

**PRINCIPAL PRS PLUS MODERATE**  
**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 Moderate for the financial year ended 31 January 2023. You may also download this report from our website at [www.principal.com.my](http://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](http://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

## FUND OBJECTIVE AND POLICY

### What is the investment objective of the Fund?

The Fund seeks to provide a moderate level of capital growth over the long-term by investing in a diversified portfolio of equity and fixed income instruments.

### Has the Fund achieved its objective?

For the financial year under review, the Fund has not performed in line with its objective. However, over the longer term, the Fund has met the objective of achieving a moderate level of capital growth.

### What are the Fund investment policy and principal investment strategy?

The Fund will invest in a mix of equities and fixed income instruments to provide a moderate level of 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 shall not exceed 60% of the Fund's NAV and investments in local and/or foreign fixed income instruments shall not be less than 40% 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 5% of its NAV in unrated fixed income instruments.

The asset allocation strategy for this Fund is as follows:

- At least 40% of the Fund's NAV will be invested in fixed income instruments, of which up to 5% of the Fund's NAV may be invested in unrated fixed income instruments;
- Up to 60% 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

Balanced

### 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?

RM30.54 million (42.96 million units)

### What is the Fund's benchmark?

60% FTSE Bursa Malaysia ("FBM") Top 100 ("FBM100") Index + 40% Quant shop Malaysian Government Securities ("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.

### What was the net income distribution for the financial year ended 31 January 2023?

The Fund distributed a total net income of RM1.65 million to members for the financial year ended 31 January 2023.

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

The Fund's NAV per unit are as follows:

<b>Date</b>	<b>NAV per unit (before distribution) RM</b>	<b>NAV per unit (after distribution) RM</b>
Distribution on 12 August 2022		
Class A	0.7191	0.7004
Class C	0.7166	0.6980
Class X	0.7191	0.7019

Breakdown of distribution were as follows:

	<b>RM</b>	<b>%</b>
Income	1,649,073	100.00
Capital	-	-
Total	<u>1,649,073</u>	<u>100.00</u>

**PERFORMANCE DATA**

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

	<b>31.01.2023</b>	<b>31.01.2022</b>	<b>31.01.2021</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Quoted securities			
- Communication Services	7.53	8.08	7.00
- Consumer Discretionary	4.74	7.81	8.49
- Consumer Staples	3.42	-	-
- Energy	0.90	-	-
- Financials	12.23	10.68	9.88
- Health Care	3.78	2.72	3.25
- Industrials	5.68	4.63	7.43
- Information Technology	6.90	11.85	10.67
- Materials	3.96	5.39	7.03
- Real Estate	6.31	2.94	2.74
- Utilities	0.94	-	-
Unquoted securities	40.17	41.32	41.47
Cash and other assets	4.81	4.74	2.38
Liabilities	<u>(1.37)</u>	<u>(0.16)</u>	<u>(0.34)</u>
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	<b>31.01.2023</b>	<b>31.01.2022</b>	<b>31.01.2021</b>
NAV (RM Million)			
Class A	16.46	25.99	25.45
Class C	4.32	4.13	3.79
Class X	9.76	31.88	24.67
Units in circulation (Million)			
Class A	23.16	35.30	32.78
Class C	6.11	5.62	4.89
Class X	13.69	43.29	31.78

**PERFORMANCE DATA (CONTINUED)**

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

	<b>31.01.2023</b>	<b>31.01.2022</b>	<b>31.01.2021</b>
NAV per unit (RM)			
- Class A	0.7109	0.7363	0.7762
- Class C	0.7082	0.7342	0.7748
- Class X	0.7124	0.7363	0.7762
Highest NAV per unit (RM)			
- Class A	0.7550	0.8151	0.8084
- Class C	0.7528	0.8133	0.8070
- Class X	0.7550	0.8151	0.8084
Lowest NAV per unit (RM)			
- Class A	0.6567	0.7344	0.6227
- Class C	0.6542	0.7324	0.6218
- Class X	0.6582	0.7344	0.6227
Total return (%)			
- Class A	(0.87)	(1.37)	15.63
- Class C	(0.97)	(1.47)	15.54
- Class X	(0.88)	(1.35)	15.61
Capital growth (%)			
- Class A	(3.45)	(5.14)	9.96
- Class C	(3.54)	(5.24)	9.89
- Class X	(3.25)	(5.13)	9.94
Income distribution (%)			
- Class A	2.67	3.98	5.15
- Class C	2.66	3.98	5.15
- Class X	2.45	3.98	5.15
Total Expense Ratio ("TER") (%) ^	1.61	1.57	1.55
Portfolio Turnover Ratio ("PTR") (times) #	0.68	0.34	0.38

^ The Fund's TER increased from 1.57% to 1.61% due to an decrease in average NAV for the financial year under review.

# The Fund's PTR increased from 0.34 times to 0.68 times under review due to higher trading activities during the financial year.

## Gross/Net distribution per unit (sen)

## Date of distribution

## Distribution on 12 August 2022

- Class A	1.87	-	-
- Class C	1.86	-	-
- Class X	1.72	-	-

## Distribution on 14 October 2021

- Class A	-	2.99	-
- Class C	-	2.98	-
- Class X	-	2.99	-

## Distribution on 18 December 2020

- Class A	-	-	3.85
- Class C	-	-	3.84
- Class X	-	-	3.85

**PERFORMANCE DATA (CONTINUED)**

	<b>31.01.2023</b>	<b>31.01.2022</b>	<b>31.01.2021</b>	<b>31.01.2020</b>	<b>31.01.2019</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Annual total return					
- Class A	(0.87)	(1.37)	15.63	6.68	(3.18)
- Class C	(0.97)	(1.47)	15.54	6.57	(3.20)
- Class X	(0.88)	(1.35)	15.61	6.68	(3.19)

(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 Products (“GDP”) recovery for Malaysia as well as Association of Southeast Asian Nations (“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 (“YoY”) (2021: 3.6% YoY) 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% YoY in the 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 the third quarter of 2022 as it delivered a growth of 14.2% YoY contributed by robust domestic and external demand as well as improved labour market. In the 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 financial 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% YoY in April 2022, 2.8% YoY in May 2022 and 3.4% YoY in June 2022 with food inflation as its major contributor. CPI accelerated further in July 2022 as it increased by 4.4% YoY. 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% YoY as it was driven by food away from home increase by 8.4%, while food at home increased by 6.4%. In September 2022, it inched slightly lower as it recorded 4.5% YoY increase and continued to decelerate in October 2022 and November 2022 as it recorded 4.0% YoY increase for both months. In December 2022, it eased to 3.8% YoY 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%).

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

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 the first quarter of 2022, Bond Price Agency Malaysia ("BPAM") Corporates All Bond (1-year to 3-year) Index was the best performing Index with return of 0.57% while the QuantsShop Government Investment Issues ("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-year to 3-year) Index with a return of 0.14% and the worst performer was the BPAM Corporates Sukuk (7-year over) Index with a return of -2.82%. In the third quarter of 2022 ("3Q2022"), almost all indices recorded positive returns with corporates outperforming local govvnies as BPAM Corporates 3 year to -7 year 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 bps to 70 bps. Sentiment turned positive due to the mix of the Federal Open Market Committee ("FOMC") minutes which hinted smaller rate.

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 bps to 32 bps. 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.

**Foreign Equity**

During the financial year under review, the MSCI Asia Pac ex Japan Index declined 9.2% in USD terms and 7.4% in MYR terms. Topical issues were the Russia-Ukraine conflict, tighter interest rate environment, China Coronavirus Disease 2019 ("COVID-19") situation, China National congress and recessionary concerns.

In beginning of 2022, Asian equities found a renewed concern with tighter monetary policy and Russia-Ukraine conflict. This led to escalating bond yields, stronger Dollar and oil prices, which went above USD100 per barrel. The selloff in Asian equities escalated in June 2022, led by Korea and Taiwan as the US Fed tightened the policy rate by 75 percentage points, its third in the year and bringing cumulative hikes thus far to 1.5%. Recessionary concerns took hold in August 2022 during a more resolute tone by the Federal Reserve (the "US Fed") Chair to combat inflation during the Jackson Hole meeting and with crude oil prices declining sharply. Central banks continued to push ahead to raise rates in response to high inflation with US 10-year Treasury yields hit a high of 4.2% on Oct 24 while the USD strengthened.

November marked an important turnaround for the Asian equity markets. The MSCI AC Asia Pacific ex Japan Index surged 17.4% in USD terms in Nov 2022 with North Asia being the best performing markets. They rallied on the back of easing of zero COVID-19 policy from China, announcement of measures to support the property market after the China National Congress and the meeting between President Xi and President Biden in Bali eased concerns about US-China tension. The move by China to implement more pragmatic policies paved the way for Chinese economy to recover from the economic impact of the lockdowns and weakness in property market. Moreover, headline CPI in the US rose less than expected, at 7.7% in October 2022s and annual core CPI rose 6.3% YoY, at a slower pace than the previous month. This led to some hopes that US Fed will slow its pace of tightening or pause rate hikes earlier. Markets continued to post a recovery in December 2022 and January 2023 as investors positioned for China's pivot to growth, moderating inflation rates and a soft landing in developed markets.



## FUND PERFORMANCE

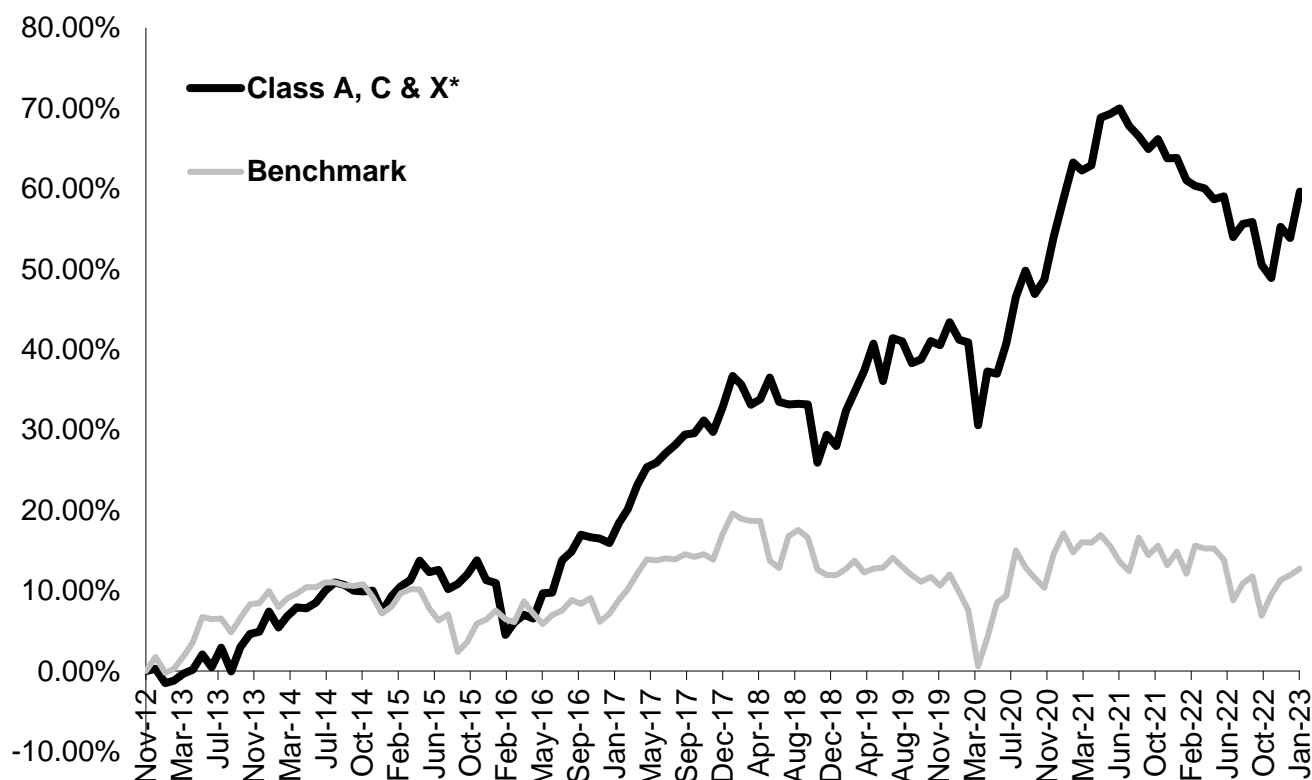
	1 year to 31.01.2023			3 years to 31.01.2023		
	Class A %	Class C %	Class X %	Class A %	Class C %	Class X %
Income Distribution	2.67	2.66	2.45	12.26	12.24	12.02
Capital Growth	(3.45)	3.54	(3.25)	0.71	(0.44)	0.92
Total Return	(0.87)	(0.97)	(0.88)	13.05	12.74	13.05
Benchmark	0.55	0.55	0.55	2.69	2.69	2.69
Average Total Return	(0.87)	(0.97)	(0.88)	4.17	4.08	4.17

	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	13.18	13.15	12.91	12.26	12.24	12.02
Capital Growth	3.18	(2.79)	3.40	42.18	(41.64)	42.48
Total Return	16.77	16.30	16.75	59.61	58.98	59.60
Benchmark	(5.74)	(5.74)	(5.74)	12.72	12.72	12.72
Average Total Return	3.15	3.07	3.15	4.68	4.64	4.68

For the financial year under review, total return of Class A, Class C and Class X declined by 0.9%, 1.0% and 0.9% respectively. Meanwhile, the benchmark rose by 0.55% over the same reporting year. The underperformance of the Fund relative to its benchmark was driven mainly by the allocation into equity funds.

The slight variation in the performance between Class A, Class C and Class X, if any, was due to different timing of units created for each of the class.

## Since inception



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

**FUND PERFORMANCE (CONTINUED)****Changes in NAV**

	<b>31.01.2023</b>	<b>31.01.2022</b>	<b>Changes %</b>
<b>CLASS A</b>			
NAV (RM Million)	16.46	25.99	(36.67)
NAV/Unit (RM)	0.7109	0.7363	(3.45)
<b>CLASS C</b>			
NAV (RM Million)	4.32	4.13	4.60
NAV/Unit (RM)	0.7082	0.7342	(3.54)
<b>CLASS X</b>			
NAV (RM Million)	9.76	31.88	(69.39)
NAV/Unit (RM)	0.7124	0.7363	(3.25)

For the financial period under review, the Fund's NAV has declined by 36.67% and 69.39% for Classes A and X, respectively. Meanwhile, Class C's NAV increased by 4.60%. As for NAV per unit (RM), Class A, Class C and Class X saw a decline of 3.45%, 3.54% and 3.25%, respectively. The number of units in circulation decreased significantly for Class A and Class X due to the migration of customers to Target Date Funds.

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**

<b>(%) of NAV</b>	<b>31.01.2023</b>	<b>31.01.2022</b>
Quoted securities	56.39	54.10
Unquoted securities	40.17	41.32
Cash and other assets	4.81	4.74
Liabilities	(1.37)	(0.16)
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

As at 31 Jan 2023, the Fund held 56.39% in quoted securities, 40.17% in fixed income securities with the rest held in cash. The Fund was fully invested during the financial period under review. Some level of liquid assets was maintained primarily for redemption purposes.

## MARKET OUTLOOK\*

### Fixed Income

At the time of report writing, we saw Budget 2023 being re-tabled by Prime Minister Anwar, who also serves as the country's Minister of Finance. The amended Budget 2023 was tabled to the parliament on 24 February 2023. It is expected that the re-tabled budget deficit of RM93.9 billion versus previous RM99.0 billion will see lower gross issuance of RM175 billion in 2023 (vs previous earlier projection of RM180 billion). However, this is still marginally higher than the gross issuance of RM172 billion in 2022. The projected decline in the fiscal deficit to 5.0% of GDP (from 5.6% of GDP in 2022) augurs well for the long-term trajectory of reducing public debt with the commitment of the new government to further reduce its fiscal deficit to 3.2% in 2025. 2023 real GDP growth is projected to grow at 4.5% YoY (down from 2022 growth of 8.7% YoY) while headline inflation is forecast to grow within 2.8% - 3.8%, revised from prior projection of 2.3% - 3.3% range. The international rating agencies, especially S&P and Moody's have reiterated that they are willing to overlook higher debt levels in the short term if this is balanced by a healthy growth outlook. As such, we expect Malaysia's credit ratings to remain stable in the near to intermediate term.

### Foreign Equity

We are positive on Asian equities in the next 12-months for a few reasons. Firstly, China's COVID-19, macroeconomic and regulatory policies are coordinated in favour of growth for the first time in 3 years. China made important policy shifts in November and December, when it abandoned its dynamic zero-COVID-19 policy and reversed its stance towards the property sector by launching a series of policies and injecting credit to support and stimulate real estate activities. Secondly, we expect earnings per share ("EPS") growth in Asia to be better than developed markets in 2023 given the gradual reopening of the Asian economies and possible easing of inflation. We are also of the opinion that bulk of the heavy lifting by Fed is done, and inflation is likely to ease in earnest in the first half of 2023 ("1H2023"), as global economy slows in response to the monetary tightening by central banks. Hence it is likely the USD may stabilize from here. Broadly, monetary tightening by major central banks is also at a tail end due to peaking of inflation. Lastly, we believe that Asia is under-owned and valuation looks attractive. The near-term risks are a deteriorating US-China relationship, inflation being more entrenched than expected, leading to tighter monetary policy for longer and slower than expected recovery in China.

\* 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

Overall, we believe the bond market should be well supported this year with the new government's commitment in maintaining fiscal consolidation. We will take opportunity of any correction in the market to increase duration slightly further. Although we continue to remain overweight incorporates, we are mindful of the potential slower growth for certain sectors in the economy and as such, prefer names with a stronger credit profile.

### Foreign Equity

The portfolio is positioned to benefit from long-term structural growth drivers. The portfolio is also focused on quality companies which are long term winners or market share gainers as well as companies with visible growth, pricing power and reasonable valuations. As this is a core Fund for the PRS, the Fund will continue to remain fully invested with minimal cash kept for redemption purposes.

**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 assists in the decision-making process relating to the Fund's investments. All dealings with brokers are executed on best available terms.

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

**SECURITIES FINANCING TRANSACTIONS**

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

**STATE OF AFFAIR OF THE FUND**

Please find the latest changes to the 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 period and up to the date of PRS Provider’s report, not otherwise disclosed in the financial statements.

**CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF MEMBERS**

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

**CROSS TRADE**

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

**UNIT SPLIT**

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

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

We, being the Directors of Principal Asset Management (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 43 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 MODERATE**

We have acted as the Scheme Trustee of the Fund for the financial period ended 28 February 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

**JIVA MUNUSAMY**  
Head, Client Management

Kuala Lumpur  
13 March 2023

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
PRINCIPAL PRS PLUS MODERATE**

**Report on the audit of the financial statements**

*Opinion*

We have audited the financial statements of Principal PRS Plus Moderate (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 43.

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 MODERATE (cont'd.)**

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

*Information other than the financial statements and auditors' report thereon*

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

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

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

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

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

The PRS Provider is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with 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 MODERATE (cont'd.)

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

#### *Auditors' responsibilities for the audit of the financial statements*

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

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
PRINCIPAL PRS PLUS MODERATE (cont'd.)**

**Other matters**

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

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

Yeo Beng Yean  
No. 03013/10/2024 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
<b>(LOSS)/INCOME</b>			
Dividend income		952,347	791,113
Interest income from deposits with licensed financial institutions at amortised cost		50,095	19,921
Interest income from unquoted fixed income securities at fair value through profit or loss		769,515	861,039
Net loss on financial assets at fair value through profit or loss	8	(3,102,663)	(1,521,576)
Net foreign exchange gain/(loss)		32,417	(26,494)
		<u>(1,298,289)</u>	<u>124,003</u>
<b>EXPENSES</b>			
Management fee	4	723,559	831,977
Private Pension Administrator administration fee	4	20,558	23,655
Trustee and custodian fees	5	20,558	23,655
Audit fee		8,100	8,200
Tax agent fee		14,019	17,455
Transaction costs		80,264	54,576
Other expenses		102,983	147,389
		<u>970,041</u>	<u>1,106,907</u>
<b>LOSS BEFORE DISTRIBUTION AND TAXATION</b>		(2,268,330)	(982,904)
Distribution:			
- Class A		666,850	965,696
- Class C		105,089	154,628
- Class X		877,134	1,125,262
	6	<u>1,649,073</u>	<u>2,245,586</u>
<b>LOSS BEFORE TAXATION</b>		(3,917,403)	(3,228,490)
Taxation	7	<u>-</u>	<u>-</u>
<b>LOSS AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR</b>		<u>(3,917,403)</u>	<u>(3,228,490)</u>
Loss after taxation is made up as follows:			
Realised amount		120,933	(415,110)
Unrealised amount		<u>(4,038,336)</u>	<u>(2,813,380)</u>
		<u>(3,917,403)</u>	<u>(3,228,490)</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**

	<b>Note</b>	<b>2023 RM</b>	<b>2022 RM</b>
<b>ASSETS</b>			
Cash and cash equivalents	<b>9</b>	1,409,068	2,536,619
Financial assets at fair value through profit or loss	<b>8</b>	29,493,863	59,157,860
Amount due from the PRS Provider			
- creation of units		59,767	397,959
<b>TOTAL ASSETS</b>		<u>30,962,698</u>	<u>62,092,438</u>
<b>LIABILITIES</b>			
Amount due to the PRS Provider			
- management fees		36,297	74,965
- cancellation of units		3,611	144
Amount due to dealer		359,577	-
Amount due to Private Pension Administrator		1,027	2,132
Amount due to Trustee		1,027	2,132
Other payables and accruals		17,500	17,500
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS)</b>		<u>419,039</u>	<u>96,873</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>30,543,659</u>	<u>61,995,565</u>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u>30,543,659</u>	<u>61,995,565</u>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS</b>			
- Class A		16,462,138	25,989,812
- Class C		4,325,135	4,129,932
- Class X		9,756,386	31,875,821
		<u>30,543,659</u>	<u>61,995,565</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
- Class A		23,156,113	35,295,288
- Class C		6,107,055	5,624,597
- Class X		13,694,983	43,290,050
	<b>10</b>	<u>42,958,151</u>	<u>84,209,935</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>			
- Class A		0.7109	0.7363
- Class C		0.7082	0.7342
- Class X		<u>0.7124</u>	<u>0.7363</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**

	<b>2023 RM</b>	<b>2022 RM</b>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<u>61,995,565</u>	<u>53,910,585</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class A	2,768,022	3,898,352
- Class C	529,236	601,068
- Class X	9,802,957	10,636,665
	<u>13,100,215</u>	<u>15,136,085</u>
Creation of units from distribution		
- Class A	666,850	965,696
- Class C	105,089	154,628
- Class X	877,134	1,125,262
	<u>1,649,073</u>	<u>2,245,586</u>
Cancellation of units		
- Class A	(11,605,433)	(3,005,089)
- Class C	(297,272)	(194,820)
- Class X	(30,381,086)	(2,868,292)
	<u>(42,283,791)</u>	<u>(6,068,201)</u>
Total comprehensive loss for the financial year	<u>(3,917,403)</u>	<u>(3,228,490)</u>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL YEAR</b>	<u><u>30,543,659</u></u>	<u><u>61,995,565</u></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**

	Note	2023 RM	2022 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from disposal of quoted securities		29,208,142	8,674,796
Purchase of quoted securities		(15,815,112)	(12,930,032)
Proceeds from sales of unquoted fixed income securities		15,498,895	6,611,676
Proceeds from redemption of unquoted fixed income securities		7,380,000	1,000,000
Purchase of unquoted fixed income securities		(9,423,570)	(11,650,397)
Dividend income received		911,442	799,113
Interest income from deposits with licensed financial institutions		50,095	19,921
Interest income received from unquoted fixed income securities		783,948	1,106,985
Management fee paid		(762,227)	(817,144)
Private Pension Administrator administration fees paid		(21,663)	(23,232)
Trustee fee paid		(21,663)	(23,232)
Payments for other fees and expenses		(60,606)	(172,644)
Net realised foreign exchange loss		(88,932)	(51,651)
<b>Net cash generated from/(used in) operating activities</b>		<u>27,638,749</u>	<u>(7,455,841)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		13,438,407	15,125,914
Payments for cancellation of units		(42,280,324)	(6,068,056)
<b>Net cash (used in)/generated from financing activities</b>		<u>(28,841,917)</u>	<u>9,057,858</u>
Net (decrease)/increase in cash and cash equivalents		(1,203,168)	1,602,017
Effects of foreign exchange differences		75,617	46,493
Cash and cash equivalents at the beginning of the financial year		<u>2,536,619</u>	<u>888,109</u>
Cash and cash equivalents at the end of the financial year	<b>9</b>	<u><u>1,409,068</u></u>	<u><u>2,536,619</u></u>
<u>Cash and cash equivalents comprised of:</u>			
Bank balances		492,927	751,532
Deposits with licensed financial institutions		<u>916,141</u>	<u>1,785,087</u>
Cash and cash equivalents at the end of the financial year	<b>9</b>	<u><u>1,409,068</u></u>	<u><u>2,536,619</u></u>

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

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

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

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

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

The Fund will invest in a mix of equities and fixed income instruments to provide a moderate level of 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 shall not exceed 60% of the Fund’s NAV and investments in local and/or foreign fixed income instruments shall not be less than 40% 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 5% of its NAV in unrated fixed income instruments.

The asset allocation strategy for this Fund is as follows:

- At least 40% of the Fund’s NAV will be invested in fixed income instruments, of which up to 5% of the Fund’s NAV may be invested in unrated fixed income instruments;
- Up to 60% 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 that are 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.

### (b) Financial assets and financial liabilities

#### Classification

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

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

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



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (b) Financial assets and financial liabilities (continued)

#### Classification (continued)

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.

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

Foreign quoted securities are valued based on the last traded market price quoted on the respective foreign stock exchange 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.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (b) Financial assets and financial liabilities (continued)

#### Recognition and measurement (continued)

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.

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest method over the period from the date of placement to the date of maturity of the respective deposits.

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

#### Impairment for assets carried at amortised costs

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

#### 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 institutions and unquoted fixed income securities are recognised on a time proportionate basis using the effective interest rate method on an accrual basis.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (c) Income recognition (continued)

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

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

Realised gain or loss on disposal of unquoted fixed income securities is accounted for as the difference between the net disposal proceed and the carrying amount of investments, 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 Ringgit Malaysia (“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 RM primarily due to the following factors:

- i) The Fund’s units are denominated in MYR;
- ii) Significant portion of the Fund’s expenses are denominated in MYR; and
- iii) Significant portion of the Fund’s NAV is invested in investment 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”.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (e) Members' contributions (continued)

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.

### (f) Distribution

Distributions to members are recognised in the statement of comprehensive income as finance costs, as the members' contribution are classified as financial liability 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) Transaction costs

Transactions 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 balances and deposits with licensed financial institution 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 investment 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(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 Funds' 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.

**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.

MYR-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
<b>2023</b>			
Cash and cash equivalents (Note 9)	-	1,409,068	1,409,068
Quoted securities (Note 8)	17,224,002	-	17,224,002
Unquoted fixed income securities (Note 8)	12,269,861	-	12,269,861
Amount due from the PRS Provider - creation of units	-	59,767	59,767
	<u>29,493,863</u>	<u>1,468,835</u>	<u>30,962,698</u>
<b>2022</b>			
Cash and cash equivalents (Note 9)	-	2,536,619	2,536,619
Quoted securities (Note 8)	33,540,558	-	33,540,558
Unquoted fixed income securities (Note 8)	25,617,302	-	25,617,302
Amount due from the PRS Provider - creation of units	-	397,959	397,959
	<u>59,157,860</u>	<u>2,934,578</u>	<u>62,092,438</u>

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

The investment objective of the Fund is to provide a moderate level of capital growth over the long-term by investing in a diversified portfolio of equity and 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.

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

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

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

#### (a) Market risk (continued)

##### (i) Price risk (continued)

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

	2023 RM	2022 RM
Financial assets at fair value through profit or loss:		
- Quoted securities	17,224,002	33,540,558
- Unquoted fixed income securities*	12,269,861	25,617,302
	<u>29,493,863</u>	<u>59,157,860</u>

\* Includes interest receivables of RM174,707 (2022: RM257,358).

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 PRS Provider's best estimate of a reasonable possible shift in the quoted securities, having regard to the historical volatility of the prices.

% Change in price of quoted securities	Market value RM	Impact on profit or loss/NAV RM
<b>2023</b>		
-5%	16,362,802	(861,200)
0%	17,224,002	-
+5%	<u>18,085,202</u>	<u>861,200</u>

% Change in price of quoted securities	Market value RM	Impact on profit or loss/NAV RM
<b>2022</b>		
-5%	31,863,530	(1,677,028)
0%	33,540,558	-
+5%	<u>35,217,586</u>	<u>1,677,028</u>

The Fund is exposed to price risk arising from interest rate fluctuation in relation to its investments of RM12,269,861 (2022: RM25,617,302) 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.

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

#### (a) Market risk (continued)

##### (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 the 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 at the end of each reporting year. The analysis is based on the assumptions that the interest rate changed 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%	(10,387)	(22,368)
-1%	<u>10,405</u>	<u>22,409</u>

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.



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

#### (a) Market risk (continued)

##### (ii) Interest rate risk (continued)

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

	<b>2023</b>	<b>2022</b>
	%	%
Deposits with licensed financial institutions	<u>2.80</u>	<u>1.78</u>

##### (iii) Currency risk

Currency risk of the Fund 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 RM 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:

	<b>Cash and cash equivalents RM</b>	<b>Financial assets at fair value through profit or loss RM</b>	<b>Total RM</b>
<b>2023</b>			
AUD	-	3,208,057	3,208,057
CNY	-	1,709,545	1,709,545
HKD	-	4,504,868	4,504,868
IDR	-	882,313	882,313
KRW	-	1,323,305	1,323,305
SGD	-	3,384,274	3,384,274
THB	-	561,201	561,201
TWD	-	1,650,439	1,650,439
USD	472,843	-	472,843
	<u>472,843</u>	<u>17,224,002</u>	<u>17,696,845</u>
<b>2022</b>			
AUD	-	6,356,092	6,356,092
CNY	-	631,418	631,418
HKD	-	9,931,425	9,931,425
IDR	-	2,125,989	2,125,989
KRW	-	4,199,663	4,199,663
SGD	-	5,967,488	5,967,488
THB	-	191,476	191,476
TWD	15	4,137,007	4,137,022
USD	711,052	-	711,052
	<u>711,067</u>	<u>33,540,558</u>	<u>34,251,625</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 PRS Provider'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 RM	2022 RM
AUD	+/- 5	+/-160,403	+/- 317,805
CNY	+/- 5	+/-85,477	+/- 31,571
HKD	+/- 5	+/-225,243	+/- 496,571
IDR	+/- 5	+/-44,116	+/- 106,299
KRW	+/- 5	+/-66,165	+/- 209,983
SGD	+/- 5	+/-169,214	+/- 298,374
THB	+/- 5	+/-28,060	+/- 9,574
TWD	+/- 5	+/-82,522	+/- 206,851
USD	+/- 5	+/-23,642	+/- 35,553
		<u>+/-884,842</u>	<u>+/- 1,712,581</u>

#### (b) Credit risk

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

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 rating requirement of at least a "BBB3" or "P2" by RAM or equivalent rating by MARC or by local rating agency(ies) of the country or "BBB" by S&P or equivalent rating by Moody's or Fitch.

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

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

#### (b) Credit risk (continued)

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

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

Financial assets	Cash and cash equivalents RM	Financial assets at fair value through profit or loss RM	Amount due from the PRS Provider - creation of units RM	Total RM
<b>2023</b>				
- AAA	1,409,068	1,556,657	-	2,965,725
- AA1	-	286,766	-	286,766
- AA2	-	354,868	-	354,868
- AA3	-	7,726,846	-	7,726,846
- AA	-	2,195,969	-	2,195,969
- A2	-	148,755	-	148,755
- Not Rated	-	-	59,767	59,767
	<u>1,409,068</u>	<u>12,269,861</u>	<u>59,767</u>	<u>13,738,696</u>
<b>2022</b>				
- AAA	1,785,087	4,281,074	-	6,066,161
- AA1	751,532	1,058,026	-	1,809,558
- AA2	-	3,130,130	-	3,130,130
- AA3	-	2,071,451	-	2,071,451
- AA	-	11,773,176	-	11,773,176
- A2	-	149,890	-	149,890
- GB	-	3,153,555	-	3,153,555
- Not Rated	-	-	397,959	397,959
	<u>2,536,619</u>	<u>25,617,302</u>	<u>397,959</u>	<u>28,551,880</u>

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

#### (c) Liquidity risk

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

The PRS Provider manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by members. Liquid assets comprise bank balances, which are capable of being converted into cash within 7 business days. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors.

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

#### (c) Liquidity risk (continued)

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
<b>2023</b>			
Amount due to the PRS Provider			
- management fees	36,297	-	36,297
- cancellation of units	3,611	-	3,611
Amount due to Trustee	1,027	-	1,027
Amount due to Private Pension Administrator	1,027	-	1,027
Amount due to dealer	359,577	-	359,577
Other payables and accruals	-	17,500	17,500
Net assets attributable to members*	30,543,659	-	30,543,659
<b>Contractual undiscounted cash flows</b>	<b>30,945,198</b>	<b>17,500</b>	<b>30,962,698</b>
<b>2022</b>			
Amount due to the PRS Provider			
- management fees	74,965	-	74,965
- cancellation of units	144	-	144
Amount due to Trustee	2,132	-	2,132
Amount due to Private Pension Administrator	2,132	-	2,132
Other payables and accruals	-	17,500	17,500
Net assets attributable to members*	61,995,565	-	61,995,565
<b>Contractual undiscounted cash flows</b>	<b>62,074,938</b>	<b>17,500</b>	<b>62,092,438</b>

\* 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 for long term.

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

#### (d) Capital risk management

The capital of the Fund is represented by net assets attributable to members of RM30,543,659 (2022: RM61,995,565). The amount of net assets attributable to members can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of 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)

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.

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

#### (e) Fair value estimation (continued)

##### (i) Fair value hierarchy (continued)

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
<b>2023</b>				
Financial assets at fair value through profit or loss:				
- Quoted securities	17,224,002	-	-	17,224,002
- Unquoted fixed income securities	-	12,269,861	-	12,269,861
	<u>17,224,002</u>	<u>12,269,861</u>	<u>-</u>	<u>29,493,863</u>
<b>2022</b>				
Financial assets at fair value through profit or loss:				
- Quoted securities	33,540,558	-	-	33,540,558
- Unquoted fixed income securities	-	25,617,302	-	25,617,302
	<u>33,540,558</u>	<u>25,617,302</u>	<u>-</u>	<u>59,157,860</u>

Quoted securities whose 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. 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 on 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 and amount due from the PRS Provider - creation of units and all current liabilities are a reasonable approximation of their fair values due to their short-term nature.

#### 4. MANAGEMENT FEE AND PRIVATE PENSION ADMINISTRATOR ADMINISTRATION FEE

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

For the financial year ended 31 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 (2022: 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 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 while the global custodian fee was recognised at RM25,969 (2022: RM13,449).

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	669,331	380,019
Interest income	538,844	437,145
Net realised gain from disposal of quoted securities	676,827	907,873
Prior financial year's realised income	141,324	1,026,385
	<u>2,026,326</u>	<u>2,751,422</u>
Less:		
Expenses	377,253	505,836
Net distribution amount	<u>1,649,073</u>	<u>2,245,586</u>
Gross/Net distribution per unit (sen)		
Distribution on 12 August 2022		
- Class A	1.87	-
- Class C	1.86	-
- Class X	1.72	-
Distribution on 14 October 2021		
- Class A	-	2.99
- Class C	-	2.98
- Class X	-	2.99

**6. DISTRIBUTION (CONTINUED)**

Gross distribution was derived using total income less total expenses. Net distribution above was sourced from current financial year's 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 RM4,038,336 during the financial year ended 31 January 2023 (2022: RM2,813,380).

**7. TAXATION**

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

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

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

	<b>2023 RM</b>	<b>2022 RM</b>
Loss before taxation	(3,917,403)	(3,228,490)
Taxation at Malaysian statutory rate of 24%. (2022: 24%)	(940,177)	(774,837)
Tax effects of:		
- Loss not deductible for tax/(Income not subject to tax)	311,590	(29,761)
- Expenses not deductible for tax purposes	446,487	599,484
- Restriction on tax deductible expenses for PRS Funds	182,100	205,114
Taxation	-	-

**8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>2023 RM</b>	<b>2022 RM</b>
At fair value through profit or loss:		
- Quoted securities	17,224,002	33,540,558
- Unquoted fixed income securities	12,269,861	25,617,302
	<u>29,493,863</u>	<u>59,157,860</u>
Net loss on financial assets at fair value through profit or loss:		
- Realised gain on disposals	1,254,861	1,346,833
- Unrealised fair value loss	(4,357,524)	(2,868,409)
	<u>(3,102,663)</u>	<u>(1,521,576)</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 %
<b>2023</b>				
<b>QUOTED SECURITIES</b>				
<b>AUSTRALIA</b>				
<b>Consumer Discretionary</b>				
Aristocrat Leisure Ltd	4,532	366,075	460,289	1.51
<b>Energy</b>				
Santos Ltd	12,940	278,527	275,155	0.90
<b>Financials</b>				
Macquarie Group Ltd	1,101	445,849	616,866	2.02
<b>Health Care</b>				
CSL Ltd	670	458,979	597,283	1.96
Ramsay Health Care Ltd	1,375	282,902	273,956	0.90
	2,045	741,881	871,239	2.86
<b>Industrials</b>				
Seven Group Holdings Ltd	4,340	265,202	294,248	0.96
<b>Materials</b>				
BHP Group Ltd	4,674	435,216	690,260	2.26
<b>TOTAL AUSTRALIA</b>	<b>29,632</b>	<b>2,532,750</b>	<b>3,208,057</b>	<b>10.51</b>
<b>CAYMAN ISLANDS</b>				
<b>Consumer Discretionary</b>				
Alibaba Group Holding Ltd	12,700	1,024,560	743,797	2.44
<b>TOTAL CAYMAN ISLANDS</b>	<b>12,700</b>	<b>1,024,560</b>	<b>743,797</b>	<b>2.44</b>
<b>CHINA</b>				
<b>Consumer Discretionary</b>				
Byd Company Ltd	1,500	241,501	200,030	0.65
<b>Consumer Staples</b>				
Kweichow Moutai Company Ltd	600	676,405	699,170	2.29
<b>Financials</b>				
Ping An Insurance Group Co. -H	5,500	182,604	181,715	0.59

## 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 %
<b>2023 (CONTINUED)</b>				
<b>QUOTED SECURITIES</b>				
<b>(CONTINUED)</b>				
<b>CHINA (CONTINUED)</b>				
<b>Industrials</b>				
NARI Tech Dev Co Ltd A <sup>1</sup>	25,280	447,700	421,185	1.38
Shanghai Intl Airport A <sup>1</sup>	7,900	287,876	301,744	0.99
	<u>33,180</u>	<u>735,576</u>	<u>722,929</u>	<u>2.37</u>
<b>Utilities</b>				
China Yangtze Power Co A <sup>1</sup>	21,900	335,143	287,445	0.94
	<u>21,900</u>	<u>335,143</u>	<u>287,445</u>	<u>0.94</u>
<b>TOTAL CHINA</b>	<b><u>62,680</u></b>	<b><u>2,171,229</u></b>	<b><u>2,091,289</u></b>	<b><u>6.84</u></b>
<b>HONG KONG, CHINA</b>				
<b>Communication Services</b>				
Tencent Holding Ltd	4,400	824,029	915,338	2.99
	<u>4,400</u>	<u>824,029</u>	<u>915,338</u>	<u>2.99</u>
<b>Consumer Discretionary</b>				
Meituan	440	43,119	41,815	0.14
	<u>440</u>	<u>43,119</u>	<u>41,815</u>	<u>0.14</u>
<b>Financials</b>				
AIA Group Ltd	19,800	724,328	954,316	3.12
Hong Kong Exchanges & Clearing	2,700	492,150	517,891	1.70
	<u>22,500</u>	<u>1,216,478</u>	<u>1,472,207</u>	<u>4.82</u>
<b>Industrials</b>				
Techtronic Industries Co	8,000	318,440	438,053	1.43
	<u>8,000</u>	<u>318,440</u>	<u>438,053</u>	<u>1.43</u>
<b>Real Estate</b>				
Link REIT	15,000	506,985	511,914	1.68
	<u>15,000</u>	<u>506,985</u>	<u>511,914</u>	<u>1.68</u>
<b>TOTAL HONG KONG, CHINA</b>	<b><u>50,340</u></b>	<b><u>2,909,051</u></b>	<b><u>3,379,327</u></b>	<b><u>11.06</u></b>
<b>INDONESIA</b>				
<b>Communication Services</b>				
Telekomunikasi TBK PT	315,800	338,336	345,782	1.13
	<u>315,800</u>	<u>338,336</u>	<u>345,782</u>	<u>1.13</u>
<b>Financials</b>				
Bank Central Asia	222,600	409,369	536,531	1.76
	<u>222,600</u>	<u>409,369</u>	<u>536,531</u>	<u>1.76</u>
<b>TOTAL INDONESIA</b>	<b><u>538,400</u></b>	<b><u>747,705</u></b>	<b><u>882,313</u></b>	<b><u>2.89</u></b>

## 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 %
<b>2023 (CONTINUED)</b>				
<b>QUOTED SECURITIES</b>				
<b>(CONTINUED)</b>				
<b>SINGAPORE</b>				
<b>Communication Services</b>				
NetLink NBN Trust	180,000	528,791	510,158	1.67
Singapore				
Telecommunications	65,300	509,526	530,898	1.74
	<u>245,300</u>	<u>1,038,317</u>	<u>1,041,056</u>	<u>3.41</u>
<b>Financials</b>				
DBS Group Holding Ltd	5,600	459,726	649,193	2.13
<b>Industrials</b>				
Singapore Technologies				
Engineer Ltd	23,600	277,432	281,309	0.92
<b>Real Estate</b>				
CapitaLand Integrated				
Comm Trust Management				
Co	77,400	123,173	536,512	1.76
Capitaland Investment Ltd	44,300	476,373	568,229	1.86
CapLand Ascendas REIT	33,014	266,383	307,975	1.01
	<u>154,714</u>	<u>865,929</u>	<u>1,412,716</u>	<u>4.63</u>
<b>TOTAL SINGAPORE</b>	<b><u>429,214</u></b>	<b><u>2,641,404</u></b>	<b><u>3,384,274</u></b>	<b><u>11.09</u></b>
<b>SOUTH KOREA</b>				
<b>Information Technology</b>				
Samsung Electronics Co.				
Ltd	3,803	752,897	802,777	2.63
<b>Materials</b>				
LG Chem Ltd	218	399,054	520,528	1.70
<b>TOTAL SOUTH KOREA</b>	<b><u>4,021</u></b>	<b><u>1,151,951</u></b>	<b><u>1,323,305</u></b>	<b><u>4.33</u></b>
<b>TAIWAN</b>				
<b>Consumer Staples</b>				
President Chain Store				
Corp	9,000	363,652	344,817	1.13

## 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 %
<b>2023 (CONTINUED)</b>				
<b>QUOTED SECURITIES (CONTINUED)</b>				
<b>TAIWAN (CONTINUED)</b>				
<b>Information Technology</b>				
E Ink Holding Inc	14,000	389,496	342,689	1.12
Taiwan Semiconductor Manufacturing Co Ltd	13,000	686,297	962,933	3.15
	<u>27,000</u>	<u>1,075,793</u>	<u>1,305,622</u>	<u>4.27</u>
<b>TOTAL TAIWAN</b>	<b><u>36,000</u></b>	<b><u>1,439,445</u></b>	<b><u>1,650,439</u></b>	<b><u>5.40</u></b>
<b>THAILAND</b>				
<b>Financials</b>				
Bangkok Bank PCL - Foreign	<u>13,600</u>	<u>345,845</u>	<u>279,361</u>	<u>0.91</u>
<b>Health Care</b>				
Bangkok Dusit Medical Service -NVDR	<u>73,100</u>	<u>225,585</u>	<u>281,840</u>	<u>0.92</u>
<b>TOTAL THAILAND</b>	<b><u>86,700</u></b>	<b><u>571,430</u></b>	<b><u>561,201</u></b>	<b><u>1.83</u></b>
<b>TOTAL QUOTED SECURITIES</b>	<b><u>1,249,687</u></b>	<b><u>15,189,525</u></b>	<b><u>17,224,002</u></b>	<b><u>56.39</u></b>
<b>ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>2,034,477</u></b>		
<b>TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>17,224,002</u></b>		

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2023 (CONTINUED)</b>				
<b>UNQUOTED FIXED INCOME SECURITIES</b>				
AZRB Capital Sdn Bhd 4.85% 26/12/2024 (AA3)	200,000	204,328	200,393	0.66
Bermaz Auto Bhd 3.26% 18/12/2023 (AA3)	250,000	250,727	248,959	0.82
Fortune Premiere Sdn Bhd 3.98% 11/09/2026 (AA)	670,000	689,310	666,203	2.18
Fortune Premiere Sdn Bhd 4.80% 13/3/2023 (AA)	1,500,000	1,530,243	1,529,766	5.01
IJM Land Bhd 4.73% 17/03/2119 (A2)	150,000	152,687	148,755	0.49
Konsortium KAJV Sdn Bhd 5.05% 12/05/2023 (AA3)	300,000	303,704	303,590	0.99
Malayan Banking Bhd 3.10% 08/10/2032 (AA1)	300,000	301,456	286,766	0.94
MMC Corporation Bhd 5.64% 27/4/2027 (AA3)	1,100,000	1,150,023	1,156,131	3.79
MMC Corporation Bhd 5.80% 12/11/2025 (AA3)	500,000	523,610	523,812	1.71
Perbadanan Kemajuan Negeri Selangor 5.01% 31/10/2023 (AA3)	1,725,000	1,758,392	1,757,272	5.75
Perbadanan Kemajuan Negeri Selangor 5.15% 10.08.2023AA3	1,025,000	1,052,548	1,055,235	3.45
Press Metal Aluminium Holding Bhd 4.10% 17/10/2024 (AA2)	350,000	355,936	354,868	1.16
Quantum Solar Park 5.24% 6/10/23 (AA3)	400,000	411,807	409,964	1.34
Sarawak Energy Bhd 4.70% 24/11/2028 (AAA)	1,500,000	1,631,634	1,556,657	5.10
UEM Sunrise Bhd 4.75% 22/03/2024 (AA3)	1,700,000	1,750,375	1,727,265	5.65
UMW Holding Bhd 3.03% 05/11/2025 (AA3)	350,000	349,582	344,225	1.13
<b>TOTAL UNQUOTED FIXED INCOME SECURITIES</b>	<b>12,020,000</b>	<b>12,416,362</b>	<b>12,269,861</b>	<b>40.17</b>

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2023 (CONTINUED)</b>				
<b>UNQUOTED FIXED INCOME SECURITIES (CONTINUED)</b>				
<b>ACCUMULATED UNREALISED LOSS ON UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>(146,501)</u>		
<b>TOTAL UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>12,269,861</u>		
Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2022</b>				
<b>QUOTED SECURITIES</b>				
<b>AUSTRALIA</b>				
<b>Consumer Discretionary</b>				
Aristocrat Leisure Ltd	<u>10,317</u>	<u>724,347</u>	<u>1,228,391</u>	<u>1.98</u>
<b>Financials</b>				
Macquarie Group Ltd	<u>2,356</u>	<u>842,291</u>	<u>1,276,542</u>	<u>2.06</u>
<b>Health Care</b>				
CSL Ltd	<u>1,090</u>	<u>583,167</u>	<u>837,383</u>	<u>1.35</u>
Ramsay Health Care Ltd	<u>4,585</u>	<u>943,350</u>	<u>849,512</u>	<u>1.37</u>
	<u>5,675</u>	<u>1,526,517</u>	<u>1,686,895</u>	<u>2.72</u>
<b>Industrials</b>				
Seven Group Holdings Ltd	<u>6,220</u>	<u>439,333</u>	<u>397,914</u>	<u>0.64</u>
<b>Materials</b>				
BHP Group Ltd	<u>10,629</u>	<u>958,551</u>	<u>1,453,724</u>	<u>2.35</u>
Northern Star Resources Ltd	<u>12,780</u>	<u>532,679</u>	<u>312,626</u>	<u>0.50</u>
	<u>23,409</u>	<u>1,491,230</u>	<u>1,766,350</u>	<u>2.85</u>
<b>TOTAL AUSTRALIA</b>	<u><b>47,977</b></u>	<u><b>5,023,718</b></u>	<u><b>6,356,092</b></u>	<u><b>10.25</b></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 %
<b>2022 (CONTINUED) QUOTED SECURITIES (CONTINUED)</b>				
<b>CAYMAN ISLANDS</b>				
<b>Consumer Discretionary</b>				
Alibaba Group Holding Ltd	14,900	1,768,293	911,469	1.47
<b>TOTAL CAYMAN ISLANDS</b>	<b>14,900</b>	<b>1,768,293</b>	<b>911,469</b>	<b>1.47</b>
<b>CHINA</b>				
<b>Information Technology</b>				
LONGi Green Energy Technology – A <sup>1</sup>	13,700	725,343	631,418	1.02
<b>TOTAL CHINA</b>	<b>13,700</b>	<b>725,343</b>	<b>631,418</b>	<b>1.02</b>
<b>HONG KONG, CHINA</b>				
<b>Communication Services</b>				
Tencent Holdings Ltd	8,700	1,696,694	2,203,494	3.56
<b>Consumer Discretionary</b>				
JD Com Inc	414	51,392	62,114	0.10
Li Ning Co Ltd	42,500	591,934	1,718,394	2.77
Shenzhou International Group	12,000	1,007,484	921,450	1.49
	54,914	1,650,810	2,701,958	4.36
<b>Financials</b>				
AIA Group Ltd	31,400	1,104,545	1,358,891	2.19
Hong Kong Exchanges & Clearing Ltd	3,800	723,811	893,933	1.44
	35,200	1,828,356	2,252,824	3.63
<b>Industrials</b>				
China Conch Venture Holdings Ltd	28,000	543,472	556,669	0.90
Techtronic Industries Co Ltd	19,000	720,838	1,305,011	2.11
	47,000	1,264,310	1,861,680	3.01
<b>TOTAL HONG KONG, CHINA</b>	<b>145,814</b>	<b>6,440,170</b>	<b>9,019,956</b>	<b>14.56</b>

## 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 %
<b>2022 (CONTINUED)</b>				
<b>QUOTED SECURITIES</b>				
<b>(CONTINUED)</b>				
<b>INDONESIA</b>				
<b>Communication Services</b>				
PT Telekomunikasi Tbk	774,200	787,207	944,623	1.52
<b>Financials</b>				
PT Bank Central Asia Tbk	410,000	588,288	910,364	1.47
PT Bank Mandiri Tbk	124,500	295,724	271,002	0.44
	534,500	884,012	1,181,366	1.91
<b>TOTAL INDONESIA</b>	<b>1,308,700</b>	<b>1,671,219</b>	<b>2,125,989</b>	<b>3.43</b>
<b>SINGAPORE</b>				
<b>Communication Services</b>				
NetLink NBN Trust	335,700	986,750	1,005,835	1.62
Singapore Telecommunications	114,200	866,980	857,188	1.38
	449,900	1,853,730	1,863,023	3.00
<b>Financials</b>				
DBS Group Holdings Ltd	15,800	1,212,861	1,717,923	2.77
<b>Industrials</b>				
Singapore Technologies Engineering Ltd	48,500	580,599	558,797	0.90
<b>Real Estate</b>				
Ascendas REIT	105,014	837,572	895,283	1.44
Capitaland Investment Ltd	87,500	909,543	932,462	1.50
	192,514	1,747,115	1,827,745	2.94
<b>TOTAL SINGAPORE</b>	<b>706,714</b>	<b>5,394,305</b>	<b>5,967,488</b>	<b>9.61</b>
<b>SOUTH KOREA</b>				
<b>Information Technology</b>				
Samsung Electronics Co Ltd	10,347	2,054,527	2,622,896	4.23



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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2022 (CONTINUED)</b>				
<b>QUOTED SECURITIES (CONTINUED)</b>				
<b>SOUTH KOREA (CONTINUED)</b>				
<b>Materials</b>				
LG Chem Ltd	558	1,025,534	1,233,098	1.99
Posco	375	447,158	343,669	0.55
	933	1,472,692	1,576,767	2.54
<b>TOTAL SOUTH KOREA</b>	<b>11,280</b>	<b>3,527,219</b>	<b>4,199,663</b>	<b>6.77</b>
<b>TAIWAN</b>				
<b>Industrials</b>				
AirTac International Group	325	35,003	46,729	0.08
<b>Information Technology</b>				
MediaTek Inc	4,000	407,975	646,720	1.04
Taiwan Semiconductor Manufacturing	36,000	1,859,438	3,443,558	5.56
	40,000	2,267,413	4,090,278	6.60
<b>TOTAL TAIWAN</b>	<b>40,325</b>	<b>2,302,416</b>	<b>4,137,007</b>	<b>6.68</b>
<b>THAILAND</b>				
<b>Financials</b>				
Bangkok Bank PCL	11,300	306,905	191,476	0.31
<b>TOTAL THAILAND</b>	<b>11,300</b>	<b>306,905</b>	<b>191,476</b>	<b>0.31</b>
<b>TOTAL QUOTED SECURITIES</b>	<b>2,300,710</b>	<b>27,159,588</b>	<b>33,540,558</b>	<b>54.10</b>
<b>ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>6,380,970</b>		
<b>TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>33,540,558</b>		

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2022 (CONTINUED)</b>				
<b>UNQUOTED FIXED</b>				
<b>INCOME SECURITIES</b>				
AZRB Capital Sdn Bhd 4.85% 26/12/2024 (AA)	1,000,000	1,030,040	1,016,704	1.64
Bank Pembangunan Malaysia Bhd 4.28% 02/03/2022 (AAA)	1,150,000	1,171,566	1,172,357	1.89
Bumitama Agri Ltd 4.20% 22/07/2026 (AA2)	2,100,000	2,167,163	2,124,067	3.43
Celcom Networks Sdn Bhd 4.85% 29/08/2022 (AA)	650,000	668,635	672,500	1.08
Edra Energy Sdn Bhd 5.67% 05/01/2023 (AA3)	1,100,000	1,124,636	1,133,984	1.83
Fortune Premiere Sdn Bhd 3.99% 11/09/2026 (AA)	1,000,000	1,033,947	1,036,382	1.67
Fortune Premiere Sdn Bhd 4.65% 21/12/2022 (AA)	1,470,000	1,517,232	1,471,741	2.37
Fortune Premiere Sdn Bhd 4.80% 13/03/2023 (AA)	500,000	502,535	509,595	0.82
Government Investment Issues 4.19% 15/07/2022 (GB)	3,115,000	3,154,517	3,153,555	5.09
IJM Land Bhd 4.73% 17/03/2119 (A2)	150,000	152,722	149,890	0.24
Imtiaz Sukuk II Bhd 3.54% 17/04/2026 (AA2)	600,000	608,872	600,346	0.97
Lafarge Cement Sdn Bhd 4.40% 11/12/2023 (AA3)	200,000	204,529	204,312	0.33
Malayan Banking Bhd 3.10% 08/10/2032 (AA1)	300,000	301,180	291,908	0.47
MMC Corporation Berhad 5.29% 26/04/2023 (AA)	1,000,000	1,042,066	1,042,393	1.68
MMC Corporation Bhd 5.64% 27/04/2027 (AA)	1,100,000	1,157,137	1,192,684	1.92
Northport 5.00% 02/12/2022 (AA)	550,000	564,108	565,118	0.91
Pengurusan Air SPV Bhd 3.80% 30/10/2026 (AAA)	1,500,000	1,546,859	1,526,371	2.46
Perbadanan Kemajuan Negeri Selangor 5.00% 10/08/2021 (AA3)	700,000	719,363	733,155	1.18
Quantum Solar Park Green Sri Sukuk 5.24% 6/10/23 (AA)	400,000	419,067	419,504	0.68
Sarawak Energy Bhd 4.70% 24/11/2028 (AAA)	1,500,000	1,650,600	1,582,346	2.55

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

<b>Name of issuer</b>	<b>Nominal value RM</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>2022 (CONTINUED)</b>				
<b>UNQUOTED FIXED INCOME SECURITIES (CONTINUED)</b>				
UEM Edgenta Bhd 4.85% 26/04/2022 (AA)	300,000	304,951	305,410	0.49
UEM Sunrise Bhd 4.75% 22/03/2024 (AA)	1,700,000	1,768,363	1,756,828	2.84
UMW Holdings Bhd 3.03% 05/11/2025 (AA)	750,000	746,862	741,371	1.20
UMW Holdings Bhd 5.12% 04/10/2023 (AA)	300,000	311,979	316,069	0.52
United Growth Bhd 4.73% 21/06/2022 (AA2)	400,000	402,494	405,717	0.65
WCT Holdings Bhd 5.32% 11/05/2022 (AA)	715,000	724,668	726,877	1.17
YTL Corporation Bhd 4.38% 25/04/2023 (AA1)	750,000	756,681	766,118	1.24
<b>TOTAL UNQUOTED FIXED INCOME SECURITIES</b>	<b><u>25,000,000</u></b>	<b><u>25,752,772</u></b>	<b><u>25,617,302</u></b>	<b><u>41.32</u></b>
<b>ACCUMULATED UNREALISED LOSS ON UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<b><u>(135,470)</u></b>		
<b>TOTAL UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<b><u>25,617,302</u></b>		

<sup>1</sup> A-shares trade on the two Chinese stock exchanges, the Shanghai Stock Exchange and the Shenzhen Stock Exchange. A-shares are shares of mainland China-based companies and are available for purchase to select foreign institutions through the Qualified Foreign Institutional Investor ("QFII") system.

**9. CASH AND CASH EQUIVALENTS**

	<b>2023 RM</b>	<b>2022 RM</b>
Bank balances	492,927	751,532
Deposits with licensed financial institutions	916,141	1,785,087
	<b><u>1,409,068</u></b>	<b><u>2,536,619</u></b>

**10. NUMBER OF UNITS IN CIRCULATION (UNITS)**

	<b>2023</b>	<b>2022</b>
	<b>No. of units</b>	<b>No. of units</b>
Class A (i)	23,156,113	35,295,288
Class C (ii)	6,107,055	5,624,597
Class X (iii)	13,694,983	43,290,050
	<u>42,958,151</u>	<u>84,209,935</u>
 (i) Class A		
At the beginning of the financial year	35,295,288	32,778,048
Add: Creation of units from applications	3,936,600	5,026,537
Add: Creation of units from distribution	952,099	1,285,195
Less: Cancellation of units	(17,027,874)	(3,794,492)
At the end of the financial year	<u>23,156,113</u>	<u>35,295,288</u>
 (ii) Class C		
At the beginning of the financial year	5,624,597	4,892,883
Add: Creation of units from applications	762,961	779,237
Add: Creation of units from distribution	150,557	206,280
Less: Cancellation of units	(431,060)	(253,803)
At the end of the financial year	<u>6,107,055</u>	<u>5,624,597</u>
 (iii) Class X		
At the beginning of the financial year	43,290,050	31,784,812
Add: Creation of units from applications	13,776,377	13,683,475
Add: Creation of units from distribution	1,249,657	1,497,553
Less: Cancellation of units	(44,621,101)	(3,675,790)
At the end of the financial year	<u>13,694,983</u>	<u>43,290,050</u>

**11. TOTAL EXPENSE RATIO ("TER")**

	<b>2023</b>	<b>2022</b>
	<b>%</b>	<b>%</b>
TER	<u>1.61</u>	<u>1.57</u>

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 fee
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 RM51,333,847 (2022: RM58,852,083).

**12. PORTFOLIO TURNOVER RATIO (“PTR”)**

	<b>2023</b>	<b>2022</b>
PTR (times)	<u>0.68</u>	<u>0.34</u>

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	=	RM25,631,565 (2022: RM24,328,694)
total disposal for the financial year	=	RM44,528,252 (2022: RM15,262,046)

**13. UNITS HELD BY THE PRS PROVIDER AND PARTIES RELATED TO THE PRS PROVIDER, AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES**

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

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

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

There were no related party balances as at the end of the financial year, apart from those mentioned elsewhere in the financial statements.

**14. TRANSACTIONS WITH BROKERS/DEALERS**

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

<b>Brokers/Dealers</b>	<b>Values of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
CLSA Securities (M) Sdn Bhd	23,240,584	33.13	7,289	20.71
RHB Bank Bhd	7,693,032	10.97	-	-
RHB Investment Bank Bhd	6,009,420	8.57	-	-
Affin Hwang Investment Bank Bhd	4,756,338	6.78	-	-
Instinet Pacific Limited	4,395,795	6.27	5,824	16.55
CGS-CIMB Securities (SG) Pte Ltd #	3,313,602	4.72	7,017	19.94
JP Morgan Securities (Asia Pacific)	3,132,087	4.46	6,847	19.46
Hong Leong Investment Bank Bhd	3,027,830	4.32	-	-
Macquarie Securities AU Ltd	2,857,800	4.07	8,211	23.34
Hong Leong Bank Bhd	1,769,920	2.52	-	-
Others	9,963,410	14.19	-	-
	<u>70,159,818</u>	<u>100.00</u>	<u>35,188</u>	<u>100.00</u>

**14. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)**

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

<b>Brokers/Dealers</b>	<b>Values of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
CGS-CIMB Securities (Singapore) Pte Ltd #	9,247,629	23.38	21,696	49.88
RHB Bank Bhd	6,059,088	15.32	-	-
RHB Investment Bank Bhd	3,830,862	9.68	-	-
Macquarie Securities AU Ltd	2,839,993	7.18	8,246	18.96
Hong Leong Investment Bank Bhd	2,496,159	6.31	-	-
CIMB Islamic Bank Bhd #	1,937,202	4.90	-	-
Credit Suisse (HK) Ltd	1,866,165	4.72	4,303	9.89
JP Morgan Securities Asia Pacific Ltd	1,519,282	3.84	4,564	10.49
Instinet Pacific Limited	1,243,789	3.14	3,109	7.15
AmBank (M) Bhd	1,242,058	3.14	-	-
Others	7,273,511	18.39	1,582	3.63
	<u>39,555,738</u>	<u>100.00</u>	<u>43,500</u>	<u>100.00</u>

# Included in transactions are trades conducted with CGS-CIMB Securities (Singapore) Pte Ltd and CGS-CIMB Securities Sdn Bhd, fellow related parties to the PRS Provider amounting to RM3,313,602 (2022: RM9,247,629) and Nil (2022: RM1,937,202) respectively. 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 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.

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**16. APPROVAL OF FINANCIAL STATEMENTS**

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

## DIRECTORY

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### Auditors of the Fund and of the PRS Provider

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