

PRINCIPAL PRS PLUS GROWTH
ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

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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 PRS Plus Growth for the financial year ended 31 January 2023. You may also download this report from our website at www.principal.com.my.

We are pleased to share that Principal Malaysia was accorded with the 2023 Best of the Best Performance Award for Asia Pacific Equity ex-Japan (10 Years) at the Asia Asset Management Best of the Best Awards 2023.

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

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

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

Munirah Khairuddin
Chief Executive Officer

PRS PROVIDER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund seeks to provide capital growth over the long-term by investing in a portfolio of primarily equities with some exposure in fixed income instruments.

Has the Fund achieved its objective?

For the financial year under review, the Fund did not achieve its investment objective. However, over the medium to long term, the Fund has provided capital growth over the long-term by investing in a portfolio of primarily equities with some exposure in fixed income instruments.

What are the Fund investment policy and principal investment strategy?

The Fund will invest in a portfolio of mixed assets, primarily in equities with some exposure in fixed income instruments, to provide capital growth to the Fund. The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The Fund may opt to invest in fixed income instruments and equities either directly or via collective investment schemes.

The investments by the Fund in equities which include foreign exposure may be up to 90% of the Fund's NAV and investments in local and/or foreign fixed income instruments will be at least 10% of its NAV with a minimum credit rating of "BBB3" or "P2" by RAM Ratings' ("RAM") or equivalent rating by Malaysian Rating Corporation Berhad ("MARC") or "BBB" or "A-2" by Standard and Poor's ("S&P") or equivalent rating by any other international rating agencies. Notwithstanding, the Fund may also invest up to 10% of its NAV in unrated fixed income instruments.

The asset allocation strategy for this Fund is as follows:

- At least 10% of the Fund's NAV will be invested in fixed income instruments;
- Up to 10% of the Fund's NAV may be invested in unrated fixed income instruments;
- Up to 90% of the Fund's NAV may be invested in equities; and
- Up to 5% of the Fund's NAV may be invested in liquid assets for liquidity purpose.

Fund category/type

Mixed asset

When was the Fund launched?

Name of Class	Launch Date
Class A	12 November 2012
Class C	12 November 2012
Class X	12 November 2012

What was the size of the Fund as at 31 January 2023?

RM29.82 million (43.34 million units)

What is the Fund's benchmark?

90% FTSE Bursa Malaysia Top 100 + 10% Quant shop MGS Short Index.

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

What is the Fund distribution policy?

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

FUND OBJECTIVE AND POLICY (CONTINUED)**What was the net income distribution for the financial year ended 31 January 2023?**

The Fund distributed a total net income of RM1.89 million to members for the financial year ended 31 January 2023.

The Fund's NAV per unit are as follows:

Date	NAV per unit (Before distribution) RM	NAV per unit (After distribution) RM
Distribution on 12 August 2022		
Class A	0.6847	0.6704
Class C	0.6823	0.6684
Class X	0.6849	0.6713

Breakdown of distribution were as follows:

	RM	%
Income	1,893,492	100.00
Capital	-	-
Total	1,893,492	100.00

PERFORMANCE DATA

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

	31.01.2023 %	31.01.2022 %	31.01.2021 %
Quoted securities			
- Communication Services	5.95	12.47	10.85
- Consumer Discretionary	15.26	11.70	12.06
- Consumer Staples	3.86	-	1.43
- Energy	4.22	4.19	1.68
- Financials	18.23	14.91	10.64
- Health Care	2.66	1.41	5.10
- Industrials	11.31	8.97	10.38
- Information Technology	14.88	21.06	18.16
- Materials	2.94	8.44	10.58
- Real Estate	1.89	1.09	1.38
Unquoted fixed income securities	14.94	10.93	13.89
Cash and other assets	6.04	5.99	4.01
Liabilities	(2.18)	(1.16)	(0.16)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>
NAV (RM Million)			
- Class A	17.84	37.25	38.40
- Class C	5.01	4.98	4.76
- Class X	6.96	53.11	51.04
Units in circulation (Million)			
- Class A	25.93	50.81	46.68
- Class C	7.31	6.82	5.80
- Class X	10.10	72.43	62.04

PERFORMANCE DATA (CONTINUED)

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

	31.01.2023	31.01.2022	31.01.2021
NAV per unit (RM)			
- Class A	0.6880	0.7331	0.8225
- Class C	0.6856	0.7310	0.8212
- Class X	0.6895	0.7332	0.8227
Highest NAV per unit (RM)			
- Class A	0.7624	0.8862	0.8747
- Class C	0.7603	0.8848	0.8734
- Class X	0.7625	0.8863	0.8748
Lowest NAV per unit (RM)			
- Class A	0.6214	0.7260	0.5961
- Class C	0.6192	0.7239	0.5953
- Class X	0.6229	0.7261	0.5963
Total return (%)			
- Class A	(4.14)	(8.04)	20.26
- Class C	(4.25)	(8.15)	20.16
- Class X	(4.04)	(8.04)	20.25
Capital growth (%)			
- Class A	(6.14)	(10.90)	16.94
- Class C	(6.20)	(11.01)	15.77
- Class X	(5.95)	(10.90)	15.84
Income distribution (%)			
- Class A	2.13	3.22	3.80
- Class C	2.08	3.21	3.79
- Class X	2.03	3.22	3.80
Total Expense Ratio ("TER") (%) ^	1.58	1.56	1.55
Portfolio Turnover Ratio ("PTR") (times) #	0.88	0.44	0.61

^ The Fund's TER increased from 1.56% to 1.58% due to the decrease in average NAV during the financial year under review.

The Fund's PTR rose slightly from 0.44 times to 0.88 times due to higher redemptions.

Gross/Net distribution per unit (sen)

Date of distribution	31.01.2023	31.01.2022	31.01.2021
Distribution on 12 August 2022			
- Class A	1.43	-	-
- Class C	1.39	-	-
- Class X	1.36	-	-
Distribution on 14 October 2021			
- Class A	-	2.53	-
- Class C	-	2.52	-
- Class X	-	2.53	-

PERFORMANCE DATA (CONTINUED)

Gross/Net distribution per unit (sen)	31.01.2023	31.01.2022	31.01.2021
Date of distribution			
Distribution on 18 December 2020			
- Class A	-	-	2.98
- Class C	-	-	2.97
- Class X	-	-	2.98

	31.01.2023	31.01.2022	31.01.2021	31.01.2020	31.01.2019
	%	%	%	%	%
Annual total return					
- Class A	(4.14)	(8.04)	20.26	6.33	(7.81)
- Class C	(4.25)	(8.15)	20.16	6.23	(7.83)
- Class X	(4.04)	(8.04)	20.25	6.32	(7.80)

(Launch date: 12 November 2012)

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

MARKET REVIEW (1 FEBRUARY 2022 TO 31 JANUARY 2023)**Fixed Income**

During the financial year under review, the Monetary Policy Committee ("MPC") increased the Overnight Policy Rate ("OPR") by a total of 100 basis points ("bps") as it increased 25 bps each at the four meetings held between the months of May 2022 and November 2022. The central bank unexpectedly paused its monetary policy tightening during its first MPC meeting of the year in January 2023. Bank Negara Malaysia ("BNM") left the OPR unchanged at 2.75% and stated that the decision will allow the MPC to assess the impact of the cumulative past OPR adjustments, given the lag effects of monetary policy on the economy. At the end of 2022, the OPR ended at 2.75%.

2022 was a roundly challenging year in terms of macro, earnings, and politics. Gross Domestic Product ("GDP") recovery for Malaysia as well as ASEAN has been powered by economic reopening since first quarter of 2022 with strong trade growth, supportive monetary policy as well as high commodity prices helping boost growth. In first quarter of 2022, Malaysia's GDP grew by 5.0% year-on-year ("y-o-y") (2021: 3.6% y-o-y) with growth being boosted by robust growth in services sector. This was supported by higher household consumption which reflected from the improvement of consumers' confidence level. The country's economic performance continued to improve as GDP surged by 8.9% y-o-y in second quarter of 2022 representing a sequential 3.5% quarter-on-quarter ("q-o-q") expansion on continued reopening boost to domestic demand. It continued to record stellar growth in third quarter of 2022 as it delivered a growth of 14.2% y-o-y contributed by robust domestic and external demand as well as improved labour market. In fourth quarter of 2022, the economy expanded by 7.0% with the services sectors being the main contributor to the country's economy as it rose 8.9% for the year. Overall, Malaysia's economic performance boosted to 8.7% in 2022 as compared to 3.1% in the previous year.

Malaysia's Consumer Price Index ("CPI") increased by 2.3% in February 2022 driven mainly by food inflation, on the back of rising prices for raw cooking materials such as chicken. In March 2022, inflation rose at 2.2% and it then increased by 2.3% y-o-y in April 2022, 2.8% y-o-y in May 2022 and 3.4% y-o-y in June 2022 with food inflation as its major contributor. CPI accelerated further in July 2022 as it increased by 4.4% y-o-y. The sharp increase in July 2022 was also due to the lower base effect as a result of the electricity bill discount from 5% to 40% based on total usage given to consumers under the National People's Well-Being and Economic Recovery Package ("PEMULIH") package from July 2021 to September 2021. In August 2022, it inched even higher at 4.7% y-o-y as it was driven by food away from home increase by 8.4%, while food at home increased by 6.4%.

MARKET REVIEW (1 FEBRUARY 2022 TO 31 JANUARY 2023) (CONTINUED)**Fixed Income (continued)**

In September 2022, it inched slightly lower as it recorded 4.5% y-o-y increase and continued to decelerate in October 2022 and November 2022 as it recorded 4.0% y-o-y increase for both months. In December 2022, it eased to 3.8% y-o-y with a slower increase in the Food & Non-Alcoholic Beverages group. Inflation for the overall year 2022 increased 3.3% as compared to 2.5% recorded in 2021. Malaysia recorded a lower inflation rate than some selected countries, namely the Euro Zone (9.2%), Philippines (8.1%), United States of America (6.5%), Thailand (5.9%), Indonesia (5.5%) and the Republic of Korea (5.0%).

The MGS market was volatile over the course of the financial year under review. In the first half of 2022, the local benchmark performances were mixed. For first quarter of 2022, Bond Pricing Asset Management ("BPAM") Corporates All Bond (1 to 3 years) Index was the best performing index with return of 0.57% while the Quantshop GII Long Index was the worst performer for the quarter with return of -3.81%. In second quarter of 2022, best performer continued to be the BPAM Corporates All Bond (1 to 3 years) Index with a return of 0.14% and the worst performer was the BPAM Corporates Sukuk (7 years over) Index with a return of -2.82%. In third quarter of 2022, almost all indices recorded positive returns with corporates outperforming local govies as BPAM Corporates 3 to 7 years index recorded best returns for the quarter whilst MGS Long Index returned -0.50% for the same period. In October 2022, market started recording positive returns reversing their dismal performance in the months prior. The MGS yield curve bull flattened in November 2022 with the yields seen falling across the curve by 6 to 70bps. Sentiment turned positive due to the mix of the Federal Open Meeting Committee ("FOMC") minutes which hinted smaller rate hikes as well as better political clarity with the formation of unity government led by Pakatan Harapan and the announcement of Anwar Ibrahim as the Prime Minister. The bond rally continued until the end of December 2022, albeit at a milder pace and with some volatility during the month. In January 2023, the unexpected pause by BNM resulted in the MGS benchmark yield curve shifting lower across the board as yields shifted lower by 22-32bps. The 3-year, 5-year, 7-year, 10-year, 15-year, 20-year and 30-year MGS yields closed at 3.46%, 3.57%, 3.72%, 3.83%, 4.03%, 4.20% and 4.38% respectively at the end of January 2023.

Equity

For the financial year under review, Asian markets, as measured by Morgan Stanley Capital Index ("MSCI") Asia Pacific ex-Japan Index, declined by 8.7% in USD terms. Topical issues were: a) Sustained high inflation leading to accelerated pace in tightening of monetary policy, b) Russia-Ukraine war erupting complicating the inflation situation, c) zero-Coronavirus Diseases 2019 ("COVID-19") policy in China leading to severe lockdowns in China and negatively impacting economic growth and d) recession fears in the US & Europe.

As the US embarked on the path to raise interest rate to combat inflation, US Federal Reserve (the "Fed") also signalled an increasing pace to pare back its asset holdings in its balance sheet in April 2022. Consequently, stocks and commodities prices tumbled as concerns over the pace of interest rate hikes in the US were compounded by possible lockdowns in China due to COVID-19 outbreak in April 2022. The markets experienced a huge selloff in June 2022 and September 2022 again as central banks pushed ahead to raise rates in response to high inflation and recession fears heightened. Inflationary pressures continue to be persistent and remained high. US headline inflation was running at 8.3% in August 2022, which led to the third consecutive interest rate hike of 75bps by the Fed in September 2022. This is the most aggressive monetary tightening cycle since the early 1980s. By January 2023, the US Federal Open Market Committee ("FOMC") lifted its benchmark interest rate to a target range of 4.25% to 4.50%.

As the Fed began its policy rate normalization with half a percentage point increase in May 2022, most central banks such as that observed by the Reserve Bank of India, Reserve Bank of Australia and Bank Negara Malaysia hiked in tandem. On the other hand, China has been easing interest rates as the government grappled with economic slowdown.

MARKET REVIEW (1 FEBRUARY 2022 TO 31 JANUARY 2023) (CONTINUED)**Equity (continued)**

Sentiment deteriorated in April 2022 with the COVID-19 situation leading to various lockdowns such as that observed in Shanghai, impacting economic activity in China. Although there was relaxation of mobility restrictions in May 2022 and signs that the government officials would consider the negative effects from drastic lockdown, China did not change its zero COVID-19 policy initially. We continued to see lockdowns, albeit on a smaller scale through to September 2022 whenever there were covid cases such as in Chengdu. There were also news that there were boycotts on mortgage payments by Chinese property buyers further weighed on the China market in July 2022. During the Politburo meeting in July 2022, top leadership removed the 5.5% GDP target to having “growth within a reasonable range”.

China has since then stepped up its economic stimulus with a further RMB1 trillion of funding in August 2022. Looking at other parts of Asia, manufacturing Purchasing Manager Index (“PMI”) for export-oriented countries such as Taiwan and Korea fell to below 50 around mid 2022 as the deteriorating global economic conditions hurt exports, while manufacturing conditions across ASEAN, as measured by S&P Global ASEAN manufacturing PMI, improved strongly on the back of increases in new orders and output for the past 12 months.

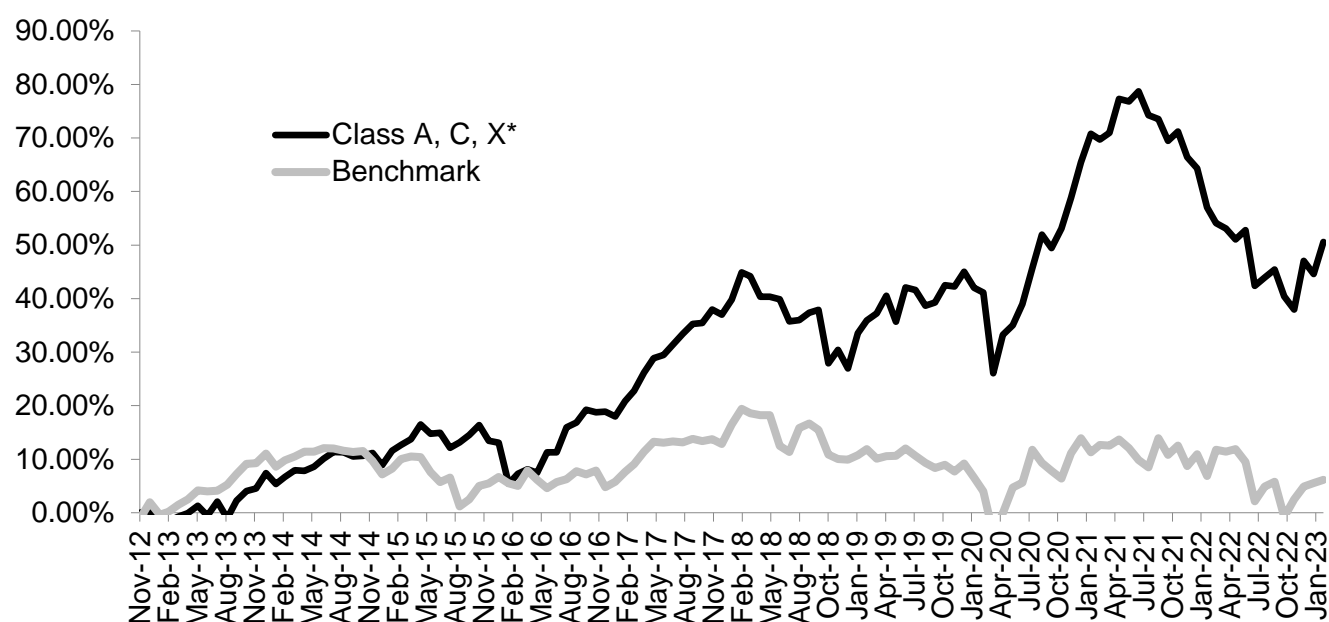
However, equity markets bottomed in October 2022 and rebounded significantly off its low. Post the National People’s Congress, the Chinese government unexpectedly remove mobility restrictions and signal its intention to “re-open” its borders. Recognising the weak economic conditions, the leaders at the Central Economic Work Conference held in December 2022 vowed to forcefully revive market confidence. The authorities have announced many stimulative policies including several that is expected to support the property sector. With the better economic expectations, investors subsequently bought back Chinese and other Asian stocks which will benefit from the better economic conditions.

FUND PERFORMANCE

	1 year to 31.01.2023			3 years to 31.01.2023		
	Class A	Class C	Class X	Class A	Class C	Class X
	%	%	%	%	%	%
Income Distribution	2.13	2.08	2.03	9.42	9.35	9.31
Capital Growth	(6.14)	(6.20)	(5.95)	(3.11)	(3.35)	(2.91)
Total Return	(4.14)	(4.25)	(4.04)	6.02	5.68	6.12
Benchmark	(0.71)	(0.71)	(0.71)	(0.41)	(0.41)	(0.41)
Average Total Return	(4.14)	(4.25)	(4.04)	1.97	1.86	2.00

	5 years to 31.01.2023			Since inception to 31.01.2023		
	Class A	Class C	Class X	Class A	Class C	Class X
	%	%	%	%	%	%
Income Distribution	9.42	9.35	9.31	9.42	9.35	9.31
Capital Growth	(5.02)	(5.37)	(4.83)	37.60	37.12	37.90
Total Return	3.92	3.48	4.03	50.56	49.94	50.73
Benchmark	(11.13)	(11.13)	(11.13)	6.12	6.12	6.12
Average Total Return	0.77	0.69	0.79	4.08	4.04	4.09

During the financial year under review, the Fund has provided a return of -4.14%, -4.25% and -4.04% in Class A, Class C and Class X respectively. This is due to the difficult market conditions where market declined on a confluence of factors such as Russia-Ukraine conflict, concerns over global inflation, effects of accelerated pace in monetary policy tightening in the US and impact of zero-COVID-19 policy on economic growth in China.

FUND PERFORMANCE (CONTINUED)
Since Inception


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

Changes in NAV

	31.01.2023	31.01.2022	Changes %
CLASS A			
NAV (RM Million)	17.84	37.25	(52.11)
NAV/Unit (RM)	0.6880	0.7331	(6.15)
CLASS C			
NAV (RM Million)	5.01	4.98	0.60
NAV/Unit (RM)	0.6856	0.7310	(6.21)
CLASS X			
NAV (RM Million)	6.96	53.11	(86.90)
NAV/Unit (RM)	0.6895	0.7332	(5.96)

The NAV fell by 52.11% and 86.90% for A and X classes respectively while NAV for Class C rose by 0.60%. The NAV per unit declined by 6.15%, 6.21% and 5.96% for A, C and X classes respectively. The decline in NAV, as well as NAV per unit, for class A and X is a result of the fall in value of the underlying assets and redemptions.

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)	31.01.2023	31.01.2022
Quoted securities	81.20	84.24
Unquoted fixed income securities	14.94	10.93
Cash and other assets	6.04	5.99
Liabilities	(2.18)	(1.16)
Total	100.00	100.00

As at 31 January 2023, the Fund held 81.20% in quoted securities, 14.94% in unquoted fixed income securities with the rest is in cash and other assets. The quoted securities level is slightly lower while unquoted fixed income securities is slightly higher than the level at the end of January 2022.

MARKET OUTLOOK*

Fixed Income

Taking into consideration maturity of RM80.9 billion and a deficit of RM99.0 billion, there is projected RM180 billion of gross supply (annual increase of 4.98%). The projection will likely change should there be a change in the deficit amount after the new government re-tables Budget 2023 on 24 February 2023. The issuance is likely to be slightly front loaded slightly with 51% targeted in first half of 2023. Looking at the net issuances, third quarter of 2023 will see the highest supply of RM29 billion while second quarter 2023 lowest. There will be RM80.9 billion maturity in 2023 (2022: RM78.9 billion) with the bulk of the maturity amounting to RM65.4 billion (81%) between the months of March 2023 to August 2023. There are more supply/auctions in the belly of the curve with less supply/auctions seen for the longer end.

Corporate bond issuance is expected to remain steady in 2023 on the back of healthy economic activity although it is expected to be milder than 2022, in terms of infrastructure projects and refinancing. This will be dependent on the new re-tabled Budget 2023. Key risk to issuances also is the potential mild global recession looming.

In January 2023, we saw BNM surprising most economists by leaving policy rates unchanged as it maintained OPR at 2.75% at its first meeting of the year. The committee signaled that the pause was meant to facilitate an assessment of the cumulative impact of previous OPR hikes (i.e. 100bps since May 2022), however the balance of risks to growth and inflation still shows possibility of potential tightening down the line. We are seeing economists expecting a potential hike of 25bps to 50bps back to pre-pandemic levels, barring any new shocks albeit the pause for now.

Equity

We are positive on Asian equities for 2023. Asia's economic growth is expected to outgrow other regions. This will be led by China. China's COVID-19, economic and regulatory policies are now coordinated in favour of growth for the first time in 3 years. China PMI rebounded to above 50 as recovery in services led the improvement. We expect continued improvement in manufacturing and non-manufacturing PMI, which is likely to print above 50 in the coming months. China's reopening and pivot to more growth friendly policies is a driver while other parts of Asia offer recovery ideas and long-term structural themes such as consumption upgrade, supply chain diversification and rising financial inclusion. Another reason to be positive is the anticipated peaking of US interest rates in 2023. Inflation appears to have peaked in the middle of 2022 and has been on a declining path since. The largest contributors to inflation such as rents, transportation and food has peaked or in the process of peaking.

The US Fed is preparing for the possibility of pausing its interest rate increase.

From a longer-term perspective, Asia is "under-owned" by investors and earnings growth for Asian corporates are expected to be better in 2023 relative to developed markets. Asia also trades at relatively attractive valuations.

MARKET OUTLOOK* (CONTINUED)

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

INVESTMENT STRATEGY

Fixed Income

We believe local markets are observing closely the upcoming re-tableting of Budget 2023 which will be held on 24 February 2023. Main catalyst for the bond market would be the updated projected deficit figure. We are watchful for opportunities to trade local govies market as we believe flows will continue to be positive for the market and we aim to gradually add some position in the longer end of the curve to anchor our returns for the year. This is also in line with our aim in increasing our duration band slightly this year. Although we continue to remain overweight in corporates, we are mindful of the potential slower growth for certain sectors in the economy and as such, prefer names with a stronger credit profile.

Equity

In the short-term, due to the expected economic recovery in China, we are looking at 1) Beneficiaries of China re-opening, e.g., consumption and investment within China such as luxury spending, gaming, catering and tourism 2) Industries where there is a potential for demand recovery or market repair in 2H2023, e.g., selective technology, industrials.

We will continue to focus on quality companies which have good earnings visibility, robust balance sheet, long term winners, market share gainers and those with pricing power to overcome cost pressures.

SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (the "PRS Provider") and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Principal Malaysia Funds ("Funds") unless the soft commission received is retained in the form of goods and services such as research and advisory services that assist in the decision making process relating to the Fund's investments. All dealings with brokers are executed on most favourable terms available for the Fund. Any rebates will be directed to the account of the Fund.

During the financial year under review, the PRS Provider and the Trustee did not receive any rebates from the brokers or dealers, but the PRS Provider has retained soft commissions 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

Latest changes to the Statement by PRS Provider's signatory as follows:

Mr. Juan Ignacio Eyzaguirre Baraona (retired on 30 June 2022)
Mr. Uday Jayaram (appointed on 30 June 2022)

There were no other significant changes in the state of affairs of the Fund during the 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 have been carried out during the financial year under review.

**STATEMENT BY THE PRS PROVIDER TO THE MEMBERS OF
PRINCIPAL PRS PLUS GROWTH**

We, being the Directors of Principal Asset Management Berhad (the “PRS Provider”), do hereby state that, in the opinion of the PRS Provider, the accompanying audited financial statements set out on pages 7 to 44 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 January 2023 and of its financial performance, changes in net assets attributable to members and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the PRS Provider

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

MUNIRAH KHAIRUDDIN

Chief Executive Officer/Executive Director

UDAY JAYARAM

Director

Kuala Lumpur
28 March 2023

TRUSTEE'S REPORT

TO THE MEMBERS OF PRINCIPAL PRS PLUS GROWTH ("Fund")

We have acted as the Scheme Trustee of the Fund for the financial year ended 31 January 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad (the "PRS Provider") has operated and managed the Fund during the year 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.

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

For Deutsche Trustees Malaysia Berhad

SOON LAI CHING

Senior Manager, Trustee Operations

Kuala Lumpur

13 March 2023

Jiva Munusamy

Head, Client Management

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PRINCIPAL PRS PLUS GROWTH****Report on the audit of the financial statements***Opinion*

We have audited the financial statements of Principal PRS Plus Growth (the "Fund"), which comprise the statement of financial position of the Fund as at 31 January 2023, 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 a summary of significant accounting policies, as set out on pages 7 to 44.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 January 2023, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PRINCIPAL PRS PLUS GROWTH****Report on the audit of the financial statements (cont'd.)***Information other than the financial statements and auditors' report thereon*

The PRS Provider of the Fund (the "PRS Provider") is responsible for the other information. The 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 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 Malaysian Financial Reporting Standards and International Financial Reporting Standards. The PRS Provider is also responsible for such internal control as the PRS Provider determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the PRS Provider is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the PRS Provider either intends to liquidate the Fund or to cease operations, or 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 PRS PLUS GROWTH****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 skepticism throughout the audit. We are 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 PRS PLUS GROWTH**

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 ("PRS") 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
28 March 2023

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023**

	Note	2023 RM	2022 RM
LOSS			
Dividend income		2,139,500	1,695,237
Interest income from deposits with licensed financial institutions at amortised cost		76,598	43,094
Interest income from unquoted fixed income securities at fair value through profit or loss		309,190	467,300
Net loss on financial assets at fair value through profit or loss	8	(10,535,040)	(8,591,640)
Net foreign exchange gain		1,808,756	105,127
		<u>(6,200,996)</u>	<u>(6,280,882)</u>
EXPENSES			
Management fee	4	977,859	1,395,738
Private Pension Administrator administration fee	4	27,804	39,734
Trustee fee	5	27,804	39,734
Audit fee		8,100	8,100
Tax agent fee		8,020	16,312
Transaction costs		239,489	205,439
Other expenses		249,401	210,805
		<u>1,538,477</u>	<u>1,915,862</u>
LOSS BEFORE DISTRIBUTION AND TAXATION		(7,739,473)	(8,196,744)
Distribution:			
- Class A		730,699	1,199,187
- Class C		98,121	154,954
- Class X		1,064,672	1,700,734
	6	<u>1,893,492</u>	<u>3,054,875</u>
LOSS BEFORE TAXATION		(9,632,965)	(11,251,619)
Taxation	7	<u>-</u>	<u>-</u>
LOSS AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR		<u>(9,632,965)</u>	<u>(11,251,619)</u>
Loss after taxation is made up as follows:			
Realised amount		(2,020,611)	(1,667,970)
Unrealised amount		(7,612,354)	(9,583,649)
		<u>(9,632,965)</u>	<u>(11,251,619)</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2023**

	Note	2023 RM	2022 RM
ASSETS			
Cash and cash equivalents	9	947,143	4,342,497
Financial assets at fair value through profit or loss	8	28,673,637	90,729,534
Amount due from stockbrokers		773,814	629,958
Amount due from the PRS Provider			
- creation of units		76,980	746,088
Dividends receivable		1,640	-
TOTAL ASSETS		<u>30,473,214</u>	<u>96,448,077</u>
LIABILITIES			
Amount due to stockbrokers		593,385	963,498
Amount due to the PRS Provider			
- cancellation of units		5,144	109
- management fee		35,561	117,249
Amount due to Private Pension Administrator		1,004	3,337
Amount due to Trustee		1,004	3,337
Other payables and accruals		17,500	17,500
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS)		<u>653,598</u>	<u>1,105,030</u>
NET ASSET VALUE OF THE FUND		<u>29,819,616</u>	<u>95,343,047</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>29,819,616</u>	<u>95,343,047</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- Class A		17,840,708	37,249,285
- Class C		5,014,458	4,984,849
- Class X		6,964,450	53,108,913
		<u>29,819,616</u>	<u>95,343,047</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class A		25,929,544	50,809,756
- Class C		7,313,266	6,818,848
- Class X		10,100,075	72,428,520
	10	<u>43,342,885</u>	<u>130,057,124</u>
NET ASSET VALUE PER UNIT (RM)			
- Class A		0.6880	0.7331
- Class C		0.6856	0.7310
- Class X		<u>0.6895</u>	<u>0.7332</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 MEMBERS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023**

	2023 RM	2022 RM
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>95,343,047</u>	<u>94,203,393</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class A	2,995,812	4,549,189
- Class C	642,433	807,159
- Class X	<u>7,804,157</u>	<u>11,271,858</u>
	<u>11,442,402</u>	<u>16,628,206</u>
Creation of units from distribution		
- Class A	730,699	1,199,187
- Class C	98,121	154,954
- Class X	<u>1,064,672</u>	<u>1,700,734</u>
	<u>1,893,492</u>	<u>3,054,875</u>
Cancellation of units		
- Class A	(19,804,137)	(2,492,233)
- Class C	(398,541)	(145,065)
- Class X	<u>(49,023,682)</u>	<u>(4,654,510)</u>
	<u>(69,226,360)</u>	<u>(7,291,808)</u>
Total comprehensive loss for the financial year	<u>(9,632,965)</u>	<u>(11,251,619)</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL YEAR	<u>29,819,616</u>	<u>95,343,047</u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023**

	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of quoted securities	76,623,483	33,008,588
Purchase of quoted securities	(29,905,603)	(43,308,888)
Proceeds from disposal of unquoted fixed income securities	8,378,712	-
Proceeds from redemption of unquoted fixed income securities	5,375,000	6,297,752
Purchase of unquoted fixed income securities	(8,045,012)	(4,418,922)
Interest income received from deposits with licensed financial institutions	76,598	43,094
Interest income received from unquoted fixed income securities	351,724	535,825
Dividend income received	2,055,336	1,509,325
Management fee paid	(1,059,547)	(1,391,897)
Private Pension Administrator administration fee paid	(30,137)	(39,626)
Trustee fee paid	(30,137)	(39,626)
Payments for other fees and expenses	(61,495)	(75,465)
Net realised foreign exchange loss	(169,502)	(117,237)
Net cash generated from/(used in) operating activities	53,559,420	(7,997,077)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	12,111,510	16,685,199
Payments for cancellation of units	(69,221,325)	(7,301,341)
Net cash (used in)/generated from financing activities	(57,109,815)	9,383,858
Net (decrease)/increase in cash and cash equivalents	(3,550,395)	1,386,781
Effects of foreign exchange differences	155,041	90,403
Cash and cash equivalents at the beginning of the financial year	4,342,497	2,865,313
Cash and cash equivalents at the end of the financial year	9 <u>947,143</u>	<u>4,342,497</u>
<u>Cash and cash equivalents comprised of:</u>		
Deposits with licensed financial institutions	165,013	2,380,116
Bank balances	782,130	1,962,381
Cash and cash equivalents at the end of financial year	9 <u>947,143</u>	<u>4,342,497</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

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

Principal PRS Plus Growth (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 and a Third Supplemental Deed dated 3 February 2020 a Fourth Supplemental Deed dated 17 December 2021 and a Fifth Supplemental Deed dated 12 July 2022 (collectively referred to as the “Deeds”) between Principal Asset Management Berhad (the “PRS Provider”) and Deutsche Trustees Malaysia Berhad (the “Trustee”).

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

The Fund will invest in a portfolio of mixed assets, primarily in equities with some exposure in fixed income instruments, to provide capital growth to the Fund. The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The Fund may opt to invest in fixed income instruments and equities either directly or via collective investment schemes.

The investments by the Fund in equities which include foreign exposure may be up to 90% of the Fund’s NAV and investments in local and/or foreign fixed income instruments will be at least 10% of its NAV with a minimum credit rating of “BBB3” or “P2” by RAM or equivalent rating by MARC or “BBB” or “A-2” by S&P or equivalent rating by any other international rating agencies. Notwithstanding, the Fund may also invest up to 10% of its NAV in unrated fixed income instruments.

The asset allocation strategy for this Fund is as follows:

- At least 10% of the Fund’s NAV will be invested in fixed income instruments;
- Up to 10% of the Fund’s NAV may be invested in unrated fixed income instruments;
- Up to 90% of the Fund’s NAV may be invested in equities; and
- Up to 5% of the Fund’s NAV may be invested in liquid assets for liquidity purpose.

With effect from 1 June 2020, Principal Asset Management (S) Pte Ltd (“Principal Singapore”) has been appointed as the Sub-Adviser of the Fund. Principal Singapore will provide investment research and recommendation to us in accordance with the investment objective and within the investment restrictions of the Fund.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

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

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

There are no other standards, amendments to standards or interpretations effective for annual periods beginning on 1 February 2022 that have a material effect on the financial statements of the Fund.

None of the standards, amendments to standards or interpretations that are effective for the financial year beginning on/after 1 February 2023 are applicable to the Fund.

Classification

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

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

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

The contractual cash flows of the Fund's debt securities are solely payment of principal and interest ("SPPI"). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities

Classification (continued)

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

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.

Foreign quoted securities are valued at the last traded market price quoted on the respective foreign stock exchanges at the close of the business day of the respective foreign stock exchanges.

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 PRS Provider, based on the methods or bases approved by the Trustee after appropriate technical consultation.

Unquoted fixed income securities denominated in MYR are revalued on a daily basis based on fair value prices quoted by a Bond Pricing Agency ("BPA") registered with the SC as per the SC Guidelines on PRS. Refer to Note 2(l) for further explanation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Recognition and measurement (continued)

Deposits with licensed financial institution are stated at cost plus accrued interest calculated on the effective interest method over the year 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 method.

Impairment for assets carried at amortised costs

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

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.

Interest income from deposits with licensed financial institution and unquoted fixed income securities are 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).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Income recognition (continued)

Realised gain or loss on disposal of quoted securities is accounted for as the difference between the net disposal proceeds and the carrying amount of quoted securities, determined on a weighted average cost basis.

Realised gain or loss on disposal of unquoted fixed income securities is accounted for as the difference between the net disposal proceeds and the carrying amount of unquoted fixed income securities, determined on cost adjusted for accretion of discount or amortisation of premium.

(d) Foreign currency

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.

Due to mixed factors in determining the functional currency of the Fund, the PRS Provider has used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in MYR primarily due to the following factors:

- i) The Fund’s units are denominated in MYR; and
- ii) Significant portion of the Fund’s expenses are denominated in MYR.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

(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 date of the statement of financial position if the member exercises the right to reinvest the unit to the Fund.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Distribution

Any distribution to the Fund's members is accounted for as a deduction in profit or loss from realised reserves and recognised in the statement of comprehensive income, as the members' capital are classified as financial liabilities as per Note 2(e). Distribution is reinvested into the PRS on the ex-date. Reinvestment of units is based on the NAV per unit on the ex-date, which is also the time of creation. Proposed distributions are recognised as a liability in the financial year in which it is approved by the Trustee.

(g) Transactions 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, advisors, brokers, and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

(h) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balance and deposits with licensed financial institutions 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.

(i) 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.

Tax on dividend income from foreign quoted securities is based on the tax regime of the respective countries that the Fund invests in.

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

(j) Amount due from/to broker/dealer

Amount due from and amount due to broker/dealer 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.

(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 SC Guidelines on PRS.

(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 judgements 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Estimate of fair value of unquoted fixed income securities

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.

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

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 at amortised cost RM	Total RM
2023			
Cash and cash equivalents (Note 9)	-	947,143	947,143
Quoted securities (Note 8)	24,216,919	-	24,216,919
Unquoted fixed income securities (Note 8)	4,456,718	-	4,456,718
Amount due from stocbrokers	-	773,814	773,814
Amount due from the PRS Provider - creation of units	-	76,980	76,980
Dividends receivable	-	1,640	1,640
	<u>28,673,637</u>	<u>1,799,577</u>	<u>30,473,214</u>
2022			
Cash and cash equivalents (Note 9)	-	4,342,497	4,342,497
Quoted securities (Note 8)	80,312,596	-	80,312,596
Unquoted fixed income securities (Note 8)	10,416,938	-	10,416,938
Amount due from the PRS Provider - creation of units	-	746,088	746,088
Amount due from stocbrokers	-	629,958	629,958
	<u>90,729,534</u>	<u>5,718,543</u>	<u>96,448,077</u>

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

The investment objective of the Fund is to provide capital growth over the long-term by investing in a portfolio of primarily equities with some exposure in fixed income instruments.

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

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

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 in quoted securities and unquoted fixed income securities will fluctuate because of changes in market prices. The value of investments 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 investments and other financial instruments within specified limits according to the Deeds.

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

	2023 RM	2022 RM
Financial assets at fair value through profit or loss:		
- Quoted securities	24,216,919	80,312,596
- Unquoted fixed income securities*	4,456,718	10,416,938
	<u>28,673,637</u>	<u>90,729,534</u>

* Includes interest receivables of RM73,301 (2022: RM93,919)

The table below summarises 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 the PRS Provider's best estimate of a reasonable possible shift in the quoted securities and unquoted fixed income 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
2023		
-5%	23,006,073	(1,210,846)
0%	24,216,919	-
5%	<u>25,427,765</u>	<u>1,210,846</u>
2022		
-5%	76,296,966	(4,015,630)
0%	80,312,596	-
5%	<u>84,328,226</u>	<u>4,015,630</u>

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

(a) Market risk (continued)

(i) Price risk (continued)

The Fund is exposed to price risk arising from interest rate fluctuation in relation to its investments of RM4,456,718 (2022: RM10,416,938) in unquoted fixed income securities. The Fund's exposure to price risk arising from interest rate fluctuation and the related sensitivity analysis are disclosed in "interest rate risk" below.

(ii) Interest rate risk

In general, when interest rates rise, unquoted fixed income securities prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund holds an unquoted fixed income securities till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the PRS Provider will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the PRS Provider, which is based on its continuous fundamental research and analysis.

Investors should note that movement in prices of unquoted fixed income securities and money market instruments are benchmarked against interest rates. As such, the investments are exposed to the movement of the interest rates.

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

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

The table below summarises the sensitivity of the Fund's profit or loss and NAV to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate fluctuates by 1% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the interest rate, having regard to the historical volatility of the interest rate.

% Change in interest rate	Impact on profit or loss/NAV	
	2023 RM	2022 RM
+1%	(4,016)	(4,628)
-1%	<u>4,039</u>	<u>4,635</u>

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

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The Fund's exposure to interest rate risk associated with deposits with licensed financial institutions is not material as the deposits are held on short-term basis.

The weighted average effective interest rate per annum is as follows:

	2023 %	2022 %
Deposits with licensed financial institutions	<u>2.80</u>	<u>3.00</u>

(iii) 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.

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	Cash and cash equivalents RM	Financial assets at fair value through profit or loss RM	Dividend Receivable	Total RM
2023				
AUD	5,845	2,901,640	1,640	2,909,125
CNY	-	2,134,073	-	2,134,073
HKD	1,875	9,087,982	-	9,089,857
IDR	-	919,835	-	919,835
KRW	-	1,968,062	-	1,968,062
SGD	-	1,406,991	-	1,406,991
THB	-	886,298	-	886,298
TWD	-	3,083,657	-	3,083,657
USD	753,609	1,549,794	-	2,303,403
	<u>761,329</u>	<u>23,938,332</u>	<u>1,640</u>	<u>24,701,301</u>
2022				
AUD	-	14,240,126	-	14,240,126
HKD	1,848	25,597,226	-	25,599,074
IDR	-	4,327,334	-	4,327,334
KRW	-	10,233,399	-	10,233,399
SGD	-	8,019,457	-	8,019,457
TWD	-	10,425,127	-	10,425,127
USD	1,906,662	5,595,104	-	7,501,766
	<u>1,908,510</u>	<u>78,437,773</u>	<u>-</u>	<u>80,346,283</u>

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

(a) Market risk (continued)

(iii) Currency risk (continued)

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 constants. 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	
		2023	2022
	%	RM	RM
AUD	+/-5	+/-145,456	+/-712,006
CNY	+/-5	+/-106,704	-
HKD	+/-5	+/-454,493	+/-1,279,954
IDR	+/-5	+/-45,992	+/-216,367
KRW	+/-5	+/-98,403	+/-511,670
SGD	+/-5	+/-70,350	+/-400,973
THB	+/-5	+/-44,315	-
TWD	+/-5	+/-154,183	+/-521,256
USD	+/-5	+/-115,170	+/-375,088
		<u>+/-1,235,066</u>	<u>+/-4,017,314</u>

(b) Credit risk

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

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

Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer. In addition, the PRS Provider imposes a minimum rating requirement as rated by either local and/or foreign rating agencies and manages the duration of the investment in accordance with the objective of the Fund. For this Fund, the unquoted fixed income securities must satisfy a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or "BBB" or "A-2" by S&P or equivalent rating by any other international rating agencies.

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

(b) Credit risk (continued)

The credit risk arising from bank balances and placements of deposits with licensed financial institution is managed by ensuring that the Fund will only place deposits in reputable licensed financial institution.

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.

For amount due from dealers, 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 securities are settled or paid upon delivery using approved dealers.

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

	Financial assets at fair value through profit or loss RM	Cash and equivalents RM	Amount due from stockbrokers RM	Amount due from the PRS Provider - creation of units RM	Dividend Receivables RM	Total RM
2023						
- AAA	-	165,013	-	-	-	165,013
- AA1	-	782,130	-	-	-	782,130
- AA2	-	-	-	-	-	-
- AA3	3,072,124	-	-	-	-	3,072,124
- AA	1,285,424	-	-	-	-	1,285,424
- A2	99,170	-	-	-	-	99,170
- NR	-	-	773,814	76,980	1,640	852,434
	<u>4,456,718</u>	<u>947,143</u>	<u>773,814</u>	<u>76,980</u>	<u>1,640</u>	<u>6,256,295</u>
2022						
- AAA	305,832	2,380,116	-	-	-	2,685,948
- AA1	2,557,006	-	-	-	-	2,557,006
- AA2	304,288	-	-	-	-	304,288
- AA3	2,598,664	-	-	-	-	2,598,664
- AA	400,474	-	-	-	-	400,474
- A2	99,927	-	-	-	-	99,927
- A3	-	1,962,381	-	-	-	1,962,381
- NR	4,150,747	-	629,958	746,088	-	5,526,793
	<u>10,416,938</u>	<u>4,342,497</u>	<u>629,958</u>	<u>746,088</u>	<u>-</u>	<u>16,135,481</u>

All deposits with licensed financial institutions of the Fund have an average remaining maturity of 2 days (2022: 3 days).

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

(c) Liquidity risk

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

The PRS Provider manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by members. Liquid assets comprise bank balances, deposits with licensed financial institution and other instruments, which are capable of being converted into cash within 7 business days. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market and other factors. For the purpose of the Fund, the PRS Provider will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

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.

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
2023			
Amount due to stockbroker	593,385	-	593,385
Amount due to the PRS Provider			
- cancellation of units	5,144	-	5,144
- management fee	35,561	-	35,561
Amount due to Trustee	1,004	-	1,004
Amount due to Private Pension Administrator	1,004	-	1,004
Other payables and accruals	-	17,500	17,500
Net assets attributable to members*	29,819,616	-	29,819,616
Contractual undiscounted cash flows	30,455,714	17,500	30,473,214
2022			
Amount due to stockbroker	963,498		963,498
Amount due to the PRS Provider			
- cancellation of units	109	-	109
- management fee	117,249	-	117,249
Amount due to Trustee	3,337	-	3,337
Amount due to Private Pension Administrator	3,337	-	3,337
Other payables and accruals	-	17,500	17,500
Net assets attributable to members*	95,343,047	-	95,343,047
Contractual undiscounted cash flows	96,430,577	17,500	96,448,077

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

(c) Liquidity risk (continued)

* 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 RM29,819,616 (2022: RM95,343,047). The amount of net assets attributable to member can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of members. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to members and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

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

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

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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
2023				
Financial assets at fair value through profit or loss:				
- Quoted securities	24,216,919	-	-	24,216,919
- Unquoted fixed income securities	-	4,456,718	-	4,456,718
	<u>24,216,919</u>	<u>4,456,718</u>	<u>-</u>	<u>28,673,637</u>
2022				
Financial assets at fair value through profit or loss:				
- Quoted securities	80,312,596	-	-	80,312,596
- Unquoted fixed income securities	-	10,416,938	-	10,416,938
	<u>80,312,596</u>	<u>10,416,938</u>	<u>-</u>	<u>90,729,534</u>

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

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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

- (ii) The carrying values of cash and cash equivalents, amount due from stockbrokers, amount due from the PRS Provider - creation of units and dividends receivable 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 January 2023 and 31 January 2022, 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 (2021: 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 excluding foreign sub-custodian fees and charges (if any).

For the financial year ended 31 January 2023, the Trustee fee is recognised at a rate of 0.04% per annum (2022: 0.04% per annum) for each unit class.

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

6. DISTRIBUTION

Distribution to members was derived from the following sources (assessed up to distribution declaration date):

	2023 RM	2022 RM
Dividend income	1,101,835	1,086,408
Interest income	135,744	339,769
Net realised gain on disposal of investments	667,203	1,139,051
Prior financial years' realised income	574,105	1,425,731
	<u>2,478,887</u>	<u>3,990,959</u>
Less:		
Expenses	585,395	936,084
Net distribution amount	<u>1,893,492</u>	<u>3,054,875</u>
Gross/Net distribution per unit (sen)		
Distribution on 12 August 2022		
- Class A	1.43	-
- Class C	1.39	-
- Class X	1.36	-
Distribution on 14 October 2021		
- Class A	-	2.53
- Class C	-	2.52
- Class X	-	2.53

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

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

There were unrealised losses of RM7,612,354 during the financial year ended 31 January 2023. (2022: RM RM9,583,649).

7. TAXATION

	2023 RM	2022 RM
Tax charged for the financial year:		
- Current taxation	<u>-</u>	<u>-</u>

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 before taxation multiplied by the Malaysian statutory income tax rate and tax expense of the Fund is as follows:

7. TAXATION (CONTINUED)

	2023 RM	2022 RM
Loss before taxation	(9,632,965)	(11,251,619)
Taxation at Malaysian statutory rate of 24% (2022: 24%)	(2,311,912)	(2,700,389)
Tax effects of:		
- Loss not deductible for tax purpose	1,488,240	1,507,412
- Expenses not deductible for tax purposes	586,739	855,812
- Restriction on tax deductible expenses for PRS Funds	236,933	337,165
Taxation	-	-

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 RM	2022 RM
At fair value through profit or loss:		
- Quoted securities	24,216,919	80,312,596
- Unquoted fixed income securities	4,456,718	10,416,938
	<u>28,673,637</u>	<u>90,729,534</u>
Net loss on financial assets at fair value through profit or loss:		
- Realised (loss)/gain on disposals	(2,802,757)	1,088,374
- Unrealised fair value loss	(7,732,283)	(9,680,014)
	<u>(10,535,040)</u>	<u>(8,591,640)</u>

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2023				
QUOTED SECURITIES				
AUSTRALIA				
Consumer Discretionary				
Aristocrat Leisure Ltd	2,641	192,697	268,231	0.90
Aristocrat Leisure Ltd- Institutional Offering	645	84,087	-	-
	<u>3,286</u>	<u>276,784</u>	<u>268,231</u>	<u>0.90</u>
Energy				
Santos Ltd	<u>13,520</u>	<u>294,381</u>	<u>287,488</u>	<u>0.96</u>
Financials				
Macquarie Group Ltd	<u>1,051</u>	<u>599,864</u>	<u>588,852</u>	<u>1.97</u>
Health Care				
CSL Ltd	<u>553</u>	<u>464,011</u>	<u>492,982</u>	<u>1.65</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)				
AUSTRALIA				
(CONTINUED)				
Industrials				
ALS Ltd	15,453	439,153	603,109	2.02
Seven Group Hldgs Ltd	5,149	316,466	349,098	1.17
	<u>20,602</u>	<u>755,619</u>	<u>952,207</u>	<u>3.19</u>
Real Estate				
Goodman Group	<u>5,222</u>	<u>256,980</u>	<u>311,880</u>	<u>1.05</u>
TOTAL AUSTRALIA	<u>44,234</u>	<u>2,647,639</u>	<u>2,901,640</u>	<u>9.72</u>
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	<u>19,100</u>	<u>1,537,937</u>	<u>1,118,624</u>	<u>3.75</u>
TOTAL CAYMAN ISLANDS	<u>19,100</u>	<u>1,537,937</u>	<u>1,118,624</u>	<u>3.75</u>
CHINA				
Consumer Staples				
Kweichow Moutai Co Ltd	<u>600</u>	<u>684,467</u>	<u>698,915</u>	<u>2.34</u>
Financials				
Ping An Insurance Group Co	<u>22,000</u>	<u>731,471</u>	<u>726,858</u>	<u>2.44</u>
Industrials				
NARI Technology Dev Co Ltd	32,700	597,968	544,610	1.83
Shanghai International Airport	<u>16,400</u>	<u>589,019</u>	<u>626,177</u>	<u>2.10</u>
	<u>49,100</u>	<u>1,186,987</u>	<u>1,170,787</u>	<u>3.93</u>
Information Technology				
LONGi Green Energy Technology	<u>8,700</u>	<u>351,887</u>	<u>264,371</u>	<u>0.89</u>
TOTAL CHINA	<u>80,400</u>	<u>2,954,812</u>	<u>2,860,931</u>	<u>9.60</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)				
HONG KONG, CHINA				
Communication Services				
Tencent Holding Ltd	5,900	1,349,591	1,227,386	4.12
Consumer Discretionary				
Chow Tai Fook Jewellery	32,200	294,860	293,393	0.98
Galaxy Entertainment				
Grp Ltd	29,000	796,007	858,688	2.88
Meituan	8,490	1,019,871	806,845	2.71
Yum China Holdings Inc	2,100	438,296	541,797	1.81
	71,790	2,549,034	2,500,723	8.38
Consumer Staples				
China Mengniu Dairy Co Ltd	22,000	433,400	452,041	1.52
Energy				
CNOOC Ltd	157,000	745,409	970,770	3.26
Financials				
AIA Group Ltd	16,800	598,446	809,722	2.72
Hong Kong Exchanges & Clearing	3,400	695,476	652,158	2.19
	20,200	1,293,922	1,461,880	4.91
Industrials				
Techtronic Industries Co	11,500	411,952	629,701	2.11
TOTAL HONG KONG, CHINA	288,390	6,783,308	7,242,501	24.30
INDONESIA				
Consumer Discretionary				
Mitra Adiperkasa TBK PT	1,202,700	401,461	444,662	1.49
Financials				
PT Bank Negara Indonesia	182,600	459,091	475,173	1.59
TOTAL INDONESIA	1,385,300	860,552	919,835	3.08

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)				
MALAYSIA				
Industrials				
CTOS Digital Bhd	180,900	318,635	278,586	0.93
TOTAL MALAYSIA	180,900	318,635	278,586	0.93
SINGAPORE				
Communication Services				
Singapore Telecommunications	30,200	220,390	245,530	0.82
Financials				
DBS Group Holdings Ltd	4,900	417,264	568,044	1.90
Industrials				
Singapore Technologies Enginee	28,800	357,420	343,293	1.15
Real Estate				
Capitaland Investment Ltd	19,500	208,031	250,123	0.84
TOTAL SINGAPORE	83,400	1,203,105	1,406,990	4.71
SOUTH KOREA				
Information Technology				
Samsung Electronics Co. Ltd	5,172	1,071,780	1,091,760	3.66
Materials				
LG Chem Ltd	367	705,363	876,302	2.94
TOTAL SOUTH KOREA	5,539	1,777,143	1,968,062	6.60

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)				
TAIWAN				
Information Technology				
E Ink Holding Inc	36,000	506,770	793,210	0.83
Hon Hai Precision Industry Co.	86,000	1,470,030	1,319,309	1.38
MediaTek Inc.	10,000	1,077,786	1,616,800	1.70
Taiwan Semiconductor Manufacturing Co	70,000	4,674,031	6,695,808	7.02
	<u>202,000</u>	<u>7,728,617</u>	<u>10,425,127</u>	<u>10.93</u>
TOTAL TAIWAN	<u>202,000</u>	<u>7,728,617</u>	<u>10,425,127</u>	<u>10.93</u>
THAILAND				
Consumer Discretionary				
Central Retail Corp PCL - NVDR ¹	<u>40,000</u>	<u>207,109</u>	<u>220,317</u>	<u>0.74</u>
Financials				
Bangkok Bank PCL - NVDR ¹	<u>17,800</u>	<u>358,338</u>	<u>365,635</u>	<u>1.23</u>
Health Care				
Bangkok Dusit Medical Service - NVDR ¹	<u>77,900</u>	<u>251,197</u>	<u>300,347</u>	<u>1.01</u>
TOTAL THAILAND	<u>135,700</u>	<u>816,644</u>	<u>886,299</u>	<u>2.98</u>
UNITED STATES				
Communication Services				
SEA LTD	<u>1,099</u>	<u>468,439</u>	<u>302,128</u>	<u>1.01</u>
Financials				
HDFC Bank Ltd	3,235	825,330	929,493	3.12
ICICI Bank Ltd	3,581	385,860	318,173	1.07
	<u>6,816</u>	<u>1,211,190</u>	<u>1,247,666</u>	<u>4.19</u>
TOTAL UNITED STATES	<u>7,915</u>	<u>1,679,629</u>	<u>1,549,794</u>	<u>5.20</u>
TOTAL QUOTED SECURITIES	<u>2,312,878</u>	<u>23,579,169</u>	<u>24,216,919</u>	<u>81.20</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)				
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		637,750		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		24,216,919		

Name of counter	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
2023 (CONTINUED) UNQUOTED FIXED INCOME SECURITIES				
Fortune Premiere Sdn Bhd 3.985% 11/09/2026 (AA)	525,000	519,853	522,025	1.75
Fortune Premiere Sdn Bhd 4.80% 13/3/2023 (AA)	500,000	510,055	509,922	1.71
IJM Land Bhd 4.73% 17/03/2119 (A2)	100,000	101,791	99,170	0.33
MMC Corporation Berhad 5.64% 27/04/2027 (AA3)	150,000	153,975	157,654	0.53
MMC Corporation Berhad 5.80% 12/11/2025 (AA3)	1,000,000	1,047,220	1,047,623	3.50
Perbadanan Kemajuan Negeri Selangor 5.013% 31/10/2023 (AA3)	150,000	152,714	152,805	0.51
Perbadanan Kemajuan Negeri Selangor 5.15% 10/08/2023 (AA3)	775,000	796,776	797,832	2.68
Press Metal Aluminium Holdings Bhd 4.10% 17/10/2024 (AA)	250,000	254,240	253,477	0.85
Quantum Solar Park Green SRI Sukuk 5.24% 06/10/2023 (AA3)	200,000	205,904	204,982	0.69
UEM Sunrise Bhd 4.75% 22/03/2024 (AA3)	700,000	716,657	711,228	2.39
TOTAL UNQUOTED FIXED INCOME SECURITIES	4,350,000	4,459,185	4,456,718	14.94

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

Name of counter	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
2023 (CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
ACCUMULATED UNREALISED LOSS ON UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>(2,467)</u>		
TOTAL UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>4,456,718</u>		

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2022				
QUOTED SECURITIES				
AUSTRALIA				
Consumer Discretionary				
Aristocrat Leisure Ltd	17,625	1,672,593	2,175,314	2.28
Aristocrat Leisure Ltd- Institutional Offering	645	84,087	-	-
	<u>18,270</u>	<u>1,756,680</u>	<u>2,175,314</u>	<u>2.28</u>
Energy				
Santos Ltd	<u>45,604</u>	<u>960,616</u>	<u>960,818</u>	<u>1.01</u>
Financials				
Macquarie Group Ltd	<u>4,046</u>	<u>2,396,066</u>	<u>2,192,228</u>	<u>2.30</u>
Health Care				
Ramsay Health Care Ltd	<u>7,243</u>	<u>1,501,793</u>	<u>1,341,988</u>	<u>1.41</u>
Industrials				
ALS Ltd	46,907	1,199,195	1,623,587	1.70
Seven Group Hldgs Ltd	30,336	1,911,441	1,940,695	2.04
	<u>77,243</u>	<u>3,110,636</u>	<u>3,564,282</u>	<u>3.74</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 %
2022 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
AUSTRALIA (CONTINUED)				
Materials				
BlueScope Steel Ltd	14,112	974,805	761,210	0.80
James Hardie Industries	13,247	1,219,370	1,839,540	1.93
OZ Minerals Ltd	19,688	1,466,341	1,404,746	1.47
	<u>47,047</u>	<u>3,660,516</u>	<u>4,005,496</u>	<u>4.20</u>
TOTAL AUSTRALIA	<u>199,453</u>	<u>13,386,307</u>	<u>14,240,126</u>	<u>14.94</u>
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	29,700	3,623,621	1,816,820	1.91
TOTAL CAYMAN ISLANDS	<u>29,700</u>	<u>3,623,621</u>	<u>1,816,820</u>	<u>1.91</u>
HONG KONG, CHINA				
Communication Services				
Tencent Holding Ltd	20,000	4,692,835	5,065,504	5.31
Consumer Discretionary				
Galaxy Entertainment Group Ltd	32,000	1,047,285	768,411	0.81
JD Com, Inc	952	140,711	142,832	0.15
Li Ning Co. Ltd	76,500	1,094,983	3,093,110	3.24
Meituan	14,100	1,974,322	1,661,507	1.74
	<u>123,552</u>	<u>4,257,301</u>	<u>5,665,860</u>	<u>5.94</u>
Energy				
CNOOC Ltd	511,000	2,426,139	2,566,536	2.69
Financials				
AIA Group Ltd	45,400	1,493,247	1,964,766	2.06
Hong Kong Exchanges & Clearing	10,200	2,188,686	2,399,503	2.52
	<u>55,600</u>	<u>3,681,933</u>	<u>4,364,269</u>	<u>4.58</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 %
2022 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
HONG KONG, CHINA				
Industrials				
Techtronic Industries Co	46,500	1,665,720	3,193,843	3.35
Information Technology				
Kingboard Laminates Holding Ltd	411,000	2,264,966	2,924,395	3.07
TOTAL HONG KONG, CHINA	1,167,652	18,988,894	23,780,407	24.94
INDONESIA				
Communication Services				
Telekomunikasi TBK PT	836,900	888,219	1,021,125	1.07
Consumer Discretionary				
Astra International TBK PT	552,400	1,028,403	880,702	0.92
Energy				
Adaro Energy PT	718,000	396,119	468,343	0.49
Financials				
Bank Central Asia	444,400	902,993	986,746	1.03
PT BANK JAGO Tbk	203,200	787,483	970,418	1.02
	647,600	1,690,476	1,957,164	2.05
TOTAL INDONESIA	2,754,900	4,003,217	4,327,334	4.53
MALAYSIA				
Financials				
CIMB Group Hldgs Bhd	708,100	987,254	1,004,640	1.05
Industrials				
CTOS Digital Bhd	514,900	997,928	870,181	0.91
TOTAL MALAYSIA	1,223,000	1,985,182	1,874,821	1.96

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 %
2022 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
NETHERLANDS				
Information Technology				
ASML Holding N.V.	188	514,875	532,680	0.56
TOTAL NETHERLANDS	188	514,875	532,680	0.56
SINGAPORE				
Communication Services				
NetLink NBN Trust	544,900	1,701,954	1,632,647	1.71
Singapore Telecommunications	273,000	1,992,263	2,049,145	2.15
	817,900	3,694,217	3,681,792	3.86
Financials				
DBS Group Hldg Ltd	21,900	1,790,949	2,381,171	2.50
Industrials				
Singapore Technologies Enginee	80,000	995,110	921,728	0.97
Real Estate				
Capitaland Investment Ltd	97,100	1,035,889	1,034,766	1.09
TOTAL SINGAPORE	1,016,900	7,516,165	8,019,457	8.42
SOUTH KOREA				
Information Technology				
Samsung Electronics Co. Ltd	17,257	3,403,377	4,374,535	4.59
SK Hynix Inc	4,369	1,845,077	1,820,672	1.91
	21,626	5,248,454	6,195,207	6.50
Materials				
LG Chem Ltd	1,479	2,842,595	3,268,374	3.43
Posco	840	1,026,801	769,818	0.81
	2,319	3,869,396	4,038,192	4.24
TOTAL SOUTH KOREA	23,945	9,117,850	10,233,399	10.74

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 %
2022 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
TAIWAN				
Information Technology				
E Ink Holding Inc	36,000	506,770	793,210	0.83
Hon Hai Precision Industry Co.	86,000	1,470,030	1,319,309	1.38
MediaTek Inc.	10,000	1,077,786	1,616,800	1.70
Taiwan Semiconductor Manufacturing Co	70,000	4,674,031	6,695,808	7.02
	<u>202,000</u>	<u>7,728,617</u>	<u>10,425,127</u>	<u>10.93</u>
TOTAL TAIWAN	<u>202,000</u>	<u>7,728,617</u>	<u>10,425,127</u>	<u>10.93</u>
UNITED STATES				
Communication Services				
SEA LTD	<u>3,376</u>	<u>2,114,796</u>	<u>2,123,156</u>	<u>2.23</u>
Consumer Discretionary				
NIO Inc - ADR	<u>6,040</u>	<u>1,069,777</u>	<u>619,401</u>	<u>0.65</u>
Financials				
HDFC Bank Ltd	<u>8,079</u>	<u>1,972,017</u>	<u>2,319,868</u>	<u>2.43</u>
TOTAL UNITED STATES	<u>17,495</u>	<u>5,156,590</u>	<u>5,062,425</u>	<u>5.31</u>
TOTAL QUOTED SECURITIES	<u>6,635,233</u>	<u>72,021,318</u>	<u>80,312,596</u>	<u>84.24</u>
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>8,291,278</u>		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>80,312,596</u>		

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

Name of counter	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
2022 (CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES				
Bank Pembangunan Malaysia Bhd 4.28% 02/03/2022 (AAA)	300,000	305,339	305,832	0.32
Celcom Networks Sdn Bhd 4.85% 29/08/2022 (AA1)	250,000	255,494	258,654	0.27
Edra Energy Sdn Bhd 5.67% 05/01/2023 (AA3)	200,000	203,759	206,179	0.22
Fortune Premiere Sdn Bhd 3.98% 11/09/2026 (AA)	400,000	406,590	400,474	0.42
Govt Investment Issues 4.19% 15/07/2022 (GB)	4,100,000	4,151,963	4,150,747	4.35
IJM Land Bhd 4.73% 17/03/2119 (A2)	100,000	101,815	99,927	0.10
MMC Corporation Bhd 5.64% 27/04/2027 (AA3)	750,000	771,660	813,194	0.85
Perbadanan Kemajuan Negeri Selangor 5.15% 10/08/2023 (AA3)	500,000	516,493	523,682	0.55
Quantum Solar Park Green 5.24% 06/10/2023 (AA3)	200,000	209,533	209,752	0.22
UEM Edgenta Bhd 4.85% 26/04/2022 (AA3)	300,000	304,034	305,410	0.32
UEM Sunrise Bhd 4.75% 22/03/2024 (AA3)	400,000	415,335	413,371	0.43
United Growth Bhd 4.73% 21/06/2022 (AA2)	300,000	301,871	304,288	0.32
WCT Holdings Bhd 5.32% 11/05/2022 (AA3)	125,000	126,718	127,076	0.14
YTL Corporation Bhd 4.38% 25/04/2023 (AA1)	2,250,000	2,270,044	2,298,353	2.42
TOTAL UNQUOTED FIXED INCOME SECURITIES	10,175,000	10,340,650	10,416,938	10.93
ACCUMULATED UNREALISED GAIN ON UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		76,288		
TOTAL UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		10,416,938		

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

- ¹ NVDR, or non-voting depository receipt, is a trading instrument issued by Thai NVDR Company Limited, a subsidiary wholly owned by the Stock Exchange of Thailand ("SET"). It is a valid security as specified by the United States Securities and Exchange Commission ("SEC") and is automatically regarded as a listed security by the SET. The underlying security is a listed security in the SET.

9. CASH AND CASH EQUIVALENTS

	2023	2022
	RM	RM
Deposits with licensed financial institution	165,013	2,380,116
Bank balances	782,130	1,962,381
	<u>947,143</u>	<u>4,342,497</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2023	2022
	No of units	No of units
Class A (i)	25,929,544	50,809,756
Class C (ii)	7,313,266	6,818,848
Class X (iii)	10,100,075	72,428,520
	<u>43,342,885</u>	<u>130,057,124</u>

(i) Class A

At the beginning of the financial year	50,809,756	46,678,729
Add : Creation of units from applications	4,426,306	5,638,487
Add : Creation of units from distribution	1,089,945	1,525,101
Less : Cancellation of units	(30,396,463)	(3,032,561)
At the end of the financial year	<u>25,929,544</u>	<u>50,809,756</u>

(ii) Class C

At the beginning of the financial year	6,818,848	5,798,525
Add : Creation of units from applications	958,350	1,001,093
Add : Creation of units from distribution	146,799	197,520
Less : Cancellation of units	(610,731)	(178,290)
At the end of the financial year	<u>7,313,266</u>	<u>6,818,848</u>

(iii) Class X

At the beginning of the financial year	72,428,520	62,041,445
Add : Creation of units from applications	11,312,220	13,836,834
Add : Creation of units from distribution	1,585,987	2,162,408
Less : Cancellation of units	(75,226,652)	(5,612,167)
At the end of the financial year	<u>10,100,075</u>	<u>72,428,520</u>

11. TOTAL EXPENSE RATIO (“TER”)

	2023	2022
	%	%
TER	1.58	1.56

TER is derived from the following calculation:

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

A	=	Management fee
B	=	Private Pension Administrator administration fee
C	=	Trustee and custodian fees
D	=	Audit fee
E	=	Tax agent's fee
F	=	Other expenses excluding withholding tax
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 RM69,413,518 (2022: RM99,427,200).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	2023	2022
PTR (times)	0.88	0.44

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 = RM37,520,309 (2022: RM48,517,510)

total disposal for the financial year = RM85,258,766 (2022: RM39,798,455)

13. 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:

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

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

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

<u>Related parties (continued)</u>	<u>Relationship (continued)</u>
CIMB Group Sdn Bhd	Shareholder of the PRS Provider
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the PRS Provider
CGS-CIMB Securities Sdn Bhd	Fellow related party to the PRS Provider
CIMB Bank Bhd	Fellow related party to the PRS Provider

Units held by the PRS Provider and parties related to 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 the financial year.

In addition to the related party disclosure mentioned elsewhere in the financial statements, set out below are other significant related party transactions. 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.

	2023 RM	2022 RM
<u>Significant related party transactions:</u>		
Interest income from deposits with licensed financial institution:		
- CIMB Bank Bhd	<u>4,282</u>	<u>-</u>
Dividend income:		
- CIMB Group Holdings Bhd	<u>29,798</u>	<u>-</u>
<u>Significant related party balance:</u>		
Quoted security:		
- CIMB Group Holdings Bhd	<u>-</u>	<u>1,004,640</u>

14. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with the top 10 brokers/dealers for the financial year ended 31 January 2023 are as follows:

Brokers/Dealers	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Citigroup Global Markets Ltd	58,667,771	47.78	25,778	10.55
CGS-CIMB Securities (Singapore) Pte Ltd #	13,274,116	10.81	29,478	12.06
Credit Suisse (Hong Kong) Ltd	5,240,342	4.27	13,748	5.63
RHB Investment Bank Bhd	5,153,940	4.20	205	0.08
Hong Leong Investment Bank	4,571,178	3.72	-	-
Instinet Pacific Limited	3,550,528	2.89	8,912	3.65
JP Morgan Securities (Asia Pacific) Ltd	3,233,997	2.63	10,013	4.10
CLSA Ltd	2,547,344	2.07	6,740	2.76
Macquarie Securities Australia Ltd	2,524,396	2.06	7,573	3.10
Sanford C Bernstein & Co LLC	2,253,051	1.84	5,935	2.43
Others	21,762,412	17.73	21,641	16.64
	<u>122,779,075</u>	<u>100.00</u>	<u>130,023</u>	<u>100.00</u>

Details of transactions with the top 10 brokers/dealers for the financial year ended 31 January 2022 are as follows:

Brokers/Dealers	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
CGS-CIMB Securities (Singapore) Pte Ltd #	35,340,183	40.02	75,022	40.12
Credit Suisse (Hong Kong) Ltd	7,747,091	8.77	37,156	19.88
RHB Bank Bhd	4,721,893	5.35	25,799	13.80
Instinet Pacific Limited	4,629,814	5.24	7,442	3.98
JP Morgan Securities (Asia Pacific) Ltd	4,425,781	5.01	13,798	7.38
Citigroup Global Markets Ltd	4,031,110	4.56	2,385	1.28
Macquarie Securities Australia Ltd	2,850,602	3.23	-	-
CIMB Islamic Bank Bhd	2,141,118	2.42	2,766	1.48
CLSA Ltd	2,097,079	2.37	5,455	2.92
AmBank (M) Bhd	2,044,540	2.32	4,445	2.38
Others	18,286,754	20.71	12,675	6.78
	<u>88,315,965</u>	<u>100.00</u>	<u>186,943</u>	<u>100.00</u>

14. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

Included in the transactions are trades conducted with CGS-CIMB Securities (Singapore) Ptd Ltd, fellow related parties to the PRS provider amounting to RM13,274,116 (2022: RM35,340,183). The PRS Provider is of the opinion that all transactions have been entered into in the normal course of business at agreed terms between the related parties.

15. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The COVID-19 pandemic, with its related lockdowns and movement restrictions, together with geopolitical tensions and heightened inflationary environment globally have had, and will continue to have, a significant impact on global economic conditions and the environment which the Fund operates.

The PRS Provider continues to closely monitor the macroeconomic outlook affected by these factors and their impact to the Fund's performance and will be managing the risks to achieve the Fund's objective.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the PRS Provider on 28 March 2023.

DIRECTORY

Head office of the Manager

Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))
10th Floor, Bangunan CIMB,
Jalan Semantan,
Damansara Heights,
50490 Kuala Lumpur, MALAYSIA.
Tel: (03) 2084 8888

Website

www.principal.com.my

E-mail address

service@principal.com.my

Customer Care Centre

(03) 7723 7260

Chat with us via WhatsApp

+60 16-299 9792

Trustee for the Principal PRS Plus Growth

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

Auditors of the Fund

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