

**PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND**  
**ANNUAL REPORT**  
**FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025**

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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 Islamic Malaysia Opportunities Fund for the financial year ended 28 February 2025. You may also download this report from our website at [www.principal.com.my](http://www.principal.com.my).

We are thankful to share that investors like you have helped make our recent recognition at the LSEG Lipper Fund Awards 2025 possible, where Principal Malaysia received nine awards. These acknowledgements reflect the collaborative effort of our entire team to deliver investment solutions that meet your needs.

Building on our recent success, Principal Malaysia also garnered numerous accolades throughout 2024. At the Asia Asset Management 2024 Best of the Best Awards, we were honored with the Best of the Best Performance Award for China A-Share Equity (3 years) and recognized as the Best Institutional House – Malaysia. At the 2024 Global Banking & Finance Awards, our CEO, Munirah Khairuddin, was named Asset Management CEO of the Year Malaysia, and our company was recognized as Asset Management Company of the Year Malaysia. Additionally, we received the Best International Equity Fund Manager for MSCI EM Latin America 2023 at the EPF External Fund Managers Awards 2023.

At the Alpha Southeast Asia Fund Management Awards 2024, we won three awards: Best Absolute Return Strategy, Best Online & Mobile Platform (Asset Manager), and Best Asset Manager (Income-Oriented, Money Market & Alternative Investment Funds). The International Finance Awards honored us with 'Best Asset Management Company – Malaysia 2024' and 'Best Asset Management CEO – Munirah Khairuddin – Malaysia 2024'. At the Triple A Sustainable Investing Awards 2024, we secured the Asset Management Company of the Year (Malaysia) award. The World Business Outlook magazine recognized us with the titles of Best Investment Management and Solutions Provider Malaysia, Best Institutional House Malaysia, and Asset Management CEO (Munirah Khairuddin) of the Year Malaysia. Additionally, we received three awards at the iFast Awards 2024, seven at the LSEG Lipper Fund Awards 2024, ten at the FSMOne Recommended Funds 2023/2024, and two at the Edge ESG Awards 2024.

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

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

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

**Munirah Khairuddin**

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

## MANAGER'S REPORT

### FUND OBJECTIVE AND POLICY

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

The Fund aims to achieve consistent capital growth over the medium to long-term.

#### Has the Fund achieved its objective?

The Fund has achieved its objective of providing outperforming returns for investors.

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

The Fund seeks to achieve its objective by investing a minimum of 70% and up to 98% of its Net Asset Value ("NAV") in Shariah-compliant Malaysian equities. The Fund may also invest up to 30% of the Fund's NAV in other Shariah-compliant investments, such as Sukuk, and Islamic liquid assets, with at least 2% of the Fund's NAV maintained in the form of Islamic liquid assets such as Islamic money market instruments and/or Islamic deposits for liquidity purpose. For this Fund, the investment in Sukuk must satisfy a minimum credit rating of "A3" or "P2" by RAM Rating Services Berhad ("RAM") or equivalent rating by Malaysian Rating Corporation Berhad ("MARC"); or "BBB-" by Standard & Poor's Global Ratings ("S&P") or equivalent rating by any other international rating agencies. The Fund may also opt to seek investment exposure via Islamic collective investment scheme that is in line with the Fund's objective, subject to the requirements of the Guidelines on Unit Trust Funds ("GUTF"). In line with its objective, the investment strategy and policy of the Fund is to rebalance the portfolio to suit market conditions in order to reduce short-term volatility and provide consistency in capital growth.

The asset allocation strategy for this Fund is as follows:

- Between 70% to 98% (both inclusive) of the Fund's NAV will be invested in Shariah-compliant Malaysian equities; and
- up to 30% of the Fund's NAV in other Shariah-compliant investments and Islamic liquid assets, with at least 2% of the Fund's NAV to be maintained in Islamic liquid assets.

#### Fund category/type

Equity (Shariah-compliant)/Growth

#### When was the Fund launched?

1 August 2012

#### What was the size of the Fund as at 28 February 2025?

RM387.52 million (1,199.22 million units)

#### What is the Fund's benchmark?

FTSE Bursa Malaysia ("FBM") EMAS Shariah ("FBMS") Index

**Note:** The Fund's benchmark is for performance comparison purpose only. Investors are cautioned that the risk profile of the Fund is higher than the benchmark.

#### What is the Fund distribution policy?

Given its investment objective, the Fund is not expected to pay any distribution. However, distribution, if any, will be incidental and will vary from period to period depending on the interest rates\*, market conditions and the performance of the Fund.

#### What was the net income distribution for the financial year ended 28 February 2025?

There was no distribution for the financial year ended 28 February 2025.

**\*Note:** The Fund does not invest in interest bearing instruments; the interest rate referred herein is to the general interest rate of the country as a benchmark which may affect the value of the investments of the Fund.

**PERFORMANCE DATA**

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

	<b>28.02.2025</b>	<b>29.02.2024</b>	<b>28.02.2023</b>
Shariah-compliant quoted securities			
- Construction	8.16	8.94	5.63
- Consumer Products & Services	9.48	7.44	11.12
- Energy	2.14	10.75	2.92
- Financial Services	1.81	-	1.84
- Health Care	4.88	13.94	6.08
- Industrial Products & Services	12.95	16.03	14.39
- Plantation	5.16	3.60	7.06
- Property	4.16	5.11	1.16
- Real Estate Investment Trusts ("REITs")	-	-	3.70
- Technology	6.65	14.44	21.38
- Telecommunications & Media	4.54	6.24	6.96
- Transportation & Logistics	3.19	-	7.46
- Utilities	8.07	9.16	3.78
Cash and other assets	30.85	6.53	7.52
Liabilities	(2.04)	(2.18)	(1.00)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	<b>28.02.2025</b>	<b>29.02.2024</b>	<b>28.02.2023</b>
NAV (RM Million)	387.52	98.30	94.37
Units in circulation (Million)	1,199.22	357.91	388.15
NAV per unit (RM)	0.3231	0.2746	0.2431
Highest NAV per unit (RM)	0.3674	0.2762	0.2841
Lowest NAV per unit (RM)	0.2722	0.2381	0.2208
Total return (%)	17.66	13.00	(10.80)
- Capital growth (%)	17.66	13.00	(13.46)
- Income distribution (%)	-	-	3.07
Total Expense Ratio ("TER") (%) ^	1.56	1.59	1.58
Portfolio Turnover Ratio ("PTR") (times) #	0.67	0.57	0.55

^ The Fund's TER decreased from 1.59% to 1.56% mainly due to the increased average NAV during the financial year.

# The Fund's PTR increased from 0.57 times to 0.67 times during the financial year under review due higher trading activities.

	<b>28.02.2025</b>	<b>29.02.2024</b>	<b>28.02.2023</b>
<b>Gross/ Net distribution per unit (sen)</b>			
Distribution on 13 April 2022	-	-	0.84

**PERFORMANCE DATA (CONTINUED)**

	<b>28.02.2025</b>	<b>29.02.2024</b>	<b>28.02.2023</b>	<b>28.02.2022</b>	<b>28.02.2021</b>
	%	%	%	%	%
Annual total return	17.66	13.00	(10.80)	(1.21)	22.19

(Launch date: 1 August 2012)

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

**MARKET REVIEW (1 MARCH 2024 TO 28 FEBRUARY 2025)**

The FBMS Index detracted 0.52% in Malaysian Ringgit (“RM” or “MYR”) terms during the financial year under review.

FBMS Index rally extended into March 2024, up 1.0% to close the month at 11,643.52 points (“pts”). This marked the 4th consecutive month of gains, with Malaysia outperforming most ASEAN markets. Bets on rate cuts by the Federal Reserve (the “Fed”) were pushed back given the persistent strong data out of the US, and there was an absence of fresh catalysts domestically. During the month, there were also distortions caused by FTSE rebalancing (as well as MSCI rebalancing in February 2024) and many index stocks going ex-dividends. Transport, Utilities and Commodities topped the gainers list while Telecommunication languished. Within the broader market, Property, Construction, Technology, Healthcare and Energy did well.

FBMS Index rally extended into April 2024, up 3.9% to close the month at 11,085.94 pts. This marked the 5th consecutive month of gains, with Malaysia outperforming most ASEAN markets. Bets on rate cuts by the Fed were pushed back given the persistent strong data out of the US Dollar (“USD”). The rally was broad-based but Utilities, Industrial, Healthcare and Transport led gains while Energy eased. Within the broader market, Property and Consumer did well.

FBMS Index rally extended into May 2024, up 2.54% to close the month at 12,392.36 pts. Investors stayed upbeat despite bets on rate cuts by the Fed pushed back given the persistent strong economic data out of the US and sticky inflation. Utilities, Consumer and Industrial led gains while Telecommunications and Commodities lagged. Within the broader market, Construction, Property and Technology did well.

FBMS Index was up 1.3% in June 2024 as investors remained relatively upbeat considering the recent weakness in USD economic data and inflation moderating. Utilities and Healthcare rose while Consumer eased. Within the broader market, Construction and Technology posted strong gains, while other sectors were mixed.

FBMS Index was up 0.8% in July 2024 alongside regional markets and rebounding off the previous month’s sell-off, spurred by Federal Open Market Committee (“FOMC”) Fed cut bets considering the recent weakness in USD economic data and inflation moderating. Gainers were led by Utilities, Telecommunications, and Consumer, while Materials languished. Within the broader market, Construction and Property posted strong gains, while Technology and Healthcare yielded.

FBMS Index contracted 3.7% in August 2024. The sharp sell-off at the start of the month was due to the massive unwinding of the Japanese Yen carry trade. Sentiment was helped by waning USD recession fears given the more ‘upbeat’ economic data, and greater conviction on Fed cuts, coupled with the 5% appreciation in the Ringgit during the month. MSCI rebalancing also helped. Gains were largely concentrated on Plantations.

**MARKET REVIEW (1 MARCH 2024 TO 28 FEBRUARY 2025) (CONTINUED)**

FBMS Index was -0.34% in September 2024. This was in stark contrast to the stronger USD market which recorded new highs following the Fed's 50 basis points (“bps”) cut during the month and greater confidence of a soft-landing scenario for the USD economy. Most sectors were down except for Construction, Property and Healthcare, with Energy and Technology sold off the most.

FBMS Index was -1.39% in October 2024. This is likely because of investors' risk-off move ahead of the US elections, despite the Fed very likely to cut another 25bps in the November FOMC meeting given the recent inflation print and weak jobs data. Utilities and Telecommunication were sold off the most, while Construction, Real Estate Investment Trust (“REITs”) and Healthcare posted modest gains.

In November 2024, FBMS Index fell 0.23% as investors continue to risk off due to uncertainties surrounding potential new policies under the new US administration, as well as the trajectory of the Fed rates given the recent economic data. Utilities, Commodities, Telecommunication, Transport and Consumer were sold off the most, while Banks, Healthcare, Property, Construction and Plantation posted modest gains.

FBMS Index was +4.6% in December 2024 aided by year-end window dressing and cash redeployment by domestic funds amidst another month of heavy foreign selling due to policy uncertainties under the new US administration and the trajectory of the Fed rates coupled with rising bond yields. Utilities, Commodities, and Telecommunication were top performers.

FBMS Index was -6.8% in January 2025. The sell-off was largely caused by the recent US Artificial Intelligence (“AI”) diffusion rules, further exacerbated by the launch of DeepSeek by China which questioned global AI Capital Expenditure and monetization prospects, and remained largely concentrated domestically namely Construction, Utilities, Telecommunication and Properties. The shift in the Fed rate expectations due to Trump’s tariff posture did not help. Within the broader market, Technology, Consumer and Healthcare also languished.

FBMS Index was -2.8% in February 2025. Sentiment improved as investors re-assessed the impact of US AI diffusion rules, the launch of cost-effective AI models, US tariffs and the trajectory of the Fed rates. We witnessed a strong rebound in the sectors affected by these developments namely the significant data centre (“DC”) related plays namely Construction, Utilities, Properties, and to some extent Telecommunication, while select Financials and Healthcare also did well. Consumer and Petrochem ended weaker. Within the broader market, Energy, Technology and Gloves languished.

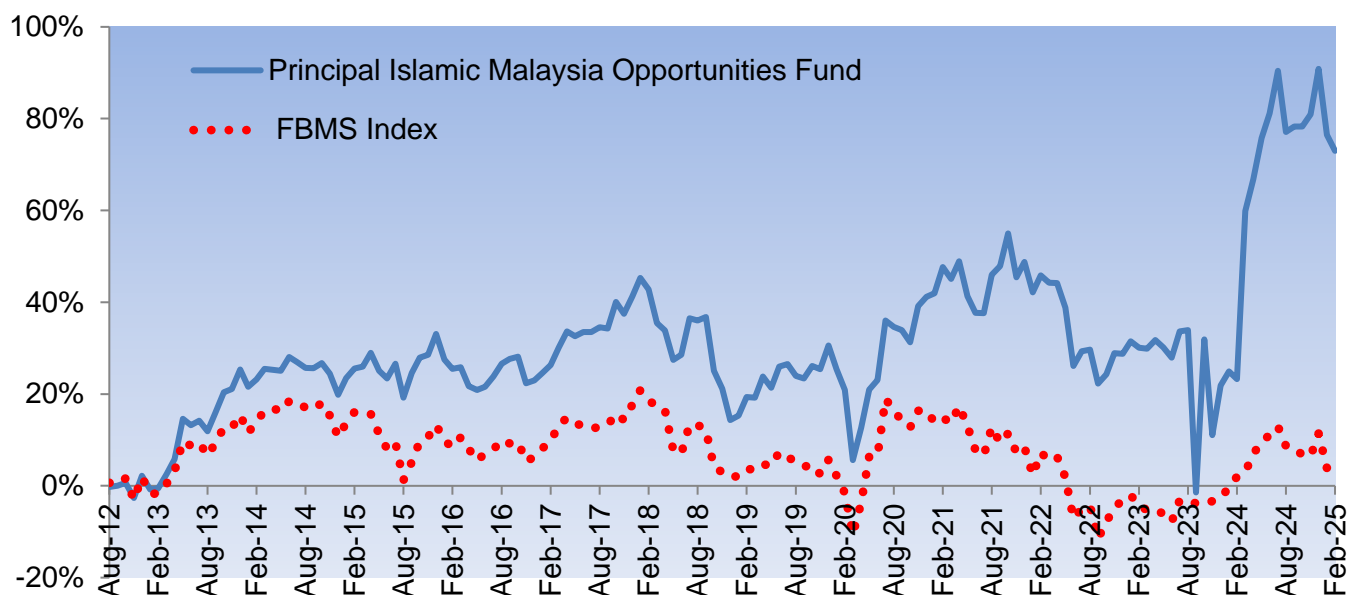
**FUND PERFORMANCE**

	<b>1 year to 28.02.2025</b>	<b>3 years to 28.02.2025</b>	<b>5 years to 28.02.2025</b>	<b>Since inception to 28.02.2025</b>
	%	%	%	%
Income Distribution	-	3.07	8.64	33.87
Capital Growth	17.66	15.06	31.77	29.24
Total Return	17.66	18.60	43.16	73.02
Benchmark	(1.01)	(5.82)	2.61	0.97
Average Total Return	17.66	5.85	7.44	4.45

For the financial year under review, the Fund gained 17.66%, while the benchmark detracted by 1.01%. As such, the Fund outperformed the benchmark by 1867 bps.

**FUND PERFORMANCE (CONTINUED)**

**Since inception**



**Changes in NAV**

	28.02.2025	29.02.2024	Changes %
NAV (RM Million)	387.52	98.30	>100.00
NAV/Unit (RM)	0.3231	0.2746	17.66

During the financial year, the Fund's NAV increased more than 100.00% to RM387.52 million in value while per unit NAV increased by 17.66% to RM0.3231 as the value of the underlying securities have increased.

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)	28.02.2025	29.02.2024
Shariah-compliant quoted securities	71.19	95.65
Cash and other assets	30.85	6.53
Liabilities	(2.04)	(2.18)
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

Asset allocation into local Shariah-compliant quoted securities decreased to 71.19% as at 28 February 2025 compared to 95.65% as at 29 February 2024 as we decided to buffer up to deploy on better opportunities while cash and other assets is at 30.85%.



## **MARKET OUTLOOK\***

Malaysia's manufacturing sector improved markedly in February 2025 with a Purchasing Managers Index ("PMI") reading of 49.7pts versus 48.7pts in the previous month and was the highest reading since August 2024. That said, several respondents are still seeing challenging business conditions. Employment was scaled back fractionally, while cost inflation remains subdued and allowed firms to reduce selling prices for the second consecutive month. The latest PMI data suggests modest growth in Gross Domestic Product ("GDP") for first quarter of 2025 ("1Q25") sustaining the trend seen in second half of 2024 ("2H24"). Bank Negara Malaysia ("BNM") projects GDP to grow by 4.5% to 5.5% in 2025.

BNM maintained overnight policy rate ("OPR") at 3.00% during the recent monetary policy committee ("MPC") meeting and we expect the central bank to hold rates steady given muted inflation and modest economic growth. Inflation rose 1.7% in January 2025, similar to December 2024. There appears to be sufficient headroom to central bank's latest 2.0% to 3.5% consumer price index ("CPI") forecast for 2025 with the impending subsidy rationalization plans.

\* 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**

Elevated volatility likely persist due to uncertainties on the Trump administration and policies. There was a widespread decline across various markets and Malaysia was not spared. However, we are looking to deploy into sustainable dividend yielders and value beaten-down names which we think have been de-rated beyond their fundamentals. We remain constructive on domestic driven sectors and potential direct beneficiaries of the 1 National Energy Transition Roadmap ("NETR"). Key risks are the derailment of Malaysia's macroeconomic recovery and corporate earnings growth due to slower global economic growth and heightened geopolitical risk.

## **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. The Manager 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.

## **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 financial year and up to the date of Manager's report, not otherwise disclosed in the financial statements.

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

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

**CROSS TRADE**

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

**UNIT SPLIT**

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

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

I, being the Director of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 8 to 34 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 28 February 2025 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 MFRS Accounting Standards and IFRS Accounting Standards.

For and on behalf of the Manager

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

**Munirah Khairuddin**

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

Kuala Lumpur  
16 April 2025

**TRUSTEE'S REPORT**

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

We have acted as Trustee of the Fund for the financial year ended 28 February 2025 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the 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

Lee Cincee  
Senior Manager, Trustee and Fiduciary Services

Kuala Lumpur  
16 April 2025

**SHARIAH ADVISER'S REPORT**

**To the Unit Holders of Principal Islamic Malaysia Opportunities Fund ("Fund")**

**For the Financial Year Ended 28 February 2025**

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the financial year covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia ("SC") pertaining to Shariah matters; and
2. The assets of the Fund comprise instruments that have been classified as Shariah-compliant.

**For Amanie Advisors Sdn Bhd**

**Tan Sri Dr Mohd Daud Bakar**  
Executive Chairman

Kuala Lumpur  
16 April 2025

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

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

*Opinion*

We have audited the financial statements of Principal Islamic Malaysia Opportunities Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 28 February 2025, and statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 8 to 34.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 28 February 2025, and of its financial performance and cash flows for the financial year then ended in accordance with MFRS Accounting Standards and IFRS Accounting Standards.

*Basis for opinion*

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

*Independence and other ethical responsibilities*

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International 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 ISLAMIC MALAYSIA OPPORTUNITIES FUND (CONT'D.)**

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

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

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

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

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

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

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

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND (CONT'D.)**

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 ISLAMIC MALAYSIA OPPORTUNITIES FUND (CONT'D.)**

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

**Other matters**

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

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

Yeo Beng Yean  
No. 03013/10/2026 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
16 April 2025

**PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025**

	<b>Note</b>	<b>2025 RM</b>	<b>2024 RM</b>
<b>INCOME</b>			
Dividend income		4,733,011	1,708,617
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions		939,723	220,380
Hibah		-	299
Net gain on financial assets at fair value through profit or loss	<b>7</b>	<u>1,254,368</u>	<u>11,572,759</u>
		<u>6,927,102</u>	<u>13,502,055</u>
<b>EXPENSES</b>			
Management fee	<b>4</b>	3,299,163	1,426,935
Trustee fee	<b>5</b>	98,975	45,695
Transaction costs		972,018	358,655
Audit fee		9,200	9,400
Tax agent's fee		4,700	5,273
Other expenses		<u>30,353</u>	<u>24,144</u>
		<u>4,414,409</u>	<u>1,870,102</u>
<b>PROFIT BEFORE TAXATION</b>		2,512,693	11,631,953
Taxation	<b>6</b>	<u>-</u>	<u>-</u>
<b>PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		<u><u>2,512,693</u></u>	<u><u>11,631,953</u></u>
Profit after taxation is made up as follows:			
Realised amount		6,463,361	261,841
Unrealised amount		<u>(3,950,668)</u>	<u>11,370,112</u>
		<u>2,512,693</u>	<u>11,631,953</u>

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

**PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND**

**STATEMENT OF FINANCIAL POSITION  
AS AT 28 FEBRUARY 2025**

	Note	2025 RM	2024 RM
<b>ASSETS</b>			
Cash and cash equivalents	8	112,535,493	3,991,588
Financial assets at fair value through profit or loss	7	275,893,691	94,027,003
Amount due from stockbrokers		322,959	2,131,603
Amount due from Manager		6,475,354	294,293
Dividends receivable		209,500	3,327
<b>TOTAL ASSETS</b>		<u>395,436,997</u>	<u>100,447,814</u>
<b>LIABILITIES</b>			
Amount due to stockbrokers		6,029,599	1,399,092
Amount due to Manager		1,402,705	600,693
Accrued management fee		441,511	115,997
Amount due to Trustee		13,245	3,480
Other payables and accruals		28,300	23,800
<b>TOTAL LIABILITIES</b>		<u>7,915,360</u>	<u>2,143,062</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>387,521,637</u>	<u>98,304,752</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	9	<u>387,521,637</u>	<u>98,304,752</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	10	<u>1,199,221,318</u>	<u>357,905,748</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.3231</u>	<u>0.2746</u>

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

**PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS  
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025**

	Note	2025 RM	2024 RM
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		98,304,752	94,367,967
Movement due to units created and cancelled during the financial year:			
- Creation of units from applications		372,507,808	16,374,509
- Cancellation of units		(85,803,616)	(24,069,677)
		286,704,192	(7,695,168)
Total comprehensive income for the financial year		2,512,693	11,631,953
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR</b>	<b>9</b>	<b>387,521,637</b>	<b>98,304,752</b>

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 28 FEBRUARY 2025**

	Note	2025 RM	2024 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from disposal of Shariah-compliant quoted securities		59,795,029	54,729,688
Purchase of Shariah-compliant quoted securities		(234,940,216)	(50,792,667)
Dividend income received		4,526,838	1,893,854
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah earned		939,723	220,679
Management fee paid		(2,973,649)	(1,420,388)
Trustee fee paid		(89,210)	(45,863)
Payment of other fees and expenses		(39,753)	(27,778)
<b>Net cash (used in)/generated from operating activities</b>		<u>(172,781,238)</u>	<u>4,557,525</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		366,326,747	16,089,335
Payments for cancellation of units		(85,001,604)	(23,539,081)
<b>Net cash generated from/(used in) financing activities</b>		<u>281,325,143</u>	<u>(7,449,746)</u>
Net increase/(decrease) in cash and cash equivalents		108,543,905	(2,892,221)
Cash and cash equivalents at the beginning of the financial year		3,991,588	6,883,809
Cash and cash equivalents at the end of the financial year	<b>8</b>	<u>112,535,493</u>	<u>3,991,588</u>
<u>Cash and cash equivalents comprised:</u>			
Bank balance		148,103	20,262
Shariah-compliant deposits with licensed Islamic financial institutions		112,387,390	3,971,326
Cash and cash equivalents at the end of the financial year	<b>8</b>	<u>112,535,493</u>	<u>3,991,588</u>

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

**STATEMENT OF FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025**

**1. THE FUND, THE MANAGER, AND ITS PRINCIPAL ACTIVITIES**

Principal Islamic Malaysia Opportunities Fund (the “Fund”) is governed by a Principal Master Deed dated 15 May 2008, a Thirteenth Supplemental Master Deed dated 23 February 2012, a Seventeenth Supplemental Master Deed dated 25 March 2015 and a Nineteenth Supplemental Master Deed dated 18 June 2019 (collectively referred to as the “Deeds”), made between Principal Asset Management Berhad (the “Manager”) and AmanahRaya Trustees Berhad (the “Previous Trustee”) and a Twenty fifth Supplemental Master Deed dated 26 May 2023 (collectively referred to as the “Deeds”) between the Manager and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund seeks to achieve its objective by investing a minimum of 70% and up to 98% of its NAV in Shariah-compliant Malaysian equities. The Fund may also invest up to 30% of the Fund’s NAV in other Shariah-compliant investments, such as Sukuk, and Islamic liquid assets, with at least 2% of the Fund’s NAV maintained in the form of Islamic liquid assets such as Islamic money market instruments and/or Islamic deposits for liquidity purpose. For this Fund, the investment in Sukuk must satisfy a minimum credit rating of “A3” or “P2” by RAM or equivalent rating by MARC; or “BBB-” by S&P or equivalent rating by any other international rating agencies. The Fund may also opt to seek investment exposure via Islamic collective investment scheme that is in line with the Fund’s objective, subject to the requirements of the GUTF. In line with its objective, the investment strategy and policy of the Fund is to rebalance the portfolio to suit market conditions in order to reduce short-term volatility and provide consistency in capital growth.

The asset allocation strategy for this Fund is as follows:

- Between 70% to 98% (both inclusive) of the Fund’s NAV will be invested in Shariah-compliant Malaysian equities; and
- up to 30% of the Fund’s NAV in other Shariah-compliant investments and Islamic liquid assets, with at least 2% of the Fund’s NAV to be maintained in Islamic liquid assets.

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

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

**2. MATERIAL ACCOUNTING POLICY INFORMATION**

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

**(a) Basis of preparation**

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

**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(a) Basis of preparation (continued)**

The financial statements have been prepared under the historical cost convention, as modified by financial assets at fair value through profit or loss. The preparation of financial statements in conformity with MFRS Accounting Standards and IFRS Accounting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported year.

It also requires the Manager to exercise their judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement 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 estimates and assumptions are significant to the financial statements are disclosed in Note 2(k).

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

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

**(b) Financial assets and financial liabilities**

Classification

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Financial assets and financial liabilities (continued)

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. Shariah-compliant investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

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

Financial assets are derecognised when the rights to receive cash flows from the Shariah-compliant investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

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

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

Shariah-compliant quoted securities in Malaysia are valued at the last done market price quoted on Bursa Malaysia Securities Berhad ("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 Shariah-compliant 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 Shariah-compliant quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the Shariah-compliant 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.

Shariah-compliant deposits with licensed Islamic financial institutions are stated at cost plus accrued profit calculated on the effective profit method over the period from the date of placement to the date of maturity of the respective Shariah-compliant deposits.

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

Impairment for assets carried at amortised costs

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



**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

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

Significant increase in credit risk

A significant increase in credit risk is defined by the 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.

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.

Profit income from Shariah-compliant deposits with licensed Islamic financial institutions is recognised on a time proportionate basis using the effective profit method on an accrual basis.

Profit income is calculated by applying the effective profit 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 profit 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 Shariah-compliant quoted securities is accounted for as the difference between the net disposal proceeds and the carrying amount of Shariah-compliant quoted securities, determined on a weighted average cost basis.

**(d) Functional and presentation currency**

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

**(e) Cash and cash equivalents**

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

**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(f) Unit holders' contributions**

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

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

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

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

**(g) Taxation**

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

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

**(h) Transaction costs**

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

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

Amounts due from/to stockbrokers represent receivables for Shariah-compliant quoted securities sold and payables for Shariah-compliant quoted securities purchased that have been contracted for but not yet settled or delivered on the reporting date, respectively.

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

The analysis of realised and unrealised profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with GUTF.

**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(k) Critical accounting estimates and judgements in applying accounting policies**

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

Estimates and judgements 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 Shariah-compliant investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the GUTF.

However, the Manager is of the opinion that in applying 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:

	<b>Financial assets at fair value through profit or loss RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Total RM</b>
<b>2025</b>			
Cash and cash equivalents (Note 8)	-	112,535,493	112,535,493
Shariah-compliant quoted securities (Note 7)	275,893,691	-	275,893,691
Amount due from stockbrokers	-	322,959	322,959
Amount due from Manager	-	6,475,354	6,475,354
Dividends receivable	-	209,500	209,500
	<u>275,893,691</u>	<u>119,543,306</u>	<u>395,436,997</u>
<b>2024</b>			
Cash and cash equivalents (Note 8)	-	3,991,588	3,991,588
Shariah-compliant quoted securities (Note 7)	94,027,003	-	94,027,003
Amount due from stockbrokers	-	2,131,603	2,131,603
Amount due from Manager	-	294,293	294,293
Dividends receivable	-	3,327	3,327
	<u>94,027,003</u>	<u>6,420,811</u>	<u>100,447,814</u>

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

The Fund aims to achieve consistent capital growth over the medium to long-term.

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

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

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.

**(a) Market risk**

**(i) Price risk**

This is the risk that the fair value of an investment in Shariah-compliant quoted securities will fluctuate because of changes in market prices (other than those arising from interest rate risk). The value of Shariah-compliant 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 Shariah-compliant 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>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
Financial assets at fair value through profit or loss:		
- Shariah-compliant quoted securities	<u>275,893,691</u>	<u>94,027,003</u>

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

<b>% Change in price of Shariah-compliant quoted securities</b>	<b>Market value</b>	<b>Impact on profit or loss/NAV</b>
	<b>RM</b>	<b>RM</b>
<b>2025</b>		
-5%	262,099,006	(13,794,685)
0%	275,893,691	-
+5%	<u>289,688,376</u>	<u>13,794,685</u>
<b>2024</b>		
-5%	89,325,653	(4,701,350)
0%	94,027,003	-
+5%	<u>98,728,353</u>	<u>4,701,350</u>

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

**(a) Market risk (continued)**

**(ii) Interest rate risk**

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

It does not in any way suggest that this Fund will invest in conventional financial instruments. All investment carried out for the Fund including placements and deposits are in accordance with Shariah.

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 Shariah-compliant investment in money market instruments. The interest rate risk is expected to be minimal as the Fund's investments comprise mainly Shariah-compliant short-term deposits with approved licensed Islamic 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 profit rate per annum is as follows:

	<b>2025</b>	<b>2024</b>
	%	%
Shariah-compliant deposits with licensed Islamic financial institutions	3.05	3.00

**(b) Credit risk**

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

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

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

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

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

(b) Credit risk (continued)

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

	Cash and cash equivalents RM	Amount due from stockbrokers RM	Amount due from Manager RM	Dividends receivable RM	Total RM
<b>2025</b>					
- AAA	112,535,493	-	-	-	112,535,493
- Not Rated	-	322,959	6,475,354	209,500	7,007,813
	<u>112,535,493</u>	<u>322,959</u>	<u>6,475,354</u>	<u>209,500</u>	<u>119,543,306</u>
<b>2024</b>					
- AAA	3,991,588	-	-	-	3,991,588
- Not Rated	-	2,131,603	294,293	3,327	2,429,223
	<u>3,991,588</u>	<u>2,131,603</u>	<u>294,293</u>	<u>3,327</u>	<u>6,420,811</u>

Shariah-compliant deposits with licensed Islamic financial institutions of the Fund have an average remaining maturity of 3 days (2024: 1 day).

(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 balance, Shariah-compliant deposits with licensed Islamic 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 statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
<b>2025</b>			
Amount due to stockbrokers	6,029,599	-	6,029,599
Amount due to Manager	1,402,705	-	1,402,705
Accrued management fee	441,511	-	441,511
Amount due to Trustee	13,245	-	13,245
Other payables and accruals	-	28,300	28,300
<b>Contractual undiscounted cash flows</b>	<u>7,887,060</u>	<u>28,300</u>	<u>7,915,360</u>

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

**(c) Liquidity risk (continued)**

	<b>Less than 1 month RM</b>	<b>Between 1 month to 1 year RM</b>	<b>Total RM</b>
<b>2024</b>			
Amount due to stockbrokers	1,399,092	-	1,399,092
Amount due to Manager	600,693	-	600,693
Accrued management fee	115,997	-	115,997
Amount due to Trustee	3,480	-	3,480
Other payables and accruals	-	23,800	23,800
<b>Contractual undiscounted cash flows</b>	<b>2,119,262</b>	<b>23,800</b>	<b>2,143,062</b>

**(d) Capital risk management**

The capital of the Fund is represented by equity consisting of unit holders' contributions of RM387,521,637 (2024: RM98,304,752). The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

**(e) Fair value estimation**

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

The fair value of financial assets traded in active markets (such as trading securities) is 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 market 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.

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).

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

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

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy

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

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

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

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

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

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

	<b>Level 1 RM</b>	<b>Level 2 RM</b>	<b>Level 3 RM</b>	<b>Total RM</b>
<b>2025</b>				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted securities	<u>275,893,691</u>	<u>-</u>	<u>-</u>	<u>275,893,691</u>
<b>2024</b>				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted securities	<u>94,027,003</u>	<u>-</u>	<u>-</u>	<u>94,027,003</u>



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

**(e) Fair value estimation (continued)**

(i) Fair value hierarchy (continued)

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

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

**4. MANAGEMENT FEE**

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

For the financial year ended 28 February 2025, the management fee is recognised at a rate of 1.50% per annum (2024: 1.50% per annum).

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

**5. TRUSTEE FEE**

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

For the financial year ended 28 February 2025, the Trustee Fee is recognised at a rate of 0.045% per annum (2024: 1 March 2023 until 8 October 2023, the Trustee fee is recognised at a rate of 0.05%. Effective 9 October 2023, the Trustee Fee is recognised at the rate of 0.045% per annum).

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

**6. TAXATION**

	<b>2025 RM</b>	<b>2024 RM</b>
Tax charged for the financial year:		
- Current taxation	-	-
	-	-

**6. TAXATION (CONTINUED)**

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

	<b>2025 RM</b>	<b>2024 RM</b>
Profit before taxation	<u>2,512,693</u>	<u>11,631,953</u>
Taxation at Malaysian statutory rate of 24% (2024: 24%)	603,046	2,791,669
Tax effects of:		
- Investment income not subject to tax	(1,662,505)	(3,240,493)
- Expenses not deductible for tax purposes	264,018	102,601
- Restriction on tax deductible expenses for Unit Trust Funds	<u>795,441</u>	<u>346,223</u>
Taxation	<u>-</u>	<u>-</u>

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

	<b>2025 RM</b>	<b>2024 RM</b>
At fair value through profit or loss:		
- Shariah-compliant quoted securities	<u>275,893,691</u>	<u>94,027,003</u>
Net gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	5,205,037	202,647
- Unrealised fair value (loss)/gain	<u>(3,950,669)</u>	<u>11,370,112</u>
	<u>1,254,368</u>	<u>11,572,759</u>

	<b>Quantity Units</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>2025</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES</b>				
<b>Construction</b>				
Econpile Holdings Bhd	2,732,400	684,057	874,368	0.23
Gamuda Bhd	4,190,006	13,045,561	18,268,426	4.71
IJM Corporation Bhd	3,000,000	7,578,777	6,300,000	1.63
Southern Score Builders Bhd	<u>12,799,500</u>	<u>4,284,610</u>	<u>6,143,760</u>	<u>1.59</u>
	<u>22,721,906</u>	<u>25,593,005</u>	<u>31,586,554</u>	<u>8.16</u>
<b>Consumer Products &amp; Service</b>				
Aeon Co. M Bhd	5,000,000	7,366,343	7,100,000	1.83
Farm Fresh Bhd	6,000,000	10,011,611	9,960,000	2.57
Mr D.I.Y. Group (M) Bhd	6,000,050	11,526,370	8,280,069	2.14
Padini Holdings Bhd	913,200	2,122,945	1,543,308	0.40
QL Resources Bhd	1,350,000	5,071,345	6,547,500	1.69
Sime Darby Bhd	<u>1,500,000</u>	<u>3,776,393</u>	<u>3,285,000</u>	<u>0.85</u>
	<u>20,763,250</u>	<u>39,875,007</u>	<u>36,715,877</u>	<u>9.48</u>

**PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND**

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

	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2025 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>Energy</b>				
Dialog Group Bhd	1,000,000	2,447,212	1,580,000	0.41
Keyfield International Bhd	2,400,000	5,915,862	5,016,000	1.29
Perdana Petroleum Bhd	8,000,002	3,078,299	1,720,000	0.44
	<u>11,400,002</u>	<u>11,441,373</u>	<u>8,316,000</u>	<u>2.14</u>
<b>Financial Services</b>				
Bank Islam Malaysia Bhd	1,207,300	3,281,728	3,018,250	0.78
Bursa Malaysia Bhd	500,000	4,716,432	3,985,000	1.03
	<u>1,707,300</u>	<u>7,998,160</u>	<u>7,003,250</u>	<u>1.81</u>
<b>Health Care</b>				
Hartalega Holdings Bhd	3,500,000	9,242,295	7,875,000	2.03
Kossan Rubber Industries Bhd	2,000,000	3,510,807	3,560,000	0.92
KPJ Healthcare Bhd	2,000,000	2,771,802	4,740,000	1.22
Top Glove Corporation Bhd	3,000,000	5,968,302	2,715,000	0.70
Top Glove Corporation Bhd - Warrants	150,000	-	36,000	0.01
	<u>10,650,000</u>	<u>21,493,206</u>	<u>18,926,000</u>	<u>4.88</u>
<b>Industrial Products &amp; Services</b>				
Kelington Group Bhd	2,600,000	6,798,217	9,074,000	2.34
KJTS Group Bhd	6,281,600	4,672,427	6,344,416	1.64
Nationgate Holdings Bhd	5,500,000	8,415,402	10,175,000	2.63
Press Metal Aluminium Holdings Bhd	1,200,000	6,161,813	6,060,000	1.56
Sunway Bhd	2,562,200	8,363,659	11,811,742	3.05
TMK Chemical Bhd	650,000	1,137,500	884,000	0.23
V.S. Industry Bhd	5,985,068	7,116,198	5,805,517	1.50
	<u>24,778,868</u>	<u>42,665,216</u>	<u>50,154,675</u>	<u>12.95</u>
<b>Plantation</b>				
Johor Plantations Group Bhd	8,000,000	9,393,405	9,840,000	2.54
SD Guthrie Bhd	2,000,000	9,363,345	10,140,000	2.62
	<u>10,000,000</u>	<u>18,756,750</u>	<u>19,980,000</u>	<u>5.16</u>
<b>Property</b>				
Eastern and Oriental Bhd	1,339,800	833,185	1,098,636	0.28
Sime Darby Property Bhd	5,000,000	6,019,612	7,000,000	1.81
SP Setia Bhd	6,000,000	7,313,762	8,040,000	2.07
	<u>12,339,800</u>	<u>14,166,559</u>	<u>16,138,636</u>	<u>4.16</u>

**PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND**

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

	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2025 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>Technology</b>				
Cloudpoint Technology Bhd	5,732,800	5,382,046	4,901,544	1.26
Greatech Technology Bhd	2,200,000	5,835,443	3,674,000	0.95
Ifca Msc Bhd	7,131,000	5,042,690	3,601,155	0.93
Inari Amertron Bhd	3,000,000	9,622,698	6,210,000	1.60
ITMAX System Bhd	1,900,000	4,352,078	7,410,000	1.91
	<u>19,963,800</u>	<u>30,234,955</u>	<u>25,796,699</u>	<u>6.65</u>
<b>Telecommunications &amp; Media</b>				
Celcomdigi Bhd	2,000,000	7,374,084	7,380,000	1.90
Telekom Malaysia Bhd	1,500,000	8,547,701	10,245,000	2.64
	<u>3,500,000</u>	<u>15,921,785</u>	<u>17,625,000</u>	<u>4.54</u>
<b>Transportation &amp; Logistics</b>				
MISC Bhd	1,000,000	7,507,740	7,300,000	1.88
Westports Holdings Bhd	1,100,000	4,922,712	5,071,000	1.31
	<u>2,100,000</u>	<u>12,430,452</u>	<u>12,371,000</u>	<u>3.19</u>
<b>Utilities</b>				
Tenaga Nasional Bhd	2,300,000	28,248,483	31,280,000	8.07
<b>TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES</b>	<b><u>142,224,926</u></b>	<b><u>268,824,951</u></b>	<b><u>275,893,691</u></b>	<b><u>71.19</u></b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>7,068,740</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>275,893,691</u></b>		

**PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND**

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

	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2024</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES</b>				
<b>Construction</b>				
Econpile Holdings Bhd	3,616,800	905,466	1,247,796	1.27
Gamuda Bhd	500,094	2,174,087	2,645,497	2.69
IJM Corporation Bhd	1,339,600	2,393,256	2,866,744	2.92
Southern Score Builders Bhd	9,000,000	1,800,000	2,025,000	2.06
	<u>14,456,494</u>	<u>7,272,809</u>	<u>8,785,037</u>	<u>8.94</u>
<b>Consumer Products &amp; Service</b>				
Farm Fresh Bhd	387,000	603,354	537,930	0.55
Karex Bhd	225,700	163,044	177,175	0.18
Mr D.I.Y. Group (M) Bhd	451,350	1,065,103	704,106	0.71
QL Resources Bhd	654,800	3,476,704	3,804,388	3.87
Sime Darby Bhd	771,300	1,866,973	2,090,223	2.13
	<u>2,490,150</u>	<u>7,175,178</u>	<u>7,313,822</u>	<u>7.44</u>
<b>Energy</b>				
Dayang Enterprise Holdings Bhd	1,672,000	2,103,798	3,895,760	3.96
Dialog Group Bhd	1,500,000	3,889,548	3,150,000	3.20
Hibiscus Petroleum Bhd	495,600	1,239,321	1,253,868	1.28
Uzma Bhd	402,700	473,518	495,321	0.50
WASCO Bhd	1,343,400	1,532,775	1,773,287	1.81
	<u>5,413,700</u>	<u>9,238,960</u>	<u>10,568,236</u>	<u>10.75</u>
<b>Health Care</b>				
Hartalega Holdings Bhd	2,454,200	3,818,350	6,160,042	6.27
Kossan Rubber Industries Bhd	1,386,600	1,859,467	2,606,808	2.65
KPJ Healthcare Bhd	1,784,400	1,917,467	2,944,260	2.99
Top Glove Corporation Bhd	2,476,700	2,257,914	1,993,744	2.03
	<u>8,101,900</u>	<u>9,853,198</u>	<u>13,704,854</u>	<u>13.94</u>
<b>Industrial Products &amp; Services</b>				
Kelington Group Bhd	617,600	491,413	1,574,880	1.60
Nationgate Holdings Bhd	4,131,200	4,751,595	5,824,992	5.93
Press Metal Aluminium Holdings Bhd	818,500	4,064,454	3,830,580	3.90
Sunway Bhd	1,324,900	2,597,474	3,709,720	3.78
V.S. Industry Bhd	1,108,968	1,342,847	820,636	0.82
	<u>8,001,168</u>	<u>13,247,783</u>	<u>15,760,808</u>	<u>16.03</u>

**PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND**

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

	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2024 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>Plantation</b>				
IOI Corporation Bhd	493,400	2,165,738	1,963,732	2.00
Kuala Lumpur Kepong Bhd	70,082	1,660,824	1,569,837	1.60
	<u>563,482</u>	<u>3,826,562</u>	<u>3,533,569</u>	<u>3.60</u>
<b>Property</b>				
Eastern and Oriental Bhd	1,398,100	869,440	1,209,357	1.23
Sime Darby Property Bhd	1,616,200	1,198,736	1,244,474	1.27
SP Setia Bhd	2,639,300	2,409,705	2,230,209	2.27
Skyworld Development Bhd	596,800	477,440	337,192	0.34
	<u>6,250,400</u>	<u>4,955,321</u>	<u>5,021,232</u>	<u>5.11</u>
<b>Technology</b>				
ECA Integrated Solution Bhd	1,899,500	1,708,111	740,805	0.75
Genetec Technology Bhd	1,000,000	1,691,315	2,220,000	2.26
Inari Amertron Bhd	1,000,000	3,060,470	3,170,000	3.22
Infomina Bhd	349,300	488,784	569,359	0.58
ITMAX System Bhd	1,000,000	1,490,299	2,270,000	2.31
LGMS Bhd	1,935,200	2,439,622	1,935,200	1.97
My E.G Services Bhd	2,999,931	2,800,861	2,414,944	2.46
SMRT Holdings Bhd	975,900	995,525	878,310	0.89
	<u>11,159,831</u>	<u>14,674,987</u>	<u>14,198,618</u>	<u>14.44</u>
<b>Telecommunications &amp; Media</b>				
Maxis Bhd	351,600	1,425,960	1,307,952	1.33
Telekom Malaysia Bhd	797,500	3,995,601	4,824,875	4.91
	<u>1,149,100</u>	<u>5,421,561</u>	<u>6,132,827</u>	<u>6.24</u>
<b>Utilities</b>				
Tenaga Nasional Bhd	800,000	7,341,235	9,008,000	9.16
<b>TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES</b>	<b><u>58,386,225</u></b>	<b><u>83,007,594</u></b>	<b><u>94,027,003</u></b>	<b><u>95.65</u></b>

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

	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2024 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>11,019,409</u>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>94,027,003</u>		

**8. CASH AND CASH EQUIVALENTS**

	2025 RM	2024 RM
Shariah-compliant deposits with licensed Islamic financial institutions	112,387,390	3,971,326
Bank balance	148,103	20,262
	<u>112,535,493</u>	<u>3,991,588</u>

**9. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS**

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

	2025 RM	2024 RM
Unit holders' contributions	376,118,901	89,414,709
Retained earnings	11,402,736	8,890,043
	<u>387,521,637</u>	<u>98,304,752</u>

9. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS (CONTINUED)

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

	Unit holders' capital RM	Retained earnings/ (Accumulated losses) RM	Total RM
<b>Balance as at 1 March 2024</b>	89,414,709	8,890,043	98,304,752
Movement in unit holders' contributions:			
- Creation of units from applications	372,507,808	-	372,507,808
- Cancellation of units	(85,803,616)	-	(85,803,616)
Total comprehensive income for the financial year	-	2,512,693	2,512,693
<b>Balance as at 28 February 2025</b>	<u>376,118,901</u>	<u>11,402,736</u>	<u>387,521,637</u>
<b>Balance as at 1 March 2023</b>	97,109,877	(2,741,910)	94,367,967
Movement in unit holders' contributions:			
- Creation of units from applications	16,374,509	-	16,374,509
- Cancellation of units	(24,069,677)	-	(24,069,677)
Total comprehensive income for the financial year	-	11,631,953	11,631,953
<b>Balance as at 29 February 2024</b>	<u>89,414,709</u>	<u>8,890,043</u>	<u>98,304,752</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2025	2024
	No. of units	No. of units
At the beginning of the financial year	357,905,748	388,147,097
Add: Creation of units from applications	1,098,035,524	64,682,573
Less: Cancellation of units	(256,719,954)	(94,923,922)
At the end of the financial year	<u>1,199,221,318</u>	<u>357,905,748</u>

11. TOTAL EXPENSE RATIO ("TER")

	2025	2024
	%	%
TER	<u>1.56</u>	<u>1.59</u>



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

TER is derived from the following calculation:

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

- A = Management fee
- B = Trustee fee
- C = Audit fee
- D = Tax agent’s fee
- E = Other expenses excluding 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 RM221,237,054 (2024: RM94,865,969).

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

	<b>2025</b>	<b>2024</b>
PTR (times)	0.67	0.57

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 = RM238,799,583 (2024: RM51,284,161)
- total disposal for the financial year = RM58,187,263 (2024: RM57,046,844)

**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
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 Islamic Bank Bhd	Fellow related party to 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>
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

Units held by the Manager and parties related to the Manager

	<u>2025</u>		<u>2024</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
<b>Manager</b>				
Principal Asset Management Berhad	5,693	1,839	9,971	2,738

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>2025</u>	<u>2024</u>
	<u>RM</u>	<u>RM</u>
<u>Significant related party transactions</u>		
Profit income received from Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	14,926	26,654

**14. TRANSACTIONS WITH BROKERS/DEALERS**

Details of transactions with the top 10 brokers/dealers for the financial year ended 28 February 2025 are as follows:

<u>Brokers/Dealers</u>	<u>Values of trades</u>	<u>Percentage of total trades</u>	<u>Brokerage fees</u>	<u>Percentage of total brokerage fees</u>
	<u>RM</u>	<u>%</u>	<u>RM</u>	<u>%</u>
RHB Investment Bank Bhd	43,289,133	14.59	91,107	14.25
Nomura Securities Malaysia Sdn Bhd	39,114,192	13.18	85,495	13.37
Affin Hwang Investment Bank Bhd	38,208,336	12.87	84,530	13.22
CGS International Securities Malaysia Sdn Bhd	33,230,132	11.20	72,365	11.32

14. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

Details of transactions with the top 10 brokers/dealers for the financial year ended 28 February 2025 are as follows (continued):

Brokers/Dealers	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Macquarie Capital Securities Malaysia Sdn Bhd	31,509,093	10.62	69,504	10.87
Maybank Investment Bank Bhd	28,198,490	9.50	70,231	10.99
J.P. Morgan Securities (M) Sdn Bhd	26,465,179	8.92	40,271	6.30
UBS Securities M Sdn Bhd	19,790,564	6.67	44,532	6.97
CLSA Securities (M) Sdn Bhd	16,932,605	5.71	39,760	6.22
KAF Equities Sdn Bhd	8,921,922	3.01	16,447	2.57
Others #	11,114,447	3.73	25,017	3.92
	<u>296,774,093</u>	<u>100.00</u>	<u>639,259</u>	<u>100.00</u>

Details of transactions with the top 10 brokers/dealers for the financial year ended 29 February 2024 are as follows:

Brokers/Dealers	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Macquarie Capital Securities Malaysia Sdn Bhd	16,421,201	15.17	36,286	15.89
CGS-CIMB Securities Sdn Bhd #	16,013,617	14.79	33,272	14.57
RHB Investment Bank Bhd	15,459,706	14.28	33,564	14.70
CLSA Securities (M) Sdn Bhd	10,070,986	9.30	22,660	9.92
UBS Securities M Sdn Bhd	9,136,776	8.44	19,213	8.41
Nomura Securities Malaysia Sdn Bhd	8,927,114	8.25	19,433	8.51
Maybank Investment Bank Bhd	8,465,513	7.82	18,888	8.27
J.P. Morgan Securities (M) Sdn Bhd	6,927,489	6.40	10,898	4.77
KAF Equities Sdn Bhd	4,521,909	4.18	8,096	3.55
UOB Kay Hian Securities (M) Sdn Bhd	4,351,703	4.02	9,791	4.29
Others	7,949,693	7.35	16,272	7.12
	<u>108,245,707</u>	<u>100.00</u>	<u>228,373</u>	<u>100.00</u>

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

# Included in the transactions are trades conducted with CGS-CIMB Securities Sdn Bhd, fellow related party to the Manager amounting to RM1,468,060 (2024: RM16,013,617). 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 16 April 2025.

## DIRECTORY

### Head Office of the Manager

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