

Principal Islamic Money Market Fund

Interim Report

For The Six Months Financial Period Ended 31 May 2022

PRINCIPAL ISLAMIC MONEY MARKET FUND

INTERIM REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022

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INVESTORS' LETTER

Dear Valued Investor,

Greetings from Principal Asset Management Berhad and thank you for investing with us!

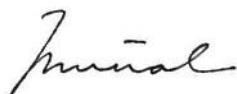
We are pleased to bring you a copy of the Interim Fund Report of the Principal Islamic Money Market Fund for the financial period ended 31 May 2022. You may also download this report from our website at www.principal.com.my.

We are happy to share that Principal Asset Management Berhad won three accolades at Alpha Southeast Asia's 13th Annual Fund Management Awards 2022. The awards were for Best Online & Mobile Platform (Asset Manager), Best Fund with the optimal Sharpe ratio and Best Absolute Return Strategy. Principal Asset Management Berhad was also honoured with multiple awards at the iFast Awards Night 2022 and FSMOne Recommended Unit Trusts Awards 2022/23 including Top Fund House 2021 and Investors' Choice Fund House of the year 2022.

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

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to provide investors with liquidity and regular income, whilst maintaining capital stability by investing primarily in money market instruments that conform with Shariah principles.

Has the Fund achieved its objective?

For the financial period under review, the Fund is in line with its stated objective.

What are the Fund investment policy and principal investment strategy?

The Fund will place at least 90% of its Net Asset Value ("NAV") in Islamic money market instruments such as Islamic Accepted Bills, Islamic Negotiable Instruments of Deposits, and Islamic Repurchase Agreements ("Repo-i") as well as in any other Islamic fixed income instruments and placements of Islamic Deposits, all of which are highly liquid and have a remaining maturity period of less than 365 days. Up to 10% of the Fund's NAV may be invested in Islamic fixed income instruments, which have a remaining maturity period of more than 365 days but less than 732 days. The Fund will be actively managed with frequency that will depend on the market conditions and market outlook. The strategy is to invest in liquid and low risk short-term investments for capital preservation*. The investment strategy adheres to the Guidelines of Unit Trust Funds issued by Securities Commission Malaysia ("GUTF") pertaining to investments for a money market fund.

The asset allocation strategy for this Fund is as follows:

- at least 90% of the Fund's NAV will be invested in Islamic money market instruments and/or Islamic Deposits; and
- up to 10% of the Fund's NAV may be invested in Islamic fixed income instruments, which have a remaining maturity period of more than 365 days but less than 732 days.

Note:

*The Fund is neither a capital guaranteed fund nor a capital protected fund.

Fund category/ type

Money Market (Islamic)/Income

When was the Fund launched?

Name of Class	Launch date
Class AI	17 March 2008
Class AR*	13 August 2021

* With effect from 13 August 2021, the Fund were split into Class AI and AR where individual unitholders were designated to Class AR and non-individual unit holders were designated to Class AI.

What was the size of the Fund as at 31 May 2022?

RM1,543.09 million (1,449.08 million units)

What is the Fund's benchmark?

CIMB Islamic 1-Month Fixed Return Income Account-i ("FRIA-i")

Note: The Fund's benchmark is for performance comparison only. The benchmark is reflective of the objective of the Fund. Thus, you are cautioned that the risk profile of the Fund is higher than the benchmark.

What is the Fund distribution policy?

Monthly, depending on the level of income (if any) the Fund generates.

What was the net income distribution for the six months financial period ended 31 May 2022?

The Fund distributed a total net income of RM17.87 million to unit holders for the six months financial period ended 31 May 2022.

FUND OBJECTIVE AND POLICY (CONTINUED)

The Fund's NAV per unit before and after distributions were as follows:

Date	NAV per unit (before distribution)	NAV per unit (after distribution)
	RM	RM
31.12.2021		
- Class AI	1.0698	1.0674
- Class AR	1.0698	1.0674
31.01.2022		
- Class AI	1.0691	1.0667
- Class AR	1.0691	1.0667
28.02.2022		
- Class AI	1.0685	1.0663
- Class AR	1.0685	1.0663
31.03.2022		
- Class AI	1.0682	1.0662
- Class AR	1.0682	1.0662
29.04.2022		
- Class AI	1.0670	1.0650
- Class AR	1.0670	1.0650
31.05.2022		
- Class AI	1.0669	1.0648
- Class AR	1.0669	1.0648

PERFORMANCE DATA

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

	31.05.2022	31.05.2021	31.05.2020
	%	%	%
Unquoted Sukuk and Islamic Commercial Papers	85.52	86.04	47.42
Shariah-compliant deposits with licensed Islamic financial institutions	-	9.55	33.19
Cash and other assets	16.26	4.48	19.57
Liabilities	(1.78)	(0.07)	(0.18)
	<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:

	31.05.2022	31.05.2021	31.05.2020
NAV (RM Million)*			
- Class AI	1,429.29	1,425.34	992.01
- Class AR	113.80	-	-
Units in circulation (Million)			
- Class AI	1,342.30	1,331.48	916.12
- Class AR	106.88	-	-
NAV per unit (RM)*			
- Class AI	1.0648	1.0704	1.0828
- Class AR	1.0648	-	-

*Ex-distribution

PERFORMANCE DATA (CONTINUED)

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

	01.12.2021 to 31.05.2022	01.12.2020 to 31.05.2021	01.12.2019 to 31.05.2020
Highest NAV per unit (RM)			
- Class AI	1.0698	1.0789	1.0854
- Class AR	1.0698	-	
Lowest NAV per unit (RM)			
- Class AI	1.0648	1.0704	1.0819
- Class AR	1.0648	-	-
Total return (%)			
- Class AI	0.94	0.93	1.57
- Class AR	0.94	-	-
- Capital growth (%)			
- Class AI	(0.29)	(0.64)	0.01
- Class AR	(0.29)	-	-
- Income distribution (%)			
- Class AI	1.24	1.58	1.56
- Class AR	1.24	-	-
Total Expense Ratio ("TER") (%) ^	0.21	0.26	0.27
Portfolio Turnover Ratio ("PTR") (times) #	0.75	0.51	0.47

^The Fund's TER for the financial period under review decreased from 0.26 times to 0.21 times due to the decreased in expenses

#The Fund's PTR for the financial period under review increased from 0.51 times to 0.75 times due to the increased in number of transactions.

Date of distribution

Gross/Net distribution per unit (sen)

Distribution on 31 December 2021			
- Class AI	0.24	-	-
- Class AR	0.24	-	-
Distribution on 31 January 2022			
- Class AI	0.24	-	-
- Class AR	0.24	-	-
Distribution on 28 February 2022			
- Class AI	0.22	-	-
- Class AR	0.22	-	-
Distribution on 31 March 2022			
- Class AI	0.20	-	-
- Class AR	0.20	-	-
Distribution on 29 April 2022			
- Class AI	0.20	-	-
- Class AR	0.20	-	-
Distribution on 31 May 2022			
- Class AI	0.21	-	-
- Class AR	0.21	-	-
Distribution on 31 December 2020	-	0.39	-
Distribution on 29 January 2021	-	0.26	-
Distribution on 26 February 2021	-	0.27	-
Distribution on 31 March 2021	-	0.24	-

PERFORMANCE DATA (CONTINUED)

	01.12.2021 to 31.05.2022	01.12.2020 to 31.05.2021	01.12.2019 to 31.05.2020
Date of distribution			
Gross/Net distribution per unit (sen)			
Distribution on 30 April 2021	-	0.26	-
Distribution on 31 May 2021	-	0.28	-
Distribution on 31 December 2019	-	-	0.30
Distribution on 31 January 2020	-	-	0.31
Distribution on 28 February 2020	-	-	0.30
Distribution on 31 March 2020	-	-	0.26
Distribution on 30 April 2020	-	-	0.29
Distribution on 29 May 2020	-	-	0.22

	31.05.2022	31.05.2021	31.05.2020	31.05.2019	31.05.2018
	%	%	%	%	%
Annual total return					
- Class AI	2.12	2.00	3.21	3.87	3.53
- Class AR	2.12	-	-	-	-

(Launch date: 17 March 2008)

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 2021 TO 31 MAY 2022)

The Monetary Policy Committee (MPC) of Bank Negara Malaysia (“BNM”) decided to increase the Overnight Policy Rate (“OPR”) by 25 basis point (“bps”) from 1.75% to 2.00%, earlier than previously expected. The ceiling and floor rates of the corridor of the OPR are correspondingly increased to 2.25% and 1.75%, respectively.

In its monetary policy statement, BNM reiterated that over the course of the Coronavirus Disease 2019 (“COVID-19”) crisis, the OPR was reduced by a cumulative 125 bps to a historic low of 1.75% to provide support to the economy and highlighted that the unprecedented conditions that necessitated such actions have since abated. With the domestic growth on a firmer footing, the MPC decided to begin reducing the degree of monetary accommodation which will be done in a measured and gradual manner, ensuring that monetary policy remains accommodative to support a sustainable economic growth in an environment of price stability.

Malaysia’s first quarter 2022 Gross domestic product (“GDP”) expanded at 5.0% as compared to 3.6% in 4Q21. Monthly real GDP expanded at rising pace during the quarter i.e. +4.3% Year-over-year (“YoY”) in January 2022; +5.2% YoY in February 2022; +5.4% YoY in March 2022 (December 2021: +2.0% YoY).

Data released in May 2022 showed that Industrial Production Index (“IPI”) grew at its fastest pace in March 2022 at 5.1% YoY beating estimates of an expansion of 4.8%, versus revised +4% in February, as all three sectors of the IPI expanded, particularly for the manufacturing sector. The expansion of IPI was contributed by the increment in all three sectors: Manufacturing index, 6.9%, Electricity index, 0.8% and Mining index, 0.3%.

Malaysia’s total trade performance continued its growth momentum in April 2022, expanded by 21.3%, reaching RM231.4 billion as compared to RM190.8 billion in the preceding year. Exports increased by 20.7% to RM127.5 billion in April 2022. Imports amounted at RM103.9 billion rose by 22.0% YoY. Trade balance continued to record a surplus, with a value of RM23.5 billion, an increase of 15.7% from the previous year.

MARKET REVIEW (1 DECEMBER 2021 TO 31 MAY 2022) (Continued)

Headline inflation inched higher to +2.3% YoY in Apr 2022 (March 2022: +2.2% YoY; 4M2022: 2.2% YoY) mainly on higher food & non-alcoholic beverages cost. Core inflation also edged up to +2.1% YoY (March 2022: +2.0% YoY) amid pent up discretionary spending and services demand.

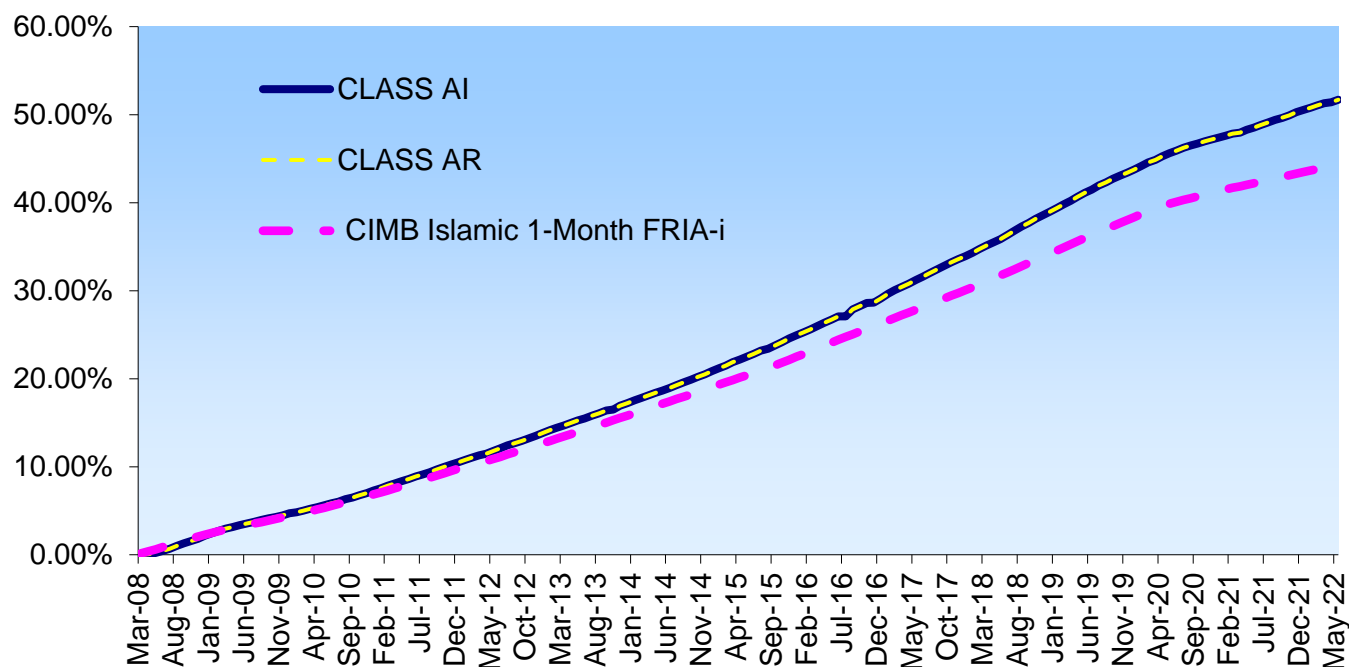
Producer Price Index (“PPI”) for local production continued to register double-digit growth in April 2022 at 11% YoY, slightly lower than the 11.6% growth recorded in March 2022. The increase was attributed by Mining index that increased 18.4% as compared to 28.2% recorded in March 2022.

FUND PERFORMANCE

	6 months to 31.05.2022 %	1 year to 31.05.2022 %	3 years to 31.05.2022 %	5 years to 31.05.2022 %	Since inception to 31.05.2022 %
Income Distribution					
- Class AI	1.24	2.65	8.96	17.71	42.46
- Class AR	1.24	2.65	8.96	17.71	42.46
Capital Growth					
- Class AI	(0.29)	(0.52)	(1.34)	(1.80)	6.48
- Class AR	(0.29)	(0.52)	(1.34)	(1.80)	6.48
Total Return					
- Class AI	0.94	2.12	7.49	15.59	51.69
- Class AR	0.94	2.12	7.49	15.59	51.69
Benchmark					
- Class AI	0.75	1.51	6.15	12.92	44.36
- Class AR	0.94	2.12	7.49	15.59	51.69
Average Total Return					
- Class AI	1.89	2.12	2.44	2.94	2.97
- Class AR	1.89	2.12	2.44	2.94	2.97

As at 31 May 2022, the total return for 6 months, 1 year, 3 years, and 5 years stood at 0.94%, 2.12%, 7.49% and 15.59% respectively, which outperformed the benchmark in the respective periods. Since inception, the Fund achieved a total return of 51.69%, also outperforming the benchmark returns.

Since Inception



FUND PERFORMANCE (CONTINUED)

Changes in NAV

	31.05.2022	30.11.2021 Audited	Changes %
CLASS AI			
NAV (RM Million)*	1,429.29	1,204.88	18.63
NAV/Unit (RM)*	1.0648	1.0679	(0.29)
CLASS AR			
NAV (RM Million)*	113.80	124.86	(8.86)
NAV/Unit (RM)*	1.0648	1.0679	(0.29)

*Ex-distribution

The Fund's NAV for class AI as at 31 May 2022 increased by 18.63% to RM1,429.29 million from RM1,204.88 million on 30 November 2021. Meanwhile, the NAV per unit decreased slightly by 0.29% from RM1.0679 per unit to RM1.0648 per unit.

The Fund's NAV for class AR as at 31 May 2022 decreased by 8.86% to RM113.80 million from RM124.86 million on 30 November 2021. Meanwhile, the NAV per unit decreased slightly by 0.29% from RM1.0679 per unit to RM1.0648 per unit.

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)	31.05.2022	30.11.2021 Audited
Unquoted Sukuk and Islamic commercial papers	85.52	96.51
Cash and other assets	16.26	4.54
Liabilities	(1.78)	(1.05)
TOTAL	100.00	100.00

As at 31 May 2022, the Fund was 85.52% invested in unquoted Sukuk and Islamic commercial papers, with the remaining 14.48% in cash and other net assets (net of liabilities). The decrease in unquoted Sukuk and Islamic commercial papers is mainly to stabilise the Fund's NAV and volatility due to the rising rate environment.

MARKET OUTLOOK*

Going into the second half of 2022, we are expecting the domestic economy to continue to benefit from the reopening – supported by the border reopening and additional support from the Employees' Provident Fund ("EPF") withdrawals. With this, we are expecting between 1 – 2 hikes in the OPR by BNM, which would bring the OPR to a range of 2.25% - 2.50% by the end-2022.

*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 continue to overweight on quality short term sukuk papers as well as Islamic commercial papers issued by corporates with strong fundamentals

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 31 May 2022 were as follows:

Class AI

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	3	0.00*	0.00
5,001-10,000	5	0.03	0.00
10,001- 50,000	3	0.13	0.01
50,001- 500,000	14	3.53	0.26
500,001 and above	41	1,338.61	99.73
Total	66	1,342.30	100.00

Class AR

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	30	0.04	0.04
5,001-10,000	109	0.86	0.80
10,001- 50,000	1,135	28.26	26.44
50,001- 500,000	440	47.95	44.85
500,001 and above	14	29.77	27.87
Total	1,728	106.88	100.00

Note: 0.00* denotes unit count less than 0.01 million.

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 Principal Malaysia Funds (“Funds”) unless the soft commission received is retained in the form of goods and services such as as research and advisory services that assist in the decision making process relating to the Fund’s investments. All dealings with brokers are executed on most favourable terms available for the Fund. Any rebates will be directed to the account of the Fund.

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 such as financial wire services and stock quotations system incidental to investment management of the Funds.

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

Please find the latest changes to the Manager's board of directors as follows:

Mr. Juan Ignacio Eyzaguirre Baraona (resigned on 30 June 2022)

Mr. Uday Jayaram (appointed on 30 June 2022) ^

^Also serves as Investment Committee member (non-independent).

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.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC MONEY MARKET 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 13 to 40 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 2022 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

UDAY JAYARAM
Director

Kuala Lumpur
15 July 2022

TRUSTEE'S REPORT

**TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC MONEY MARKET FUND ("Fund")**

We have acted as Trustee of the Fund for the financial period ended 31 May 2022 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 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.

We are of the opinion that the distributions of income by the Fund are appropriate and reflects the investment objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
15 July 2022

SHARIAH ADVISER'S REPORT

To the Unit Holders of Principal Islamic Money Market Fund ("Fund")

For the Financial Period Ended 31 May 2022

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 of instruments that have been classified as Shariah compliant.

For **Amanie Advisors Sdn Bhd**

Tan Sri Dr Mohd Daud Bakar
Executive Chairman

Kuala Lumpur

15 July 2022

PRINCIPAL ISLAMIC MONEY MARKET FUND

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022**

	Note	01.12.2021 to 31.05.2022 RM	01.12.2020 to 31.05.2021 RM
INCOME			
Profit income from unquoted Sukuk and Islamic commercial papers		17,047,910	12,161,479
Profit income from Shariah-compliant deposits with licensed Islamic financial Institutions at amortised cost and Hibah earned		1,699,437	4,046,221
Net loss on financial assets at fair value through profit or loss	8	<u>(2,475,079)</u>	<u>(283,288)</u>
		<u>16,272,803</u>	<u>15,924,412</u>
EXPENSES			
Management fee	4	2,835,707	3,331,946
Trustee fee	5	141,786	143,824
Audit fee		4,878	4,200
Tax agent's fee		1,995	1,300
Other expenses		<u>11,890</u>	<u>5,472</u>
		<u>2,996,256</u>	<u>3,486,742</u>
PROFIT BEFORE DISTRIBUTION AND TAXATION		13,276,547	12,437,670
Distribution:			
Class AI		16,432,322	(21,162,857)
Class AR		<u>1,436,200</u>	<u>-</u>
	6	<u>17,868,522</u>	<u>(21,162,857)</u>
PROFIT BEFORE TAXATION		(4,591,975)	(8,725,187)
Taxation	7	<u>-</u>	<u>-</u>
LOSS AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD		<u>(4,591,975)</u>	<u>(8,725,187)</u>
Loss after taxation is made up as follows:			
Realised amount		(2,105,024)	(8,871,741)
Unrealised amount		<u>(2,486,951)</u>	<u>146,554</u>
		<u>(4,591,975)</u>	<u>(8,725,187)</u>

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

PRINCIPAL ISLAMIC MONEY MARKET FUND

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2022**

		31.05.2022	30.11.2021
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents	9	247,049,832	28,753,111
Profit Receivables		-	10,584,076
Financial assets at fair value through profit or loss	8	1,319,676,230	1,283,331,968
Amount due from Manager		3,862,853	20,966,968
TOTAL ASSETS		<u>1,570,588,915</u>	<u>1,343,636,123</u>
LIABILITIES			
Amount due to Manager		26,934,162	13,400,181
Accrued management fee		530,559	458,316
Amount due to Trustee		26,528	22,916
Distribution payable		1,231	345
Other payables and accruals		10,998	15,926
TOTAL LIABILITIES		<u>27,503,478</u>	<u>13,897,684</u>
NET ASSET VALUE OF THE FUND		<u>1,543,085,437</u>	<u>1,329,738,439</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		1,543,085,437	1,329,738,439
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (RM)			
- Class AI		1,429,285,657	1,204,881,973
- Class AR		113,799,780	124,856,466
		<u>1,543,085,437</u>	<u>1,329,738,439</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class AI		1,342,203,879	1,128,299,230
- Class AR		106,873,654	116,920,308
	10	<u>1,449,177,533</u>	<u>1,245,219,538</u>
NET ASSET VALUE PER UNIT (RM) (EX-DISTRIBUTION)			
- Class AI		1.0648	1.0679
- Class AR		1.0648	1.0679

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

PRINCIPAL ISLAMIC MONEY MARKET FUND

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022**

	01.12.2021 to 31.05.2022	01.12.2020 to 31.05.2021
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>1,329,738,439</u>	<u>1,269,507,765</u>
Movement due to units created and cancelled during the financial period:		
- Creation of units from applications		
- Class AI	673,753,130	403,422,289
- Class AR	<u>37,387,643</u>	<u>-</u>
	<u>711,140,773</u>	<u>403,422,289</u>
- Creation of units from distributions		
- Class AI	16,432,322	18,942,618
- Class AR	<u>1,433,509</u>	<u>-</u>
	<u>17,865,831</u>	<u>18,942,618</u>
- Cancellation of units		
- Class AI	(461,508,939)	(257,808,573)
- Class AR	<u>(49,558,692)</u>	<u>-</u>
	<u>(511,067,631)</u>	<u>(257,808,573)</u>
Total comprehensive loss for the financial period	<u>(4,591,975)</u>	<u>(8,725,187)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	<u><u>1,543,085,437</u></u>	<u><u>1,425,338,912</u></u>

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

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022**

	01.12.2021 to 31.05.2022	01.12.2020 to 31.05.2021
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Purchase of unquoted Sukuk and Islamic Commercial Papers	(1,086,672,726)	(1,186,369,241)
Proceeds from disposal of unquoted Sukuk and Islamic Commercial Papers	64,793,610	173,662,364
Proceeds from maturity of Shariah-compliant deposits with licensed Islamic financial institutions	982,490,000	6,666,995,151
Placement of Shariah-compliant deposits with licensed Islamic financial institutions	-	(6,446,844,000)
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah received	8,970,328	4,638
Profit income received from unquoted Sukuk and Islamic Commercial Papers	20,931,383	18,768,139
Management fee paid	(2,763,464)	(3,248,533)
Trustee fee paid	(138,174)	(150,909)
Payments for other fees and expenses	(23,669)	(7,170)
Net cash used in operating activities	(12,412,712)	(213,189,561)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	728,244,888	402,745,846
Payments for cancellation of units	(497,533,650)	(258,471,142)
Distributions paid	(1,805)	(2,220,481)
Net cash generated from financing activities	230,709,433	142,054,223
Net increase/ (decrease) in cash and cash equivalents	218,296,721	(71,135,338)
Cash and cash equivalents at the beginning of the financial period	28,753,111	133,916,836
Cash and cash equivalents at the end of the financial period	<u>247,049,832</u>	<u>62,781,498</u>
<u>Cash and cash equivalents comprised of:</u>		
Bank balances	23,872	26,602
Shariah-compliant deposits with licensed Islamic financial institutions	247,025,960	62,754,896
Cash and cash equivalents at the end of the financial period	<u>247,049,832</u>	<u>62,781,498</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 2022**

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

Principal Islamic Money Market Fund (the “Fund”) is governed by a Master Deed dated 15 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 Seventeenth Supplemental Master Deed dated 25 March 2015, a Nineteenth Supplemental Master Deed dated 18 June 2019, a Twentieth Supplemental Master Deed dated 9 April 2021, and a Twenty first Supplemental Master Deed dated 15 April 2021 between Principal Asset Management Berhad and MTrustee Berhad and Twenty second Supplemental Master Deed dated 17 December 2021 (collectively referred to as the “Deeds”) between Principal Asset Management Berhad and HSBC Malaysia Trustee Berhad .

The Fund will place at least 90% of its NAV in Islamic money market instruments such as Islamic Accepted Bills, Islamic Negotiable Instruments of Deposits and Repo-i as well as in any other Islamic fixed income instruments and placements of Islamic Deposits, all of which are highly liquid and have a remaining maturity period of less than 365 days. Up to 10% of the Fund’s NAV may be invested in Islamic fixed income instruments, which have a remaining maturity period of more than 365 days but less than 732 days. The Fund will be actively managed with frequency that will depend on the market conditions and market outlook. The strategy is to invest in liquid and low risk short-term investments for capital preservation. The investment strategy adheres to the GUTF pertaining to investments for a money market fund. The asset allocation strategy for this Fund is as follows:

- at least 90% of the Fund’s NAV will be invested in Islamic money market instruments and/or Islamic Deposits; and
- up to 10% of the Fund’s NAV may be invested in Islamic fixed income instruments, which have a remaining maturity period of more than 365 days but less than 732 days.

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. 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 as issued by the Malaysian Accounting Standards Board (“MASB”) and 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. SUMMARY OF SIGNIFICANT 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 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(j).

There are no other standards, amendments to standards or interpretations that are effective for financial period beginning on 1 December 2021 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 financial period beginning on/after 1 June 2022 to the financial statements of the Fund.

(b) Financial assets and financial liabilities

Classification

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

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

The Fund classifies its Shariah-compliant 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 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, and amount due from Manager as financial assets 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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (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.

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 with net gain or loss on financial assets at fair value through profit or loss in the financial period which they arise.

Unquoted Sukuk and Islamic Commercial Papers denominated in Malaysian Ringgit ("MYR") are revalued on a daily basis based on fair value prices quoted by a Bond Pricing Agency ("BPA") registered with the SC as per the GUTF. Refer to Note 2(j) for further explanation.

Shariah-compliant deposits with licensed Islamic financial institutions are stated at cost plus accrued profit calculated on the effective profit method over the financial 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 on 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 consider both historical analysis and forward-looking information in determining any ECL. The Manager consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

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

Profit income from Shariah-compliant deposits with licensed Islamic financial institutions, unquoted Sukuk and Islamic Commercial Papers are 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 unquoted Sukuk and Islamic Commercial Papers are accounted for as the difference between the net disposal proceeds and the carrying amount of unquoted Sukuk and Islamic Commercial Papers, determined on cost adjusted for accretion of discount or amortisation of premium.

(d) Functional and presentation currency

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

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Unit holders' contributions

The unit holders' contributions to the Fund meet the criteria to be classified as equity instruments under "MFRS 132 *Financial Instruments: Presentation*". Those criteria include:

- the units entitle the holder to a proportionate share of the Fund's NAV;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial period if unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

(i) 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.

(j) 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 judgement 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.

Estimate of fair value of unquoted Sukuk and Islamic Commercial Papers

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.

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

Islamic Commercial Papers are revalued at least weekly by reference to bid and offer prices quoted by three (3) independent and reputable financial institutions of similar standing at the close of trading.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is to provide investors with liquidity and regular income, whilst maintaining capital stability by investing primarily in money market instruments that conform with 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 a Shariah-compliant investment in unquoted Sukuk and Islamic Commercial Papers will fluctuate because of changes in market prices (other than those arising from interest rate risk).

The Fund is exposed to price risk arising from interest rate fluctuation in relation to its investments in unquoted Sukuk and Islamic Commercial Papers. The Fund's exposure to price risk arising from interest rate fluctuation and the related sensitivity analysis are disclosed in "interest rate risk" below.

(ii) Interest rate risk

In general, when interest rates rise, unquoted Sukuk and Islamic Commercial Papers prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund holds an unquoted Sukuk and Islamic commercial papers till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity.

In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

Investors should note that the movement in prices of unquoted Sukuk, Islamic Commercial Papers and Shariah-compliant money market instruments are benchmarked against interest rates. As such, the investments are exposed to the movement of the interest rates. It does not in any way suggest that this Fund will invest in conventional financial instruments. All investments carried out for the Fund including placement and deposits are in accordance with Shariah.

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

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

The Fund's exposure to interest rate risk associated with Shariah-compliant deposits with licensed Islamic financial institutions is not material as the Shariah-compliant deposits are held on short-term basis. The Fund is not exposed to cash flow interest rate risk as the Fund does not hold any financial instruments at variable interest rate.

(b) Credit risk

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

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

Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer.

In addition, the Manager imposes a minimum rating requirement as rated by either local and/or foreign rating agencies and manages the duration of the investment in accordance with the objective of the Fund. For this Fund, the unquoted Sukuk and Islamic Commercial Papers investments must satisfy a minimum rating requirement of at least "BBB3" or "P2" rating by RAM Rating Services Berhad ("RAM Ratings") or equivalent rating by Malaysian Rating Corporation Berhad ("MARC") or by local rating agency(ies) of the country of issuance; "BBB-" by Standard & Poor's ("S&P") or equivalent rating by any other international rating agencies.

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 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.

(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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) **Liquidity risk (continued)**

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 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.

(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) 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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.05.2022				
Financial assets at fair value through profit or loss:				
- Unquoted Sukuk and Islamic commercial papers	-	1,319,676,230	-	1,319,676,230
	<u>-</u>	<u>1,319,676,230</u>	<u>-</u>	<u>1,319,676,230</u>
30.11.2021				
Audited				
Financial assets at fair value through profit or loss:				
- Unquoted Sukuk and Islamic commercial papers	-	1,283,331,968	-	1,283,331,968
	<u>-</u>	<u>1,283,331,968</u>	<u>-</u>	<u>1,283,331,968</u>

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

As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

- (ii) The carrying values of cash and cash equivalents, amount due from Manager, 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 2022, the management fee was recognised at a rate of 0.40% per annum (31.05.2021: 0.50% per annum).

Class AI	Class AR
0.40%	0.40%

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 the Deeds, the Trustee is entitled to a maximum Trustee fee of 0.02% 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 fees (if any).

For the six months financial period ended 31 May 2022, the Trustee fee was recognised at a rate of 0.02% per annum (31.05.2021: 0.03% per annum).

Class AI	Class AR
0.02%	0.02%

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

6. DISTRIBUTIONS

Distributions to unit holders were derived from the following sources (assessed up to distribution declaration date):

	01.12.2021 to 31.05.2022	01.12.2020 to 31.05.2021
	RM	RM
Profit income	4,411,353	4,153,856
Net realised loss from disposal of financial assets at fair value through profit or loss	(1,319,628)	(1,240,476)
Prior financial periods' realised income	<u>15,310,293</u>	<u>19,529,206</u>
	18,402,018	22,442,586
Less:		
Expenses	<u>(533,496)</u>	<u>(1,279,729)</u>
Net distribution amount	<u><u>17,868,522</u></u>	<u><u>21,162,857</u></u>

Date of distribution

Gross/Net distribution per unit (sen)

Distribution on 31 December 2021

- Class AI 0.24 -

- Class AR 0.24 -

Distribution on 31 January 2022

- Class AI 0.24 -

- Class AR 0.24 -

6. DISTRIBUTIONS (CONTINUED)

Distributions to unit holders were derived from the following sources (assessed up to distribution declaration date)(continued):

	01.12.2021 to 31.05.2022 RM	01.12.2020 to 31.05.2021 RM	01.12.2019 to 31.05.2020
Distribution on 28 February 2021			
- Class AI	0.22	-	-
- Class AR	0.22	-	-
Distribution on 31 March 2022			
- Class AI	0.20	-	-
- Class AR	0.20	-	-
Distribution on 29 April 2022			
- Class AI	0.20	-	-
- Class AR	0.20	-	-
Distribution on 31 May 2022			
- Class AI	0.21	-	-
- Class AR	0.21	-	-
Distribution on 31 December 2020	-	0.39	-
Distribution on 29 January 2021	-	0.26	-
Distribution on 26 February 2021	-	0.27	-
Distribution on 31 March 2021	-	0.24	-
Distribution on 30 April 2021	-	0.26	-
Distribution on 31 May 2021	-	0.28	-
Distribution on 31 December 2019	-	-	0.30
Distribution on 31 January 2020	-	-	0.31
Distribution on 28 February 2020	-	-	0.30
Distribution on 31 March 2020	-	-	0.26
Distribution on 30 April 2020	-	-	0.29
Distribution on 29 May 2020	-	-	0.22

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

Gross distribution per unit was derived from gross realised income less expenses, 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.

7. TAXATION

	01.12.2021 to 31.05.2022 RM	01.12.2020 to 31.05.2021 RM
Tax charged for the financial period:		
- Current taxation	-	-

7. TAXATION (CONTINUED)

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

	01.12.2021 to 31.05.2022 RM	01.12.2020 to 31.05.2021 RM
(Loss)/ Profit before taxation	(4,591,975)	(8,725,187)
Taxation at Malaysian statutory rate of 24% (31.05.2021: 24%)	(1,102,074)	2,094,045)
Tax effects of:		
- Investment income not subject to tax	(3,905,473)	(3,821,859)
- Expenses not deductible for tax purposes	4,325,624	35,882
- Restriction on tax deductible expenses for Unit Trust Funds	681,923	5,880,022
Taxation	-	-

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.05.2022 RM	30.11.2021 Audited RM
At fair value through profit or loss:		
- Unquoted Sukuk and Islamic commercial papers	1,319,676,230	1,283,331,968

	01.12.2021 to 31.05.2022 RM	01.12.2020 to 31.05.2021 RM
Net loss on financial assets at fair value through profit or loss:		
- Realised (loss)/ gain on disposals	11,872	20,004
- Unrealised fair value loss	(2,486,951)	(303,290)
	(2,475,079)	(283,286)

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2022 UNQUOTED SUKUK				
Aeon Co. M Bhd 3.095% 13/07/2022	40,150,000	40,627,733	40,628,638	2.63
AL Dzahab Assets Berhad 5.00% 16/03/2023	20,000,000	20,408,787	20,423,159	1.32
Aman Sukuk Bhd - 4.750% 28/02/2023	5,000,000	5,140,403	5,126,464	0.33
Anih Bhd 5.22% 29/11/2022	15,000,000	15,191,297	15,166,440	0.98

PRINCIPAL ISLAMIC MONEY MARKET FUND

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2022				
UNQUOTED SUKUK				
Aquasar Capital Sdn Bhd IMTN 4.860% 18/07/2022	25,000,000	25,522,514	25,515,226	1.65
AZRB Capital Sdn Bhd 4.70% 23/12/2022	12,000,000	12,320,769	12,298,172	0.80
Bermaz Auto Berhad 3.26% 18/12/2023	3,830,000	3,881,225	3,854,498	0.25
Cagamas Bhd 2.33% 28/11/2022	85,000,000	85,023,399	84,887,206	5.50
Cagamas Bhd 2.47% 02/02/2023	30,000,000	30,245,647	30,180,847	1.96
Celcom Networks Sdn Bhd IMTN 4.85% 29/8/2022 - Series 9	2,500,000	2,545,054	2,543,744	0.17
DRB-Hicom Bhd 4.15% 12/12/2022	14,100,000	14,413,479	14,411,081	0.93
Edra Energy Sdn Bhd IMTN 5.64% 05/07/2022-Tranche	18,750,000	19,228,170	19,225,210	1.25
Edra Energy Sdn Bhd IMTN 5.67% 05/01/2023-Tranche	25,000,000	26,002,022	25,940,134	1.68
Edra Energy Sdn Bhd IMTN 5.7% 05/07/2023- Tranche	10,000,000	10,526,551	10,475,562	0.68
Edra Solar Sdn Bhd IMTN 4.10% 11/10/2022	1,600,000	1,616,611	1,615,095	0.11
Encorp Systembilt Sdn Bhd 4.95% 18/11/2022	5,000,000	5,064,637	5,056,293	0.33
Fortune Premiere Sdn Bhd IMTN 4.65% 21/12/2022	1,000,000	1,029,287	1,028,248	0.07
Fortune Premiere Sdn Bhd IMTN 4.80% 13/3/2023	38,500,000	39,389,660	39,318,473	2.55
Gamuda Bhd IMTN 4.785% 16/3/2023	5,000,000	5,129,912	5,115,622	0.33
Gamuda Bhd IMTN 4.825% 23/11/2022	20,000,000	20,210,617	20,201,795	1.31
GII Murabahah 3.151% 15/05/2023	18,000,000	18,107,409	18,118,773	1.17
GovCo Hldg Bhd 4.04% 28/09/2022	100,000,000	101,258,376	101,147,452	6.56
Gulf Investment Corp - 5.10% 20/06/2022	5,000,000	5,119,724	5,119,427	0.33
Imtiaz Sukuk II Berhad IMTN 4.57% 17/10/2022	5,000,000	5,061,110	5,062,145	0.33
Jimah Energy Ventures 9.55% 11/11/2022	5,000,000	5,174,941	5,168,743	0.33

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2022 (CONTINUED) UNQUOTED SUKUK (CONTINUED)				
Johor Corp - 3.84% 14/06/2022	10,000,000	10,182,226	10,182,497	0.66
Kapar Energy Ventures 4.630% 05/07/2022	5,000,000	5,102,327	5,101,284	0.33
Kedah Cement Sdn Bhd 4.55% 07/07/2023	9,500,000	9,799,068	9,762,213	0.63
Kedah Cement Sdn Bhd 5.060% 08/07/2022	10,000,000	10,211,219	10,217,455	0.66
Kesas Sdn Bhd 4.750% 10/10/2022	5,000,000	5,071,228	5,063,835	0.33
Kimanis Power Sdn Bhd 4.95% 08/08/2022	5,000,000	5,100,340	5,097,423	0.33
Lafarge Cement Sdn Bhd 4.40% 11/12/2023	30,000,000	31,030,914	30,859,644	2.00
Lafarge Cement Sdn Bhd 4.60% 13/01/2023	50,000,000	51,353,049	51,257,890	3.32
Malakoff Power Bhd 5.35% 16/12/2022	20,000,000	20,754,786	20,725,430	1.34
Malaysia Airports Capital Bhd -4.68% 16/12/2022	35,000,000	36,112,673	36,071,153	2.34
Manjung Island Energy Bhd 4.22% 25/11/2022	5,000,000	5,043,999	5,038,547	0.33
MMC Corporation Berhad 5.290% 26/04/2023	15,750,000	16,149,436	16,104,336	1.04
NORTHPORT IMTN 5.00% 02/12/2022	20,000,000	20,727,441	20,693,207	1.34
Pengurusan Air SPV Bhd 3.90% 05/08/2022	45,000,000	45,662,658	45,642,187	2.96
Pengurusan Air SPV Bhd 4.22% 07/02/2023	7,500,000	7,680,109	7,658,552	0.50
Perbadanan Kemajuan N.Selangor IMTN 4.30% 28/06/2022	1,300,000	1,324,935	1,324,766	0.09
Perbadanan Kemajuan N.Selangor IMTN 5.013% 31.10.2023	2,000,000	2,047,853	2,038,602	0.13
Projek Lebuh raya Usahasama Bhd -4.48% 12/01/2023	5,000,000	5,143,689	5,131,068	0.33
Quantum Solar Park Green SRI Sukuk 5.16% 6/10/22	5,000,000	5,070,483	5,072,534	0.33
Quantum Solar Park Green Sri Sukuk 5.20% 6/4/2023	3,500,000	3,588,571	3,577,378	0.23
Ranhill Powertron II Sdn Bhd - 5.15% 16/06/2023	10,000,000	10,435,358	10,399,963	0.67

PRINCIPAL ISLAMIC MONEY MARKET FUND

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2022 (CONTINUED) UNQUOTED SUKUK (CONTINUED)				
Ranhill Powertron II Sdn Bhd IMTN 5.70% 17/06/2022	5,000,000	5,134,924	5,135,773	0.33
Rantau Abang Capital Bhd 4.57% 19/10/2022	25,000,000	25,343,321	25,298,077	1.64
Sabah Credit Corp 177D 12/08/2022	15,000,000	14,927,594	14,924,250	0.97
Sabah Credit Corp 4.835% 23/06/2023	10,000,000	10,402,350	10,361,321	0.67
Sarawak Hidro Sdn Bhd 4.25% 11/08/2022	5,000,000	5,082,891	5,079,891	0.33
Sepangar Bay Power Corp -4.700% 1/7/2022	20,000,000	20,418,955	20,418,726	1.32
Sepangar Bay Power Corp 4.800% 03/07/2023	5,000,000	5,200,389	5,181,123	0.34
Southern Power Generation IMTN 4.76% 28/04/2023	10,000,000	10,203,914	10,174,836	0.66
Tanjung Bin Power Sdn Bhd -4.84% 16/08/2022	10,000,000	10,188,764	10,180,633	0.66
Teknologi Tenaga Perlis - 4.71% 29/07/2022	15,000,000	15,289,695	15,284,010	0.99
Turus Pesawat Sdn Bhd 3.74% 18/11/2022	10,000,000	10,072,639	10,061,321	0.65
UEM Sunrise Bhd 3.90% 21/09/2023	12,650,000	12,775,779	12,723,410	0.82
UEM Sunrise Bhd 4.00% 09/06/2023	12,000,000	12,262,787	12,241,907	0.79
UEM Sunrise Bhd 5.000% 19/05/2023	23,500,000	23,817,566	23,799,245	1.54
UEM Sunrise Bhd 5.06% 09/12/2022	42,000,000	43,351,561	43,313,639	2.81
United Growth Bhd - 4.73% 21/06/2022	16,000,000	16,354,527	16,353,975	1.06
WCT Hldgs Bhd 4.05% 31/03/2023	9,500,000	9,569,341	9,547,409	0.62
WCT Hldgs Bhd 5.170% 23/10/2023	45,000,000	45,666,295	45,641,287	2.96
Widad Concession Sdn Bhd 3.31% 30/03/2023	20,000,000	20,124,377	20,058,263	1.30
TOTAL UNQUOTED FIXED INCOME SECURITIES	<u>1,120,630,000</u>	<u>1,142,019,367</u>	<u>1,140,427,501</u>	<u>73.90</u>

PRINCIPAL ISLAMIC MONEY MARKET FUND

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2022 (CONTINUED) UNQUOTED SUKUK (CONTINUED)				
ISLAMIC COMMERCIAL PAPERS				
Bermaz Auto Berhad Icp (Br) 0% Cp 17/06/2022 (P1)	15,000,000	14,985,158	14,985,150	0.97
Ponsb Capital Bhd (Br) 0% Cp 28/06/2022 (P1)	6,670,000	6,657,394	6,658,127	0.43
Sabah Credit Corp (Br) 0% Cp 25/10/2022 (P1)	50,000,000	49,517,524	49,435,000	3.20
Sunway Treasury Sukuk Sd Bhd 0% 23/06/2022 (P1)	15,000,000	14,988,623	14,988,450	0.97
Sunway Treasury Sukuk Sd (Br) 0% Cp 13/06/2022 (P1)	15,000,000	14,978,221	14,978,700	0.97
Tenaga Nasional Berhad Ser Icp (Br) 0% Cp 04/11/2022 (P1)	30,000,000	29,697,340	29,681,700	1.93
UEM Sunrise Bhd (Br) 0% Cp 12/04/2023 (P1)	50,000,000	48,525,048	48,521,602	3.15
TOTAL ISLAMIC COMMERCIAL PAPERS	<u>181,670,000</u>	<u>179,349,309</u>	<u>179,248,729</u>	<u>11.62</u>
TOTAL UNQUOTED SUKUK AND ISLAMIC COMMERCIAL PAPERS	<u>1,302,300,000</u>	<u>1,321,368,675</u>	<u>1,319,676,230</u>	<u>85.52</u>
ACCUMULATED UNREALISED LOSS ON UNQUOTED SUKUK AND ISLAMIC COMMERCIAL PAPERS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(1,692,445)</u>		
TOTAL UNQUOTED SUKUK AND ISLAMIC COMMERCIAL PAPERS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>1,319,676,230</u>		

PRINCIPAL ISLAMIC MONEY MARKET FUND

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2021 (CONTINUED) UNQUOTED SUKUK (CONTINUED)				
Abu Dhabi National Energy Co (TAQA) 4.65% 03/03/2022 (NR)	129,000,000	130,591,700	129,487,620	9.74
Aeon Co. (M) Bhd 3.095% 13/07/2022 (AA2)	40,150,000	40,166,060	40,256,799	3.03
Al Dzahab Assets Berhad 4.9% 27/03/2022 (AAA)	15,000,000	15,304,900	15,115,800	1.14
Aman Sukuk Bhd 4.29% 06/05/2022 (AAA)	5,000,000	5,092,250	5,047,400	0.38
Aman Sukuk Bhd 4.75% 28/02/2023 (AAA)	5,000,000	5,187,250	5,149,200	0.39
Ambank Islamic Bhd 3.55% 25/03/2022 (AA3)	65,000,000	65,391,200	65,207,350	4.90
Anih Bhd 5.22% 29/11/2022 (AA2)	5,000,000	5,239,000	5,124,650	0.39
Bank Pembangunan Malaysia Berhad 4.28% 02/03/2022 (AAA)	50,000,000	50,864,200	50,252,000	3.78
Cagamas Berhad 2.33% 28/11/2022 (AAA)	80,000,000	80,000,000	80,156,000	6.03
Cerah Sama Sdn Bhd 4.68% 31/01/2022 (AA3)	5,000,000	5,097,000	5,017,200	0.38
Drb-Hicom Bhd 4.15% 12/12/2022 (A1)	7,700,000	7,744,044	7,738,192	0.58
Edra Energy Sdn Bhd 5.61% 05/01/2022 (AA3)	5,000,000	5,091,500	5,014,150	0.38
Encorp Systembilt Bhd 4.95% 18/11/2022 (AA1)	5,000,000	5,175,000	5,124,350	0.39
Fortune Premiere Sdn Bhd 4.65% 21/12/2022 (AA2)	1,000,000	1,026,950	1,018,930	0.08
Fortune Premiere Sdn Bhd 4.8% 13/03/2023 (AA2)	1,500,000	1,540,575	1,535,445	0.12
Gamuda Berhad 4.825% 23/11/2022 (AA3)	15,000,000	15,494,000	15,309,600	1.15
Gulf Investment Corporation 5.1% 20/06/2022 (AAA)	5,000,000	5,131,000	5,070,450	0.38
Imtiaz Sukuk li Bhd 4.58% 27/05/2022 (AA2)	50,000,000	50,729,050	50,579,500	3.80
Infracap Resources Sukuk 2.83% 15/04/2022 (AAA)	35,000,000	35,032,500	35,044,100	2.64
Jimah Energy Ventures Sdn Bhd 9.5% 12/05/2022 (AA3)	5,000,000	5,323,250	5,154,300	0.39

PRINCIPAL ISLAMIC MONEY MARKET FUND

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2021 (CONTINUED) UNQUOTED SUKUK (CONTINUED)				
Kapar Energy Ventures Sdn Bhd 4.63% 05/07/2022 (AA1)	5,000,000	5,157,750	5,062,450	0.38
Kedah Cement Sdn Bhd 4.55% 07/07/2023 (AA3)	2,300,000	2,345,770	2,344,298	0.18
Kimanis Power Sdn Bhd 4.95% 08/08/2022 (AA2)	5,000,000	5,111,850	5,086,700	0.38
Konsortium Kajiv Sdn Bhd 5.25% 13/05/2022 (AA3)	2,500,000	2,519,125	2,513,425	0.19
Lafarge Cement Sdn Bhd 5.06% 08/07/2022 (AA3)	10,000,000	10,171,000	10,126,400	0.76
Malakoff Power Bhd 5.25% 17/12/2021 (AA3)	20,000,000	20,367,850	20,025,000	1.51
Malakoff Power Bhd 5.35% 16/12/2022 (AA3)	20,000,000	20,782,500	20,559,800	1.55
Malaysia (Govt Of) 4.194% 15/07/2022 (NR)	10,000,000	10,263,000	10,150,000	0.76
Malaysia T-Bill 0% 21/02/2022 (NR)	60,000,000	58,990,438	59,761,800	4.49
Manjung Island Energy Bhd 4.22% 25/11/2022 (AAA)	5,000,000	5,138,850	5,097,600	0.38
Mmc Corporation Bhd 5.29% 26/04/2023 (AA3)	2,000,000	2,072,400	2,063,220	0.16
Pengurusan Air Spv Bhd 4.12% 25/02/2022 (AAA)	35,000,000	35,601,250	35,157,500	2.64
Perbadanan Kemajuan Negeri Selangor 4.3% 28/06/2022 (AA3)	1,300,000	1,314,105	1,310,595	1.13
Perbadanan Kemajuan Negeri Selangor 4.58% 01/04/2022 (AA3)	15,000,000	15,346,500	15,086,700	0.10
Projek Lebuhraya Usahasama Bhd 4.4% 12J/01/2022 (AAA)	65,000,000	65,968,750	65,160,550	4.90
Quantum Solar Park Green Sri Sukuk 5.16% 06/10/2022 (AA3)	5,000,000	5,137,750	5,092,200	0.38
Ranhill Powertron li Sdn Bhd 5.7% 17/06/2022 (AA2)	5,000,000	5,224,250	5,081,150	0.38
Rantau Abang Capital Bhd 4.57% 19/10/2022 (AAA)	25,000,000	25,690,050	25,505,000	1.92
Sabah Credit Corporation 2.65% 28/03/2022 (AA1)	80,000,000	80,040,000	80,045,600	0.75
Sabah Credit Corporation 2.95% 25/04/2022 (AA1)	10,000,000	10,010,000	10,017,900	6.02
Sabah Credit Corporation 4.77% 05/05/2022 (AA1)	10,000,000	10,353,500	10,095,300	0.76

PRINCIPAL ISLAMIC MONEY MARKET FUND

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2021				
AUDITED				
UNQUOTED SUKUK				
(CONTINUED)				
Sarawak Energy Bhd 4.5% 19/01/2022 (AAA)	60,000,000	61,283,850	60,189,600	4.53
Sepangar Bay Power Corporation Sdn Bhd 4.7% 01/07/2022 (AA1)	20,000,000	20,483,250	20,282,400	1.53
Southern Power Generation Sdn Bhd 4.76% 28/04/2023 (AA3)	10,000,000	10,346,000	10,264,500	0.77
Tanjung Bin Power Sdn Bhd 4.84% 16/08/2022 (AA2)	10,000,000	10,196,250	10,167,000	0.76
Teknologi Tenaga Perlis Consortium Sdn Bhd 4.71% 29/07/2022 (AA1)	15,000,000	15,401,000	15,243,450	1.15
Uem Edgenta Bhd 4.85% 26/04/2022 (AA3)	46,000,000	46,962,300	46,403,880	3.49
Uem Sunrise Bhd 4.8% 08/04/2022 (AA3)	2,500,000	2,518,250	2,514,575	0.19
Umw Holdings Bhd 4.83% 22/06/2022 (AA1)	4,500,000	4,567,350	4,561,200	0.34
United Growth Bhd 4.73% 21/06/2022 (AA2)	16,000,000	16,397,920	16,208,480	1.22
Wct Holdings Bhd 5.05% 21/10/2022 (AA3)	9,500,000	9,610,400	9,607,160	9.41
Wct Holdings Bhd 5.32% 11/05/2022 (AA3)	124,160,000	125,705,889	125,113,549	0.71
Westports Malaysia Sdn Bhd 5.1% 03/05/2022 (AAA)	5,000,000	5,209,500	5,059,550	0.37
TOTAL UNQUOTED FIXED INCOME SECURITIES	<u>1,245,110,000</u>	<u>1,261,510,076</u>	<u>1,253,361,568</u>	<u>94.26</u>
ISLAMIC COMMERCIAL PAPERS				
Bermaz Auto Berhad ICP 0% Cp 17/12/2021 (P1)	20,000,000	19,779,605	19,981,800	1.50
Sunway Treasury Sukuk ICP 0% Cp 20/12/2021 (P1)	10,000,000	9,981,060	9,988,600	0.75
TOTAL ISLAMIC COMMERCIAL PAPERS	<u>30,000,000</u>	<u>29,760,665</u>	<u>29,970,400</u>	<u>2.25</u>

PRINCIPAL ISLAMIC MONEY MARKET FUND

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2021 AUDITED				
ISLAMIC COMMERCIAL PAPERS				
Bermaz Auto Berhad ICP 0% Cp 17/12/2021 (P1)	20,000,000	19,779,605	19,981,800	1.50
Sunway Treasury Sukuk ICP 0% Cp 20/12/2021 (P1)	10,000,000	9,981,060	9,988,600	0.75
TOTAL ISLAMIC COMMERCIAL PAPERS	<u>30,000,000</u>	<u>29,760,665</u>	<u>29,970,400</u>	<u>2.25</u>
TOTAL UNQUOTED SUKUK AND ISLAMIC COMMERCIAL PAPERS	<u>1,275,110,000</u>	1,291,270,742	<u>1,283,331,968</u>	<u>96.51</u>
ACCUMULATED UNREALISED LOSS ON UNQUOTED SUKUK AND ISLAMIC COMMERCIAL PAPERS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>(7,938,774)</u>		
TOTAL UNQUOTED SUKUK AND ISLAMIC COMMERCIAL PAPERS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>1,283,331,968</u>		

The unquoted fixed income securities which are not rated as at the end of each financial period are issued, backed, or guaranteed by Governments or Government agencies.

9. CASH AND CASH EQUIVALENTS

	31.05.2022	30.11.2021
	RM	Audited RM
Bank balances	23,872	28,742,378
Shariah-compliant deposits with licensed Islamic financial institutions	<u>247,025,960</u>	<u>10,733</u>
	<u>247,049,832</u>	<u>28,753,111</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.12.2021 to 31.05.2022	01.12.2020 to 30.11.2021 Audited
	No. of units	No. of units
(i) Class AI	1,342,303,879	1,128,299,230
(ii) Class AR	106,873,654	116,920,308
	<u>1,449,177,533</u>	<u>1,245,219,538</u>
(i) Class AI	01.12.2021 to 31.05.2022	01.12.2020 to 30.11.2021 Audited
	No. of units	No. of units
At the beginning of the financial period/year	1,128,299,230	1,178,289,465
Add: Creation of units from applications	630,825,428	566,551,567
Add: Creation of units from distributions	15,413,864	37,151,933
Less: Cancellation of units	(432,234,643)	(653,693,735)
At the end of the financial period/year	<u>1,342,303,879</u>	<u>1,128,299,230</u>
(ii) Class AR		
At the beginning of the financial period/year	116,920,308	-
Add: Creation of units from applications	35,027,582	137,044,263
Add: Creation of units from distributions	1,344,577	1,050,028
Less: Cancellation of units	(46,418,813)	(21,173,983)
At the end of the financial period/year	<u>106,873,654</u>	<u>116,920,308</u>

11. TOTAL EXPENSE RATIO ("TER")

	01.12.2021 to 31.05.2022 %	01.12.2020 to 31.05.2021 %
TER	<u>0.21</u>	<u>0.26</u>

TER is derived based on 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

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 RM1,418,842,005 (31.05.2021: RM1,337,679,200).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.12.2021 to 31.05.2022	01.12.2020 to 31.05.2021
PTR (times)	<u>0.75</u>	<u>0.51</u>

PTR was derived from 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 = RM1,079,341,456 (31.05.2021: RM1,180,614,822)

total disposal for the financial period = RM1,047,016,558 (31.05.2021: RM171,749,900)

13. 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 Bank Bhd	Fellow related party to the Manager
CIMB Islamic Bank Bhd	Fellow related party to the Manager

13. 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

	31.05.2022		30.11.2021 Audited	
	No. of units	RM	No. of units	RM
Manager				
Principal Asset Management Berhad				
- Class AI	182,926	195,347	156,809	167,456
- Class AR	140,313	149,841	139,488	148,959

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.

	01.12.2021 to 31.05.2022 RM	01.12.2020 to 31.05.2021 RM
<u>Significant related party transactions</u>		
Profit income from Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	-	990,138

14. TRANSACTIONS WITH DEALERS

Details of transactions with the top 10 dealers for the six months financial period ended 31 May 2022 were as follows:

Dealers	Value of trades RM	Percentage of total trades %
RHB Investment BK Bhd	546,626,739	25.71
Malayan Banking Bhd	127,865,907	6.01
RHB Bank Berhad	127,474,688	6.00
Affin Hwang Investment Bk Bhd	76,331,533	3.59
Hong Leong Investment BK Bhd	68,048,817	3.20
CIMB Bank Bhd #	55,985,210	2.63
Hong Leong Bank Berhad	48,180,500	2.27
Standard Chartered Bank	30,343,000	1.43
AmBank (M) Bhd	14,821,788	0.70
AmIslamic Bank Berhad	10,137,000	0.48
Others	1,020,171,700	47.98
	<u>2,125,986,881</u>	<u>100.00</u>

14. TRANSACTIONS WITH DEALERS (CONTINUED)

Details of transactions with the top 10 dealers for the six months financial period ended 31 May 2021 were as follows:

Dealers	Value of trades	Percentage of total trades
	RM	%
RHB Investment Bank Bhd	309,813,180	23.26
Malayan Banking Bhd	209,753,999	15.75
RHB Bank Bhd	175,405,475	13.17
CIMB Islamic Bank Bhd #	151,884,700	11.40
CIMB Bank Bhd #	110,040,000	8.26
AmBank (M) Bhd	108,822,411	8.17
Hong Leong Investment Bank Bhd	82,647,707	6.20
Hong Leong Bank Bhd	70,974,000	5.33
Affin Hwang Investment Bank Bhd	56,463,750	4.24
United Overseas Bank (M) Bhd	35,592,000	2.67
Others	20,564,000	1.55
	<u>1,331,961,222</u>	<u>100.00</u>

Included in the transactions are trades conducted with CIMB Bank Bhd and CIMB Islamic Bank Bhd, related parties to the Manager amounting to RM55,985,210 (31.05.2021: RM110,040,000) and RM10,050,000 (31.05.2021: RM151,884,700) 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 party.

15. SIGNIFICANT EVENT

Please be informed that effective 1 July 2021, the Fund has appointed HSBC (Malaysia) Trustee Berhad as the Trustee of the Fund following the issuance of the Replacement Prospectus Issue No. 11.

DIRECTORY

Head Office of the Manager

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Trustee for the Principal Islamic Money Market Fund

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