

# Principal Malaysia Titans Plus Fund

Annual Report

For The Financial Year Ended 31 October 2023

**PRINCIPAL MALAYSIA TITANS PLUS FUND**

**ANNUAL REPORT**

**FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

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**INVESTORS' LETTER**

Dear Valued Investor,

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

We are pleased to bring you a copy of the Annual Fund Report of the Principal Malaysia Titans Plus Fund for the financial year ended 31 October 2023. You may also download this report from our website at [www.principal.com.my](http://www.principal.com.my).

We are happy to share that Principal Malaysia won two awards at the International Finance’s 2023 Financial Awards and Leadership Awards. The awards were for Best Asset Management Company (Malaysia) and Best Asset Management CEO (Malaysia) – Ms. Munirah Khairuddin. We also won the Best Impact – Climate Action, Gold award for Principal Asia Pacific Renewables Fund at The Edge ESG 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**  
Country Head and Chief Executive Officer, Malaysia  
Non-Independent Executive Director

**MANAGER’S REPORT**

**FUND OBJECTIVE AND POLICY**

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

The investment objective of the Fund is to achieve maximum capital appreciation over the long-term through all types of investments.

**Has the Fund achieved its objective?**

For the financial year under review, the Fund’s Class MYR registered a total return of 1.25% while the Fund’s Class SGD recorded a negative return of 3.02% which mainly due to the effect of forex movement. Since inception, the Fund in terms of MYR, has met its objective by delivering a 5.61% annualised total return. The Fund’s returns are stated and described under the Fund Performance section of this report.

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

The Fund may invest at least 70% of its NAV in equities and up to 28% of the Fund’s NAV in other permissible investments and at least 2% of the Fund’s NAV in liquid assets. In line with its objective, the investment policy and strategy of the Fund will focus on investment in shares of companies with growth potential. Generally, the Fund will invest primarily in large capitalisation companies listed on the main market of Bursa Malaysia. The Fund may also invest in ACE market of Bursa Malaysia to provide better return. With effect from 14 April 2023, the Fund may invest up to 25% of its NAV in companies that are listed in any Eligible Market globally with some operations or businesses in Malaysia to capture growth opportunities.

The asset allocation strategy for this Fund is as follows:

- at least 70% of the Fund’s NAV will be invested in equities;
- up to 28% of the Fund’s NAV may be invested in other permissible investments; and
- at least 2% of the Fund’s NAV in liquid assets.

**Fund category/type**

Equity/Aggressive Growth

**When was the Fund launched?**

<b>Name of Class</b>	<b>Launch Date</b>
Class MYR	28 September 1995
Class SGD *	18 February 2016

\*only offered in Singapore

**What was the size of the Fund as at 31 October 2023?**

RM153.12 million (182.05 million units)

**What is the Fund’s benchmark?**

FTSE Bursa Malaysia (“FBM”) Top 100 (“FBM100”) Index.

Note: Investors should note that the risk profile of the Fund is not the same as the risk profile of the benchmark.

**What is the Fund distribution policy?**

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

**What was the net income distribution for the financial year ended 31 October 2023?**

There was no income distribution for the financial year ended 31 October 2023.

**PERFORMANCE DATA**

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

	<b>31.10.2023</b>	<b>31.10.2022</b>	<b>31.10.2021</b>
	%	%	%
Collective investment scheme	0.51	-	-
Quoted securities			
- Construction	4.95	2.96	4.22
- Consumer Products & Services	4.94	13.36	12.99
- Energy	7.76	3.95	6.16
- Financial Services	19.48	29.55	30.72
- Health Care	6.84	2.48	2.70
- Industrial Products & Services	10.11	10.23	14.52
- Plantation	0.32	8.81	3.85
- Property	3.60	-	0.99
- Technology	16.86	9.11	16.89
- Telecommunications & Media	3.71	3.10	2.37
- Transportation & Logistics	6.29	4.20	1.94
- Utilities	11.63	1.12	-
Cash and other net assets	3.25	11.44	3.23
Liabilities	(0.25)	(0.31)	(0.58)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	<b>31.10.2023</b>	<b>31.10.2022</b>	<b>31.10.2021</b>
NAV (RM Million)			
- Class MYR	152.93	164.36	192.15
- Class SGD	0.19	0.26	0.45
Units in circulation (Million)			
- Class MYR	181.98	198.03	204.69
- Class SGD	0.07	0.10	0.15
NAV per unit (RM)			
- Class MYR	0.8403	0.8299	0.9387
- Class SGD	2.6513	2.6184	2.9613
Highest NAV per unit (RM)			
- Class MYR	0.8738	0.9435	1.0046
- Class SGD	2.7566	2.9766	3.1690
Lowest NAV per unit (RM)			
- Class MYR	0.8086	0.8256	0.8203
- Class SGD	2.5511	2.6045	2.5875
Total return (%)			
- Class MYR	1.25	(8.29)	19.79
- Class SGD	(3.02)	(15.51)	18.42
- Capital growth (%)			
- Class MYR	1.25	(11.60)	14.66
- Class SGD	(3.02)	(18.56)	13.35
- Income distribution (%)			
- Class MYR	-	3.75	4.48
- Class SGD	-	3.74	4.48
Total Expense Ratio ("TER") (%) ^	1.58	1.57	1.58
Portfolio Turnover Ratio ("PTR") (times) #	0.86	0.50	0.81

**PERFORMANCE DATA (CONTINUED)**

^ The Fund's TER increased from 1.57% to 1.58% was mainly due to a decrease in average NAV during the financial year under review.

# The Fund's PTR increased from 0.50 times to 0.86 times reflecting higher trades conducted as more money was redeployed into equities during the financial year under review.

	31.10.2023	31.10.2022	31.10.2021
Gross/Net distribution per unit (sen)			
Distribution on 26 October 2022			
- Class MYR	-	3.10	-
- Class SGD	-	9.77	-
Distribution on 27 October 2021			
- Class MYR	-	-	4.25
- Class SGD	-	-	13.40

	31.10.2023	31.10.2022	31.10.2021	31.10.2020	31.10.2019
	%	%	%	%	%
Annual total return					
- Class MYR	1.25	(8.29)	19.79	(5.04)	(0.27)

(Launch date: 28 September 1995)

	31.10.2023	31.10.2022	31.10.2021	31.10.2020	31.10.2019
	%	%	%	%	%
Annual total return					
- Class SGD	(3.02)	(15.51)	18.42	(4.21)	(0.20)

(Launch date: 18 February 2016)

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 NOVEMBER 2022 TO 31 OCTOBER 2023)**

For the financial year under review, FBM100 Index ("the Index") increased by 225.43 points or 2.23% from 10,089.93 points to 10,315.36 points.

The Index rose by 2.60% month of month ("m-o-m") in November 2022. Investors cheered as the political deadlock from 15th General Election (which resulted in a hung parliament) was broken with the appointment of Datuk Seri Anwar Ibrahim as Malaysia's 10th Prime Minister who will lead a 'unity government'. Global sentiment also improved on raised bets that the US Federal Reserve (the "Fed") may start slowing the pace of rate hikes in the upcoming Federal Open Market Committee ("FOMC") meeting in December 2022 following the softer October 2022 inflation print.

The index continued to rise by 0.65% in December 2022, aided by the year-end window-dressing and optimism over China's reopening come 8th January 2023. Nonetheless, the market has also continued to stay vigilant on renewed fears of a US recession with concerns of inflation staying higher for longer and as the pace of the Fed rate hikes starts taking a toll on the economy. Recent Institute for Supply Management ("ISM") data showed an unexpected rise in the services industry in November 2022 while employment and wage growth remain robust, albeit US home prices fell for the fourth month running.

Into 2023, the Index up 0.63% m-m in January 2023. Generally, growth stocks outperformed, with technology stocks leading the pack as US inflation cooled further as well as optimism from China's reopening.

**MARKET REVIEW (1 NOVEMBER 2022 TO 31 OCTOBER 2023) (CONTINUED)**

However, the market pullback in February 2023 with the Index fell 2.04% m-o-m in February 2023. Investors remained cautious leading up to Budget 2023 while renewed concerns over the Fed staying hawkish given persistent inflation coupled with encouraging consumption and employment data in the US recently further weighed on sentiment. The rebound in the US Dollar ("USD") also took flows out of emerging markets.

The Index continued to slip in March 2023, falling 1.53% m-o-m. Weakness was in line with the sell-off in regional markets as investors aggressively risked off following the collapse of several high-profile banks in the US and Europe, potentially triggering a global liquidity squeeze, and mounting worries that the Fed's aggressive tightening may have finally taken a toll on the US economy. The market, however, rebounded towards the later part of the month following Fed's decision to go ahead with a 25 basis points ("bps") hike, downplaying fears of a banking contagion and shifting attention back to inflation which has started to ease, albeit very gradually.

The market dropped for the 3rd consecutive month as the Index was down 0.33% m-o-m in April 2023. Commodities, Telcos and Consumer Discretionary did well during the month, while Financials weakened further on lingering fear of potential banking contagion. Recent economic data out of the US were mixed. We have a lower first quarter of 2023 ("1Q23") US Gross Domestic Product ("GDP") print of a mere 1%, down from 2.6% in fourth quarter of 2022 ("4Q22"). On the other hand, the US consumer spending remains strong, up 3.7% over the same period (versus 1% in 4Q22) on the back of low unemployment and solid wage gains. US Consumer Price Index ("CPI") cooled to 5% in March 2023, a lower- end of forecast, but core Personal Consumption expenditure ("PCE") picked up from 3.5% in February 2023 to 3.6% in March 2023 no thanks to higher rents.

The Index further dropped by 1.30% m-o-m in May 2023. The sell-off was relatively broad-based, with select stocks within defensive sectors showing green, and we believe it was largely triggered by the recent weakness of the Ringgit Malaysia ("RM/MYR") on the back of poor Chinese data and consequently the depreciation of the Yuan. Further aggravating the situation was the stronger Dollar. Encouraging payroll and wage, sticky inflation and recent rebound in job openings stoke bets on further rates hikes in the next FOMC meeting.

The market continued to be in jittery with the Index losing 1.06% m-o-m in June 2023. Investors remain wary of the sustained weakness of the Ringgit, a rather uninspiring 1Q23 corporate results although they were broadly in line, and domestic political uncertainties caused by the upcoming State elections. Expectations of a US recession have now been pushed back to 2024 given the still buoyant data points coming out of the US.

Reversing the loss sustained in previous months, the Index strongly rebounded by 5.58% m-o-m in July 2023. Sentiment was sharply lifted by the slump in the USD, benefiting the MYR, and waning expectations of a US recession following recent favourable economic data points – cooling inflation and still resilient jobs market. Gainers were broad-based, with mainly large caps forging ahead.

The market took a pause following a dizzying rally the previous month, up just 0.18% m-o-m in August 2023. That said, we saw decent gains in Financials, Utilities and Materials. Sentiment was dampened by rebound in the US dollar and rising US treasury yields on expectations of further interest rate hikes in the US as economic data points remain strong.

The Index dropped 1.61% m-o-m in September 2023. The sell-off, which largely concentrated towards the last week of the month, was rather broad-based, led by Financials and Commodities. While there could be volatility caused by quarter-end rebalancing, investors were spooked by US treasury yields at a 16-year high and persistent dollar strength affecting Emerging Market ("EM"), in addition to the Fed's hawkish messaging on interest rates.

In October 2023, the Index gained 0.69% m-o-m. There were bargain hunting in Financials and Commodities following the steep sell-off in the previous month. Within the broader market, Construction performed better while Technology, Energy and Property languished.



**MARKET REVIEW (1 NOVEMBER 2022 TO 31 OCTOBER 2023) (CONTINUED)**

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

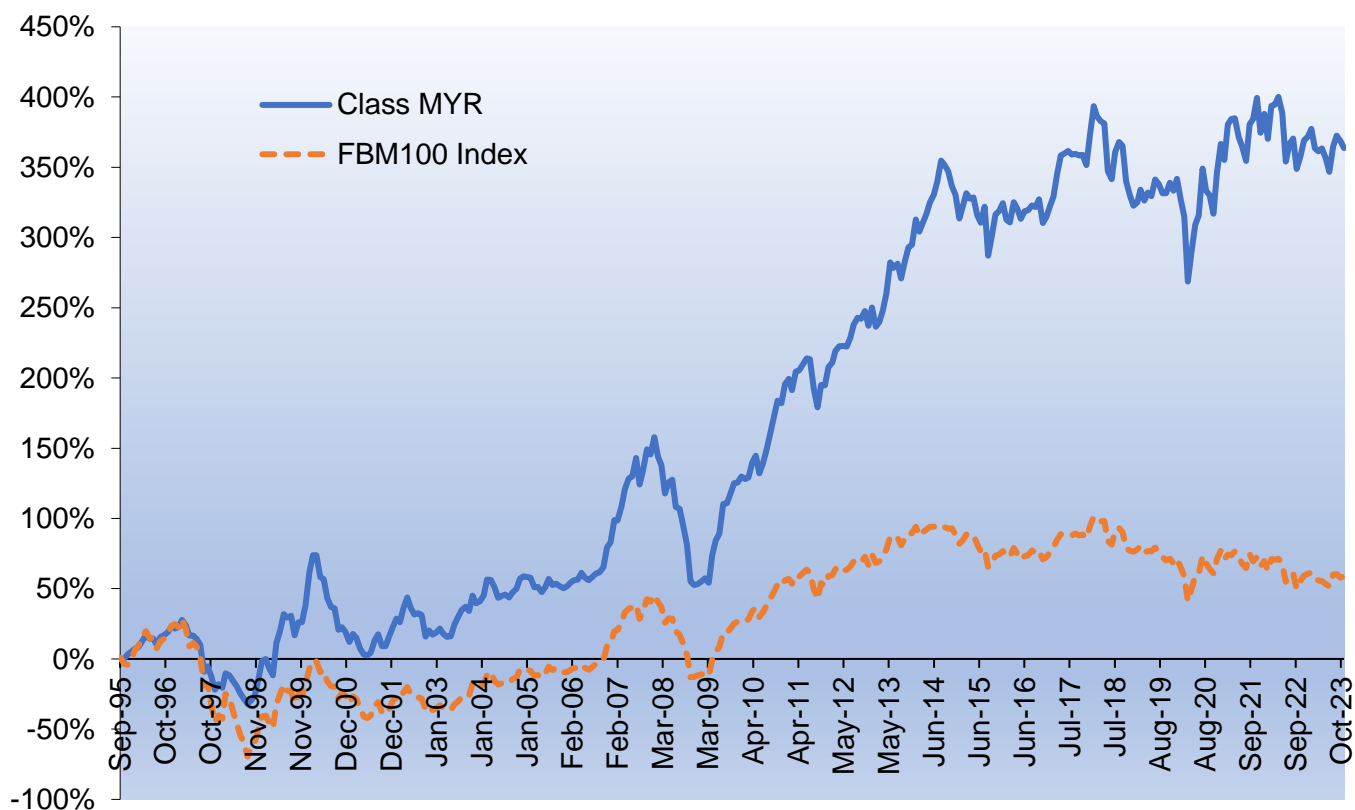
**FUND PERFORMANCE**

	<b>1 year to 31.10.2023 %</b>	<b>3 years to 31.10.2023 %</b>	<b>5 years to 31.10.2023 %</b>	<b>Since inception to 31.10.2023 %</b>
<b>Income Distribution</b>				
- Class MYR	-	8.40	23.39	260.23
- Class SGD	-	8.39	23.39	23.79
<b>Capital Growth</b>				
- Class MYR	1.25	2.63	(14.62)	28.73
- Class SGD	(3.02)	(10.48)	(26.02)	(24.00)
<b>Total Return</b>				
- Class MYR	1.25	11.24	5.35	363.70
- Class SGD	(3.02)	(2.97)	(8.71)	(5.92)
<b>Benchmark</b>				
- Class MYR	2.23	(1.12)	(11.26)	58.97
- Class SGD	(1.78)	(13.49)	(22.89)	(22.39)
<b>Average Total Return</b>				
- Class MYR	1.25	3.61	1.05	5.61
- Class SGD	(3.02)	(1.00)	(1.81)	(0.79)

For the financial year under review, the Fund's Class MYR increased by 1.25%, underperforming the benchmark, which was up by 2.23%. The Fund's Class SGD fell 3.02% which was mainly due to the effect of forex movement.

**Since Inception**

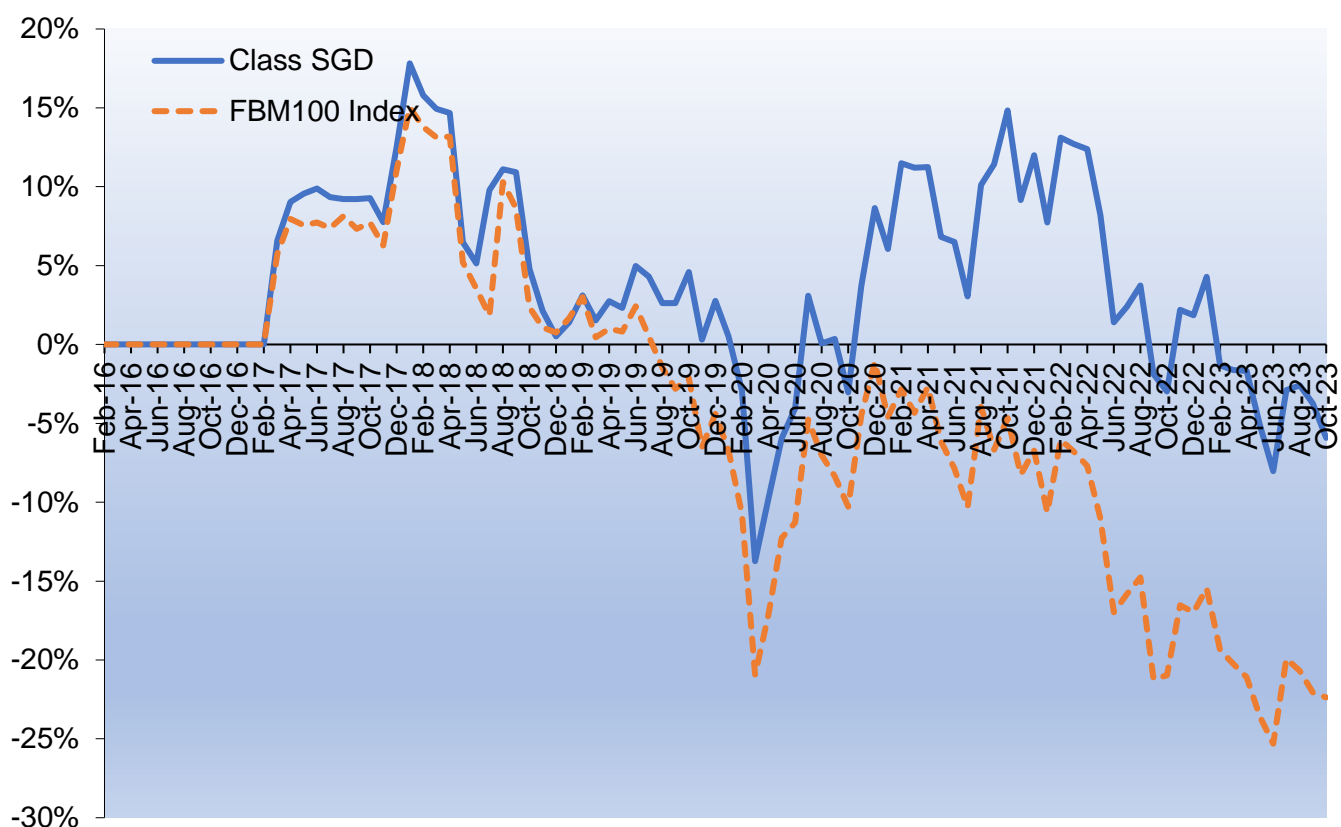
**CLASS MYR**



**FUND PERFORMANCE (CONTINUED)**

Since Inception

**CLASS SGD**



**Changes in NAV**

	31.10.2023	31.10.2022	Changes %
<b>Class MYR</b>			
NAV (RM Million)	152.93	164.36	(6.95)
NAV/Unit (RM)	0.8403	0.8299	1.25
<b>Class SGD</b>			
NAV (RM Million)	0.19	0.26	(26.92)
NAV/Unit (RM)	2.6513	2.6184	1.26

Because of redemptions, NAV for Class MYR decreased by 6.95%, while the NAV for Class SGD decreased by 26.92%. The NAV per unit for Class MYR and Class SGD increased by 1.25% and 1.26% respectively on the better performance of the fund during the financial year under review.

Performance data represents the combined income and capital return as a result of holding units in the Fund for the specified length of time, based on NAV to NAV price. The performance data assumes that all earnings from the Fund are reinvested and are net of management and trustee fees. Past performance is not reflective of future performance and income distributions are not guaranteed. Unit prices and income distributions, if any, may fall and rise. All performance figures for the financial year have been extracted from Lipper.

## PORTFOLIO STRUCTURE

### Asset allocation

(% of NAV)	31.10.2023	31.10.2022
Collective investment scheme	0.51	-
Quoted securities	96.49	88.87
Cash and other assets	3.25	11.44
Liabilities	(0.25)	(0.31)
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

Asset allocation increased from 88.87% as at 31 October 2022 to 97.00% as at 31 October 2023, which was in line with our strategy of redeploying more cash back into equities.

### MARKET OUTLOOK\*

Malaysia's Purchasing Managers' Index ("PMI") reading for October 2023 was unchanged at 46.8pts. According to Standard & Poor's ("S&P") Global, Malaysian manufacturers continued to endure ongoing slowdown in new orders and production. Employment also eased but firms were still able to deplete backlogs. The MYR weakness and higher raw material prices added to input cost pressures, but the rate of inflation remains relatively muted, so are selling prices. Optimism that the demand environment will improve over the course of the next 12 months picked up to a 6-month high.

Advanced release from the Department of Statistics revealed that Malaysia's economy expanded 3.3% year-on-year ("y-o-y") in third quarter of 2023 ("3Q23") vs 2.9% y-o-y in second quarter of 2023 ("2Q23") and median forecast of 2.7%. There appears to be a rebound in commodity-related output and acceleration in services. Budget 2024 was announced in October 2023 with a record allocation of RM394billion. An amount of RM90billion was allocation for development expenditure, while the federal government remains committed to fiscal consolidation and targets a deficit of 4.3% next year and 3% within the next 3-5 years.

Bank Negara maintained Overnight Policy Rate ("OPR") at 3.00% in the last Monetary Policy Committee ("MPC") meeting despite mounting pressures to intervene given the MYR weakness. Inflation was 1.9% in September 2023, significantly undershooting Bank Negara Malaysia ("BNM's") revised target of 2.5% -3.0% for 2023.

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

### INVESTMENT STRATEGY

We remain positive on the market. We remain constructive on sectors that stand to gain from the National Energy Transition Roadmap ("NETR"), including Utilities, Construction, and Property. Additionally, we remain optimistic on selective Technology due to the ongoing structural growth trends in the sector. We have also become more optimistic about selective Financials as we expect positive momentum to persist in the second half of the year, primarily fuelled by better earnings outlook for second half year 2023 ("2HFY23"). Key risks are the derailment of Malaysia's macroeconomic recovery and corporate earnings growth due to the larger-than-expected impact of rising inflation, slower global economic growth, and heightened geopolitical risks.

**SOFT COMMISSIONS AND REBATES**

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

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

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

**SECURITIES FINANCING TRANSACTIONS**

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

**STATE OF AFFAIR OF THE FUND**

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

**CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS**

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

**CROSS TRADE**

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

**UNIT SPLIT**

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF  
PRINCIPAL MALAYSIA TITANS PLUS FUND**

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 7 to 35 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 October 2023 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

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

**MUNIRAH KHAIRUDDIN**

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

**UDAY JAYARAM**

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

Kuala Lumpur  
14 December 2023

**TRUSTEE'S REPORT**

**TO THE UNIT HOLDERS OF  
PRINCIPAL MALAYSIA TITANS PLUS FUND ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 31 October 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

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

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat  
Manager, Investment Compliance Monitoring

Kuala Lumpur  
14 December 2023

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL MALAYSIA TITANS PLUS FUND**

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

*Opinion*

We have audited the financial statements of Principal Malaysia Titans Plus Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 31 October 2023, and statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 7 to 35.

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

*Basis for opinion*

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

*Independence and other ethical responsibilities*

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL MALAYSIA TITANS PLUS FUND (cont'd.)**

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

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

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

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

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

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

*Responsibilities of the Manager and the Trustee for the financial statements*

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

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

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



**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL MALAYSIA TITANS PLUS FUND (cont'd.)**

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

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

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

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL MALAYSIA TITANS PLUS FUND (cont'd.)**

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

**Other matters**

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

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

Yeo Beng Yean  
No. 03013/10/2024 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
14 December 2023

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

	Note	2023 RM	2022 RM
<b>INCOME/(LOSS)</b>			
Dividend income		4,927,828	5,841,833
Interest income from deposits with licensed financial institutions at amortised cost		237,177	195,583
Net gain/(loss) on financial assets at fair value through profit or loss	8	481,280	(18,064,528)
Net foreign exchange gain		2,211	7,666
		<u>5,648,496</u>	<u>(12,019,446)</u>
<b>EXPENSES</b>			
Management fee	4	2,409,902	2,644,127
Trustee fee	5	78,365	88,138
Audit fee		10,900	10,900
Tax agent's fee		7,434	5,800
Transaction costs		1,004,117	653,906
Other expenses		36,064	26,290
		<u>3,546,782</u>	<u>3,429,161</u>
<b>PROFIT/(LOSS) BEFORE DISTRIBUTION AND TAXATION</b>		2,101,714	(15,448,607)
Distribution:			
- Class MYR		-	5,926,688
- Class SGD		-	9,630
	6	<u>-</u>	<u>5,936,318</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		2,101,714	(21,384,925)
Taxation	7	<u>-</u>	<u>-</u>
<b>PROFIT/(LOSS) AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>2,101,714</u>	<u>(21,384,925)</u>
Profit/(Loss) after taxation is made up as follows:			
Realised amount		(2,853,939)	(2,010,142)
Unrealised amount		4,955,653	(19,374,783)
		<u>2,101,714</u>	<u>(21,384,925)</u>

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

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

	Note	2023 RM	2022 RM
<b>ASSETS</b>			
Cash and cash equivalents	9	4,891,540	17,399,922
Financial assets at fair value through profit or loss	8	148,524,294	146,300,932
Amount due from stockbrokers		-	1,291,908
Amount due from Manager		35,222	7,481
Dividends receivable		51,576	136,187
<b>TOTAL ASSETS</b>		<u>153,502,632</u>	<u>165,136,430</u>
<b>LIABILITIES</b>			
Amount due to stockbrokers		84,802	-
Amount due to Manager		69,841	150,123
Accrued management fee		196,297	206,563
Amount due to Trustee		5,889	6,885
Distribution payable		821	123,374
Other payables and accruals		20,300	25,900
<b>TOTAL LIABILITIES</b>		<u>377,950</u>	<u>512,845</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>153,124,682</u>	<u>164,623,585</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>153,124,682</u>	<u>164,623,585</u>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS</b>			
- Class MYR		152,937,060	164,362,458
- Class SGD		187,622	261,127
		<u>153,124,682</u>	<u>164,623,585</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
- Class MYR		181,983,223	198,028,995
- Class SGD		70,765	99,725
	10	<u>182,053,988</u>	<u>198,128,720</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>			
- Class MYR		0.8403	0.8299
- Class SGD		2.6513	2.6184
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- Class MYR		MYR0.8403	MYR0.8299
- Class SGD		SGD0.7601	SGD0.7837

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS  
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

	<b>2023 RM</b>	<b>2022 RM</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<u>164,623,585</u>	<u>192,606,500</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class MYR	820,377	1,745,984
- Class SGD	<u>72,434</u>	<u>230,058</u>
	<u>892,811</u>	<u>1,976,042</u>
Creation of units from distributions		
- Class MYR	-	5,809,900
- Class SGD	-	<u>3,043</u>
	<u>-</u>	<u>5,812,943</u>
Cancellation of units		
- Class MYR	(14,343,889)	(13,993,839)
- Class SGD	<u>(149,539)</u>	<u>(393,136)</u>
	<u>(14,493,428)</u>	<u>(14,386,975)</u>
Total comprehensive income/(loss) for the financial year	<u>2,101,714</u>	<u>(21,384,925)</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR</b>	<u>153,124,682</u>	<u>164,623,585</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 OCTOBER 2023**

	Note	2023 RM	2022 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from disposal of quoted securities		138,760,471	97,865,262
Purchase of quoted securities		(139,323,709)	(76,781,172)
Purchase of collective investment scheme		(806,250)	-
Dividend income received		5,012,439	6,049,988
Interest income received from deposits with licensed financial institutions		237,177	195,583
Management fee paid		(2,420,168)	(2,683,686)
Trustee fee paid		(79,361)	(89,456)
Payments for other fees and expenses		(60,242)	(37,191)
Payment of other foreign exchange loss		(1,510)	-
<b>Net cash generated from operating activities</b>		<u>1,318,847</u>	<u>24,519,328</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		864,714	2,181,266
Payments for cancellation of units		(14,573,226)	(14,515,657)
Distribution paid		(122,553)	(189,293)
<b>Net cash used in financing activities</b>		<u>(13,831,065)</u>	<u>(12,523,684)</u>
Net (decrease)/increase in cash and cash equivalents		(12,512,218)	11,995,644
Effects of foreign exchange differences		3,836	6,611
Cash and cash equivalents at the beginning of the financial year		<u>17,399,922</u>	<u>5,397,667</u>
Cash and cash equivalents at the end of the financial year	<b>9</b>	<u>4,891,540</u>	<u>17,399,922</u>
<u>Cash and cash equivalent comprised:</u>			
Deposits with licensed financial institutions		4,789,417	17,133,197
Bank balance		102,123	266,725
Cash and cash equivalents at the end of the financial year	<b>9</b>	<u>4,891,540</u>	<u>17,399,922</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 OCTOBER 2023****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

Principal Malaysia Titans Plus Fund (the "Fund") was constituted pursuant to a Deed dated 11 July 2005 and is now governed by a Principal Master Deed dated 15 May 2008, a First Supplemental Master Deed dated 25 June 2008, a Second Supplemental Deed dated 22 December 2022, a Third Supplemental Master Deed dated 14 July 2008, and an Eighteenth Supplemental Master Deed dated 25 March 2015 all executed between the Manager and the Universal Trustee (Malaysia) Berhad (hereinafter known as the "Previous Trustee"), a Seventeenth Supplemental Master Deed dated 19 March 2015 entered into between the Manager, the previous Trustee and the Trustee, in respect of a change in trustee to the Fund (hereinafter collectively the "Initial Deed"), a Principal Master Deed dated 10 April 2015 and a First Supplemental Deed dated 28 August 2019 (collectively referred to as the "Deeds"), between Principal Asset Management Berhad (the "Manager") and HSBC (Malaysia) Trustee Berhad (the "Trustee").

The Fund may invest at least 70% of its NAV in equities and up to 28% of the Fund's NAV in other permissible investments and at least 2% of the Fund's NAV in liquid assets. In line with its objective, the investment policy and strategy of the Fund will focus on investment in shares of companies with growth potential. Generally, the Fund will invest primarily in large capitalisation companies listed on the main market of Bursa Malaysia. The Fund may also invest in ACE market of Bursa Malaysia to provide better return. With effect from 14 April 2023, the Fund may invest up to 25% of its NAV in companies that are listed in any Eligible Market globally with some operations or businesses in Malaysia to capture growth opportunities.

The asset allocation strategy for this Fund is as follows:

- at least 70% of the Fund's NAV will be invested in equities;
- up to 28% of the Fund's NAV may be invested in other permissible investments; and
- at least 2% of the Fund's NAV in liquid assets.

All investments are subject to the Securities Commission Malaysia ("SC") Guidelines on Unit Trust Funds, SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund's objective.

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

**2. 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(a) Basis of preparation (continued)**

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

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

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

There are no other standards, amendments to standards or interpretations that are effective for financial year beginning on 1 November 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 November 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").

The Fund classifies cash and cash equivalents, amount due from stockbrokers, amount due from Manager and dividends receivable at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

All of the Fund's financial liabilities are measured at amortised cost.

**Recognition and measurement**

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

Financial instruments are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.



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

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Unrealised gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the statement of comprehensive income within net gain or loss on financial assets at fair value through profit or loss in the financial year which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income when the Fund's right to receive payments is established.

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

If a valuation based on the market price does not represent the fair value of the quoted securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

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

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

Impairment for assets carried at amortised cost

The Fund measures credit risk and expected credit losses ("ECL") using probability of default, exposure at default and loss given default. The Manager considers both historical analysis and forward looking information in determining any ECL. The Manager 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 Manager as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(b) Financial assets and financial liabilities (continued)**Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial year.

**(c) Income recognition**

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

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

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

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

**(d) Foreign currency**Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in Malaysian Ringgit ("MYR or RM"), which is the Fund's functional and presentation currency.

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

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

Transactions and balances

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(e) Cash and cash equivalents**

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

**(f) Taxation**

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

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

**(g) Distribution**

A distribution to the Fund's unit holders is accounted for as distribution in the statement of comprehensive income. A proposed distribution is recognised as a liability in the financial year in which it is approved by the Trustee.

**(h) Transactions costs**

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

**(i) Amount due from/to stockbrokers**

Amounts due from and amount due to stockbrokers represent receivables for investments sold and payables for investments purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The amount due from stockbrokers balance is held for collection.

**(j) Unit holders' contributions**

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

The Fund issues cancellable units, in two classes of units, known respectively as the Class MYR and Class SGD, which are cancelled at the unit holder's option. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the member exercises the right to put back the unit to the Fund.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Realised and unrealised portions of profit or loss after tax

The analysis of realised and unrealised portions of profit or loss after tax presented on the statement of comprehensive income is guided by SC Guidelines on Unit Trust Funds.

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

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

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

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

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund 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)	-	4,891,540	4,891,540
Collective investment scheme (Note 8)	787,296	-	787,296
Quoted securities (Note 8)	147,736,998	-	147,736,998
Amount due from Manager	-	35,222	35,222
Dividends receivable	-	51,576	51,576
	<u>148,524,294</u>	<u>4,978,338</u>	<u>153,502,632</u>
<b>2022</b>			
Cash and cash equivalents (Note 9)	-	17,399,922	17,399,922
Quoted securities (Note 8)	146,300,932	-	146,300,932
Amount due from stockbrokers	-	1,291,908	1,291,908
Amount due from Manager	-	7,481	7,481
Dividends receivable	-	136,187	136,187
	<u>146,300,932</u>	<u>18,835,498</u>	<u>165,136,430</u>

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

(a) Market risk

All of the Fund's financial liabilities are measured at amortised cost.

The investment objective of the Fund is to achieve maximum capital appreciation over the long-term through all types of investments.

The Fund is exposed to a variety of risks which include market risk (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 Manager and adherence to the investment restrictions as stipulated in the Deeds and GUTF.

(i) Price risk

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

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

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

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Financial assets at fair value through profit or loss:		
- Collective investment scheme	787,296	-
- Quoted securities	<u>147,736,998</u>	<u>146,300,932</u>
	<u>148,524,294</u>	<u>146,300,932</u>

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

<b>% Change in price of quoted securities and collective investment scheme</b>	<b>Market value</b>	<b>Impact on profit or loss/NAV</b>
	<b>RM</b>	<b>RM</b>
<b>2023</b>		
-5%	141,098,079	(7,426,215)
0%	148,524,294	-
5%	<u>155,950,509</u>	<u>7,426,215</u>

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

(a) Market risk (continued)

(i) Price risk (continued)

% Change in price of quoted securities	Market value RM	Impact on profit or loss/NAV RM
<b>2022</b>		
-5%	138,985,885	(7,315,047)
0%	146,300,932	-
5%	153,615,979	7,315,047

(ii) Interest rate risk

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

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

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

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

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

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

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

	2023 %	2022 %
Deposits with licensed financial institutions	3.18	2.55

(iii) Currency risk

Currency risk is associated with investments that are quoted and/or priced in foreign currency denomination. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Manager 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:

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

(a) Market risk (continued)

(iii) Currency risk (continued)

**Financial assets**

	Cash and cash equivalents RM	Total RM
<b>2023</b>		
SGD	75,844	75,844
USD	4,761	4,761
	<u>80,605</u>	<u>80,605</u>
<b>2022</b>		
SGD	<u>153,985</u>	<u>153,985</u>

**Financial liabilities**

	Net assets attributable to unit holders RM	Total RM
<b>2023</b>		
SGD	<u>187,622</u>	<u>187,622</u>
<b>2022</b>		
SGD	<u>261,127</u>	<u>261,127</u>

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

	Change in foreign exchange rate %	Impact on profit or loss/NAV	
		2023 RM	2022 RM
SGD	+/- 5	-/+ 5,589	-/+ 5,357
USD	+/- 5	+/- 238	-
		<u>-/+ 5,351</u>	<u>-/+ 5,357</u>

(b) Credit risk

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

The credit risk arising from placements of deposits with 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 amount due from Manager, the settlement terms of the proceeds from the creation of units' receivable from the Manager are governed by the SC Guidelines on Unit Trust Funds.

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

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

	Cash and cash equivalents RM	Amount due from stockbrokers RM	Amount due from Manager RM	Dividends receivable RM	Total RM
<b>2023</b>					
- AAA	4,891,540	-	-	-	4,891,540
- Not Rated	-	-	35,222	51,576	86,798
	<u>4,891,540</u>	<u>-</u>	<u>35,222</u>	<u>51,576</u>	<u>4,978,338</u>
<b>2022</b>					
- AAA	17,399,922	-	-	-	17,399,922
- Not Rated	-	1,291,908	7,481	136,187	1,435,576
	<u>17,399,922</u>	<u>1,291,908</u>	<u>7,481</u>	<u>136,187</u>	<u>18,835,498</u>

Deposits with licensed financial institutions of the Fund have an average maturity of 1 days (2022: 3 days).

(c) Liquidity risk

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

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

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining year as at the end of the reporting year 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 stockbrokers	84,802	-	84,802
Amount due to Manager	69,841	-	69,841
Accrued management fees	196,297	-	196,297



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

(c) Liquidity risk (continued)

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
<b>2023 (continued)</b>			
Amount due to Trustee	5,889	-	5,889
Distribution payable	821	-	821
Other payables and accruals	-	20,300	20,300
Net assets attributable to unit holders*	<u>153,124,682</u>	<u>-</u>	<u>153,124,682</u>
<b>Contractual undiscounted cash flows</b>	<u>153,131,392</u>	<u>20,300</u>	<u>153,151,692</u>
<b>2022</b>			
Amount due to Manager	150,123	-	150,123
Accrued management fees	206,563	-	206,563
Amount due to Trustee	6,885	-	6,885
Distribution payable	123,374	-	123,374
Other payables and accruals	-	25,900	25,900
Net assets attributable to unit holders*	<u>164,623,585</u>	<u>-</u>	<u>164,623,585</u>
<b>Contractual undiscounted cash flows</b>	<u>165,110,530</u>	<u>25,900</u>	<u>165,136,430</u>

\* Outstanding units are redeemed on demand at the unit holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

(d) Capital risk management

The capital of the Fund is represented by net asset attributable to unit holders of RM153,124,682 (2022:RM164,623,585). The amount of capital can change significantly on a daily basis as the Fund is subjected to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

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

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded market price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

(d) Fair value estimation (continued)

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

(i) Fair value hierarchy

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

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

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

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

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2023</b>				
Financial asset at fair value through profit or loss:				
- Collective investment scheme	787,296	-	-	787,296
- Quoted securities	<u>147,736,998</u>	<u>-</u>	<u>-</u>	<u>147,736,998</u>
	<u>148,524,294</u>	<u>-</u>	<u>-</u>	<u>148,524,294</u>

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2022</b>				
Financial asset at fair value through profit or loss:				
- Quoted securities	<u>146,300,932</u>	<u>-</u>	<u>-</u>	<u>146,300,932</u>

Investments 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).

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

4. MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to a maximum management fee of 1.50% per annum calculated and accrued daily based on the NAV of the Fund.

For the financial year ended 31 October 2023 and 31 October 2022, the management fee for the respective classes is recognised at the following rates:

Class MYR	Class SGD
1.50%	1.50%

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

5. TRUSTEE FEE

In accordance with the Deeds, the Trustee is entitled to a maximum trustee fee of 0.05% per annum, calculated daily based on the NAV of the Fund. The Trustee fee includes the local custodian fee but excludes the foreign sub-custodian fees and charges.

For the financial period ended 1 November 2022 until 30 July 2023 the Trustee fee is recognised at the rate of 0.05%. Effective 1 August 2023, the Trustee fee is recognised at the rate of 0.045% per annum (31.10.2022: 0.05% per annum). (including local custodian fee but excluding foreign sub-custodian fee):

Class MYR	Class SGD
0.045%	0.045%

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

6. DISTRIBUTION

Distribution to unit holders is derived from the following sources:

Source of distribution	2023		2022	
	RM	%	RM	%
Distribution out of current year's income	-	-	109,654	1.85
Distribution out of prior year's income/capital*	-	-	5,826,664	98.15
Total	-	-	5,936,318	100.00

	2023	2022
	RM	RM
Dividend income	-	185,229
Interest income	-	7,379
Net realised gain from disposal of financial assets at fair value through profit or loss	-	57,949
Prior financial years' income/capital *	-	5,826,664
	-	6,077,221
Less:		
Expenses	-	140,903
Net distribution amount	-	5,936,318

Gross/Net distribution per unit (sen)		
Distribution on 26 October 2022		
- Class MYR	-	3.10
- Class SGD	-	9.77
	-	12.87

\* Distribution income has been accrued as at the end of the prior financial year but is not declared and paid as distribution.

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

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

There were no unrealised losses during the financial year ended 31 October 2023 (2022: RM19,374,783).

7. TAXATION

	2023	2022
	RM	RM
Tax charged for the financial year:		
- Current taxation	-	-

**7. TAXATION (CONTINUED)**

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

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Profit/(Loss) before taxation	<u>2,101,714</u>	<u>(21,384,925)</u>
Taxation at Malaysian statutory rate of 24% (2022: 24%)	504,411	(5,132,382)
Tax effects of:		
- (Investment income not subject to tax)/Loss not deductible to tax purpose	(1,355,639)	2,884,667
- Expenses not deductible for tax purposes	262,138	1,604,747
- Restriction on tax deductible expenses for Unit Trust Funds	<u>589,090</u>	<u>642,968</u>
Taxation	<u><u>-</u></u>	<u><u>-</u></u>

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

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
At fair value through profit or loss:		
- Collective investment scheme	787,296	-
- Quoted securities	<u>147,736,998</u>	<u>146,300,932</u>
	<u><u>148,524,294</u></u>	<u><u>146,300,932</u></u>
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised (loss)/gain on disposals	(4,470,278)	1,317,387
- Unrealised fair value gain/(loss)	<u>4,951,558</u>	<u>(19,381,915)</u>
	<u><u>481,280</u></u>	<u><u>(18,064,528)</u></u>

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2023</b>				
<b>COLLECTIVE INVESTMENT SCHEME</b>				
Principal Islamic ASEAN Equity Fund <sup>2</sup>	<u>16,634</u>	<u>806,508</u>	<u>787,296</u>	<u>0.51</u>
<b>TOTAL COLLECTIVE INVESTMENT SCHEME</b>	<u><b>16,634</b></u>	<u><b>806,508</b></u>	<u><b>787,296</b></u>	<u><b>0.51</b></u>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u><b>(19,212)</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>2023 (CONTINUED)</b>				
<b>COLLECTIVE INVESTMENT SCHEME (CONTINUED)</b>				
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>787,296</b>		
<b>QUOTED SECURITIES</b>				
<b>Construction</b>				
Econpile Holdings Bhd <sup>2</sup>	819,600	217,850	249,978	0.16
Gamuda Bhd <sup>2,3</sup>	947,620	3,323,516	4,396,957	2.87
IJM Corporation Bhd <sup>2</sup>	1,544,800	2,700,072	2,935,120	1.92
	<u>3,312,020</u>	<u>6,241,438</u>	<u>7,582,055</u>	<u>4.95</u>
<b>Consumer Products &amp; Service</b>				
Genting Bhd <sup>2</sup>	600,500	2,830,839	2,420,015	1.58
Genting Malaysia Bhd <sup>2</sup>	871,400	2,730,662	2,108,788	1.38
Mr D.I.Y. Group (M) Bhd <sup>2</sup>	706,200	1,457,953	1,045,176	0.68
Sime Darby Bhd <sup>2</sup>	866,100	2,006,561	1,983,369	1.30
	<u>3,044,200</u>	<u>9,026,015</u>	<u>7,557,348</u>	<u>4.94</u>
<b>Energy</b>				
Bumi Armada Bhd <sup>2</sup>	6,628,300	3,610,818	3,645,565	2.38
Dayang Enterprise Holding Bhd <sup>2</sup>	1,686,400	2,252,869	3,136,704	2.05
Hibiscus Petroleum Bhd <sup>2</sup>	650,667	1,502,218	1,737,281	1.13
Yinson Holdings Bhd <sup>2</sup>	1,240,960	3,003,542	3,040,352	1.99
Yinson Holdings Bhd – Warrant <sup>2</sup>	586,382	227,929	319,578	0.21
	<u>10,792,709</u>	<u>10,597,376</u>	<u>11,879,480</u>	<u>7.76</u>
<b>Financial Services</b>				
CIMB Group Holdings Bhd (AA1) <sup>3</sup>	2,313,136	11,629,208	13,208,007	8.63
Hong Leong Bank Bhd (AAA)	101,400	1,650,158	1,967,160	1.28
Malayan Banking Bhd (AAA) <sup>2</sup>	359,982	3,159,205	3,247,038	2.12
Public Bank Bhd (AAA) <sup>3</sup>	2,448,465	9,904,359	10,185,614	6.65
RHB Bank Bhd (AA1)	219,402	1,240,598	1,224,263	0.80
	<u>5,442,385</u>	<u>27,583,528</u>	<u>29,832,082</u>	<u>19.48</u>
<b>Health Care</b>				
Hartalega Holding Bhd <sup>2,3</sup>	3,085,000	5,276,577	6,385,950	4.17
IHH Healthcare Bhd <sup>2</sup>	262,300	1,670,094	1,573,800	1.03

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2023 (CONTINUED)</b>				
<b>QUOTED SECURITIES</b>				
<b>(CONTINUED)</b>				
<b>Health Care (continued)</b>				
Kossan Rubber Industries <sup>2</sup>	941,300	1,156,711	1,270,755	0.83
Top Glove Corporation Bhd <sup>2</sup>	1,705,000	1,614,784	1,236,125	0.81
	<u>5,993,600</u>	<u>9,718,166</u>	<u>10,466,630</u>	<u>6.84</u>
<b>Industrial Products &amp; Service</b>				
Cape EMS Bhd <sup>2</sup>	3,452,200	4,705,935	3,900,986	2.55
Nationgate Holdings Bhd <sup>2,3</sup>	3,900,700	4,838,484	4,485,805	2.93
Press Metal Aluminium Holding Bhd <sup>2</sup>	650,400	2,714,090	3,199,968	2.09
Solarvest Holdings <sup>2</sup>	233,700	243,422	294,462	0.19
Sunway Bhd <sup>2</sup>	1,188,000	2,307,687	2,197,800	1.44
Sunway Bhd - Warrant <sup>2</sup> 03/10/2024	642,800	367,751	334,256	0.22
Tat Sang Holding Bhd <sup>1</sup> - delisted	31,000	1	-	-
V.S. Industry <sup>2</sup>	1,184,400	1,191,643	1,054,116	0.69
	<u>11,283,200</u>	<u>16,369,013</u>	<u>15,467,393</u>	<u>10.11</u>
<b>Plantation</b>				
Kuala Lumpur Kepong Bhd <sup>2</sup>	22,000	538,723	483,560	0.32
<b>Property</b>				
Eastern and Oriental Bhd <sup>2</sup>	2,651,800	1,641,597	1,471,749	0.96
Eco World Development Group Bhd <sup>2</sup>	308,000	322,488	311,080	0.20
Iskandar Waterfront City Bhd <sup>2</sup>	2,450,200	1,852,878	1,506,873	0.98
Sime Darby Property Bhd	430,000	322,242	264,450	0.17
SP Setia Bhd <sup>2</sup>	1,065,900	961,466	895,356	0.58
UEM Sunrise Bhd <sup>2</sup>	1,359,400	1,009,460	1,080,723	0.71
	<u>8,265,300</u>	<u>6,110,131</u>	<u>5,530,231</u>	<u>3.60</u>
<b>Technology</b>				
Frontken Corporation Bhd <sup>2</sup>	955,800	3,296,776	3,039,444	1.98
Genetec Technology Bhd <sup>2,3</sup>	3,055,500	7,730,259	7,210,980	4.71
Globetronics Technology Bhd <sup>2</sup>	585,400	898,973	837,122	0.55
Inari Amertron Bhd <sup>2,3</sup>	1,780,900	5,427,025	5,075,565	3.31
Infomina Bhd <sup>2</sup>	787,400	1,154,437	1,204,722	0.79
ITMAX System Bhd <sup>2</sup>	312,100	488,067	558,659	0.36
LGMS Bhd <sup>2</sup>	600,000	706,078	606,000	0.40
My E.G. Services Bhd <sup>2</sup>	5,217,677	4,813,997	4,069,788	2.66
Oppstar Bhd <sup>2</sup>	2,115,500	3,840,543	3,215,560	2.10
	<u>15,410,277</u>	<u>28,356,155</u>	<u>25,817,840</u>	<u>16.86</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 (CONTINUED)</b>				
<b>QUOTED SECURITIES (CONTINUED)</b>				
<b>Telecommunications &amp; Media</b>				
Astro Malaysia Holding Bhd <sup>2</sup>	5,566,200	3,861,739	2,309,973	1.51
Maxis Bhd <sup>2</sup>	369,200	1,507,310	1,462,032	0.95
Telekom Malaysia Bhd <sup>2</sup>	377,275	2,003,838	1,912,784	1.25
	<u>6,312,675</u>	<u>7,372,887</u>	<u>5,684,789</u>	<u>3.71</u>
<b>Transportation &amp; Logistics</b>				
Malaysia Airports Holding Bhd <sup>2,3</sup>	1,303,433	8,754,968	9,632,370	6.29
<b>Utilities</b>				
Tenaga Nasional Bhd <sup>2,3</sup>	875,600	7,851,027	8,668,440	5.66
YTL Corp Bhd <sup>2</sup>	2,609,000	3,915,117	3,809,140	2.49
YTL Power International Bhd <sup>2,3</sup>	2,524,000	3,246,469	5,325,640	3.48
	<u>6,008,600</u>	<u>15,012,613</u>	<u>17,803,220</u>	<u>11.63</u>
<b>TOTAL QUOTED SECURITIES</b>	<b><u>77,190,399</u></b>	<b><u>145,681,013</u></b>	<b><u>147,736,998</u></b>	<b><u>96.49</u></b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>2,055,985</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>147,736,998</u></b>		
<b>2022</b>				
<b>QUOTED SECURITIES</b>				
<b>Construction</b>				
Gamuda Bhd <sup>2</sup>	945,941	2,947,775	3,641,873	2.21
IJM Corporation Bhd <sup>2</sup>	753,000	1,311,871	1,227,390	0.75
	<u>1,698,941</u>	<u>4,259,646</u>	<u>4,869,263</u>	<u>2.96</u>
<b>Consumer Products &amp; Services</b>				
Genting Bhd <sup>2,3</sup>	1,221,500	5,758,319	5,423,460	3.29
Genting Malaysia Bhd <sup>2,3</sup>	3,027,400	9,486,811	8,295,076	5.04
Mr D.I.Y. Group (M) Bhd <sup>2</sup>	1,327,050	3,116,219	2,680,641	1.63



## 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>Consumer Products &amp; Services (continued)</b>				
Sime Darby Bhd <sup>2</sup>	1,534,500	3,555,095	3,452,625	2.10
Aeon Co. M Bhd <sup>2</sup>	393,600	532,599	543,168	0.33
Farm Fresh Bhd <sup>2</sup>	102,600	138,510	169,290	0.10
QL Resources Bhd <sup>2</sup>	279,100	1,412,991	1,428,992	0.87
	<u>7,885,750</u>	<u>24,000,544</u>	<u>21,993,252</u>	<u>13.36</u>
<b>Energy</b>				
Dialog Group Bhd <sup>2</sup>	557,400	1,847,809	1,148,244	0.70
Hibiscus Petroleum Bhd <sup>2</sup>	1,463,266	1,236,201	1,419,368	0.86
Yinson Holdings Bhd <sup>2</sup>	1,727,960	4,182,246	3,663,275	2.23
Yinson Holdings Bhd - Warrant <sup>2</sup>	586,382	227,929	258,008	0.16
	<u>4,335,008</u>	<u>7,494,185</u>	<u>6,488,895</u>	<u>3.95</u>
<b>Financial Services</b>				
AMMB Holdings Bhd (AA3)	590,400	1,968,592	2,414,736	1.47
CIMB Group Holdings Bhd (AA1) <sup>3</sup>	2,398,636	11,449,724	13,240,471	8.04
Hong Leong Bank Bhd (AAA) <sup>3</sup>	259,400	4,221,410	5,488,904	3.33
Malayan Banking Bhd (AAA) <sup>3</sup>	1,694,982	14,875,175	14,559,895	8.84
Public Bank Bhd (AAA) <sup>3</sup>	2,096,465	8,115,651	9,371,199	5.69
RHB Bank Bhd (AA1)	544,112	3,078,877	3,112,321	1.89
Alliance Bank Malaysia Bhd (A1)	132,700	486,719	490,990	0.29
	<u>7,716,695</u>	<u>44,196,148</u>	<u>48,678,516</u>	<u>29.55</u>
<b>Health Care</b>				
IHH Healthcare Bhd <sup>2</sup>	685,300	4,363,382	4,077,535	2.48
<b>Industrial Products &amp; Services</b>				
Kelington Group Bhd <sup>2</sup>	405,000	591,221	522,450	0.32
Petronas Chemicals Group Bhd <sup>2,3</sup>	985,500	7,744,553	8,593,560	5.22
Press Metal Aluminium Holding Bhd <sup>2,3</sup>	1,209,400	4,584,564	5,260,890	3.20
SKP Resources Bhd <sup>2</sup>	111,000	186,320	176,490	0.11
Tat Sang Holding Bhd <sup>1</sup> - delisted	31,000	1	-	-
V.S. Industry Bhd <sup>2</sup>	2,683,800	2,859,488	2,267,811	1.38
	<u>5,425,700</u>	<u>15,966,147</u>	<u>16,821,201</u>	<u>10.23</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2022 (CONTINUED) QUOTED SECURITIES (CONTINUED)</b>				
<b>Plantation</b>				
Kuala Lumpur Kepong Bhd <sup>2,3</sup>	249,000	6,327,524	5,398,320	3.28
Sime Darby Plantation Bhd <sup>2,3</sup>	1,249,351	6,181,772	5,497,144	3.34
IOI Corp Bhd <sup>2</sup>	884,700	3,927,526	3,609,576	2.19
	<u>2,383,051</u>	<u>16,436,822</u>	<u>14,505,040</u>	<u>8.81</u>
<b>Technology</b>				
CTOS Digital Bhd <sup>2</sup>	1,207,000	1,789,937	1,701,870	1.03
Frontken Corp Bhd <sup>2</sup>	986,700	3,457,101	2,417,415	1.47
Genetec Technology Bhd <sup>2</sup>	1,748,800	4,419,599	3,654,992	2.22
Inari Amertron Bhd <sup>2</sup>	1,163,900	3,607,057	2,898,111	1.76
My E.G. Services Bhd <sup>2</sup>	4,186,600	4,473,285	3,705,141	2.25
Pentamaster Corp Bhd <sup>2</sup>	162,000	677,314	628,560	0.38
	<u>9,455,000</u>	<u>18,424,293</u>	<u>15,006,089</u>	<u>9.11</u>
<b>Telecommunications &amp; Media</b>				
Telekom Malaysia Bhd <sup>2</sup>	918,175	4,968,343	5,105,053	3.10
<b>Transportation &amp; Logistics</b>				
Malaysia Airports Holding Bhd <sup>2</sup>	605,600	3,798,024	3,621,488	2.20
MISC Bhd <sup>2</sup>	455,600	3,514,078	3,293,988	2.00
	<u>1,061,200</u>	<u>7,312,102</u>	<u>6,915,476</u>	<u>4.20</u>
<b>Utilities</b>				
Tenaga Nasional Bhd <sup>2</sup>	218,600	1,794,105	1,840,612	1.12
<b>TOTAL QUOTED SECURITIES</b>	<u><b>41,783,420</b></u>	<u><b>149,215,717</b></u>	<u><b>146,300,932</b></u>	<u><b>88.87</b></u>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u><b>(2,914,785)</b></u>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u><b>146,300,932</b></u>		

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

<sup>1</sup> The counter has been de-listed on 27 October 2003 as the counter does not have an adequate level of financial condition to warrant continued listing. The counter will continue to remain deposited with the Malaysian Central Depository Sdn Bhd as it is not mandatory for the securities to be withdrawn.

<sup>2</sup> The quoted securities is not rated.

<sup>3</sup> The quoted securities is one of the top 10 holdings of the Fund.

**9. CASH AND CASH EQUIVALENTS**

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Deposits with licensed financial institutions	4,789,417	17,133,197
Bank balances	102,123	266,725
	<u>4,891,540</u>	<u>17,399,922</u>

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

	<b>2023</b>	<b>2022</b>
	<b>No. of units</b>	<b>No. of units</b>
Class MYR (i)	181,983,223	198,028,995
Class SGD (ii)	70,765	99,725
	<u>182,053,988</u>	<u>198,128,720</u>

(i) Class MYR

At the beginning of the financial year	198,028,995	204,691,632
Add : Creation of units from applications	975,657	1,949,824
Add : Creation of units from distribution	-	7,021,875
Less: Cancellation of units	(17,021,429)	(15,634,336)
At the end of the financial year	<u>181,983,223</u>	<u>198,028,995</u>

(ii) Class SGD

At the beginning of the financial year	99,725	153,466
Add : Creation of units from applications	27,126	80,407
Add : Creation of units from distribution	-	1,166
Less: Cancellation of units	(56,086)	(135,314)
At the end of the financial year	<u>70,765</u>	<u>99,725</u>

**11. TOTAL EXPENSE RATIO (“TER”)**

**Pursuant to the SC Guidelines and to the Monetary Authority of Singapore (“MAS”) Guidelines**

	<b>2023</b>	<b>2022</b>
	<b>%</b>	<b>%</b>
TER	<u>1.58</u>	<u>1.57</u>

TER is derived from the following calculation:

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

**11. TOTAL EXPENSE RATIO (“TER”) (CONTINUED)**

- A = Management fee
- B = Trustee fee
- C = Audit fee
- D = Tax agent’s fee
- E = Other expenses excluding CDS fee and withholding tax
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is RM160,689,387 (2022: RM176,445,041).

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

**Pursuant to the SC Guidelines**

	<b>2023</b>	<b>2022</b>
PTR (times)	0.86	0.50

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 = RM139,724,271 (2022: RM76,140,035)
- total disposal for the financial year = RM137,981,931 (2022: RM99,273,248)

**Pursuant to the Monetary Authority of Singapore (“MAS”) Guidelines**

	<b>2023</b>	<b>2022</b>
PTR (times)	0.86	0.43

PTR is derived from the following calculation:

$$\frac{\text{Lesser of total acquisition or total disposal for the financial year}}{\text{Average NAV of the Fund for the financial year calculated on a daily basis}}$$

where:

- total acquisition for the financial year = RM139,724,271 (2022: RM76,140,035)
- total disposal for the financial year = RM137,981,931 (2022: RM99,273,248)

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

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

<u>Related parties</u>	<u>Relationship</u>
Principal Asset Management Berhad	The Manager
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the Manager
Principal International (Asia) Ltd	Shareholder of the Manager

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

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

<u>Related parties</u>	<u>Relationship</u>
Principal Islamic Asset Management (Ireland) Plc	Manager of Target Fund
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 Manager
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the Manager
CIMB Group Sdn Bhd	Shareholder of the Manager
CIMB Bank Bhd	Fellow related party to the Manager
CGS-CIMB Securities Sdn Bhd	Fellow related party to the Manager
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the shareholder of the Manager

	<u>2023</u>		<u>2022</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
<b>Manager</b>				
Principal Asset Management Berhad				
- Class MYR	13,743	11,548	101,700	84,401
- Class SGD	8	21	57	149

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

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

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

	<u>2023</u>	<u>2022</u>
	<u>RM</u>	<u>RM</u>
<u>Significant related party transactions</u>		
Dividend income:		
- CIMB Group Holdings Bhd	696,341	580,505

Significant related party balances

Financial assets at fair value through profit or loss:

Quoted Securities

- CIMB Group Holdings Bhd	13,208,007	13,240,471
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13. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER, AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

	2023 RM	2022 RM
Collective investment scheme managed by Principal Islamic Asset Management (Ireland) Plc: - Principal Islamic ASEAN Equity Fund	787,296	-

14. TRANSACTIONS WITH BROKERS

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

Brokers	Value of trades RM	Percentage of total trades %	Brokerage Fees RM	Percentage of total brokerage fees %
RHB Investment Bank Bhd	35,966,147	12.95	80,462	13.41
CGS-CIMB Securities Sdn Bhd #	35,783,112	12.89	63,234	10.54
CLSA Securities M Sdn Bhd	29,144,116	10.49	65,544	10.92
J.P. Morgan Securities (M) Sdn Bhd	28,435,998	10.24	57,376	9.56
Maybank Investment Bank Bhd	23,813,675	8.57	53,610	8.93
Affin Hwang Investment Bank Bhd	23,681,294	8.53	55,900	9.32
Hong Leong Investment Bank Bhd	21,750,770	7.83	49,285	8.21
UBS Securities M Sdn Bhd	21,732,985	7.83	47,768	7.96
KAF Equities Sdn Bhd	20,904,479	7.53	47,130	7.85
Macquarie Capital Securities (M) Sdn Bhd	16,015,584	5.77	36,035	6.00
Others	20,478,042	7.37	43,795	7.30
	277,706,202	100.00	600,139	100.00

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

Brokers	Value of trades RM	Percentage of total trades %	Brokerage Fees RM	Percentage of total brokerage fees %
CGS-CIMB Securities Sdn Bhd #	27,620,294	15.89	51,308	13.64
Hong Leong Investment Bank Bhd	26,094,775	15.02	58,713	15.61
CLSA Securities M Sdn Bhd	21,693,766	12.48	48,825	12.98
Affin Hwang Investment Bank Bhd	18,213,335	10.48	40,980	10.90
KAF Equities Sdn Bhd	17,645,031	10.15	39,701	10.56
J.P. Morgan Securities (M) Sdn Bhd	17,548,672	10.10	36,402	9.68
Maybank Investment Bank Bhd	10,560,130	6.08	23,774	6.32
Macquarie Capital Securities (Malaysia) Sdn Bhd	9,903,418	5.70	22,283	5.92

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

Details of transactions with the top 10 brokers for financial year ended 31 October 2022 are as follows (continued):

<b>Brokers</b>	<b>Value of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage Fees RM</b>	<b>Percentage of total brokerage fees %</b>
UBS Securities (M) Sdn Bhd	8,944,047	5.15	19,313	5.13
RHB Investment Bank Bhd	7,677,281	4.42	17,274	4.59
Others	<u>7,877,772</u>	<u>4.53</u>	<u>17,561</u>	<u>4.67</u>
	<u>173,778,521</u>	<u>100.00</u>	<u>376,134</u>	<u>100.00</u>

# Included in the transactions are trades conducted with CGS-CIMB Securities Sdn Bhd, fellow related parties to the Manager amounting to RM35,783,112 (2022: RM27,620,294). The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

**15. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved for issue by the Manager on 14 December 2023.

## DIRECTORY

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