

CIMB-Principal Global Technology Fund

Annual Report

For The Financial Period From 17 May 2018 (Date Of Launch) To 31 July 2019

CIMB-PRINCIPAL GLOBAL TECHNOLOGY FUND

ANNUAL REPORT

**FOR THE FINANCIAL PERIOD FROM 17 MAY 2018 (DATE OF LAUNCH)
TO 31 JULY 2019**

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INVESTORS' LETTER

Dear Valued Investors,

We have recently announced through the media our collaboration with the Employee Provident Fund ("EPF") that consumers can now invest in our Unit Trust Funds at 0% sales fee*, as part of our offering for the EPF's newly launched i-Invest online platform within the i-Akaun (Member) portal facility.

The online facility enables EPF i-Akaun members to invest in Unit Trust Funds using their EPF savings without needing to complete and submit physical forms and enables them to perform various transactions including purchase, redeem and switch funds - anytime, anywhere.

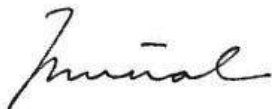
In today's era of dynamic change, there is a growing need to accommodate the emergence of more tech savvy investors. We're glad to have the opportunity to partner with the EPF and are excited to bring our global experience and expertise to make saving for retirement faster and easier for those who prefer to manage their money, their way. The Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) ("Principal Malaysia") online platform is just one more tool we offer to help you save enough and have enough in retirement and complements our other methods of investing. To find out more on how you can maximise your retirement savings, please visit www.principal.com.my.

As of July 2019, our Assets under Management ("AUM") stood at RM56.5 billion. Going forward we will be launching a new global Fund with a unique combination that will help cushion the impact of any unforeseen eventualities. We look forward to introducing it to you.

Thank you for your continuous support and allowing us to help you achieve your financial goals and live your best life.

Thank you.

Yours faithfully,
for **Principal Asset Management Berhad**
(*formerly known as CIMB-Principal Asset Management Berhad*)



Munirah Khairuddin
Chief Executive Officer

*The 0% sales fee is subject to change

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to provide capital appreciation through investments in one collective investment scheme, which invests primarily in a diversified portfolio of technology related companies.

Has the Fund achieved its objective?

For the financial period under review, the Fund has performed in line with its objective as stated under the Fund Performance section.

What are the Fund investment policy and principal investment strategy?

The Fund is a feeder fund and it invests in a single collective investment scheme, i.e. Franklin Technology Fund ("Target Fund"). The Fund may also invest in liquid asset for liquidity purpose.

In order to achieve its investment objective, the Fund will invest at least 95% of its Net Asset Value ("NAV") in the Target Fund; a portfolio established on 4 March 2000 under the Franklin Templeton Investment Funds. The Fund will also maintain up to 5% of its NAV in liquid assets for liquidity purposes.

Information on the Target Fund:

Company	:	Franklin Templeton Investment Funds
Management Company	:	Franklin Templeton International Services S.à r.l.
Management Company	:	AllianceBernstein (Luxembourg) S.à r.l.
Regulatory authority	:	Commission de Surveillance du Secteur Financier

Base Currency

United States Dollar ("USD")

Fund category/type

Feeder fund/Growth

How long should you invest for?

Medium term to long term

Indication of short-term risk (low, moderate, high)

High

When was the Fund launched?

Class AUD-Hedged ("AUD-H"), GBP-Hedged ("GBP-H"), MYR-Hedged ("MYR-H"), SGD-Hedged ("SGD-H") & Class USD

17 May 2018

What was the size of the Fund as at 31 July 2019?

USD65.28 million (182.79 million units)

What is the Fund's benchmark?

The Fund adheres to the benchmark of the Target Fund for performance comparison. Benchmark of the Target Fund is MSCI World Information Technology Index.

FUND OBJECTIVE AND POLICY (CONTINUED)

What is the Fund distribution policy?

Given the Fund's investment objective, the Class of the Fund is not expected to pay any distribution. Distributions, if any, are at the discretion of the Manager and will vary from period to period depending on the availability of realised income for distribution and performance of the Fund.

What was the net income distribution for financial period from 17 May 2018 (date of launch) to 31 July 2019?

There was no distribution made for the financial period from 17 May 2018 (date of launch) to 31 July 2019.

PERFORMANCE DATA

Details of portfolio composition of the Fund for the financial period are as follows:

	31.07.2019
	%
Collective investment scheme	90.16
Cash and other net assets	9.84
	<u>100.00</u>

Performance details of the Fund for the financial period are as follows:

	31.07.2019
NAV (USD Million)	
- Class AUD-H	8.59
- Class GBP-H	3.04
- Class MYR-H	42.82
- Class SGD-H	4.94
- Class USD	5.90
Units in circulation (Million)	
- Class AUD-H	11.22
- Class GBP-H	2.28
- Class MYR-H	157.92
- Class SGD-H	6.12
- Class USD	5.24
NAV per unit (USD)	
- Class AUD-H	0.7654
- Class GBP-H	1.3350
- Class MYR-H	0.2711
- Class SGD-H	0.8072
- Class USD	1.1242

PERFORMANCE DATA (CONTINUED)

Performance details of the Fund for the last three financial periods are as follows (continued):

	17.05.2018 (date of launch) to 31.07.2019
Highest NAV per unit (USD)	
- Class AUD-H	0.7934
- Class GBP-H	1.3846
- Class MYR-H	0.2810
- Class SGD-H	0.8369
- Class USD	1.1655
Lowest NAV per unit (USD)	
- Class AUD-H	0.5495
- Class GBP-H	0.9666
- Class MYR-H	0.1936
- Class SGD-H	0.5802
- Class USD	0.8000
Total return (%)	
- Class AUD-H	1.81
- Class GBP-H	(1.14)
- Class MYR-H	7.56
- Class SGD-H	8.34
- Class USD	12.42
- Capital growth (%)	
- Class AUD-H	1.81
- Class GBP-H	(1.14)
- Class MYR-H	7.56
- Class SGD-H	8.34
- Class USD	12.42
- Income distribution (%)	
- Class AUD-H	-
- Class GBP-H	-
- Class MYR-H	-
- Class SGD-H	-
- Class USD	-
Management Expense Ratio ("MER") (%) ^	1.38
Portfolio Turnover Ratio ("PTR") (times) #	0.72

^ For the financial period under review, the Fund's MER was 1.38%.

For the financial period under review, the Fund's PTR was 0.72 times due to investment activities on the back of inflow of creations.

PERFORMANCE DATA (CONTINUED)

	Since inception to 31.07.2019 %
Annual total return	
- Class AUD-H	1.81
- Class GBP-H	(1.14)
- Class MYR-H	7.56
- Class SGD-H	8.34
- Class USD	12.42
(Launch date: 17 May 2018)	

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 (17 MAY 2018 (DATE OF LAUNCH) TO 31 JULY 2019)

US equities ascended through mid-May 2018 on strong first quarter of 2018 corporate earnings growth, then lost momentum as geopolitical and trade relation news flow negatively affected investor sentiment. The information technology (“IT”) sector rallied solidly, finishing in first place amongst the 11 major equity sectors. For the month of May 2018, the Fund’s A (acc) USD shares returned 6.13%, and its benchmark, the MSCI World Information Technology Index, returned 6.37%.

The intensifying trade tensions and their potential to slow global economic growth generally weighed on global equity market sentiment further in June 2018. Furthermore, concerns arose that the synchronised global growth story might be coming to an end as the US economy looked resilient, while pockets of Europe, Asia and Latin America faced various challenges.

Throughout the third quarter of 2018, the US stock market’s positive performance increasingly separated itself from the rest of the world. IT stocks experienced heightened trading volatility but still performed better than 7 out of 10 other equity sectors.

However, global equity markets experienced a widespread rout and heightened volatility in October 2018. They were weighed down by persisting trade tensions, USD strength and higher interest rates that contributed to rising US bond yields. Technology stocks led October 2018’s steep selloff, which quickly spread to other sectors. Overall, the IT sector fared worse than 6 out of 10 other major equity sectors amidst investor unease with what some would characterise as sky-high valuations, plus signs of rising costs and/or slowing revenue growth at certain companies, including select IT bellwethers. For the month, the Fund’s A (acc) USD shares returned -11.11%, and its benchmark, the MSCI World Information Technology Index, returned -8.68%.

Global equity markets suffered sharp volatility and a widespread rout in the final quarter of 2018. Concerns about the US-China trade dispute, the pace of US interest-rate hikes and signs of slowing global economic growth weighed on sentiment. Amidst double-digit average percentage declines, many IT stocks fell into bear market territory, while the sector as a whole fared worse than all others except energy and industrials.

Fortunately, global stock markets performed strongly in the beginning of the year amidst receding volatility. This was bolstered by widespread advances in January 2019. Mostly positive signals around US-China trade talks and the US Federal Reserve’s (the “Fed”) shift to a more patient approach to interest rate hikes supported equities. Stock performance was mixed across regions in February 2019 and March 2019 as global growth expectations moderated. In general, the IT sector rallied sharply and outperformed all 10 other major equity sectors.

MARKET REVIEW (17 MAY 2018 (DATE OF LAUNCH) TO 31 JULY 2019) (CONTINUED)

The global equity market overall advanced in April 2019, as measured by MSCI indices in USD terms, supported by the accommodative policies of major Central Banks and better-than-expected economic data from the United States, China and the Eurozone. Additionally, corporate earnings reports from certain sectors were perceived favorably. IT stocks were amongst the equity market’s leaders and many rose to new record highs in April 2019, continuing the strong momentum we saw in the first quarter.

In May 2019, deteriorating trade relations between the US and some of its major partners drove heightened market volatility. Concerns that escalating tariffs were already dampening global economic growth also affected investor sentiment. Following four months of strong upward momentum, IT sector stocks posted larger-than-average May 2019 losses and fared worse than 9 out of 10 other major equity sectors.

Although trade relations drove heightened market volatility throughout the period and contributed to a selloff in May 2019, new signs that the US and China could resolve their trade dispute helped stock markets in late June 2019. Buffeted by shifts in trade and regulatory policies as well as interest-rate projections, IT stock performance has varied widely from company to company this year, though year-to-date (“YTD”) the group still climbed faster than the broader market and outperformed 9 out of 10 other major equity sectors over the April 2019 to June 2019 span.

In July 2019, the monetary policy boosted investor sentiment as key Central Banks in developed and Emerging Markets (“EM”) cut interest rates or indicated a readiness to do so if needed to support global growth momentum. However, many markets were restrained by concerns about US trade policy. As 7 of the 11 major equity sectors traded higher, communication services and IT stocks were the standout performers.

FUND PERFORMANCE

1 year to 31.07.2019

	Class AUD-H	Class GBP-H	Class MYR-H	Class SGD-H	Class USD
	%	%	%	%	%
Income	-	-	-	-	-
Capital	5.13	4.71	12.92	12.71	15.27
Total Return	5.13	4.71	12.92	12.71	15.27
Benchmark	14.16	14.16	14.16	14.16	14.16
Average Total Return	5.13	4.71	12.92	12.71	15.27

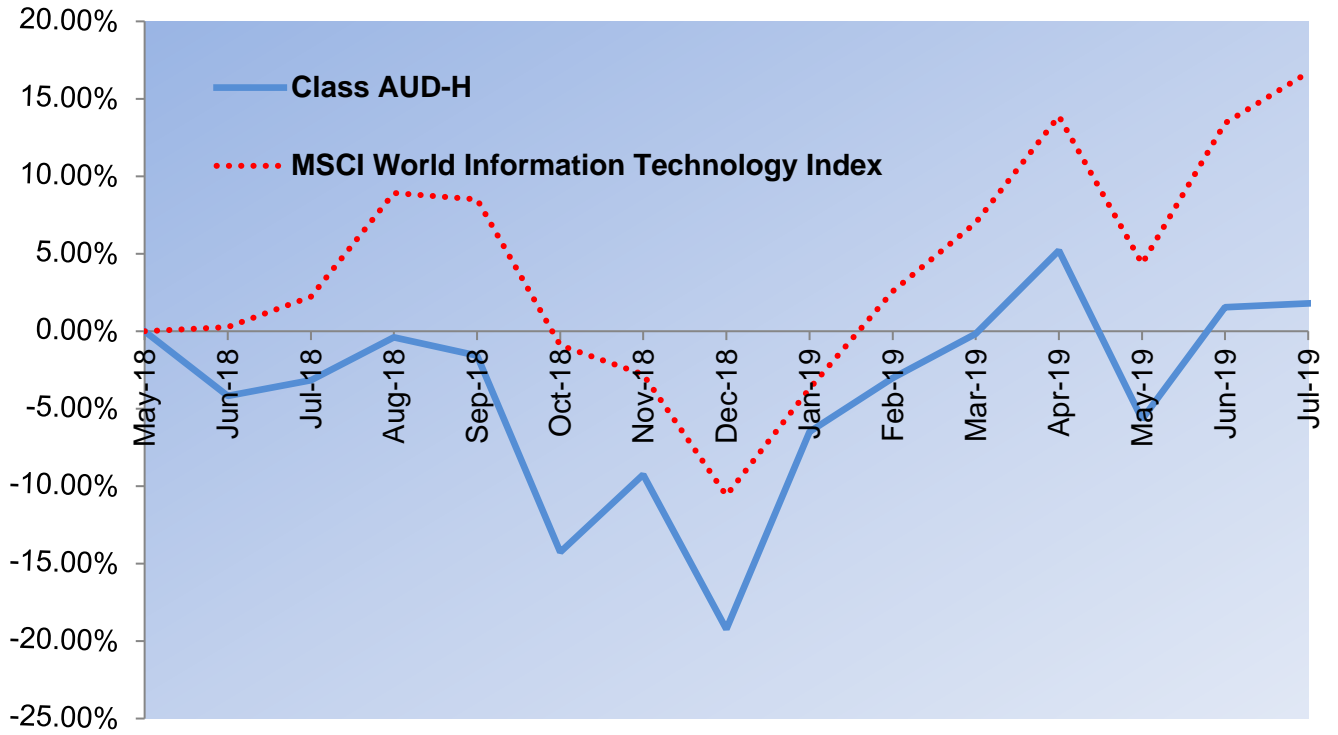
Since inception to 31.07.2019

	Class AUD-H	Class GBP-H	Class MYR-H	Class SGD-H	Class USD
	%	%	%	%	%
Income	-	-	-	-	-
Capital	1.81	(1.14)	7.56	8.34	12.42
Total Return	1.81	(1.14)	7.56	8.34	12.42
Benchmark	16.70	16.70	16.70	16.70	16.70
Average Total Return	2.19	(1.37)	9.21	10.16	15.19

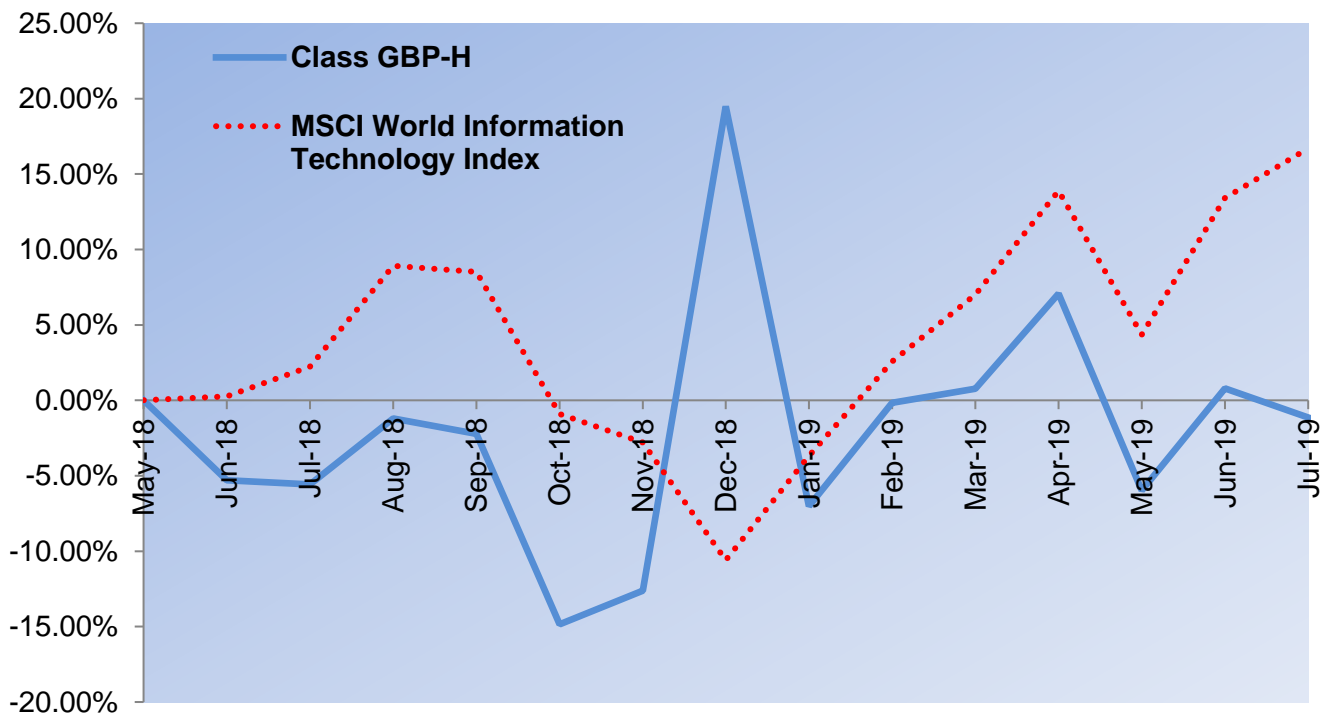
Since inception, Class AUD-H, Class MYR-H, Class SGD-H and Class USD have increased by 1.81%, 7.56%, 8.34% and 12.42% respectively. However, Class GBP declined by 1.14%. Meanwhile, the benchmark has increased by 16.70% within the same reporting period.

FUND PERFORMANCE (CONTINUED)

Class AUD-H

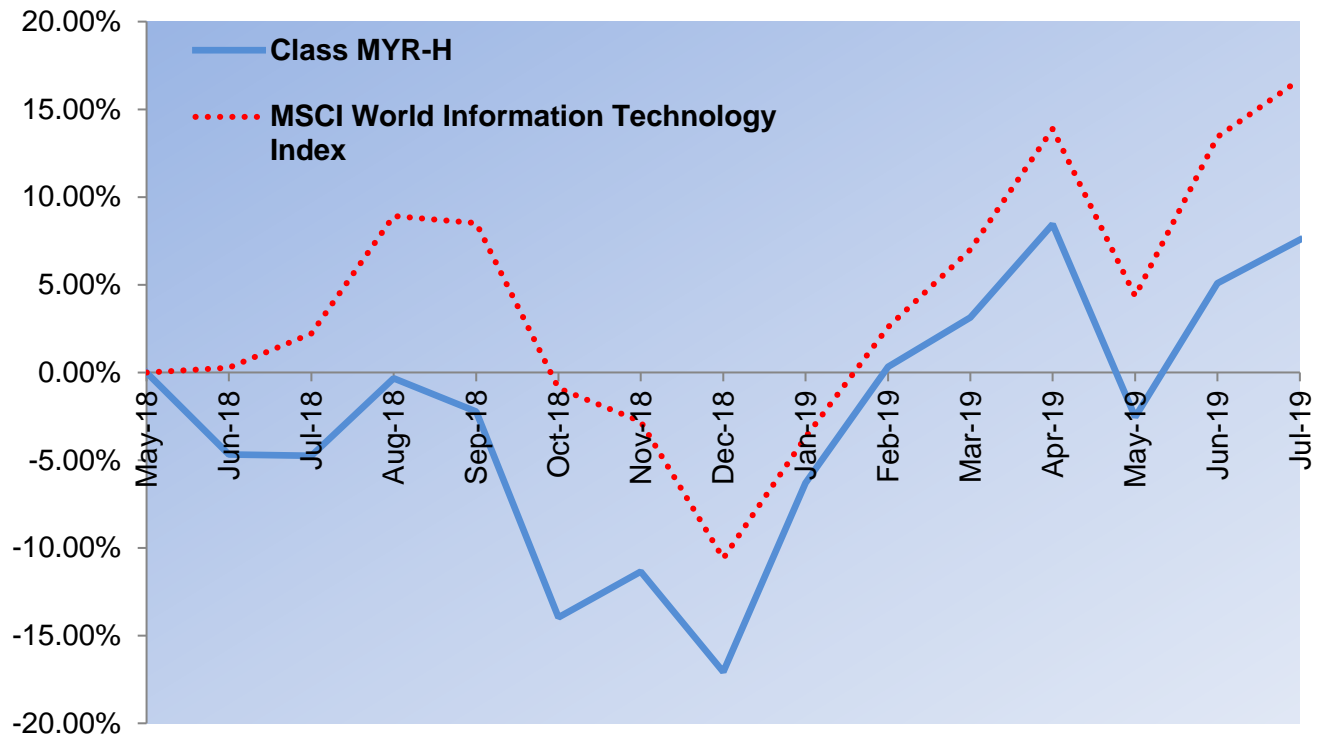


Class GBP-H

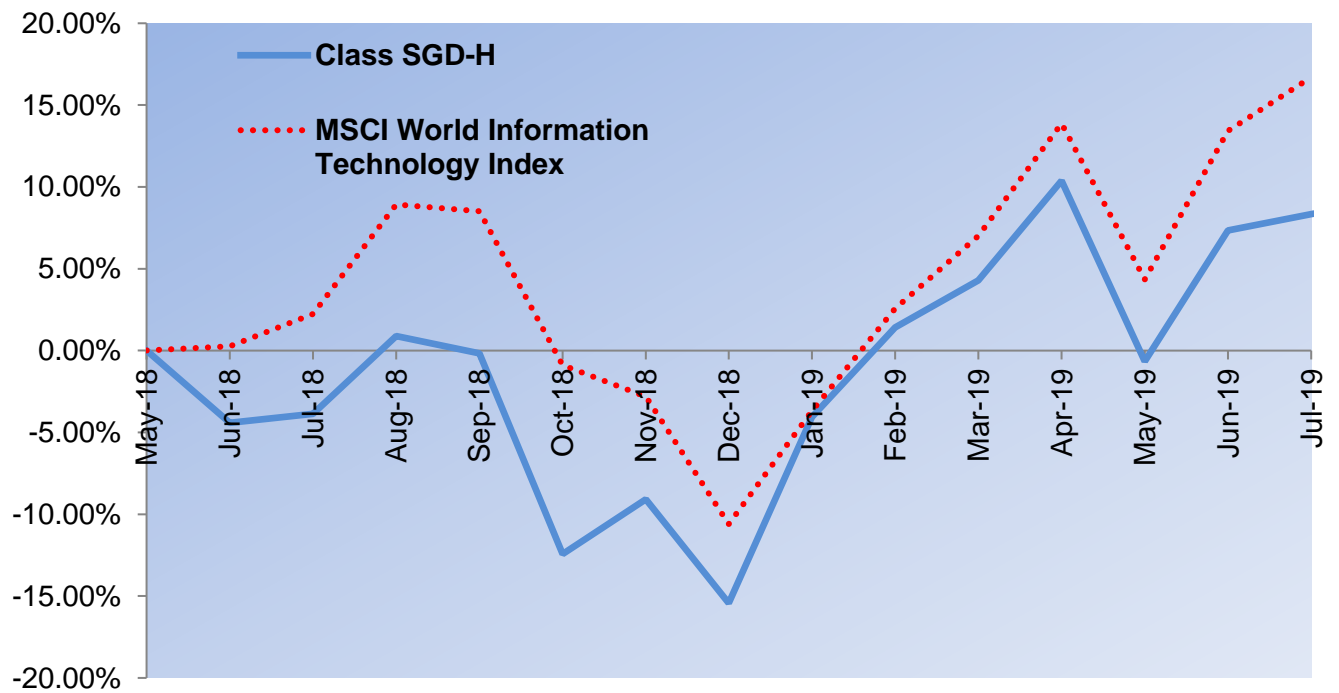


FUND PERFORMANCE (CONTINUED)

Class MYR-H

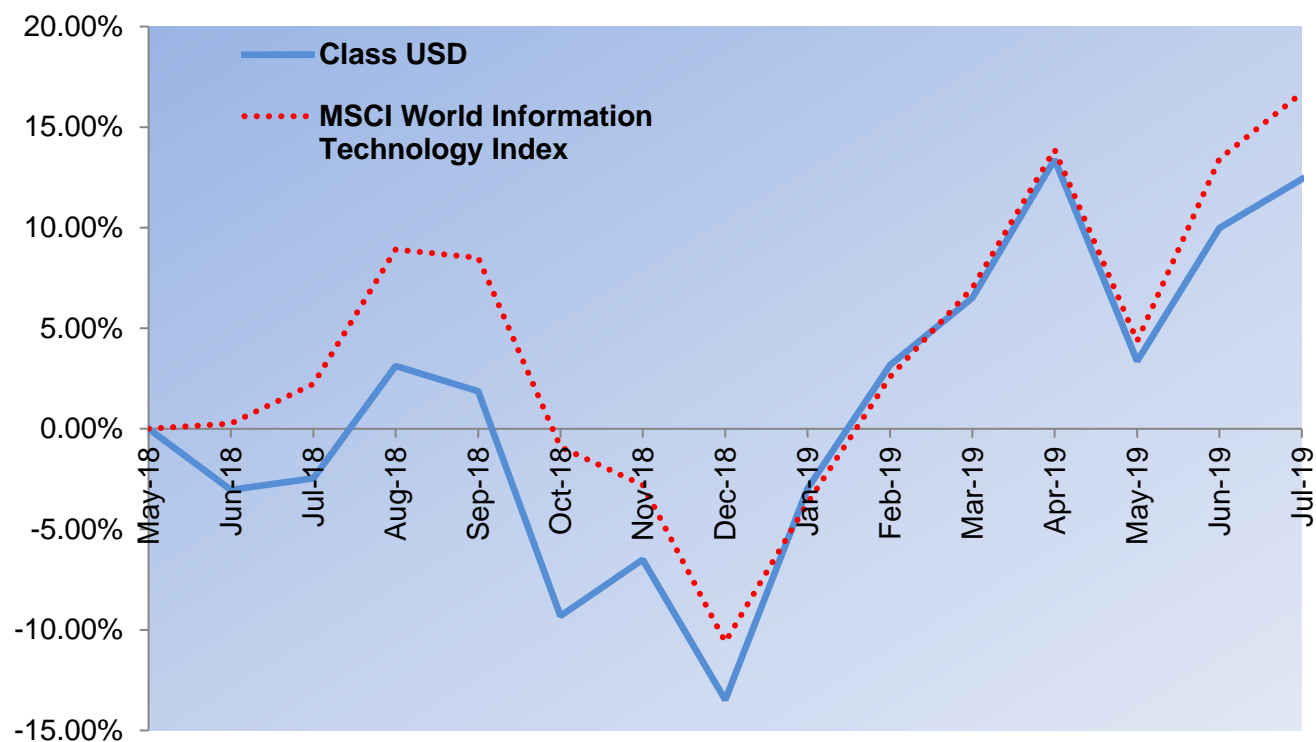


Class SGD-H



FUND PERFORMANCE (CONTINUED)

Class USD



Changes in NAV

CLASS AUD-H

31.07.2019

NAV (USD Million)

8.59

NAV/Unit (USD)

0.7654

CLASS GBP-H

31.07.2019

NAV (USD Million)

3.04

NAV/Unit (USD)

1.3350

CLASS MYR-H

31.07.2019

NAV (USD Million)

42.82

NAV/Unit (USD)

0.2711

FUND PERFORMANCE (CONTINUED)

Changes in NAV (continued)

CLASS SGD-H

31.07.2019

NAV (USD Million) 4.94
 NAV/Unit (USD) 0.8072

CLASS USD

31.07.2019

NAV (USD Million) 5.90
 NAV/Unit (USD) 1.1242

The Fund recorded positive net inflow from unit creations over the reporting period for Class AUD-H, Class GBP-H, Class MYR-H, Class SGD-H and Class USD.

At the time of reporting, Class MYR-H has the largest total NAV which stood at USD42.82 million.

Performance data represents the combined income and capital return as a result of holding units in the Fund for the specified length of time, based on NAV to NAV price. The performance data assumes that all earnings from the fund are reinvested and are net of management and trustee fees. Past performance is not reflective of future performance and income distributions are not guaranteed. Unit prices and income distributions, if any, may fall and rise. All performance figures for the financial period have been extracted from Lipper.

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.07.2019
Collective investment scheme	90.16
Cash and other net assets	9.84
TOTAL	100.00

The Fund was fully invested during the financial period under review. A minimal level of liquid assets was maintained primarily for redemption purposes. At the reporting date, some material amount of creations was still sitting in receivables which will be invested in the collective investment scheme.

MARKET OUTLOOK*

As the IT sector regained its equity market momentum in June 2019 and July 2019, investors were favouring fast-growing companies, many of which are expanding their operations in areas like cloud computing and artificial intelligence (“AI”). Indeed, companies expanding their cloud operations have been reaping some of their strongest quarterly profits in years.

Considering the increasingly uncertain environment regarding global trade policy and US-China tariffs, we remain optimistic while exercising caution in our strategy.

* 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 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

The Fund will continue to remain fully invested in the Target Fund with minimal cash kept for liquidity purposes.

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 31 July 2019 are as follows:

CLASS AUD-H

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001 to 10,000	-	-	-
10,001 to 50,000	-	-	-
50,001 to 500,000	3	0.47	4.19
500,001 and above	4	10.75	95.81
Total	8	11.22	100.00

CLASS GBP-H

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001 to 10,000	-	-	-
10,001 to 50,000	-	-	-
50,001 to 500,000	1	0.37	16.23
500,001 and above	2	1.91	83.77
Total	4	2.28	100.00

CLASS MYR-H

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	-	-	-
5,001 to 10,000	22	0.20	0.13
10,001 to 50,000	63	1.63	1.03
50,001 to 500,000	31	4.19	2.65
500,001 and above	8	151.90	96.19
Total	124	157.92	100.00

CLASS SGD-H

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001 to 10,000	-	-	-
10,001 to 50,000	-	-	-
50,001 to 500,000	1	0.49	8.01
500,001 and above	3	5.63	91.99
Total	5	6.12	100.00

UNIT HOLDINGS STATISTICS (CONTINUED)

CLASS USD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001 to 10,000	-	-	-
10,001 to 50,000	2	0.06	1.15
50,001 to 500,000	3	0.52	9.92
500,001 and above	2	4.66	88.93
Total	8	5.24	100.00

SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (*formerly known as CIMB-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 Funds unless the soft commission received is retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. All dealings with brokers are executed on best available terms.

During the financial period under review, the Manager and the Trustee did not receive any rebates from the brokers or dealers but the Manager has retained soft commissions in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL GLOBAL TECHNOLOGY FUND**

We, being the Directors of Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 19 to 43 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 2019 of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period from 17 May 2018 (date of launch) to 31 July 2019 in accordance with the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

Principal Asset Management Berhad (Company No.: 304078-K)
(*formerly known as CIMB-Principal Asset Management Berhad*)

MUNIRAH KHAIRUDDIN
Chief Executive Officer/Executive Director

JUAN IGNACIO EYZAGUIRRE BARAONA
Director

Kuala Lumpur
13 September 2019

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL GLOBAL TECHNOLOGY FUND**

We have acted as Trustee for CIMB-Principal Global Technology Fund (the "Fund") for the financial period from 17 May 2018 (date of launch) to 31 July 2019. To the best of our knowledge, for the financial period under review, Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "Manager") has operated and managed the Fund in accordance with the following:-

- (a) limitations imposed on the investment powers of the Manager under the Deed(s), the Securities Commission's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation and pricing for the Fund is carried out in accordance with the Deed(s) of the Fund and any regulatory requirements; and
- (c) creation and cancellation of units for the Fund are carried out in accordance with the Deed(s) of the Fund and any regulatory requirements.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Trustee Operations

Richard Lim Hock Seng
Chief Executive Officer

Kuala Lumpur
13 September 2019

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL GLOBAL TECHNOLOGY FUND**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of CIMB-Principal Global Technology Fund (the "Fund") give a true and fair view of the financial position of the Fund as at 31 July 2019, and of its financial performance and its cash flows for the financial period from 17 May 2018 (date of launch) to 31 July 2019 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 July 2019, and the statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the financial period from 17 May 2018 (date of launch) to 31 July 2019, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 19 to 43.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL GLOBAL TECHNOLOGY FUND (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises Manager's report but does not include the financial statements of the Fund and our auditors' report thereon.

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

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

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

Responsibilities of the Manager for the financial statements

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL GLOBAL TECHNOLOGY FUND (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL GLOBAL TECHNOLOGY FUND (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

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

OTHER MATTERS

This report is made solely to the unit holders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
13 September 2019

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 17 MAY 2018 (DATE OF LAUNCH) TO 31 JULY 2019**

	Note	17.05.2018 (date of launch) to 31.07.2019 USD
INCOME		
Net gain on financial assets at fair value through profit or loss	8	8,392,755
Net loss on derivative assets at fair value through profit or loss	10	(2,179,814)
Net foreign exchange loss		(55,890)
Other income	4	405,492
		<u>6,562,543</u>
EXPENSES		
Management fee	5	1,073,226
Trustee's and custodian fees	6	35,774
Audit fee		2,646
Tax agent's fee		1,260
Other expenses		8,016
		<u>1,120,922</u>
PROFIT BEFORE TAXATION		5,441,621
Taxation	7	<u>-</u>
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u><u>5,441,621</u></u>
Increase in net assets attributable to unit holders are made up as follows:		
Realised amount		(1,409,058)
Unrealised amount		6,850,679
		<u><u>5,441,621</u></u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2019**

	Note	2019 USD
ASSETS		
Cash and cash equivalents	9	2,568,925
Financial assets at fair value through profit or loss	8	58,857,755
Amount due from Manager of collective investment scheme		
- Management fee rebates		64,585
Amount due from Manager		7,381,382
TOTAL ASSETS		<u>68,872,647</u>
LIABILITIES		
Derivative liabilities at fair value through profit or loss	10	417,513
Amount due to Manager of collective investment scheme		
- Purchase of collective investment scheme		1,000,000
Amount due to Manager		2,100,047
Accrued management fees		65,182
Amount due to Trustee		3,156
Other payables and accruals		3,905
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>3,589,803</u>
NET ASSET VALUE OF THE FUND		<u>65,282,844</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>65,282,844</u>

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

**STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 JULY 2019 (CONTINUED)**

	Note	2019 USD
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS (USD)		
- Class AUD-H		8,589,746
- Class GBP-H		3,041,233
- Class MYR-H		42,815,228
- Class SGD-H		4,941,217
- Class USD		5,895,420
		<u>65,282,844</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)		
- Class AUD-H		11,223,090
- Class GBP-H		2,278,040
- Class MYR-H		157,924,371
- Class SGD-H		6,121,679
- Class USD		5,244,025
	11	<u>182,791,205</u>
NET ASSET VALUE PER UNIT (USD)		
- Class AUD-H		0.7654
- Class GBP-H		1.3350
- Class MYR-H		0.2711
- Class SGD-H		0.8072
- Class USD		<u>1.1242</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- Class AUD-H		1.1102
- Class GBP-H		1.0903
- Class MYR-H		1.1183
- Class SGD-H		1.1044
- Class USD		<u>1.1242</u>

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE FINANCIAL PERIOD FROM 17 MAY 2018 (DATE OF LAUNCH) TO 31 JULY 2019**

	17.05.2018 (date of launch) to 31.07.2019 USD
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	-
Movement due to units created and cancelled during the financial period:	
Creation of units from applications	
- Class AUD-H	12,587,923
- Class GBP-H	6,967,018
- Class MYR-H	63,287,513
- Class SGD-H	6,690,131
- Class USD	8,885,687
	<u>98,418,272</u>
Cancellation of units	
- Class AUD-H	(4,340,544)
- Class GBP-H	(4,121,205)
- Class MYR-H	(24,139,805)
- Class SGD-H	(2,222,044)
- Class USD	(3,753,451)
	<u>(38,577,049)</u>
Increase in net assets attributable to unit holders during the financial period	<u>5,441,621</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	<u><u>65,282,844</u></u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 17 MAY 2018 (DATE OF LAUNCH) TO 31 JULY 2019**

	Note	17.05.2018 (date of launch) to 31.07.2019 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of collective investment scheme		12,260,000
Purchase of collective investment scheme		(61,725,000)
Management fee paid		(1,008,044)
Management fee rebates received		340,907
Trustee's and custodian fees paid		(32,618)
Payments for other fees and expenses		(8,017)
Net realised foreign exchange loss		(48,064)
Net realised loss on forward foreign currency contracts		(1,762,301)
Net cash used in operating activities		<u>(51,983,137)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created		91,026,070
Payments for cancellation of units		(36,473,334)
Net cash generated from financing activities		<u>54,552,736</u>
Net increase in cash and cash equivalents		2,569,599
Effects of foreign exchange differences		(674)
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at the end of the financial period	9	<u><u>2,568,925</u></u>
<u>Cash and cash equivalents comprised of:</u>		
Bank balances		2,568,925
Cash and cash equivalents at the end of the financial period	9	<u><u>2,568,925</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL PERIOD FROM 17 MAY 2018 (DATE OF LAUNCH) TO 31 JULY 2019****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

CIMB-Principal Global Technology Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 8 May 2018 (referred to as the “Deed”) between Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) and Deutsche Trustees Malaysia Berhad (the “Trustee”).

The Fund is a feeder fund and it invests in a single collective investment scheme, i.e. Target Fund. The Fund may also invest in liquid asset for liquidity purpose.

In order to achieve its investment objective, the Fund will invest at least 95% of its NAV in the Target Fund; a portfolio established on 4 March 2000 under the Franklin Templeton Investment Funds. The Fund will also maintain up to 5% of its NAV in liquid assets for liquidity purposes.

All investments are subjected to the SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, SC requirements, the Deed, 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 and IFRS.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

The amendments to published standard that are applicable to the Fund but not yet effective and have not been early adopted are as follows:

(i) Financial year beginning on/after 1 August 2019

- Amendments to MFRS 112 'Income Taxes' (effective from 1 January 2019) clarify that where income tax consequences of dividends on financial instruments classified as equity is recognised (either in profit or loss, other comprehensive income ("OCI") or equity) depends on where the past transactions that generated distributable profits were recognised.

Accordingly, the tax consequences are recognised in profit or loss when an entity determines payments on such instruments are distribution of profits (that is, dividends). Tax on dividend should not be recognised in equity merely on the basis that it is related to a distribution to owners.

The Fund will apply these amendments when effective. These amendments are not expected to have a significant impact on the Fund's financial statements.

(b) Financial assets and financial liabilities

Classification

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

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

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

Investments in collective investment schemes are debt instruments with contractual cash flows that do not represent solely payment of principal and interest ("SPPI"), and therefore are classified as fair value through profit or loss.

Derivatives are financial assets/liabilities at fair value through profit or loss unless they are designated hedges (Note 2(k)).

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

The Fund classifies amount due to Manager of collective investment scheme, amount due to Manager, accrued management fee, amount due to Trustee, and other payables and accruals as financial liabilities measured at amortised cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Recognition and measurement

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

Financial liabilities 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.

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

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective 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 consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month ECL as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

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

Realised gain or loss on disposal of collective investment scheme is accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

(d) Other income

Management fee rebate is derived from the Manager and the Manager of the 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.

(e) 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 USD, 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 USD primarily due to the following factors:

- i) Significant portion of the Fund's expenses are denominated in USD.
- ii) Significant portion of the cash is denominated in USD for the purpose of making settlement of foreign trades.

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.

(f) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances which are subject to an insignificant risk of changes in value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(g) Unit holders' contributions**

The unit holders' 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 five classes of units, known respectively as the Class AUD-H, Class GBP-H, Class MYR-H, Class SGD-H and Class USD, which are cancelled at the unit holder's option. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the member exercises the right to put back the unit to the Fund.

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

(h) Taxation

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

Withholding taxes on investment income from foreign collective investment scheme is based on tax regime of the respective countries that the Fund invests in. Such withholding taxes are not "income tax" in nature and are recognised and measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

(i) Increase/Decrease in net assets attributable to unit holders

Income not distributed is included in net assets attributable to unit holders.

(j) Amount due to Manager of collective investment scheme (purchase of investment)

Amount due to Manager of collecting investment scheme represent payables for collective investment scheme purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund measure the loss allowance on amounts due from Manager of collective investment scheme at an amount equal to the lifetime ECL if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month ECL. Significant financial difficulties of the broker, probability that the Manager of collective investment scheme will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by the Manager as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(k) Derivative financial instruments**

A derivative financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavorable.

The Fund's derivative financial instruments comprise forward foreign exchange contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the date of statements of financial position, with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held-for-trading and accounted for in accordance with the accounting policy set out in Note 2(b).

(l) Segment information

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments.

(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 Funds' results and financial position are tested for sensitivity to changes in the underlying parameters.

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

In undertaking any of the Fund's 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 SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss USD	Financial assets at amortised cost USD	Total USD
2019			
Cash and cash equivalents (Note 9)	-	2,568,925	2,568,925
Collective investment scheme (Note 8)	58,857,755	-	58,857,755
Amount due from Manager of collective investment scheme			
- Management fee rebates	-	64,585	64,585
Amount due from Manager	-	7,381,382	7,381,382
	<u>58,857,755</u>	<u>10,014,892</u>	<u>68,872,647</u>

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

The Fund aims to provide capital appreciation through investments in one collective investment scheme, which invests primarily in a diversified portfolio of technology related companies.

The Fund is exposed to a variety of risks which include market risk (inclusive of price 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 Deed and SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

(a) Market risk

(i) Price risk

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

The price risk is managed through diversification and selection of collective investment scheme and other financial instruments within specified limits according to the Deed.

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

(a) Market risk (continued)

(i) Price risk (continued)

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

	2019 USD
Financial assets at fair value through profit or loss:	
- Collective investment scheme	58,857,755

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

% Change in price of collective investment scheme	Market value USD	Impact on profit or loss/NAV USD
2019		
-5%	55,914,867	(2,942,888)
0%	58,857,755	-
5%	61,800,643	2,942,888

(ii) Currency risk

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 USD based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

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

(a) Market risk (continued)

(ii) Currency risk (continued)

The following table sets out the foreign currency risk concentrations arising from the denomination of the Fund's financial instruments in foreign currencies:

Financial assets

	Cash and cash equivalents USD	Amount due from Manager USD	Total USD
2019			
AUD	146,757	583,323	730,080
GBP	1,753	37,868	39,621
MYR	182,365	6,146,521	6,328,886
SGD	17,634	358,208	375,842
	<u>348,509</u>	<u>7,125,920</u>	<u>7,474,429</u>

Financial liabilities

	Derivative liabilities at fair value through profit or loss USD	Amount due to Manager USD	Other payables USD	Net assets attributable to unit holders USD	Total USD
2019					
AUD	179,503	61,603	-	8,589,746	8,830,852
GBP	63,796	25,147	-	3,041,233	3,130,176
MYR	143,412	1,638,809	3,905	42,815,228	44,601,354
SGD	30,802	236,086	-	4,941,217	5,208,105
	<u>417,513</u>	<u>1,961,645</u>	<u>3,905</u>	<u>59,387,424</u>	<u>61,770,487</u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes in foreign exchange movements at the end of each reporting period. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in foreign exchange rate %	Impact on profit or loss/ NAV USD
2019		
AUD	-/+ 5	-/+ 405,039
GBP	-/+ 5	-/+ 154,528
MYR	-/+ 5	-/+ 1,913,623
SGD	-/+ 5	-/+ 241,613
		<u>-/+ 2,714,803</u>

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

(b) Credit risk

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

For amount due from Manager, the settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

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

	Cash and cash equivalents USD	Amount due from Manager of collective investment scheme USD	Amount due from Manager USD	Total USD
2019				
Finance				
- Deutsche Bank Malaysia Bhd (AA1)	2,568,925	-	-	2,568,925
Others				
- Not Rated	-	64,585	7,381,382	7,445,967
	<u>2,568,925</u>	<u>64,585</u>	<u>7,381,382</u>	<u>10,014,892</u>

(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 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.

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

(c) Liquidity risk (continued)

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month USD	Between 1 month to 1 year USD	Total USD
2019			
Amount due to Manager of collective investment scheme	1,000,000	-	1,000,000
Amount due to Manager	2,100,047	-	2,100,047
Accrued management fee	65,182	-	65,182
Amount due to Trustee	3,156	-	3,156
Derivative liabilities at fair value through profit or loss	417,513	-	417,513
Other payables and accruals	-	3,905	3,905
Net assets attributable to unit holders*	65,282,844	-	65,282,844
Contractual undiscounted cash flows	<u>68,868,742</u>	<u>3,905</u>	<u>68,872,647</u>

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

(d) Capital risk management

The capital of the Fund is represented by net asset attributable to unit holders of USD65,282,844. The amount of capital can change significantly on a daily basis as the Fund is subjected to daily subscriptions and redemptions at the discretion of 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 holder and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

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

(e) Fair value estimation

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

The fair 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 market price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

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

(i) Fair value hierarchy

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

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

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

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

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

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

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
2019				
Financial asset at fair value through profit or loss:				
- Collective investment scheme	<u>58,857,755</u>	<u>-</u>	<u>-</u>	<u>58,857,755</u>
Financial liability at fair value through profit or loss:				
- Derivative liability	<u>-</u>	<u>(417,513)</u>	<u>-</u>	<u>(417,513)</u>

Investments 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 Manager of collective investment scheme, amount due from Manager and all current liabilities are a reasonable approximation of their fair values due to their short term nature.

4. OTHER INCOME

Other income represents the Fund's entitlement to management fee rebate from the Manager and the Manager of collective investment scheme the Fund invests in.

For the financial period from 17 May 2018 (date of launch) to 31 July 2019, other income is recognised at a rate of 0.70% per annum calculated and accrued daily based on the NAV of the collective investment scheme.

5. MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a fee of up to 3.00% per annum, calculated and accrued daily based on the NAV of the Fund.

For the financial period from 17 May 2018 (date of launch) to 31 July 2019, the management fee for the respective classes is recognised at the following rates:

Class AUD-H	CLASS GBP-H	Class MYR-H	Class SGD-H	Class USD
1.80%	1.80%	1.80%	1.80%	1.80%

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

6. TRUSTEE'S FEE

In accordance with the Deed, the Trustee is entitled to a fee up to 0.20% per annum, calculated and accrued daily based on the NAV of the Fund. The Trustee's fee includes local custodian fees and charges but excludes foreign sub-custodian fees and charges.

For the financial period from 17 May 2018 (date of launch) to 31 July 2019, the Trustee's fee is recognised at a rate of 0.06% per annum for each unit class.

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

7. TAXATION

	17.05.2018 (date of launch) to 31.07.2019
	USD
Tax charged for the financial period:	
- Current taxation	<u>-</u>

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

	17.05.2018 (date of launch) to 31.07.2019
	USD
Profit before taxation	<u>5,441,621</u>
Taxation at Malaysian statutory rate of 24%	1,305,989
Tax effects of:	
- Income not subject to tax	(1,575,010)
- Expenses not deductible for tax purposes	10,355
- Restriction on tax deductible expenses for Wholesale Funds	<u>258,666</u>
Taxation	<u>-</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019
	USD
At fair value through profit or loss:	
- Collective investment scheme	<u>58,857,755</u>

	17.05.2018 (date of launch) to 31.07.2019
	USD
Net gain on financial assets at fair value through profit or loss:	
- Realised gain on disposals	1,116,737
- Unrealised fair value gain	<u>7,276,018</u>
	<u>8,392,755</u>

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

Name of counter	Quantity USD	Aggregate cost USD	Market value USD	Percentage of NAV %
2019 COLLECTIVE INVESTMENT SCHEME				
Franklin Technology I ACC USD	<u>1,859,645</u>	<u>51,581,737</u>	<u>58,857,755</u>	<u>90.16</u>
TOTAL COLLECTIVE INVESTMENT SCHEME	<u>1,859,645</u>	<u>51,581,737</u>	<u>58,857,755</u>	<u>90.16</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>7,276,018</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>58,857,755</u>		

9. CASH AND CASH EQUIVALENTS

	2019 USD
Bank balances	<u>2,568,925</u>

10. DERIVATIVE LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019 USD
Forward foreign currency contracts	<u>417,513</u>

As at 31 July 2019, there are total of 12 outstanding USD/Australian Dollar ("AUD"), USD/Great Britain Pound ("GBP"), USD/Malaysian Ringgit ("MYR") and USD/Singapore Dollar ("SGD") forward foreign currency contracts. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD60,755,577.

The forward foreign currency contracts are entered into during the financial period to minimise the risk of foreign currency exposure between the USD and the AUD, GBP, MYR, and SGD for the Fund.

As the Fund has not adopted hedge accounting during the financial period, any changes in the fair value of the forward foreign currency contracts are recognised immediately in the statement of comprehensive income during the period.

10. DERIVATIVE LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Net fair value loss on derivative liabilities at fair value through profit or loss:

	17.05.2018
	(date of launch)
	to 31.07.2019
	USD

Net realised loss on forward foreign currency contracts	(1,762,301)
Net unrealised loss on forward foreign currency contracts	(417,513)
	<u>(2,179,814)</u>

11. NUMBER OF UNITS IN CIRCULATION (UNITS)

	17.05.2018
	(date of launch)
	to 31.07.2019
	No. of units

Class AUD-H (i)	11,223,090
Class GBP-H (ii)	2,278,040
Class MYR-H (iii)	157,924,371
Class SGD-H (iv)	6,121,679
Class USD (v)	5,244,025
	<u>182,791,205</u>

(i) Class AUD-H

	17.05.2018
	(date of launch)
	to 31.07.2019
	No. of units

At the beginning of the financial period	-
Add : Creation of units from applications	16,942,784
Less: Cancellation of units	(5,719,694)
At the end of the financial period	<u>11,223,090</u>

(ii) Class GBP-H

	17.05.2018
	(date of launch)
	to 31.07.2019
	No. of units

At the beginning of the financial period	-
Add : Creation of units from applications	5,250,883
Less: Cancellation of units	(2,972,843)
At the end of the financial period	<u>2,278,040</u>

11. NUMBER OF UNITS IN CIRCULATION (UNITS) (CONTINUED)

(iii)	Class MYR-H	17.05.2018 (date of launch) to 31.07.2019 <hr/> No. of units
	At the beginning of the financial period	-
	Add : Creation of units from applications	251,503,384
	Less: Cancellation of units	(93,579,013)
	At the end of the financial period	<u>157,924,371</u>
(iv)	Class SGD-H	17.05.2018 (date of launch) to 31.07.2019 <hr/> No. of units
	At the beginning of the financial period	-
	Add : Creation of units from applications	8,905,034
	Less: Cancellation of units	(2,783,355)
	At the end of the financial period	<u>6,121,679</u>
(v)	Class USD	17.05.2018 (date of launch) to 31.07.2019 <hr/> No. of units
	At the beginning of the financial period	-
	Add : Creation of units from applications	8,701,992
	Less: Cancellation of units	(3,457,967)
	At the end of the financial period	<u>5,244,025</u>

12. MANAGEMENT EXPENSE RATIO (“MER”)

17.05.2018
(date of launch)
to 31.07.2019
 %
1.38

MER

MER is derived based on the following calculation:

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

- A = Management fee (excluding management fee rebate)
- B = Trustee’s fee
- C = Audit fee
- D = Tax agent’s fee
- E = Other expenses
- 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 USD51,807,347.

13. PORTFOLIO TURNOVER RATIO (“PTR”)

17.05.2018
(date of launch)
to 31.07.2019

PTR (times)

0.72

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 = USD62,725,000

total disposal for the financial period = USD12,260,000

14. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER, 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 <i>(formerly known as CIMB-Principal Asset Management Berhad)</i>	The Manager
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the Manager
Principal International (Asia) Ltd	Shareholder of the Manager
Subsidiaries and associates of Principal Financial Group Inc., other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the Manager
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the Manager
CIMB Group Sdn Bhd	Shareholder of the Manager
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the shareholder of the Manager

Units held by the Manager and parties related to the Manager

	<u>No. of units</u>	<u>2019 USD</u>
Manager		
Principal Asset Management Berhad <i>(formerly known as CIMB-Principal Asset Management Berhad)</i>		
- Class AUD-H	1,519	1,162
- Class GBP-H	1	1
- Class MYR-H	82,663	22,410
- Class SGD-H	1,899	1,533
- Class USD	4,192	4,713

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.

Other than those disclosed elsewhere in the financial statements, there are no significant related party transactions and balances for the financial period.

15. TRANSACTIONS WITH BROKER/DEALER

Details of transactions with the broker/dealer for the financial period from 17 May 2018 (date of launch) to 31 July 2019 are as follows:

Broker/Dealer	Value of trades USD	Percentage of total trades %	Brokerage Fees USD	Percentage of total brokerage fees %
Franklin Templeton Investments	<u>74,985,000</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

16. SEGMENT INFORMATION

The internal reporting provided to the chief operating decision-maker for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS. The chief operating decision-maker is responsible for the performance of the Fund and considers the business to have a single operating segment located in Malaysia. Asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The Fund aims to provide capital appreciation through investments in one collective investment scheme, which invests primarily in a diversified portfolio of technology related companies. The reportable operating segment derives its income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within the portfolio. These returns consist of gains on the appreciation in the value of investments, which are derived from collective investment scheme of companies domiciled in, listed in and/or have significant operations in countries in Luxembourg.

17. COMPARATIVES

There are no comparatives as this is the Fund's first set of financial statements.

18. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 13 September 2019.

DIRECTORY

Head office of the Manager

Principal Asset Management Berhad (Company No.: 304078-K)
(formerly known as CIMB-Principal Asset Management Berhad)
10th Floor, Bangunan CIMB,
Jalan Semantan,
Damansara Heights,
50490 Kuala Lumpur, MALAYSIA.
Tel: (03) 2084 8888

Website

www.principal.com.my

E-mail address

service@principal.com.my

General investment enquiries

(03) 7718 3000

Trustee for the CIMB-Principal Global Technology Fund

Deutsche Trustees Malaysia Berhad (Co. No. 763590-H)
Level 20, Menara IMC,
8, Jalan Sultan Ismail,
50250 Kuala Lumpur, MALAYSIA.
Tel: (03) 2053 7522

Auditors of the Fund and of the Manager

PricewaterhouseCoopers PLT (Company No.: LLP0014401-LCA & AF 1146)
Level 10, 1 Sentral,
Jalan Rakyat, Kuala Lumpur Sentral,
PO Box 10192, 50706 Kuala Lumpur, MALAYSIA.
Tel: (03) 2173 1188
Fax: (03) 2173 1288

Principal Asset Management Berhad (304078-K)
(formerly known as CIMB-Principal Asset Management Berhad)

Enquiries:

Customer Care Centre
(603)7718 3000

Email
service@principal.com.my

Website
www.principal.com.my