PRINCIPAL ISLAMIC RETIREEASY 2050

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2025

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MEMBERS' LETTER

Dear Valued Members,

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 RetireEasy 2050 for the financial year ended 31 August 2025. You may also download this report from our website at www.principal.com.my.

We are proud of our 2025 achievements, made possible by your trust. These include being recognised as Asset Management Company of the Year (Malaysia) by The Asset Triple A Sustainable Investing Awards, receiving EPF's Best International Equity Fund Manager award for our MSCI EM Latin America performance, and sweeping various categories at the LSEG Lipper Fund Awards 2025.

Adding to this impressive roster, we were honoured to receive three prestigious awards at Alpha Southeast Asia's 16th Fund Management Awards 2025 and clinched seven awards at the FSMOne Recommended Unit Trusts Awards Ceremony 2025/26, further cementing our commitment to delivering exceptional investment solutions.

Building on our recent achievements, Principal Malaysia was the recipient of over 30 prestigious awards throughout 2024, spanning categories from fund performance and asset management excellence to ESG leadership and digital innovation. For the complete list of awards, please visit: https://www.principal.com.my/en/awards-recognition/my

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, like our Facebook page (@PrincipalMalaysia), follow us on our Instagram account (@principalmalaysia), and LinkedIn page (Principal Malaysia) 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 & Head of Principal Asset Management Berhad (Group of Companies),
and 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 positive total return by investing according to an asset allocation strategy.

Has the Fund achieved its objective?
The fund is in line to meet its objective to provide positive total return as stated in the investment objective section.

What are the Fund investment policy and principal investment strategy?
The Fund seeks to provide sustainable positive total return and to grow the total investment over the long term with retirement as the ultimate goal.

Up to 100% of the Fund's NAV may be invested in Islamic Collective investment scheme ("CIS") (including Islamic ETF and Islamic REITs), Shariah-compliant equities, Sukuk, Islamic money market instruments and/or Islamic Deposits. Notwithstanding,

- up to 40% of the Fund's NAV may be invested in Unrated Sukuk; and
- up to 10% of the Fund's NAV may be invested in Shariah-compliant securities.

Fund category/type
Core – Mixed asset (Islamic Target Date Fund ("TDF")

Target Date
31 December 2050. The Fund will mature on the Target Date, and all Members in the Fund will be switched automatically into the Principal Islamic RetireEasy Income Fund ("iREI").

When was the Fund launched?

Name of Class	Launch Date
Class A	23 September 2022
Class C	23 September 2022
Class X	23 September 2022

What was the size of the Fund as at 31 August 2025?
RM83.03 million (271.35 million units)

What is the Fund's benchmark?
The benchmark is for performance comparison purpose only and the risk profile of the Fund is not the same as the risk profile of the benchmark. The benchmark was set based on current market environment and asset allocation mix.

Currently, the benchmark is:

Benchmark composition	
MSCI ACWI Islamic NR USD	26.90%
FTSE Bursa Malaysia EMAS Shariah TR MYR	26.90%
MSCI AC Asia Islamic Ex JPN NR USD	36.50%
Refinitiv BPAM Sukuk Index MYR	6.90%
DJ Sukuk TR USD	2.80%

What is the Fund's distribution policy?
Given the Fund's objective, the Fund is not expected to pay any distribution. Distributions, if any, are at PRS Provider discretion and will vary from period to period depending on the performance of the Fund.

What was the net income distribution for the financial year ended 31 August 2025?
There was no distribution made for the financial year ended 31 August 2025.

PERFORMANCE DATA

Details of portfolio composition of the Fund for the last three financial year/period are as follows:

	31.08.2025 %	31.08.2024 %	31.08.2023 %
Shariah-compliant collective investment scheme	98.37	98.76	98.21
Cash and other assets	2.35	2.77	1.98
Liabilities	(0.72)	(1.53)	(0.19)
	100.00	100.00	100.00

Performance details of the Fund for the last three financial year/period are as follows:

	31.08.2025	31.08.2024	31.08.2023
NAV (RM Million)			
- Class A	22.75	20.11	14.53
- Class C	4.22	3.06	0.89
- Class X	56.06	51.70	41.70
Units in circulation (Million)			
- Class A	74.32	65.13	52.13
- Class C	13.83	9.92	3.21
- Class X	183.20	167.42	149.58
NAV per unit (RM)			
- Class A	0.3060	0.3088	0.2787
- Class C	0.3051	0.3082	0.2785
- Class X	0.3060	0.3088	0.2787

	31.08.2025	31.08.2024	23.09.2022 (date of launch) to 31.08.2023
Highest NAV per unit (RM)			
- Class A	0.3111	0.3505	0.2857
- Class C	0.3105	0.3498	0.2854
- Class X	0.3111	0.3505	0.2857
Lowest NAV per unit (RM)			
- Class A	0.2693	0.2703	0.2480
- Class C	0.2686	0.2700	0.2480
- Class X	0.2693	0.2703	0.2480
Total return (%)			
- Class A	(0.20)	10.12	11.48
- Class C	(0.29)	10.02	11.36
- Class X	(0.16)	10.12	11.48
Capital growth (%)			
- Class A	(0.20)	10.12	11.48
- Class C	(0.29)	10.02	11.36
- Class X	(0.16)	10.12	11.48
Income distribution (%)			
- Class A	-	-	-
- Class C	-	-	-
- Class X	-	-	-
Total Expense Ratio ("TER") (%)	1.51	1.51	1.45
Portfolio Turnover Ratio ("PTR") (times) #	0.18	0.16	0.52

During the financial under review, the Fund's PTR increased from 0.16 times to 0.18 times as there were more trading and rebalancing activities.

PERFORMANCE DATA (CONTINUED)

	31.08.2025 %	31.08.2024 %	Since inception to 31.08.2023 %
Annual total return			
- Class A	(0.20)	10.12	11.48
- Class C	(0.29)	10.02	11.36
- Class X	(0.16)	10.12	11.48

(Launch date: 23 September 2022)

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 2024 TO 31 AUGUST 2025)

Global financial markets navigated a complex macroeconomic landscape marked by synchronized policy easing across major economies. Central banks responded to weakening growth with aggressive rate cuts, aiming to engineer soft landings and avoid recessions. In the US, the Federal Reserve (the “Fed”) initiated a cutting cycle, supported by resilient household and corporate balance sheets. Europe faced stagnation, prompting the European Central Bank to accelerate its easing pace, while China introduced a broad stimulus package to counter persistent economic weakness. Japan remained an outlier, tightening policy amid signs of reflation. These coordinated efforts helped stabilize market sentiment and lifted prospects for risk assets globally.

Equity markets experienced a broadening of gains beyond the technology sector, supported by easing monetary conditions and improving corporate fundamentals. While stretched valuations in certain regions tempered upside potential, diversified earnings growth across sectors and geographies provided a more balanced investment landscape. US equities benefited from strong policy support and solid corporate health, though investor caution around high-growth names persisted. Meanwhile, emerging markets, particularly in Asia, saw renewed interest due to attractive valuations and supportive policy measures. Fixed income also performed well, with elevated yields and narrowing spreads drawing investor interest, especially in investment-grade credit.

Inflation trends continued to moderate, with headline rates in many developed markets approaching central bank targets. Shelter inflation remained sticky, but broader disinflationary forces prevailed, reducing fears of resurgence. Consumer and corporate credit conditions normalized, and while lower-income households faced rising financial pressures, overall consumer spending remained resilient. Corporate margins held firm, aided by lower interest expenses and strong balance sheets. These dynamics, coupled with proactive policy responses, helped extend the credit cycle and sustain investor confidence across asset classes.

FUND PERFORMANCE

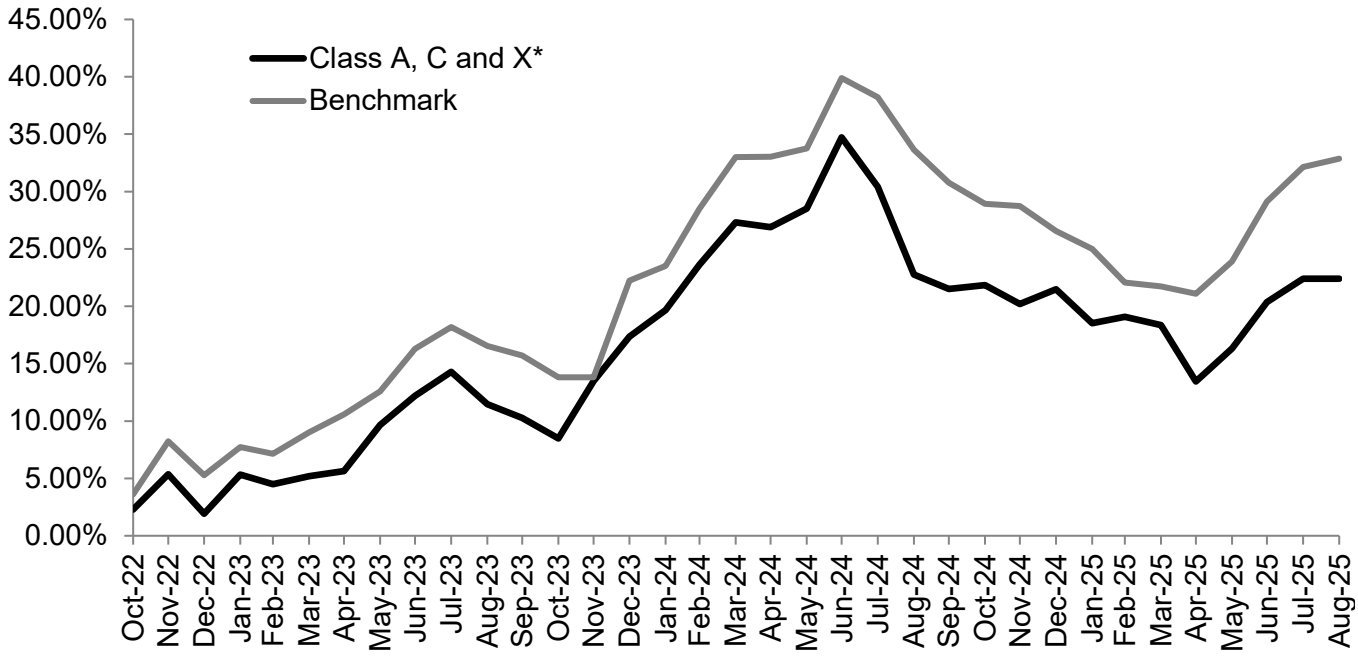
	1 year to 31.08.2025 %	Since inception to 31.08.2025 %
Income Distribution		
- Class A	-	-
- Class C	-	-
- Class X	-	-
Capital Growth		
- Class A	(0.20)	22.52
- Class C	(0.29)	22.16
- Class X	(0.16)	22.56
Total Return		
- Class A	(0.20)	22.52
- Class C	(0.29)	22.16
- Class X	(0.16)	22.56

FUND PERFORMANCE (CONTINUED)

	1 year to 31.08.2025 %	Since inception to 31.08.2025 %
Benchmark		
- Class A	1.00	32.86
- Class C	1.00	32.86
- Class X	1.00	32.86
Average Total Return		
- Class A	(0.20)	7.15
- Class C	(0.29)	7.05
- Class X	(0.16)	7.17

During the financial year under review, the fund outperformed the benchmark with Class A, Class C, and Class X decreased by 0.20%, 0.29%, and 0.16% respectively.

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.

Changes in NAV

	31.08.2025	31.08.2024	Changes %
CLASS A			
NAV (RM Million)	22.75	20.11	13.13
NAV/Unit (RM)	0.3060	0.3088	(0.91)
CLASS C			
NAV (RM Million)	4.22	3.06	37.91
NAV/Unit (RM)	0.3051	0.3082	(1.01)
CLASS X			
NAV (RM Million)	56.06	51.70	8.43
NAV/Unit (RM)	0.3060	0.3088	(0.91)

During the financial year under review, the fund's NAV for Class A, Class C, and Class X increased by 13.13%, 37.91%, and 8.43% respectively.

FUND PERFORMANCE (CONTINUED)

Changes in NAV (continued)

In addition, the NAV per unit for Class A, Class C, and Class X decreased by 0.91%, 1.01%, and 0.91%.

At the time of reporting, Class X has the highest total NAV, stood at RM 56.06 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)	31.08.2025	31.08.2024
Shariah-compliant collective investment scheme	98.37	98.76
Cash and other assets	2.35	2.77
Liabilities	(0.72)	(1.53)
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.

MARKET OUTLOOK*

The global economic environment is expected to remain uneven, shaped by diverging growth trajectories and policy responses. The US economy is likely to maintain moderate momentum, supported by stable labor markets and healthy corporate fundamentals, though consumer activity may soften due to lingering cost pressures. In contrast, Europe and China face more subdued prospects, with disinflation and structural challenges weighing on demand. Central banks are expected to continue easing policy, albeit cautiously, as they balance inflation risks with the need to support growth. These dynamics suggest a continued shift in market leadership and a need for greater attention to macro signals.

Market conditions are anticipated to be influenced by a mix of cyclical recovery and structural transformation. Equity valuations remain elevated in some regions, but earnings growth and sector rotation could provide support. Fixed income markets offer relatively attractive yields, particularly in longer-duration assets, as rate cuts gradually take hold. Inflation is expected to trend lower, though pockets of stickiness, especially in housing and services may persist.

* This market outlook does not constitute an offer, invitation, commitment 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

The Fund will continue to remain fully invested primarily in a diversified portfolio of income generating assets with minimal cash kept for liquidity purposes.

SOFT COMMISSIONS AND REBATES

Principal Malaysia (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 rebates or shared commission will be directed to the account of the Fund. We and the Sub-Manager may retain goods and services (soft commission) provided by any broker or dealer if the following conditions are met:

SOFT COMMISSIONS AND REBATES (CONTINUED)

(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 or the Sub-Manager 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, the Sub-Manager 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 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

Effective 18 November 2024, the Fund has changed Trustee to HSBC (Malaysia) Trustee Berhad following the issuance of the Second Supplemental Disclosure Document dated 25 October 2024.

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 RETIREEASY 2050

I, being a Director 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 9 to 31 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 2025 and of its financial performance, changes in net assets attributable to members and cash flows for the financial year ended in accordance with MFRS Accounting Standards and IFRS Accounting Standards.

For and on behalf of the PRS Provider
Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))

MUNIRAH KHAIRUDDIN
Chief Executive Officer & Head of Principal Asset Management Berhad (Group of Companies),
and Managing Director Strategic Distribution & Institutional Client Relations
(Southeast Asia & Global Shariah)
Non-Independent Executive Director

Kuala Lumpur
23 October 2025

THE SCHEME TRUSTEE'S REPORT

TO THE MEMBERS OF PRINCIPAL ISLAMIC RETIREEASY 2050 ("Fund")

We have acted as the Scheme Trustee of the Fund for the financial period from 1 September 2024 to 17 November 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the PRS Provider under the deed, securities laws and the Guidelines on Private Retirement Schemes;

2. Valuation and pricing is carried out in accordance with the deed; and

3. 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
23 October 2025

SCHEME TRUSTEE'S REPORT

TO THE MEMBERS OF
PRINCIPAL ISLAMIC RETIREEASY 2050 ("Fund")

We have acted as Scheme Trustee of the Fund for the financial period from 18 November 2024 to 31 August 2025 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 PRS Provider under the Deeds, securities laws and the Guidelines on Private Retirement Schemes;

2. Valuation and pricing is carried out in accordance with the Deeds; and

3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

For HSBC (Malaysia) Trustee Berhad

Lee Cincee
Senior Manager, Trustee and Fiduciary Services

Kuala Lumpur
23 October 2025

SHARIAH ADVISER'S REPORT

To the Members of Principal Islamic RetireEasy 2050 ("Fund")

For the Financial Year Ended 31 August 2025

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

Kuala Lumpur
23 October 2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRINCIPAL ISLAMIC RETIREEASY 2050

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Principal Islamic RetireEasy 2050 (the "Fund"), which comprise the statement of financial position of the Fund as at 31 August 2025, 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 9 to 31.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 August 2025, and of its financial performance and cash flows for the financial year then ended in accordance with MFRS Accounting Standards and IFRS Accounting 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 Ethics Standards Board for Accountants' 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 RETIREEASY 2050 (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 other information comprises 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 financial statements of the Fund that give a true and fair view in accordance with MFRS Accounting Standards and IFRS Accounting 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 have 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 RETIREEASY 2050 (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 of the Fund 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 RETIREEASY 2050 (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 Schemes 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
23 October 2025

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2025

	Note	2025 RM	2024 RM
INCOME/(LOSS)			
Dividend income		753,492	308,955
Net (loss)/gain on financial assets at fair value through profit or loss	**7**	(44,529)	6,888,238
Net foreign exchange loss		(5,467)	-
		703,496	7,197,193
EXPENSES			
Management fee	**4**	1,073,473	950,763
Private Pension Administrator administration fee	**4**	30,577	20,497
Trustee fee	**5**	30,565	27,329
Audit fee		8,600	8,500
Tax agent fee		4,500	5,000
Other expenses		5,873	10,878
		1,153,588	1,022,967
(LOSS)/PROFIT BEFORE TAXATION		(450,092)	6,174,226
Taxation	**6**	-	-
(LOSS)/PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR		(450,092)	6,174,226
(Loss)/profit after taxation is made up as follows:			
Realised amount		1,970,979	5,286,434
Unrealised amount		(2,421,071)	887,792
		(450,092)	6,174,226

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2025

	Note	2025 RM	2024 RM
ASSETS			
Cash and cash equivalents	**8**	603,976	696,691
Financial assets at fair value through profit or loss	**7**	81,673,329	73,936,892
Amount due from dealers		11,839	-
Amount due from the PRS Provider			
- creation of units		445,201	466,249
- management fee rebates		888,501	334,873
- disposal of Shariah-compliant collective investment scheme		3,354	573,604
TOTAL ASSETS		83,626,200	76,008,309
LIABILITIES			
Amount due to dealers		11,851	-
Amount due to the PRS Provider			
- management fee		98,621	88,857
- cancellation of units		23,328	24,283
- purchase of Shariah-compliant collective investment scheme		417,835	989,866
Amount due to Private Pension Administrator		2,807	2,510
Amount due to Trustee		5,569	2,531
Other payables and accruals		35,478	31,568
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS)		595,489	1,139,615
NET ASSET VALUE OF THE FUND		83,030,711	74,868,694
NET ASSETS ATTRIBUTABLE TO MEMBERS		83,030,711	74,868,694
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (RM)			
- Class A		22,745,369	20,112,153
- Class C		4,219,543	3,057,882
- Class X		56,065,799	51,698,659
		83,030,711	74,868,694
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class A		74,322,220	65,132,431
- Class C		13,828,585	9,922,155
- Class X		183,196,780	167,420,910
	9	271,347,585	242,475,496
NET ASSET VALUE PER UNIT (RM)			
- Class A		0.3060	0.3088
- Class C		0.3051	0.3082
- Class X		0.3060	0.3088

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 2025

	2025 RM	2024 RM
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE BEGINNING OF THE FINANCIAL YEAR	74,868,694	57,122,976
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class A	4,181,721	4,234,250
- Class C	2,017,567	2,314,925
- Class X	6,129,334	6,722,066
	12,328,622	13,271,241
Cancellation of units		
- Class A	(1,436,052)	(158,937)
- Class C	(843,871)	(258,881)
- Class X	(1,436,590)	(1,281,931)
	(3,716,513)	(1,699,749)
Total comprehensive (loss)/income for the financial year	(450,092)	6,174,226
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL YEAR	83,030,711	74,868,694

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 2025

	Note	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of Shariah-compliant collective investment scheme		10,655,487	4,483,091
Purchase of collective Shariah-compliant collective investment scheme		(19,685,857)	(16,174,618)
Dividend income received		753,492	308,955
Management fee rebate received		694,007	921,434
Management fee paid		(1,063,709)	(929,189)
Private Pension Administrator administration fee paid		(30,280)	(26,519)
Trustee fee paid		(27,527)	(26,836)
Payment for other fees and expenses		(15,063)	(14,271)
Payment for other foreign exchange loss		(985)	-
Net cash used in operating activities		(8,720,435)	(11,457,953)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		12,349,670	13,378,291
Payments for cancellation of units		(3,717,468)	(1,684,673)
Net cash generated from financing activities		8,632,202	11,693,618
Net (decrease)/increase in cash and cash equivalents		(88,233)	235,665
Effect of foreign exchange differences		(4,482)	-
Cash and cash equivalents at the beginning of the financial year		696,691	461,026
Cash and cash equivalents at the end of the financial year	**8**	603,976	696,691
Cash and cash equivalents comprised:			
Bank balance		603,976	696,691
Cash and cash equivalents at the end of the financial year	**8**	603,976	696,691

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 2025

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

Principal Islamic RetireEasy 2050 (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 14 June 2023 (collectively referred to as the "Deed") made between Principal Asset Management Berhad (the "PRS Provider") and Deutsche Trustees Malaysia Berhad (the " Previous Trustee") and a Seventh Supplemental Master Deed dated 31 July 2024 (collectively referred to as the "Deeds") between the PRS Provider and HSBC (Malaysia) Trustee 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 seeks to provide sustainable positive total return and to grow the total investment over the long term with retirement as the ultimate goal.

Up to 100% of the Fund's NAV may be invested in Islamic Collective Investment Scheme ("CIS") (including Islamic ETF and Islamic REITs), Shariah-compliant equities, Sukuk, Islamic money market instruments and/or Islamic Deposits. Notwithstanding,

- up to 40% of the Fund's NAV may be invested in Unrated Sukuk; and
- up to 10% of the Fund's NAV may be invested in Shariah-compliant securities.

We have appointed Principal Global Investors, LLC ("PGI") as the Sub-Manager of the Fund. The Sub-Manager specializes in the global multi asset investment strategies and will be responsible for the investment management function of the Fund in accordance with the Fund's objective and within the investment parameters, restrictions, and limits of the Fund.

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

The Fund had issued the Second Supplemental Disclosure Document dated 25 October 2024.

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 POLICY INFORMATION

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 Accounting Standards as issued by the Malaysian Accounting Standards Board ("MASB") and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Basis of preparation (continued)

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 Accounting Standards and IFRS Accounting Standards 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 assumptions are based on the PRS Provider's best knowledge of current events and actions, actual results may differ.

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

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

Other than MFRS 18: Presentation and Disclosure in Financial Statements (which will first become applicable for annual periods beginning on or after 1 January 2027), none of the standards, amendments to standards or interpretations that are effective for the financial year beginning on or after 1 September 2025 are applicable to the financial statements of the Fund. The Fund is still currently in the process of assessing the impact, if any, of MFRS 18: Presentation and Disclosure in Financial Statements.

(b) Financial assets and financial liabilities

Classification

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

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

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed, and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income ("OCI").

Investment in collective investment scheme is debt instrument with contractual cash flow that do not represent solely payment of principal and interest[1] ("SPPI") and therefore is classified as fair value through profit or loss.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Classification (continued)

The Fund classifies cash and cash equivalents, amount due from dealers, amount due from the PRS Provider - creation of units, amount due from the PRS provider - management fee rebates and amount due from the PRS Provider - disposal of Shariah-compliant collective investment scheme 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. 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 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 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 loss ("ECL") using probability of default, exposure at default and loss given default. The PRS Provider considers both historical analysis and forward looking information in determining any ECL. The PRS Provider considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month ECL as any such impairment would be wholly insignificant to the Fund.

2. MATERIAL ACCOUNTING POLICY INFORMATION (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 collective investment scheme is accounted for as the difference between the net disposal proceeds and the carrying amount of collective investment scheme, 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 the Class A, Class C and Class X, which are cancelled at the member's option and do not have identical features subject to restrictions as stipulated in the Disclosure Document and SC Guidelines on PRS. The units are classified as financial liabilities. Cancellable units can be reinvested 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 reporting date if the member exercises the right to reinvest the unit to the Fund.

2. MATERIAL ACCOUNTING POLICY INFORMATION (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 balance 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) Amount due from/to dealer

Amounts due from and to dealer represent receivables for Shariah-compliant collective investment schemes sold and payables for Shariah-compliant collective investment schemes purchased that have been contracted for but not yet settled or delivered on the reporting date respectively.

(i) Management fee rebate

Management fee rebate is derived from the Manager of the Shariah-compliant collective investment scheme on an accrual basis to ensure no double charging of management fee. It is accrued daily based on the fair value of Shariah-compliant collective investment scheme held.

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

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

(k) 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 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 there are no accounting policies which require significant judgement to be exercised.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss RM	Financial assets amortised at cost RM	Total RM
2025			
Cash and cash equivalents (Note 8)	-	603,976	603,976
Shariah-compliant collective investment scheme (Note 7)	81,673,329	-	81,673,329
Amount due from dealers	-	11,839	11,839
Amount due from the PRS Provider			
- creation of units	-	445,201	445,201
- management fee rebates	-	888,501	888,501
- disposal of Shariah-compliant collective investment scheme	-	3,354	3,354
	81,673,329	1,952,871	83,626,200
2024			
Cash and cash equivalents (Note 8)	-	696,691	696,691
Shariah-compliant collective investment scheme (Note 7)	73,936,892	-	73,936,892
Amount due from the PRS Provider			
- creation of units	-	466,249	466,249
- management fee rebates	-	334,873	334,873
- disposal of Shariah-compliant collective investment scheme	-	573,604	573,604
	73,936,892	2,071,417	76,008,309

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

The investment objective of the Fund is to provide positive total return by investing according to an asset allocation strategy.

The Fund is exposed to a variety of risks which include 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 the Fund's investment will fluctuate because of changes in market prices. The value of investment 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 is as follows:

	2025 RM	2024 RM
Financial assets at fair value through profit or loss:		
- Shariah-compliant collective investment scheme	81,673,329	73,936,892

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 each 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
2025		
-5%	77,589,663	(4,083,666)
0%	81,673,329	-
+5%	85,756,995	4,083,666
2024		
-5%	70,240,047	(3,696,845)
0%	73,936,892	-
+5%	77,633,737	3,696,845

(ii) Currency risk

Currency risk is associated with investments that are quoted and/or priced in foreign currency denomination. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The PRS-Provider will evaluate the likely directions of a foreign currency versus MYR based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

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

(a) Market risk (continued)

(ii) Currency risk (continued)

The following table sets out the foreign currency risk concentrations arising from the denomination of the Fund's financial instruments in foreign currencies:

Financial assets	Financial assets at fair value through profit or loss RM	Amount due from dealers RM	Cash and cash equivalents RM	Amount due from the PRS Provider – Disposal of Shariah-compliant collective investment scheme RM	Total RM
2025					
USD	2,292,779	11,719	1,054	120	2,305,672

Financial liabilities	Amount due to dealers RM	Amount due to the PRS Provider – Purchase of Shariah-compliant collective investment scheme RM	Total RM
2025			
USD	120	11,719	11,839

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes in foreign exchange movements at the end of each reporting year. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remain constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in foreign exchange rate	Impact on profit or loss/NAV	
		2025	2024
	%	RM	RM
USD	+/-5	+/- 114,692	+/- Nil

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

(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 cash and cash equivalents is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

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

The following table sets out the credit risk concentration of the Fund:

	Cash and cash equivalents RM	Amount due from dealers RM	Amount due from the PRS Provider - creation of units RM	Amount due from the PRS Provider – management fee rebates RM	Amount due from the PRS Provider – disposal of Shariah-compliant collective investment scheme RM	Total RM
2025						
- AAA	603,976	-	-	-	-	603,976
- Not Rated	-	11,839	445,201	888,501	3,354	1,348,895
	603,976	11,839	445,201	888,501	3,354	1,952,871
2024						
- AAA	696,691	-	-	-	-	696,691
- Not Rated	-	-	466,249	334,873	573,604	1,374,726
	696,691	-	466,249	334,873	573,604	2,071,417

(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 balance and other instruments, which are capable of being converted into cash within 7 business days. The Fund’s investments in Shariah-compliant collective investment scheme are realisable which are capable of being converted into cash within 10 business days. This is expected to reduce the risk for the entire portfolio without limiting to the Fund's growth potential.

The table below summarises the Fund’s financial liabilities into relevant maturity groupings based on the remaining year 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
2025			
Amount due to dealers	11,851	-	11,851
Amount due to the PRS Provider			
- management fee	98,621	-	98,621
- cancellation of units	23,328	-	23,328
- purchase of Shariah-compliant collective investment scheme	417,835	-	417,835
Amount due to Private Pension Administrator	2,807	-	2,807
Amount due to Trustee	5,569	-	5,569
Other payables and accruals	-	35,478	35,478
Net assets attributable to members*	83,030,711	-	83,030,711
Contractual undiscounted cash flows	83,590,722	35,478	83,626,200
2024			
Amount due to the PRS Provider			
- management fee	88,857	-	88,857
- cancellation of units	24,283	-	24,283
purchase of Shariah-compliant collective investment scheme	989,866	-	989,866
Amount due to Private Pension Administrator	2,510	-	2,510
Amount due to Trustee	2,531	-	2,531
Other payables and accruals	-	31,568	31,568
Net assets attributable to members*	74,868,694	-	74,868,694
Contractual undiscounted cash flows	75,976,741	31,568	76,008,309

* Outstanding units are redeemed on demand at the member's option. 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 holders of these instruments typically retain them for the medium to long-term.

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to members of RM83,030,711 (2024: RM74,868,694). The amount of net assets attributable to members can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of the 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 the members and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

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

(e) Fair value estimation

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

The fair values of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial 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. 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.

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
2025				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	81,673,329	-	-	81,673,329
2024				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	73,936,892	-	-	73,936,892

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. 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 dealers, amount due from the PRS Provider - creation of units, amount due from the PRS Provider - management fee rebates, amount due from the PRS Provider - disposal of Shariah-compliant collective investment scheme 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 2025 and 31 August 2024, 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%

The Private Pension Administrator administration fee is recognised at a rate of 0.04% per annum (2024: 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 fees and charges but excludes foreign custodian fees.

For the financial year ended 31 August 2025, the Trustee fee is recognised at 0.04% per annum for each unit class (2024: 0.04% per annum for each class, subject to minimum fee of RM24,000 per annum).

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

6. TAXATION

	2025 RM	2024 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 (loss)/profit before taxation multiplied by the Malaysian statutory income tax rate and tax expense of the Fund is as follows:

	2025 RM	2024 RM
(Loss)/Profit before taxation	(450,092)	6,174,226
Taxation at Malaysian statutory rate of 24% (2024: 24%)	(108,022)	1,481,814
Tax effects of:		
- Income not subject to tax	(168,839)	(1,727,326)
- Expenses not deductible for tax purposes	16,772	194,212
- Restriction on tax deductible expenses for PRS Funds	260,089	51,300
Taxation	-	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RM	2024 RM
At fair value through profit or loss:		
- Shariah-compliant collective investment scheme	81,673,329	73,936,892
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	1,128,907	1,267,010
- Unrealised fair value (loss)/gain	(2,421,071)	4,448,216
- Management fee rebates #	1,247,635	1,173,012
	(44,529)	6,888,238

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

Management fee rebate is derived from the Fund's investment in Shariah-compliant collective investment scheme on an accruals basis to ensure no double charging of management fee. It is accrued daily based on the fair value of the Shariah-compliant collective investment scheme held.

For the financial year ended 31 August 2025 and 31 August 2024, the rebate is recognised at a rate below per annum calculated and accrued daily based on the NAV of the Shariah-compliant collective investment scheme.

Name of Shariah-compliant collective investment scheme	Rate %
Principal DALI Equity Fund	1.85
Principal DALI Global Equity Fund	1.80
Principal Islamic Asia Pacific Dynamic Equity Fund	1.80
Principal Islamic Enhanced Opportunities Fund	1.50
Principal Islamic Lifetime Sukuk Fund	0.95
Principal Islamic Small Cap Opportunities Fund	1.85

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2025 **SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME**				
Franklin Global Sukuk I Acc USD	37,119	2,247,077	2,292,779	2.76
Principal DALI Equity Fund	9,105,359	9,085,384	10,112,412	12.18
Principal DALI Global Equity Fund	58,555,775	18,516,279	21,812,026	26.27
Principal Islamic Asia Pacific Dynamic Equity Fund	51,950,528	29,691,154	29,533,875	35.57
Principal Islamic Enhanced Opportunities Fund	11,460,881	7,782,196	10,090,160	12.15
Principal Islamic Lifetime Sukuk Fund	4,159,126	5,447,174	5,591,944	6.73
Principal Islamic Small Cap Opportunities Fund	2,623,106	1,826,251	2,240,133	2.71
TOTAL SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME	**137,891,894**	**74,595,515**	**81,673,329**	**98.37**
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		**7,077,814**		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		**81,673,329**		

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 DALI Equity Fund	8,013,833	7,741,509	9,283,224	12.40
Principal DALI Global Equity Fund	56,657,281	17,458,199	20,532,598	27.43
Principal Islamic Asia Pacific Dynamic Equity Fund	46,300,574	26,510,155	28,423,922	37.97
Principal Islamic Enhanced Opportunities Fund	10,831,006	6,892,987	9,274,591	12.39
Principal Islamic Lifetime Sukuk Fund	3,317,511	4,301,595	4,378,119	5.85
Principal Islamic Small Cap Opportunities Fund	2,362,146	1,533,563	2,044,438	2.72
TOTAL SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME	**127,482,351**	**64,438,008**	**73,936,892**	**98.76**
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		**9,498,884**		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		**73,936,892**		

8. CASH AND CASH EQUIVALENTS

	2025 RM	2024 RM
Bank balance	603,976	696,691

9. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2025 No. of units	2024 No. of units
Class A (i)	74,322,220	65,132,431
Class C (ii)	13,828,585	9,922,155
Class X (iii)	183,196,780	167,420,910
	271,347,585	242,475,496

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

	2025 No. of units	2024 No. of units
(i) Class A		
At the beginning of the financial year	65,132,431	52,133,523
Add : Creation of units from applications	13,949,895	13,497,602
Less: Cancellation of units	(4,760,106)	(498,694)
At the end of the financial year	74,322,220	65,132,431
(ii) Class C		
At the beginning of the financial year	9,922,155	3,213,503
Add : Creation of units from applications	6,700,957	7,484,138
Less: Cancellation of units	(2,794,527)	(775,486)
At the end of the financial year	13,828,585	9,922,155
(iii) Class X		
At the beginning of the financial year	167,420,910	149,582,646
Add : Creation of units from applications	20,545,788	22,101,888
Less: Cancellation of units	(4,769,918)	(4,263,624)
At the end of the financial year	183,196,780	167,420,910

10. TOTAL EXPENSE RATIO ("TER")

	2025 %	2024 %
TER*	1.51	1.51

* before deducting management fee rebates

TER is derived from the following calculation:

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

A = Management fee
B = Trustee Fee
C = Private Pension Administrator administration fee
D = Audit fee
E = Tax agent's fee
F = Other expenses
G = 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 is RM76,449,006 (2024: RM67,772,294).

11. PORTFOLIO TURNOVER RATIO ("PTR")

	2025	2024
PTR (times)	0.18	0.16

11. PORTFOLIO TURNOVER RATIO ("PTR") (CONTINUED)

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial year	=	RM19,125,558 (2024: RM17,164,484)
total disposal for the financial year	=	RM8,968,170 (2024: RM5,043,999)

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 Bhd	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
CIMB Bank Bhd	Fellow related party to the PRS Provider
CIMB Investment Bank Bhd	Fellow related party to 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

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

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.

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

	2025 RM	2024 RM
Significant related party transactions		
Dividend of Shariah-compliant collective investment scheme:		
- Principal DALI Equity Fund	324,014	-
- Principal DALI Global Equity Fund	203,093	259,976
- Principal Islamic Enhanced Opportunities Fund	90,131	-
- Principal Islamic Lifetime Sukuk Fund	136,254	48,979
	753,492	308,955
Management fee rebate income:		
- Principal Asset Management Bhd	1,247,635	1,173,012
Significant related party balances:		
Amount due from the PRS Provider:		
- Creation of units	445,201	466,249
- management fee rebates	888,501	334,873
- disposal of Shariah-compliant collective investment scheme	3,354	573,604
	1,337,056	1,374,726
Amount due to the PRS Provider:		
- management fee	98,621	88,857
- cancellation of units	23,328	24,283
- purchase of Shariah-compliant collective investment scheme	417,835	989,866
	539,784	1,103,006
Shariah-compliant collective investment scheme managed by the PRS Provider:		
- Principal DALI Equity Fund	10,112,412	9,283,224
- Principal DALI Global Equity Fund	21,812,026	20,532,598
- Principal Islamic Asia Pacific Dynamic Equity Fund	29,533,875	28,423,922
- Principal Islamic Enhanced Opportunities Fund	10,090,160	9,274,591
- Principal Islamic Lifetime Sukuk Fund	5,591,944	4,378,119
- Principal Islamic Small Cap Opportunities Fund	2,240,133	2,044,438
	79,380,550	73,936,892

13. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with the brokers/dealers for the financial year ended 31 August 2025 are as follows:

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Principal Asset Management Berhad #	25,496,467	90.76	-	-
Franklin Templeton International Services S.A.R.I	2,597,261	9.24	-	-
	28,093,728	100.00		

13. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

Details of transactions with the brokers/dealers for the financial year ended 31 August 2024 are as follows:

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Principal Asset Management Berhad #	22,208,483	100.00	-	-

Included in the transactions are trades conducted with Principal Asset Management Bhd, PRS Provider, amounting to RM25,496,467 (2024: RM22,208,483) respectively. The PRS Provider is of the opinion that all transactions with the related company have been entered into in the normal course of business at agreed terms between the related parties.

14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the PRS Provider on 23 October 2025.

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