

PRINCIPAL ISLAMIC PRS PLUS EQUITY
ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2025

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MEMBERS' LETTER

Dear Valued Member,

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 PRS Plus Equity for the financial year ended 31 August 2025. You may also download this report from our website at www.principal.com.my.

We are proud of our 2025 achievements, made possible by your trust. These include being recognised as Asset Management Company of the Year (Malaysia) by The Asset Triple A Sustainable Investing Awards, receiving EPF's Best International Equity Fund Manager award for our MSCI EM Latin America performance, and sweeping various categories at the LSEG Lipper Fund Awards 2025.

Adding to this impressive roster, we were honoured to receive three prestigious awards at Alpha Southeast Asia's 16th Fund Management Awards 2025 and clinched seven awards at the FSMOne Recommended Unit Trusts Awards Ceremony 2025/26, further cementing our commitment to delivering exceptional investment solutions.

Building on our recent achievements, Principal Malaysia was the recipient of over 30 prestigious awards throughout 2024, spanning categories from fund performance and asset management excellence to ESG leadership and digital innovation. For the complete list of awards, please visit: <https://www.principal.com.my/en/awards-recognition/my>

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

PRS PROVIDER'S REPORT**FUND OBJECTIVE AND POLICY****What is the investment objective of the Fund?**

The Fund seeks to provide capital growth over the long-term by investing in a target fund with investments in Malaysian securities that comply with the Shariah principles.

Has the Fund achieved its objective?

For the financial year under review, the Fund is in line to achieve its long-term objective as stated under the Fund investment policy.

What are the Fund investment policy and principal investment strategy?

The Fund will invest at least 85% of its NAV in the Target Fund, a Malaysian domiciled fund established on 7 May 1998, which invests in Malaysian Shariah-compliant equities. The Fund may also maintain up to 15% of its NAV in Islamic liquid assets.

The asset allocation strategy for this Fund is as follows:

- At least 85% of the Fund's NAV will be invested in the Target Fund; and
- Up to 15% of the Fund's NAV may be invested in Islamic liquid assets for liquidity purpose.

Information on the Target Fund

Target Fund	: Principal DALI Equity Growth Fund
Target Fund Manager	: Principal Asset Management Berhad
Regulatory authority	: Securities Commission Malaysia ("SC")
Country of domicile	: Malaysia

Fund category/type

Feeder Fund - Equity (Shariah-compliant)

When was the Fund launched?

12 November 2012

What was the size of the Fund as at 31 August 2025?

RM69.74 million (135.68 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. The risk profile of the Fund is not the same as the risk profile of the benchmark.

What is the Fund's distribution policy?

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

What was the net income distribution for the financial year ended 31 August 2025?

There was no distribution made for the financial year ended 31 August 2025.

PERFORMANCE DATA

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

	31.08.2025	31.08.2024	31.08.2023
	%	%	
Shariah-compliant collective investment scheme	99.73	99.41	99.43
Cash and other assets	0.39	0.66	0.62
Liabilities	(0.12)	(0.07)	(0.05)
	<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:

	31.08.2025	31.08.2024	31.08.2023
NAV (RM Million)			
- Class A	48.42	47.67	37.29
- Class C	3.61	3.61	2.61
- Class X	17.72	17.83	14.48
Units in circulation (Million)			
- Class A	94.20	91.39	87.60
- Class C	7.03	6.92	6.14
- Class X	34.45	34.16	33.99
NAV per unit (RM)			
- Class A	0.5140	0.5216	0.4256
- Class C	0.5137	0.5214	0.4253
- Class X	0.5141	0.5218	0.4258
Highest NAV per unit (RM)			
- Class A	0.5811	0.5840	0.4287
- Class C	0.5808	0.5837	0.4284
- Class X	0.5813	0.5842	0.4289
Lowest NAV per unit (RM)			
- Class A	0.4439	0.4194	0.3857
- Class C	0.4436	0.4191	0.3854
- Class X	0.4440	0.4195	0.3859
Total return (%)			
- Class A	0.76	20.79	1.92
- Class C	0.76	20.81	1.92
- Class X	0.76	20.78	1.93
Capital growth (%)			
- Class A	0.76	20.79	1.92
- Class C	0.76	20.81	1.92
- Class X	0.76	20.78	1.93
Income distribution (%)			
- Class A	-	-	-
- Class C	-	-	-
- Class X	-	-	-
Total Expense Ratio ("TER") (%)	0.12	0.12	0.12
Portfolio Turnover Ratio ("PTR") (times) #	0.09	0.03	0.04

The Fund's PTR increased from 0.03 times to 0.09 times, the turnover reflects the trading and rebalancing activities during the financial year under review.

PERFORMANCE DATA (CONTINUED)

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

	31.08.2025 %	31.08.2024 %	31.08.2023 %	31.08.2022 %	31.08.2021
Annual total return					
- Class A	0.76	20.79	1.92	(11.39)	(5.61)
- Class C	0.76	20.81	1.92	(11.41)	(5.59)
- Class X	0.76	20.78	1.93	(11.39)	(5.61)

(Launch date: 12 November 2012)

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

MARKET REVIEW (1 SEPTEMBER 2024 TO 31 AUGUST 2025)

The Malaysian equity market moved within a relatively stable range, shaped by a mix of global economic developments and domestic policy signals. Investor sentiment fluctuated in response to external factors such as interest rate decisions and geopolitical tensions, but the local market remained broadly resilient. Periods of volatility were generally short-lived, with the market showing a tendency to recover quickly from external shocks.

Throughout the year, trading activity reflected a cautious but steady participation from both institutional and retail investors. There was a noticeable preference for sectors perceived as more stable, particularly during times of uncertainty. Regulatory clarity and consistent macroeconomic indicators helped maintain confidence, even as global markets faced headwinds. The market also benefited from a supportive policy environment that encouraged capital formation and liquidity.

In the recent quarter, market conditions improved slightly, supported by signs of economic recovery and renewed foreign interest. While overall movements were moderate, the market demonstrated a capacity to absorb external pressures and maintain a balanced trajectory.

FUND PERFORMANCE

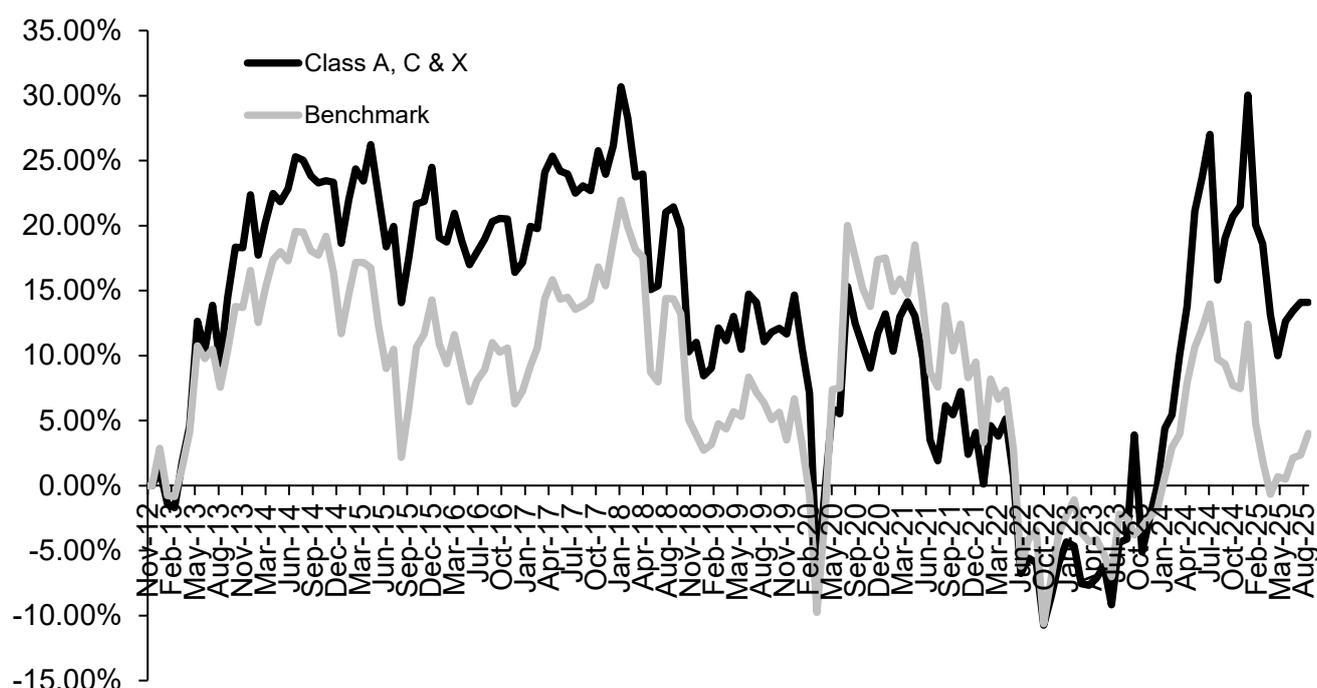
	1 year to 31.08.2025 %	3 years to 31.08.2025 %	5 years to 31.08.2025 %	Since inception to 31.08.2025 %
Income Distribution				
- Class A	-	-	12.64	12.64
- Class C	-	-	12.70	12.70
- Class X	-	-	12.59	12.59
Capital Growth				
- Class A	0.76	24.05	(7.88)	3.60
- Class C	0.76	24.06	(7.92)	3.54
- Class X	0.76	24.05	(7.84)	3.64
Total Return				
- Class A	0.76	24.05	3.77	16.70
- Class C	0.76	24.06	3.78	16.69
- Class X	0.76	24.05	3.76	16.69
Benchmark				
- Class A	(5.19)	7.73	(11.53)	4.02
- Class C	(5.19)	7.73	(11.53)	4.02
- Class X	(5.19)	7.73	(11.53)	4.02

FUND PERFORMANCE (CONTINUED)

	1 year to 31.08.2025 %	3 years to 31.08.2025 %	5 years to 31.08.2025 %	Since inception to 31.08.2025 %
Average Total Return				
- Class A	0.76	7.44	0.74	1.21
- Class C	0.76	7.45	0.74	1.21
- Class X	0.76	7.44	0.74	1.21

During the financial year under review, the fund returned positively for all share classes, Class A, Class C, and Class X increased by 0.76%, 0.76%, and 0.76% outperforming the benchmarks which decreased by 5.19% during the same period.

Since Inception



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

Changes in NAV

CLASS A	31.08.2025	31.08.2024	Changes %
NAV (RM Million)	48.42	47.67	1.57
NAV/Unit (RM)	0.5140	0.5216	(1.46)
CLASS C			
NAV (RM Million)	3.61	3.61	-
NAV/Unit (RM)	0.5137	0.5214	(1.48)
CLASS X			
NAV (RM Million)	17.72	17.83	(0.62)
NAV/Unit (RM)	0.5141	0.5218	(1.48)

During the financial year under review, the fund's NAV for Class A increased by 1.57%, and Class X decreased by (0.62) respectively.

FUND PERFORMANCE (CONTINUED)

Changes in NAV (continued)

In addition, the NAV per unit for Class A, Class C, and Class X decreased by 1.46%, and 1.48%.

At the time of reporting, Class A has the highest total NAV, stood at RM 48.42 million.

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)	31.08.2025	31.08.2024
Shariah-compliant collective investment scheme	99.73	99.41
Cash and other assets	0.39	0.66
Liabilities	(0.12)	(0.07)
Total	100.00	100.00

The Fund was fully invested during the financial year under review. A minimal level of liquid assets was maintained primarily for redemption purposes.

Top 10 holdings of the Target Fund for the financial year ended:

	% of NAV
Top 10 holdings*	31.08.2025
Dialog Group Bhd	7.01
Tenaga Nasional Bhd	6.48
Gamuda Bhd	5.74
Press Metal Aluminium Hldg Bhd	5.62
Telekom Malaysia Bhd	5.57
ITMAX System Bhd	5.57
MISC Bhd	4.82
IOI Corporation Bhd	4.43
Frontken Corporation Bhd	4.32
SD Guthrie Bhd	4.01

	% of NAV
Top 10 holdings*	31.08.2024
Tenaga Nasional Berhad	10.39
Hartalega Holdings Bhd	6.41
Dialog Group Bhd	5.87
Telekom Malaysia Bhd	5.56
Gamuda Bhd	5.51
IJM Corporation Bhd	4.03
Mr D.I.Y. Group (M) Bhd	3.99
Top Glove Corporation Bhd	3.93
MISC Bhd	3.45
V.S. Industry Bhd	3.42

* As per disclosed in Fund Fact Sheet.

MARKET OUTLOOK*

Malaysia's equity market is expected to maintain a stable trajectory, supported by steady economic growth and improving investor sentiment. The domestic economy continues to benefit from strong investment inflows, particularly in infrastructure and technology-related areas, alongside resilient consumer demand. Fiscal consolidation efforts and a well-contained inflation environment have further reinforced confidence, while the ringgit's relative strength adds to the market's appeal. These factors collectively suggest a conducive backdrop for continued market stability, even as global uncertainties persist.

External risks, however, remain a key consideration. Developments such as US tariff policies, geopolitical tensions, and shifts in global monetary policy could introduce volatility. Nonetheless, Malaysia's diversified economic base and proactive policy measures are expected to cushion the impact of such headwinds. The market is likely to see selective participation, with investors responding to evolving macro signals and sector-specific catalysts.

* 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

As this is a Feeder Fund under the PRS, the Fund will continue to remain fully invested in the Target Fund with minimal cash kept for liquidity purposes.

SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (the "PRS Provider"), the Sub-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 Fund. Accordingly, any rebate or shared commission will be directed to the account of the Principal Malaysia Funds ("Funds").

The PRS Provider 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 The PRS Provider 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 PRS Provider, the Sub-Manager and Trustee did not receive any rebates from the brokers or dealers, but the PRS Provider has retained soft commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. The PRS Provider confirms that the goods and services received were for the benefit of the Fund, the trades were made on a best execution basis 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

Effective 2 December 2024, the Fund has changed Trustee to HSBC (Malaysia) Trustee Berhad following the issuance of the Second Supplemental Disclosure Document dated 25 October 2024.

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

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF MEMBERS

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

CROSS TRADE

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

UNIT SPLIT

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

**STATEMENT BY THE PRS PROVIDER TO THE MEMBERS OF
PRINCIPAL ISLAMIC PRS PLUS EQUITY**

I, being a Directors of Principal Asset Management Berhad (the “PRS Provider”), do hereby state that, in the opinion of the PRS Provider, the accompanying audited financial statements set out on pages 9 to 28 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 August 2025 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year ended in accordance with MFRS Accounting Standards and IFRS Accounting Standards.

For and on behalf of the PRS Provider

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

Munirah Khairuddin

Chief Executive Officer & Head of 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
23 October 2025

THE SCHEME TRUSTEE'S REPORT

TO THE MEMBERS OF PRINCIPAL ISLAMIC PRS PLUS CONSERVATIVE ("Fund")

We have acted as the Scheme Trustee of the Fund for the financial period from 1 September 2024 to 1 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 period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the PRS Provider under the deed, securities laws and the Guidelines on Private Retirement Schemes;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
23 October 2025

SCHEME TRUSTEE'S REPORT

**TO THE MEMBERS OF
PRINCIPAL ISLAMIC PRS PLUS EQUITY ("Fund")**

We have acted as Scheme Trustee of the Fund for the financial period from 2 December 2024 to 31 August 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 period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the PRS Provider under the Deeds, securities laws and the Guidelines on Private Retirement Schemes;
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
23 October 2025

SHARIAH ADVISER'S REPORT

To the Members of Principal Islamic PRS Plus Equity ("Fund")

For The Financial Year Ended 31 August 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 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
23 October 2025

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Principal Islamic PRS Plus Equity (the "Fund"), which comprise the statement of financial position of the Fund as at 31 August 2025, and statement of comprehensive income, statement of changes in net assets attributable to members and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 9 to 28.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 August 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 MEMBERS OF
PRINCIPAL ISLAMIC PRS PLUS EQUITY (CONT'D.)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Information other than the financial statements and auditors' report thereon

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

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

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

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

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

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PRINCIPAL ISLAMIC PRS PLUS EQUITY (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 PRS Provider.
- Conclude on the appropriateness of the PRS Provider's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PRINCIPAL ISLAMIC PRS PLUS EQUITY (CONT'D.)**

Other matters

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

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

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

Kuala Lumpur, Malaysia
23 October 2025

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2025**

	Not	2025 RM	2024 RM
INCOME/(LOSS)			
Dividend income		8,064,336	701,429
Net (loss)/gain on financial assets at fair value through profit or loss	7	<u>(9,116,551)</u>	<u>11,758,292</u>
		<u>(1,025,215)</u>	<u>12,459,721</u>
EXPENSES			
Private Pension Administrator administration fee	4	28,163	25,185
Trustee fee	5	28,163	25,185
Audit fee		9,000	8,100
Tax agent's fee		4,100	5,000
Other expenses		<u>11,843</u>	<u>13,416</u>
		<u>81,269</u>	<u>76,886</u>
(LOSS)/PROFIT BEFORE TAXATION		(1,133,484)	12,382,835
Taxation	6	<u>-</u>	<u>-</u>
(LOSS)/PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR		<u>(1,133,484)</u>	<u>12,382,835</u>
(Loss)/Profit after taxation is made up as follows:			
Realised amount		7,862,652	598,495
Unrealised amount		<u>(8,996,136)</u>	<u>11,784,340</u>
		<u>(1,133,484)</u>	<u>12,382,835</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2025**

	Note	2025 RM	2024 RM
ASSETS			
Cash and cash equivalents	8	216,244	374,939
Financial assets at fair value through profit or loss	7	69,559,272	68,696,487
Amount due from the PRS Provider			
- Creation of units		57,364	78,947
TOTAL ASSETS		<u>69,832,880</u>	<u>69,150,373</u>
LIABILITIES			
Amount due to the PRS Provider			
- Cancellation of units		61,453	15,586
Amount due to Private Pension Administrator		2,390	2,401
Amount due to Trustee		2,390	2,401
Other payables and accruals		21,699	23,100
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS)		<u>87,932</u>	<u>43,488</u>
NET ASSET VALUE OF THE FUND		<u>69,744,948</u>	<u>69,106,885</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>69,744,948</u>	<u>69,106,885</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (RM)			
- Class A		48,419,985	47,673,658
- Class C		3,609,108	3,609,631
- Class X		17,715,855	17,823,596
		<u>69,744,948</u>	<u>69,106,885</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class A		94,198,810	91,390,796
- Class C		7,025,121	6,923,566
- Class X		34,453,274	34,156,056
	9	<u>135,677,205</u>	<u>132,470,418</u>
NET ASSET VALUE PER UNIT (RM)			
- Class A		0.5140	0.5216
- Class C		0.5137	0.5214
- Class X		0.5141	0.5218

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2025**

	2025	2024
	RM	RM
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>69,106,885</u>	<u>54,380,182</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class A	4,447,022	3,517,728
- Class C	947,220	1,157,864
- Class X	915,384	1,034,576
	<u>6,309,626</u>	<u>5,710,168</u>
Cancellation of units		
- Class A	(2,959,325)	(1,670,207)
- Class C	(829,337)	(730,866)
- Class X	(749,417)	(965,227)
	<u>(4,538,079)</u>	<u>(3,366,300)</u>
Total comprehensive (loss)/income for the financial year	(1,133,484)	12,382,835
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL YEAR	<u>69,744,948</u>	<u>69,106,885</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 AUGUST 2025**

	Note	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of Shariah-compliant collective investment scheme		1,255,000	245,000
Purchase of Shariah-compliant collective investment scheme		(11,234,336)	(3,111,429)
Dividend income received		8,064,336	701,429
Private Pension Administrator administration fee paid		(28,174)	(24,619)
Trustee fee paid		(28,174)	(24,619)
Payments for other fees and expenses		(26,343)	(21,517)
Net cash used in operating activities		<u>(1,997,691)</u>	<u>(2,235,755)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from unit created		6,331,208	5,713,406
Payments for cancellation of units		(4,492,212)	(3,357,802)
Net cash generated from financing activities		<u>1,838,996</u>	<u>2,355,604</u>
Net (decrease)/increase in cash and cash equivalents		(158,695)	119,849
Cash and cash equivalents at the beginning of the financial year		<u>374,939</u>	<u>255,090</u>
Cash and cash equivalents at the end of the financial year	8	<u>216,244</u>	<u>374,939</u>
<u>Cash and cash equivalents comprised:</u>			
Bank balance		<u>216,244</u>	<u>374,939</u>
Cash and cash equivalents at the end of the financial year	8	<u>216,244</u>	<u>374,939</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2025**

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

Principal Islamic PRS Plus Equity (the “Fund”) is governed by a Deed dated 8 November 2012, a First Supplemental Deed dated 2 January 2014, a Second Supplemental Deed dated 25 November 2014 and Third Supplemental Deed dated 3 February 2020, a Fourth Supplemental Deed dated 17 December 2021, a Fifth Supplemental Deed dated 12 July 2022 and a Sixth Supplemental Deed dated 14 June 2023 (collectively referred to as the “Deeds”), made between Principal Asset Management Berhad (the “PRS Provider”) and Deutsche Trustees Malaysia Berhad (the “Trustee”) and a Seventh Supplemental Master Deed dated 31 July 2024 (collectively referred to as the “Deeds”) between the PRS Provider and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

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

The Fund will invest at least 85% of its NAV in the Target Fund, a Malaysian domiciled fund established on 7 May 1998, which invests in Malaysian Shariah-compliant equities. The Fund will also maintain up to a maximum of 15% of its NAV in liquid assets.

The asset allocation strategy for this Fund is as follows:

- At least 85% of the Fund’s NAV will be invested in the Target Fund; and
- Up to 15% of the Fund’s NAV may be invested in Islamic liquid assets for liquidity purpose.

Information on the Target Fund

Target Fund	: Principal DALI Equity Growth Fund
Target Fund Manager	: Principal Asset Management Berhad
Regulatory authority	: Securities Commission Malaysia (“SC”)
Country of domicile	: Malaysia

Principal Singapore was appointed to provide investment advice for the Fund. Principal Singapore will provide investment research and recommendation to us accordance with the investment objective and within the investment restrictions of the Fund.

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

The Fund had issued the Second Supplemental Disclosure Document is dated 25 October 2024.

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

2. 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 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”).

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 PRS Provider to exercise their judgement in the process of applying the Fund’s accounting policies. Although these estimates and judgement are based on the PRS Provider’s best knowledge of current events and actions, actual results may differ.

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Classification (continued)

Investment in Shariah-compliant collective investment scheme has contractual cash flows that do not represent solely payment of principal and interest¹ ("SPPI"), and therefore are classified as fair value through profit or loss.

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

The Fund classifies cash and cash equivalents and amount due from the PRS Provider – Creation of units as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Shariah-compliant investments are initially recognised at fair value.

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 collective investment scheme is valued based on the most recent published NAV per unit or share of such Shariah-compliant collective investment scheme or, if unavailable, on the last published price of such unit or share (excluding any sales charge included in such selling price).

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

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

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

(c) Income recognition

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

Realised gain or loss on disposal of Shariah-compliant collective investment scheme is accounted for as the difference between net disposal proceeds and the carrying amount of Shariah-compliant investments, 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) Members' contributions

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

The Fund issues cancellable units, in three classes of units, known respectively as the Class A, Class C and Class X, which are cancelled at the member's option and do not have identical features subject to restrictions as stipulated in the Disclosure Document and SC Guidelines on PRS. The units are classified as financial liabilities.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(e) Members' contributions (continued)**

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

(f) Cash and cash equivalents

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

(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.

(h) Realised and unrealised portions of profit or loss after taxation

The analysis of realised and unrealised portions of profit/loss or loss after taxation as presented on the statement of comprehensive income is prepared in accordance with SC Guidelines on PRS.

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

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

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

In undertaking any of the Fund's Shariah-compliant investment, the PRS Provider will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the SC Guidelines on PRS.

However, the PRS Provider 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 were as follows:

	Financial assets at fair value through profit or loss RM	Financial assets at amortised cost RM	Total RM
2025			
Cash and cash equivalents (Note 8)	-	216,244	216,244
Shariah-compliant collective investment scheme (Note 7)	69,559,272	-	69,559,272
Amount due from the PRS Provider			
- Creation of units	-	57,364	57,364
	<u>69,559,272</u>	<u>273,608</u>	<u>69,832,880</u>
2024			
Cash and cash equivalents (Note 8)	-	374,939	374,939
Shariah-compliant collective investment scheme (Note 7)	68,696,487	-	68,696,487
Amount due from the PRS Provider			
- Creation of units	-	78,947	78,947
	<u>68,696,487</u>	<u>453,886</u>	<u>69,150,373</u>

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

The investment objective of the Fund is to provide capital growth over the long-term by investing in a target fund with investment in Malaysian securities that comply with the Shariah principles.

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

Financial risk management is carried out through internal control process adopted by the PRS Provider and adherence to the investment restrictions as stipulated in the Deeds and SC Guidelines on PRS.

(a) Market risk

(i) Price risk

This is the risk that the fair value of an investment in Shariah-compliant collective investment scheme will fluctuate because of changes in market prices. The value of investments in a Shariah-compliant collective investment scheme 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 collective investment scheme and other financial instruments within specified limits according to the Deeds.

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

(a) Market risk (continued)

(i) Price risk (continued)

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

	2025 RM	2024 RM
Financial assets at fair value through profit or loss:		
- Shariah-compliant collective investment scheme	<u>69,559,272</u>	<u>68,696,487</u>

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

% Change in price of Shariah-compliant collective investment scheme	Market value RM	Impact on profit or loss/NAV RM
2025		
-5%	66,081,308	(3,477,964)
0%	69,559,272	-
+5%	<u>73,037,236</u>	<u>3,477,964</u>

% Change in price of Shariah-compliant collective investment scheme	Market value RM	Impact on profit or loss/NAV RM
2024		
-5%	65,261,663	(3,434,824)
0%	68,696,487	-
+5%	<u>72,131,311</u>	<u>3,434,824</u>

(b) Credit risk

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

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

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

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 at the end of each reporting year:

	Cash and cash equivalents RM	Amount due from the PRS Provider- Creation of units RM	Total RM
2025			
- AA1	216,244	-	216,244
- Not rated	-	57,364	57,364
	<u>216,244</u>	<u>57,364</u>	<u>273,608</u>
2024			
- AA1	374,939	-	374,939
- Not rated	-	78,947	78,947
	<u>374,939</u>	<u>78,947</u>	<u>453,886</u>

(c) Liquidity risk

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

The PRS Provider manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by members. Liquid assets comprise bank balance which are capable of being converted into cash within 7 business days.

The Fund's investments in Shariah-compliant collective investment scheme are realisable which are capable of being converted into cash within 10 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 period as at the statement of financial position date to the contractual maturity date. The amounts in the following table are the contractual undiscounted cash flows.

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
2025			
Amount due to the PRS Provider			
- Cancellation of units	61,453	-	61,453
Amount due to Private Pension Administrator	2,390	-	2,390
Amount due to Trustee	2,390	-	2,390
Other payables and accruals	-	21,699	21,699
Net assets attributable to members*	69,744,948	-	69,744,948
Contractual undiscounted cash flows	<u>69,811,181</u>	<u>21,699</u>	<u>69,832,880</u>

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

(c) Liquidity risk (continued)

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
2024			
Amount due to the PRS Provider			
- Cancellation of units	15,586	-	15,586
Amount due to Private Pension Administrator	2,401	-	2,401
Amount due to Trustee	2,401	-	2,401
Other payables and accruals	-	23,100	23,100
Net assets attributable to members*	69,106,885	-	69,106,885
Contractual undiscounted cash flows	<u>69,127,273</u>	<u>23,100</u>	<u>69,150,373</u>

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

(d) Capital risk management

The capital of the Fund was represented by net assets attributable to members RM69,744,948 (2024: RM69,106,885). The amount of capital can change significantly on a daily basis as the Fund is subjected to daily subscriptions and redemptions at the discretion of members. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to members and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

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

The fair values of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the PRS Provider will determine the point within the bid-ask spread that is most representative of the fair value. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

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.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2025				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	69,559,272	-	-	69,559,272
2024				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	68,696,487	-	-	68,696,487

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

(e) Fair value estimation (continued)

Shariah-compliant investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include Shariah-compliant collective investment scheme. 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 the PRS Provider - Creation of units and all current liabilities are a reasonable approximation of their fair values due to their short-term nature.

4. MANAGEMENT FEE AND PRIVATE PENSION ADMINISTRATOR ADMINISTRATION FEE

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

For the financial year ended 31 August 2025 and 31 August 2024, the management fee for the respective classes is recognised at the following rates:

Class A	Class C	Class X
1.40%	1.50%	1.40%

Nonetheless, no management fee is charged on the Fund for the financial year ended 31 August 2025 and 31 August 2024 as the management fee has been waived by the PRS Provider.

The Private Pension Administrator administration fee is recognised at a rate of 0.04% per annum (2024: 0.04% per annum) for each unit class, calculated daily based on the NAV of the Fund.

There was no further liability in respect of management fee and Private Pension Administrator administration fee other than the amount recognised above.

5. TRUSTEE FEE

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.04% per annum for each unit class, calculated daily based on the NAV of the Fund. The Trustee fee includes local custodian fees and charges but excludes foreign sub-custodian fees and charges.

For the financial year ended 31 August 2025, the Trustee fee is recognised at a rate of 0.04% per annum (2024: 0.04% per annum) for each unit class.

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

6. TAXATION

	2025 RM	2024 RM
Tax charged for the financial year:		
- Current taxation	-	-

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

6. TAXATION (CONTINUED)

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

	2025 RM	2024 RM
(Loss)/Profit before taxation	<u>(1,133,484)</u>	<u>12,382,835</u>
Taxation at Malaysian statutory rate of 24% (2024: 24%)	(272,036)	2,971,880
Tax effects of:		
- Loss/(Income) not subject to tax	252,532	(2,990,333)
- Expenses not deductible for tax purposes	16,675	15,007
- Restriction on tax deductible expenses for PRS Funds	<u>2,829</u>	<u>3,446</u>
Taxation	<u>-</u>	<u>-</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RM	2024 RM
At fair value through profit or loss:		
- Shariah-compliant collective investment scheme	<u>69,559,272</u>	<u>68,696,487</u>
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised loss on disposals	(120,416)	(26,048)
- Unrealised fair value (loss)/gain	<u>(8,996,135)</u>	<u>11,784,340</u>
	<u>(9,116,551)</u>	<u>11,758,292</u>

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2025				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME				
Principal DALI Equity Growth Fund	<u>72,352,061</u>	<u>84,960,742</u>	<u>69,559,272</u>	<u>99.73</u>
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEME	<u>72,352,061</u>	<u>84,960,742</u>	<u>69,559,272</u>	<u>99.73</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>(15,401,470)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>69,559,272</u>		

7. 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				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME				
Principal DALI Equity Growth Fund	<u>62,180,021</u>	<u>75,101,822</u>	<u>68,696,487</u>	<u>99.41</u>
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEME	<u>62,180,021</u>	<u>75,101,822</u>	<u>68,696,487</u>	<u>99.41</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(6,405,335)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>68,696,487</u>		

8 CASH AND CASH EQUIVALENTS

	2025 RM	2024 RM
Bank balance	<u>216,244</u>	<u>374,939</u>

9. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2025	2024
	No. of units	No. of units
Class A (i)	94,198,810	91,390,796
Class C (ii)	7,025,121	6,923,566
Class X (iii)	<u>34,453,274</u>	<u>34,156,056</u>
	<u>135,677,205</u>	<u>132,470,418</u>
(i) Class A		
At the beginning of the financial year	91,390,796	87,601,989
Add: Creation of units from applications	8,455,616	7,243,011
Less: Cancellation of units	<u>(5,647,602)</u>	<u>(3,454,204)</u>
At the end of the financial year	<u>94,198,810</u>	<u>91,390,796</u>
(ii) Class C		
At the beginning of the financial year	6,923,566	6,143,632
Add: Creation of units from applications	1,717,530	2,253,270
Less: Cancellation of units	<u>(1,615,975)</u>	<u>(1,473,336)</u>
At the end of the financial year	<u>7,025,121</u>	<u>6,923,566</u>

9. NUMBER OF UNITS IN CIRCULATION (UNITS)

	<u>2025</u>	<u>2024</u>
	No. of units	No. of units
(iii) Class X		
At the beginning of the financial year	34,156,056	33,994,848
Add: Creation of units from applications	1,745,762	2,177,557
Less: Cancellation of units	<u>(1,448,544)</u>	<u>(2,016,349)</u>
At the end of the financial year	<u>34,453,274</u>	<u>34,156,056</u>

10. TOTAL EXPENSE RATIO (“TER”)

	<u>2025</u>	<u>2024</u>
	%	%
TER	<u>0.12</u>	<u>0.12</u>

TER was derived from the following calculation:

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

A	=	Management fee
B	=	Private Pension Administrator administration fee
C	=	Trustee fee
D	=	Tax agent’s fee
E	=	Audit fee
F	=	Other expenses
G	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis was RM70,450,923 (2024: RM62,925,680).

11. PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2025</u>	<u>2024</u>
PTR (times)	<u>0.09</u>	<u>0.03</u>

PTR was 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	=	RM11,234,336 (2024: RM3,111,429)
total disposal for the financial year	=	RM1,255,000 (2024: RM245,000)

12. UNITS HELD BY THE PRS PROVIDER AND PARTIES RELATED TO THE PRS PROVIDER, AND SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

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

<u>Related parties</u>	<u>Relationship</u>
Principal Asset Management Berhad	The PRS Provider
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the PRS Provider

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

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

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

Units held by the PRS Provider and parties related to the PRS Provider

There were no units held by the PRS Provider, the Directors or parties related to the PRS Provider as at the end of the financial year.

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

	2025 RM	2024 RM
Dividend of Shariah-compliant collective investment scheme managed by the PRS Provider:		
- Principal DALI Equity Growth Fund	<u>8,064,336</u>	<u>701,429</u>

	2025 RM	2023 RM
<u>Significant related party balances</u>		
Shariah-compliant collective investment scheme managed by the PRS Provider:		
- Principal DALI Equity Growth Fund	<u>69,559,272</u>	<u>68,696,487</u>

13. TRANSACTIONS WITH THE BROKER/DEALER

Details of transactions with the brokers/dealers for the financial year ended 31 August 2025 were as follows:

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Principal Asset Management Berhad	<u>4,425,000</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

Details of transactions with the brokers/dealers for the financial year ended 31 August 2024 were as follows:

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Principal Asset Management Berhad	<u>3,356,429</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the PRS Provider on 23 October 2025.

DIRECTORY

Head Office of the PRS Provider

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Previous Trustee for the Principal Islamic PRS Plus Conservative (Before 2 December 2024)

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Shariah Adviser of the Principal Islamic PRS Plus Equity

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