l).

There are no other standards, amendments to standards or interpretations that are effective for financial periods beginning on 1 January 2024 that have a material effect on the financial statements of the Fund.

None of the standards, amendments to standards or interpretations that are effective for the financial period beginning on/after 1 July 2024 are applicable to the Fund.

(b) Financial assets and financial liabilities

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 Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income ("OCI").

The contractual cash flows of the Fund's debt securities are solely principal and interest¹ ("SPPI"). 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 Manager and dividends receivable at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

All of the Fund's financial liabilities are measured at amortised cost.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)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.

Shariah-compliant quoted securities in Malaysia are valued at the last traded 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.

¹ For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

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 is recognised on a time proportionate basis using the effective profit method on an accrual basis.

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.

(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 Malaysian Ringgit ("MYR/RM"), which is the Fund's functional and presentation currency.

(e) Cash and cash equivalents

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**(f) 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.

(g) Distribution

A distribution to the Fund's unit holders is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the financial period in which it is approved by the Trustee.

(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) Amount due from/to stockbrokers

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

(j) Unit holders' 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 Class MYR and D which are cancelled at the unit holder's option. 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 units 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.

(k) Realised and unrealised portions of profit or loss after tax

The analysis of realised and unrealised portions of profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with GUTF.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(I) 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 GUTF.

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 earn reasonable returns for investors by investing in approved equities listed on Bursa Malaysia as well as unlisted securities and other non-interest bearing assets acceptable under Shariah principles.

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk and interest rate 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 GUTF.

(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) 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 requirements.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

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.

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

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 Manager, the settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the GUTF.

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.

(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. 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 net assets attributable to unit holders. 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 value of financial assets traded in active markets (such as trading securities) is 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 market price falls within the bid-ask spread. In circumstances where the last traded market 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 judgement, considering factors specific to the asset or liability.

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

3. 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
30.06.2024				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted securities	<u>173,201,004</u>	<u>-</u>	<u>-</u>	<u>173,201,004</u>
31.12.2023				
Audited				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted securities	<u>111,657,237</u>	<u>-</u>	<u>-</u>	<u>111,657,237</u>

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 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 1.50% per annum calculated daily based on the NAV of the Fund.

For the six months financial period ended 30 June 2024, the Manager's fee is recognised at a rate of 1.50% per annum (30.06.2023: 1.50% per annum).

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

5. TRUSTEE FEE

In accordance with Deeds, the Trustee is entitled to a fee not exceeding 0.09% per annum calculated daily based on the NAV of the Fund. The Trustee fee includes the local custodian fee but excludes the foreign sub-custodian fee (if any).

For the six months financial period ended 30 June 2024, the Trustee fee is recognised at a rate of 0.045% per annum (30.06.2023: 0.09% per annum).

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

6. DISTRIBUTION

Breakdown of distribution were as follows:

	30.06.2024		30.06.2023	
	RM	%	RM	%
Source of distribution				
Distribution out of current period's income	-	-	595,229	100.00
Distribution out of prior period's income/capital *	-	-	-	-
Total	-	-	595,229	100.00

Gross/Net distribution per unit (sen)

Class MYR

Distribution on 18 January 2023	-	0.32
---------------------------------	---	------

* Distribution income has been accrued as at the end of the prior financial period but is not declared and paid as distribution.

Gross distribution is derived using total income less total expenses. Net distribution above is sourced from current and prior financial periods' realised income.

Gross distribution per unit is derived from gross realised income less expense, divided by the number of units in circulation. Net distribution per unit is derived from gross realised income less expenses and taxation, divided by the number of units in circulation.

There are no unrealised losses for the financial period ended 30 June 2024 (30.06.2023: RM519,852).

7. TAXATION

	01.01.2024 to 30.06.2024	01.01.2023 to 30.06.2023
	RM	RM
Tax charged for the financial period:		
- Current taxation	-	-

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

	01.01.2024 to 30.06.2024	01.01.2023 to 30.06.2023
	RM	RM
Profit/(Loss) before taxation	36,662,063	(221,411)
Taxation at Malaysian statutory rate of 24% (30.06.2023: 24%)	8,798,895	(53,139)
Tax effects of:		
- Investment income not subject to tax	(9,192,339)	(254,461)
- Expenses not deductible for tax purposes	120,973	93,989
- Restriction on tax deductible expenses for Unit Trust Funds	272,471	213,611
Taxation	-	-

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.06.2024	31.12.2023
	RM	Audited RM
At fair value through profit or loss:		
- Shariah-compliant quoted securities	<u>173,201,004</u>	<u>111,657,237</u>
	01.01.2024 to 30.06.2024	01.01.2023 to 30.06.2023
	RM	RM
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised gain on disposal	2,799,843	128,534
- Unrealised fair value gain/(loss)	<u>33,813,131</u>	<u>(519,855)</u>
	<u>36,612,974</u>	<u>(391,321)</u>

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.06.2024				
SHARIAH-COMPLIANT QUOTED SECURITIES				
Construction				
Econpile Holdings Bhd	4,515,700	1,130,312	2,054,644	1.13
Gamuda Bhd	1,800,079	9,030,869	11,844,520	6.53
IJM Corporation Bhd	1,300,000	2,313,083	3,965,000	2.19
Southern Score Builders Bhd	<u>11,000,000</u>	<u>2,200,000</u>	<u>6,875,000</u>	<u>3.79</u>
	<u>18,615,779</u>	<u>14,674,264</u>	<u>24,739,164</u>	<u>13.64</u>
Consumer Products & Services				
Farm Fresh Bhd	2,200,000	3,352,987	3,344,000	1.84
Mr D.I.Y. Group (M) Bhd	2,200,050	4,101,509	4,268,097	2.35
QL Resources Bhd	1,200,000	6,791,888	7,824,000	4.31
Sime Darby Bhd	<u>1,000,000</u>	<u>2,543,982</u>	<u>2,620,000</u>	<u>1.44</u>
	<u>6,600,050</u>	<u>16,790,366</u>	<u>18,056,097</u>	<u>9.94</u>
Energy				
Dayang Enterprise Holding Bhd	3,600,000	6,251,734	9,468,000	5.22
Dialog Group Bhd	3,000,000	6,988,806	7,170,000	3.95
Perdana Petroleum Bhd	7,000,000	2,380,956	2,765,000	1.52
Uzma Bhd	955,200	1,146,160	1,088,928	0.61
Wasco Bhd	<u>1,000,000</u>	<u>1,150,131</u>	<u>1,370,000</u>	<u>0.77</u>
	<u>15,555,200</u>	<u>17,917,787</u>	<u>21,861,928</u>	<u>12.07</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.06.2024 (continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Health Care				
Hartalega Holding Bhd	1,800,000	3,003,112	5,904,000	3.25
Kossan Rubber Industries	1,731,900	2,322,531	4,069,965	2.24
KPJ Healthcare Bhd	2,400,000	2,967,632	4,632,000	2.55
	<u>5,931,900</u>	<u>8,293,275</u>	<u>14,605,965</u>	<u>8.04</u>
Industrial Products & Services				
Kelington Group Bhd	1,838,200	3,888,952	6,286,644	3.46
KJTS Group Bhd	4,600,000	3,203,140	2,944,000	1.62
Nationgate Holdings Bhd	5,305,000	6,130,756	9,708,150	5.35
Press Metal Aluminium Holding Bhd	500,000	2,897,264	2,880,000	1.59
V.S. Industry Bhd	1,930,256	1,129,538	2,451,425	1.36
	<u>14,173,456</u>	<u>17,249,650</u>	<u>24,270,219</u>	<u>13.38</u>
Plantation				
Johor Plantations Group	325,500	273,420	273,420	0.15
SD Guthrie Bhd	300,067	1,232,715	1,266,283	0.70
	<u>625,567</u>	<u>1,506,135</u>	<u>1,539,703</u>	<u>0.85</u>
Property				
Eastern and Oriental Bhd	1,750,500	1,088,571	1,724,243	0.95
Iskandar Waterfront City Bhd	4,000,000	3,142,827	2,980,000	1.64
Sime Darby Property Bhd	2,000,000	1,635,803	2,680,000	1.48
Skyworld Development Bhd	734,900	587,920	477,685	0.26
SP Setia Bhd	6,000,000	6,666,506	8,280,000	4.56
Sunway Bhd	2,000,000	4,713,102	7,220,000	3.98
	<u>16,485,400</u>	<u>17,834,729</u>	<u>23,361,928</u>	<u>12.87</u>
Technology				
Genetec Technology Bhd	800,000	4,246,302	4,200,000	2.31
Ifca Msc Bhd	3,000,000	2,228,533	2,325,000	1.28
Inari Amertron Bhd	1,000,000	3,393,013	3,700,000	2.04
ITMAX System Bhd	2,000,000	3,132,592	5,120,000	2.82
	<u>6,800,000</u>	<u>13,000,440</u>	<u>15,345,000</u>	<u>8.45</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.06.2024 (continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Telecommunications & Media				
Telekom Malaysia Bhd	1,300,000	6,821,846	8,788,000	4.84
Transportation & Logistics				
MISC Bhd - Local	400,000	3,253,737	3,408,000	1.88
Utilities				
Tenaga Nasional Bhd	1,250,000	11,678,474	17,225,000	9.49
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	<u>87,737,352</u>	<u>129,020,703</u>	<u>173,201,004</u>	<u>95.45</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>44,180,301</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>173,201,004</u>		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.12.2023				
Audited				
SHARIAH-COMPLIANT				
QUOTED SECURITIES				
Construction				
Econpile Holdings Bhd	4,515,700	1,130,312	1,377,289	1.09
Gamuda Bhd	396,979	1,537,113	1,822,133	1.44
IJM Corporation Bhd	1,113,000	1,817,301	2,092,440	1.65
Southern Score Builders Bhd	11,000,000	2,200,000	2,365,000	1.87
	<u>17,025,679</u>	<u>6,684,726</u>	<u>7,656,862</u>	<u>6.05</u>
Consumer Products & Services				
Farm Fresh Bhd	755,300	1,177,554	996,996	0.79
Karex Bhd	1,489,300	1,079,104	1,087,189	0.86
Mr D.I.Y. Group (Malaysia) Bhd	442,450	998,496	641,552	0.51
QL Resources Bhd	851,800	4,504,597	4,863,778	3.85
Sime Darby Bhd	514,000	1,217,975	1,207,900	0.96
	<u>4,052,850</u>	<u>8,977,726</u>	<u>8,797,415</u>	<u>6.97</u>
Energy				
Dayang Enterprise Holding Bhd	2,205,900	2,816,567	3,529,440	2.80
Dialog Group Bhd	576,900	1,805,390	1,194,183	0.95
Hibiscus Petroleum Bhd	619,840	1,556,223	1,574,394	1.25
	<u>3,402,640</u>	<u>6,178,180</u>	<u>6,298,017</u>	<u>5.00</u>
Health Care				
Hartalega Holdings Bhd	3,051,000	5,090,275	8,237,700	6.51
KPJ Healthcare Bhd	1,900,900	2,083,657	2,737,296	2.16
Kossan Rubber Industries Bhd	1,731,900	2,322,530	3,204,015	2.53
Top Glove Corporation Bhd	3,040,300	2,771,327	2,736,270	2.16
	<u>9,724,100</u>	<u>12,267,789</u>	<u>16,915,281</u>	<u>13.36</u>
Industrial Products & Services				
HSS Engineers Bhd	1,222,000	928,798	1,185,340	0.94
Kelington Group Bhd	768,500	591,223	1,667,645	1.32
Nationgate Holdings Bhd	5,305,000	6,130,756	8,010,550	6.33
Press Metal Aluminium Holding Bhd	1,141,500	5,547,422	5,490,615	4.34
Sunway Bhd	1,250,600	2,179,721	2,576,236	2.04
V.S. Industry	1,996,656	817,901	1,627,275	1.29
	<u>11,684,256</u>	<u>16,195,821</u>	<u>20,557,661</u>	<u>16.26</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.12.2023				
Audited (continued)				
SHARIAH-COMPLIANT				
QUOTED SECURITIES				
(CONTINUED)				
Plantation				
IOI Corporation Bhd	605,500	2,659,095	2,379,615	1.88
Kuala Lumpur Kepong Bhd	111,851	2,653,542	2,440,589	1.93
Sime Darby Plantation Bhd	546,067	2,136,357	2,435,459	1.93
	<u>1,263,418</u>	<u>7,448,994</u>	<u>7,255,663</u>	<u>5.74</u>
Property				
Eastern and Oriental Bhd	1,750,500	1,088,570	1,006,538	0.80
Iskandar Waterfront City Bhd	1,539,800	1,141,832	1,124,054	0.89
Sime Darby Property Bhd	1,662,700	1,233,225	1,039,188	0.82
SP Setia Bhd	2,659,500	2,134,250	2,127,600	1.68
Skyworld Development Bhd	734,900	587,920	404,194	0.32
	<u>8,347,400</u>	<u>6,185,797</u>	<u>5,701,574</u>	<u>4.51</u>
Technology				
ECA Integrated Solution Bhd	2,937,600	2,641,878	1,483,488	1.17
Genetec Technology Bhd	2,117,300	3,876,942	4,996,828	3.95
Inari Amertron Bhd	1,233,100	3,721,199	3,711,631	2.94
Infomina Bhd	430,100	601,860	718,267	0.57
ITMAX System Bhd	1,398,800	1,986,960	2,503,852	1.98
LGMS Bhd	2,388,500	3,012,050	2,197,420	1.74
My E.G Services Bhd	4,305,011	3,914,400	3,508,584	2.77
	<u>14,810,411</u>	<u>19,755,289</u>	<u>19,120,070</u>	<u>15.12</u>
Telecommunications & Media				
Maxis Bhd	454,500	1,572,570	1,749,824	1.38
Telekom Malaysia Bhd	1,033,800	5,187,404	5,737,590	4.54
	<u>1,488,300</u>	<u>6,759,974</u>	<u>7,487,414</u>	<u>5.92</u>
Utilities				
Tenaga Nasional Bhd	1,182,000	10,835,771	11,867,280	9.38
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	<u>72,981,054</u>	<u>101,290,067</u>	<u>111,657,237</u>	<u>88.31</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.12.2023				
Audited (continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>10,367,170</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>111,657,237</u>		

9. CASH AND CASH EQUIVALENTS

	30.06.2024	31.12.2023
	RM	Audited RM
Shariah-compliant deposits with licensed Islamic financial institutions	7,235,843	14,592,597
Bank balances	98,274	71,269
	<u>7,334,117</u>	<u>14,663,866</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	30.06.2024	31.12.2023
	No of units	Audited No of units
Class MYR (i)	205,414,795	184,574,931
Class D (ii)	1,335,733	141,373
	<u>206,750,528</u>	<u>184,716,304</u>
(i) Class MYR		
At the beginning of the financial period/year	184,574,931	186,694,450
Add : Creation of units from applications	61,148,472	30,595,252
Add : Creation of units from distribution	-	903,786
Less : Cancellation of units	(40,308,608)	(33,618,557)
At the end of the financial period/year	<u>205,414,795</u>	<u>184,574,931</u>
(ii) Class D		
At the beginning of the financial period/year	141,373	-
Add : Creation of units from applications	1,771,974	155,368
Less : Cancellation of units	(577,614)	(13,995)
At the end of the financial period/year	<u>1,335,733</u>	<u>141,373</u>

11. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

Net assets attributable to unit holders as at the reporting date comprised:

	31.12.2023
	Audited
	RM
Unit holders' contributions	118,299,772
Accumulated Losses	<u>(446,082)</u>
	<u>117,853,690</u>

The movement in the components of net assets attributable to unit holders for the financial period were as follows:

	Unit holders' contributions RM	Accumulated Losses RM	Total RM
Balance as at 1 January 2023	118,299,772	(446,082)	117,853,690
Movement in unit holders' contributions:			
- Creation of units from applications	8,328,111	-	8,328,111
- Creation of units from distribution	579,056	-	579,056
- Cancellation of units	(11,650,154)	-	(11,650,154)
Total comprehensive loss for the financial period	-	(221,411)	(221,411)
Distribution	-	<u>(595,229)</u>	<u>(595,229)</u>
Balance as at 30 June 2023	<u>115,556,785</u>	<u>(1,262,722)</u>	<u>114,294,063</u>

Disclosure of net assets attributable to unit holders is not required for financial period ended 30 June 2024 as the Fund issued multiple classes of units during the financial period.

12. TOTAL EXPENSE RATIO ("TER")

	01.01.2024 to 30.06.2024	01.01.2023 to 30.06.2023
	%	%
TER	<u>0.78</u>	<u>0.80</u>

TER is derived from the following calculation:

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

- A = Management fee
- B = Trustee fee
- C = Audit fee
- D = Tax Agent's fee
- E = Other expenses excluding CDS fee and withholding tax
- 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 was RM150,976,100 (30.06.2023: RM118,426,432).

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.01.2024 to 30.06.2024	01.01.2023 to 30.06.2023
PTR (times)	<u>0.45</u>	<u>0.41</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	=	RM79,838,010 (30.06.2023: RM50,417,341)
total disposal for the financial period	=	RM54,907,219 (30.06.2023: RM47,527,805)

14. 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 were 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
CIMB Islamic Bank Bhd	Fellow related party to the Manager
CGS-CIMB Securities Sdn Bhd	Fellow related party to 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 shareholder of the Manager

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

Units held by the Manager and parties related to the Manager

Manager	30.06.2024		31.12.2023 Audited	
	No. of units	RM	No. of units	RM
Principal Asset Management Berhad - Class MYR	3,329	2,912	2,682	1,835

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.

	01.01.2024 to 30.06.2024 RM	01.01.2023 to 30.06.2023 RM
<u>Significant related party transaction</u> Profit income from Shariah-compliant deposits with licensed Islamic financial institution: - CIMB Islamic Bank Bhd	-	50,872

15. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for the six months financial period ended 30 June 2024 were as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
CLSA Securities M Sdn Bhd	24,414,262	18.13	57,064	19.35
Nomura Securities Malaysia Sdn Bhd	21,214,204	15.75	46,537	15.78
Macquarie Capital Securities (M) Sdn Bhd	20,979,630	15.58	47,206	16.01
RHB Investment Bank Bhd	13,969,503	10.37	30,785	10.44
CGS International Securities Malaysia Sdn Bhd	11,504,439	8.54	25,885	8.78
Affin Hwang Investment Bank Bhd	11,390,048	8.46	25,628	8.69
Maybank Investment Bank Bhd	10,577,914	7.86	24,105	8.17
J.P. Morgan Securities (M) Sdn Bhd	7,580,731	5.63	9,667	3.28
UBS Securities M Sdn Bhd	6,960,558	5.17	15,661	5.31
CGS-CIMB Securities Sdn Bhd #	3,345,774	2.48	7,528	2.55
Others	2,713,789	2.03	4,862	1.64
	<u>134,650,852</u>	<u>100.00</u>	<u>294,928</u>	<u>100.00</u>

15. TRANSACTIONS WITH BROKERS (CONTINUED)

Details of transactions with the top 10 brokers for the six months financial period ended 30 June 2023 were as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
RHB Investment Bank Bhd	15,467,221	15.80	32,719	16.03
Macquarie Capital Securities (M) Sdn Bhd	14,808,191	15.13	32,722	16.04
J.P. Morgan Securities (M) Sdn Bhd	13,750,100	14.05	23,569	11.55
CGS-CIMB Securities Sdn Bhd	13,598,855	13.89	28,058	13.75
Maybank Investment Bank Bhd	10,184,168	10.40	22,914	11.23
CLSA Securities (M) Sdn Bhd	9,169,450	9.37	20,106	9.85
UBS Securities (M) Sdn Bhd	6,754,722	6.90	14,094	6.91
KAF Equities Sdn Bhd	5,955,691	6.08	13,400	6.57
Citigroup Global Markets (M) Sdn Bhd	2,687,927	2.75	5,376	2.63
Credit Suisse Sec (M) Sdn Bhd	1,910,509	1.95	4,299	2.11
Others	3,612,515	3.68	6,805	3.33
	<u>97,899,349</u>	<u>100.00</u>	<u>204,062</u>	<u>100.00</u>

Included in transactions are trades conducted with CGS-CIMB Securities Sdn Bhd, fellow related party of the Manager amounting to RM3,345,774 (30.06.2023: RM13,598,855). 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.

DIRECTORY

Head Office of the Manager

Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))
Level 32, Exchange 106,
Lingkaran TRX,
55188 Tun Razak Exchange, Kuala Lumpur
MALAYSIA.
Tel: (03) 8680 8000

Website

www.principal.com.my

E-mail address

myservice@principal.com

Customer Care Centre

(03) 7723 7260

Chat with us via WhatsApp:

(6016) 299 9792

Trustee for the Principal Islamic Enhanced Opportunities Fund

HSBC (Malaysia) Trustee Berhad (Company No.: 193701000084 (1281-T))
19th Floor, Menara IQ, Lingkaran TRX,
55188 Tun Razak Exchange, Kuala Lumpur, MALAYSIA.
Tel: (03) 2075 7800
Fax: (03) 8894 2611

Shariah Adviser of the Principal Islamic Enhanced Opportunities Fund

Amanie Advisors Sdn Bhd (Company No.: 200501007003 (684050-H))
Level 13A-2, Menara Tokio Marine Life,
189 Jalan Tun Razak
50400 Kuala Lumpur, Malaysia
Tel: (03) 2161 0260
Fax: (03) 2161 0262

Principal Asset Management Berhad
199401018399 (304078-K)

Enquiries:

Customer Care Centre
(603)7723 7260

Chat with us via WhatsApp
(6016)299 9792

Email
myservice@principal.com

Website
www.principal.com.my