

# CIMB-Principal Global Titans Fund

Annual Report

For The Financial Year Ended 31 March 2020

**CIMB-PRINCIPAL GLOBAL TITANS FUND**

**ANNUAL REPORT**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

<b>CONTENTS</b>	<b>PAGE(S)</b>
INVESTORS' LETTER	1
MANAGER'S REPORT	2 - 11
Fund Objective and Policy	
Performance Data	
Market Review	
Fund Performance	
Portfolio Structure	
Market Outlook	
Investment Strategy	
Unit Holdings Statistics	
Soft Commissions and Rebates	
STATEMENT BY MANAGER	12
TRUSTEE'S REPORT	13
INDEPENDENT AUDITORS' REPORT	14 – 17
STATEMENT OF COMPREHENSIVE INCOME	18
STATEMENT OF FINANCIAL POSITION	19
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	20
STATEMENT OF CASH FLOWS	21
NOTES TO THE FINANCIAL STATEMENTS	22 – 45
DIRECTORY	46

## INVESTORS' LETTER

Dear Valued Investor,

We are now two months into our shared “quarantine” and I hope you and your family are staying well. Around the world, communities and Governments are working together to break the chain of the Coronavirus Disease 2019 (“COVID-19”). This unprecedented crisis has been met with unimaginable action. The global response to fighting the pandemic has been encouraging.

Global equity market has shown signs of recovery towards the end of April 2019 in rebounding by approximately 11% from a decline in March 2019 of this year. Governments around the world launched fiscal stimulus packages, estimated at over 3% of global Gross Domestic Product (“GDP”), to help stabilise their local businesses and citizens amongst the strain that COVID-19 has placed on all of us. In Malaysia alone, the Government unveiled a RM260 billion stimulus package.

As an investment house, we’re refining our short-term asset allocation within our investment portfolio to an equal split between equities and fixed income. We favour Large cap, high quality defensive stocks and Asian equities due to the region having more policy room relative to the rest of the world and China is likely to return to normalcy ahead of the rest. For our:

- **Conservative investors, we recommend:** Malaysia focus bond and balanced funds that consistently pay dividends.
- **More aggressive investors, we recommend:** Growth-oriented funds that offer exposure to growth areas in China, Asia-Pacific and Global Technology.

I know this may be a challenging time for you. Please know we’re committed to being by your side throughout this year and beyond. I encourage you to check our website ([www.principal.com.my](http://www.principal.com.my)) and Facebook account (@PrincipalAssetMY) for up-to-date market commentaries and investment content.

We are well positioned and experienced to manage through this period of adversity. While we may face some short-term challenges and headwinds, we will continue to focus on what we can control, and I have no doubt that we will emerge from this crisis stronger.

Because of the trust you’ve placed in us, we continue to win accolades - the most recent recognition coming from Lipper Refinitiv for our Principal Titans Income Plus Fund (*formerly known as CIMB-Principal Equity Income Fund*) on its 2019 performance.

Please be informed that effective 1 April 2020, the Fund has been renamed as Principal Global Titans Fund following the issuance of Replacement Prospectus Issue No. M3.

Even in challenging times, we all can celebrate the simple joys. To that end, my sincere wishes to our Muslim customers for a most peaceful and blessed Ramadhan Kareem.

Stay safe everyone. 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 grow the value of Unit holders' investments over the medium to long-term in an equity fund that invests in the global titans market of the US, Europe and Japan with an exposure to the Malaysian equities market to balance any short term volatilities.

**Has the Fund achieved its objective?**

For the financial year under review, the Fund 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 will invest at least 50% of its Net Asset Value ("NAV") in at least three (3) collective investment schemes, subject to a maximum of 98% of its NAV. The Fund may invest in Malaysian securities but only up to 50% of its NAV. The Fund seeks to give investors a broad exposure to three (3) major global developed markets. This will be achieved by investing in collective investment schemes which invest into these three (3) markets (US, Europe and Japan). The Fund will at all times be invested in the collective investment schemes, each covering separate geographic regions thus providing diversification and allowing a greater spread of risk. The allocation between the collective investment schemes is done through a combination of macroeconomic data, liquidity trends and the outlook to overweight or underweight a particular collective investment schemes. This enables, the Fund to exploit the investment opportunities provided by developed economies, which are not found in the emerging markets ("EM").

The investment management function of this Fund has been delegated to Principal Asset Management (S) Pte Ltd ("Principal Singapore") with the approval of the *Securities Commission* Malaysia ("SC"). Principal Singapore will be responsible for investing and managing the Fund in accordance with the investment objective and within the investment restrictions.

**Fund category/type**

Equity/Growth

**How long should you invest for?**

Recommended medium to long-term

**When was the Fund launched?**

<b>Name of Class</b>	<b>Launch Date</b>
Class MYR	18 July 2005
Class USD	25 January 2017

**What was the size of the Fund as at 31 March 2020?**

RM293.66 million (485.05 million units)

**What is the Fund's benchmark?**

A composite comprising 42% Standard & Poor's 500 ("S&P 500") Index + 36% MSCI Europe Index + 12% MSCI Japan Index + 10% CIMB Bank 1-Month Fixed Deposit Rate

Note: The benchmark is customized as such to align it closer to the structure of the portfolio and the objective of the Fund. Thus, investors are cautioned that the risk profile of the Fund is higher than investing in fixed deposits.

**FUND OBJECTIVE AND POLICY (CONTINUED)**

**What is the Fund distribution policy?**

Given the Fund's investment objective, the Fund is not expected to pay any distribution. However, the Manager has the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of its realised income and/or realised gains, as well as the performance of the Fund. The Manager also has the right to make provisions for reserves in respect of distribution of the Class.

**What was the net income distribution for the financial year ended 31 March 2020?**

The Fund distributed a total net income of RM10.22 million to unit holders for the financial ended 31 March 2020.

The Fund's NAV per unit are as follows:

<b>Date</b>	<b>NAV per unit (before distribution) RM</b>	<b>NAV per unit (after distribution) RM</b>
29.10.2019		
Class MYR	0.6912	0.6711
Class USD	4.6772	4.5412

**PERFORMANCE DATA**

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

	<b>31.03.2020</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Collective investment schemes	86.28	94.33	92.38
Cash and other net assets	13.72	5.67	7.62
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Performance details of the Fund for the last three financial years are as follows:

	<b>31.03.2020</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
NAV (RM Million)			
- Class MYR	290.76	400.88	428.48
- Class USD	2.90	4.38	1.90
Units in circulation (Million)			
- Class MYR	484.33	626.73	702.56
- Class USD	0.72	1.01	0.46
NAV per unit (RM)			
- Class MYR	0.6003	0.6396	0.6098
- Class USD	4.0620	4.3280	4.1269
Highest NAV per unit (RM)			
- Class MYR	0.7287	0.6829	0.9343
- Class USD	4.9311	4.6211	4.4782
Lowest NAV per unit (RM)			
- Class MYR	0.5479	0.5787	0.6062
- Class USD	3.7077	3.9158	4.1021
Total return (%)			
- Class MYR	(3.35)	4.87	(1.01)
- Class USD	(8.64)	(0.77)	6.87
Capital growth (%)			
- Class MYR	(6.16)	4.87	(8.43)
- Class USD	(11.30)	(0.77)	6.87
Income distribution (%)			
- Class MYR	3.00	-	8.07
- Class USD	3.00	-	-

**PERFORMANCE DATA (CONTINUED)**

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

	31.03.2020	31.03.2019	31.03.2018
Management Expenses Ratio ("MER") (%) ^	1.90	1.91	0.96
Portfolio Turnover Ratio ("PTR") (times) #	0.39	0.27	0.47

^ For the financial year under review, the Fund's MER decreased from 1.91% to 1.90% due to decrease in expenses.

# The Fund's PTR increased from 0.27 times to 0.39 times as there were more trading activities carried out within the reporting period.

Date of distribution	29.10.2019	-	25.04.2017
Gross/Net distribution per unit (sen)	-	-	-
- Class MYR	2.01	-	5.00
- Class USD	13.61	-	-

	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016
	%	%	%	%	%
Annual total return					
- Class MYR	(3.35)	4.87	(1.01)	25.46	(1.72)

(Launch date: 18 July 2005)

	31.03.2020	31.03.2019	31.03.2018	Since inception to 31.03.2018
	%	%	%	%
Annual total return				
- Class USD	(8.64)	(0.77)	6.87	6.87

(Launch date: 25 January 2017)

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

**MARKET REVIEW (1 APRIL 2019 TO 31 MARCH 2020)**

In April 2019, US, Europe and Japan markets gained in local currency terms by 3.89%, 3.23% and 2.01%, respectively. Developed markets currencies were flat in general. The US Dollar ("USD") Index increased by 0.2% in April 2019 after falling broadly on soft inflation number towards the month end. The European Dollar ("EUR") depreciated by 0.03% and the Japanese Yen ("JPY") depreciated by 0.51% against the USD. The April 2019 economic data was strong for US, but weak for Europe and Japan. US consumer spending rose 0.9% from the prior month of 0.1% growth. The first quarter GDP growth was stronger than expected at 3.2%, with inflation remaining subdued. The latest US manufacturing Purchasing Managers' Index ("PMI") increased slightly from 52.4 to 52.6, making US the only developed market with PMI in the expansion territory. Japan manufacturing PMI increased slightly from 49.2 to 49.5 but continued to stay in the contraction zone. Industrial production fell by 0.9%, mainly due to weaker exports to China in the machinery and information technology industries. Europe growth momentum further declined on the weaker United Kingdom ("UK") new export business. Europe area PMI increased slightly from 47.5 to 47.9, but UK PMI declined sharply from 55.1 to 53.1. Developed markets earnings were further revised down in April 2019 except MSCI US, with forward 12-month Earning per Share ("EPS") revised up by 0.9%. MSCI Europe and MSCI Japan's forward 12-month EPS was revised down by 0.5% and 0.1% respectively, in USD term. MSCI US is trading at 19.8% premium compared to its long-term mean of 12.2% premium based on Price-to-Book ("P/B") ratio-Return on Equity ("ROE") valuation. MSCI Europe is trading at 10.9% discount vs. its long-term mean at 7.6% discount. MSCI Japan has the most favourable valuation, at 24.2% discount compared to its long-term mean of 10.9% premium.

**MARKET REVIEW (1 APRIL 2019 TO 31 MARCH 2020) (CONTINUED)**

In May 2019, MSCI US, Europe and Japan fell by 6.5%, 5.7% and 5.3% on the recent development of US-China trade tensions. Amid worries over the uncertainty in the two countries reaching a trade deal, USD strengthened while EUR depreciated against the USD. JPY appreciated by 2.8% as investors fly to safety. US economic data deteriorated with the sharp decline of the manufacturing PMI from 52.6 to 50.5, on the weak demand and employment. Business confidence was weak as trade disputes accelerate. Inflation remained soft. Europe area economic outlook remained worse. May 2019 manufacturing PMI stayed at weak level of 47.7 (from 47.9 last month). Domestic employment growth was also weak as companies scaled back expansion plans on the weaker sales and rising geopolitical uncertainty. Japan PMI dipped into contraction zone again in May 2019 on the slowing demand domestically and from China. MSCI US and Europe forward 12-month EPS was revised up by 0.6% and 1%, in USD term.

In June 2019, MSCI US, Europe and Japan increased by 6.9%, 4.3% and 2.8% as market rallied when US and China agreed to resume trade talk after the Group of Twenty (“G20”) summit. The USD index depreciated by 1.7% while EUR and JPY strengthened by 1.8% and 0.4% against the USD. Developed economy manufacturing sectors are showing renewed weakness as PMI falls. The June 2019 US manufacturing PMI stays at low level of 50.6. Europe PMI falls from 48.2 to 47.7 as a result of weaker UK economy. Japan PMI stays in the contraction zone at 49.3. The US central bank is signalling potential monetary easing with subdued inflation and rising risks to the economy. Developed markets forward 12-month earnings are downgraded. MSCI US EPS is slightly revised down by 0.3%. MSCI Japan EPS is revised down by 3% in USD term. MSCI Europe EPS is slightly revised up by 0.3%.

In July 2019, MSCI US, Europe and Japan increased by 1.42%, 0.25% and 0.91%. Markets were volatile following President Donald Trump’s announcement on imposing more tariffs on China. The US market rose anticipating a rate cut by the US Federal Reserve (the “Fed”) and subsequently fell after pricing in less easing by the Central Bank. The USD index strengthened by 2.48% while EUR and JPY depreciated by 2.61% and 0.86% against the USD. Developed economy manufacturing sector shows deterioration as Eurozone growth slips in July. Europe PMI decelerates from 47.7 to 46.9, amid ongoing trade tensions, difficulties in automotive industry and political uncertainties. The July 2019 US manufacturing PMI drops slightly to 50.4. Japan PMI is relatively stable but still in the contraction zone. Europe forward 12-month earnings are revised down by 2.4% in USD. MSCI US and Japan forward 12-month EPS is relatively stable.

In August 2019, MSCI US, Europe and Japan fell by 2%, 1.8% and 3.3%. With a weaker global economic growth and relatively higher US interest rates, the USD Index has been held up well while EUR depreciated by 0.85%. JPY appreciated by 2.3% amidst market volatility. Developed economy growth outlook is declining further with the announced US-China tariff escalation. Although the US manufacturing PMI is holding up well in the expansion zone after revision from 49.9 to 50.3, it is now at its lowest level since September 2009. The latest PMI readings for Europe and Japan are showing persistent weakness in economy. On a positive note, subdued inflation worldwide has allowed central banks to adopt extremely accommodative monetary policies. On earnings forecast, MSCI US EPS estimate is stable compared to last month. Europe and Japan EPS estimates are revised down by 0.3% and 0.9%, respectively.

**MARKET REVIEW (1 APRIL 2019 TO 31 MARCH 2020) (CONTINUED)**

In September 2019, MSCI US, Europe and Japan increased by 1.63%, 3.67% and 5.06%. The European Central Bank (“ECB”) announced a bond buying program and there was speculation that the Bank of Japan (“BoJ”) will take negative interest rates lower. The US stock market declined towards the end of September 2019 after the Chinese trade officials cancelled their visits to a US farm, overshadowing the Fed’s rate cut and dovish outlook. The USD Index strengthened by 0.5%. EUR appreciated by 0.8% and JPY depreciated by 1.7% against the USD, respectively. US manufacturing PMI is moderately higher at 51 in September 2019, mainly driven by higher domestic demand. However, export sales and external demand are still subdued. On the other hand, the latest PMI readings for Europe and Japan are showing persistent weakness in economic growth. On earnings forecast, MSCI US EPS estimate is revised up by 0.5% from last month. On a 3-month basis, US EPS forecast has been revised up by 1.1%. Europe EPS estimate is downgraded by 3.2% on a 3-month basis. Japan EPS estimate is stable.

Developed markets rebounded on easing geopolitical tensions in October 2019. MSCI US, Europe and Japan increased by 2.1%, 0.7% and 4.9%, respectively. US and China agreed on a ‘Phase One’ partial trade deal with US suspending the 5% 15 October 2019 tariff hike and China committing to increasing its purchases of US agricultural products, accelerating the opening of its financial sector and more transparency in its currency market. Both parties are making progress towards finalizing the partial trade agreement. In Europe, the risk of a no-deal Brexit on 31 October 2019 has eased with the extension of the Brexit date to 31 January 2020. Global Central Banks reiterated their dovish stances with US Fed delivered a third-rate cut. USD Index declined by 2% and EUR strengthened by 2.3% against the USD. JPY was flat. Fundamental data suggests US economy is rising at a moderate rate. Markit Manufacturing PMI rose from 51.1 to 51.3 in October. Job growth is resilient, higher than expectation despite the General Motors strike. Consumer confidence remains at high level. European economy is stabilizing with European area manufacturing PMI unchanged at 45.7 from the previous month. On the other hand, Japan economic fundamentals are further deteriorating on the sluggish overseas exports. Manufacturing PMI drops to 48.4. The US earnings season is better than expected. However, forward EPS for MSCI US was downgraded by 0.4%. Europe forward EPS was revised up by 1.4%. Japan forward EPS was downgraded by 0.2%.

Developed markets went higher in November 2019. MSCI US, Europe and Japan increased by 3.8%, 1.5% and 0.5%, respectively amid hopes of a preliminary US-China trade deal and improving European economic data. USD Index strengthened by 0.95%. EUR and JPY weakened by 1.2% and 1.4% against the USD. The US economic data is positive. Business sentiment is showing signs of improvement with manufacturing PMI rises higher to 52.6. European and Japan manufacturing PMIs are still in contraction zone, but both rise higher compared to last month. The latest forward 12-month earnings forecast are revised down for all markets. We expect global economic indicators to improve on the ceasefire in US-China trade war, as well as pent-up demand from investment spending and recovery in technology sector. In addition, central banks in developed markets have been able to cut rates to stimulate economy in the absence of inflation.

In December 2019, developed equity markets climbed higher. MSCI US, Europe and Japan increased by 2.6%, 3.9% and 1.8% as global economic data improved and geopolitical risks moderated in the near term. All developed markets reacted positively to the progress on US – China Phase One trade agreement and more clarity on Brexit resolution after Boris Johnson leading Conservative Party won majority in the general election. EUR strengthened by 1.8%. JPY depreciated by 0.8% and the USD Index weakened by 1.9%. Central banks ended the year with rates on hold. Fundamentally, US economy has been stronger than Europe and Japan. The latest US manufacturing PMI is 52.4. Business confidence is improving following the trade truce. Job market remains robust with falling unemployment. Consumer spending is stronger and services sector is solid. Consumer confidence is also improving according to the latest University of Michigan consumer sentiment survey. On the other hand, Europe and Japan’s manufacturing PMI is still in the contraction zone. On forward earnings growth, US and Europe earnings growth is revised higher by 0.6% and 2%. Japan earnings growth is revised down by 1%.

**MARKET REVIEW (1 APRIL 2019 TO 31 MARCH 2020) (CONTINUED)**

Moving to 2020, developed markets began the new year with higher returns, before subsequently hit by the COVID-19 outbreak in Hubei province, China. On 15 January 2020, US and China signed a partial trade agreement. In the deal, China agreed to purchase an additional USD200 billion of US goods over the next two years. US and European markets rose higher as trade tensions eased. However, volatility picked up and markets trended down as investors became concerned about the large-scale outbreak of the COVID-19 and its negative impact on the global economy growth. MSCI US was flat at 0.2%, MSCI Europe and Japan were down by 2.5% and 1.2% subsequently. USD strengthened by 1%. EUR and JPY depreciated by 1% and 0.24%, respectively. Fundamental economic data is showing signs of continued improvement. US economy continues to expand at solid pace, with fourth-quarter 2019 GDP growing at 2.1%. Consumer confidence is also rising in January 2020. Although Markit Manufacturing PMI is slightly lower than last month, services sector remains resilient. In Europe, 2019 fourth-quarter GDP remains positive at 0.1%. Labour market is healthy with unemployment lower by 0.1% in December 2019. Manufacturing PMI is bottoming out at 48.5, higher than 46.6 in the previous month. In Japan, economy recovery continues to be supported by easy monetary condition. The latest manufacturing PMI is higher at 48.8. The US corporate earnings are revised higher by 0.8% from last month. Japan corporate earnings are revised up by 0.6%. Europe earnings are revised lower by 1.5%. Despite the prevailing uncertainties and confusion related to the COVID-19, we urge investors adopt a positive stance towards global equities. While it is currently unclear how prolonged this epidemic would be and how wide its eventual spread and reach, our research indicates that at this moment, the outbreak is not showing exponential growth typical of an epidemic gone out of control. We are inclined to view this outbreak as transitory. Meanwhile, with inflation subdued, global policy makers would continue to support economy with monetary and fiscal stimulus.

Concerns over the outbreak of COVID-19 on economic slowdown has caused all developed markets to fall in February 2020. MSCI US, Europe and Japan dropped by 8.15%, 9.13% and 9.36%, respectively. While the number of new confirmed cases decreased in China, there were outbreaks in South Korea, Italy and Iran with rising number of new infections seen in Europe, US and Japan. On March 2020, the Fed delivered an emergency cut of 50 basis points ("bps") to support economy against the impacts from the COVID-19. The latest manufacturing PMI shows US economy is the strongest among all developed markets. Although lower than the previous month, US manufacturing PMI stayed above 50. On the other hand, Europe and Japan PMIs were in the contraction territory with Japan PMI lower than the previous month. US labour markets remains strong with private payrolls rising higher than expected and a lower number of people filing for unemployment benefits. All developed markets' earnings forecasts are revised down due to the adverse impacts by the virus including disrupted supply chain and travels. Europe EPS forecast is downgraded by 1.3%. Japan EPS forecast is revised down by 0.5%. US earnings are cut by 0.3%. Stock markets are expected to face heightened volatility as it is currently unclear how severe the COVID-19 outbreak will be in the US and Europe, and whether the affected countries would be able to enact policies to effectively contain the outbreak. Should the US situation deteriorate, and economic activity see significant negative impact, earnings for developed markets' companies would have to be further adjusted downwards. Our current assumption is that the viral outbreak in the developed world would be contained, with new confirmed cases peaking in a matter of months. With inflation subdued, the Fed would likely lower interest rates further in the coming months to pre-empt any economic slowdown.

Global equity markets fell further in March 2020 as the COVID-19 outbreak extended to Europe and US. MSCI US, Europe and Japan were down by 13%, 15% and 7% month-to-date. The USD Index strengthened by 0.9%. EUR was flat and JPY appreciated by 0.3%. To deal with the shock to the financial markets, global central banks have come up with significant monetary easing policies including cutting rates to lower bounds and expanding asset purchase. With more countries came into lockdown and businesses were shutdown, governments are committed to using fiscal tools to mitigate the lockdown effects and support the economy. Economies are badly hit by the COVID-19 outbreaks. All developed markets' manufacturing PMIs are in the contraction zone due to weak domestic and foreign demand condition. Business sentiment is also weak over fears about the longevity of shutdowns and the slow recovery thereafter. With economies entering a halt, services sectors have collapsed to historical lows and job losses are surging in US and Europe.

**MARKET REVIEW (1 APRIL 2019 TO 31 MARCH 2020) (CONTINUED)**

March 2020 US nonfarm payrolls fell by 701,000 with majority drop coming from the hospitality industry. The most recent US initial jobless claims report is showing a record high of 6.6 million people applied for unemployment benefits. With 2020 Tokyo Olympic Games postponed, Japan GDP will be negatively impacted because of less-likely near-term tourism recovery and weak household expenditure. While Japan has yet declared a state emergency, the number of new infections is rising faster in the past few days. Companies' next 12-month forward earnings have been revised down across developed markets. Europe has the highest cut of 10%, following by US earnings down by 5% and Japan down by 2%. Valuation has come down significantly. Based on P/B-ROE valuation, US is still expensive compared to its long-term mean. Europe's valuation is entering neutral zone with P/B-ROE valuation slightly lower than its long-term mean. Japan's valuation remains cheap. The world is now aggressively combating COVID-19 with more countries putting in place unprecedented protective orders. While these measures may seem negative in the near term, they will sow the seeds of an eventual recovery. We believe the impact on economies may last until September 2020 with recovery beginning in the fourth quarter, as countries gradually ease restrictions and return to normal.

**FUND PERFORMANCE**

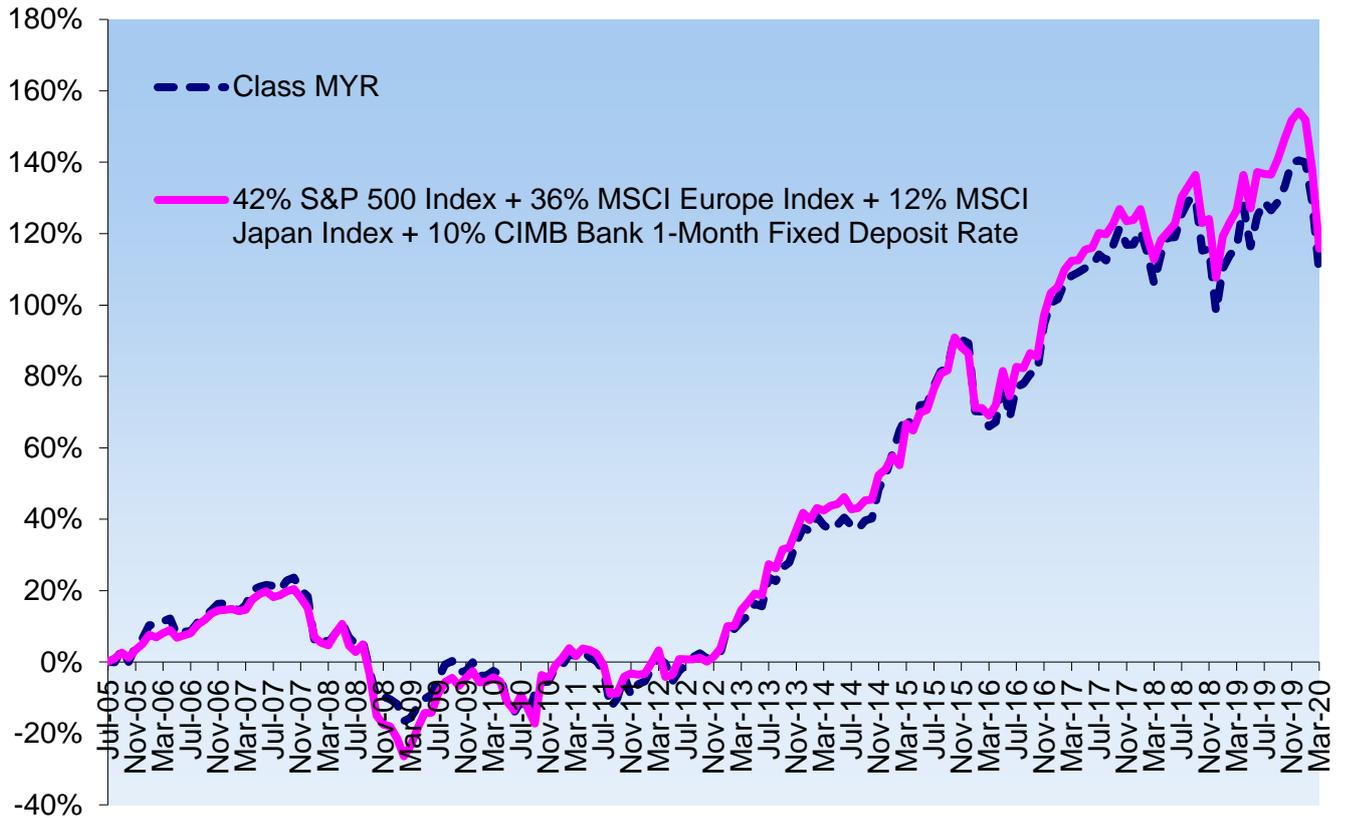
<b>Class MYR</b>	<b>1 year to 31.03.2020</b>	<b>3 years to 31.03.2020</b>	<b>5 years to 31.03.2020</b>	<b>Since inception to 31.03.2020</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Income	3.00	11.31	17.80	17.80
Capital	(6.16)	(9.89)	4.96	77.20
Total Return	(3.35)	0.33	23.72	108.90
Benchmark	(4.75)	1.59	29.14	115.79
Average Total Return	(3.35)	0.11	4.35	5.13

<b>Class USD</b>	<b>1 year to 31.03.2020</b>	<b>3 years to 31.03.2020</b>	<b>Since inception to 31.03.2020</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Income	3.00	3.00	3.00
Capital	(11.30)	(5.95)	(5.95)
Total Return	(8.64)	(3.11)	(3.11)
Benchmark	(9.99)	4.07	(2.27)
Average Total Return	(8.64)	(1.05)	(0.99)

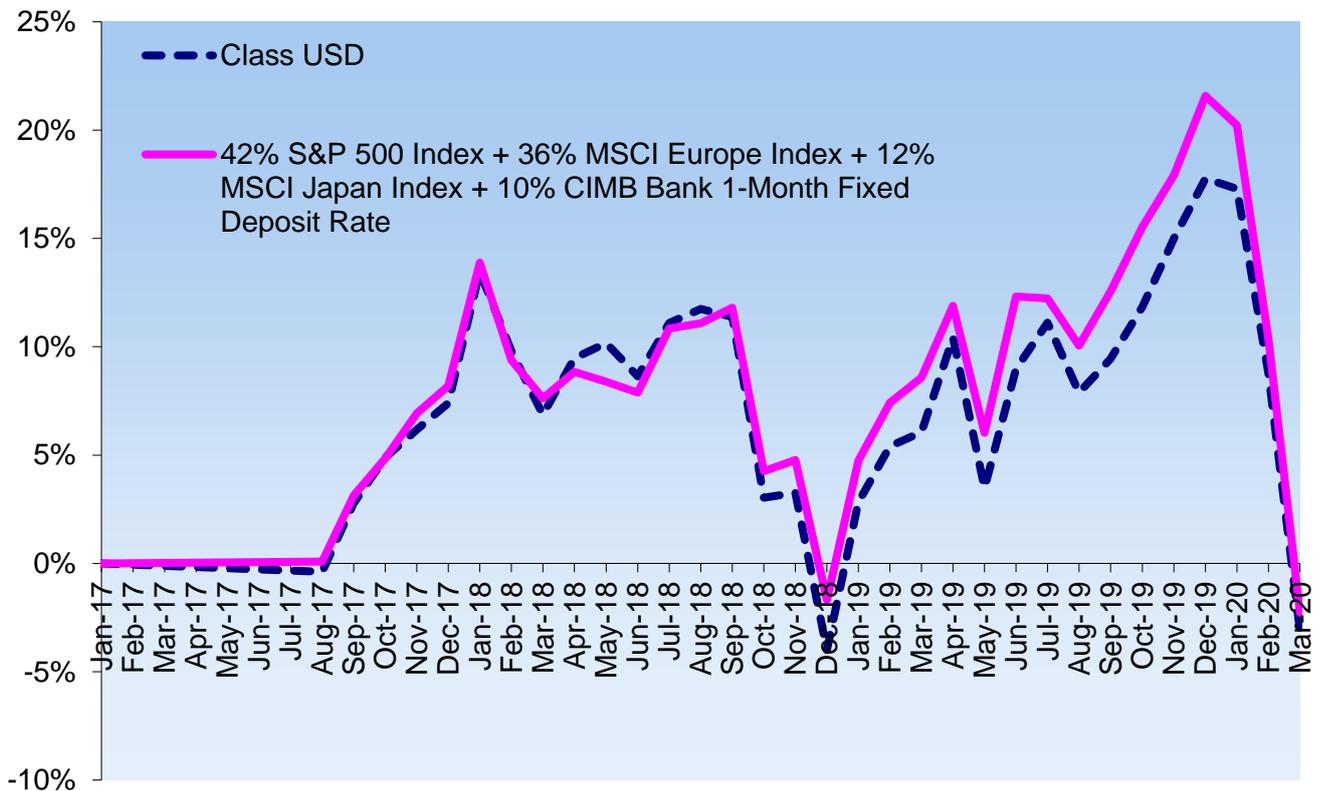
For the year under review, the Class MYR declined by 3.35%, while the benchmark was down by 4.75%. For Class USD, the Fund fell by 8.64%, but outperforming the benchmark, which declined by 9.99%.

FUND PERFORMANCE (CONTINUED)

Class MYR



Class USD



**FUND PERFORMANCE (CONTINUED)**

**Changes in NAV**

<b>Class MYR</b>	<b>31.03.2020</b>	<b>31.03.2019</b>	<b>Changes %</b>
NAV (RM Million)	290.76	400.88	(27.47)
NAV/unit (RM)	0.6003	0.6396	(6.14)
<b>Class USD</b>	<b>31.03.2020</b>	<b>31.03.2019</b>	<b>Changes %</b>
NAV (RM Million)	2.90	4.38	(33.79)
NAV/unit (RM)	4.0620	4.3280	(6.15)

Class MYR and USD NAV per unit declined by 6.14% and 6.15% due to redemptions and market downturn.

As at end 31 March 2020, the total NAV of Class MYR and USD stood at RM290.76 million and RM2.90 million.

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

**PORTFOLIO STRUCTURE**

**Asset allocation**

<b>(% of NAV)</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Collective investment schemes	86.28	94.33
Cash and other net assets	13.72	5.67
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

The allocation into collective investment schemes decreased from 94.33% to 86.28%, reflecting the overall neutral to underweight exposure in global equities at the end of the financial year.

**MARKET OUTLOOK\***

Global growth has been significantly impacted by the COVID-19 outbreak. As the world is aggressively combating the COVID-19 with unprecedented measures, economies have been shut down and unemployment were surging in many countries. However, these measures have shown early signs of slowing down the spread of the virus and will sow the seed of an eventual recovery. As European countries and US have eased restrictions or going to reopen soon, we believe the economic impact is short-term and recovery will begin in the fourth quarter as more countries return to normalcy.

\* 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**

As the world begin to emerge from the COVID-19 pandemic, we expect differences to emerge amongst regional equity performances. For regional allocation, our strategy is to focus on the speed of regional economic recovery, the relative pace of corporate earnings rebound, as well as the valuations of the various markets. We intend to hold a Neutral position on cash to allow for the fund to capitalize on any volatility in the markets.

**UNIT HOLDINGS STATISTICS**

Breakdown of unit holdings by size as at 31 March 2020 are as follows:

**CLASS MYR**

<b>Size of unit holdings (units)</b>	<b>No. of unit holders</b>	<b>No. of units held (million)</b>	<b>% of units held</b>
5,000 and below	960	2.64	0.55
5,001 - 10,000	849	6.30	1.30
10,001 - 50,000	2,018	48.15	9.94
50,001 - 500,000	631	69.63	14.38
500,001 and above	34	357.61	73.83
<b>Total</b>	<b>4,492</b>	<b>484.33</b>	<b>100.00</b>

**CLASS USD**

<b>Size of unit holdings (units)</b>	<b>No. of unit holders</b>	<b>No. of units held (million)</b>	<b>% of units held</b>
5,000 and below	1	0.00	0.00
5,001 - 10,000	-	-	-
10,001 - 50,000	-	-	-
50,001 - 500,000	3	0.72	100.00
500,001 and above	-	-	-
<b>Total</b>	<b>4</b>	<b>0.72</b>	<b>100.00</b>

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

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

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 18 to 45 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 March 2020 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

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

**MUNIRAH KHAIRUDDIN**  
Chief Executive Officer/Executive Director

**JUAN IGNACIO EYZAGUIRRE BARAONA**  
Director

Kuala Lumpur  
14 May 2020

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

We have acted as Trustee of CIMB-Principal Global Titans Fund ("the Fund") for the financial year ended 31 March 2020. To the best of our knowledge, 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 and the Trustee under the Deeds, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- b) valuation/pricing is carried out in accordance with the Deeds and any regulatory requirements; and
- c) creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirements.

During this financial year, a total distribution of 2.01 sen per unit (gross) for MYR class and 13.61 sen per unit (gross) for USD class have been distributed to the unitholders of the Fund respectively. We are of the view that the distributions are not inconsistent with the objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie  
Manager, Investment Compliance Monitoring

Kuala Lumpur  
14 May 2020

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

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Our opinion

In our opinion, the financial statements of CIMB-Principal Global Titans Fund (the "Fund") give a true and fair view of the financial position of the Fund as at 31 March 2020, and of its financial performance and its cash flows for the year then ended 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 March 2020, and the statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 18 to 45.

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 TITANS 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 the 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. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
CIMB-PRINCIPAL GLOBAL TITANS 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 TITANS 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  
14 May 2020

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

	Note	2020 RM	2019 RM
<b>INCOME</b>			
Dividend income		63,178	-
Interest income from deposits with licensed financial institutions		654,682	738,531
Net gain on financial assets at fair value through profit or loss	<b>8</b>	134,683	27,742,187
Net foreign exchange gain		<u>707,416</u>	<u>1,129,341</u>
		<u>1,559,959</u>	<u>29,610,059</u>
<b>EXPENSES</b>			
Management fee	<b>4</b>	6,584,601	7,748,263
Trustee's and Custodian fees	<b>5</b>	278,675	323,453
Audit fee		14,600	13,600
Tax agent's fee		3,100	3,500
Transaction cost		23,010	-
Other expenses		<u>39,311</u>	<u>107,484</u>
		<u>6,943,297</u>	<u>8,196,300</u>
<b>(LOSS)/PROFIT BEFORE FINANCE COST AND TAXATION</b>		(5,383,338)	21,413,759
Finance costs			
- Class MYR		(10,140,725)	-
- Class USD		<u>(78,839)</u>	-
	<b>6</b>	<u>(10,219,564)</u>	-
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(15,602,902)	21,413,759
Taxation	<b>7</b>	<u>-</u>	<u>-</u>
<b>(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>(15,602,902)</u>	<u>21,413,759</u>
(Decrease)/Increase in net assets attributable to unit holders are made up as follows:			
Realised amount		7,760,922	19,858,613
Unrealised amount		<u>(23,363,824)</u>	<u>1,555,146</u>
		<u>(15,602,902)</u>	<u>21,413,759</u>

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

STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2020

	Note	2020 RM	2019 RM
<b>ASSETS</b>			
Cash and cash equivalents	9	39,447,371	24,232,125
Financial assets at fair value through profit or loss	8	253,382,234	382,279,594
Amount due from Manager		2,393,513	1,313,210
Amount due from Manager of collective investment schemes			
- Management fee rebate		89,620	340,375
Dividend receivable		62,099	-
<b>TOTAL ASSETS</b>		<u>295,374,837</u>	<u>408,165,304</u>
<b>LIABILITIES</b>			
Amount due to Manager		1,352,903	2,241,335
Accrued management fee		329,042	621,437
Amount due to Trustee		17,594	24,167
Other payables and accruals		16,100	21,307
<b>TOTAL LIABILITIES</b>		<u>1,715,639</u>	<u>2,908,246</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>293,659,198</u>	<u>405,257,058</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>293,659,198</u>	<u>405,257,058</u>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS (RM)</b>			
- Class MYR		290,756,452	400,875,783
- Class USD		2,902,746	4,381,275
		<u>293,659,198</u>	<u>405,257,058</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
- Class MYR		484,333,288	626,728,826
- Class USD		714,608	1,012,293
	10	<u>485,047,896</u>	<u>627,741,119</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>			
- Class MYR		0.6003	0.6396
- Class USD		4.0620	4.3280
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- Class MYR		MYR0.6003	RM0.6396
- Class USD		USD0.9408	USD1.0605

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 FINANCIAL YEAR ENDED 31 MARCH 2020**

	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	405,257,058	430,380,373
Movement due to units created and cancelled during the financial year:		
- Creation of units from applications		
- Class MYR	108,880,633	168,504,146
- Class USD	1,410,534	4,945,733
	<u>110,291,167</u>	<u>173,449,879</u>
- Creation of units from distribution		
- Class MYR	10,131,215	-
- Class USD	78,839	-
	<u>10,210,054</u>	<u>-</u>
- Cancellation of units		
- Class MYR	(213,740,863)	(217,605,210)
- Class USD	(2,755,316)	(2,381,743)
	<u>(216,496,179)</u>	<u>(219,986,953)</u>
(Decrease)/Increase in net assets attributable to unit holders during the financial year	(15,602,902)	21,413,759
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR</b>	<u>293,659,198</u>	<u>405,257,058</u>

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

**STATEMENT OF CASH FLOWS  
FOR FINANCIAL YEAR ENDED 31 MARCH 2020**

	Note	2020 RM	2019 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from disposal of collective investment schemes		206,277,332	133,754,541
Purchase of collective investment schemes		(80,597,033)	(94,588,088)
Interest income received from deposits with licensed financial institutions		654,682	738,531
Management fee paid		(6,753,630)	(7,798,859)
Management fee rebate received		3,606,946	4,112,643
Trustee's fee paid		(285,248)	(325,421)
Payments for other fees and expenses		(62,218)	(163,374)
Net realised foreign exchange (loss)/gain		(79,374)	509,922
<b>Net cash generated from operating activities</b>		<u>122,761,457</u>	<u>36,239,895</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		109,216,623	176,321,444
Payments for cancellation of units		(217,393,534)	(219,882,302)
Distribution paid		(9,510)	-
<b>Net cash used in from financing activities</b>		<u>(108,186,421)</u>	<u>(43,560,858)</u>
Net increase/(decrease) in cash and cash equivalents		14,575,036	(7,320,963)
Effects of foreign exchange differences		640,210	424,008
Cash and cash equivalents at the beginning of the financial year		<u>24,232,125</u>	<u>31,129,080</u>
Cash and cash equivalents at the end of the financial year	<b>9</b>	<u><u>39,447,371</u></u>	<u><u>24,232,125</u></u>
<u>Cash and cash equivalents comprised of:</u>			
Bank balances		38,825,328	3,821,691
Deposits with licensed financial institutions		<u>622,043</u>	<u>20,410,434</u>
Cash and cash equivalents at the end of the financial year	<b>9</b>	<u><u>39,447,371</u></u>	<u><u>24,232,125</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 YEAR ENDED 31 MARCH 2020****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

CIMB-Principal Global Titans Fund (the “Fund”) was constituted pursuant to a Deed dated 11 July 2005 and is now governed by a Principal Master Deed dated 15 May 2008, a Fourth Supplemental Master Deed dated 18 March 2009, a Fifth Supplemental Master Deed dated 16 July 2009, a Thirteenth Supplemental Master Deed dated 26 June 2012, and an Eighteenth Supplemental Master Deed dated 25 March 2015 (collectively referred to as the “Deeds”), between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund will invest at least 50% of its NAV in at least three (3) collective investment schemes, subject to a maximum of 98% of its NAV. The Fund may invest in Malaysian securities but only up to 50% of its NAV. The Fund seeks to give investors a broad exposure to three (3) major global developed markets. This will be achieved by investing in collective investment schemes which invest into these three (3) markets. The Fund will at all times be invested in the collective investment schemes, each covering separate geographic regions thus providing diversification and allowing a greater spread of risk. The allocation between the collective investment schemes is done through a combination of macroeconomic data, liquidity trends and the outlook to overweight or underweight a particular collective investment schemes. This enables, the Fund to exploit the investment opportunities provided by developed economies, which are not found in the EM.

The investment management function of this Fund has been delegated to Principal Singapore with the approval of the SC. Principal Singapore will be responsible for investing and managing the Fund in accordance with the investment objective and within the investment restrictions.

All investments are subjected to the SC Guidelines on Unit Trust Funds, 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 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 year.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(a) Basis of preparation (continued)**

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).

Standards, amendments to published standards or interpretation that are effective and relevant:

The Fund has applied the following amendments to published standards for the first time for the financial year beginning 1 April 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.

There are no other standards, amendments to standards or interpretations that are effective for financial year beginning on 1 April 2019 that have a material effect on the financial statements of the Fund.

There are no applicable standards, amendments to standards or interpretations that are effective for financial year beginning on/after 1 April 2020 to the financial statements of the Fund.

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

Investment in collective investment schemes are debt instrument with contractual cash flow that do not represent solely payment of principal and interest ("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 collective investment schemes 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.

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

Recognition and measurement

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

Financial 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(b) Financial assets and financial liabilities (continued)**Recognition and measurement (continued)

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

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

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

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

Impairment for assets carried at amortised cost

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

**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.

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

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

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

**(d) Functional and presentation 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 Ringgit Malaysia ("RM"), 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 RM primarily due to the following factors:

- i) Significant portion of the units of the Fund are denominated in RM.
- ii) All of the Fund's expenses are denominated in RM.

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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

**(e) Cash and cash equivalents**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(f) Taxation**

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

Tax on income from foreign collective investment schemes is based on the tax regime of the respective countries that the Fund invests in.

**(g) Distribution**

A distribution to the Fund's unit holders is accounted for as finance cost in the statement of comprehensive income. A proposed distribution is recognised as a liability in the period in which it is approved by the Trustee of the Fund.

**(h) Management fee rebate**

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.

**(i) Transactions costs**

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

**(j) 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 two classes of units, known respectively as the Class MYR 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 unit holders of respective classes with the total number of outstanding units of respective classes.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(k) Increase/Decrease in net assets attributable to unit holders**

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

**(l) Realised and unrealised portions of increase/decrease in net assets attributable to unit holders.**

The analysis of realised and unrealised portions of increase/decrease in net assets attributable to unit holders as presented on the statement of comprehensive income is prepared in accordance with SC Guidelines on Unit Trust Funds.

**(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 SC Guidelines on Unit Trust Funds.

However, the Manager is of the opinion that there are no accounting policies which require significant judgement to be exercised.

**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES**

Financial instruments of the Fund are as follows:

	<b>Financial assets at fair value through profit or loss RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Total RM</b>
<b>2020</b>			
Cash and cash equivalents (Note 9)	-	39,447,371	39,447,371
Collective investment schemes (Note 8)	253,382,234	-	253,382,234
Amount due from Manager	-	2,393,513	2,393,513
Amount due from Manager of collective investment schemes			
- Management fee rebate	-	89,620	89,620
Dividend receivable	-	62,099	62,099
	<u>253,382,234</u>	<u>41,992,603</u>	<u>295,374,837</u>
<b>2019</b>			
Cash and cash equivalents (Note 9)	-	24,232,125	24,232,125
Collective investment schemes (Note 8)	382,279,594	-	382,279,594
Amount due from Manager	-	1,313,210	1,313,210
Amount due from Manager of collective investment schemes			
- Management fee rebate	-	340,375	340,375
	<u>382,279,594</u>	<u>25,885,710</u>	<u>408,165,304</u>

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

The Fund aims to grow the value of unit holder's investments over the medium to long-term in an equity fund that invests in the global titans market of the US, Europe and Japan with an exposure to the Malaysian equities market to balance any short term volatilities.

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 Guidelines on Unit Trust Funds.

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

(a) Market risk

(i) Price risk

This is the risk that the fair value of investment in collective investment schemes will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk). The value of collective investment schemes 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 schemes and other financial instruments within specified limits according to the Deeds.

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

	2020 RM	2019 RM
Financial assets at fair value through profit or loss:		
- Collective investment schemes	<u>253,382,234</u>	<u>382,279,594</u>

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

% Change in price of collective investment schemes	Market value RM	Impact on profit or loss/NAV RM
<b>2020</b>		
-5%	240,713,122	(12,669,112)
0%	253,382,234	-
+5%	<u>266,051,346</u>	<u>12,669,112</u>
<b>2019</b>		
-5%	363,165,614	(19,113,980)
0%	382,279,594	-
+5%	<u>401,393,574</u>	<u>19,113,980</u>

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

(a) Market risk (continued)

(ii) Interest rate risk

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

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

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

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

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

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

(iii) Currency risk

Currency risk is associated with 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.

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

	Cash and cash equivalents RM	Financial assets at fair value through profit or loss RM	Amount due from Manager of collective investment schemes RM	Net assets attributable to unit holders RM	Total RM
<b>2020</b>					
GBP	-	11,817,456	-	-	11,817,456
JPY	-	17,772,720	-	-	17,772,720
USD	38,805,296	223,792,058	-	(2,902,746)	259,694,608
	<u>38,805,296</u>	<u>253,382,234</u>	<u>-</u>	<u>(2,902,746)</u>	<u>289,284,784</u>

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

#### (a) Market risk (continued)

##### (iii) Currency risk (continued)

	Cash and cash equivalents RM	Financial assets at fair value through profit or loss RM	Amount due from Manager of collective investment schemes RM	Net assets attributable to unit holders RM	Total RM
<b>2019</b>					
USD	24,186,915	382,279,594	162,121	(4,381,275)	402,247,355

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 year. 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	
		2020 RM	2019 RM
GBP	+/- 5	+/- 590,873	-
JPY	+/- 5	+/- 888,636	-
USD	+/- 5	+/- 12,984,730	+/- 20,112,368
		<u>+/- 14,464,239</u>	<u>+/- 20,112,368</u>

#### (b) Credit risk

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

The credit risk arising from placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed 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 SC Guidelines on Unit Trust Funds.

For amount due from Manager of collective investment schemes, the Fund will invest with an investment management company of the collective investment schemes which is authorised or approved by the relevant regulatory authority in its home jurisdiction.

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

(b) Credit risk (continued)

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

	Cash and cash equivalents RM	Amount due from Manager RM	Amount due from Manager of collective investment schemes RM	Dividend receivable RM	Total RM
<b>2020</b>					
- AAA	39,447,371	-	-	-	39,447,371
- Not Rated	-	2,393,513	89,620	62,099	2,545,232
	<u>39,447,371</u>	<u>2,393,513</u>	<u>89,620</u>	<u>62,099</u>	<u>41,992,603</u>
	Cash and cash equivalents RM	Amount due from Manager RM	Amount due from Manager of collective investment schemes RM	Total RM	
<b>2019</b>					
- AAA	24,232,125	-	-	-	24,232,125
- Not Rated	-	1,313,210	340,375		1,653,585
	<u>24,232,125</u>	<u>1,313,210</u>	<u>340,375</u>		<u>25,885,710</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, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 business days. The Fund's investments in collective investment schemes are realizable which are capable of being converted into cash within 10 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 fund 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 year as at the end of the reporting year to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
<b>2020</b>			
Amount due to Manager	1,352,903	-	1,352,903
Accrued management fee	329,042	-	329,042
Amount due to Trustee	17,594	-	17,594
Other payables and accruals	-	16,100	16,100
Net assets attributable to unit holders*	<u>293,659,198</u>	<u>-</u>	<u>293,659,198</u>
<b>Contractual undiscounted cash flows</b>	<u><u>295,358,737</u></u>	<u><u>16,100</u></u>	<u><u>295,374,837</u></u>
<b>2019</b>			
Amount due to Manager	2,241,335	-	2,241,335
Accrued management fee	621,437	-	621,437
Amount due to Trustee	24,167	-	24,167
Other payables and accruals	-	21,307	21,307
Net assets attributable to unit holders*	<u>405,257,058</u>	<u>-</u>	<u>405,257,058</u>
<b>Contractual undiscounted cash flows</b>	<u><u>408,143,997</u></u>	<u><u>21,307</u></u>	<u><u>408,165,304</u></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 for long term.

#### (d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders RM293,659,198 (2019: RM405,257,058). 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 year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the 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.

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2020</b>				
Financial assets at fair value through profit or loss:				
- Collective investment schemes	<u>253,382,234</u>	<u>-</u>	<u>-</u>	<u>253,382,234</u>
<b>2019</b>				
Financial assets at fair value through profit or loss:				
- Collective investment schemes	<u>382,279,594</u>	<u>-</u>	<u>-</u>	<u>382,279,594</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include collective investment schemes. 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 schemes, 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 management fee of up to 1.85% per annum for each class, calculated daily based on the NAV of the Fund.

For the financial year ended 31 March 2020, the management fee is recognised at a rate of 1.80% per annum (2019: 1.80% per annum) for each class.

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

#### 5. TRUSTEE'S AND CUSTODIAN FEES

In accordance with the Deeds, the Trustee is entitled to a fee not exceeding 0.07% per annum for each class, calculated daily based on the NAV of the Fund. The Trustee's fee includes the local custodian fee but excludes the foreign sub-custodian fee (if any). The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears.

For the financial year ended 31 March 2020, the Trustee's fee is recognised at a rate of 0.07% per annum (2019: 0.07% per annum) for each class, while the foreign sub-custodian fee is recognised at RM22,607 (2019: RM22,132).

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

#### 6. DISTRIBUTION

Distribution to unit holders is derived from the following sources:

	2020 RM	2019 RM
Interest income from deposits with licensed financial institutions	654,682	-
Realised foreign exchange gain	76,160	-
Prior financial year's realised income	16,432,019	-
	<u>17,162,861</u>	<u>-</u>
Less:		
Expenses	<u>(6,943,297)</u>	-
Net distribution amount	<u><u>10,219,564</u></u>	<u><u>-</u></u>
Gross/Net distribution per unit (sen)		
Distribution on 29 October 2019		
- Class MYR	2.01	-
- Class USD	13.61	-
	<u><u>15.62</u></u>	<u><u>-</u></u>

Gross distribution is derived using total income less total expenses. Net distribution above is sourced from current and prior financial year's realised income.

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

The Fund incurred unrealised loss of RM23,363,824 during the financial year.

**7. TAXATION**

	<b>2020</b> <b>RM</b>	<b>2019</b> <b>RM</b>
Tax charged for the financial year:		
- Current taxation	<u>-</u>	<u>-</u>

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

	<b>2020</b> <b>RM</b>	<b>2019</b> <b>RM</b>
(Loss)/Profit before taxation	<u>(5,383,338)</u>	<u>21,413,759</u>
Taxation at Malaysian statutory rate of 24%	(1,292,001)	5,139,302
Tax effects of:		
- Investment income not subject to tax	(374,390)	(7,106,414)
- Expenses not deductible for tax purposes	77,982	83,675
- Restriction on tax deductible expenses for Unit Trust Funds	<u>1,588,409</u>	<u>1,883,437</u>
Taxation	<u>-</u>	<u>-</u>

**8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>2020</b> <b>RM</b>	<b>2019</b> <b>RM</b>
At fair value through profit or loss:		
- Collective investment schemes	<u>253,382,234</u>	<u>382,279,594</u>
Net gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	20,474,124	22,263,899
- Unrealised fair value (loss)/gain	(23,995,080)	1,147,310
- Management fee rebate #	<u>3,655,639</u>	<u>4,330,978</u>
	<u>134,683</u>	<u>27,742,187</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 year ended 31 March 2020 and 31 March 2019, the management fee rebates are recognised at a rate as per table below, calculated and accrued daily based on the NAV of the collective investment schemes.

	<b>2020</b> <b>%</b>	<b>2019</b> <b>%</b>
Principal Global Investors (“PGI”) European Equity Fund	1.00	1.00
PGI Japanese Equity Fund	-	1.00
PGI US Equity Fund	-	1.00
Schroder International Selection Fund (“ISF”) US Large Cap		
- A Accumulation Share Class	1.25	1.25
Schroder ISF Euro Equity Fund		
- A Accumulation USD Hedged Share Class	1.50	1.50
Schroder ISF Japanese Opportunities Fund		
- A Accumulation USD Share Class	1.50	1.50
Legg Mason ClearBridge US Large Cap Growth Fund	0.63	0.63

## 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 %
<b>2020</b>				
<b>COLLECTIVE INVESTMENT SCHEMES</b>				
IShares Core MSCI Europe ETF	33,243	5,615,182	5,321,968	1.81
IShares Core MSCI Europe UCITS ETF EUR (Dist)	126,535	10,700,697	11,817,456	4.02
Legg Mason ClearBridge US Large Cap Growth Fund	140,778	84,920,077	99,212,969	33.79
PGI European Equity Fund	253,087	24,167,639	28,006,000	9.54
Schroder ISF Euro Equity - A Accumulation USD Hedged Share Class	274,859	53,869,091	48,937,946	16.66
Schroder ISF Japanese Opportunities - A Accumulation USD Share Class	273,896	17,287,793	15,950,750	5.43
Schroder ISF US Large Cap - A Accumulation Share Class	14,839	7,613,411	8,983,271	3.06
Spider ("SPDR") Standard & Poor's 500 ("S&P 500") Exchange Traded Fund ("ETF") Trust	15,617	16,956,607	17,379,154	5.92
Tokyo Stock Price Index ("TOPIX") ETF	301,800	16,799,355	17,772,720	6.05
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES</b>	<b>1,434,654</b>	<b>237,929,852</b>	<b>253,382,234</b>	<b>86.28</b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>15,452,382</b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>253,382,234</b>		

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 %
<b>2019</b>				
<b>COLLECTIVE INVESTMENT SCHEMES</b>				
Legg Mason ClearBridge US Large Cap Growth Fund	180,712	105,525,453	124,568,829	30.74
PGI European Equity Fund	403,898	38,514,031	48,229,524	11.90
Schroder ISF Euro Equity - A Accumulation USD Hedged Share Class	508,730	98,868,261	97,323,208	24.02
Schroder ISF Japanese Opportunities - A Accumulation USD Share Class	823,261	51,961,649	52,826,678	13.03
Schroder ISF US Large Cap - A Accumulation Share Class	94,288	47,962,738	59,331,355	14.64
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES</b>	<b><u>2,010,889</u></b>	<b><u>342,832,132</u></b>	<b><u>382,279,594</u></b>	<b><u>94.33</u></b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>39,447,462</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>382,279,594</u></b>		

**9. CASH AND CASH EQUIVALENTS**

	<b>2020</b> <b>RM</b>	<b>2019</b> <b>RM</b>
Deposits with licensed financial institutions	622,043	20,410,434
Bank balances	<u>38,825,328</u>	<u>3,821,691</u>
	<u><u>39,447,371</u></u>	<u><u>24,232,125</u></u>

**10. NUMBER OF UNITS IN CIRCULATION (UNITS)**

	<b>2020</b>	<b>2019</b>
	<b>No. of units</b>	<b>No. of units</b>
Class MYR (i)	484,333,288	626,728,826
Class USD (ii)	<u>714,608</u>	<u>1,012,293</u>
	<u><u>485,047,896</u></u>	<u><u>627,741,119</u></u>

(i) Class MYR

	<b>2020</b>	<b>2019</b>
	<b>No. of units</b>	<b>No. of units</b>
At the beginning of the financial year	626,728,826	702,564,552
Add : Creation of units from applications	161,288,214	257,888,331
Add: Creation of units from distribution	15,096,431	-
Less: Cancellation of units	<u>(318,780,183)</u>	<u>(333,724,057)</u>
At the end of the financial year	<u><u>484,333,288</u></u>	<u><u>626,728,826</u></u>

(ii) Class USD

	<b>2020</b>	<b>2019</b>
	<b>No. of units</b>	<b>No. of units</b>
At the beginning of the financial year	1,012,293	461,098
Add : Creation of units from applications	303,396	1,098,829
Add: Creation of units from distribution	17,361	-
Less: Cancellation of units	<u>(618,442)</u>	<u>(547,634)</u>
At the end of the financial year	<u><u>714,608</u></u>	<u><u>1,012,293</u></u>

**11. MANAGEMENT EXPENSE RATIO (“MER”)**

	<b>2020</b>	<b>2019</b>
	%	%
MER	<u>1.90</u>	<u>1.91</u>

MER is derived based on the following calculation:

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

- A = Management fee
- B = Trustee’s fee
- C = Audit fee
- D = Tax agent’s fee
- E = Other expenses
- F = Average NAV of the Fund calculation on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is RM364,938,059 (2019: RM430,204,998).

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

	<b>2020</b>	<b>2019</b>
PTR (times)	<u>0.39</u>	<u>0.27</u>

PTR is derived based on the following calculation:

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

where:

- total acquisition for the financial year = RM80,661,916 (2019: RM94,636,750)
- total disposal for the financial year = RM206,038,320 (2019: RM133,607,936)

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

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

<u>Related parties</u>	<u>Relationship</u>
Principal Asset Management Berhad	The Manager
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the Manager
Principal International (Asia) Ltd	Shareholder of the Manager
Subsidiaries and associates of Principal Financial Group Inc., other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the Manager
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the Manager
CIMB Group Sdn Bhd	Shareholder of the Manager
Subsidiaries and associates of CIMB Group Holdings 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
CIMB Bank Bhd	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
Principal Global Investors Funds	Manager of collective investment schemes

Units held by the Manager and parties related to the Manager

	<u>2020</u>		<u>2019</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
<b>Manager</b>				
Principal Asset Management Berhad				
- Class MYR	89,645	53,814	128,120	81,946
- Class USD	4,804	19,514	4,648	20,117

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.

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

	2020 RM	2019 RM
<u>Significant related party transactions</u>		
Interest income from deposits with licensed financial institution:		
- CIMB Bank Bhd	86,118	314,766
Cash placement with licensed financial institution:		
- CIMB Bank Bhd	222,287,500	948,536,500
Management fee rebate		
- Principal Global Investors Funds	167,335	266,083
<u>Significant related party balance</u>		
Deposits with licensed financial institution:		
- CIMB Bank Bhd	-	4,082,258
Collective investment schemes:		
- PGI European Equity Fund	28,006,000	48,229,524

14. TRANSACTIONS WITH BROKERS

Details of transactions with the brokers for the financial year ended 31 March 2020 are as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Schroder Investment Management Ltd	96,286,827	51.42	-	-
Macquarie Capital Securities (Malaysia) Sdn Bhd	33,272,486	17.77	17,970	78.10
Legg Mason Global Funds	31,508,047	16.83	-	-
J.P. Morgan Securities LLC	16,799,355	8.97	5,040	21.90
Principal Global Investors Funds	9,400,251	5.01	-	-
	<u>187,266,966</u>	<u>100.00</u>	<u>23,010</u>	<u>100.00</u>

**14. TRANSACTIONS WITH BROKERS (CONTINUED)**

Details of transactions with the brokers for the financial year ended 31 March 2019 are as follows:

<b>Brokers</b>	<b>Value of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
Schroder Investment Management Ltd	132,909,570	58.23	-	-
Legg Mason Global Funds	49,066,581	21.50	-	-
Principal Global Investors Funds	46,268,535	20.27	-	-
	<u>228,244,686</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

**15. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

The worsening of the macro-economic outlook as a result of COVID-19, both domestically and globally, has impacted the Fund's performance during the financial year end.

The Manager continues monitoring the situation closely and will be managing the portfolio to achieve the Fund's objective.

**16. SUBSEQUENT EVENT**

The Fund has changed its name from CIMB-Principal Global Titans Fund to Principal Global Titans Fund following the issuance of Replacement Prospectus Issue No.M3 dated 1 April 2020.

**17. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved for issue by the Manager on 14 May 2020.

**DIRECTORY**

**Head Office of the Manager**

Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))  
10<sup>th</sup> Floor, Bangunan CIMB,  
Jalan Semantan,  
Damansara Heights,  
50490 Kuala Lumpur, MALAYSIA.  
Tel: (03) 2084 8888

**Website**

[www.principal.com.my](http://www.principal.com.my)

**E-mail address**

[service@principal.com.my](mailto:service@principal.com.my)

**Customer Care Centre**

(03) 7718 3100

**Trustee for the CIMB-Principal Global Titans Fund**

HSBC (Malaysia) Trustee Berhad (Company No. 193701000084 (1281-T))  
13<sup>th</sup> Floor, Bangunan HSBC,  
South Tower,  
No. 2, Leboh Ampang,  
50100 Kuala Lumpur, MALAYSIA.  
Tel: (03) 2075 07800  
Fax: (03) 2179 6511

**Auditors of the Fund and of the Manager**

PricewaterhouseCoopers (Company No. 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**  
**199401018399 (304078-K)**

Enquiries:

Customer Care Centre  
(603)7718 3000

Email  
[service@principal.com.my](mailto:service@principal.com.my)

Website  
[www.principal.com.my](http://www.principal.com.my)