

Principal Islamic Enhanced Opportunities Fund

Annual Report

For The Financial Year Ended 31 December 2024

PRINCIPAL ISLAMIC ENHANCED OPPORTUNITIES FUND
ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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INVESTORS' LETTER

Dear Valued Investor,

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

We are pleased to bring you a copy of the Annual Fund Report of the Principal Islamic Enhanced Opportunities Fund for the financial year ended 31 December 2024. You may also download this report from our website at www.principal.com.my.

We are proud to announce that Principal Malaysia has earned numerous accolades in 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 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,
Malaysia & Global Shariah & 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?

To earn reasonable returns for investors by investing in approved equities* listed on Bursa Malaysia as well as unlisted securities and other non-interest bearing assets acceptable under Shariah principles.

* This refers to equities classified as Shariah compliant by the Shariah Advisory Council ("SAC") of the Securities Commission Malaysia ("SC").

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 may invest a minimum of 70% and up to a maximum of 98% of the Fund's Net Asset value ("NAV") in local Shariah-compliant equities. The Fund may also invest up to 28% of its NAV in other permissible Shariah-compliant investments. As an aggressive Fund, the Fund will be managed with higher beta and tracking error. The investment policy and strategy of the Fund will be to invest in Shariah-compliant stocks which are selected based on their future growth prospects. 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") issued by the SC. In addition, Islamic liquid assets may also be strategically used if we feel that the market downside risk is high in the short-term.

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 equities;
- up to 28% of the Fund's NAV in other permissible Shariah-compliant investments; and
- at least 2% of Fund's NAV in Islamic liquid assets.

Fund category/ type

Equity (Shariah-compliant)/ Growth

When was the Fund launched?

Name of Class	Launch Date
Class MYR	15 June 1995
Class D	9 October 2023

What was the size of the Fund as at 31 December 2024?

RM274.38 million (290.24 million units)

What is the Fund's benchmark?

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

What is the Fund distribution policy?

Distribution (if any) is expected to be distributed every January at the Manager's discretion.

What was the net income distribution for the financial year ended 31 December 2024?

There was no income distribution made for the financial year ended 31 December 2024.

PERFORMANCE DATA

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

	2024	2023	2022
	%	%	%
Shariah-compliant quoted securities			
- Construction	10.82	6.05	3.71
- Consumer Products & Services	10.31	6.97	9.94
- Energy	3.63	5.00	3.22
- Financial Services	2.26	-	2.11
- Health Care	8.99	13.36	4.16
- Industrials Products & Services	18.95	16.26	9.67
- Plantation	4.67	5.74	8.89
- Property	5.65	4.51	0.95
- Real Estate Investment Trust (“REITs”)	-	-	3.09
- Technology	8.28	15.12	21.60
- Telecommunications & Media	5.00	5.92	8.35
- Transportation & Logistics	2.34	-	5.78
- Utilities	8.55	9.38	3.37
Cash and other assets	12.11	12.07	17.02
Liabilities	(1.56)	(0.38)	(1.86)
	<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:

	31.12.2024	31.12.2023	31.12.2022
	%	%	%
NAV (RM Million)			
- Class MYR	265.84	126.30	117.85
- Class D	8.54	0.15	-
Units In circulation (Million)			
- Class MYR	284.23	184.58	186.69
- Class D	6.00	0.14	-
NAV per Unit (RM)			
- Class MYR	0.9352	0.6842	0.6312
- Class D	1.4234	1.0403	-
Highest NAV per unit (RM)			
- Class MYR	0.9552	0.6863	0.7498
- Class D	1.4520	1.0434	-
Lowest NAV per unit (RM)			
- Class MYR	0.6832	0.6224	0.5841
- Class D	1.0386	0.9809	-
Total return (%)			
- Class MYR	36.69	8.94	(13.10)
- Class D	36.83	-	-
Capital growth (%)			
- Class MYR	36.69	8.40	(15.81)
- Class D	36.83	-	-
Income distribution (%)			
- Class MYR	-	0.50	3.22
- Class D	-	-	-
Total Expense Ratio (“TER”) (%) ^	1.57	1.61	1.61
Portfolio Turnover Ratio (“PTR”) (times) #	0.64	0.60	0.47

^ The Fund’s TER decreased from 1.61% to 1.57% due to increase in average NAV during the financial year under review.

PERFORMANCE DATA (CONTINUED)

The Fund's PTR increased from 0.60 times to 0.64 times was slightly higher due to more trading activities during the financial year under review.

	31.12.2024	31.12.2023	31.12.2022
Gross/Net distribution per unit (sen)			
Distribution on 18 January 2023			
- Class MYR	-	0.32	-
Distribution on 19 January 2022	-	-	2.20

Class MYR

	31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020
	%	%	%	%	%
Annual total return	36.69	8.94	(13.10)	5.15	6.44

(Launch date: 9 October 2023)

Class D

	31.12.2024	Since inception to 31.12.2023
	%	%
Annual total return	36.83	4.03

(Launch date: 15 June 1995)

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 JANUARY 2024 TO 31 DECEMBER 2024)

The FBMS Index rose by 11.64% in Malaysian Ringgit ("RM"/"MYR") terms during the financial year under review.

FBMS Index was up 2.6% or 289.4 pts in January 2024, closing the month at 11,278.09 points. Sentiment was lifted by the US Federal Reserve (the "Fed") communication on interest rates given the recent cooling inflation and economic data out of the US Dollar ("USD"). The weaker USD and lower treasury yield that ensued favored Emerging Market ("EM"). Utilities, Commodities and Telecommunication topped the gainers list.

Within the broader market, Energy, Construction and Property did well, while Technology languished despite the sentiment on the Fed rates.

FBMS's rally extended into February 2024, up 2.2% to close the month at 11,527.99 points. This marked the 4th consecutive month of gains, with Malaysia outperforming most the Association of Southeast Asian Nations ("ASEAN") markets. This was also despite the stronger USD following stronger-than-expected inflation and economic data out of the US, and bets on rate cuts by the Fed pushed back. Utilities, Commodities and Telecommunication topped the gainers list. Within the broader market, Energy did well, and Technology rebounded strongly.

MARKET REVIEW (1 JANUARY 2024 TO 31 DECEMBER 2024) (CONTINUED)

FBMS's Index rally extended into March 2024, up 1.0% to close the month at 11,643.52 points. This marked the 4th 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, and there was an absence of fresh catalysts domestically. During the month, there were also distortions caused by Financial Times Stock Exchange ("FTSE") rebalancing (as well as Morgan Stanley Capital International ("MSCI") rebalancing in February 2024) and many Index stocks going ex-dividends. Transport, Utilities and Commodities topped the gainers list while Telcos languished. Within the broader market, Property, Construction, Technology, Healthcare and Energy did well.

FBMS's Index rally extended into April 2024, up 3.9% to close the month at 11,085.94 points. 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 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's Index rally extended into May 2024, up 2.54% to close the month at 12,392.36 points. 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 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 RM during the month. MSCI rebalancing also helped. Gains were largely concentrated on Plantations.

FBMS Index was -0.34% in September 2024. This was in stark contrast to the stronger USD market which recorded new highs following Fed's 50 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 25 basis points ("bps") in the November FOMC meeting given the recent inflation print and weak jobs data. Utilities and Telcos were sold off the most, while Construction, REITs and Healthcare posted modest gains.

MARKET REVIEW (1 JANUARY 2024 TO 31 DECEMBER 2024) (CONTINUED)

In November 2024, FBMS Index fell 0.23% as investors continue to risk off due to uncertainties surrounding potential new polices under the new US administration, as well as the trajectory of 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 Fed rates coupled with rising bond yields. Utilities, Commodities, and Telecommunication were top performers.

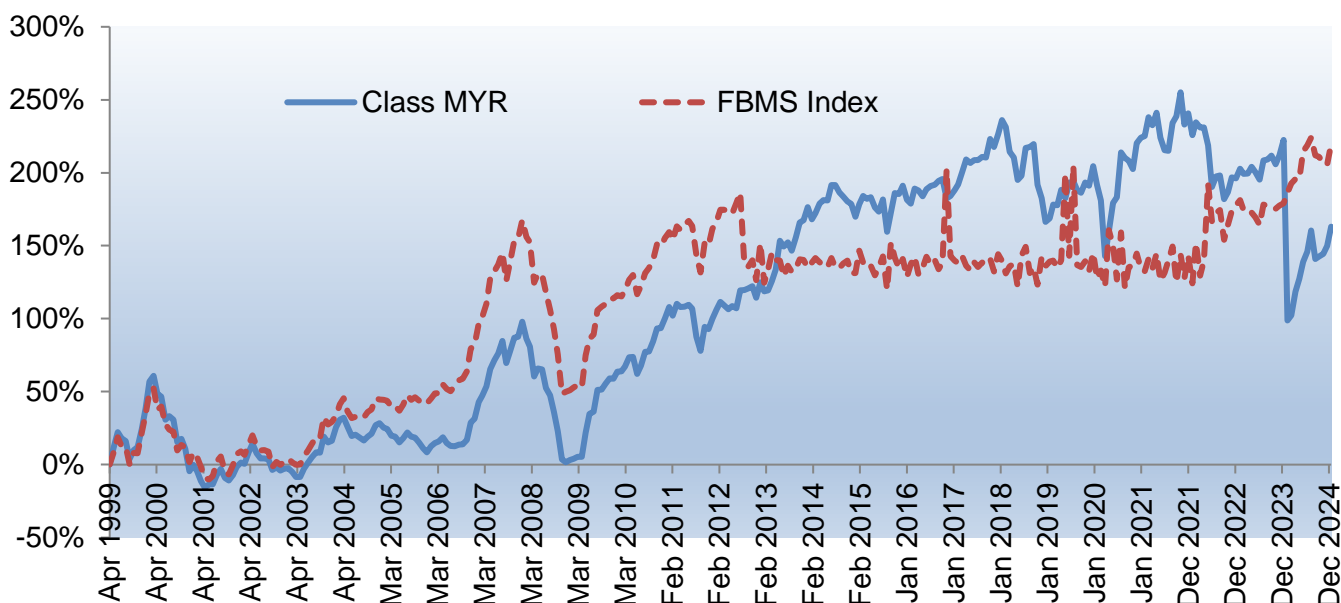
FUND PERFORMANCE

	1 year to 31.12.2024	3 years to 31.12.2024	5 years to 31.12.2024	Since inception to 31.12.2024
	%	%	%	%
Income Distribution				
- Class MYR	-	3.73	7.66	167.21
- Class D	-	-	-	-
Capital Growth				
- Class MYR	36.69	24.74	34.52	(1.56)
- Class D	36.83	-	-	42.34
Total Return				
- Class MYR	36.69	29.40	44.83	163.05
- Class D	36.83	-	-	42.34
Benchmark				
- Class MYR	14.58	2.67	5.38	219.67
- Class D	14.58	-	-	16.67
Average Total Return				
- Class MYR	36.69	8.96	7.68	3.33
- Class D	36.83	-	-	33.24

For the financial year under review, the Fund for class MYR gained 36.69%, while the benchmark gained 14.58%. As such, the Fund outperformed the benchmark by 2,225 bps.

Since Inception

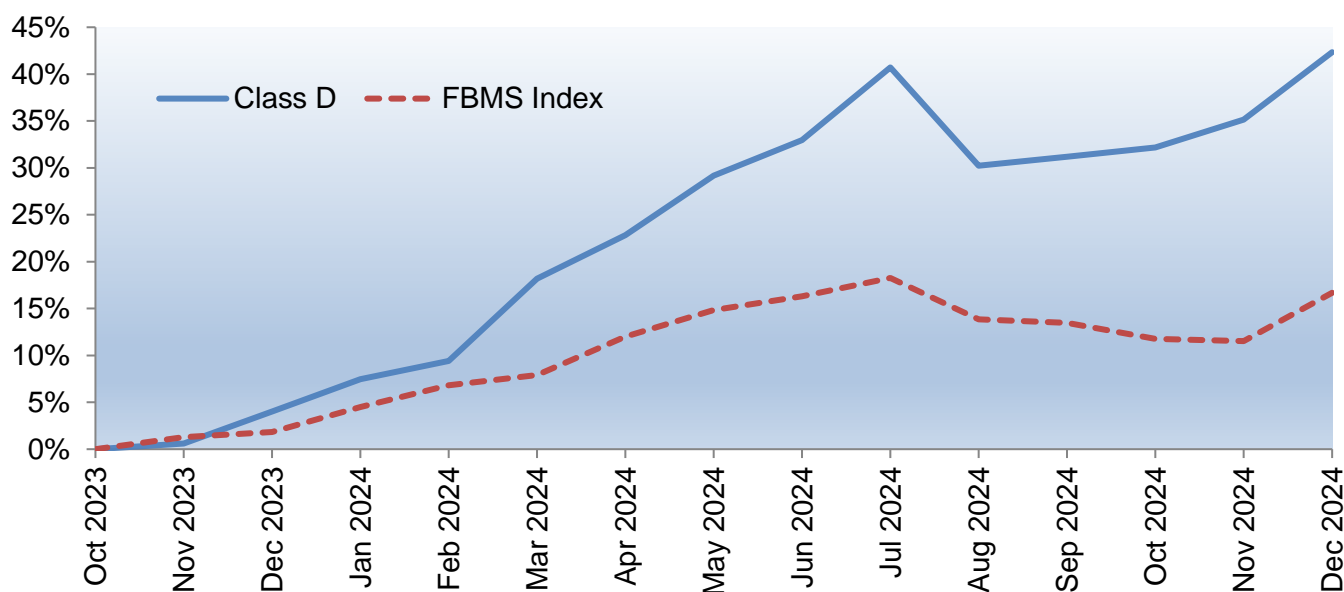
Class MYR



FUND PERFORMANCE (CONTINUED)

Since Inception

Class D



Changes in NAV

	31.12.2024	31.12.2023	Changes %
CLASS MYR			
NAV (RM million)	265.84	126.30	>100.00
NAV/Unit (RM)	0.9352	0.6842	36.69
CLASS D			
NAV (RM million)	8.54	0.15	>100.00
NAV/Unit (RM)	1.4234	1.0403	36.83

During the financial year, NAV increased more than 100% to 265.84 million and 8.54 million for class MYR and class D respectively. In value while per unit NAV increased by 36.69% to RM0.9352 and 36.83% to 1.4234 for class MYR and class D respectively 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)	31.12.2024	31.12.2023
Shariah-compliant quoted securities	89.45	88.31
Cash and other assets	12.11	12.07
Liabilities	(1.56)	(0.38)
TOTAL	100.00	100.00

Asset allocation into local Shariah-compliant quoted securities increased to 89.44% as at 31 December 2024 compared to 88.31% as at 31 December 2023 due to our positive stance on the local equity market.

MARKET OUTLOOK *

Malaysia's manufacturing sector moderated further in December, with the Purchasing Manager Index ("PMI") reading of 48.6 points versus 49.2 points the previous month, as demand conditions remain muted. S&P Global noted a slowdown in new orders, output, purchasing and stocks, while employment also fell marginally. Positively, inflationary pressures softened sharply. Optimism of a recovery in new orders over the coming 12 months remains solid, unchanged from November 2024. The latest PMI data suggests fourth quarter of 2024 Gross Domestic Products ("GDP") growth momentum could sustain at a similar pace as the preceding quarter, which was at 5.9%, albeit at a slower rate of increase. To recap, BNM now projects GDP to grow 4.8% to 5.3% in 2024, revised up from 4% to 5% previously, and the economy to expand by 4.5% to 5.5% in 2025.

We expect BNM to maintain Overnight interest rate ("OPR") at 3.00% for 2025 given muted inflation and modest economic growth. Inflation rose at a slower pace of 1.8% in November 2024 versus 1.9% in October 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

We are actively deploying cash that were raised earlier selectively into defensives. We believe improved political stability; stronger earnings growth prospects and higher domestic investments would keep the market afloat. 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 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.

During the financial year under 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 financial year 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 ENHANCED OPPORTUNITIES FUND**

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 8 to 33 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 December 2024 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the provisions of the 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,
Malaysia & Global Shariah & Managing Director,
Strategic Distribution & Institutional Client Relations
(Southeast Asia & Global Shariah)
Non-Independent Executive Director

UDAY JAYARAM

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

Kuala Lumpur
14 February 2025

TRUSTEE'S REPORT

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

We have acted as Trustee of the Fund for the financial year ended 31 December 2024 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
14 February 2025

SHARIAH ADVISER'S REPORT

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

For the Financial Year ended 31 December 2024

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 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
14 February 2025

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Principal Islamic Enhanced Opportunities Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 31 December 2024 and statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 8 to 33.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2024, 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 ENHANCED OPPORTUNITIES FUND (CONT'D.)**

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager and the Trustee for the financial statements

The Manager is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with MFRS Accounting Standards and IFRS Accounting 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 ENHANCED OPPORTUNITIES FUND (CONT'D.)**

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

Other matters

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Fund 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
14 February 2025

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Note	2024 RM	2023 RM
INCOME			
Dividend income		4,198,092	2,249,109
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions and hibah earned		411,719	375,898
Net gain on financial assets at fair value through profit or loss	8	51,836,011	10,145,869
		56,445,822	12,770,876
EXPENSES			
Management fee	4	2,835,271	1,790,665
Trustee fee	5	85,058	94,772
Audit fee		9,500	9,400
Tax agent's fee		4,700	5,273
Transaction costs		824,873	464,327
Other expenses		33,315	31,682
		3,792,717	2,396,119
PROFIT BEFORE DISTRIBUTION AND TAXATION		52,653,105	10,374,757
Distribution:			
- Class MYR	6	-	595,229
PROFIT BEFORE TAXATION		52,653,105	9,779,528
Taxation	7	-	-
PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		52,653,105	9,779,528
Profit after taxation is made up as follows:			
Realised amount		4,699,865	(820,730)
Unrealised amount		47,953,240	10,600,258
		52,653,105	9,779,528

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	Note	2024 RM	2023 RM
ASSETS			
Cash and cash equivalents	9	27,188,435	14,663,866
Financial assets at fair value through profit or loss	8	245,417,567	111,657,237
Amount due from Manager		5,901,411	467,023
Dividends receivable		77,000	78,097
Tax recoverable		59,660	59,660
TOTAL ASSETS		<u>278,644,073</u>	<u>126,925,883</u>
LIABILITIES			
Amount due to Manager		3,893,053	291,978
Accrued management fee		334,155	158,733
Amount due to Trustee		10,025	4,762
Other payables and accruals		23,599	18,800
TOTAL LIABILITIES		<u>4,260,832</u>	<u>474,273</u>
NET ASSET VALUE OF THE FUND		<u>274,383,241</u>	<u>126,451,610</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>274,383,241</u>	<u>126,451,610</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- Class MYR		265,839,645	126,304,533
- Class D		8,543,596	147,077
		<u>274,383,241</u>	<u>126,451,610</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class MYR		284,232,899	184,574,931
- Class D		6,002,127	141,373
	11	<u>290,235,026</u>	<u>184,716,304</u>
NET ASSET VALUE PER UNIT (RM)			
- Class MYR		0.9352	0.6842
- Class D		1.4234	1.0403

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 DECEMBER 2024**

	Note	2024 RM	2023 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>126,451,610</u>	<u>117,853,690</u>
Movement due to units created and cancelled during the financial year:			
Creation of units from applications			
- Class MYR		156,456,675	19,892,324
- Class D		<u>23,955,704</u>	<u>159,026</u>
		<u>180,412,379</u>	<u>20,051,350</u>
Creation of units from distributions			
- Class MYR		<u>-</u>	<u>579,056</u>
Cancellation of units			
- Class MYR		(69,091,243)	(21,797,706)
- Class D		<u>(16,042,610)</u>	<u>(14,308)</u>
		<u>(85,133,853)</u>	<u>(21,812,014)</u>
Total comprehensive income for the financial year		<u>52,653,105</u>	<u>9,779,528</u>
		-	
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	10	<u>274,383,241</u>	<u>126,451,610</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 DECEMBER 2024**

	Note	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of Shariah-compliant quoted securities		80,484,161	75,627,404
Purchases of Shariah-compliant quoted securities		(163,233,353)	(74,236,375)
Dividend income received		4,199,189	2,458,808
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions and hibah earned		411,719	375,898
Management fee paid		(2,659,849)	(1,781,263)
Trustee fee paid		(79,795)	(98,970)
Payments for other fees and expenses		(42,716)	(46,954)
Net cash (used in)/generated from operating activities		(80,920,644)	2,298,548
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		174,977,991	20,144,678
Payments for cancellation of units		(81,532,778)	(21,770,788)
Distribution paid		-	(16,173)
Net cash generated from/(used in) financing activities		93,445,213	(1,642,283)
Net increase in cash and cash equivalents		12,524,569	656,265
Cash and cash equivalents at the beginning of the financial year		14,663,866	14,007,601
Cash and cash equivalents at the end of the financial year	9	27,188,435	14,663,866
<u>Cash and cash equivalents comprised:</u>			
Shariah-compliant deposits with licensed Islamic financial institutions		25,213,141	14,592,597
Bank balance		1,975,294	71,269
Cash and cash equivalents at the end of the financial year	9	27,188,435	14,663,866

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 DECEMBER 2024**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal Islamic Enhanced Opportunities Fund (the “Fund”) is governed by a Principal Master Deed dated 15 May 2008, a First Supplemental Deed dated 26 May 2008, a Third Supplemental Master Deed dated 25 June 2008, a Sixth Supplemental Master Deed dated 14 July 2008, a Seventh Supplemental Master Deed dated 19 November 2008, a Twelfth Supplemental Master Deed dated 14 June 2010, a Fourteenth Supplemental Master Deed dated 26 June 2012, a Seventeenth Supplemental Master Deed dated 25 March 2015, a Nineteenth Supplemental Master Deed dated 18 June 2019, a Twenty third Supplemental Master Deed dated 27 June 2022, a Twenty fourth Supplemental Master Deed dated 20 September 2022 and a Twenty Fifth Supplemental Master Deed dated 26 May 2023 (collectively referred to as the “Deeds”) made between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund may invest a minimum of 70% and up to a maximum of 98% of the NAV in local Shariah-compliant equities. The Fund may also invest up to 28% of its NAV in other permissible Shariah-compliant investments. As an aggressive Fund, the Fund will be managed with higher beta and tracking error. The investment policy and strategy of the Fund will be to invest in Shariah-compliant stocks which are selected based on their future growth prospects. 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 addition, Islamic liquid assets may also be strategically used if we feel that the market downside risk is high in the short-term.

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 equities;
- up to 28% of the Fund’s NAV in other permissible Shariah-compliant investments; and
- at least 2% of Fund’s NAV in Islamic liquid assets.

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

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

2. MATERIAL ACCOUNTING 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 issued by the Malaysian Accounting Standards Board (“MASB”) and IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

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

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

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 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(k).

There are no other standards, amendments to standards or interpretations effective for financial year beginning on 1 January 2024 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 January 2025 are applicable to the Fund.

(b) Financial assets and financial liabilitiesClassification

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. Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income ("OCI").

The contractual cash flows of the Fund's debt securities are solely principal and interest¹ ("SPPI"). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents, 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.

¹ For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments.

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 deposits.

Financial asset 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 losses ("ECL") using probability of default, exposure at default and loss given default. The Manager consider both historical analysis and forward-looking information in determining any ECL.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Impairment for assets carried at amortised costs (continued)

The Manager consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month ECL as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

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.

For Shariah-compliant quoted securities, realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(d) Functional and presentation currency

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

(e) Unit holders’ contributions

The unit holders’ contributions to the Fund meet the definition of puttable instruments classified as financial liability under MFRS Accounting Standards 132 “Financial Instruments: Presentation”.

The Fund issues cancellable units, in two classes of units, known respectively as the Class MYR and Class D which are cancelled at the unit holders' option and do not have identical features subject to restrictions as stipulated in the Prospectus and GUTF. 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.

In the previous financial years prior to issuance of different classes of units, the unit holders’ contributions to the Fund meet the criteria to be classified as equity instruments under MFRS Accounting Standards 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 and 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.

(f) Cash and cash equivalents

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(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 statement of financial position date respectively.

(j) Distribution

A distribution to the Fund's unit holders is accounted for as distributions in the statement of comprehensive income as the unit holders' contributions are classified as financial liability as per Note 2(e). In the previous financial years, a distribution to the Fund's unit holders is accounted for as a deduction from realised reserve before issuance of difference classes of units. A proposed distribution is recognised as a liability in the financial year in which it is approved by the Trustee.

(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:

	Financial assets at fair value through profit or loss RM	Financial assets at amortised cost RM	Total RM
2024			
Cash and cash equivalents (Note 9)	-	27,188,435	27,188,435
Shariah-compliant quoted securities (Note 8)	245,417,567	-	245,417,567
Amount due from Manager	-	5,901,411	5,901,411
Dividends receivable	-	77,000	77,000
	<u>245,417,567</u>	<u>33,166,846</u>	<u>278,584,413</u>
2023			
Cash and cash equivalents (Note 9)	-	14,663,866	14,663,866
Shariah-compliant quoted securities (Note 8)	111,657,237	-	111,657,237
Amount due from Manager	-	467,023	467,023
Dividends receivable	-	78,097	78,097
	<u>111,657,237</u>	<u>15,208,986</u>	<u>126,866,223</u>

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

The Fund aims to earn reasonable returns for investors by investing in approved equities listed on Bursa Malaysia as well as unlisted securities and other non-interest-bearing assets acceptable under Shariah principles.

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

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

(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.

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

(a) Market risk (continued)

(i) Price risk (continued)

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

	2024 RM	2023 RM
Financial assets at fair value through profit or loss:		
- Shariah-compliant quoted securities	<u>245,417,567</u>	<u>111,657,237</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.

% Change in price of Shariah-compliant quoted securities	Market value RM	Impact on profit or loss /NAV RM
2024		
-5%	233,146,690	(12,270,878)
0%	245,417,567	-
+5%	<u>257,688,446</u>	<u>12,270,878</u>
2023		
-5%	106,074,375	(5,582,862)
0%	111,657,237	-
+5%	<u>117,240,099</u>	<u>5,582,862</u>

(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.

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

(a) Market risk (continued)

(ii) Interest rate risk (continued)

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.

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

	2024 %	2023 %
Shariah-compliant deposits with licensed Islamic financial institutions	2.00	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 of the proceeds from the creation of units' receivable from the Manager are governed by the GUTF.

For amount due from Manager, 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.

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

	Cash and cash equivalents RM	Amount due from Manager RM	Dividends receivable RM	Total RM
2024				
AAA	27,188,435	-	-	27,188,435
NR	-	5,901,411	77,000	5,978,411
Total	27,188,435	5,901,411	77,000	33,166,846
2023				
AAA	14,663,866	-	-	14,663,866
NR	-	467,023	78,097	545,120
Total	14,663,866	467,023	78,097	15,208,986

Shariah-compliant deposits with licensed Islamic financial institutions of the Fund have an average remaining maturity of 2 days (2023: 2 days).

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

(c) Liquidity risk

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

The 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 and Shariah-compliant deposits with licensed Islamic financial institutions, which are capable of being converted into cash within 7 business days. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining 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
2024			
Amount due to Manager	3,893,053	-	3,893,053
Accrued management fee	334,155	-	334,155
Amount due to Trustee	10,025	-	10,025
Other payables and accruals	-	23,599	23,599
Net assets attributable to unit holders	<u>274,383,241</u>	<u>-</u>	<u>274,383,241</u>
Contractual undiscounted cash flow	<u><u>278,620,474</u></u>	<u><u>23,599</u></u>	<u><u>278,644,073</u></u>
2023			
Amount due to Manager	291,978	-	291,978
Accrued management fee	158,733	-	158,733
Amount due to Trustee	4,762	-	4,762
Other payables and accruals	-	18,800	18,800
Net assets attributable to unit holders	<u>126,451,610</u>	<u>-</u>	<u>126,451,610</u>
Contractual undiscounted cash flow	<u><u>126,907,083</u></u>	<u><u>18,800</u></u>	<u><u>126,925,883</u></u>

(d) Capital risk management

The capital of the Fund is represented by equity consisting of unit holders' contributions of RM274,383,242 (2023: RM126,451,610). 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.

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

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.

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
2024				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted securities	<u>245,417,567</u>	<u>-</u>	<u>-</u>	<u>245,417,567</u>
2023				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted securities	<u>111,657,237</u>	<u>-</u>	<u>-</u>	<u>111,657,237</u>

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 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 daily based on the NAV of the Fund.

For the financial year ended 31 December 2024, the Manager's fee is recognised at a rate of 1.50% per annum (2023: 1.50% per annum).

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

5. TRUSTEE FEE

In accordance with Deeds, the Trustee is entitled to a maximum fee of 0.09% per annum calculated daily based on the NAV of the Fund. The Trustee's fee includes the local custodian fee but excludes the foreign sub-custodian fee (if any).

For the financial year ended 31 December 2024, the Trustee fee is recognised at a rate of 0.045% per annum (01.01.2023 to 08.10.2023: 0.09% per annum, 09.10.2023 to 31.12.2023: 0.045% per annum).

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

6. DISTRIBUTION

Breakdown of distribution were as follows:

	2024		2023	
	RM	%	RM	%
Source of distribution				
Distribution out of current year's income	-	-	(2,919,008)	(490.40)
Distribution out of prior year's income/capital *	-	-	3,514,237	590.40
Total	-	-	595,229	100.00

Distribution to unit holders were derived from the following sources (assessed up to distribution declaration date):

Gross/Net distribution per unit (sen)

Distribution on 18 January 2023

- Class MYR	-	0.32
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* 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 expense, divided by the number of units in circulation. Net distribution per unit is derived from gross realised income less expenses and taxation, divided by the number of units in circulation.

During the financial year ended 31 December 2024, the Fund incurred no unrealised loss. (2023: Nil).

7. TAXATION

	2024	2023
	RM	RM
Tax charged for the financial year:		
- Current taxation	-	-

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

	2024	2023
	RM	RM
Profit before taxation	52,653,105	9,779,528
Taxation at Malaysian statutory rate of 24% (2023: 24%)	12,636,745	2,347,087
Tax effects of:		
- Investment income not subject to tax	(13,546,997)	(3,065,010)
- Expenses not deductible for tax purposes	225,355	283,405
- Restriction on tax deductible expenses for Unit Trust Funds	684,897	434,518
Taxation	-	-

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 RM	2023 RM
At fair value through profit or loss:		
- Shariah-compliant quoted securities	<u>245,417,567</u>	<u>111,657,237</u>
Net gain on financial assets at fair value through profit or loss:		
- Realised gain/(loss) on disposals	3,882,770	(454,389)
- Unrealised fair value gain	<u>47,953,241</u>	<u>10,600,258</u>
	<u>51,836,011</u>	<u>10,145,869</u>

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2024				
SHARIAH-COMPLIANT QUOTED SECURITIES				
Construction				
Econpile Holdings Bhd	4,185,900	1,047,761	1,946,444	0.71
Gamuda Bhd	3,200,180	8,074,460	15,168,853	5.53
IJM Corp Bhd	2,000,000	4,409,273	6,080,000	2.22
Southern Score Builders Bhd	10,799,500	2,482,450	6,479,700	2.36
	<u>20,185,580</u>	<u>16,013,944</u>	<u>29,674,997</u>	<u>10.82</u>
Consumer Products & Services				
Aeon Co. M Bhd	3,500,000	5,280,430	5,495,000	2.00
Farm Fresh Bhd	3,672,300	5,896,588	6,830,478	2.49
Mr D.I.Y. Group (M) Bhd	4,000,050	7,620,196	7,400,093	2.70
QL Resources Bhd	1,800,000	6,791,888	8,568,000	3.12
	<u>12,972,350</u>	<u>25,589,102</u>	<u>28,293,571</u>	<u>10.31</u>
Energy				
Dayang Enterprise Holding Bhd	1,665,100	2,891,601	3,480,059	1.27
Keyfield International Bhd	1,600,000	4,047,601	3,488,000	1.27
Perdana Petroleum Bhd	12,000,000	4,774,795	3,000,000	1.09
	<u>15,265,100</u>	<u>11,713,997</u>	<u>9,968,059</u>	<u>3.63</u>
Financial Services				
Bank Islam Malaysia Bhd	700,000	1,902,394	1,729,000	0.63
Bursa Malaysia Bhd	500,000	4,732,632	4,480,000	1.63
	<u>1,200,000</u>	<u>6,635,026</u>	<u>6,209,000</u>	<u>2.26</u>
Health Care				
Hartalega Holding Bhd	2,800,000	6,460,380	11,060,000	4.03
Kossan Rubber Industries Bhd	1,731,900	2,322,531	4,901,277	1.79
KPJ Healthcare Bhd	2,161,000	2,672,105	5,251,230	1.92
Top Glove Corp Bhd	2,567,800	2,697,918	3,440,852	1.25
	<u>9,260,700</u>	<u>14,152,934</u>	<u>24,653,359</u>	<u>8.99</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2024 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Industrial Products & Services				
Kelington Group Bhd	3,000,000	7,883,469	10,710,000	3.90
KJTS Group Bhd	5,623,300	3,970,602	4,667,339	1.70
Nationgate Holdings Bhd Press Metal Aluminium Holding Bhd	6,000,000	7,737,399	15,180,000	5.53
	1,500,000	8,132,380	7,350,000	2.68
Sunway Bhd	2,000,000	4,713,102	9,580,000	3.49
TMK Chemical Bhd -IPO	600,000	1,050,000	1,122,000	0.41
V.S. Industry Bhd	3,000,056	2,553,112	3,390,063	1.24
	<u>21,723,356</u>	<u>36,040,064</u>	<u>51,999,402</u>	<u>18.95</u>
Plantation				
Johor Plantations Group SD Guthrie Bhd	4,000,000	4,536,299	5,400,000	1.96
	1,500,067	6,879,559	7,425,332	2.71
	<u>5,500,067</u>	<u>11,415,858</u>	<u>12,825,332</u>	<u>4.67</u>
Property				
Eastern and Oriental Bhd	1,750,500	1,088,571	1,671,727	0.61
Sime Darby Property Bhd	3,000,000	3,065,817	5,070,000	1.85
SP Setia Bhd	6,000,000	6,811,348	8,760,000	3.19
	<u>10,750,500</u>	<u>10,965,736</u>	<u>15,501,727</u>	<u>5.65</u>
Technology				
Cloudpoint Technology Bhd	3,016,000	2,687,366	2,835,040	1.03
Greatech Technology Bhd	1,800,000	4,775,412	4,158,000	1.52
IFCA MSC Bhd	6,000,000	4,564,691	3,930,000	1.43
Inari Amertron Bhd	1,200,000	4,185,646	3,672,000	1.34
ITMAX System Bhd	2,200,000	3,740,456	8,118,000	2.96
	<u>14,216,000</u>	<u>19,953,571</u>	<u>22,713,040</u>	<u>8.28</u>
Telecommunications/ Media				
Celcomdigi Bhd	1,400,000	5,194,191	5,068,000	1.85
Telekom Malaysia Bhd	1,300,000	6,821,846	8,645,000	3.15
	<u>2,700,000</u>	<u>12,016,037</u>	<u>13,713,000</u>	<u>5.00</u>
Transportation/Logistics				
MISC Bhd	230,300	1,873,339	1,750,280	0.64
Westports Holdings Bhd	1,000,000	4,478,966	4,660,000	1.70
	<u>1,230,300</u>	<u>6,352,305</u>	<u>6,410,280</u>	<u>2.34</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentag e of NAV %
2024 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Utilities				
Tenaga Nasional Bhd	1,570,000	16,248,584	23,455,800	8.55
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	116,573,953	187,097,158	245,417,567	89.45
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		58,320,411		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		245,417,567		
2023				
SHARIAH-COMPLIANT QUOTED SECURITIES				
Construction				
Econpile Holdings Bhd	4,515,700	1,130,312	1,377,289	1.09
Gamuda Bhd	396,979	1,537,113	1,822,133	1.44
IJM Corporation Bhd	1,113,000	1,817,301	2,092,440	1.65
Southern Score Builders Bhd	11,000,000	2,200,000	2,365,000	1.87
	<u>17,025,679</u>	<u>6,684,726</u>	<u>7,656,862</u>	<u>6.05</u>
Consumer Products & Services				
Farm Fresh Bhd	755,300	1,177,554	996,996	0.79
Karex Berhad	1,489,300	1,079,104	1,087,189	0.86
Mr D.I.Y. Group (Malaysia) Bhd	442,450	998,496	641,552	0.51
QL Resources Bhd	851,800	4,504,597	4,863,778	3.85
Sime Darby Bhd	514,000	1,217,975	1,207,900	0.96
	<u>4,052,850</u>	<u>8,977,726</u>	<u>8,797,415</u>	<u>6.97</u>
Energy				
Dayang Enterprise Holding Bhd	2,205,900	2,816,567	3,529,440	2.80
Dialog Group Bhd	576,900	1,805,390	1,194,183	0.95
Hibiscus Petroleum Bhd	619,840	1,556,223	1,574,394	1.25
	<u>3,402,640</u>	<u>6,178,180</u>	<u>6,298,017</u>	<u>5.00</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2023 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Energy				
Dayang Enterprise Holding Bhd	2,205,900	2,816,567	3,529,440	2.80
Dialog Group Bhd	576,900	1,805,390	1,194,183	0.95
Hibiscus Petroleum Bhd	619,840	1,556,223	1,574,394	1.25
	<u>3,402,640</u>	<u>6,178,180</u>	<u>6,298,017</u>	<u>5.00</u>
Health Care				
Hartalega Holdings Bhd	3,051,000	5,090,275	8,237,700	6.51
KPJ Healthcare Bhd	1,900,900	2,083,657	2,737,296	2.16
Kossan Rubber Industries Bhd	1,731,900	2,322,530	3,204,015	2.53
Top Glove Corporation Bhd	3,040,300	2,771,327	2,736,270	2.16
	<u>9,724,100</u>	<u>12,267,789</u>	<u>16,915,281</u>	<u>13.36</u>
Industrial Products & Services				
HSS Engineers Bhd	1,222,000	928,798	1,185,340	0.94
Kelington Group Bhd	768,500	591,223	1,667,645	1.32
Nationgate Holdings Bhd	5,305,000	6,130,756	8,010,550	6.33
Press Metal Aluminium Holding Bhd	1,141,500	5,547,422	5,490,615	4.34
Sunway Bhd	1,250,600	2,179,721	2,576,236	2.04
V.S. Industry	1,996,656	817,901	1,627,275	1.29
	<u>11,684,256</u>	<u>16,195,821</u>	<u>20,557,661</u>	<u>16.26</u>
Plantation				
IOI Corporation Bhd	605,500	2,659,095	2,379,615	1.88
Kuala Lumpur Kepong Bhd	111,851	2,653,542	2,440,589	1.93
Sime Darby Plantation Bhd	546,067	2,136,357	2,435,459	1.93
	<u>1,263,418</u>	<u>7,448,994</u>	<u>7,255,663</u>	<u>5.74</u>
Property				
Eastern and Oriental Bhd	1,750,500	1,088,570	1,006,538	0.80
Iskandar Waterfront City Bhd	1,539,800	1,141,832	1,124,054	0.89
Sime Darby Property Bhd	1,662,700	1,233,225	1,039,188	0.82
SP Setia Bhd	2,659,500	2,134,250	2,127,600	1.68
Skyworld Development Bhd	734,900	587,920	404,194	0.32
	<u>8,347,400</u>	<u>6,185,797</u>	<u>5,701,574</u>	<u>4.51</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2023 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Technology				
ECA Integrated Solution Bhd	2,937,600	2,641,878	1,483,488	1.17
Genetec Technology Bhd	2,117,300	3,876,942	4,996,828	3.95
Inari Amertron Bhd	1,233,100	3,721,199	3,711,631	2.94
Infomina Bhd	430,100	601,860	718,267	0.57
ITMAX System Bhd	1,398,800	1,986,960	2,503,852	1.98
LGMS Bhd	2,388,500	3,012,050	2,197,420	1.74
My E.G Services Bhd	4,305,011	3,914,400	3,508,584	2.77
	<u>14,810,411</u>	<u>19,755,289</u>	<u>19,120,070</u>	<u>15.12</u>
Telecommunications & Media				
Maxis Bhd	454,500	1,572,570	1,749,824	1.38
Telekom Malaysia Bhd	1,033,800	5,187,404	5,737,590	4.54
	<u>1,488,300</u>	<u>6,759,974</u>	<u>7,487,414</u>	<u>5.92</u>
Utilities				
Tenaga Nasional Bhd	1,182,000	10,835,771	11,867,280	9.38
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	<u>72,981,054</u>	<u>101,290,067</u>	<u>111,657,237</u>	<u>88.31</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>10,367,170</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>111,657,237</u>		

9. CASH AND CASH EQUIVALENTS

	2024 RM	2023 RM
Shariah-compliant deposits with licensed Islamic financial institutions	25,213,141	14,592,597
Bank balance	1,975,294	71,269
	<u>27,188,435</u>	<u>14,663,866</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2024	2023
	No of units	No of units
Class MYR (i)	284,232,899	184,574,931
Class D (ii)	6,002,127	141,373
	<u>290,235,026</u>	<u>184,716,304</u>
 (i) Class MYR		
At the beginning of the financial year	184,574,931	186,694,450
Add : Creation of units from applications	181,307,341	30,595,252
Add : Creation of units from distribution	-	903,786
Less : Cancellation of units	(81,649,373)	(33,618,557)
At the end of the financial year	<u>284,232,899</u>	<u>184,574,931</u>
 (ii) Class D		
At the beginning of the financial year	141,373	-
Add : Creation of units from applications	17,620,517	155,368
Less : Cancellation of units	(11,759,763)	(13,995)
At the end of the financial year	<u>6,002,127</u>	<u>141,373</u>

11. TOTAL EXPENSE RATIO (“TER”)

	2024	2023
	%	%
TER	<u>1.57</u>	<u>1.61</u>

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 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 RM189,251,518 (2023: RM119,380,892).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	2024	2023
PTR (times)	<u>0.64</u>	<u>0.60</u>

PTR is derived based on the following calculation:

$$\frac{(\text{Total acquisition for the financial year} + \text{total disposal for the financial year}) \div 2}{\text{Average NAV of the Fund for the financial year calculated on a daily basis}}$$

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

PTR is derived based on the following calculation (continued):

where:

total acquisition for the financial year = RM162,680,640 (2023: RM72,244,704)
 total disposal for the financial year = RM80,756,320 (2023: RM70,722,179)

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
Subsidiaries and associates of CIMB Group Holdings Berhad, 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 Manager
CGS-CIMB Securities Sdn Bhd	Fellow related party to Manager
CIMB Investment Bank Bhd	Fellow related party to Manager
Subsidiaries and associates of CIMB Group Holdings Berhad, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the Manager

Units held by the Manager and parties related to the Manager

	<u>2024</u>	<u>2023</u>
	<u>No. of units</u>	<u>No. of units</u>
	<u>RM</u>	<u>RM</u>
Manager		
Principal Asset Management Berhad		
- Class MYR	2,066	2,682
	1,932	1,835

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

Units held by the Manager and parties related to the Manager

	2024		2023	
	No. of units	RM	No. of units	RM
Manager				
Principal Asset Management Berhad				
- Class MYR	2,066	1,932	2,682	1,835

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 the 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.

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

	2024 RM	2023 RM
<u>Significant related party transactions</u>		
Profit income from Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	-	59,273

14. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for the financial year ended 31 December 2024 are as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Macquarie Capital Sec (M) Sdn Bhd	34,929,297	14.35	78,619	14.59
CLSA Securities M Sdn Bhd	32,209,980	13.23	74,640	13.86
CGS Inter Sec Msia Sdn Bhd	31,496,019	12.94	68,518	12.72
Nomura Securities Malaysia Sdn Bhd	31,205,008	12.82	69,045	12.82
Affin Hwang Investment Bank Bhd	30,516,606	12.54	68,095	12.64
RHB Investment Bank Bhd	25,276,110	10.38	54,783	10.17
Maybank Investment Bank Bhd	20,975,532	8.62	55,167	10.24
J.P. Morgan Securities (M) Sdn Bhd	14,563,259	5.98	21,568	4.00
UBS Securities M Sdn Bhd	10,581,517	4.35	23,808	4.42

14. TRANSACTIONS WITH BROKERS (CONTINUED)

Details of transactions with the top 10 brokers for the financial year ended 31 December 2024 are as follows: (continued)

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
KAF Equities Sdn Bhd	4,752,103	1.95	9,429	1.75
Others	6,931,528	2.84	15,010	2.79
	<u>243,436,959</u>	<u>100.00</u>	<u>538,682</u>	<u>100.00</u>

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

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Macquarie Capital Securities (Malaysia) Sdn Bhd	23,366,943	16.36	51,314	17.33
CGS-CIMB Securities Sdn Bhd #	19,390,199	13.57	40,248	13.59
RHB Investment Bank Bhd	18,631,526	13.04	39,839	13.45
J.P. Morgan Securities (Malaysia) Sdn Bhd	16,503,273	11.55	26,872	9.07
Maybank Investment Bank Bhd	12,494,850	8.75	27,645	9.33
CLSA Securities (Malaysia) Sdn Bhd	12,139,396	8.50	26,789	9.04
UBS Securities Malaysia Sdn Bhd	9,626,914	6.74	19,797	6.68
Nomura Securities Malaysia Sdn Bhd	8,814,397	6.17	19,015	6.42
KAF Equities Sdn Bhd	7,609,531	5.33	14,558	4.92
UOB Kay Hian Securities Malaysia Sdn Bhd	4,943,101	3.46	11,122	3.76
Others	9,319,248	6.53	18,974	6.41
	<u>142,839,378</u>	<u>100.00</u>	<u>296,173</u>	<u>100.00</u>

Included in transactions are trades conducted with CGS-CIMB Securities Sdn Bhd, fellow related parties to the Manager amounting to RM3,345,774 (2023: RM19,390,199). 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 February 2025.

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