

PRINCIPAL PRS PLUS EQUITY

UNAUDITED SEMI-ANNUAL REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2023

CONTENTS	PAGE(S)
MEMBERS' LETTER	i
PRS PROVIDER'S REPORT	ii - viii
Fund Objective and Policy	
Performance Data	
Market Review	
Fund Performance	
Portfolio Structure	
Market Outlook	
Investment Strategy	
Members Statistics	
Soft Commissions and Rebates	
Securities Financing Transactions	
State Of Affair of The Fund	
Circumstances That Materially Affect Any Interest of Members	
Cross Trade	
Unit Split	
STATEMENT BY THE PRS PROVIDER	1
TRUSTEE'S REPORT	2
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME	3
UNAUDITED STATEMENT OF FINANCIAL POSITION	4
UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS	5
UNAUDITED STATEMENT OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 25
DIRECTORY	26

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 Unaudited Semi-Annual Report of the Principal PRS Plus Equity for the financial period ended 31 July 2023. You may also download this report from our website at www.principal.com.my.

We won three accolades at Alpha Southeast Asia's 14th Annual Fund Management Awards 2023. The awards were for Best Online & Mobile Platform (Asset Manager), Best Absolute Return Strategy and Best Fund Manager for Pension Mandates. Principal Malaysia was also honoured with multiple awards at the FSMOne Recommended Unit Trusts Awards 2023/2024 including Investors' Choice Fund House of the year 2023.

Please continue to check out our website (www.principal.com.my), like our Facebook page (@PrincipalAssetMY), follow us on our Instagram account (@principalassetmanagement_my), and LinkedIn page (Principal Asset Management Berhad) for the latest updates, market insights and investment articles.

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

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

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

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 the domestic market.

Has the Fund achieved its objective?

For the financial period under review, the Fund underperformed its absolute target return of 3.89% as described under the Fund Performance section due to unfavourable macro environment.

What are the Fund investment policy and principal investment strategy?

The Fund is managed to achieve a defined target return over the long-term through investments in the domestic market. The Fund will invest between 70% to 99.8% (both inclusive) of the Fund’s Net Asset Value (“NAV”) in equities.

However, the Fund may take temporary defensive positions that may detract from the Fund’s prescribed asset allocation when we believe that the equity market is experiencing excessive volatility, expected prolonged declines or when the outlook of the equity market is unfavourable. Under these circumstances, the Fund may reduce its equity exposure and increase its investment in money market instruments to protect the Fund’s investment objective in bearish or non-performing equity market.

The asset allocation strategy for this Fund is as follows:

- Between 70% to 99.8% (both inclusive) of the Fund’s NAV will be invested in equities; and
- At least 0.2% of the Fund’s NAV will be invested in liquid assets for liquidity purpose.

Fund category/type

Equity

When was the Fund launched?

Name of Class	Launch Date
Class A	12 November 2012
Class C	12 November 2012
Class X	12 November 2012

What was the size of the Fund as at 31 July 2023?

RM12.32 million (23.18 million units)

What is the Fund’s benchmark?

The Fund has a target return of 8% per annum.

This is not a guaranteed return and is only a measurement of the Fund’s performance. The Fund may not achieve the target return in any particular financial year but targets to achieve this growth over the long-term.

Note: The Fund’s benchmark is for performance comparison purpose only. The risk profile of the Fund is not the same as the risk profile of the benchmark.

What is the Fund distribution policy?

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

What was the net income distribution for the financial period ended 31 July 2023?

There was no distribution for the six months financial period ended 31 July 2023.

PERFORMANCE DATA

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

	31.07.2023	31.07.2022	31.07.2021
	%	%	%
Quoted securities			
- Construction	1.56	-	0.99
- Consumer Products & Services	10.36	24.82	14.38
- Energy	10.93	4.15	6.76
- Financial Services	14.39	17.13	26.03
- Health Care	8.48	5.68	2.77
- Industrial Products & Services	6.00	21.30	13.35
- Plantation	1.64	-	-
- Property	0.42	-	-
- Real Estate Investment Trust ("REIT")	7.22	4.86	4.65
- Technology	14.40	11.39	10.17
- Telecommunications & Media	2.87	-	4.59
- Transportation & Logistics	6.52	-	4.86
- Utilities	6.24	-	-
Cash and other assets	9.24	13.49	11.66
Liabilities	(0.27)	(2.82)	(0.21)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	31.07.2023	31.07.2022	31.07.2021
NAV (RM Million)			
- Class A	7.03	6.69	6.68
- Class C	1.49	1.32	1.21
- Class X	3.80	3.34	2.94
Units in circulation (Million)			
- Class A	13.22	12.06	11.47
- Class C	2.81	2.39	2.08
- Class X	7.15	6.02	5.05
NAV per unit (RM)			
- Class A	0.5314	0.5542	0.5821
- Class C	0.5314	0.5542	0.5822
- Class X	0.5314	0.5542	0.5821
Highest NAV per unit (RM)			
- Class A	0.5520	0.5967	0.6396
- Class C	0.5521	0.5968	0.6396
- Class X	0.5520	0.5968	0.6396
Lowest NAV per unit (RM)			
- Class A	0.5074	0.5211	0.5811
- Class C	0.5075	0.5212	0.5811
- Class X	0.5074	0.5211	0.5811
	01.02.2023	01.02.2022	01.02.2021
	to 31.07.2023	to 31.07.2022	to 31.07.2021
Total return (%)			
- Class A	(2.33)	(3.37)	(0.27)
- Class C	(2.33)	(3.36)	(0.26)
- Class X	(2.33)	(3.37)	(0.27)

PERFORMANCE DATA (CONTINUED)

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

	01.02.2023 to 31.07.2023	01.02.2022 to 31.07.2022	01.02.2021 to 31.07.2021
Capital growth (%)			
- Class A	(2.33)	(3.37)	(0.27)
- Class C	(2.33)	(3.36)	(0.26)
- Class X	(2.33)	(3.37)	(0.27)
Income distribution (%)			
- Class A	-	-	-
- Class C	-	-	-
- Class X	-	-	-
Total Expense Ratio ("TER") (%) ^	0.11	0.14	0.18
Portfolio Turnover Ratio ("PTR") (times) #	0.32	0.33	0.41

^ The Fund's TER decreased from 0.14% to 0.11% mainly due to increase in average NAV during the financial period under review.

The Fund's PTR decreased from 0.33 times to 0.32 times during the financial period under review due to lower trading activities.

	31.07.2023	31.07.2022	31.07.2021	31.07.2020	31.07.2019
	%	%	%	%	%
Annual total return					
- Class A	1.82	0.42	8.50	(4.68)	(3.10)
- Class C	1.80	0.42	8.52	(4.68)	(3.11)
- Class X	1.82	0.42	8.50	(4.68)	(3.11)

(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 period have been extracted from Lipper

MARKET REVIEW (1 FEBRUARY 2023 TO 31 JULY 2023)

For the financial period under review, the FTSE Bursa Malaysia KLCI Index ("FBMKLCI") declined by 1.76% from 1,485.50 points to 1,459.43 points.

FBMKLCI commencing the financial period by falling 30 points in February 2023, ending the month at 1,456 points. Investors remained cautious leading up to Budget 2023 while renewed concerns over US Federal Reserve (the "Fed") staying hawkish given persistent inflation coupled with encouraging consumption and employment data in the US recently further weighed on sentiment. The rebound in the US Dollar ("USD") also took flows out of emerging markets ("EM").

In March 2023, FBMKLCI fell 33 points to end the month at 1,422 points (Year-to-Date ("YTD"): -4%). Weakness was in line with the sell-off in regional markets as investors aggressively risked off following the collapse of several high-profile banks in the US and Europe, and mounting worries that the Fed's aggressive tightening may have finally taken a toll on the US economy. The market, however rebounded towards the later part of the month following the Fed's decision to go ahead with a 25 basis points ("bps") hike, downplaying fears of a banking contagion and shifting attention back to inflation which has started to ease, albeit very gradually.

MARKET REVIEW (1 FEBRUARY 2023 TO 31 JULY 2023) (CONTINUED)

FBMKLCI was down 0.5% in April 2023, ending the month at 1416 points, but outperformed MSCI Asia Pacific ex Japan by 1.4%. Commodities, Telecommunications and Consumer Discretionary did well during the month, while Financials weakened further on lingering fear of potential banking contagion.

FBMKLCI lost 28.8 points and ended May 2023 at 1,383 points. The sell-off was relatively broad-based, with select stocks within defensive sectors showing green, and we believe it was largely triggered by the recent weakness of the Ringgit on the back of poor Chinese data and consequently the depreciation of the Yuan. Concerns surrounding the US debt ceiling and recent US data also stoked bets on further rates hikes in the next Federal Open Market Committee (“FOMC”) meeting.

FBMKLCI lost 10.4 points and ended June 2023 at 1,376.68 points. Investors remain wary of the sustained weakness of the Malaysian Ringgit (“MYR/RM”), a rather uninspiring first quarter of 2023 corporate results, and domestic political uncertainties caused by the upcoming State elections. Expectations of a US recession have now been pushed back to 2024 given the still buoyant data points coming out of the US and consequently stoking bets of further rate hikes by the Fed in second half of 2023.

FBMKLCI ended the financial period with gains of 6% in July 2023, fully reversing the loss sustained in second quarter of 2023. Sentiment was sharply lifted by the slump in the US Dollar (“USD”), benefiting the MYR/RM, and waning expectations of a US recession following recent favorable economic data points – cooling inflation and still resilient jobs market. Gainers were broad-based, with mainly large-caps forging ahead.

FUND PERFORMANCE

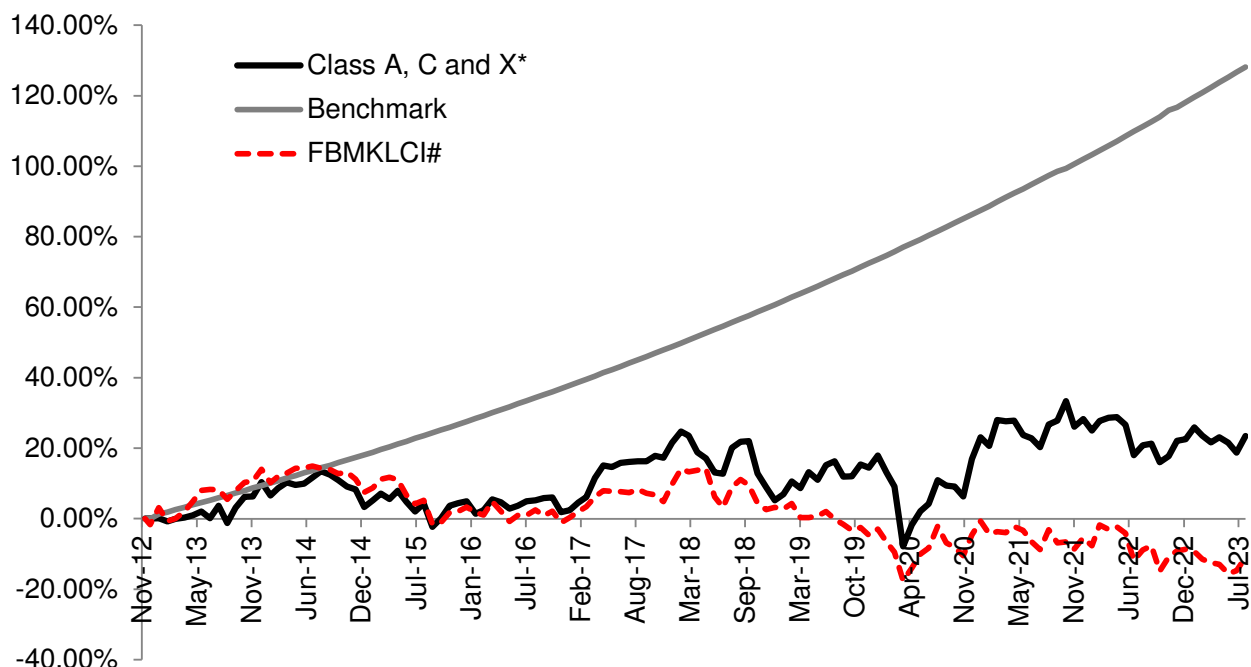
	6 months to 31.07.2023	1 year to 31.07.2023	3 years to 31.07.2023	5 years to 31.07.2023	Since inception to 31.07.2023
	%	%	%	%	%
Income Distribution					
- Class A	-	6.19	15.78	15.78	15.78
- Class C	-	6.19	15.77	15.77	15.77
- Class X	-	6.19	15.77	15.77	15.77
Capital Growth					
- Class A	(2.33)	(4.11)	(4.18)	(11.49)	6.28
- Class C	(2.33)	(4.13)	(4.18)	(11.51)	6.28
- Class X	(2.33)	(4.11)	(4.18)	(11.51)	6.28
Total Return					
- Class A	(2.33)	1.82	10.93	2.47	23.05
- Class C	(2.33)	1.80	10.93	2.45	23.04
- Class X	(2.33)	1.82	10.93	2.45	23.04
Benchmark					
- Class A	3.89	8.00	25.96	46.93	26.61
- Class C	3.89	8.00	25.96	46.93	26.61
- Class X	3.89	8.00	25.96	46.93	26.61
FBMKLCI #					
- Class A	(1.76)	(2.20)	(9.00)	(18.21)	(10.88)
- Class C	(1.76)	(2.20)	(9.00)	(18.21)	(10.88)
- Class X	(1.76)	(2.20)	(9.00)	(18.21)	(10.88)
Average Total Return					
- Class A	(4.61)	1.82	3.66	0.57	2.00
- Class C	(4.61)	1.80	3.66	0.57	2.00
- Class X	(4.61)	1.82	3.66	0.57	2.00

The use of FBMKLCI is purely to act as a point reference representing Malaysian market.

FUND PERFORMANCE (CONTINUED)

For the financial period under review, the Fund declined by 2.33% for Class A, Class C and Class X, while the benchmark increased by 3.89%. As such, the Fund underperformed its benchmark by 6.22% due to adverse macro environment. As a comparison, the FBMKLCI dropped 1.76% during the financial period under review.

Since inception



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

Changes in NAV

	31.01.2023	31.01.2023 Audited	Changes %
CLASS A			
NAV (RM Million)	7.03	7.13	(1.40)
NAV/Unit (RM)	0.5314	0.5441	(2.33)
CLASS C			
NAV (RM Million)	1.49	1.49	-
NAV/Unit (RM)	0.5314	0.5441	(2.33)
CLASS X			
NAV (RM Million)	3.80	3.68	3.26
NAV/Unit (RM)	0.5314	0.5441	(2.33)

The NAV per unit for Class A, Class C and Class X decreased due to fund performance. In terms of NAV, Class X have seen some fund injections whilst Class A registered slight decline due to fund redemptions.

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 period have been extracted from Lipper.

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.07.2023	31.01.2023 Audited
Quoted securities	91.03	96.45
Cash and other assets	9.24	7.71
Liabilities	(0.27)	(4.16)
Total	100.00	100.00

Asset allocation decreased from 96.45% as at 31 January 2023 to 91.03% as at 31 July 2023 to weather the volatility in the financial market during the financial period under review.

MARKET OUTLOOK*

Malaysia's Purchasing Managers' Index ("PMI") reading for July 2023 was 47.8 points, a slight improvement versus June 2023. According to Standard and Poor's ("S&P") Global, The Malaysian manufacturing sector continued to indicate sustained weakness in operating conditions in July 2023. New order intakes moderated to the greatest extent for six months, while production levels continued to be scaled back, indicating that the sector still has some way to go before demand recovers fully. Input price inflation accelerated for the fourth month in a row to reach the highest since February 2023, while firms looked to reduce workforce to manage costs. Manufacturers remained hopeful that demand conditions would normalize, albeit sentiment has weakened further.

Malaysia's economy expanded 5.6% year-on-year ("y-o-y") in first quarter of 2023 but expected to moderate to 3.6% y-o-y in second quarter of 2023 according to economists polled by Bloomberg. Bank Negara Malaysia ("BNM") maintains Malaysia's Gross Domestic ("GDP") growth of % to -5% in 2023.

BNM kept Overnight ("OPR") unchanged at 3.00% despite mounting pressures to intervene given the MYR weakness but may pause for the rest of the year. Inflation eased further with June 2023 Consumer Price Index ("CPI") reading at 2.4% versus 2.8% in May 2023, now undershooting BNM's target of 2.8% to 3.8% for 2023.

Malaysia's equity market valuation still remains extremely compressed with forward the price-earnings ("PE") ratio of 13.4 times which is still around negative 2 times standard deviation below the historical mean. This is based on consensus earnings growth of 9% for 2023 and 8% for 2024. More clarity on the new Government's policy posture, in our view, should reduce the current extreme risk premiums applied to the market (yield gap of ~400 bps). We are also hopeful that the newly launched National Energy Transition Roadmap ("NETR") by the Government would revitalize domestic investment and buoy consumption.

* 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

Market sentiment has improved on the back of recent weakening USD and reversal of foreign outflows. Furthermore, from headwind to tailwind, political uncertainty shall subside after the conclusion of the 6 states election on 12 August 2023, hence, we have turned incrementally positive on the market. We remain constructive on sectors that stand to gain from the NETR. Key risks are the derailment of Malaysia's macroeconomic recovery and corporate earnings growth due to the larger-than-expected impact of rising inflation, slower global economic growth, and heightened geopolitical risks.

SOFT COMMISSIONS AND REBATES

Principal 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 we will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commission.

During the financial period 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 period under review.

STATE OF AFFAIR OF THE FUND

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

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF MEMBERS

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

CROSS TRADE

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

UNIT SPLIT

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

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

We, being the Directors of Principal Asset Management Berhad (the “PRS Provider”), do hereby state that, in the opinion of the PRS Provider, the accompanying unaudited financial statements set out on pages 3 to 25 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 July 2023 and of its financial performance, changes in net assets attributable to members and cash flows for the financial period then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) Interim Financial Reporting and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting.

For and on behalf of the PRS Provider

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

MUNIRAH KHAIRUDDIN

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

UDAY JAYARAM

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

Kuala Lumpur
25 September 2023

TRUSTEE'S REPORT

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

We have acted as the Scheme Trustee of the Fund for the financial period ended 31 July 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the 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
20 September 2023

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2023**

	Note	01.02.2023 to 31.07.2023 RM	01.02.2022 to 31.07.2022 RM
(LOSS)/INCOME			
Dividend income		161,356	188,714
Interest income from deposits with licensed financial institutions and current account		15,770	11,991
Net loss on financial assets at fair value through profit or loss	7	<u>(416,484)</u>	<u>(536,492)</u>
		<u>(239,358)</u>	<u>(335,787)</u>
 EXPENSES			
Private Pension Administrator administration fee	4	2,392	2,302
Trustee fee	5	2,392	2,302
Audit fee		4,017	3,950
Tax agent's fee		2,480	2,439
Transaction costs		29,003	30,891
Other expenses		<u>3,042</u>	<u>6,035</u>
		<u>43,326</u>	<u>47,919</u>
 LOSS BEFORE TAXATION		 (282,684)	 (383,706)
 Taxation	 6	 <u>-</u>	 <u>-</u>
 LOSS AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD		 <u>(282,684)</u>	 <u>(383,706)</u>
 Loss after taxation is made up as follows:			
Realised amount		(18,682)	402,873
Unrealised amount		<u>(264,002)</u>	<u>(786,579)</u>
		<u>(282,684)</u>	<u>(383,706)</u>

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2023**

		31.07.2023	31.01.2023
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents	8	1,037,044	644,534
Financial assets at fair value through profit or loss	7	11,213,858	11,865,654
Amount due from the PRS Provider			
- creation of units		31,017	29,568
Amount due from stockbrokers		69,634	274,283
Dividends receivable		-	498
Tax recoverable		55	55
TOTAL ASSETS		<u>12,351,608</u>	<u>12,814,592</u>
LIABILITIES			
Amount due to the PRS Provider			
- cancellation of units		9,024	660
Amount due to stockbrokers		-	493,401
Amount due to Private Pension Administrator		408	414
Amount due to Trustee		408	414
Other payables and accruals		23,998	17,501
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS)		<u>33,838</u>	<u>512,390</u>
NET ASSET VALUE OF THE FUND		<u>12,317,770</u>	<u>12,302,202</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>12,317,770</u>	<u>12,302,202</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- CLASS A		7,026,224	7,129,057
- CLASS C		1,492,736	1,494,140
- CLASS X		3,798,810	3,679,005
		<u>12,317,770</u>	<u>12,302,202</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- CLASS A		13,221,179	13,102,199
- CLASS C		2,808,639	2,745,799
- CLASS X		7,147,958	6,761,254
	9	<u>23,177,776</u>	<u>22,609,252</u>
NET ASSET VALUE PER UNIT (RM)			
- CLASS A		0.5314	0.5441
- CLASS C		0.5314	0.5441
- CLASS X		<u>0.5314</u>	<u>0.5441</u>

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

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2023**

	01.02.2023 to 31.07.2023 RM	01.02.2022 to 31.07.2022 RM
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE BEGINNING OF THE FINANCIAL PERIOD	12,302,202	11,693,713
Movement due to units created and cancelled during the financial period:		
Creation of units from applications		
- Class A	140,891	126,647
- Class C	55,046	53,906
- Class X	241,621	257,102
	437,558	437,655
Cancellation of units		
- Class A	(77,847)	(341,774)
- Class C	(22,089)	(38,517)
- Class X	(39,370)	(19,867)
	(139,306)	(400,158)
Total comprehensive loss for the financial period	(282,684)	(383,706)
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL PERIOD	12,317,770	11,347,504

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

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2023**

	01.02.2023 to 31.07.2023	01.02.2022 to 31.07.2022
Note	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of quoted securities	4,126,529	3,785,813
Purchase of quoted securities	(4,208,973)	(3,668,700)
Interest received from deposits with licensed financial institutions and current account	15,770	11,991
Dividend income received	161,367	184,118
Private Pension Administrator administration fee paid	(2,398)	(2,333)
Trustee fee paid	(2,398)	(2,333)
Payments for other fees and expenses	(2,552)	(5,011)
Net cash generated from operating activities	<u>87,345</u>	<u>303,545</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	436,109	434,916
Payments for cancellation of units	(130,944)	(398,403)
Net cash generated from financing activities	<u>305,165</u>	<u>36,513</u>
Net increase in cash and cash equivalents	392,510	340,058
Cash and cash equivalents at the beginning of the financial period	<u>644,534</u>	<u>1,159,439</u>
Cash and cash equivalents at the end of the financial period	8 <u><u>1,037,044</u></u>	<u><u>1,499,497</u></u>
<u>Cash and cash equivalents comprised of:</u>		
Deposit with licensed financial institution	1,004,085	1,466,271
Bank balance	32,959	33,226
Cash and cash equivalents at the end of financial period	8 <u><u>1,037,044</u></u>	<u><u>1,499,497</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2023**

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

Principal 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, a 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 “Deed”) made between Principal Asset Management Berhad (the “PRS Provider”) and Deutsche Trustees Malaysia Berhad (the “Trustee”).

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

The Fund is managed to achieve a defined target return over the long-term through investments in the domestic market. The Fund will invest between 70% to 99.8% (both inclusive) of the Fund’s Net Asset Value (“NAV”) in equities.

However, the Fund may take temporary defensive positions that may detract from the Fund’s prescribed asset allocation when we believe that the equity market is experiencing excessive volatility, expected prolonged declines or when the outlook of the equity market is unfavourable. Under these circumstances, the Fund may reduce its equity exposure and increase its investment in money market instruments to protect the Fund’s investment objective in bearish or non-performing equity market.

The asset allocation strategy for this Fund is as follows:

- Between 70% to 99.8% (both inclusive) of the Fund’s NAV will be invested in equities; and
- At least 0.2% of the Fund’s NAV will be invested in liquid assets for liquidity purpose.

Principal Asset Management (S) Pte Ltd (“Principal Singapore”) was appointed as the Sub-Adviser of the Fund. Principal Singapore will provide investment research and stock recommendation to Principal Malaysia in accordance with the investment objective and within the investment restrictions of the Fund.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

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

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(k).

There are no other standards, amendments to standards or interpretations that are effective for financial period beginning on 1 February 2023 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 period beginning on/after 1 August 2023 are applicable to the Fund.

Classification

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Classification (continued)

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

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

Recognition and measurement

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

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

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

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

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**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 considers both historical analysis and forward looking information in determining any ECL. The PRS Provider considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month ECL as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

(c) Income recognition

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 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. Cancellable units can be reinvested to the Fund at any time for cash equal to a proportionate share of the Fund’s NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of statement of financial position if the member exercises the right to reinvest the unit to the Fund.

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

(f) Transactions cost

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

(g) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balance and deposit with licensed 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.

(h) Taxation

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

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.

(i) Amount due from/to stockbrokers

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

(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 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 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 there are no accounting policies which require significant judgement to be exercised.

3. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is to provide capital growth over the long-term by investing in the domestic market.

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 PRS Provider and adherence to the investment restrictions as stipulated in the Deeds and SC Guidelines on PRS.

(a) Market risk

(i) Price risk

This is the risk that the fair value of the Fund's investment will fluctuate because of changes in market prices (other than those arising from interest rate risk). The value of investment 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.

(ii) Interest rate risk

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

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

3. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(a) Market risk (continued)****(ii) Interest rate risk (continued)**

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

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

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

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

(b) Credit risk

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

The credit risk arising from cash and cash equivalents is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

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

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

(c) Liquidity risk

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

The PRS Provider manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by members. Liquid assets comprise bank balances and deposits with licensed financial institutions, which are capable of being converted into cash within 7 business days. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the PRS Provider will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potential.

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

(d) Capital risk management

The capital of the Fund is represented by net asset attributable to members. The amount of net asset attributable to members can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of members. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to members and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

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

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

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

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

(i) Fair value hierarchy

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

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

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

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

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

(e) Fair value estimation

(i) Fair value hierarchy

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
31.07.2023				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>11,213,858</u>	<u>-</u>	<u>-</u>	<u>11,213,858</u>
31.01.2023				
Audited				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>11,865,654</u>	<u>-</u>	<u>-</u>	<u>11,865,654</u>

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

(ii) The carrying values of cash and cash equivalents, amount due from the PRS Provider - creation of units, dividends receivable 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 six months financial period ended 31 July 2023 and 31 July 2022, the management fee for the respective classes is recognised at the following rates:

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

Nonetheless, no management fee is charged on the Fund for the financial period as the management fee has been waived by the PRS Provider.

4. MANAGEMENT FEE AND PRIVATE PENSION ADMINISTRATOR ADMINISTRATION FEE (CONTINUED)

The Private Pension Administrator administration fee is recognised at a rate of 0.04% per annum (31.07.2022: 0.04% per annum) for each unit class, calculated daily based on the NAV of the Fund.

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

5. TRUSTEE FEE

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

For the six months financial period ended 31 July 2023, the Trustee fee is recognised at a rate of 0.04% per annum (31.07.2022: 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

	01.02.2023 to 31.07.2023 RM	01.02.2022 to 31.07.2022 RM
Tax charged for the financial period:		
- Current taxation	-	-

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

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

	01.02.2023 to 31.07.2023 RM	01.02.2022 to 31.07.2022 RM
Loss before taxation	(282,684)	(383,706)
Taxation at Malaysian statutory rate of 24% (31.07.2022: 24%)	(67,844)	(92,089)
Tax effects of:		
- Loss not deductible for tax purposes	57,446	80,589
- Expenses not deductible for tax purposes	9,391	10,509
- Restriction on tax deductible expenses for PRS Funds	1,007	991
Taxation	-	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.07.2023	31.01.2023
	RM	Audited RM
At fair value through profit or loss:		
- Quoted securities	<u>11,213,858</u>	<u>11,865,654</u>
	01.02.2023 to 31.07.2023	01.02.2022 to 31.07.2022
	RM	RM
Net loss on financial assets at fair value through profit or loss:		
- Realised (loss)/gain on disposals	(152,484)	250,087
- Unrealised fair value loss	<u>(264,000)</u>	<u>(786,579)</u>
	<u>(416,484)</u>	<u>(536,492)</u>

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.07.2023				
QUOTED SECURITIES (CONTINUED)				
Construction				
Gamuda Bhd	<u>44,663</u>	<u>174,268</u>	<u>192,051</u>	<u>1.56</u>
Consumer Products & Services				
Genting Bhd	73,000	334,089	314,630	2.55
Genting Malaysia Bhd	263,500	830,173	685,100	5.56
Karex Bhd	<u>494,700</u>	<u>386,374</u>	<u>277,032</u>	<u>2.25</u>
	<u>831,200</u>	<u>1,550,636</u>	<u>1,276,762</u>	<u>10.36</u>
Energy				
Bumi Armada Bhd	528,200	304,994	274,664	2.23
Hibiscus Petroleum Bhd	554,800	646,716	515,964	4.19
Yinson Holdings Bhd	128,500	258,748	327,675	2.66
Yinson Holdings Bhd – Warrant	<u>355,900</u>	<u>156,817</u>	<u>227,776</u>	<u>1.85</u>
	<u>1,567,400</u>	<u>1,367,275</u>	<u>1,346,079</u>	<u>10.93</u>
Financial Services				
Alliance Bank Malaysia Bhd	91,500	332,105	322,995	2.62
CIMB Group Holdings Bhd	220,890	1,121,059	1,225,940	9.95
RHB Bank Bhd	<u>39,476</u>	<u>209,012</u>	<u>224,618</u>	<u>1.82</u>
	<u>351,866</u>	<u>1,662,176</u>	<u>1,773,553</u>	<u>14.39</u>
Health Care				
Hartalega Holding Bhd	333,100	620,846	732,820	5.95
Kossan Rubber Industries	45,400	63,492	64,922	0.53
KPJ Healthcare Bhd	<u>214,400</u>	<u>235,504</u>	<u>246,560</u>	<u>2.00</u>
	<u>592,900</u>	<u>919,842</u>	<u>1,044,302</u>	<u>8.48</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 %
31.07.2023 (continued)				
QUOTED SECURITIES (CONTINUED)				
Industrial Products & Services				
MST Golf Group Bhd	14,000	11,340	11,200	0.09
Press Metal Aluminium Holding Bhd	108,700	670,631	547,848	4.45
Solarvest Holdings Bhd	140,700	137,785	180,096	1.46
	<u>263,400</u>	<u>819,756</u>	<u>739,144</u>	<u>6.00</u>
Property				
Eco World Development Group Bhd	215,000	175,247	202,100	1.64
Real Estate				
Skyworld Development Bhd	74,200	59,360	51,198	0.42
REIT				
Axis REIT	282,839	523,667	514,767	4.18
Pavilion REIT	307,300	374,906	374,906	3.04
	<u>590,139</u>	<u>898,573</u>	<u>889,673</u>	<u>7.22</u>
Technology				
CTOS Digital Bhd	278,100	430,409	389,340	3.16
Genetec Technology Bhd	286,500	728,750	699,060	5.68
ITMAX System Bhd	235,800	328,042	337,194	2.74
My EG Services Bhd	454,500	457,573	347,693	2.82
	<u>1,254,900</u>	<u>1,944,774</u>	<u>1,773,287</u>	<u>14.40</u>
Telecommunications/ Media				
Telekom Malaysia Bhd	69,500	415,437	353,755	2.87
Transportation/Logistics				
Malaysia Airports Holding Bhd	65,700	444,150	453,330	3.68
MISC Bhd - Local	48,700	367,703	350,153	2.84
	<u>114,400</u>	<u>811,853</u>	<u>803,483</u>	<u>6.52</u>
Utilities				
Tenaga Nasional Bhd	63,800	609,510	612,480	4.97
YTL Power International Bhd	114,700	147,101	155,991	1.27
	<u>178,500</u>	<u>756,611</u>	<u>768,471</u>	<u>6.24</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 %
31.07.2023 (continued)				
QUOTED SECURITIES (CONTINUED)				
TOTAL QUOTED SECURITIES	<u>6,148,068</u>	<u>11,555,808</u>	<u>11,213,858</u>	<u>91.03</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(341,950)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>11,213,858</u>		
31.01.2023				
Audited				
QUOTED SECURITIES (CONTINUED)				
Construction				
Gamuda Bhd	<u>44,663</u>	<u>174,268</u>	<u>175,079</u>	<u>1.42</u>
Consumer Products & Services				
Genting Bhd	73,000	334,089	361,350	2.94
Genting Malaysia Bhd	232,900	745,436	661,436	5.37
Karex Bhd	<u>312,900</u>	<u>236,237</u>	<u>251,885</u>	<u>2.05</u>
	<u>618,800</u>	<u>1,315,762</u>	<u>1,274,671</u>	<u>10.36</u>
Energy				
Bumi Armada Bhd	650,500	372,346	374,038	3.04
Dayang Enterprise Holdings Bhd	171,900	250,940	252,693	2.05
Hibiscus Petroleum Bhd	554,800	646,716	632,472	5.14
Yinson Holdings Bhd	128,500	264,092	345,665	2.81
Yinson Holdings Bhd - Warrant	<u>358,500</u>	<u>156,817</u>	<u>263,497</u>	<u>2.14</u>
	<u>1,864,200</u>	<u>1,690,911</u>	<u>1,868,365</u>	<u>15.18</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 %
31.01.2023 (CONTINUED)				
Audited (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
Financial Services				
Alliance Bank Malaysia Bhd	91,500	332,105	328,485	2.67
CIMB Group Holdings Bhd	177,390	902,005	1,019,992	8.29
Hong Leong Bank Bhd	9,600	153,211	196,992	1.60
Malayan Banking Bhd	125,003	1,056,534	1,092,526	8.88
RHB Bank Bhd	39,476	209,012	226,987	1.85
	<u>442,969</u>	<u>2,652,867</u>	<u>2,864,982</u>	<u>23.29</u>
Health Care				
KPJ Healthcare Bhd	156,900	169,885	161,607	1.31
Industrial Products & Services				
Petronas Chemicals Group Bhd	21,900	184,794	182,865	1.49
Sunway Bhd	41,300	70,064	66,493	0.54
V.S. Industry Bhd	124,500	69,791	120,765	0.98
Press Metal Aluminium Holdings Bhd	108,700	670,631	563,066	4.58
	<u>296,400</u>	<u>995,280</u>	<u>933,189</u>	<u>7.59</u>
Plantation				
Kuala Lumpur Kepong Bhd	15,900	411,964	340,578	2.77
Sime Darby Plantation Bhd	69,400	349,188	300,502	2.44
	<u>85,300</u>	<u>761,152</u>	<u>641,080</u>	<u>5.21</u>
REITs				
Axis REIT	282,839	523,667	523,252	4.25
Technology				
CTOS Digital Bhd	278,100	430,409	428,274	3.48
Genetec Technology Bhd	250,000	635,697	662,500	5.39
Inari Amertron Bhd	86,900	252,609	225,071	1.83
MI Technovation Bhd	100,600	328,192	145,870	1.19
My E.G. Services Bhd	454,500	457,573	413,595	3.36
ITMAX System Bhd	235,800	328,042	365,490	2.97
	<u>1,405,900</u>	<u>2,432,522</u>	<u>2,240,800</u>	<u>18.22</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 %
31.01.2023 (CONTINUED)				
Audited (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
Telecommunications & Media				
Telekom Malaysia Bhd	69,500	415,437	362,790	2.95
Transportation & Logistics				
Malaysia Airports Holdings Bhd	65,700	444,150	463,842	3.78
MISC Bhd	48,700	367,703	355,997	2.89
	<u>114,400</u>	<u>811,853</u>	<u>819,839</u>	<u>6.67</u>
TOTAL QUOTED SECURITIES	<u>5,381,871</u>	<u>11,943,604</u>	<u>11,865,654</u>	<u>96.45</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(77,950)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u><u>11,865,654</u></u>		

8. CASH AND CASH EQUIVALENTS

	31.07.2023 RM	31.01.2023 Audited RM
Deposit with licensed financial institution	1,004,085	624,048
Bank balance	<u>32,959</u>	<u>20,486</u>
	<u><u>1,037,044</u></u>	<u><u>644,534</u></u>

9. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.02.2023 to 31.07.2023	01.02.2022 to 31.01.2023 Audited
	No. of units	No. of units
Class A (i)	13,221,179	13,102,199
Class C (ii)	2,808,639	2,745,799
Class X (iii)	7,147,958	6,761,254
	23,177,776	22,609,252
 (i) Class A		
At the beginning of the financial period/year	13,102,199	12,422,449
Add: Creation of units from applications	267,590	967,561
Add: Creation of units from distribution	-	747,076
Less: Cancellation of units	(148,610)	(1,034,887)
At the end of the financial period/year	13,221,179	13,102,199
 (ii) Class C		
At the beginning of the financial period/year	2,745,799	2,362,277
Add: Creation of units from applications	104,962	392,886
Add: Creation of units from distribution	-	144,536
Less: Cancellation of units	(42,122)	(153,900)
At the end of the financial period/year	2,808,639	2,745,799
 (iii) Class X		
At the beginning of the financial period/year	6,761,254	5,602,868
Add: Creation of units from applications	461,325	983,923
Add: Creation of units from distribution	-	372,559
Less: Cancellation of units	(74,621)	(198,096)
At the end of the financial period/year	7,147,958	6,761,254

10. TOTAL EXPENSE RATIO (“TER”)

	01.02.2023 to 31.07.2023	01.02.2022 to 31.07.2022
TER	0.11	0.14

TER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on a daily basis is RM12,063,843 (31.07.2022: RM11,612,642).

11. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.02.2023 to 31.07.2023	01.02.2022 to 31.07.2022
PTR (times)	0.32	0.33

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial period = RM3,701,947 (31.07.2022: RM3,947,508)
 total disposal for the financial period = RM3,937,259 (31.07.2022: RM3,801,345)

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
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
CIMB Bank Bhd	Fellow related party to the PRS Provider
CIMB Investment Bank Bhd	Fellow related party to the PRS Provider
CGS-CIMB Securities Sdn Bhd	Fellow related party to 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 each financial period.

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

Units held by the PRS Provider and parties related to the PRS Provider (continued)

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

	01.02.2023 to 31.07.2023	01.02.2022 to 31.07.2022
	RM	RM
<u>Significant related party balance:</u>		
Quoted security:		
CIMB Group Holdings Bhd	1,225,940	666,828
 <u>Significant related party transactions</u>		
Dividend income:		
- CIMB Group Holdings Bhd	23,061	23,204

13. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for the six months financial period ended 31 July 2023 were as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
CLSA Securities (M) Sdn Bhd	1,909,657	25.00	4,305	25.98
UBS Securities (M) Sdn Bhd	1,384,463	18.12	3,091	18.65
Macquarie Capital Sec (M) Sdn Bhd	1,278,247	16.73	2,895	17.47
J.P. Morgan Sec (M) Sdn Bhd	1,015,432	13.29	1,581	9.54
CGS-CIMB Securities Sdn Bhd #	867,349	11.35	2,045	12.34
KAF Equities Sdn Bhd	348,871	4.57	787	4.75
Credit Suisse Sec (M) Sdn Bhd	257,272	3.37	579	3.49
Hong Leong Investment Bank Bhd	225,900	2.96	508	3.07
Maybank Investment Bank Bhd	186,035	2.44	452	2.73
RHB Investment Bank Bhd	106,619	1.40	328	1.98
Kenanga Investment Bank Bhd	59,360	0.77	-	-
	7,639,205	100.00	16,571	100.00

13. TRANSACTIONS WITH BROKERS (CONTINUED)

Details of transactions with the top 10 brokers for the six months financial period ended 31 July 2022 were as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Affin Hwang Investment Bank Bhd	681,568	8.80	1,550	8.93
CGS-CIMB Securities Sdn Bhd #	808,838	10.44	1,982	11.42
CLSA Securities (M) Sdn Bhd	572,664	7.39	1,279	7.37
Credit Suisse Securities (M) Sdn Bhd	646,182	8.34	1,527	8.80
Hong Leong Investment Bank Bhd	474,180	6.12	1,067	6.15
J.P. Morgan Sec (M) Sdn Bhd	542,958	7.01	1,278	7.36
KAF Equities Sdn Bhd	847,333	10.93	1,916	11.04
Macquarie Capital Sec (M) Sdn Bhd	764,385	9.86	1,725	9.94
Maybank Investment Bank Bhd	1,226,853	15.83	2,776	15.99
RHB Investment Bank Bhd	698,829	9.02	1,626	9.37
Others	485,063	6.26	632	3.63
	<u>7,748,853</u>	<u>100.00</u>	<u>17,358</u>	<u>100.00</u>

Included in the transactions are trades conducted with CGS-CIMB Securities Sdn Bhd, fellow related party to the PRS Provider, amounting to RM867,349 (2022: RM808,838). The PRS Provider is of the opinion that all transactions have been entered into in the normal course of business at agreed terms between the related parties.

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