

PRINCIPAL ISLAMIC PRS PLUS ASIA PACIFIC EX JAPAN EQUITY

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

CONTENTS	PAGE(S)
MEMBERS' LETTER	i
PRS PROVIDER'S REPORT	ii - viii
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 Members	
Cross Trade	
Unit Split	
STATEMENT BY THE PRS PROVIDER	1
THE SCHEME TRUSTEE'S REPORT	2
SHARIAH ADVISER'S REPORT	3
INDEPENDENT AUDITORS' REPORT	4 - 7
STATEMENT OF COMPREHENSIVE INCOME	8
STATEMENT OF FINANCIAL POSITION	9
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS	10
STATEMENT OF CASH FLOWS	11
NOTES TO THE FINANCIAL STATEMENTS	12 - 27
DIRECTORY	28

MEMBERS' LETTER

Dear Valued Member,

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 Annual Fund Report of the Principal Islamic PRS Plus Asia Pacific Ex Japan Equity for the financial year ended 31 August 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

PRS PROVIDER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund seeks to provide capital growth over the long-term by investing in a target fund with investments in the emerging and developed markets of Asia Pacific ex Japan region that comply with the Shariah principles.

Has the Fund achieved its objective?

The Fund is in line to achieve its long-term objective to provide capital growth as stated in the Fund Objective section.

What are the Fund investment policy and principal investment strategy?

The Fund will invest at least 85% of its NAV in the Target Fund, a Malaysian domiciled fund established on 2 June 2006, which invests in Shariah-compliant equities listed on the stock exchanges in the emerging and developed markets of Asia Pacific ex Japan. The Fund may also maintain up to 15% of its NAV in Islamic liquid assets.

The asset allocation strategy for this Fund is as follows:

- At least 85% of the Fund's NAV will be invested in the Target Fund; and
- Up to 15% of the Fund's NAV may be invested in Islamic liquid assets for liquidity purpose.

Information on the Target Fund

Target Fund	: Principal Islamic Asia Pacific Dynamic Equity Fund
Target Fund Manager	: Principal Asset Management Berhad
Target Fund Sub-Manager	: Principal Asset Management (S) Pte Ltd ("Principal Singapore")
Regulatory authority	: Securities Commission Malaysia
Country of domicile	: Malaysia

Fund category/ type

Feeder Fund – Equity (Shariah-compliant)

When was the Fund launched?

12 November 2012

What was the size of the Fund as at 31 August 2024?

RM212.04 million (242.89 million units)

What is the Fund's benchmark?

The Fund adheres to the benchmark of the Target Fund for performance comparison purpose. The benchmark of the Target Fund is Morgan Stanley Capital International ("MSCI") All Country ("AC") Asia ex Japan Islamic Index.

Note: The benchmark is for performance comparison purpose only. The risk profile of the Fund is not the same as the risk profile of the benchmark.

What is the Fund distribution policy?

The Fund is not expected to pay any distribution. All income earned by members will automatically be reinvested into the Fund.

What was the net income distribution for the financial year ended 31 August 2024?

There was no distribution made for the financial year ended 31 August 2024.

PERFORMANCE DATA

Details of portfolio composition of the Fund for the last three audited financial years were as follows:

	31.08.2024	31.08.2023	31.08.2022
	%	%	%
Shariah-compliant collective investment scheme	99.61	99.44	99.51
Cash and other assets	0.65	0.70	0.55
Liabilities	(0.26)	(0.14)	(0.06)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Performance details of the Fund for the last three audited financial years were as follows:

	31.08.2024	31.08.2023	31.08.2022
NAV (RM Million)			
- Class A	146.95	137.19	129.56
- Class C	30.06	28.58	25.84
- Class X	35.03	32.19	29.47
Units in circulation (Million)			
- Class A	168.39	161.16	154.58
- Class C	34.45	33.57	30.83
- Class X	40.05	37.73	35.08
NAV per unit (RM)			
- Class A	0.8726	0.8512	0.8381
- Class C	0.8727	0.8513	0.8382
- Class X	0.8745	0.8530	0.8399
Highest NAV per unit (RM)			
- Class A	1.0342	0.9012	1.1092
- Class C	1.0343	0.9013	1.1093
- Class X	1.0360	0.9030	1.1093
Lowest NAV per unit (RM)			
- Class A	0.8186	0.7633	0.8331
- Class C	0.8186	0.7634	0.8332
- Class X	0.8204	0.7651	0.8349
Total return (%)			
- Class A	2.51	1.55	(16.47)
- Class C	2.51	1.56	(16.47)
- Class X	2.52	1.55	(16.47)
Capital growth (%)			
- Class A	2.51	1.55	(21.98)
- Class C	2.51	1.56	(21.98)
- Class X	2.52	1.55	(21.82)
Income distribution (%)			
- Class A	-	-	7.06
- Class C	-	-	7.06
- Class X	-	-	6.84
Total Expense Ratio ("TER") (%) ^	0.09	0.09	0.09
Portfolio Turnover Ratio ("PTR") (times) #	0.03	0.05	0.07

For the financial year under review, the fund's PTR decreased from 0.05 times to 0.03 times as there were less trading activities.

PERFORMANCE DATA (CONTINUED)

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

	31.08.2024	31.08.2023	31.08.2022		
Gross/Net distribution per unit (sen)					
Distribution on 15 October 2021					
- Class A	-	-			2.69
- Class C	-	-			2.69
- Class X	-	-			2.69
Distribution on 15 August 2022					
- Class A	-	-			3.72
- Class C	-	-			3.72
- Class X	-	-			3.55
	31.08.2024	31.08.2023	31.08.2022	31.08.2021	31.08.2020
	%	%	%	%	%
Annual total return					
- Class A	2.51	1.55	(16.47)	23.25	25.35
- Class C	2.51	1.56	(16.47)	23.24	25.35
- Class X	2.52	1.55	(16.47)	23.23	25.34

(Launch date: 12 November 2012)

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

MARKET REVIEW (1 SEPTEMBER 2023 TO 31 AUGUST 2024)

Asia ex-Japan equities faced a challenging environment marked by macroeconomic uncertainties and geopolitical risks. China's economic slowdown, exacerbated by its struggling property market, weighed heavily on regional sentiment, leading to subdued performance in its equities. Global inflationary pressures and high-interest rates also tempered investor enthusiasm for emerging markets. Technology-reliant economies like South Korea and Taiwan saw volatility, as fluctuating semiconductor demand created periods of uncertainty.

Among the stronger performers in the region, India stood out, delivering robust equity market gains during the year. India benefited from resilient domestic consumption, policy reforms, and solid corporate earnings growth. Its focus on infrastructure development, along with increasing foreign investment, further fueled market confidence. In contrast, Indonesia and Vietnam also posted solid performances, driven by strong domestic demand and growth in manufacturing and services, supported by ongoing government infrastructure projects.

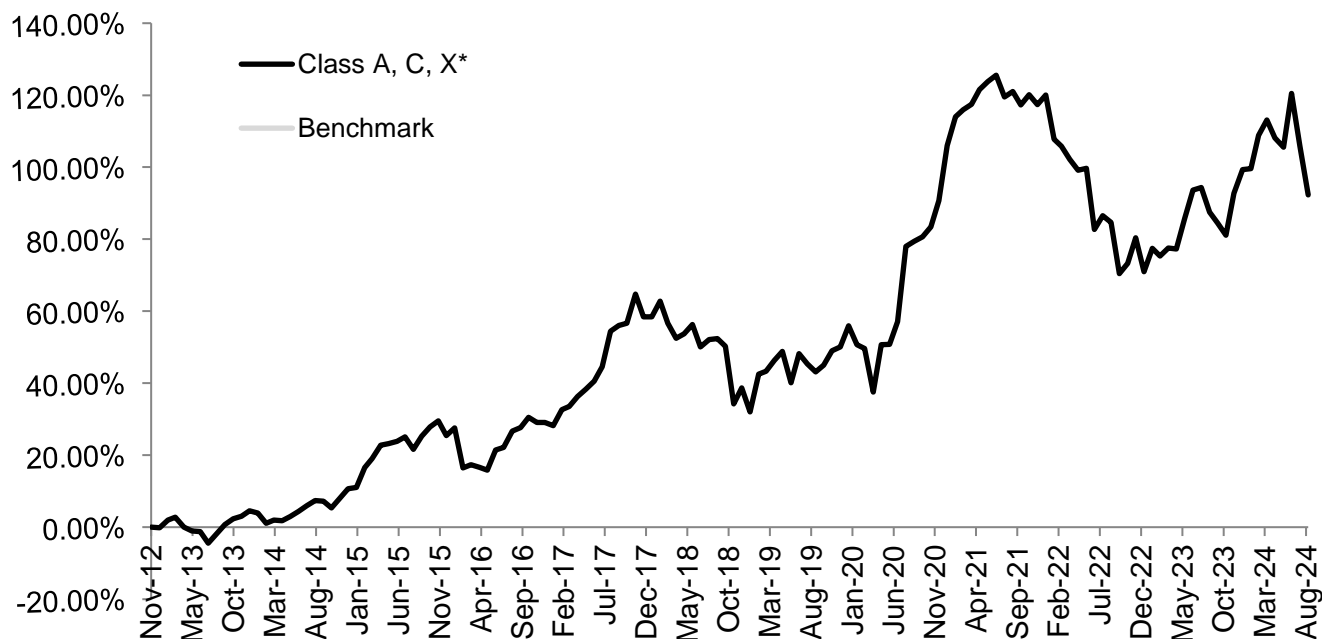
By the end of August 2024, the MSCI Asia ex-Japan Index posted moderate gains, though performance remained uneven across sectors. Technology and consumer discretionary stocks rebounded slightly, supported by favorable earnings reports. However, China's continued slowdown and the possibility of further global interest rate hikes weighed on investor sentiment. Despite these challenges, the region's long-term prospects remained intact, underpinned by favorable demographics, urbanization, and the growing digital economy across key markets.

FUND PERFORMANCE

	1 year to 31.08.2024 %	3 years to 31.08.2024 %	5 years to 31.08.2024 %	Since inception to 31.08.2024 %
Income Distribution				
- Class A	-	7.06	10.18	10.18
- Class C	-	7.06	10.18	10.18
- Class X	-	6.84	9.96	9.96
Capital Growth				
- Class A	2.51	(18.77)	21.94	74.52
- Class C	2.51	(18.77)	21.94	74.54
- Class X	2.52	(18.60)	22.17	74.90
Total Return				
- Class A	2.51	(13.03)	34.35	92.29
- Class C	2.51	(13.03)	34.35	92.31
- Class X	2.52	(13.03)	34.34	92.32
Benchmark				
- Class A	13.59	1.37	57.81	167.11
- Class C	13.59	1.37	57.81	167.11
- Class X	13.59	1.37	57.81	167.11
Average Total Return				
- Class A	2.51	(4.54)	6.08	5.69
- Class C	2.51	(4.54)	6.08	5.69
- Class X	2.52	(4.54)	6.07	5.69

For the financial year under review, the fund recorded positive return, Class A, Class C and Class X increased by 2.51%, 2.51%, and 2.52%, underperformed their respective benchmark during the same year, which increased by 13.59%.

Since Inception



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

FUND PERFORMANCE (CONTINUED)

Changes in NAV

	31.08.2024	31.08.2023	Changes %
CLASS A			
NAV (RM Million)	146.95	137.19	7.11
NAV/Unit (RM)	0.8726	0.8512	2.51
CLASS C			
NAV (RM Million)	30.06	28.58	5.18
NAV/Unit (RM)	0.8727	0.8513	2.51
CLASS X			
NAV (RM Million)	35.03	32.19	8.82
NAV/Unit (RM)	0.8745	0.8530	2.52

For the financial year under review, the Fund's NAV for Class A, Class C and Class X increased by 7.11%, 5.18%, and 8.82% respectively.

In addition, the fund's NAV per unit for Class A, Class C, and Class X increased by 2.51%, 2.51%, and 2.52% respectively.

At the time of reporting, Class A has the highest total NAV, stood at RM 146.95 million.

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 year have been extracted from Lipper.

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.08.2024	31.08.2023
Shariah-compliant collective investment scheme	99.61	99.44
Cash and other assets	0.65	0.70
Liabilities	(0.26)	(0.14)
TOTAL	100.00	100.00

The Fund was fully invested during the financial year under review. A minimal level of liquid assets was maintained primarily for redemption purposes.

FUND PERFORMANCE (CONTINUED)

Top 10 holdings of the Target Fund for the financial year ended:

	% of NAV
Top 10 holdings*	31.08.2024
Samsung Electronics Co Ltd	8.83
Reliance Industries Ltd	7.55
Samsung Electronics Pte Ltd	5.27
Taiwan Semiconductor Manufacturing Ltd	4.86
Bajaj Auto Ltd	3.41
Singapore Telecommunications Ltd	3.07
PetroChina Co Ltd	3.01
Ultra Tech Cement Ltd	2.88
Hitachi Ltd	2.67
Gail India Ltd	2.58

	% of NAV
Top 10 holdings*	31.08.2023
SK Hynix Inc	10.27
Samsung Electronics Co Ltd	8.63
Reliance Industries Ltd	7.80
Samsung Electronics - PFD	4.96
Maruti Suzuki India Ltd	3.28
Tencent Holdings Ltd	3.12
Ultra Tech Cement Ltd	2.86
Asian Paints Ltd	2.57
Shell PLC	2.51
Linde PLC	2.37

* As per disclosed in the Fund Fact Sheet.

MARKET OUTLOOK*

The outlook for Asia ex-Japan equities remains cautiously optimistic, with key growth drivers concentrated in specific markets and sectors. India remains a focal point, offering broad-based exposure across consumption, industrials, healthcare, and property. Strong domestic demand, infrastructure development, and healthcare access will continue to support growth. Additionally, India's property sector is set to benefit from urbanization and rising incomes, providing a long-term opportunity for investors. In the technology space, select opportunities in tech hardware, Information Technology services, and software across South Korea, Taiwan, and India remain attractive, despite potential short-term volatility in the semiconductor market.

For investors seeking returns less tied to major macroeconomic factors, ASEAN markets and global energy transition themes offer promising opportunities. Resilient domestic consumption, particularly in Indonesia and Vietnam, along with ongoing infrastructure projects, could support sustained growth. Meanwhile, the global push toward renewable energy and sustainable infrastructure presents compelling investment ideas, as the energy transition gains momentum. Pharmaceuticals, especially in India and Southeast Asia, are also likely to perform well, driven by increased healthcare demand and advancements in drug production, offering further diversification in a challenging macro environment.

MARKET OUTLOOK* (CONTINUED)

* 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

As this is a Feeder Fund under the Private Retirement Schemes (“PRS”), the Fund will continue to remain fully invested in the Target Fund with minimal cash kept for liquidity purposes.

SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (the “PRS Provider”), the Sub-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 Fund. Accordingly, any rebate or shared commission will be directed to the account of the Principal Malaysia Funds (“Funds”). The PRS Provider may retain goods and services (soft commission) provided by any broker or dealer if the following conditions are met:

- (a) the soft commission bring 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 Funds; and
- (c) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and we will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

During the financial year under review, the PRS Provider and the Trustee did not receive any rebates from the brokers or dealers, but the PRS Provider has retained soft commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. The PRS Provider confirms that the goods and services received were for the benefit of the Fund, the trades were made on a best execution basis and there was no churning of trades.

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIR OF THE FUND

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

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF MEMBERS

There were no circumstances that had materially affected the interest of the members during the financial year under review.

CROSS TRADE

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

UNIT SPLIT

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

**STATEMENT BY THE PRS PROVIDER TO THE MEMBERS OF
PRINCIPAL ISLAMIC PRS PLUS ASIA PACIFIC EX JAPAN EQUITY**

We, being the Directors of Principal Asset Management Berhad (the “PRS Provider”), do hereby state that, in the opinion of the PRS Provider, the accompanying audited financial statements set out on pages 8 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 31 August 2024 and of its financial performance, changes in net assets attributable to members and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the PRS Provider

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
25 October 2024

THE SCHEME TRUSTEE'S REPORT

**TO THE MEMBERS OF PRINCIPAL ISLAMIC PRS PLUS ASIA PACIFIC EX JAPAN EQUITY
("Fund")**

We have acted as the Scheme Trustee of the Fund for the financial year ended 31 August 2024 and we hereby to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund in accordance with the following:

- (a) Limitations imposed on the investment powers of the PRS Provider under the deed, securities laws and the Guidelines on Private Retirement Schemes;
- (b) Valuation and pricing is carried out in accordance with the deed; and
- (c) Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
25 October 2024

SHARIAH ADVISER'S REPORT

To the Members of Principal Islamic PRS Plus Asia Pacific Ex Japan Equity

For the Financial Year Ended 31 August 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 year 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 assets of the Fund comprise instruments that have been classified as Shariah-compliant.

For **Amanie Advisors Sdn Bhd**,

Tan Sri Dr Mohd Daud Bakar
Executive Chairman

25 October 2024

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PRINCIPAL ISLAMIC PRS PLUS ASIA PACIFIC EX JAPAN EQUITY**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Principal Islamic PRS Plus Asia Pacific Ex Japan Equity (the "Fund") which comprise the statement of financial position of the Fund as at 31 August 2024, and statement of comprehensive income, statement of changes in net assets attributable to members and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 8 to 27.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 August 2024, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PRINCIPAL ISLAMIC PRS PLUS ASIA PACIFIC EX JAPAN EQUITY (cont'd.)**

Report on the audit of the financial statements (cont'd.)

Information other than the financial statements and auditors' report thereon

The PRS Provider of the Fund (the "PRS Provider") is responsible for the other information. The information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the PRS Provider and the Trustee for the financial statements

The PRS Provider is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The PRS Provider is also responsible for such internal control as the PRS Provider determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the PRS Provider is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the PRS Provider either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the PRS Provider maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PRINCIPAL ISLAMIC PRS PLUS ASIA PACIFIC EX JAPAN EQUITY (cont'd.)**

Report on the audit of the financial statements (cont'd.)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the PRS Provider.
- Conclude on the appropriateness of the PRS Provider's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the PRS Provider regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PRINCIPAL ISLAMIC PRS PLUS ASIA PACIFIC EX JAPAN EQUITY (cont'd.)**

Report on the audit of the financial statements (cont'd.)

Other matters

This report is made solely to the members of the Fund, as a body, in accordance with the Guidelines on Private Retirement Scheme issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Yeo Beng Yean
No. 03013/10/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
25 October 2024

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

	Note	2024 RM	2023 RM
INCOME			
Dividend income		-	1,825,887
Net gain on financial assets at fair value through profit or loss	7	4,609,153	1,602,593
Other income		367	-
		<u>4,609,520</u>	<u>3,428,480</u>
EXPENSES			
Private Pension Administrator administration fee	4	87,355	74,602
Trustee fee	5	87,355	74,594
Audit fee		8,100	8,100
Tax agent's fee		5,000	5,000
Other expenses		16,990	9,420
		<u>204,800</u>	<u>171,716</u>
PROFIT BEFORE TAXATION		4,404,720	3,256,764
Taxation	6	<u>-</u>	<u>-</u>
PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u>4,404,720</u>	<u>3,256,764</u>
Profit after taxation is made up as follows:			
Realised amount		19,258	1,725,800
Unrealised amount		<u>4,385,462</u>	<u>1,530,964</u>
		<u>4,404,720</u>	<u>3,256,764</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2024**

	Note	2024 RM	2023 RM
ASSETS			
Cash and cash equivalents	8	1,044,932	784,014
Financial assets at fair value through profit or loss	7	211,227,238	196,843,084
Amount due from the PRS Provider			
- Creation of units		334,814	448,522
- Disposal of Shariah-compliant collective investment scheme		-	150,000
TOTAL ASSETS		<u>212,606,984</u>	<u>198,225,620</u>
LIABILITIES			
Amount due to the PRS Provider			
- Cancellation of units		525,324	237,100
Amount due to Private Pension Administrator		7,186	6,736
Amount due to Trustee		7,186	6,736
Other payables and accruals		23,100	18,100
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS)		<u>562,796</u>	<u>268,672</u>
NET ASSET VALUE OF THE FUND		<u>212,044,188</u>	<u>197,956,948</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>212,044,188</u>	<u>197,956,948</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (RM)			
- Class A		146,955,525	137,188,378
- Class C		30,063,414	28,583,528
- Class X		35,025,249	32,185,042
		<u>212,044,188</u>	<u>197,956,948</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class A		168,392,063	161,159,039
- Class C		34,445,275	33,574,341
- Class X		40,051,354	37,728,451
	9	<u>242,888,692</u>	<u>232,461,831</u>
NET ASSET VALUE PER UNIT (RM)			
- Class A		0.8726	0.8512
- Class C		0.8727	0.8513
- Class X		0.8745	0.8530

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

	2024	2023
	RM	RM
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>197,956,948</u>	<u>184,873,354</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class A	17,966,610	13,198,993
- Class C	6,186,677	4,057,061
- Class X	3,803,220	3,907,824
	<u>27,956,507</u>	<u>21,163,878</u>
Cancellation of units		
- Class A	(11,246,764)	(7,842,170)
- Class C	(5,390,605)	(1,793,463)
- Class X	(1,636,618)	(1,701,415)
	<u>(18,273,987)</u>	<u>(11,337,048)</u>
Total comprehensive income for the financial year	<u>4,404,720</u>	<u>3,256,764</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL YEAR	<u>212,044,188</u>	<u>197,956,948</u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

	Note	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of Shariah-compliant collective investment scheme		2,195,000	3,110,000
Purchase of Shariah-compliant collective investment scheme		(11,820,000)	(14,525,886)
Dividend income received		-	1,825,887
Private Pension Administrator administration fee paid		(86,905)	(74,192)
Trustee fee paid		(86,905)	(74,184)
Payments for other fees and expenses		(25,090)	(22,520)
Other income received		367	-
Net cash used in operating activities		<u>(9,823,533)</u>	<u>(9,760,895)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		28,070,215	21,006,199
Payments for cancellation of units		(17,985,764)	(11,182,817)
Net cash generated from financing activities		<u>10,084,451</u>	<u>9,823,382</u>
Net increase in cash and cash equivalents		260,918	62,487
Cash and cash equivalents at the beginning of the financial year		<u>784,014</u>	<u>721,527</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>1,044,932</u></u>	<u><u>784,014</u></u>
<u>Cash and cash equivalents comprised:</u>			
Bank balance		<u>1,044,932</u>	<u>784,014</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>1,044,932</u></u>	<u><u>784,014</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

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

Principal Islamic PRS Plus Asia Pacific Ex Japan Equity (the “Fund”) is governed by a Deed dated 8 November 2012, a First Supplemental Deed dated 2 January 2014, a Second Supplemental Deed dated 25 November 2014, a Third Supplemental Deed dated 3 February 2020, a Fourth supplemental Deed dated 17 December 2021, a Fifth Supplemental Deed dated 12 July 2022 and a Sixth Supplemental Deed dated 14 June 2023 (collectively referred to as the “Deeds”) made between Principal Asset Management Berhad (the “PRS Provider”) and Deutsche Trustees Malaysia Berhad (the “Trustee”).

The Fund offers three classes of units known respectively as Class A, Class C and Class X. In accordance with the Disclosure Document, subject to the PRS Provider’s absolute discretion, Class A and Class C are for an individual who has attained the age 18 years as of the date of opening a private pension account while Class X is for Member who participates via his/her employer. Class A and Class C have different Sales Charge and Management Fee while Class X has no Sales Charge.

The Fund will invest at least 85% of its NAV in the Target Fund, a Malaysian domiciled fund established on 2 June 2006, which invests in Shariah-compliant equities listed on the stock exchanges in the emerging and developed markets of Asia Pacific ex Japan. The Fund may also maintain up to 15% of its NAV in Islamic liquid assets.

The asset allocation strategy for this Fund is as follows:

- At least 85% of the Fund’s NAV will be invested in the Target Fund; and
- Up to 15% of the Fund’s NAV may be invested in Islamic liquid assets for liquidity purpose.

Information on the Target Fund

Target Fund	: Principal Islamic Asia Pacific Dynamic Equity Fund
Target Fund Manager	: Principal Asset Management Berhad
Target Fund Sub-Manager	: Principal Singapore
Regulatory authority	: Securities Commission Malaysia
Country of domicile	: Malaysia

Principal Singapore was appointed to provide investment advice for the Fund. Principal Singapore will provide investment research and recommendation in accordance with the investment objective and within the investment restrictions of the Fund.

All investments are subjected to the SC Guidelines on Private Retirement Schemes (“PRS”), SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

The PRS Provider, 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 PRS Provider 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:

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

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

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

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

There are no standards, amendments to standards or interpretations effective for financial year beginning on 1 September 2023 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 year beginning on/after 1 September 2024 that are applicable to the financial statements of 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 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”).

Investment in Shariah-compliant collective investment schemes has contractual cash flows that do not represent solely payment of principal and interest¹ (“SPPI”), and therefore are classified as fair value through profit or loss.

¹For 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)**Classification (continued)

The Fund classifies cash and cash equivalents, amount due from the PRS Provider - creation of units 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.

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 instruments 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 year 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 collective investment scheme is valued based on the most recent published NAV per unit or share of such Shariah-compliant collective investment scheme or, if unavailable, on the last published price of such unit or share (excluding any sales charge included in such selling price).

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 PRS Provider consider both historical analysis and forward looking information in determining any ECL. The PRS Provider 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.

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 the PRS Provider 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 year.

(c) Income recognition

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

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

(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" or "RM"), which is the Fund's functional and presentation currency.

(e) Members' contributions

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

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Members' contributions (continued)

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

(f) Cash and cash equivalents

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

(g) Taxation

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

(h) Realised and unrealised portions of profit or loss after taxation

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

(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 judgement are continually evaluated by the PRS Provider and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund were as follows:

	Financial assets at fair value through profit or loss RM	Financial assets at amortised cost RM	Total RM
2024			
Cash and cash equivalents (Note 8)	-	1,044,932	1,044,932
Shariah-compliant collective investment scheme (Note 7)	211,227,238	-	211,227,238
Amount due from the PRS Provider	-		
- Creation of units	-	334,814	334,814
	<u>211,227,238</u>	<u>1,379,746</u>	<u>212,606,984</u>
2023			
Cash and cash equivalents (Note 8)	-	784,014	784,014
Shariah-compliant collective investment scheme (Note 7)	196,843,084	-	196,843,084
Amount due from the PRS Provider			
- Creation of units	-	448,522	448,522
- Disposal of Shariah-compliant collective investment scheme	-	150,000	150,000
	<u>196,843,084</u>	<u>1,382,536</u>	<u>198,225,620</u>

All liabilities are financial liabilities which are carried at amortised cost.

The investment objective of the Fund is to provide capital growth over the long-term by investing in a target fund with investments in the emerging and developed markets of Asia Pacific ex Japan region that comply with the Shariah principles.

The Fund is exposed to a variety of risks which includes market risk (inclusive of price risk), credit risk and liquidity risk. Financial risk management is carried out through internal control process adopted by the PRS Provider and adherence to the investment restrictions as stipulated in the Deeds and SC Guidelines on PRS.

(a) Market risk

(i) Price risk

This is the risk that the fair value of an investment in Shariah-compliant collective investment scheme will fluctuate because of changes in market prices. The value of an investment in Shariah-compliant collective investment scheme 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 collective investment scheme and other financial instruments within specified limits according to the Deeds.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(i) Price risk (continued)

The Fund's overall exposure to price risk was as follows:

	2024 RM	2023 RM
Financial assets at fair value through profit or loss:		
- Shariah-compliant collective investment scheme	<u>211,227,238</u>	<u>196,843,084</u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to movements in prices of Shariah-compliant collective investment scheme at the end of financial reporting year. The analysis is based on the assumptions that the price of the Shariah-compliant collective investment scheme fluctuates by 5% with all other variables held constant. This represents the PRS Provider's best estimate of a reasonable possible shift in the Shariah-compliant collective investment scheme, having regard to the historical volatility of the prices.

% Change in price of Shariah-compliant collective investment scheme	Market value RM	Impact on profit or loss/NAV RM
2024		
-5%	200,665,876	(10,561,362)
0%	211,227,238	-
+5%	<u>221,788,600</u>	<u>10,561,362</u>
2023		
-5%	187,000,930	(9,842,154)
0%	196,843,084	-
+5%	<u>206,685,238</u>	<u>9,842,154</u>

(b) Credit risk

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

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

For amount due from the PRS Provider in relation to creation of units, the settlement terms of the proceeds from the creation of units receivables from the PRS Provider are governed by the SC Guidelines on PRS.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

The following table sets out the credit risk concentration of the Fund at the end of each reporting year:

	Cash and cash equivalents RM	Amount due from the PRS Provider - Creation of units RM	Amount due from the PRS Provider - Disposal of Shariah- compliant collective investment scheme RM	Total RM
2024				
- AA1	1,044,932	-	-	1,044,932
- Not Rated	-	334,814	-	334,814
	<u>1,044,932</u>	<u>334,814</u>	<u>-</u>	<u>1,379,746</u>
2023				
- AA1	784,014	-	-	784,014
- Not Rated	-	448,522	150,000	598,522
	<u>784,014</u>	<u>448,522</u>	<u>150,000</u>	<u>1,382,536</u>

(c) Liquidity risk

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

The PRS Provider manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by members. Liquid assets comprise bank balances which are capable of being converted into cash within 7 business days.

The Fund's investments in Shariah-compliant collective investment scheme realizable which are capable of being converted into cash within 10 business days. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
2024			
Amount due to the PRS Provider			
- Cancellation of units	525,324	-	525,324
Amount due to Private Pension Administrator	7,186	-	7,186
Amount due to Trustee	7,186	-	7,186
Other payables and accruals	-	23,100	23,100
Net assets attributable to members*	<u>212,044,188</u>	<u>-</u>	<u>212,044,188</u>
Contractual undiscounted cash flows	<u>212,583,884</u>	<u>23,100</u>	<u>212,606,984</u>
2023			
Amount due to the PRS Provider			
- Cancellation of units	237,100	-	237,100
Amount due to Private Pension Administrator	6,736	-	6,736
Amount due to Trustee	6,736	-	6,736
Other payables and accruals	-	18,100	18,100
Net assets attributable to members*	<u>197,956,948</u>	<u>-</u>	<u>197,956,948</u>
Contractual undiscounted cash flows	<u>198,207,520</u>	<u>18,100</u>	<u>198,225,620</u>

* Outstanding units are redeemed on demand at the member's option, subject to requirements in the SC Guidelines on PRS. However, the PRS Provider does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as members of these instruments typically retain them for the medium and long term.

(d) Capital risk management

The capital of the Fund was represented by net assets attributable to members amounting to RM212,044,188 (2023: RM197,956,948). The amount of capital can change significantly on a daily basis as the Fund is subjected to daily subscriptions and redemptions at the discretion of members. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to members and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

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

The fair values of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

In circumstances where the last traded price is not within the bid-ask spread, the PRS Provider will determine the point within the bid-ask spread that is most representative of the fair value.

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

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

(i) Fair value hierarchy

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

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

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

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

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
2024				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	211,227,238	-	-	211,227,238

3. FINANCIAL INSTRUMENTS AND 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
2024				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	196,843,084	-	-	196,843,084

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include Shariah-compliant collective investment scheme. Net assets attributable to members are valued based on the NAV per unit as at the financial year end. 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 the PRS Provider - creation of units and all current liabilities are a reasonable approximation of their fair values due to their short-term nature.

4. MANAGEMENT FEE AND PRIVATE PENSION ADMINISTRATOR ADMINISTRATION FEE

In accordance with the Deeds, the PRS Provider is entitled to a maximum management fee of 3.00% per annum for each unit class, calculated daily based on the NAV of the Fund.

For the financial year ended 31 August 2024 and 31 August 2023, the management fee for the respective classes is recognised at the following rates:

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

Nonetheless, no management fee is charged on the Fund for the financial year as the management fee has been waived by the PRS Provider.

The Private Pension Administrator administration fee was recognised at a rate of 0.04% per annum (2023: 0.04% per annum) for each unit class, calculated daily based on the NAV of the Fund.

There was no further liability in respect of management fee and Private Pension Administrator administration fee other than the amount recognised above.

5. TRUSTEE FEE

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

For the financial year ended 31 August 2024, the Trustee fee was recognised at a rate of 0.04% per annum (2023: 0.04% per annum) for each unit class.

5. TRUSTEE FEE (CONTINUED)

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

6. TAXATION

	2024	2023
	RM	RM
Tax charged for the financial year:		
- Current taxation	-	-

Income from PRS approved by the SC in accordance with the Capital Markets and Services Act 2007 is exempted from tax in accordance with Schedule 6, Paragraph 20 of the Income Tax Act, 1967 (“ITA”).

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

	2024	2023
	RM	RM
Profit before taxation	4,404,720	3,256,764
Taxation at Malaysian statutory rate of 24% (2023:24%)	1,057,133	781,623
Tax effects of:		
- Income not subject to tax	(1,106,285)	(822,835)
- Expenses not deductible for tax purposes	44,878	38,526
- Restriction on tax deductible expenses for PRS Funds	4,274	2,686
Taxation	-	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	RM	RM
At fair value through profit or loss:		
- Shariah-compliant collective investment scheme	211,227,238	196,843,084
Net gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	223,690	71,630
- Unrealised fair value gain	4,385,463	1,530,963
	4,609,153	1,602,593

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2024				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME				
Principal Islamic Asia Pacific Dynamic Equity Fund	344,074,341	191,285,869	211,227,238	99.61
TOTAL SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME	344,074,341	191,285,869	211,227,238	99.61
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		19,941,369		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		211,227,238		
2023				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME				
Principal Islamic Asia Pacific Dynamic Equity Fund	329,058,984	181,287,178	196,843,084	99.44
TOTAL SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME	329,058,984	181,287,178	196,843,084	99.44
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		15,555,906		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		196,843,084		

8. CASH AND CASH EQUIVALENTS

	2024 RM	2023 RM
Bank balance	1,044,932	784,014

9. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2024	2023
	No. of units	No. of units
Class A (i)	168,392,063	161,159,039
Class C (ii)	34,445,275	33,574,341
Class X (iii)	40,051,354	37,728,451
	<u>242,888,692</u>	<u>232,461,831</u>
(i) Class A		
At the beginning of the financial year	161,159,039	154,578,544
Add: Creation of units from applications	19,587,889	16,124,435
Less: Cancellation of units	(12,354,865)	(9,543,940)
At the end of the financial year	<u>168,392,063</u>	<u>161,159,039</u>
(ii) Class C		
At the beginning of the financial year	33,574,341	30,829,616
Add: Creation of units from applications	6,730,647	4,925,274
Less: Cancellation of units	(5,859,713)	(2,180,549)
At the end of the financial year	<u>34,445,275</u>	<u>33,574,341</u>
(iii) Class X		
At the beginning of the financial year	37,728,451	35,080,867
Add: Creation of units from applications	4,121,074	4,749,547
Less: Cancellation of units	(1,798,171)	(2,101,963)
At the end of the financial year	<u>40,051,354</u>	<u>37,728,451</u>

10. TOTAL EXPENSE RATIO (“TER”)

	2024	2023
	%	%
TER	<u>0.09</u>	<u>0.09</u>

TER was derived based on the following calculation:

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

- A = Private Pension Administrator administration 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 year calculated on a daily basis was RM218,217,366 (2023: RM186,579,017).

11. PORTFOLIO TURNOVER RATIO (“PTR”)

	2024	2023
PTR (times)	0.03	0.05

PTR was derived based on the following calculation:

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

where:

total acquisition for the financial year	= RM11,820,000 (2023: RM14,525,886)
total disposal for the financial year	= RM2,045,000 (2023: RM3,260,000)

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

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

Related parties	Relationship
Principal Asset Management Berhad	The PRS Provider
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the PRS Provider
Principal International (Asia) Ltd	Shareholder of the PRS Provider
Subsidiaries and associates of Principal Financial Group Inc., other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the PRS Provider
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the PRS Provider
CIMB Group Sdn Bhd	Shareholder of the PRS Provider
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the shareholder of the PRS Provider

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

	2024		2023	
Directors of the PRS Provider	No. of units	RM	No. of units	RM
- Class X	29,870	26,121	42,671	36,398

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

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

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

	2024	2023
	RM	RM
<u>Significant related party transactions</u>		
Dividend of Shariah-compliant collective investment scheme managed by the PRS Provider:		
- Principal Islamic Asia Pacific Dynamic Equity Fund	-	1,825,887
<u>Significant related party balances</u>		
Shariah-compliant collective investment scheme managed by the PRS Provider:		
- Principal Islamic Asia Pacific Dynamic Equity Fund	211,227,238	196,843,084

13. TRANSACTIONS WITH BROKER/DEALER

Details of transactions with the broker/dealer for the financial year ended 31 August 2024 were as follows:

Broker/Dealer	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
Principal Asset Management Berhad #	13,865,000	100	-	-

Details of transactions with the broker/dealer for the financial year ended 31 August 2023 were as follows:

Broker/Dealer	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
Principal Asset Management Berhad #	17,785,886	100	-	-

Included in transactions are trades conducted with the PRS Provider amounting to RM 13,865,000 (2023: RM17,785,886). The PRS Provider is of the opinion that all transactions have been entered into in the normal course of business at agreed terms between the related parties.

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the PRS Provider on 25 October 2024.

DIRECTORY

Head Office of the PRS Provider

Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))
Level 32, Exchange106,
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 PRS Plus Asia Pacific Ex Japan Equity

Deutsche Trustees Malaysia Berhad (Company No.: 200701005591 (763590-H))
Level 20 Menara IMC,
8 Jalan Sultan Ismail,
50250 Kuala Lumpur, MALAYSIA.
Tel: (03) 2053 7522
Fax: (03) 2053 7526

Shariah Adviser of the Principal Islamic PRS Plus Asia Pacific Ex Japan Equity

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

Auditors of the Fund and of the PRS Provider

Ernst & Young PLT 202006000003 (LLP0022760-LCA) & AF 0039
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel: +603 7495 8000
Fax: +603 2095 5332