

PRINCIPAL MALAYSIA ENHANCED OPPORTUNITIES FUND
ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

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INVESTORS' LETTER

Dear Valued Investor,

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

We are pleased to bring you a copy of the Annual Fund Report of the Principal Malaysia Enhanced Opportunities Fund for the financial year ended 30 April 2023. You may also download this report from our website at www.principal.com.my.

We are happy to share that Principal Malaysia won two honours at the Asia Asset Management 2024 Best of the Best Awards. The awards were for Best of the Best Performance Awards: China A-Share Equity (3 years) for the Principal China Direct Opportunities Fund (Class MYR) and Best of the Best Country Awards: Best Institutional House – Malaysia. We also won another two awards at the 2024 Global Banking & Finance Awards® for Asset Management CEO of the Year Malaysia 2024 - Munirah Khairuddin and Asset Management Company of the Year Malaysia 2024. The World Business Outlook magazine also awarded us with the Best Investment Management and Solutions Provider Malaysia 2024, Best Institutional House Malaysia 2024, and Asset Management CEO (Munirah Khairuddin) of the Year Malaysia 2024 awards at its 2024 Annual Awards. We also won three awards at iFast Awards 2024 and another 7 awards at the LSEG Lipper Fund Awards 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

Country Head and Chief Executive Officer, Malaysia
Non-Independent Executive Director

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to provide investors with long-term capital growth by investing principally in equities. The Fund also seeks to outperform FTSE Bursa Malaysia ("FBM") Kuala Lumpur Composite Index ("FBMKLCI") benchmark.

Has the Fund achieved its objective?

For the financial year under review, the Fund registered a gain of 24.1%, while the benchmark registered a gain of 11.3%. The Fund achieved its objective of capital growth during the financial year under review and subsequently over the medium to long-term.

What are the Fund investment policy and principal investment strategy?

The Fund will invest between 70% to 98% (both inclusive) of its Net Asset Value ("NAV") in equities and up to a maximum of 30% of its NAV may be invested in warrants and options. In line with its objective, the investment policy and strategy of the Fund will focus on investment in shares of companies with growth potential. The Fund may opt to seek investment exposure via collective investment schemes that is in line with the Fund's objective, subject to the requirement of the Guidelines on Unit Trust Funds ("GUTF") issued by the Securities Commission Malaysia ("SC"). Liquid assets may also be strategically used if the Manager perceives that the downside risk of the market is high in the short-term. With effect from 10 July 2023, the Fund may invest up to 25% of its NAV in companies that are listed in any Eligible Market globally with some operations or businesses in Malaysia to capture growth opportunities.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV in equities;
- up to 30% of the Fund's NAV in warrants and options; and
- minimum of 2% of the Fund's NAV in liquid assets.

Fund category/type

Equity/Growth

When was the Fund launched?

18 August 2004

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

RM78.59 million (104.77 million units)

What is the Fund's benchmark?

FBMKLCI

What is the Fund distribution policy?

The Manager has the discretion to distribute part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.

What was the net income distribution for the financial year ended 30 April 2024?

The Fund distributed a total net income of RM2.71 million to the unit holders. As a result, the NAV per unit dropped from RM0.6124 to RM0.5839 on 26 June 2023 for the financial year ended 30 April 2024.

The Fund's NAV before and after distribution per unit are as follows:

Date	NAV per unit (before distribution) RM	NAV per unit (after distribution) RM
Distribution on 26 June 2023	0.6124	0.5839

FUND OBJECTIVE AND POLICY (CONTINUED)

Breakdown of distribution were as follows:

	30.04.2024		30.04.2023	
	RM	%	RM	%
Source of distribution				
Distribution out of current year's income	2,705,082	100.00	2,059,698	100.00
Distribution out of prior year's income/capital	-	-	-	-
Total	2,705,082	100.00	2,059,698	100.00

PERFORMANCE DATA

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

	30.04.2024	30.04.2023	30.04.2022
	%	%	%
Collective investment schemes	1.18	-	-
Quoted securities			
- Construction	6.86	1.02	-
- Consumer Products & Services	2.08	12.57	18.11
- Energy	9.31	14.20	3.03
- Financial Services	16.24	15.71	22.58
- Health Care	3.70	7.83	3.78
- Industrial Products & Services	7.33	6.08	16.87
- Information Technology	2.66	-	-
- Plantation	-	2.57	11.58
- Property	8.14	-	0.85
- Technology	12.36	10.98	9.50
- Telecommunications & Media	1.01	2.21	1.94
- Transportation & Logistics	5.69	7.15	5.12
- Utilities	8.95	-	-
Cash and other net assets	17.11	19.91	9.46
Liabilities	(2.62)	(0.23)	(2.82)
	100.00	100.00	100.00

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

	30.04.2024	30.04.2023	30.04.2022
NAV (RM Million)	78.59	59.95	51.18
Units in circulation (Million)	104.77	94.56	70.64
NAV per unit (RM)	0.7500	0.6340	0.7244
Highest NAV per unit (RM)	0.7501	0.7244	0.7522
Lowest NAV per unit (RM)	0.5839	0.5992	0.6492
Total return (%)	24.07	(8.42)	4.22
- Capital growth (%)	18.30	(12.48)	(0.10)
- Income distribution (%)	4.88	4.64	4.32
Total Expense Ratio ("TER") (%) ^	1.59	1.61	1.61
Portfolio Turnover Ratio ("PTR") (times) #	1.35	0.63	0.70

PERFORMANCE DATA (CONTINUED)

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

^ The Fund's TER decreased from 1.61% to 1.59% due to increase in the average NAV during the financial year under review.

The Fund's PTR increased from 0.63 times to 1.35 times mainly due to increase in trading activities during the financial year.

	30.04.2024	30.04.2023	30.04.2022	30.04.2021	30.04.2020
	%	%	%	%	%
Annual total return	24.07	(8.42)	4.22	34.29	(12.54)

(Launch date: 18 August 2004)

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 MAY 2023 TO 30 APRIL 2024)

For the financial year under review, the FBMKLCI increased by 11.3% from 1,415.95 points ("pts") to 1,575.97 pts.

In May 2023, FBMKLCI commenced the financial year with a loss of 2.0%. The sell-off was relatively broad-based, with select stocks within defensive sectors showing green, and we believe it was largely triggered by the recent weakness of the Ringgit on the back of poor Chinese data and consequently the depreciation of the Yuan. Further aggravating the situation was the stronger United States Dollar ("USD") due to concerns surrounding the United States ("US") debt ceiling, and recent US data – encouraging payroll and wage, sticky inflation, and more recently a rebound in job openings – stoking bets on further rates hikes in the next Federal Open Market Committee ("FOMC") meeting.

In June 2023, FBMKLCI weakened 0.8% as investors remain weary of the sustained weakness of the Ringgit Malaysia ("RM/MYR"); a rather uninspiring first quarter of 2023 ("1Q23") corporate results although they were broadly in line; and domestic political uncertainties caused by the upcoming State elections. Expectations of a US recession have now been pushed back to 2024 given the still buoyant data points coming out of the US and consequently stoking bets of further rate hikes by the Federal Reserve (the "Fed") in second half of 2023 ("2H23").

In July 2023, FBMKLCI rebounded 82.75 pts or 6.0% to 1,459.43 pts. Sentiment was sharply lifted by the slump in the USD benefiting the MYR, and waning expectations of a US recession following recent favourable economic data points – cooling inflation and still resilient jobs market. Gainers were broad-based, with mainly large-caps forging ahead.

In August 2023, the FBMKLCI loss 0.5%. That said, we saw decent gains in Financials, Utilities and Materials. Within the broader market, we saw huge interest in Property, Construction and Transport. Sentiment was dampened by rebound in the US dollar and rising US treasury yields on expectations of further interest rate hikes in the US as economic data points remain strong.

FBMKLCI trended 1.9% lower in September 2023. The sell-off, which largely concentrated towards the last week of the month, was rather broadbased, led by Financials and Commodities. While there could be volatility caused by quarter-end rebalancing, investors were spooked by US treasury yields at a 16-year high and persistent dollar strength affecting Emerging Market ("EM") markets, in addition to the Fed's hawkish messaging on interest rates. Domestically, there also seems to be a lack of fresh leads and some political noises surrounding cabinet reshuffling.

In October 2023, FBMKLCI rebounded 1.3% on bargain hunting in Financials and Commodities following the steep sell-off in the previous month, while Telcos (mainly mobile operators) were laggards. Within the broader market, Construction performed while Technology, Energy and Property languished.

MARKET REVIEW (1 MAY 2023 TO 30 APRIL 2024) (CONTINUED)

Overall sentiment remains clouded by the surge in US treasury yields which topped 5% last month and persistent dollar strength affecting EM markets, coupled with tensions in the Middle East.

FBMKLCI rose 0.7% in November 2023. Overall sentiment was lifted by expectations that the Fed may be done with rate hikes given the cooling inflation and recent economic data out of the US. The pullback in US treasury yields and the weaker dollar lifted interest in EM markets. Investors bought into Utilities, Telcos, Commodities (mainly plantations) and Gaming, took profit on Financials following the previous month's run-up and sold Healthcare (mainly IHH) as well as hard commodities (Press Metal Aluminium Holdings Bhd ("PMAH") and Petronas Chemicals Group Bhd ("PCHEM")). We also saw interest in Consumer names (Mr. DIY and QL). Within the broader market, Technology and Healthcare (mainly Gloves and KPJ) did well, while Energy languished on the back of lower oil prices.

In December, FBMKLCI was flattish up 0.1% and ended the year at 1,454.66 pts. Investors rejoiced at Fed's decision to hold rates and signaling the end of hikes given the cooling inflation data and recent economic data out of the US, coupled with the weaker USD and falling treasury yields. Yet, they were quick to lock in gains when the index rose to 1,470pts and ahead of the year-end holidays. Financials, Utilities, Healthcare and select Telcos saw gains, while select commodities and Consumer-related names were sold off. FBM30 saw the inclusion of YTL and YTLP and removal of DLG and WPRTS. Within the broader market, Technology and Gloves did well, the latter spurred by recent surge in Corona Virus Disease 2019 ("COVID-19") cases.

FBMKLCI rallied 58.32 pts or 4.0% in January 2024, ending the month at 1,512.98 pts. Sentiment was lifted by Fed's communication on interest rates given the recent cooling inflation and economic data out of the US. The weaker USD and lower treasury yield that ensued favored EM. Utilities, Commodities, Telcos and Financials topped the gainers list. Within the broader market, Energy, Construction and Property did well, while Technology languished despite the sentiment on the Fed rates.

FBMKLCI continued its rally in February 2024 gaining 2.5%. This marked the 5th consecutive month of gains, with Malaysia outperforming most ASEAN markets. This was also despite the stronger dollar following stronger-than-expected inflation and economic data out of the US, and bets on rate cuts by the Fed pushed back. Financials, Utilities, Commodities and Telcos topped the gainers list. Within the broader market, Energy did well, and Technology rebounded strongly.

In March 2024, FBMKLCI took a breather and retraced 1.0% as profit-taking set in following 5 months of consecutive gains. Bets on rate cuts by the Fed were pushed back given the persistent strong data out of the US, and there was an absence of fresh catalysts domestically. During the month, there were also distortions caused by FTSE rebalancing (as well as MSCI rebalancing in Feb 2024) and many index stocks going ex-dividends. Financials, Transport, Utilities and Commodities topped the gainers list while Telcos languished. Within the broader market, Property, Construction, Technology, Healthcare and Energy did well.

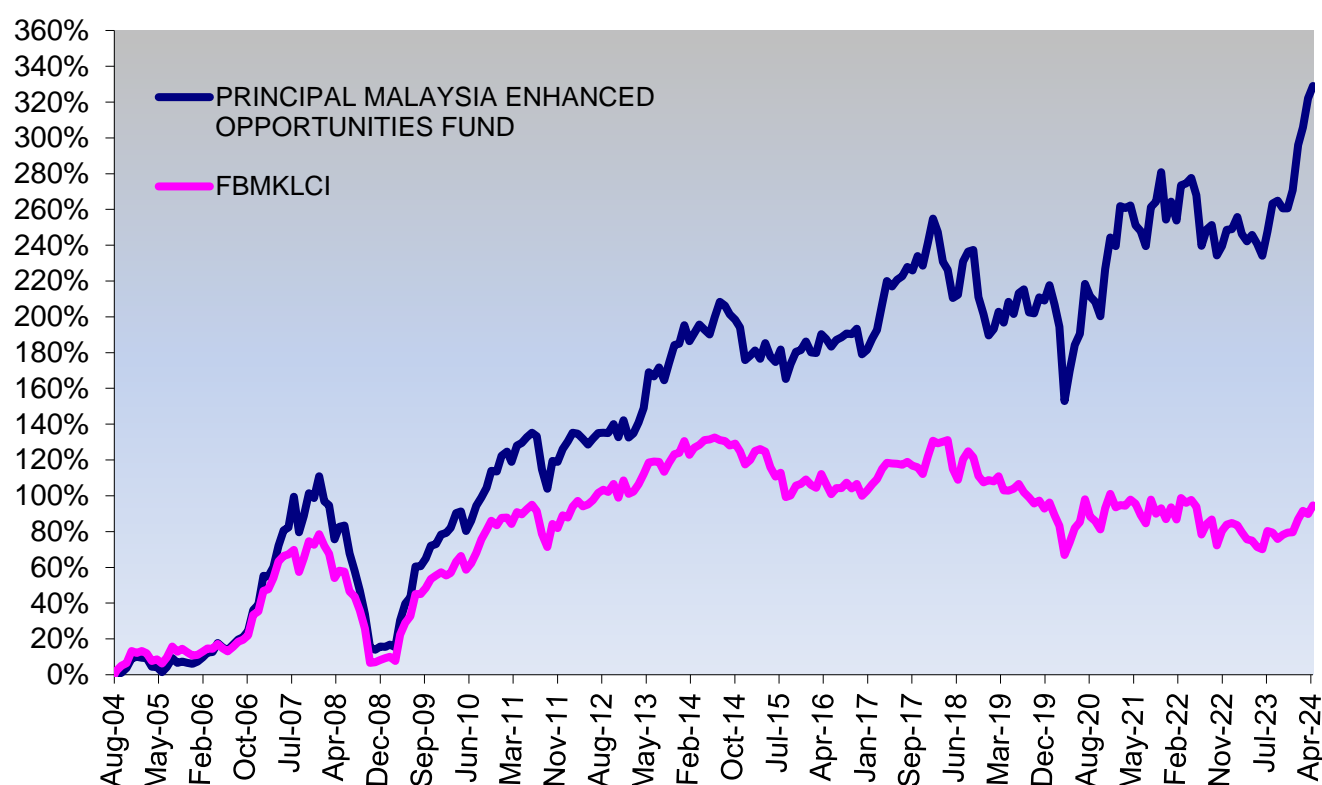
FBMKLCI gained 2.6% in April 2024 with the Index settling at a two-year high. Local investors remain upbeat despite bets on rate cuts by the Fed pushed back given the persistent strong economic data out of the US and sticky inflation. The run-up was relatively broad-based but Utilities, Industrial (mainly PMAH), Healthcare and Transport led gains while Energy eased. Within the broader market, Property and Consumer did well.

FUND PERFORMANCE

	1 year to 30.04.2024	3 years to 30.04.2024	5 years to 30.04.2024	Since inception to 30.04.2024
	%	%	%	%
Income Distribution	4.88	14.49	24.10	168.55
Capital Growth	18.30	3.43	12.07	59.74
Total Return	24.07	18.42	39.09	328.99
Benchmark	11.30	(1.60)	(4.04)	94.67
Average Total Return	24.07	5.79	6.81	7.67

For the financial year under review, the Fund registered a return of 24.07%, while the benchmark gained 11.3%. As such, the Fund outperformed its benchmark by 12.77%.

Since inception



Changes in NAV

	30.04.2024	30.04.2023	Changes %
NAV (RM Million)	78.59	59.95	31.09
NAV/Unit (RM)	0.7500	0.6340	18.30

The NAV per unit increased by 18.30% due to positive fund performance while NAV increased by 31.09% due fund injection and positive fund performance during the financial year under review.

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)	30.04.2024	30.04.2023
Collective investment schemes	1.18	-
Quoted securities	84.34	80.32
Cash and other net assets	17.11	19.91
Liabilities	(2.63)	(0.23)
TOTAL	100.00	100.00

Asset allocation was increased from 80.32% as at 30 April 2023 to 84.34% as at 30 April as we turned more constructive on the market during the financial year under review.

MARKET OUTLOOK*

Malaysia's manufacturing sector improved in April 2024 with the Purchasing Managers' Index ("PMI") reading at 49.0pts vs 48.4pts in March 2024. Standard & Poor's ("S&P") Global saw evidence of demand conditions moving on an upward trajectory given the softer moderations in production, new business and purchasing, coupled with renewed expansion in new export sales to the strongest level in 3 years. That said, business confidence waned and are growingly unsure regarding the timing and speed of demand recovery citing concerns on the global economy. Higher raw material prices and currency weakness added to firms' input costs and output charges. The latest PMI data still supports a modest improvement in official statistic. To recap, Bank Negara Malaysia ("BNM") projects Gross Domestic Product ("GDP") to grow 4% - 5% in 2024, from an estimate of 3.8% in 2023.

We expect BNM to maintain Overnight policy rate ("OPR") at 3.00% in the upcoming Monetary Policy Committee ("MPC") meeting, and we expect it to remain unchanged for the rest of the year given muted inflation and modest economic growth. Inflation stayed at 1.8% in March 2024, similar to February 2024. There appears to be sufficient headroom to central bank's latest 2.0% - 3.5% Consumer Price Index ("CPI") forecast for 2024 with the impending subsidy rationalization plans.

Malaysia's equity market valuation still remains extremely compressed despite the run-up, with forward Price earning ("PE") of 13.6times which is still over one standard deviation ("1SD") below the historical mean. This is based on consensus earnings growth of 9% for 2024 and 6% for 2025. More clarity on the new Government's policy posture, in our view, should reduce the current extreme risk premiums applied to the market (yield gap of ~340 basis points ("bps")). We are also hopeful that the newly launched National Energy Transition Roadmap ("NETR") by the government would revitalize domestic investment and buoy consumption.

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

INVESTMENT STRATEGY

We remain constructive on sectors that stand to gain from the NETR, including Utilities, Construction, and Property. Additionally, we are optimistic on selective Technology due to the ongoing structural growth trends in the sector. We are also selectively optimistic about Financials. Key risks are the derailment of Malaysia's macroeconomic recovery and corporate earnings growth due to the larger-than-expected impact of rising inflation, slower global economic growth, and heightened geopolitical risks.

SOFT COMMISSIONS AND REBATES

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

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

During the financial year review, the Manager and Trustee did not receive any rebates from the brokers or dealers but the Manager has retained soft commission in the form of goods and services for the benefit of the fund such as financial wire services and stock quotations system incidental to investment management of the Funds and there was no churning of trades.

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIR OF THE FUND

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

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

There were no circumstances that had materially affected the interest of the unit holders during the financial 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 have been carried out during the financial year under review.

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

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 8 to 35 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 April 2024 and of its financial performance, changes in net assets attributable to unit holders 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 Manager

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

MUNIRAH KHAIRUDDIN

Country Head and Chief Executive Officer, Malaysia
Non-Independent Executive Director

UDAY JAYARAM

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

Kuala Lumpur
14 June 2024

TRUSTEE'S REPORT

To the unit holders of **PRINCIPAL MALAYSIA ENHANCED OPPORTUNITIES FUND** ("Fund"),

We have acted as Trustee of the fund for the financial period from 1 May 2023 to 3 December 2023 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 year covered by these financial statements in accordance with the following:

- a) Limitations imposed on the Investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Fund;
- 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.

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

For **AMANAHRAYA TRUSTEES BERHAD**

ZAINUDIN BIN SUHAIMI
Chief Executive Officer

Kuala Lumpur, Malaysia
13 June 2024

TRUSTEE'S REPORT

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

We have acted as Trustee of the Fund for the financial period from 4 December 2023 to 30 April 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquires, Principal Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the following:-

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

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
13 June 2024

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL MALAYSIA ENHANCED OPPORTUNITIES FUND**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Principal Malaysia Enhanced Opportunities Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 30 April 2024, and statement of comprehensive income, statement of changes in net assets attributable to unit holders 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 35.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 April 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 UNIT HOLDERS OF
PRINCIPAL MALAYSIA ENHANCED OPPORTUNITIES FUND (cont'd.)**

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

Information other than the financial statements and auditors' report thereon

The Manager of the Fund (the "Manager") 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 Manager and the Trustee for the financial statements

The Manager is responsible for the preparation of 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 Manager is also responsible for such internal control as the Manager 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 Manager 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 Manager 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 Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL MALAYSIA ENHANCED OPPORTUNITIES FUND (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 Manager.
- Conclude on the appropriateness of the Manager'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 Manager 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 UNIT HOLDERS OF
PRINCIPAL MALAYSIA ENHANCED OPPORTUNITIES FUND (cont'd.)**

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

Other matters

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds 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. 03013/10/2024 J
Chartered Accountant

Kuala Lumpur, Malaysia
14 June 2024

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

	Note	2024 RM	2023 RM
INCOME/(LOSS)			
Dividend income		1,629,276	1,845,904
Interest income from deposits with licensed financial institutions		114,168	148,678
Net gain/(loss) on financial assets at fair value through profit or loss	8	14,104,572	(4,748,356)
Net foreign exchange loss		(12,191)	-
		<u>15,835,825</u>	<u>(2,753,774)</u>
EXPENSES			
Management fee	4	958,860	823,356
Trustee fee	5	34,214	32,934
Transaction costs		594,621	238,205
Audit fee		9,400	10,343
Tax agent's fee		5,158	9,400
Other expenses		17,349	8,309
		<u>1,619,602</u>	<u>1,122,547</u>
PROFIT/(LOSS) BEFORE TAXATION		14,216,223	(3,876,321)
Taxation	7	-	-
PROFIT/(LOSS) AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		<u>14,216,223</u>	<u>(3,876,321)</u>
Profit/(loss) after taxation is made up as follows:			
Realised amount		23,989,971	(6,193,126)
Unrealised amount		(9,773,748)	2,316,805
		<u>14,216,223</u>	<u>(3,876,321)</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2024**

	Note	2024 RM	2023 RM
ASSETS			
Cash and cash equivalents	9	5,232,062	11,787,258
Financial assets at fair value through profit or loss	8	67,209,832	48,153,811
Amount due from stockbrokers		2,878,826	-
Amount due from Manager		5,301,575	65,309
Amount due from Manager of collective investment schemes			
- Management Fee Rebate		2,467	-
Dividends receivables		<u>28,240</u>	<u>84,445</u>
TOTAL ASSETS		<u>80,653,002</u>	<u>60,090,823</u>
LIABILITIES			
Amount due to stockbrokers		1,897,180	-
Amount due to Manager		55,027	42,850
Accrued management fee		88,504	75,074
Amount due to Trustee		2,655	3,003
Other payables and accruals		<u>23,800</u>	<u>18,800</u>
TOTAL LIABILITIES		<u>2,067,166</u>	<u>139,727</u>
NET ASSET VALUE OF THE FUND		<u>78,585,836</u>	<u>59,951,096</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	10	<u>78,585,836</u>	<u>59,951,096</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	11	<u>104,770,621</u>	<u>94,559,809</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.7500</u>	<u>0.6340</u>

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

	Note	2024 RM	2023 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>59,951,096</u>	<u>51,177,948</u>
Movement due to units created and cancelled during the financial year:			
- Creation of units from applications		14,268,931	17,146,912
- Creation of units from distribution		2,682,148	2,039,968
- Cancellation of units		<u>(9,827,480)</u>	<u>(4,477,713)</u>
		<u>7,123,599</u>	<u>14,709,167</u>
Total comprehensive income/(loss) for the financial year		14,216,223	(3,876,321)
Distribution	6	<u>(2,705,082)</u>	<u>(2,059,698)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	10	<u>78,585,836</u>	<u>59,951,096</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 30 APRIL 2024**

	Note	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of quoted securities		80,474,983	32,642,796
Purchase of quoted securities		(87,006,857)	(38,763,485)
Interest income received from deposits with licensed financial institutions		114,168	148,678
Dividend income received		1,681,984	1,885,346
Management fee paid		(945,430)	(811,398)
Management fee rebate paid		1,691	-
Trustee fees paid		(34,562)	(32,456)
Payments for other fees and expenses		(24,412)	(23,654)
Payment on foreign exchange loss		(11,190)	-
Net cash used in operating activities		<u>(5,749,625)</u>	<u>(4,954,173)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		9,032,665	17,118,335
Payments for cancellation of units		(9,815,303)	(4,487,457)
Distribution paid		(22,933)	(19,730)
Net cash (used in)/generated from financing activities		<u>(805,571)</u>	<u>12,611,148</u>
Net (decrease)/increase in cash and cash equivalents		(6,555,196)	7,656,975
Cash and cash equivalents at the beginning of the financial year		<u>11,787,258</u>	<u>4,130,283</u>
Cash and cash equivalents at the end of the financial year	9	<u>5,232,062</u>	<u>11,787,258</u>
<u>Cash and cash equivalents comprised of:</u>			
Deposits with licensed financial institutions		3,859,317	11,767,109
Bank balances		<u>1,372,745</u>	<u>20,149</u>
Cash and cash equivalents at the end of the financial year	9	<u>5,232,062</u>	<u>11,787,258</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 30 APRIL 2024**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal Malaysia Enhanced Opportunities Fund (the “Fund”) is governed by a Principal Master Deed dated 15 May 2008, a Thirteenth Supplemental Master Deed dated 23 February 2012, a Seventeenth Supplemental Master Deed dated 25 March 2015, a Nineteenth Supplemental Master Deed dated 11 May 2016 and a Twentieth Supplemental Master Deed dated 21 October 2019, Twenty First Supplemental Master Deed dated 4th December 2019, a Twenty Second Supplemental Master Deed dated 7th May 2021 and a Twenty Third Supplemental Master Deed dated 27th June 2022 (collectively referred to as the “Deeds”) made between Principal Asset Management Berhad (the “Manager”) and AmanahRaya Trustees Berhad (the “Previous Trustee”) and a Twentyfourth Supplemental Master Deed dated 13 January 2023 (collectively referred to as the “Deeds”) made between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”) and the registered unit holders of the Fund.

The Fund may invest between 70% to 98% (both inclusive) of its NAV in equities and other equity related securities. The Fund may also invest up to 28% of its NAV in other permissible investments. In line with its objective, the investment policy and strategy of the Fund will focus on investment in shares of companies with growth potential and listed on the main market. The Fund may opt to seek investment exposure via CIS that is in line with the Fund’s objective, subject to the requirement of the GUTF. Liquid assets may also be strategically used if we perceive that the downside risk of the market is high in the short-term. With effect from 10 July 2023, the Fund may invest up to 25% of its NAV in companies that are listed in any Eligible Market globally with some operations or businesses in Malaysia to capture growth opportunities.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund’s NAV in equities;
- up to 30% of the Fund’s NAV in warrants and options; and
- minimum of 2% of the Fund’s NAV in liquid assets

All investments are subject to the GUTF, SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

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

2. MATERIAL ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements have been prepared in accordance with the provisions of the MFRS as issued by the Malaysian Accounting Standards Board (“MASB”) and IFRS as issued by the International Accounting Standards Board (“IASB”).

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**(a) Basis of preparation (continued)**

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

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

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

There are no other standards, amendments to standards or interpretations that are effective for financial year beginning on 1 May 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 May 2024 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 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 at fair value through other comprehensive income ("OCI").

The Fund classifies cash and cash equivalents, amount due from stockbrokers, amount due from Manager and dividends receivables 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. Transaction costs are expensed in the statement of comprehensive income.

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.

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

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.

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

If a valuation based on the market price does not represent the fair value of the quoted securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted securities are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation. Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest method over the period from the date of placement to the date of maturity of the respective deposits.

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective interest rate method.

Impairment for assets carried at amortised costs

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial year.

(c) Income recognition

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

Interest income from deposits with licensed financial institutions is recognised on a time proportionate basis using the effective interest rate method on an accrual basis.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Realised gain or loss on disposal of quoted securities are accounted for as the difference between the net disposal proceeds and the carrying amount of 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 Ringgit Malaysia ("MYR" and "RM"), which is the Fund's functional and presentation currency.

(e) Cash and cash equivalents

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

(f) Taxation

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

Withholding taxes on investment income from investment is based on tax regime of the respective countries that the Fund invests in. They are presented within other expenses line in the statement of comprehensive income.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Transaction costs

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

(h) Amount due from/(to) stockbrokers

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

(i) Distribution

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

(j) Unit holders' contributions

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

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

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

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

(k) 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 GUTF.

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

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

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(I) Critical accounting estimates and judgements in applying accounting policies (continued)

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the GUTF.

However, the Manager is of the opinion that in applying this accounting policy, 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 9)	-	5,232,062	5,232,062
Quoted securities (Note 8)	67,209,832	-	67,209,832
Amount due from stockbroker	-	2,878,826	2,878,826
Amount due from Manager	-	5,301,575	5,301,575
Amount due from Manager of Collective investment schemes			
- Management Fee Rebate	-	2,467	2,467
Dividends receivables	-	28,240	28,240
	67,209,832	13,443,170	80,653,002
2023			
Cash and cash equivalents (Note 9)	-	11,787,258	11,787,258
Quoted securities (Note 8)	48,153,811	-	48,153,811
Amount due from Manager	-	65,309	65,309
Dividends receivables	-	84,445	84,445
	48,153,811	11,937,012	60,090,823

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

The investment objective of the Fund is to provide investors with long-term capital growth by investing principally in equities. The Fund also seeks to outperform the FBMKLCI benchmark.

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

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated in the Deeds and GUTF.

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

(a) Market risk

(i) Price risk

This is the risk that the fair value of an investment in quoted securities will fluctuate because of changes in market prices (other than those arising from interest rate risk). The value of quoted securities may fluctuate according to the activities of individual companies, sector and overall political and economic conditions. Such fluctuation may cause the Fund's NAV and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.

The price risk is managed through diversification and selection of quoted securities and other financial instruments within specified limits according to the Deeds.

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

	2024 RM	2023 RM
Financial assets at fair value through profit or loss:		
- Collective investment schemes	924,395	-
- Quoted securities	66,285,437	48,153,811
	<u>67,209,832</u>	<u>48,153,811</u>

The table below summaries the sensitivity of the Fund's profit or loss and NAV to movements in prices of quoted securities at the end of each reporting year. The analysis is based on the assumptions that the price of the quoted securities fluctuates by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities, having regard to the historical volatility of the prices.

% Change in price of quoted securities	Market value RM	Impact on profit or loss/NAV RM
2024		
-5%	63,849,340	(3,360,492)
0%	67,209,832	-
5%	<u>70,570,324</u>	<u>3,360,492</u>
2023		
-5%	45,746,120	(2,407,691)
0%	48,153,811	-
5%	<u>50,561,502</u>	<u>2,407,691</u>

(ii) Interest rate risk

Interest rate is a general economic indicator that will have an impact on the management of the Fund.

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

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

(a) Market risk (continued)

(ii) Interest rate risk (continued)

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

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

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

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

The Fund's exposure to interest rate risk associated with deposits with licensed financial institutions is expected to be minimal as the deposits are held on short-term basis. The weighted average effective interest rate per annum was as follows:

	2024	2023
	%	%
Deposits with licensed financial institutions	3.00	2.73

(b) Credit risk

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

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

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

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

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:

	Cash and cash equivalents RM	Amount due from stock-brokers RM	Amount due from Manager RM	Amount due from Manager of CIS – management fee rebate	Dividends receivables RM	Total RM
2024						
- AAA	5,232,062	-	-	-	-	5,232,062
- Not Rated	-	2,878,826	5,301,575	2,467	28,240	8,211,108
	<u>5,232,062</u>	<u>2,878,826</u>	<u>5,301,575</u>	<u>2,467</u>	<u>28,240</u>	<u>13,443,170</u>
2023						
- AAA	11,787,258	-	-	-	-	11,787,258
- Not Rated	-	-	65,309	-	84,445	149,754
	<u>11,787,258</u>	<u>-</u>	<u>65,309</u>	<u>-</u>	<u>84,445</u>	<u>11,937,012</u>

Deposits with licensed financial institutions of the Fund have an average remaining maturity of 2 days (2023: 3 days).

(c) Liquidity risk

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

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances and deposits with licensed financial institutions, which are capable of being converted into cash within 7 business days. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

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

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
2024			
Amount due to stockbrokers	1,897,180	-	1,897,180
Amount due to Manager	55,027	-	55,027
Accrued management fee	88,504	-	88,504
Amount due to Trustee	2,655	-	2,655
Other payables and accruals	-	23,800	23,800
Contractual undiscounted cash flows	2,043,366	23,800	2,067,166
2023			
Amount due to Manager	42,850	-	42,850
Accrued management fee	75,074	-	75,074
Amount due to Trustee	3,003	-	3,003
Other payables and accruals	-	18,800	18,800
Contractual undiscounted cash flows	120,927	18,800	139,727

(d) Capital risk management

The capital of the Fund is represented by equity consisting of net assets attributable to unit holders RM78,585,836 (2023: RM59,951,096). The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

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

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

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

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

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

(e) Fair value estimation (continued)

(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				
- Collective investment schemes	924,395			924,395
- Quoted securities	<u>66,285,437</u>	<u>-</u>	<u>-</u>	<u>66,285,437</u>
	<u>67,209,832</u>			<u>67,209,832</u>
2023				
Financial assets at fair value through profit or loss				
- Quoted securities	<u>48,153,811</u>	<u>-</u>	<u>-</u>	<u>48,153,811</u>

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed quoted equities. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

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

4. MANAGEMENT FEE

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

For the financial year ended 30 April 2024, the management fee was recognised at a rate of 1.50% per annum (2023: 1.50% per annum).

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

5. TRUSTEE FEE

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.06% per annum, calculated daily based on the NAV of the Fund.

For the financial period from 1 May 2023 to 3 December 2023, the Trustee fee is recognised at the rate of 0.06%. Effective 4 December 2023, the Trustee fee is recognised at the rate of 0.045% per annum (2023: 0.06% per annum).

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

6. DISTRIBUTION

Breakdown of distribution were as follows:

Source of distribution	2024		2023	
	RM	%	RM	%
Distribution out of current year's income	2,705,082	100.00	2,059,698	100.00
Distribution out of prior year's income/capital	-	-	-	-
Total	2,705,082	100.00	2,059,698	100.00

	2024	2023
	RM	RM
Gross/Net distribution per unit (sen)		
Distribution on 26 June 2023	2.85	-
Distribution on 29 June 2022	-	2.90

6. DISTRIBUTION (CONTINUED)

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

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

There were unrealised losses during the financial period ended 30 April 2024 RM9,773,748 (2023: Nil).

7. TAXATION

	2024	2023
	RM	RM
Tax charged for the financial year:	<u>-</u>	<u>-</u>

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

	2024	2023
	RM	RM
Profit/(loss) before taxation	<u>14,216,223</u>	<u>(3,876,321)</u>
Taxation at Malaysian statutory rate of 24% (2023:24%)	3,411,894	(930,317)
Tax effects of:		
- (Investment income not subject to tax)/loss not deductible for tax purpose	(3,800,597)	660,905
- Expenses not deductible for tax purposes	155,319	68,563
- Restriction on tax deductible expenses for Unit Trust Funds	<u>233,384</u>	<u>200,849</u>
Taxation	<u>-</u>	<u>-</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	RM	RM
At fair value through profit or loss:		
- Collective investment schemes	924,395	-
- Quoted securities	<u>66,285,437</u>	<u>48,153,811</u>
	<u>67,209,832</u>	<u>48,153,811</u>
Net gain/(loss) on financial assets at fair value through profit or loss;		
- Realised gain/(loss) on disposals	4,298,097	(2,431,551)
- Unrealised fair value gain/(loss)	9,802,317	(2,316,805)
- Management Fee Rebate	4,158	-
	<u>14,104,572</u>	<u>(4,748,356)</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2024				
COLLECTIVE INVESTMENT SCHEME				
IRELAND				
Principal Islamic ASEAN Equity Fund	<u>19,694</u>	<u>925,589</u>	<u>924,395</u>	<u>1.18</u>
TOTAL COLLECTIVE INVESTMENT SCHEME	<u>19,694</u>	<u>925,589</u>	<u>924,395</u>	<u>1.18</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(1,194)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>924,395</u>		
QUOTED SECURITIES - FOREIGN				
UNITED KINGDOM				
Information Technology				
Samsung Electronics Co. Ltd	<u>51</u>	<u>334,537</u>	<u>342,767</u>	<u>0.44</u>
TOTAL UNITED KINGDOM	<u>51</u>	<u>334,537</u>	<u>342,767</u>	<u>0.44</u>
UNITED STATES				
Information Technology				
Nvidia Corp	218	933,753	898,460	1.14
Taiwan Semiconductor Manufacturing	<u>1,302</u>	<u>872,015</u>	<u>852,956</u>	<u>1.09</u>
	<u>1,520</u>	<u>1,805,768</u>	<u>1,751,416</u>	<u>2.23</u>
TOTAL UNITED STATES	<u>1,520</u>	<u>1,805,768</u>	<u>1,751,416</u>	<u>2.23</u>

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

Name of counter	Quantity Units	Aggregate Cost RM	Market Value RM	Percentage of NAV %
2024 (CONTINUED)				
QUOTED SECURITIES				
- LOCAL				
MALAYSIA				
Communication Services				
Axiata Group Bhd	281,500	732,686	796,645	1.01
Consumer Discretionary				
RGB International Bhd	4,030,300	1,453,525	1,632,272	2.08
SMRT Holdings Bhd	724,900	684,986	616,165	0.78
	4,755,200	2,138,511	2,248,437	2.86
Energy				
Dayang Enterprise Holding Bhd	889,500	1,453,621	2,321,595	2.95
Dialog Group Bhd	624,400	1,267,071	1,504,804	1.91
Perdana Petroleum Bhd	497,500	154,225	156,713	0.20
Wah Seong Corporation Bhd	176,500	182,985	255,925	0.33
Yinson Holdings Bhd	468,960	1,126,559	1,148,952	1.46
Yinson Holdings Bhd - Warrant	1,227,582	559,923	417,378	0.53
	3,884,442	4,744,384	5,805,367	7.39
Financials				
Alliance Bank Malaysia Bhd	187,300	715,486	715,486	0.91
CIMB Group Holdings Bhd	584,163	2,999,212	3,861,317	4.91
Malayan Banking Bhd	342,800	3,072,537	3,335,444	4.24
Public Bank Bhd	1,176,300	4,865,048	4,846,356	6.17
	2,290,563	11,652,283	12,758,603	16.24
Health Care				
Alpha IVF Group Bhd	2,672,900	855,328	868,692	1.11
Hartalega Holding Bhd	467,200	1,004,340	1,308,160	1.66
Kossan Rubber Industries	333,400	699,291	733,480	0.93
	3,473,500	2,558,959	2,910,332	3.70
Industrials				
Cape EMS Bhd	1,530,600	1,684,077	1,454,070	1.85
Econpile Holdings Bhd	2,090,800	640,063	1,003,584	1.28
Frontken Corporation Bhd	290,600	1,057,695	1,144,964	1.46
Gamuda Bhd	300,898	1,252,403	1,597,768	2.03

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

Name of counter	Quantity Units	Aggregate Cost RM	Market Value RM	Percentage of NAV %
2024 (CONTINUED)				
QUOTED SECURITIES				
- LOCAL				
(CONTINUED)				
MALAYSIA				
(CONTINUED)				
Industrials (continued)				
Greatech Technology Bhd	261,200	1,201,337	1,175,400	1.50
HSS Engineers Bhd	457,900	500,778	451,032	0.57
IJM Corporation Bhd	596,600	1,117,574	1,443,772	1.84
Iskandar Waterfront City Bhd	1,280,900	967,263	960,675	1.22
ITMAX System Bhd	641,200	1,425,536	1,442,700	1.84
Keyfield International Bhd	833,800	1,470,618	1,509,178	1.92
Malaysia Airports Holding Bhd	374,500	2,560,168	3,745,000	4.77
Malaysian Resources Corporation Bhd	1,227,800	706,702	822,626	1.05
MISC Bhd	91,500	729,840	728,340	0.93
Solarvest Holdings	761,700	1,169,629	1,173,018	1.49
Sunway Construction Group Bhd	444,800	1,257,947	1,347,744	1.71
	<u>11,184,798</u>	<u>17,741,630</u>	<u>19,999,871</u>	<u>25.45</u>
Information Technology				
Genetec Technology Bhd	1,073,700	2,652,614	2,061,504	2.62
LGMS Bhd	776,700	799,302	939,807	1.20
Nationgate Holdings Bhd	450,800	716,315	784,392	1.00
Oppstar Bhd	608,300	1,116,916	882,035	1.12
Scicom MSC Bhd	201,600	228,812	217,728	0.28
	<u>3,111,100</u>	<u>5,513,959</u>	<u>4,885,466</u>	<u>6.22</u>
Materials				
Ancom Nylex Bhd	359,495	377,482	370,280	0.47
Real Estate				
Eastern and Oriental Bhd	1,410,300	901,080	1,438,506	1.83
SP Setia Bhd	1,240,800	1,755,433	1,811,568	2.31
Sunway Bhd	733,700	2,328,745	2,582,624	3.29
Sunway Bhd - WB 03/10/2024	85,500	160,697	182,970	0.23

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

Name of counter	Quantity Units	Aggregate Cost RM	Market Value RM	Percentage of NAV %
2024 (CONTINUED)				
QUOTED SECURITIES				
- LOCAL				
(CONTINUED)				
MALAYSIA				
(CONTINUED)				
Real Estate				
(continued)				
UEM Sunrise Bhd	1,275,900	903,962	1,365,213	1.74
	<u>4,746,200</u>	<u>6,049,917</u>	<u>7,380,881</u>	<u>9.39</u>
Utilities				
Tenaga Nasional Bhd	314,200	3,005,918	3,757,832	4.78
YTL Corp Bhd	424,400	593,037	1,315,640	1.67
YTL Power International Bhd	426,500	541,787	1,961,900	2.50
	<u>1,165,100</u>	<u>4,140,742</u>	<u>7,035,372</u>	<u>8.95</u>
TOTAL QUOTED SECURITIES	<u>35,253,469</u>	<u>57,790,858</u>	<u>66,285,437</u>	<u>84.34</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>8,494,579</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>66,285,437</u>		
2023				
QUOTED SECURITIES				
Construction				
Gamuda Bhd	146,728	551,508	608,921	1.02
Consumer Products & Services				
Genting Bhd	516,600	2,307,595	2,428,020	4.05
Genting Malaysia Bhd	1,059,500	3,778,503	2,871,245	4.79
Karex Bhd	1,690,200	1,369,507	1,073,277	1.79
Sime Darby Bhd	536,400	1,295,418	1,163,988	1.94
	<u>3,802,700</u>	<u>8,751,023</u>	<u>7,536,530</u>	<u>12.57</u>

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

Name of counter	Quantity Units	Aggregate Cost RM	Market Value RM	Percentage of NAV %
2023 (CONTINUED)				
QUOTED				
SECURITIES				
(CONTINUED)				
Energy				
Bumi Armada Bhd	2,620,400	1,513,035	1,755,668	2.93
Dayang Enterprise Holdings Bhd	1,654,400	2,459,194	2,183,808	3.64
Hibiscus Petroleum Bhd	2,820,500	3,119,845	2,876,910	4.80
Yinson Holdings Bhd	430,360	1,000,694	1,127,543	1.88
Yinson Holdings Bhd - Warrant	956,682	427,182	569,226	0.95
	<u>8,482,342</u>	<u>8,519,950</u>	<u>8,513,155</u>	<u>14.20</u>
Financial Services				
Alliance Bank Bhd	479,300	1,710,031	1,596,069	2.66
AMMB Holding Bhd	142,800	600,203	515,508	0.86
CIMB Group Holdings Bhd	963,063	4,732,534	4,873,099	8.13
Hong Leong Bank Bhd	43,800	800,197	882,132	1.47
RHB Bank Bhd	283,400	1,520,209	1,553,032	2.59
	1,912,363	9,363,174	9,419,840	15.71
Health Care				
Hartalega Holdings Bhd	2,030,500	3,750,001	3,817,340	6.37
Kossan Rubber Industry Top Glove Corporation Bhd	250,900	312,421	313,625	0.52
	574,400	577,846	562,912	0.94
	<u>2,855,800</u>	<u>4,640,268</u>	<u>4,693,877</u>	<u>7.83</u>
Industrial Products & Services				
Press Metal Aluminium Holding Bhd	455,600	2,122,281	2,346,340	3.91
Solarvest Holdings Bhd	1,436,900	1,452,308	1,300,395	2.17
	<u>1,892,500</u>	<u>3,574,589</u>	<u>3,646,735</u>	<u>6.08</u>
Plantation				
IOI Corporation Bhd	159,400	699,944	608,908	1.02
Kuala Lumpur Kepong Bhd	43,200	1,024,633	928,800	1.55
	<u>202,600</u>	<u>1,724,577</u>	<u>1,537,708</u>	<u>2.57</u>
Technology				
Frontken Corporation Bhd	237,500	877,906	722,000	1.20
Genetec Technology Bhd	1,399,000	3,456,280	3,959,170	6.60
My EG Services Bhd	2,410,200	2,325,274	1,904,058	3.18
	<u>4,046,700</u>	<u>6,659,460</u>	<u>6,585,228</u>	<u>10.98</u>

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

Name of counter	Quantity Units	Aggregate Cost RM	Market Value RM	Percentage of NAV %
2023 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
Telecommunications/ Media				
Telekom Malaysia Bhd	267,200	1,492,850	1,325,312	2.21
Transportation/ Logistics				
Malaysia Airports Holding Bhd	347,700	2,305,372	2,451,285	4.09
MISC Bhd - Local	251,400	1,883,701	1,835,220	3.06
	599,100	4,189,073	4,286,505	7.15
TOTAL QUOTED SECURITIES	24,208,033	49,466,472	48,153,811	80.32
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		(1,312,661)		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		48,153,811		

9. CASH AND CASH EQUIVALENTS

	2024 RM	2023 RM
Deposits with licensed financial institutions	3,859,317	11,767,109
Bank balance	1,372,745	20,149
	5,232,062	11,787,258

10. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

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

	2024 RM	2023 RM
Unit holders' contributions	12,843,827	5,720,228
Retained earnings	65,742,009	54,230,868
	78,585,836	59,951,096

10. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS (CONTINUED)

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

	Unit holders' contributions RM	Retained earnings RM	Total RM
Balance as at 1 May 2023	5,720,228	54,230,868	59,951,096
Movements in unit holders' contributions:			
- Creation of units from applications	14,268,931	-	14,268,931
- Creation of units from distribution	2,682,148	-	2,682,148
- Cancellation of units	(9,827,480)	-	(9,827,480)
Total comprehensive loss for the financial year	-	14,216,223	14,216,223
Distribution	-	(2,705,082)	(2,705,082)
Balance as at 30 April 2024	<u>12,843,827</u>	<u>65,742,009</u>	<u>78,585,836</u>
Balance as at 1 May 2022	(8,988,939)	60,166,887	51,177,948
Movements in unit holders' contributions:			
- Creation of units from applications	17,146,912	-	17,146,912
- Creation of units from distribution	2,039,968	-	2,039,968
- Cancellation of units	(4,477,713)	-	(4,477,713)
Total comprehensive income for the financial year	-	(3,876,321)	(3,876,321)
Distribution	-	(2,059,698)	(2,059,698)
Balance as at 30 April 2023	<u>5,720,228</u>	<u>54,230,868</u>	<u>59,951,096</u>

11. NUMBER OF UNITS IN CIRCULATION (UNITS)

	<u>2024</u>	<u>2023</u>
	No. of units	No. of units
At the beginning of the financial year	94,559,809	70,640,444
Add: Creation of units from applications	20,621,888	27,638,300
Add: Creation of units from distribution	4,593,506	3,264,992
Less: Cancellation of units	(15,004,582)	(6,983,927)
At the end of the financial year	<u>104,770,621</u>	<u>94,559,809</u>

12. TOTAL EXPENSE RATIO ("TER")

	<u>2024</u>	<u>2023</u>
	%	%
TER	<u>1.59</u>	<u>1.61</u>

12. TOTAL EXPENSE RATIO (“TER”) (CONTINUED)

TER is derived based on the following calculation:

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

A	=	Management fee (excluded rebate)
B	=	Trustee fee
C	=	Audit fee
D	=	Tax Agent’s fee
E	=	Other expenses excluding Central Depository System (“CDS”) transfer fee and withholding tax
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 RM63,774,857 (2023: RM54,974,023).

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	2024	2023
PTR (times)	1.35	0.63

PTR is 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	=	RM88,598,414 (2023: RM37,326,285)
total disposal for the financial year	=	RM83,646,532 (2023: RM32,206,347)

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

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

<u>Related parties</u>	<u>Relationship</u>
Principal Asset Management Berhad	The Manager
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the Manager
Principal International (Asia) Ltd	Shareholder of the Manager
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the Manager
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the Manager
CIMB Bank Bhd	Fellow related party to the Manager
CIMB Islamic Bank Bhd	Fellow related party to the Manager

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

<u>Related parties</u>	<u>Relationship</u>
CGS-CIMB Securities Sdn Bhd	Fellow related party to the Manager
CIMB Group Sdn Bhd	Shareholder of the Manager
Subsidiaries and associates of Principal Financial Group Incorporation, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the Manager

Units held by the Manager and parties related to the Manager

	<u>2024</u>		<u>2023</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
Manager				
Principal Asset Management Berhad	<u>3,592</u>	<u>2,694</u>	<u>3,545</u>	<u>2,248</u>

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

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

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

	<u>2024</u>	<u>2023</u>
	<u>RM</u>	<u>RM</u>
<u>Significant related party transactions</u>		
Dividend income;		
- CIMB Group Holdings Bhd	<u>233,800</u>	<u>125,198</u>
Interest income from deposits with licensed financial institutions:		
- CIMB Islamic Bank Bhd	<u>-</u>	<u>25,654</u>
<u>Significant related party balances</u>		
Deposits with licensed financial institution:		
- CIMB Islamic Bank Bhd	<u>-</u>	<u>221,875</u>
Bank balance:		
- CIMB Islamic Bank Bhd	<u>-</u>	<u>20,149</u>
Financial assets at fair value through profit or loss:		
- CIMB Group Holdings Bhd	<u>3,861,317</u>	<u>4,873,099</u>

15. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with top 10 brokers/dealers for the financial year ended 30 April 2024 were as follows:

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
RHB Investment Bank Bhd	31,513,535	18.57	71,361	18.70
CLSA Securities M Sdn Bhd	22,963,945	13.53	51,558	13.51
Macquarie Capital Securities (M) Sdn Bhd	20,925,948	12.33	46,578	12.20
Nomura Securities Malaysia Sdn Bhd	14,989,336	8.83	33,726	8.84
Affin Hwang Investment Bank Bhd	14,504,391	8.54	32,712	8.57
Maybank Investment Bank Bhd	13,407,708	7.90	28,144	7.37
CGS-CIMB Securities Sdn Bhd #	13,372,899	7.88	30,106	7.89
UBS Securities M Sdn Bhd	13,097,909	7.72	28,205	7.39
J.P. Morgan Securities (M) Sdn Bhd	6,783,288	4.00	12,843	3.37
Citigroup Global Markets M Sdn Bhd	5,312,502	3.13	10,840	2.84
Others	12,874,997	7.57	35,592	9.32
	<u>169,746,458</u>	<u>100.00</u>	<u>381,665</u>	<u>100.00</u>

Details of transactions with top 10 brokers/dealers for the financial year ended 30 April 2023 were as follows:

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
CLSA Securities M Sdn Bhd	14,298,064	20.57	31,655	22.05
J.P. Morgan Securities (M) Sdn Bhd	10,888,456	15.66	21,257	14.81
Macquarie Capital Securities (M) Sdn Bhd	9,563,433	13.76	20,812	14.50
CGS-CIMB Securities Sdn Bhd #	7,160,966	10.30	9,595	6.68
Maybank Investment Bank Bhd	6,620,934	9.52	14,904	10.38
Credit Suisse Securities (M) Sdn Bhd	6,320,735	9.09	14,263	9.94
UBS Securities M Sdn Bhd	4,207,438	6.05	7,694	5.36
KAF Equities Sdn Bhd	2,565,959	3.69	5,779	4.03
Hong Leong Investment Bank Bhd	2,272,014	3.27	5,112	3.56
RHB Investment Bank Bhd	1,760,196	2.53	3,964	2.76
Others	3,856,055	5.56	8,493	5.93
	<u>69,514,250</u>	<u>100.00</u>	<u>143,528</u>	<u>100.00</u>

15. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

Included in the transactions are trades conducted with CGS-CIMB Securities Sdn Bhd, fellow related party of the Manager amounting to RM13,372,899 (2023: RM7,160,966). The Manager is of the opinion that all transactions with the related party have been entered into in the normal course of business at agreed terms between the related parties.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 14 June 2024.

DIRECTORY

Head Office of the Manager

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Previous Trustee for the Principal Malaysia Enhanced Opportunities Fund

AmanahRaya Trustees Berhad (Company No.: 200701008892 (766894-T))
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Trustee for the Principal Principal Malaysia Enhanced Opportunities Fund

HSBC (Malaysia) Trustee Berhad (Company No.: 193701000084 (1281-T))
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Auditors of the Fund and of the Manager

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