

Principal Islamic Asia Pacific Dynamic Equity Fund

Semi-Annual Report

For The Six Months Financial Period Ended 31 October 2022

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

SEMI-ANNUAL REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2022

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INVESTORS' LETTER

Dear Valued Investor,

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

We are pleased to bring you a copy of the Semi-Annual Fund Report of the Principal Islamic Asia Pacific Dynamic Equity Fund for the financial period ended 31 October 2022. You may also download this report from our website at www.principal.com.my.

We are pleased to share that Principal Malaysia was accorded with the ESG Asset Management Company of the Year-Highly Commended (Malaysia) award at The Asset Triple A Sustainable Investing Awards 2022 for Institutional Investor, ETF, and Asset Servicing Providers 2022. Principal Malaysia was also awarded the Top Investment House, Asset Manager-Highly Commended (Malaysia) award at the Asset Benchmark Research Asian Local Currency Bond Benchmark Review 2022.

Digital innovation is central to our strategy, as we use data and technology to develop the right solutions for you. We will continue to advance our digital capabilities to provide easy access to your investment portfolio and enable you to carry out transactions seamlessly. Please continue to check out our website (www.principal.com.my), 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
Chief Executive Officer

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to achieve long-term capital appreciation and income while complying with Shariah investment criteria, through investments in the emerging and developed markets of Asia Pacific ex Japan region.

Has the Fund achieved its objective?

The Fund is in line to achieve its long-term objective to provide capital growth as stated in the Fund Objective section.

What are the Fund investment policy and principal investment strategy?

The Fund is predominantly an equity fund which invests through equity securities of companies domiciled in, listed in, and/or have significant operations in the emerging and developed markets of Asia Pacific ex Japan. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business and/or operations in Thailand but listed on the New York Stock Exchange ("NYSE"). The threshold for 'significant operations' would be if more than 25% of total group revenue derives from countries in the emerging and developed markets of Asia Pacific ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). With effect from 16 August 2021, The Fund may also invest up to 20% of its NAV in companies that are listed globally with some operations and/or businesses within the Asia Pacific ex Japan region to capture growth opportunities. The Fund will only invest in markets where the regulatory authority is an ordinary or associate member of IOSCO. Between 70% to 98% (both inclusive) of the Fund's Net Asset Value ("NAV") can be invested in Shariah-compliant equities, Shariah-compliant warrants, Islamic options, participation in Islamic collective investment schemes which are permitted under the Guidelines on Unit Trust Funds ("GUTF") issued by the SC. Up to 30% of the Fund may also invest into Sukuk and Islamic deposits. For this Fund, the investments in Sukuk must satisfy a minimum rating requirement of at least a "BBB3" or "P2" rating by RAM Ratings ("RAM") or equivalent rating by Malaysian Rating Corporation Berhad ("MARC") or by local rating agency(ies) of the country of issuance; "BB" by Standard & Poor's ("S&P") or equivalent rating by any other international rating agencies.

The asset allocation strategy for this Fund is as follows:

- at least 70% of the Fund's NAV will be invested in Shariah-compliant equities;
- up to 30% of the Fund's NAV in Sukuk and Islamic deposits; and
- at least 2% of the Fund's NAV in Islamic liquid assets.

Fund category/type

Equity (Shariah-compliant)/Growth

When was the Fund launched?

2 June 2006

What was the size of the Fund as at 31 October 2022?

RM3,044.50 million (5,454.33 million units)

What is the Fund's benchmark?

Morgan Stanley Capital International ("MSCI") All Country ("AC") Asia ex Japan Islamic Index

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

What is the Fund distribution policy?

Regular distributions are not the focus of this Fund. Distributions, if any, are at the discretion of the Manager.

FUND OBJECTIVE AND POLICY (CONTINUED)

What was the net income distribution for the six months financial period ended 31 October 2022?

There was no income distribution made for the six months financial period ended 31 October 2022.

PERFORMANCE DATA

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

	31.10.2022	31.10.2021	31.10.2020
	%	%	%
Shariah-compliant collective investment scheme	0.76	0.55	0.96
Shariah-compliant quoted securities			
- Communication Services	8.06	12.61	9.67
- Consumer Discretionary	7.18	12.88	25.17
- Consumer Staples	4.63	1.85	2.05
- Energy	14.19	8.48	7.88
- Financials	-	-	0.06
- Health Care	7.42	8.63	3.64
- Industrials	11.69	7.59	3.75
- Information Technology	27.77	30.22	32.58
- Materials	7.26	9.43	4.67
- Real Estate	1.92	1.14	0.89
- Utilities	1.82	-	1.97
Cash and other assets	7.82	7.05	7.35
Liabilities	(0.52)	(0.43)	(0.64)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	31.10.2022	31.10.2021	31.10.2020
NAV (RM Million)	3,044.50	3,585.46	1,772.58
Units in circulation (Million)	5,454.33	4,979.49	1,836.63
NAV per unit (RM)	0.5581	0.7200	0.9651
	01.05.2022 to 31.10.2022	01.05.2021 to 31.10.2021	01.05.2020 to 31.10.2020
Highest NAV per unit (RM)	0.6433	0.7469	1.0007
Lowest NAV per unit (RM)	0.5413	0.6972	0.7732
Total return (%)	(13.05)	(0.63)	22.15
Capital growth (%)	(13.05)	(0.63)	20.64
Income distribution (%)	-	-	1.25
Total Expense Ratio ("TER") (%) [^]	0.94	0.96	0.97
Portfolio Turnover Ratio ("PTR") (times) [#]	0.31	0.38	0.53

[^] The Fund's TER decreased from 0.96% to 0.94% was mainly due to decrease in expenses during the financial period under review.

[#] The Fund's PTR has declined from 0.38 times to 0.31 times due to less trading activity.

PERFORMANCE DATA (CONTINUED)

	01.05.2022 to 31.10.2022	01.05.2021 to 31.10.2021	01.05.2020 to 31.10.2020		
Gross/Net distribution per unit (sen)					
Date of distribution 23 September 2020	-	-			1.18
	31.10.2022	31.10.2021	31.10.2020	31.10.2019	31.10.2018
	%	%	%	%	%
Annual total return	(21.34)	20.27	23.77	11.21	(18.58)

(Launch date: 2 June 2006)

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 MAY 2022 TO 31 OCTOBER 2022)

During the financial period under review, Asian equities as measured by the MSCI Asia ex Japan Islamic declined by 18.0% in USD terms and 10.5% in MYR terms. Topical issues were: a) Tightening monetary policy environment led by the Federal reserve (the “Fed”) b) Loosening coronavirus diseases 2019 (“COVID-19”) restrictions in China and c) Concerns on China property sector which has implications on the wider economic growth.

As China reopened in early June 2022, there was renewed optimism on economic recovery. However, globally, inflation looks set to remain elevated for longer and the US economy showed signs of a slowdown.

In July 2022 and August 2022, US inflation though broad-based and persistent appears to be peaking. The US Fed remains focused on fighting inflation, despite signs of weaker economic growth. In China, the recent wave of mortgage payment suspensions is casting a shadow on its economic recovery.

The People’s Bank of China cut policy rates and the State Council announced a RMB1 trillion fiscal stimulus. It will be important to monitor how consumer confidence evolves. In the meantime, stimulus is broadly offsetting the drag from property, lockdowns and softening global demand.

In September 2022, the US Fed has signaled they will continue to tighten until inflation convincingly slows. While we see signs of slowing, particularly in the housing sector, labour markets remain very tight and suggest an economy that is still growing at or above potential.

In October 2022, we see signs that the largest contributors such as shelter (rent), transportation and food could be peaking. The big unknown is the possible second order effects of wage-price spiral, i.e., demand driven inflation from wage growth.

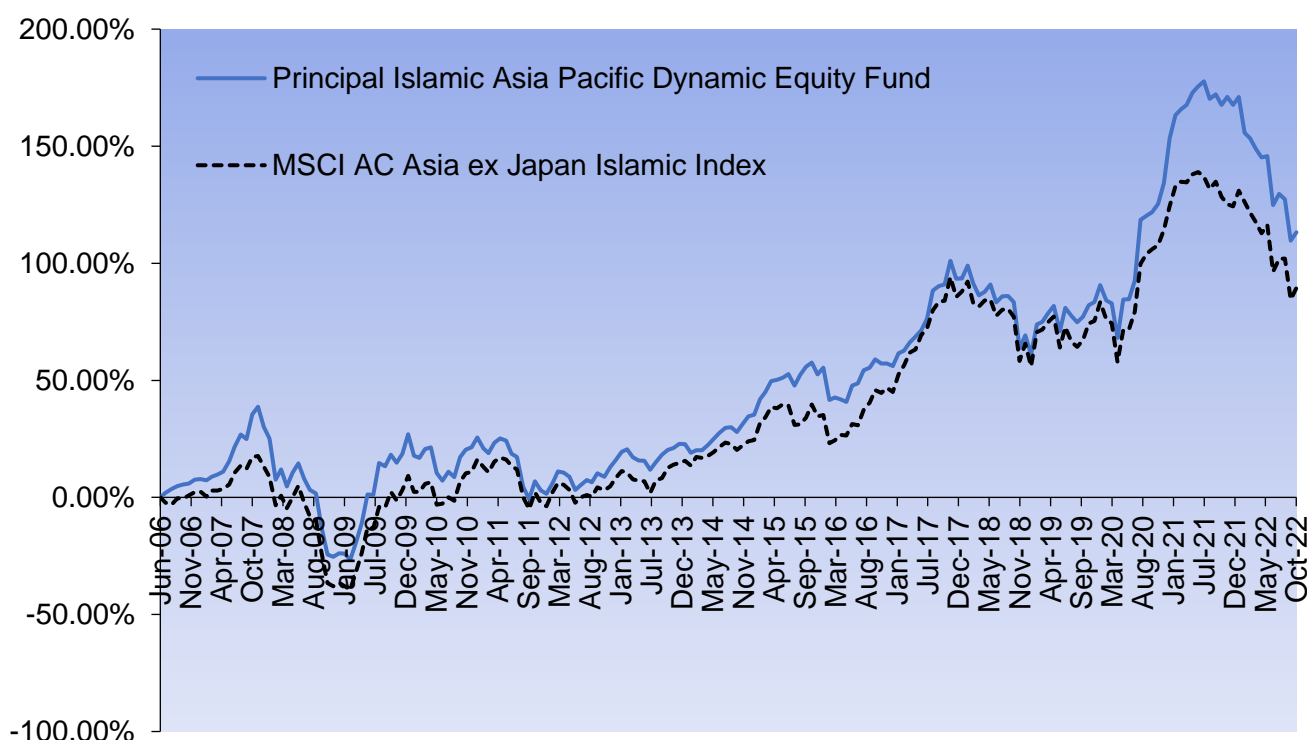
China held its 20th National Congress wherein President Xi cemented a third term. Policies are slowly shifting to be more pragmatic, specifically on zero-COVID-19. We also expect more stimulus to areas at risk (e.g., property) and to promote investment in strategic sectors.

FUND PERFORMANCE

	6 months to 31.10.2022	1 year to 31.10.2022	3 years to 31.10.2022	5 years to 31.10.2022	Since inception to 31.10.2022
	%	%	%	%	%
Income Distribution	-	1.56	5.88	8.42	14.97
Capital Growth	(13.05)	(22.55)	10.59	(2.22)	85.43
Total Return	(13.05)	(21.34)	17.08	6.01	113.20
Benchmark	(10.94)	(15.87)	8.72	(2.35)	89.49
Average Total Return	(24.40)	(21.34)	5.40	1.17	4.72

During the financial period under review, the Fund's Total Return declined 13.05% in MYR terms, underperforming the Benchmark by 2.1%. Similarly, in the last 3 and 5 years, the Fund has outperformed the benchmark by 8.4% for both financial periods.

Since Inception



Changes in NAV

	31.10.2022	30.04.2022	Changes
		Audited	%
NAV (RM Million)	3,044.50	3,347.68	(9.06)
NAV/Unit (RM)	0.5581	0.6411	(12.95)

The Fund's NAV per unit has declined 12.95% due to challenging market conditions whereas NAV has declined by a lesser amount of 9.06% because there were subscriptions.

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)	31.10.2022	30.04.2022 Audited
Shariah-compliant collective investment schemes	0.76	0.75
Shariah-compliant quoted securities	91.94	91.01
Cash and other assets	7.82	9.06
Liabilities	(0.52)	(0.82)
TOTAL	100.00	100.00

Asset allocation was broadly similar compared to the previous year at 91.01% allocation towards Shariah-compliant quoted securities.

MARKET OUTLOOK*

Key issues for the market are (1) when will US inflation pressures start to ease; (2) will the US economy see a soft or hard landing; and (3) when will China recover.

While US inflation could peak in fourth quarter of 2022, the question is whether it could ease quickly enough during first half of 2023. Chair Powell now sees policy rates peaking at a higher rate than previously thought in September 2022. Preventing a wage-price spiral is probably an unspoken objective.

Post the China congress meeting, we are now looking out for clarity on wide-ranging policies especially with regards to its approach towards zero-COVID-19 for economic repair. We remain stock selective in China, favoring sectors that have secular tailwinds and reopening plays.

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

INVESTMENT STRATEGY

We remain fully invested and diversified across sectors and geographies. We continued to trim economic sensitive stocks in industrials and added reopening beneficiaries and also diversified into pharmaceuticals. Off-benchmark stocks contribute ~40% to our Fund's holdings.

The Fund is structurally positioned in: 1) Quality companies that have a proven ability to innovate, e.g. semiconductor, internet, renewables 2) Consumption stocks in China and India which are positioned in growing sub-sectors, e.g., decorative paints, jewellery. These are countries with deep domestic economies with a large population 3) Market share consolidators, e.g. India's digital economy, selected industrials. Tactically we also favor reopening plays such as airports or hospitals and beneficiaries of underinvestment.

SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (the “Manager”) and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Principal Malaysia Funds (“Funds”) unless the soft commission received is retained in the form of goods and services such as research and advisory services that assists in the decision making process relating to the Fund's investments. All dealings with brokers are executed on best available terms.

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

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIR OF THE FUND

Latest changes to the Statement by Manager’s signatory as follows:

Mr. Juan Ignacio Eyzaguirre Baraona (retired on 30 June 2022)

Mr. Uday Jayaram (appointed on 30 June 2022)

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

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

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

CROSS TRADE

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

UNIIT SPLIT

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND**

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 4 to 38 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 October 2022 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period then ended in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting.

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN

Chief Executive Officer/Executive Director

UDAY JAYARAM

Director

Kuala Lumpur

15 December 2022

TRUSTEE'S REPORT

**TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND ("Fund")**

We have acted as Trustee of the Fund for the financial period ended 31 October 2022 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 Management Company under the Deeds, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
15 December 2022

SHARIAH ADVISER'S REPORT

To the Unit Holders of Principal Islamic Asia Pacific Dynamic Equity Fund ("Fund")

For the Six Months Financial Period ended 31 October 2022

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 period 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 asset of the Fund comprises of instruments that have been classified as Shariah compliant.

For **Amanie Advisors Sdn Bhd**

Tan Sri Dr Mohd Daud Bakar
Executive Chairman

Kuala Lumpur
15 December 2022

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2022**

	Note	01.05.2022 to 31.10.2022 RM	01.05.2021 to 31.10.2021 RM
LOSS			
Dividend income		61,697,899	123,275,236
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions at amortised cost and Hibah earned		662,506	392,612
Net loss on financial assets at fair value through profit or loss	8	(453,425,805)	(156,184,123)
Net foreign exchange loss		<u>(3,929,508)</u>	<u>60,151,298</u>
		<u>(394,994,908)</u>	<u>27,635,023</u>
EXPENSES			
Management fee	4	28,713,414	31,691,600
Trustee and custodian fees	5	1,116,633	2,111,477
Audit fee		4,738	7,938
Tax agent's fee		32,423	2,376
Transaction costs		3,957,879	3,638,944
Other expenses		<u>3,708,617</u>	<u>2,321,676</u>
		<u>37,533,704</u>	<u>39,774,011</u>
LOSS BEFORE TAXATION		(432,528,612)	(12,138,988)
Taxation	7	<u>(7,427,888)</u>	<u>(4,630,618)</u>
LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD		<u>(439,956,500)</u>	<u>(16,769,606)</u>
Loss after taxation is made up as follows:			
Realised amount		(69,954,596)	331,452,012
Unrealised amount		<u>(370,001,904)</u>	<u>(348,221,618)</u>
		<u>(439,956,500)</u>	<u>(16,769,606)</u>

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

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2022**

		31.10.2022	30.04.2022
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents	10	229,984,078	291,553,172
Financial assets at fair value through profit or loss	9	2,822,411,755	3,071,723,356
Amount due from Manager		5,113,882	11,319,930
Amount due from Manager of Shariah-compliant collective investment schemes			
- management fee rebate		213,161	160,283
Dividends receivable		2,899,172	496,608
Tax recoverable		3,533	3,533
TOTAL ASSETS		<u>3,060,625,581</u>	<u>3,375,256,882</u>
LIABILITIES			
Deferred tax liabilities	8	-	1,362,345
Amount due to stockbrokers		-	12,250,713
Amount due to Manager		4,374,545	8,841,871
Accrued management fee		4,635,454	4,909,915
Amount due to Trustee		180,268	190,941
Tax payable		6,913,500	-
Other payables and accruals		25,284	17,673
TOTAL LIABILITIES		<u>16,129,051</u>	<u>27,573,458</u>
NET ASSET VALUE OF THE FUND		<u>3,044,496,530</u>	<u>3,347,683,424</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	12	<u>3,044,496,530</u>	<u>3,347,683,424</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	13	<u>5,454,325,458</u>	<u>5,221,200,067</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.5581</u>	<u>0.6411</u>

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

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2022**

	Note	31.10.2022 RM	31.10.2021 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD		<u>3,347,683,424</u>	<u>3,315,504,932</u>
Movement due to units created and cancelled during the financial period:			
- Creation of units from applications		335,426,613	576,424,356
- Cancellation of units		<u>(198,657,007)</u>	<u>(289,702,396)</u>
		<u>136,769,606</u>	<u>286,721,960</u>
Total comprehensive loss for the financial period		<u>(439,956,500)</u>	<u>(16,769,606)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	12	<u><u>3,044,496,530</u></u>	<u><u>3,585,457,286</u></u>

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

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2022**

	01.05.2022 to 31.10.2022	01.05.2021 to 31.10.2021
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of Shariah-compliant quoted securities	857,885,175	1,126,298,002
Purchases of Shariah-compliant quoted securities	(1,109,717,048)	(1,481,783,189)
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah earned	662,506	392,612
Dividend income received	55,071,672	121,444,240
Management fees paid	(28,987,875)	(31,091,377)
Management fee rebate received	102,010	90,577
Trustee and custodian fees paid	(1,127,306)	(2,088,135)
Payments of other fees and expenses	(48,127)	(34,740)
Net realised foreign exchange loss	(293,543)	(3,795,441)
Tax refund/ (paid)	(1,876,733)	(11,244,257)
Net cash used in operating activities	<u>(228,329,269)</u>	<u>(281,811,708)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	341,632,660	606,469,202
Payments for cancellation of units	(203,124,333)	(288,242,729)
Net cash generated from financing activities	<u>138,508,327</u>	<u>318,226,473</u>
Net (decrease)/ increase in cash and cash equivalents	(89,820,942)	36,414,765
Effects of foreign exchange differences	28,251,847	(13,702,188)
Cash and cash equivalents at the beginning of the financial period	<u>291,553,173</u>	<u>212,934,870</u>
Cash and cash equivalents at the end of the financial period	<u>229,984,078</u>	<u>235,647,447</u>
<u>Cash and cash equivalents comprise of</u>		
Shariah-compliant deposits with licensed Islamic financial institutions	171,308,979	51,240,370
Bank balances	58,675,099	184,407,077
Cash and cash equivalents at the end of the financial period	<u>229,984,078</u>	<u>235,647,447</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 OCTOBER 2022**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal Islamic Asia Pacific Dynamic Equity Fund (the “Fund”) is governed by a Principal Master Deed dated 15 May 2008, a Third Supplemental Master Deed dated 25 June 2008, a Sixth Supplemental Master Deed dated 14 July 2008, a Seventh Supplemental Master Deed dated 19 November 2008, an Eighth Supplemental Master Deed dated 26 December 2008, a Fourteenth Supplemental Master Deed dated 26 June 2012, a Seventeenth Supplemental Master Deed dated 25 March 2015, a Eighteenth Supplemental Master Deed dated 29 April 2015 and a Nineteenth Supplemental Master Deed dated 18 June 2019 (collectively referred to as the “Deeds”), made between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund is predominantly an equity fund which invests through equity securities of companies domiciled in, listed in, and/or have significant operations in the emerging and developed markets of Asia Pacific ex Japan. ‘Significant operations’ means major businesses of the company. For example, the Fund can invest in a company with significant business and/or operations in Thailand but listed on the New York Stock Exchange (“NYSE”). The threshold for ‘significant operations’ would be if more than 25% of total group revenue derives from countries in the emerging and developed markets of Asia Pacific ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). With effect from 16 August 2021, The Fund may also invest up to 20% of its NAV in companies that are listed globally with some operations and/or businesses within the Asia Pacific ex Japan region to capture growth opportunities. The Fund will only invest in markets where the regulatory authority is an ordinary or associate member of IOSCO. Between 70% to 98% (both inclusive) of the Fund’s Net Asset Value (“NAV”) can be invested in Shariah-compliant equities, Shariah-compliant warrants, Islamic options, participation in Islamic collective investment schemes which are permitted under the GUTF issued by the SC. Up to 30% of the Fund may also invest into Sukuk and Islamic deposits. For this Fund, the investments in Sukuk must satisfy a minimum rating requirement of at least a “BBB3” or “P2” rating by RAM Ratings (“RAM”) or equivalent rating by Malaysian Rating Corporation Berhad (“MARC”) or by local rating agency(ies) of the country of issuance; “BB” by Standard & Poor’s (“S&P”) or equivalent rating by any other international rating agencies.

The asset allocation strategy for this Fund is as follows:

- at least 70% of the Fund’s NAV will be invested in Shariah-compliant equities;
- up to 30% of the Fund’s NAV in Sukuk and Islamic deposits; and
- at least 2% of the Fund’s NAV in Islamic liquid assets.

We have appointed Principal Singapore, as the Sub-Manager for the foreign investments of the Fund. The Sub-Manager will be investing and managing these foreign investments in accordance with the investment objective and within the investment restrictions. Nevertheless, we are equally responsible for the investments of the Fund. All costs of this appointment will be borne by us to ensure no additional fee is levied on you.

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

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

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

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

There are no applicable standards, amendments to standards or interpretations that are effective for financial period beginning on/after 1 May 2022 to 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 November 2022 are applicable to the Fund.

(b) Financial assets and financial liabilities

Classification

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

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

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

The contractual cash flows of the Fund’s debt securities are solely principal and interest¹ (“SPPI”). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Classification (continued)

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. Investments in Shariah-compliant collective investment schemes are debt instrument with contractual cash flows that do not represent SPPI and therefore are classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from Manager, amount due from Manager of Shariah-compliant collective investment schemes - management fee rebate and dividends receivable as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

All of the Fund's financial liabilities (excluding the Net Assets Attributable to Unit Holders) 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. 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.

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, the last published price of such unit or share (excluding any sales charge included in such selling price).

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

Foreign Shariah-compliant quoted securities outside Malaysia are valued at the last traded market price quoted on the respective foreign stock exchanges at the close of the business day of the respective foreign stock exchanges.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Recognition and measurement (continued)

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

Shariah-compliant deposits with licensed Islamic financial institutions are stated at cost plus accrued interest calculated on the effective profit 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.

Impairment for assets carried at amortised costs

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Income recognition

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

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

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

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

(d) Foreign currency

Functional and presentation currency

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

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

- i) The Fund’s units are denominated in MYR.
- ii) Significant portion of the cash is denominated in MYR for the purpose of making settlement of foreign trades.
- iii) Significant portion of the Fund’s expenses are denominated in MYR.

Transactions and balances

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

(e) 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 investment with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Taxation

(i) Current taxation

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

Tax on investment income from foreign Shariah-compliant quoted securities is based on the tax regime of the respective countries that the Fund invests in.

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

(ii) Deferred taxation

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amount attributable to assets and liabilities for tax purposes and their carrying amount in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences or unused tax losses can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

(g) Distribution

A distribution to the Fund's unit holders is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the financial period in which it is approved by the Trustee.

(h) Transaction costs

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

(i) Amount due from/to stockbrokers

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Management fee rebate

Management fee rebate represents the Fund's entitlement to management fee rebate derived from the Manager of collective investment scheme on an accrual basis to ensure no double charging of management fee. It is accrued daily based on the fair value of collective investment scheme held.

(k) Unit holders' capital

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

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

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

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

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

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

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

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

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

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund aims to achieve long-term capital appreciation and income while complying with Shariah investment criteria, through investments in the emerging and developed markets of Asia Pacific ex Japan region.

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

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

(a) Market risk

(i) Price risk

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

The price risk is managed through diversification and selection of Shariah-compliant collective investment scheme, Shariah-compliant quoted securities and other financial instruments within specified limits according to the Deeds.

(ii) Interest rate risk

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

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

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

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(iii) Currency risk

Currency risk is associated with Shariah-compliant investments that are quoted and/or priced in foreign currency denomination. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Manager will evaluate the likely directions of a foreign currency versus RM based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

(b) Credit risk

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

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

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

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

(c) Liquidity risk

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

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances, Shariah-compliant deposits with licensed Islamic financial institutions and other instruments, 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 Manager 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 potentials.

(d) Capital risk management

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(e) Fair value estimation**

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

The fair value of financial assets traded in active markets (such as trading securities) 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 Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

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

(i) Fair value hierarchy

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

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

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

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

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.10.2022				
Financial asset at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	23,126,589	-	-	23,126,589
- Shariah-compliant quoted securities - foreign	<u>2,799,285,166</u>	<u>-</u>	<u>-</u>	<u>2,799,285,166</u>
	<u>2,822,411,755</u>	<u>-</u>	<u>-</u>	<u>2,822,411,755</u>
30.04.2022				
Audited				
Financial asset at fair value through profit or loss:				
- Shariah-compliant collective investment schemes	25,444,688	-	-	25,444,688
- Shariah-compliant quoted securities	<u>3,046,278,668</u>	<u>-</u>	<u>-</u>	<u>3,046,278,668</u>
	<u>3,071,723,356</u>	<u>-</u>	<u>-</u>	<u>3,071,723,356</u>

Shariah-compliant investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities and 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 Manager, amount due from Manager of collective investment scheme - management fee rebate, dividends receivable and all current liabilities are a reasonable approximation of their fair values due to their short-term nature.

4. MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to a maximum management fee of 1.85% per annum, calculated daily based on the NAV of the Fund.

For the six months financial period ended 31 October 2022, the management fee is recognised at a rate of 1.80% per annum (31.10.2021: 1.80% per annum).

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

5. TRUSTEE AND CUSTODIAN FEES

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.07% per annum, calculated daily based on the NAV of the Fund. The Trustee's fee includes local custodian fee but excludes the foreign sub-custodian fee, if any.

For the six months financial period ended 31 October 2022, the Trustee fee is recognised at a rate of 0.07% per annum (31.10.2021: 0.07% per annum) while the foreign sub-custodian fee is recognised at NIL (31.10.2021: RM879,026).

There was no further liability to the Trustee and custodian in respect of Trustee and custodian fees other than amounts recognised above.

6. TAXATION

	01.05.2022 to 31.10.2022 RM	01.05.2021 to 31.10.2021 RM
Tax charged for the financial period:		
- Capital gains tax	514,388	4,630,618
- Tax on Foreign source income	6,913,500	-
	7,427,888	4,630,618

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

	01.05.2022 to 31.10.2022 RM	01.05.2021 to 31.10.2021 RM
Loss before taxation	(432,528,612)	(12,138,988)
Taxation at Malaysian statutory rate of 24% (31.10.2021: 24%)	(103,806,867)	(2,913,357)
Tax effects of:		
Income not subject to tax	94,798,778	(6,632,406)
Expenses not deductible for tax purposes	2,111,300	1,934,845
Restriction on tax deductible expenses for Unit Trust Funds	6,896,789	7,610,918
Capital gains tax	514,388	4,630,618
Tax on Foreign source income	6,913,500	-
Taxation	7,427,888	4,630,618

7. DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position.

	31.10.2022	30.04.2022
	RM	Audited RM
Deferred tax liabilities to be settled within 12 months after the reporting period	-	(1,362,345)
	<u>-</u>	<u>(1,362,345)</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.10.2022	30.04.2022
	RM	Audited RM
At fair value through profit or loss:		
- Shariah-compliant collective investment scheme	23,126,589	25,444,688
- Shariah-compliant quoted securities - foreign	2,799,285,166	3,046,278,668
	<u>2,822,411,755</u>	<u>3,071,723,356</u>
	01.05.2022 to 31.10.2022	01.05.2021 to 31.10.2021
	RM	RM
Net loss on financial assets at fair value through profit or loss:		
- Realised (loss)/gain on disposals	(55,419,154)	116,201,823
- Unrealised fair value loss	(398,161,539)	(272,530,254)
- Management fee rebate #	154,888	144,308
	<u>(453,425,805)</u>	<u>(156,184,123)</u>

Management fee rebate is derived from the collective investment schemes held by the Fund on an accrual basis to ensure no double charging of management fee. It is accrued daily based on the fair value of collective investment schemes held.

For the financial period ended 31 October 2022 and 31 October 2021, the rebate is recognised at a rate as per table below, calculated and accrued daily based on the NAV of the collective investment schemes.

	%
Principal Islamic Equity Growth Syariah Fund	1.50
Principal Islamic Asia Pacific Dynamic Income & Growth Fund - USD	0.50
Principal Islamic Global Responsible Equity Fund	0.40

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.10.2022				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME				
INDONESIA				
Principal Islamic Equity Growth Syariah Fund	9,239,261	4,057,664	3,427,440	0.11
TOTAL INDONESIA	9,239,261	4,057,664	3,427,440	0.11
IRELAND				
Principal Islamic Asia Pacific Dynamic Income and Growth Fund - USD Accumulation	346,900	14,363,395	13,607,430	0.45
Principal Islamic Global Responsible Equity Fund	154,000	6,498,030	6,091,719	0.20
TOTAL IRELAND	500,900	20,861,425	19,699,149	0.65
TOTAL SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES	9,740,161	24,919,089	23,126,589	0.76
ACCUMULATED UNREALISED LOSS ON SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS		(1,792,500)		
TOTAL SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS		23,126,589		
SHARIAH-COMPLIANT QUOTED SECURITIES				
AUSTRALIA				
Energy				
Santos Ltd	3,244,333	69,472,389	75,596,106	2.48

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.10.2022 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES				
AUSTRALIA				
Health Care				
CSL Ltd	85,238	74,628,174	72,346,650	2.38
Ramsay Health Care Ltd	141,686	30,225,862	25,112,239	0.82
	<u>226,924</u>	<u>104,854,036</u>	<u>97,458,889</u>	<u>3.20</u>
Materials				
BHP Group Ltd	<u>238,986</u>	<u>33,432,187</u>	<u>27,018,585</u>	<u>0.89</u>
TOTAL AUSTRALIA	<u>3,710,243</u>	<u>207,758,612</u>	<u>200,073,580</u>	<u>6.57</u>
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	<u>1,557,000</u>	<u>153,877,932</u>	<u>57,597,945</u>	<u>1.89</u>
TOTAL CAYMAN ISLANDS	<u>1,557,000</u>	<u>153,877,932</u>	<u>57,597,945</u>	<u>1.89</u>
CHINA				
Consumer Discretionary				
BYD Company Ltd	<u>246,000</u>	<u>34,508,390</u>	<u>26,019,764</u>	<u>0.85</u>
Industrials				
NARI Tech Dev Co Ltd	3,599,076	65,626,750	56,825,797	1.87
Shanghai International Airport	1,620,544	60,327,590	55,976,287	1.84
Shenzhen Inovance Technology Co Ltd	<u>841,827</u>	<u>32,540,586</u>	<u>36,334,014</u>	<u>1.19</u>
	<u>6,061,447</u>	<u>158,494,926</u>	<u>149,136,098</u>	<u>4.90</u>
Information Technology				
LONGi Green Energy Technology -A	<u>1,626,467</u>	<u>65,466,955</u>	<u>50,497,536</u>	<u>1.66</u>
Utilities				
China Yangtze Power Co Ltd	<u>4,216,199</u>	<u>66,348,687</u>	<u>55,274,552</u>	<u>1.82</u>
TOTAL CHINA	<u>12,150,113</u>	<u>324,818,958</u>	<u>280,927,950</u>	<u>9.23</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.10.2022 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
FRANCE				
Consumer Staples				
L'Oreal	19,588	33,081,970	29,291,662	0.96
TOTAL FRANCE	19,588	33,081,970	29,291,662	0.96
HONG KONG, CHINA				
Communication Services				
Tencent Holding Ltd	423,300	143,712,148	52,392,350	1.72
Consumer Discretionary				
Shenzhou International Group	479,400	39,906,370	15,699,775	0.52
Consumer Staples				
China Mengniu Dairy Co. Ltd	3,087,000	68,818,218	46,738,106	1.54
Industrials				
Techtronic Industries Co	832,000	52,205,337	37,239,238	1.22
Information Technology				
Kingboard Laminates Holding Ltd	4,493,500	24,140,931	16,960,895	0.56
Real Estate				
China Resources Land Ltd	2,330,000	45,347,123	34,505,436	1.13
Link REIT	1,113,900	42,768,336	40,896,727	1.14
	3,189,400	76,110,530	58,510,884	1.92
TOTAL HONG KONG, CHINA	12,504,600	404,893,534	227,541,248	7.48
INDIA				
Consumer Discretionary				
Maruti Suzuki India Ltd	93,300	46,639,175	50,757,622	1.67
Titan Co Ltd	433,778	44,360,458	68,398,832	2.25
	527,078	90,999,633	119,156,454	3.92

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.10.2022 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
INDIA (CONTINUED)				
Consumer Staples				
Dabur India Ltd	<u>2,049,945</u>	<u>63,840,237</u>	<u>64,928,666</u>	<u>2.13</u>
Energy				
Reliance Industries Ltd	<u>1,696,606</u>	<u>187,067,356</u>	<u>246,995,566</u>	<u>8.11</u>
Health Care				
Sun Pharma Industries Ltd	<u>844,062</u>	<u>45,837,499</u>	<u>49,010,452</u>	<u>1.61</u>
Industrials				
Container Corporation of India Ltd	<u>2,005,638</u>	<u>67,252,254</u>	<u>91,388,500</u>	<u>3.00</u>
Information Technology				
Tata Consultancy Services Ltd	<u>185,593</u>	<u>25,746,393</u>	<u>33,838,961</u>	<u>1.11</u>
Materials				
Asian Paints Ltd	<u>333,128</u>	<u>55,682,391</u>	<u>59,113,454</u>	<u>1.94</u>
TOTAL INDIA	<u>7,642,050</u>	<u>536,425,763</u>	<u>664,432,053</u>	<u>21.82</u>
INDONESIA				
Communication Services				
Telekomunikasi TBK PT	<u>40,749,100</u>	<u>46,420,773</u>	<u>54,185,341</u>	<u>1.78</u>
TOTAL INDONESIA	<u>40,749,100</u>	<u>46,420,773</u>	<u>54,185,341</u>	<u>1.78</u>
SINGAPORE				
Communication Services				
NetLink NBN Trust	10,664,400	32,360,994	30,462,533	1.00
Communication Services				
Singapore Telecommunications	<u>12,994,600</u>	<u>101,857,883</u>	<u>108,534,148</u>	<u>3.56</u>
	<u>23,659,000</u>	<u>134,218,877</u>	<u>138,996,681</u>	<u>4.56</u>

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.10.2022 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
SINGAPORE (CONTINUED)				
TOTAL SINGAPORE	<u>23,659,000</u>	<u>134,218,877</u>	<u>138,996,681</u>	<u>4.56</u>
SOUTH KOREA				
Information Technology				
Samsung Electronics Co. Ltd	1,364,957	338,954,148	268,880,450	8.83
Samsung Electronics - PFD	947,724	222,756,092	167,518,547	5.50
SK Hynix Inc	<u>576,645</u>	<u>232,227,535</u>	<u>158,149,510</u>	<u>5.19</u>
	<u>2,889,326</u>	<u>793,937,775</u>	<u>594,548,507</u>	<u>19.52</u>
Materials				
LG Chem Ltd	<u>27,847</u>	<u>76,584,394</u>	<u>57,810,478</u>	<u>1.90</u>
TOTAL SOUTH KOREA	<u>2,917,173</u>	<u>870,522,169</u>	<u>652,358,985</u>	<u>21.42</u>
TAIWAN				
Industrials				
AirTac International Group	<u>206,150</u>	<u>24,641,115</u>	<u>25,460,350</u>	<u>0.71</u>
Information Technology				
E Ink Holding Inc	1,567,000	48,919,733	47,143,508	1.55
MediaTek Inc.	384,000	43,006,652	33,168,384	1.09
Taiwan Semiconductor Manufacturing	<u>1,215,000</u>	<u>68,657,596</u>	<u>69,371,640</u>	<u>2.28</u>
	<u>3,166,000</u>	<u>60,583,981</u>	<u>149,683,532</u>	<u>4.92</u>
TOTAL TAIWAN	<u>3,166,000</u>	<u>160,583,981</u>	<u>149,683,532</u>	<u>4.92</u>
THAILAND				
Health Care				
Bangkok Dusit Medical Service -NVDR	<u>21,700,300</u>	<u>67,126,953</u>	<u>79,429,630</u>	<u>2.61</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.10.2022				
(CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
THAILAND				
Industrials				
Airports Of Thailand - NVDR	<u>8,512,900</u>	<u>72,605,188</u>	<u>78,163,507</u>	<u>2.57</u>
TOTAL THAILAND	<u>30,213,200</u>	<u>139,732,141</u>	<u>157,593,137</u>	<u>5.18</u>
UNITED KINGDOM				
Energy				
Shell PLC	<u>834,757</u>	<u>98,950,635</u>	<u>109,671,213</u>	<u>3.60</u>
TOTAL UNITED KINGDOM	<u>834,757</u>	<u>98,950,635</u>	<u>109,671,213</u>	<u>3.60</u>
UNITED STATES				
Materials				
LINDE PLC	<u>54,745</u>	<u>71,142,992</u>	<u>76,931,840</u>	<u>2.53</u>
TOTAL UNITED STATES	<u>54,745</u>	<u>71,142,992</u>	<u>76,931,840</u>	<u>2.53</u>
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	<u>139,177,569</u>	<u>3,182,428,337</u>	<u>2,799,285,166</u>	<u>91.94</u>
ACCUMULATED UNREALISED LOSS ON SHARIAH-COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(383,143,171)</u>		
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>2,799,285,166</u>		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.04.2022				
Audited				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME				
INDONESIA				
Principal Islamic Equity Growth Syariah Fund	9,239,261	4,057,664	3,479,104	0.10
TOTAL INDONESIA	9,239,261	4,057,664	3,479,104	0.10
IRELAND				
Principal Islamic Asia Pacific Dynamic Income and Growth Fund - USD I Accumulation	346,900	14,363,395	15,565,098	0.46
Principal Islamic Global Responsible Equity Fund - USD I Accumulation	154,000	6,498,030	6,400,486	0.19
TOTAL IRELAND	500,900	20,861,425	21,965,584	0.65
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEMES	9,740,161	24,919,089	25,444,688	0.75
ACCUMULATED UNREALISED GAIN ON SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS		525,599		
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS		25,444,688		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.04.2022 (CONTINUED)				
Audited (Continued)				
SHARIAH-COMPLIANT				
QUOTED SECURITIES				
(CONTINUED)				
AUSTRALIA				
Energy				
Santos Ltd	3,244,333	69,472,389	80,877,328	2.42
Health Care				
CSL Ltd	85,238	74,628,174	72,591,249	2.17
	339,228	72,367,479	85,738,816	2.56
	424,466	146,995,653	158,330,065	4.73
Materials				
OZ Minerals Ltd	436,466	33,322,732	34,001,793	1.02
TOTAL AUSTRALIA	4,105,265	249,790,774	273,209,186	8.17
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	1,557,000	153,877,932	88,180,493	2.64
TOTAL CAYMAN ISLANDS	1,557,000	153,877,932	88,180,493	2.64
CHINA				
Consumer Discretionary				
BYD Co Ltd	562,500	78,906,380	73,574,021	2.20
Health Care				
WuXi AppTec Co Ltd	498,900	33,410,996	30,164,642	0.90
Industrials				
Shenzhen Inovance Technology Co	1,179,127	45,578,823	44,802,141	1.34
Materials				
Yunnan Energy New Material Co	307,973	53,170,833	41,158,930	1.23

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.04.2022 (CONTINUED)				
Audited (Continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
CHINA (CONTINUED)				
TOTAL CHINA	2,548,500	211,067,032	189,699,734	5.67
FRANCE				
Consumer Staples				
L'Oreal	19,588	33,081,970	31,454,650	0.94
TOTAL FRANCE	19,588	33,081,970	31,454,650	0.94
HONG KONG, CHINA				
Communication Services				
Tencent Holding Ltd	423,300	143,712,148	88,615,222	2.65
Consumer Discretionary				
Brilliance China Automotive Holdings Ltd #	3,788,000	14,376,147	13,825,920	0.41
Shenzhou International Group	1,065,700	88,711,345	64,375,559	1.92
Xinyi Glass Holding Co. Ltd	2,980,000	34,819,725	29,192,086	0.87
	7,833,700	137,907,217	107,393,565	3.20
Consumer Staples				
China Mengniu Dairy Co. Ltd	2,446,000	56,183,963	57,799,518	1.73
Industrials				
Techtronic Industries Co	832,000	52,205,337	49,104,707	1.47
Information Technology				
Kingboard Laminates Holding Ltd	4,493,500	24,140,931	30,409,042	0.91
Real Estate				
Link REIT	2,332,400	83,491,471	88,106,573	2.63
TOTAL HONG KONG, CHINA	18,360,900	497,641,067	421,428,627	12.59

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.04.2022 (CONTINUED)				
Audited (Continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
INDIA				
Consumer Discretionary				
Titan Co Ltd	383,428	30,186,117	53,630,680	1.60
Consumer Staples				
Dabur India Ltd	1,051,332	32,660,870	33,302,234	0.99
Energy				
Reliance Industries Ltd	1,404,650	136,826,807	223,009,573	6.66
Health Care				
Apollo Hospitals Enterprise Ltd	123,469	15,546,145	31,293,529	0.93
Industrials				
Container Corporation of India Ltd	2,005,638	67,252,254	73,767,687	2.20
Information Technology				
Tata Consultancy Services Ltd	185,593	25,746,393	37,454,009	1.12
Materials				
Asian Paints Ltd	198,779	29,756,686	36,614,432	1.10
Ultra Tech Cement Ltd	94,086	39,186,340	35,495,000	1.06
	292,865	68,943,026	72,109,432	2.16
TOTAL INDIA	5,446,975	377,161,612	524,567,144	15.66
INDONESIA				
Communication Services				
Telekomunikasi TBK PT	40,749,100	46,420,773	56,572,383	1.69
TOTAL INDONESIA	40,749,100	46,420,773	56,572,383	1.69

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.04.2022 (CONTINUED)				
Audited (Continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
SINGAPORE				
Communication Services				
NetLink NBN Trust Singapore Telecommunications	11,921,300	36,024,914	37,547,326	1.12
	<u>12,994,600</u>	<u>101,857,883</u>	<u>113,369,984</u>	<u>3.39</u>
	<u>24,915,900</u>	<u>137,882,797</u>	<u>150,917,310</u>	<u>4.51</u>
TOTAL SINGAPORE	<u>24,915,900</u>	<u>137,882,797</u>	<u>150,917,310</u>	<u>4.51</u>
SOUTH KOREA				
Information Technology				
Samsung Electronics Co. Ltd	1,196,806	307,669,548	278,978,949	8.33
Samsung Electronics-PFD	783,469	191,443,034	160,680,913	4.80
SK Hynix Inc	<u>298,829</u>	<u>129,827,090</u>	<u>116,268,761</u>	<u>3.47</u>
Materials				
LG Chem Ltd	<u>27,847</u>	<u>76,584,394</u>	<u>49,984,293</u>	<u>1.49</u>
TOTAL SOUTH KOREA	<u>2,306,951</u>	<u>705,524,066</u>	<u>605,912,916</u>	<u>18.09</u>
TAIWAN				
Industrials				
AirTac International Group	<u>206,150</u>	<u>24,641,115</u>	<u>24,740,804</u>	<u>0.74</u>
Information Technology				
MediaTek Inc.	384,000	43,006,652	47,106,816	1.41
Taiwan Semiconductor Manufacturing	<u>3,968,000</u>	<u>224,224,973</u>	<u>315,521,075</u>	<u>9.43</u>
	<u>4,352,000</u>	<u>267,231,625</u>	<u>362,627,891</u>	<u>10.84</u>
TOTAL TAIWAN	<u>4,558,150</u>	<u>291,872,740</u>	<u>387,368,695</u>	<u>11.58</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.04.2022				
(CONTINUED)				
Audited (Continued)				
SHARIAH-COMPLIANT				
QUOTED SECURITIES				
(CONTINUED)				
THAILAND				
Health Care				
Bangkok Dusit Medical Service -NVDR	<u>21,700,300</u>	<u>67,126,953</u>	<u>71,042,518</u>	<u>2.12</u>
Industrials				
Airports Of Thailand - NVDR	<u>8,512,900</u>	<u>72,605,188</u>	<u>72,244,398</u>	<u>2.16</u>
TOTAL THAILAND	<u>30,213,200</u>	<u>139,732,141</u>	<u>143,286,916</u>	<u>4.28</u>
UNITED STATES				
Communication Services				
Alphabet Inc-CI A	<u>5,748</u>	<u>67,533,708</u>	<u>57,089,658</u>	<u>1.71</u>
Information Technology				
Nvidia Corp	<u>52,364</u>	<u>50,848,795</u>	<u>42,266,411</u>	<u>1.26</u>
Materials				
LINDE PLC	<u>54,745</u>	<u>71,142,992</u>	<u>74,324,545</u>	<u>2.22</u>
TOTAL UNITED STATES	<u>112,857</u>	<u>189,525,495</u>	<u>173,680,614</u>	<u>5.19</u>
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	<u>134,894,386</u>	<u>3,033,578,399</u>	<u>3,046,278,668</u>	<u>91.01</u>
ACCUMULATED UNREALISED GAIN ON SHARIAH- COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>12,700,269</u>		
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>3,046,278,668</u>		

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

- ¹ A-shares trade on the two Chinese stock exchanges, the Shanghai Stock Exchange and the Shenzhen Stock Exchange. A-shares are shares of mainland China-based companies and are available for purchase to selected foreign institutions through the Qualified Foreign Institutional Investor (“QFII”) system.
- ² NVDR, or non-voting depository receipt, is a trading instrument issued by Thai NVDR Company Limited, a subsidiary wholly owned by the Stock Exchange of Thailand (“SET”). It is a valid security as specified by the United States Securities and Exchange Commission (“SEC”) and is automatically regarded as a listed security by the SET. The underlying security is a listed security in the SET.
- # The stock has been reclassified as Shariah non-compliant effective on 25 March 2022 and has been fully disposed on 23 June 2022.

9. CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)

	31.10.2022	30.04.2022
	RM	Audited RM
Shariah-compliant deposits with licensed Islamic financial institutions	58,675,099	49,558,159
Bank balances	171,308,979	241,995,013
	<u>229,984,078</u>	<u>291,553,172</u>

10. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

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

	01.05.2022 to 31.10.2022	01.05.2021 to 31.10.2021
	RM	RM
Unit holders’ capital	3,277,321,997	2,983,484,992
(Accumulated losses)/Retained earnings	<u>(232,825,467)</u>	<u>601,972,294</u>
	<u>3,044,496,530</u>	<u>3,585,457,286</u>

	Note	Unit holders’ capital RM	(Accumulated losses)/ Retained earnings RM	Total RM
Balance as at 1 May 2022		3,140,552,391	207,131,033	3,347,683,424
Movement in unit holders’ contributions:				
- Creation of units from applications		335,426,613	-	335,426,613
- Cancellation of units		(198,657,007)	-	(198,657,007)
Total comprehensive loss for the financial period		-	<u>(439,956,500)</u>	<u>(439,956,500)</u>
Balance as at 31 October 2022		<u>3,277,321,997</u>	<u>(232,825,467)</u>	<u>3,044,496,530</u>

10. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS (CONTINUED)

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

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
Balance as at 1 May 2021		2,696,763,032	618,741,900	3,315,504,932
Movement in unit holders' contributions:				
- Creation of units from applications		576,424,356	-	576,424,356
- Cancellation of units		(289,702,396)	-	(289,702,396)
Total comprehensive income for the financial period		-	(16,769,606)	(16,769,606)
Balance as at 31 October 2021		<u>2,983,484,992</u>	<u>601,972,294</u>	<u>3,585,457,286</u>

11. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.05.2022 to 31.10.2022	01.05.2021 to 30.04.2022 Audited
	RM	RM
At the beginning of the financial period/year	5,221,200,067	4,583,597,756
Add: Creation of units from applications	569,833,260	1,397,585,221
Add: Creation of units from distributions	-	79,256,646
Less: Cancellation of units	(336,707,869)	(839,239,556)
At the end of the financial period/year	<u>5,454,325,458</u>	<u>5,221,200,067</u>

12. TOTAL EXPENSE RATIO ("TER")

	01.05.2022 to 31.10.2022	01.05.2021 to 31.10.2021
	%	%
TER	<u>0.94</u>	<u>0.96</u>

TER is derived from the following calculation:

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

A	=	Management fee (exclude rebate)
B	=	Trustee and custodian fees
C	=	Audit fee
D	=	Tax agent's fee
E	=	Other expenses excluding CDS transfer fee and 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 was RM3,169,098,845 (31.10.2021: RM3,495,299,289).

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.05.2022 to 31.10.2022	01.05.2021 to 31.10.2021
PTR (times)	0.31	0.38

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 = RM1,082,921,466 (31.10.2021: RM1,487,334,367)
 total disposal for the financial period = RM878,652,374 (31.10.2021: RM1,189,447,576)

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

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

<u>Related parties</u>	<u>Relationship</u>
Principal Asset Management Berhad	The Manager
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the Manager
Principal International (Asia) Ltd	Shareholder of the Manager
Subsidiaries and associates of Principal Financial Group Inc., other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the Manager
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the Manager
CIMB Group Sdn Bhd	Shareholder of the Manager
PT Principal Asset Management	Subsidiary of the Manager
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the Manager
Principal Islamic Asset Management Sdn Bhd	Fellow related party to the Manager
Principal Asset Management (S) Pte Ltd	Investment Adviser of the Fund
CGS-CIMB Securities (Singapore) Pte Ltd	Fellow related party to the Manager
CIMB Islamic Bank Bhd	Fellow related party to the Manager
CIMB Investment Bank Bhd	Fellow related party to the Manager

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

Units held by the Manager and parties related to the Manager

	31.10.2022		30.04.2022	
	No. of units	RM	No. of units	Audited RM
Manager				
Principal Asset Management Berhad	341,358	190,512	871,092	558,457

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

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

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

	01.05.2022 to 31.10.2022 RM	01.05.2021 to 31.10.2021 RM
<u>Significant related party transactions</u>		
Profit income from Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	63,128	63,128
	31.10.2022	30.04.2022
	RM	Audited RM
<u>Significant related party balances</u>		
Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	-	67,256
<u>Management fee rebate</u>		
- Principal Islamic Asset Management (Ireland) PLC	74,257	10,737
- PT Principal Asset Management	80,631	22,131
	154,888	32,868
<u>Shariah-compliant collective investment scheme:</u>		
- Principal Islamic Equity Growth Syariah Fund	3,427,440	3,479,104
- Principal Islamic Asia Pacific Dynamic Income and Growth Fund - USD I Accumulation	13,607,430	15,565,098
- Principal Islamic Global Responsible Equity Fund USD I Accumulation	6,091,719	6,400,486
	23,126,589	25,444,688

15. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for six months financial period ended 31 October 2022 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	341,185,804	17.39	129,114	8.11
Citigroup Global Markets Ltd	307,368,629	15.67	272,136	17.09
Jefferies International Ltd	286,211,910	14.59	140,345	8.81
Credit Suisse (HK) Ltd	277,338,746	14.14	263,622	16.56
J.P. Morgan Securities LLC	261,862,288	13.35	129,841	8.15
Macquarie Securities AU Ltd	156,689,852	7.99	170,121	10.68
JP Morgan Securities (Asia Pacific)	85,162,101	4.34	213,243	13.39
DBS Vickers Sec (SG) Pte Ltd	81,653,390	4.16	122,480	7.69
Sanford C Bernstein & Co LLC	77,446,941	3.95	73,930	4.64
Instinet Pacific Limited	37,757,663	1.92	18,879	1.19
Others #	48,896,515	2.50	58,490	3.69
	<u>1,961,573,839</u>	<u>100.00</u>	<u>1,592,201</u>	<u>100.00</u>

Details of transactions with the top 10 brokers for six months financial period ended 31 October 2021 were as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
J.P. Morgan Securities LLC	704,487,953	26.32	227,727	9.82
Citigroup Global Markets Ltd	702,235,468	26.23	469,745	20.25
Macquarie Capital (Australia) Pte Ltd	277,868,313	10.38	203,561	8.78
CLSA Securities M Sdn Bhd	216,368,164	8.08	81,282	3.50
UBS Securities Asia Ltd	162,470,186	6.07	216,040	9.31
DBS Vickers Sec (SG) Pte Ltd	153,471,682	5.73	230,208	9.92
Credit Suisse (Hong Kong) Ltd	142,182,775	5.31	247,659	10.68
Instinet Pacific Ltd	97,017,951	3.62	126,147	5.44
CLSA Ltd	56,921,060	2.13	165,217	7.12
J.P. Morgan Securities (Asia Pacific) Ltd	36,928,504	1.38	129,250	5.57
Others #	126,829,887	4.74	222,688	9.60
	<u>2,676,781,943</u>	<u>100.00</u>	<u>2,319,524</u>	<u>100.00</u>

Included in the transactions are trades conducted with CGS-CIMB Securities Pte Ltd fellow related parties to the Manager amounting to RM 1,076,899 (31.10.2021: RM5,903,010). The Manager is of the opinion that all transactions with the related parties have been entered into in the normal course of business at agreed terms between the related parties.

16. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

The COVID-19 pandemic, with its related lockdowns and movement restrictions, together with geopolitical tensions and heightened inflationary environment globally have had, and will continue to have, a significant impact on global economic conditions and the environment which the Fund operates.

The Manager continues to closely monitor the macroeconomic outlook affected by these factors and their impact to the Fund's performance and will be managing the risks to achieve the Fund's objective.

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