

Principal ASEAN Dynamic Fund

Interim Report

For The Financial Period Ended 31 May 2020

PRINCIPAL ASEAN DYNAMIC FUND

INTERIM REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2020

| CONTENTS | PAGE(S) |
|---------------------------------------------|----------------|
| INVESTORS' LETTER | 1 |
| MANAGER'S REPORT | 2 - 10 |
| 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 | 11 |
| TRUSTEE'S REPORT | 12 |
| UNAUDITED STATEMENT OF COMPREHENSIVE INCOME | 13 |
| UNAUDITED STATEMENT OF FINANCIAL POSITION | 14 |
| UNAUDITED STATEMENT OF CHANGES IN EQUITY | 15 |
| UNAUDITED STATEMENT OF CASH FLOWS | 16 |
| NOTES TO THE FINANCIAL STATEMENTS | 17 - 42 |
| DIRECTORY | 43 |

INVESTORS' LETTER

Dear Valued Investor,

In Malaysia, things are looking much closer to the “old norm” now, yet with proper social distancing protocols still in place. We’re taking each day and each decision with a mix of enthusiasm and caution. This is how we can continue to flatten the curve of Coronavirus Disease 2019 (“COVID-19”) and remain a viable and dynamic economy. And, this is how our team handle your investments with us. We do our best to make the right decisions to maximise fund returns to help you meet your long-term investment needs.

Markets globally continue to look positive and show signs that the economies worldwide are on the path to recovery. We are increasing exposure to equities vis-à-vis fixed income, as policymakers are assessing the impact of the policies implemented earlier this year to help revive economies. We are positive on Asian equities on a 12-month basis and have added ASEAN names in anticipation of a broader market recovery going forward. For our:

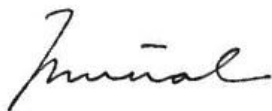
- **Conservative investors, we recommend:** Malaysia focus bond and balanced funds that are income focussed.
- **More aggressive investors, we recommend:** Growth-oriented funds that offer exposure to growth areas in China, Asia-Pacific, Global Technology, ASEAN and Malaysian aggressive funds.

Continue to log on to our website (www.principal.com.my) to receive updates on our latest insights and investing articles.

We are pleased to share that we have won awards for Best Asset Manager (Money Market & Balanced funds) and Best Absolute Return Strategy at the Alpha Southeast Asia Fund Management Awards 2020.

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

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



Munirah Khairuddin
Chief Executive Officer

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

The Fund aims to achieve capital appreciation over the medium to long term by investing in the Association of Southeast Asian Nations ("ASEAN") region.

Has the Fund achieved its objective?

The Fund has performed in line with its objective of capital appreciation over the medium to long term, as stated under the Fund Performance section. However, the Fund has not achieved favourable return in past 6-months largely due to unfavourable macro environment.

What are the Fund investment policy and principal investment strategy?

The Fund will be managed with the aim of achieving a stable and positive investment returns over the medium to long term through investments in ASEAN region regardless of market conditions. The companies invested in must be domiciled in, listed in, and/or have significant operations in the ASEAN region. For listed securities, the investment must be traded in an exchange that is a member of World Federation of Exchanges ("WFE"). 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant operations in Thailand but listed on the New York Stock Exchange ("NYSE"). The threshold for 'significant operations' would be at least 25% of total group revenue to derive from countries in the ASEAN region. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports).

Investment universe of the Fund will be in countries where the regulatory authority is an ordinary or associate member of the International Organisation of Securities Commissions ("IOSCO") which include but not limited to Brunei Darussalam, Indonesia, Malaysia, Philippine, Singapore, Thailand and Vietnam. If the investment is a listed security, the investment must be traded in an exchange that is a member of WFE. In the event the Manager is unable to obtain the necessary licenses or permits, or the licenses or permits are revoked or not renewed (as the case may be), the Manager will seek to invest in other accessible markets.

The Fund have the flexibility to adjust its investment exposure to equity and/or debt securities and money market instruments depending on market conditions. Under general market conditions, the Fund will invest in equities of companies which we believe will exhibit good growth potential[^] when compared to its industry or the overall market[#]. The Fund may also invest up to 20% of the Fund's Net Asset Value ("NAV") in debt securities to be in line with the Fund's objective. The minimum credit rating for these debt securities must be at least "BBB" by an international rating agency as prescribed under the Standard of Qualifying collective investment schemes or its equivalent by other international rating agencies. The Fund may opt to access into the equities and/or debt securities market via investment in units of other collective investment schemes that is in line with the Fund's objective, subject to the requirements of the Securities Commission Malaysia ("SC") Guidelines and the Standards of Qualifying collective investment schemes.

The asset allocation strategy for this Fund is as follows:

- between 60% to 98% (both inclusive) of the Fund's NAV will be invested in equities;
- up to 20% of the Fund's NAV may be invested in debt securities; and
- at least 2% of its NAV will be invested in liquid assets for liquidity purpose.

[^] *good growth potential - Refers to companies that have a better growth than the Gross Domestic Product ("GDP") of the respective country and reasonably priced based on the Manager's estimate. Reasonably priced means when the intrinsic value is higher than the current market price.*

[#] *compared to its industry or the overall market - The comparison will be conducted at the point of purchase.*

Base Currency

United States Dollar ("USD")

Fund category/type

Equity/Growth

FUND OBJECTIVE AND POLICY (CONTINUED)**How long should you invest for?**

Medium term to long term

When was the Fund launched?

| Name of Class | Launch Date |
|----------------------|--------------------|
| Class MYR | 3 March 2015 |
| Class SGD | 9 September 2015 |
| Class USD | 3 March 2015 |

What was the size of the Fund as at 31 May 2020?

USD9.61 million (58.67 million units)

What is the Fund's benchmark?

The performance of this Fund cannot be compared directly with any specific publicly available benchmark. However, the Fund has a target return of nine percent (9%) per annum.

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

What is the Fund distribution policy?

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

What was the net income distribution for the six months financial period ended 31 May 2020?

There was no distribution made for the six months financial period ended 31 May 2020.

PERFORMANCE DATA

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

| | 31.05.2020 | 31.05.2019 | 31.05.2018 |
|---------------------------|-------------------|-------------------|-------------------|
| | % | % | % |
| Quoted securities | | | |
| - Communication Services | 8.82 | 7.63 | 2.12 |
| - Consumer Discretionary | 5.65 | 8.42 | 10.15 |
| - Consumer Staples | 8.86 | 7.86 | 3.34 |
| - Energy | 5.57 | 5.48 | 2.87 |
| - Financials | 17.36 | 21.42 | 27.11 |
| - Health Care | 10.57 | 4.07 | 2.21 |
| - Industrials | 3.86 | 8.13 | 12.29 |
| - Information Technology | - | - | 8.84 |
| - Materials | 3.05 | 0.76 | 1.88 |
| - Real Estate | 25.37 | 14.28 | 2.52 |
| Cash and other net assets | 10.89 | 21.94 | 26.66 |
| | <u>100.00</u> | <u>100.00</u> | <u>100.00</u> |

Note: The Fund had applied the Global Industry Classification Standard ("GICS") sectors classification.

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

| | 31.05.2020 | 31.05.2019 | 31.05.2018 |
|--------------------------------|-------------------|-------------------|-------------------|
| NAV (USD Million) | | | |
| - Class MYR | 8.09 | 9.98 | 13.17 |
| - Class SGD | 0.32 | 0.03 | 0.02 |
| - Class USD | 1.20 | 1.66 | 2.15 |
| Units in circulation (Million) | | | |
| - Class MYR | 56.09 | 62.49 | 76.97 |
| - Class SGD | 0.35 | 0.03 | 0.02 |
| - Class USD | 2.23 | 2.79 | 3.37 |
| NAV per unit (USD) | | | |
| - Class MYR | 0.1443 | 0.1597 | 0.1711 |
| - Class SGD | 0.9109 | 1.0052 | 1.0708 |
| - Class USD | 0.5376 | 0.5950 | 0.6376 |
| Highest NAV per unit (USD) | | | |
| - Class MYR | 0.1725 | 0.1664 | 0.1860 |
| - Class SGD | 1.0878 | 1.0475 | 1.1639 |
| - Class USD | 0.6427 | 0.6202 | 0.6930 |
| Lowest NAV per unit (USD) | | | |
| - Class MYR | 0.1145 | 0.1498 | 0.1660 |
| - Class SGD | 0.7227 | 0.9418 | 1.0384 |
| - Class USD | 0.4268 | 0.5581 | 0.6183 |

PERFORMANCE DATA (CONTINUED)

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

| | 01.12.2019 to 31.05.2020 | 01.12.2018 to 31.05.2019 | 01.12.2017 to 31.05.2018 |
|--------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Total return (%) | | | |
| - Class MYR | (8.91) | 1.01 | 2.55 |
| - Class SGD | (9.40) | 1.46 | 2.56 |
| - Class USD | (12.45) | 1.04 | 2.54 |
| - Capital growth (%) | | | |
| - Class MYR | (8.91) | 1.01 | 2.55 |
| - Class SGD | (9.40) | 1.46 | 2.56 |
| - Class USD | (12.45) | 1.04 | 2.54 |
| - Income distribution (%) | | | |
| - Class MYR | - | - | - |
| - Class SGD | - | - | - |
| - Class USD | - | - | - |
| Management Expense Ratio ("MER") (%) ^ | 1.16 | 1.01 | - |
| Portfolio Turnover Ratio ("PTR") (times) # | 1.92 | 1.92 | 1.09 |

^ The Fund's MER increase from 1.01% to 1.16 due to decrease in average NAV during the financial period under review.

| | 31.05.2020 | 31.05.2019 | 31.05.2018 | 31.05.2017 | 31.05.2016 |
|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | % | % | % | % | % |
| Annual total return | | | | | |
| - Class MYR | (6.25) | (7.04) | 16.81 | 15.71 | (6.87) |
| - Class USD | (9.62) | (6.99) | 16.74 | 15.80 | (6.88) |

(Launch date: 3 March 2015)

| | 31.05.2020 | 31.05.2019 | 31.05.2018 | 31.05.2017 | Since inception to 31.05.2016 |
|---------------------|-------------------|-------------------|-------------------|-------------------|----------------------------------------------|
| Annual total return | | | | | |
| - Class SGD | (7.04) | (6.38) | 16.87 | 15.77 | 13.19 |

(Launch date: 9 September 2015)

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

MARKET REVIEW (1 DECEMBER 2019 TO 31 MAY 2020)

In December 2019, trade tension between US and China eased off. China official manufacturing Purchasing Manager’s Index (“PMI”) started to show improvement by January 2020. However, China saw COVID-19 outbreak and lockdown was imposed in China starting late January and early February 2020. By March 2020, COVID-19 evolved into global pandemic, leading to various forms of lockdown globally. Given the impact of lockdown on economies, global equities markets declined sharply. By end of March 2020, equities markets including ASEAN started to recover, as governments and Central Banks globally continued to commit for fiscal and monetary easings to support economies. In April 2020 and May 2020, certain countries in region such as Vietnam, Thailand, Malaysia and Singapore had seen declining or stabilising new cases of COVID-19 and started to ease lockdowns or social distancing. As such, equities markets continued to recover from the low in March 2020.

FUND PERFORMANCE

| | 6 months to 31.05.2020 | | | 1 year to 31.05.2020 | | |
|----------------------|-------------------------------|------------------|------------------|-----------------------------|------------------|------------------|
| | Class MYR | Class SGD | Class USD | Class MYR | Class SGD | Class USD |
| | % | % | % | % | % | % |
| Income distribution | - | - | - | - | - | - |
| Capital growth | (8.91) | (9.40) | (12.45) | (6.25) | (7.04) | (9.62) |
| Total Return | (8.91) | (9.40) | (12.45) | (6.25) | (7.04) | (9.62) |
| Benchmark | 4.40 | 4.40 | 4.40 | 9.00 | 9.00 | 9.00 |
| Average Total Return | N/A | N/A | N/A | (6.25) | (7.04) | (9.62) |

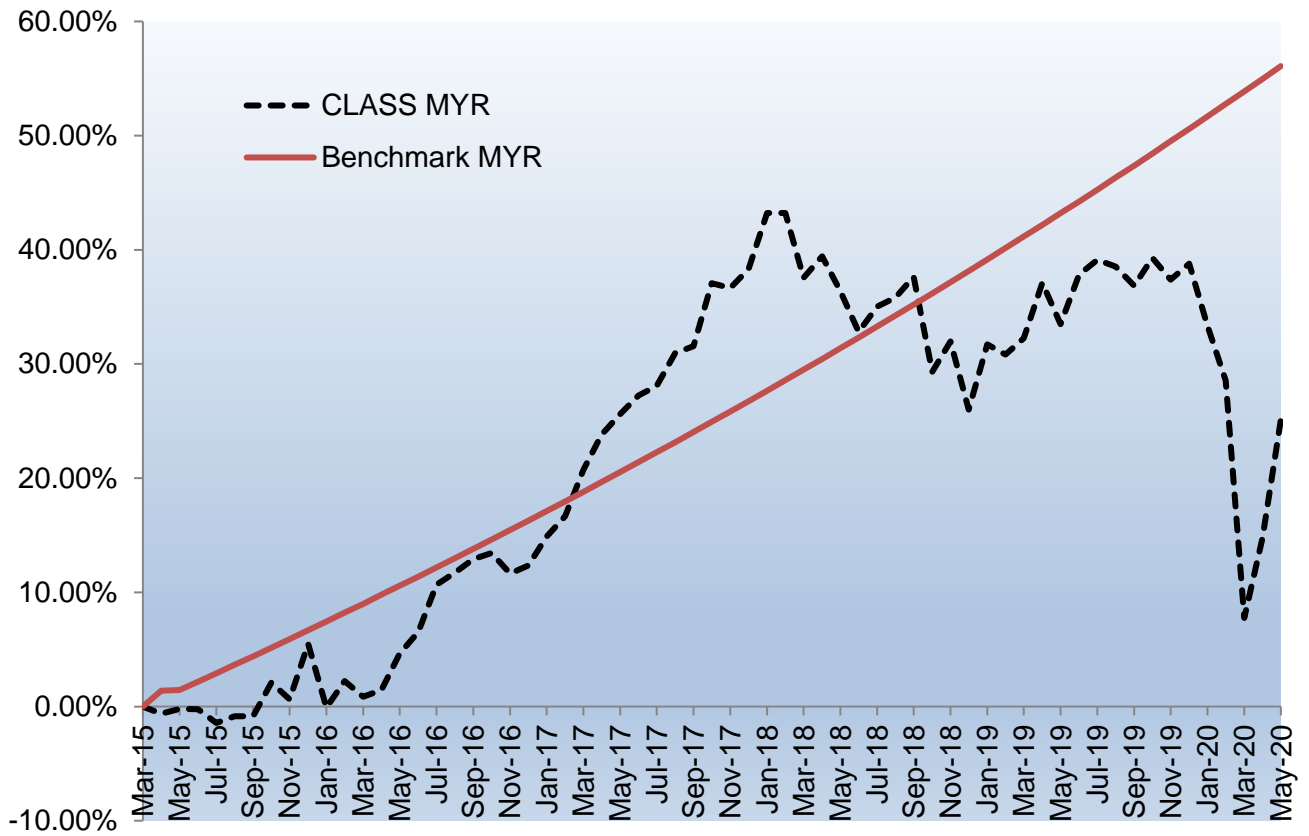
| | 3 years to 31.05.2020 | | | 5 years to 31.05.2020 | | |
|----------------------|------------------------------|------------------|------------------|------------------------------|------------------|------------------|
| | Class MYR | Class SGD | Class USD | Class MYR | Class SGD | Class USD |
| | % | % | % | % | % | % |
| Income distribution | - | - | - | - | - | - |
| Capital growth | (0.38) | 1.10 | (1.87) | 25.39 | - | 5.82 |
| Total Return | (0.38) | 1.10 | (1.87) | 25.39 | - | 5.82 |
| Benchmark | 29.50 | 29.50 | 29.50 | 0.00 | - | 0.00 |
| Average Total Return | (0.13) | 0.37 | (0.63) | 4.63 | - | 1.14 |

| | Since inception to 31.05.2020 | | |
|----------------------|--------------------------------------|------------------|------------------|
| | Class MYR | Class SGD | Class USD |
| | % | % | % |
| Income distribution | - | - | - |
| Capital growth | 25.14 | 28.40 | 7.30 |
| Total Return | 25.14 | 28.40 | 7.30 |
| Benchmark | 56.09 | 49.58 | 56.09 |
| Average Total Return | 4.36 | 5.23 | 1.35 |

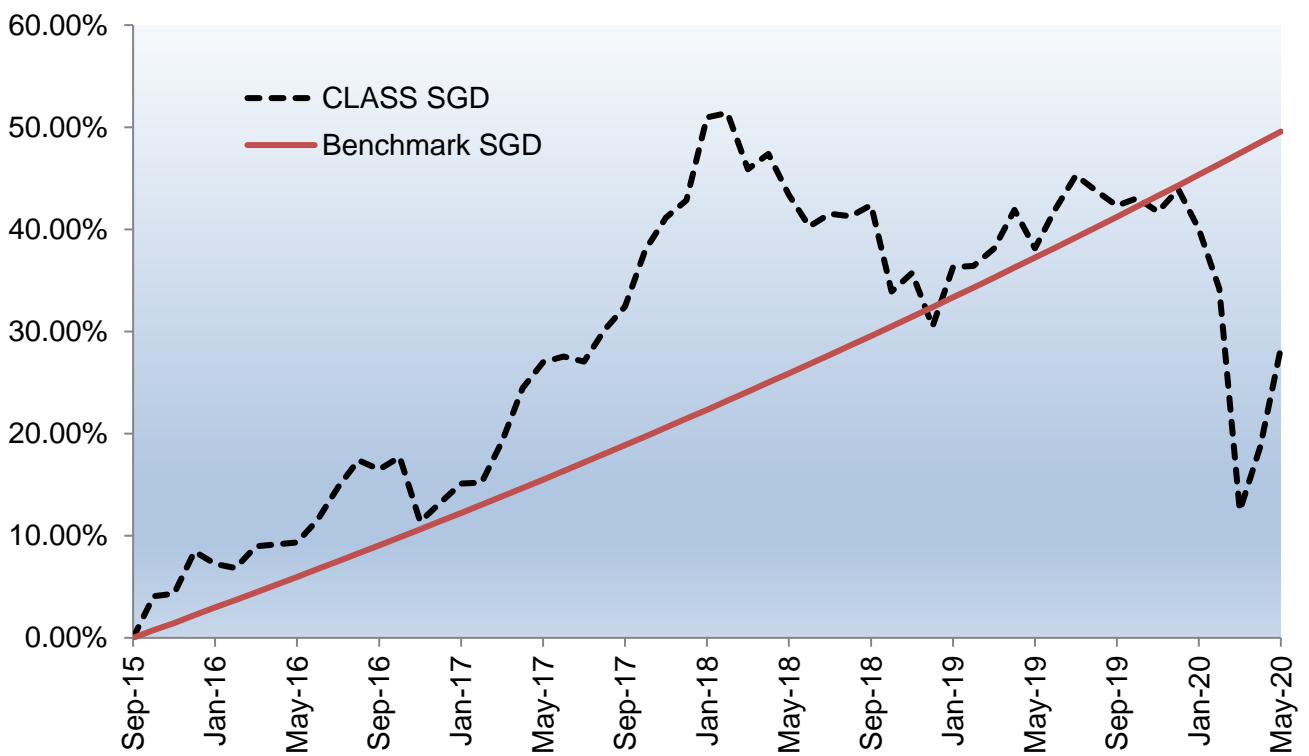
The Fund’s total return were 25.14%, 28.40% and 7.30% since inception, for Class MYR, Class SGD and Class USD respectively. The variance in performance of the three classes was due to volatility in currencies and different inception dates.

FUND PERFORMANCE (CONTINUED)

Class MYR

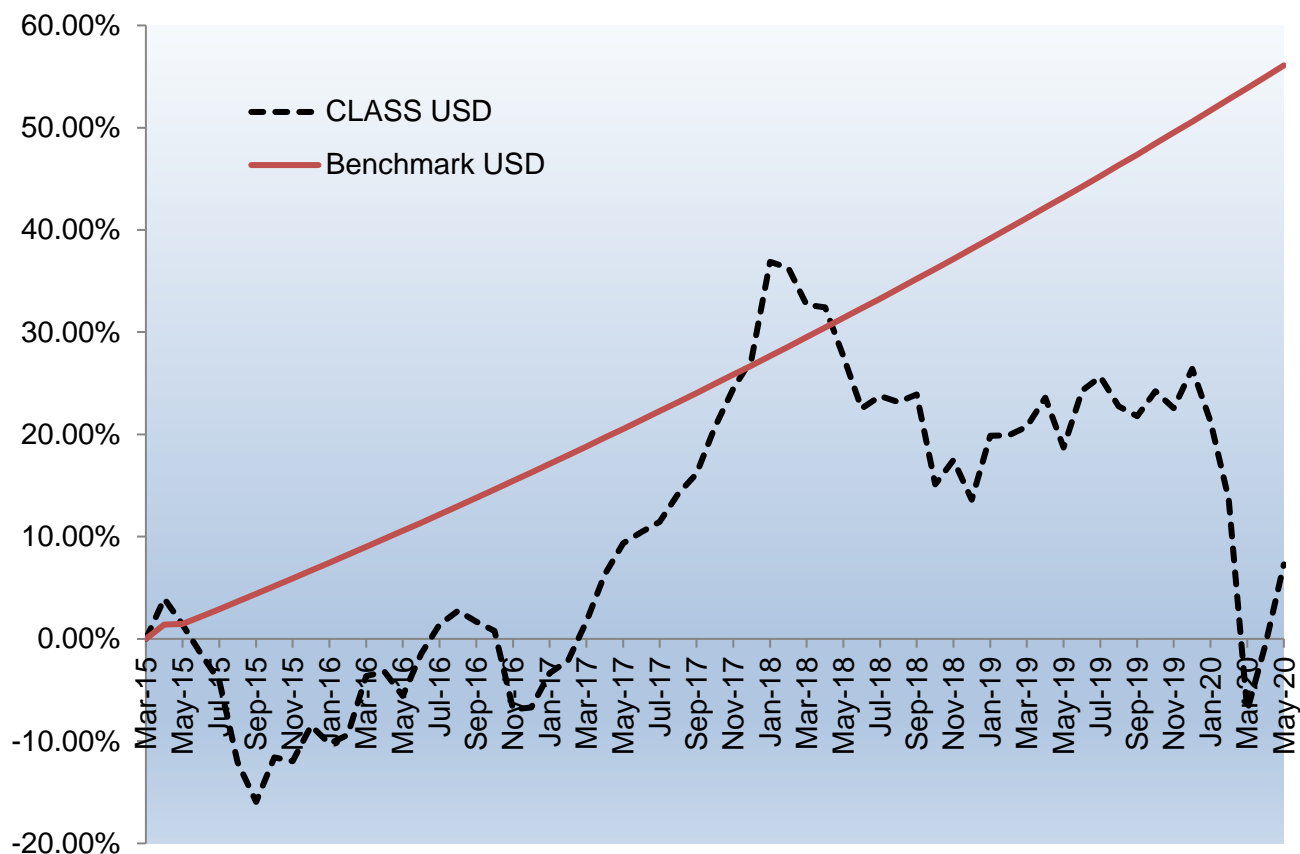


Class SGD



FUND PERFORMANCE (CONTINUED)

Class USD



Changes in NAV

CLASS MYR

| | 31.05.2020 | 30.11.2019 Audited | Changes % |
|-------------------|------------|-----------------------|--------------|
| NAV (USD Million) | 8.09 | 9.93 | (18.53) |
| NAV/Unit (USD) | 0.1443 | 0.1647 | (12.39) |

CLASS SGD

| | 31.05.2020 | 30.11.2019 Audited | Changes % |
|-------------------|------------|-----------------------|--------------|
| NAV (USD Million) | 0.32 | 0.06 | >100.00 |
| NAV/Unit (USD) | 0.9109 | 1.0385 | (12.29) |

FUND PERFORMANCE (CONTINUED)**Changes in NAV****CLASS USD**

| | 31.05.2020 | 30.11.2019 Audited | Changes % |
|-------------------|-------------------|-------------------------------------|----------------------------|
| NAV (USD Million) | 1.20 | 1.62 | (25.93) |
| NAV/Unit (USD) | 0.5376 | 0.6138 | (12.41) |

For the financial period under review, the Fund's NAV declined by 18.53% and 25.93% for Class MYR and Class USD, respectively, due to redemption and decline in NAV per unit. For Class SGD, the Fund's NAV rose by more than 100% due to inflow. The decline in NAV per unit for all 3 classes was due to negative investment performance as general market declined.

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

PORTFOLIO STRUCTURE**Asset allocation**

| (% of NAV) | 31.05.2020 | 30.11.2019 Audited |
|---------------------------|-------------------|-------------------------------------|
| Quoted securities | 89.11 | 88.81 |
| Cash and other net assets | 10.89 | 11.19 |
| TOTAL | 100.00 | 100.00 |

The Fund remained invested in quoted securities during the financial period under review. The weight of quoted securities was increase slightly due to macro uncertainties.

MARKET OUTLOOK*

COVID-19 outbreak is easing in ASEAN especially in Vietnam, Thailand, Malaysia and Singapore. Governments in the region are easing lockdown. COVID-19 is unprecedented, however, most ASEAN countries entered the crisis with stronger positionings coupled with monetary and fiscal easings from these countries and developed markets. In terms of earnings, consensus is still in the midst of revising down their estimates. ASEAN currencies are stable or strengthened. In terms of Price-to-Book valuation, MSCI ASEAN is still trading below historical average.

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

INVESTMENT STRATEGY

We adopted a barbell approach. While still being invested in non-cyclical quality companies with growth and yield, we shifted some allocation to significantly undervalued, cyclical stocks with strong balance sheet in Singapore, Indonesia and Philippines in sectors such as financials and consumer. We also added to Vietnam which has led the region in exiting lockdown. We remain positive on the long-term outlook of ASEAN for companies that benefit from rising consumption and infrastructure spending, technology, supply chain shift, tourism and high-dividend payout.

UNIT HOLDINGS STATISTICS

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

CLASS MYR

| Size of unit holdings (units) | No. of unit holders | No. of units held (million) | % of units held |
|-------------------------------|---------------------|-----------------------------|-----------------|
| 5,000 and below | 62 | 0.19 | 0.34 |
| 5,001 to 10,000 | 92 | 0.68 | 1.21 |
| 10,001 to 50,000 | 337 | 8.67 | 15.46 |
| 50,001 to 500,000 | 106 | 10.61 | 18.92 |
| 500,001 and above | 2 | 35.94 | 64.07 |
| Total | 599 | 56.09 | 100.00 |

CLASS SGD

| Size of unit holdings (units) | No. of unit holders | No. of units held (million) | % of units held |
|-------------------------------|---------------------|-----------------------------|-----------------|
| 5,000 and below | 1 | 0.00 | 0.00 |
| 5,001 to 10,000 | - | - | - |
| 10,001 to 50,000 | 1 | 0.02 | 5.71 |
| 50,001 to 500,000 | 2 | 0.33 | 94.29 |
| 500,001 and above | - | - | - |
| Total | 4 | 0.35 | 100.00 |

CLASS USD

| Size of unit holdings (units) | No. of unit holders | No. of units held (million) | % of units held |
|-------------------------------|---------------------|-----------------------------|-----------------|
| 5,000 and below | 2 | 0.00 | 0.00 |
| 5,001 to 10,000 | - | - | - |
| 10,001 to 50,000 | 1 | 0.05 | 2.24 |
| 50,001 to 500,000 | - | - | - |
| 500,001 and above | 1 | 2.18 | 97.76 |
| Total | 4 | 2.23 | 100.00 |

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL ASEAN DYNAMIC FUND**

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 13 to 42 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 May 2020 of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting.

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN
Chief Executive Officer/Executive Director

JUAN IGNACIO EYZAGUIRRE BARAONA
Director

Kuala Lumpur
14 July 2020

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ASEAN DYNAMIC FUND**

We have acted as Trustee of Principal ASEAN Dynamic Fund (the "Fund") for the financial period ended 31 May 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.

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie
Manager, Investment Compliance Monitoring

Kuala Lumpur
14 July 2020

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2020**

| | Note | 01.12.2019 to 31.05.2020 USD | 01.12.2018 to 31.05.2019 USD |
|----------------------------------------------------------------------------------------|------|------------------------------------|------------------------------------|
| (LOSS)/INCOME | | | |
| Dividend income | | 110,606 | 193,416 |
| Interest income from deposits with licensed financial institutions at amortised cost | | 6,285 | 14,845 |
| Net (loss)/gain on financial assets at fair value through profit or loss | 7 | (1,370,321) | 344,408 |
| Net foreign exchange loss | | (121,170) | (68,024) |
| | | <u>(1,374,600)</u> | <u>484,645</u> |
| EXPENSES | | | |
| Management fee | 4 | 93,987 | 113,885 |
| Trustee's & custodian fees | 5 | 21,631 | 23,831 |
| Transaction costs | | 133,506 | 159,268 |
| Audit fee | | 2,382 | (9,172) |
| Tax agent's fee | | 1,588 | (2,566) |
| Other expenses | | 10,589 | 15,482 |
| | | <u>263,683</u> | <u>300,728</u> |
| (LOSS)/PROFIT BEFORE TAXATION | | (1,638,283) | 183,917 |
| Taxation | 6 | <u>-</u> | <u>-</u> |
| (DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS | | <u>(1,638,283)</u> | <u>183,917</u> |
| (Decrease)/Increase in net assets attributable to unit holders are made up as follows: | | | |
| Realised amount | | (2,256,233) | (831,762) |
| Unrealised amount | | 617,950 | 1,015,679 |
| | | <u>(1,638,283)</u> | <u>183,917</u> |

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

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2020

| | Note | 31.05.2020 USD | 30.11.2019 Audited USD |
|----------------------------------------------------------------------------------|------|-------------------|------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | 8 | 1,501,989 | 1,108,416 |
| Financial assets at fair value through profit or loss | 7 | 8,564,631 | 10,317,155 |
| Amount due from stockbrokers | | 216,595 | 1,001,159 |
| Amount due from Manager | | 13,726 | 95,158 |
| Dividends receivable | | 18,707 | 9,289 |
| Other receivables | | 12,537 | 12,537 |
| TOTAL ASSETS | | <u>10,328,185</u> | <u>12,543,714</u> |
| LIABILITIES | | | |
| Amount due to stockbrokers | | 682,775 | 858,569 |
| Amount due to Manager | | 15,549 | 44,986 |
| Accrued management fees | | 13,698 | 17,447 |
| Amount due to trustee | | 459 | 582 |
| Other payables and accruals | | 3,972 | 4,981 |
| TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS) | | <u>716,453</u> | <u>926,565</u> |
| NET ASSET VALUE OF THE FUND | | <u>9,611,732</u> | <u>11,617,149</u> |
| NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS | | <u>9,611,732</u> | <u>11,617,149</u> |
| REPRESENTED BY: | | | |
| FAIR VALUE OF OUTSTANDING UNITS (USD) | | | |
| - Class MYR | | 8,094,765 | 9,933,727 |
| - Class SGD | | 320,571 | 61,897 |
| - Class USD | | 1,196,396 | 1,621,525 |
| | | <u>9,611,732</u> | <u>11,617,149</u> |
| NUMBER OF UNITS IN CIRCULATION (UNITS) | | | |
| - Class MYR | | 56,094,737 | 60,290,759 |
| - Class SGD | | 351,918 | 59,598 |
| - Class USD | | 2,225,339 | 2,641,623 |
| | 9 | <u>58,671,994</u> | <u>62,991,980</u> |
| NET ASSET VALUE PER UNIT (USD) | | | |
| - Class MYR | | 0.1443 | 0.1647 |
| - Class SGD | | 0.9109 | 1.0385 |
| - Class USD | | <u>0.5376</u> | <u>0.6138</u> |
| NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES | | | |
| - Class MYR | | RM0.6270 | RM0.6878 |
| - Class SGD | | SGD1.2866 | SGD1.4195 |
| - Class USD | | <u>USD0.5376</u> | <u>USD0.6138</u> |

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

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2020**

| | 01.12.2019 to 31.05.2020 USD | 01.12.2018 to 31.05.2019 USD |
|-------------------------------------------------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD | 11,617,149 | 12,907,632 |
| Movement due to units created and cancelled during the financial period: | | |
| Creation of units from applications | | |
| - Class MYR | 1,644,530 | 948,034 |
| - Class SGD | 456,765 | 2,591 |
| - Class USD | 17,728 | 6,298 |
| | <u>2,119,023</u> | <u>956,923</u> |
| Cancellation of units | | |
| - Class MYR | (2,093,029) | (2,253,409) |
| - Class SGD | (144,170) | (16,122) |
| - Class USD | (248,958) | (109,515) |
| | <u>(2,486,157)</u> | <u>(2,379,046)</u> |
| (Decrease)/Increase in net assets attributable to unit holders during the financial period | <u>(1,638,283)</u> | <u>183,917</u> |
| NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD | <u>9,611,732</u> | <u>11,669,426</u> |

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

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2020**

| | 01.12.2019 to 31.05.2020 USD | 01.12.2018 to 31.05.2019 USD |
|--------------------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Proceeds from disposal of quoted securities | 21,526,193 | 25,289,302 |
| Purchase of quoted securities | (20,607,924) | (22,710,010) |
| Dividend income received | 90,013 | 156,780 |
| Interest income from deposits with licensed financial institutions | 6,286 | 14,845 |
| Management fee paid | (97,736) | (114,692) |
| Trustee's fees paid | (21,754) | (23,836) |
| Payments for other fees and expenses | (7,185) | (2,150) |
| Net realised foreign exchange loss | (172,137) | (41,709) |
| Net cash generated from operating activities | <u>715,756</u> | <u>2,568,530</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Cash proceeds from units created | 2,196,588 | 1,011,915 |
| Payments for cancellation of units | (2,514,169) | (2,321,727) |
| Net cash used in from financing activities | <u>(317,581)</u> | <u>(1,309,812)</u> |
| Net increase in cash and cash equivalents | 398,175 | 1,258,718 |
| Effects of foreign exchange differences | (4,602) | 6,786 |
| Cash and cash equivalents at the beginning of the financial period | <u>1,108,416</u> | <u>1,415,140</u> |
| Cash and cash equivalents at the end of the financial period | <u>1,501,989</u> | <u>2,680,644</u> |
| <u>Cash and cash equivalents comprised of:</u> | | |
| Bank balances | 845,725 | 1,710,166 |
| Deposits with licensed financial institutions | 656,264 | 970,478 |
| Cash and cash equivalents at the end of the financial period | <u>1,501,989</u> | <u>2,680,644</u> |

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2020****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

Principal ASEAN Dynamic Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 23 February 2015 and First Supplement Deed dated 28 August 2019 (referred to as the "Deed") between Principal Asset Management Berhad and HSBC (Malaysia) Trustee Berhad (the "Trustee").

The Fund will be managed with the aim of achieving a stable and positive investment returns over the medium to long term through investments in ASEAN region regardless of market conditions. The companies invested in must be domiciled in, listed in, and/or have significant operations in the ASEAN region. For listed securities, the investment must be traded in an exchange that is a member of WFE. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant operations in Thailand but listed on the NYSE. The threshold for 'significant operations' would be at least 25% of total group revenue to derive from countries in the ASEAN region. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports).

Investment universe of the Fund will be in countries where the regulatory authority is an ordinary or associate member of the IOSCO which include but not limited to Brunei Darussalam, Indonesia, Malaysia, Philippine, Singapore, Thailand and Vietnam. If the investment is a listed security, the investment must be traded in an exchange that is a member of WFE. In the event the Manager is unable to obtain the necessary licenses or permits, or the licenses or permits are revoked or not renewed (as the case may be), the Manager will seek to invest in other accessible markets.

The Fund have the flexibility to adjust its investment exposure to equity and/or debt securities and money market instruments depending on market conditions. Under general market conditions, the Fund will invest in equities of companies which we believe will exhibit good growth potential when compared to its industry or the overall market. The Fund may also invest up to 20% of the Fund's NAV in debt securities to be in line with the Fund's objective. The minimum credit rating for these debt securities must be at least "BBB" by an international rating agency as prescribed under the Standard of Qualifying collective investment schemes or its equivalent by other international rating agencies. The Fund may opt to access into the equities and/or debt securities market via investment in units of other collective investment schemes that is in line with the Fund's objective, subject to the requirements of the SC Guidelines and the Standards of Qualifying collective investment schemes .

The asset allocation strategy for this Fund is as follows:

- between 60% to 98% (both inclusive) of the Fund's NAV will be invested in equities;
- up to 20% of the Fund's NAV may be invested in debt securities; and
- at least 2% of its NAV will be invested in liquid assets for liquidity purpose.

All investments are subjected to the SC Guidelines on Unit Trust Funds, SC requirements, the Deed, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund's objective.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements have been prepared in accordance with the provisions of the MFRS and International Financial Reporting Standards (“IFRS”).

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

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

It also requires the Manager to exercise their judgment 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 judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(I).

Standards, amendments to published standards or interpretations 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 December 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 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 December 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 December 2020 to the financial statements of the Fund.

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

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

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

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

The Fund classifies cash and cash equivalents, amount due from stockbrokers, amount due from Manager, dividends receivable, and other receivables 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 stockbrokers, 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, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

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

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

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

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

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

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

Foreign quoted securities are valued based on the last traded market price quoted on the respective foreign stock exchange at the close of the business day of the respective foreign stock exchanges.

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

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

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

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 period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(c) Income recognition**

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

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 investments, determined on a weighted average cost basis.

(d) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances 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.

(e) Foreign currency**Functional and presentation currency**

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

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

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

Transactions and balances

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

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 investment income from foreign investments are based on the tax regime of the respective countries the Fund invest in.

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

(g) Transaction costs

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

(h) Unit holders' contribution

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 three classes of units, known respectively as the Class MYR, Class SGD, and Class USD which are cancelled at the unit holder's option and do not have identical features subject to restrictions as stipulated in the Prospectus and SC Guidelines on Unit Trust Funds. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the member exercises the right to put back the unit to the Fund.

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

(i) Increase/decrease in net asset attributable to unit holders

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

(j) Amount due from/to stockbrokers

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

These amounts are subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from stockbrokers at an amount equal to the lifetime ECL if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month ECL.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(j) Amount due from/to stockbrokers (continued)**

Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

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

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

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

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

(l) Critical accounting estimates and judgments in applying accounting policies

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

Estimates and judgments 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 in applying these accounting policies, no significant judgement was required.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund aims to achieve capital appreciation over the medium to long term by investing in the ASEAN region.

The Fund is exposed to a variety of risks which include market risk (inclusive of 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 Deed and SC Guidelines on Unit Trust Funds.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(a) Market risk****(i) Price risk**

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

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

(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 deposit with licensed financial institutions. The interest rate risk is expected to be minimal as the Fund's investments comprise mainly short term deposits with approved licensed financial institutions.

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

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

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(b) Credit risk**

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

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

For amount due from 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.

(c) Liquidity risk

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

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

(d) Capital risk management

The capital of the Fund is represented by net asset attributable to unit holders. The amount of capital can change significantly on a daily basis as the Fund is 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.

(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/period end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded market price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

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

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

(i) Fair value hierarchy

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

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

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

The determination of what constitutes 'observable' requires significant judgment 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.

(i) Fair value hierarchy

| | Level 1 USD | Level 2 USD | Level 3 USD | Total USD |
|--------------------------------------------------------|----------------|----------------|----------------|--------------|
| 31.05.2020 | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Quoted securities | 8,564,631 | - | - | 8,564,631 |

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

| | Level 1 USD | Level 2 USD | Level 3 USD | Total USD |
|--------------------------------------------------------------|----------------|----------------|----------------|--------------|
| 30.11.2019 | | | | |
| Audited | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Quoted securities | 10,317,155 | - | - | 10,317,155 |

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

- (ii) The carrying values of cash and cash equivalents, amount due from stockbrokers, amount due from Manager, dividends receivable, other receivables 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 Deed, the Manager is entitled to a fee of up to 3.00% per annum, calculated and accrued daily based on the NAV of the Fund.

For the six months financial period ended 31 May 2020 and 31 May 2019, the management fee for the respective classes is recognised at the following rates:

| Class MYR | Class SGD | Class USD |
|-----------|-----------|-----------|
| 1.80% | 1.50% | 1.80% |

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

5. TRUSTEE'S FEE

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

For the six months financial period ended 31 May 2020, the Trustee's fee is recognised at a rate of 0.06% per annum (31.05.2019: 0.06% per annum) for each unit class.

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

6. TAXATION

| | 01.12.2019 to 31.05.2020 | 01.12.2018 to 31.05.2019 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| | USD | USD |
| Tax charged for the financial period: | | |
| - Withholding 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:

| | 01.12.2019 to 31.05.2020 | 01.12.2018 to 31.05.2019 |
|--------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| | USD | USD |
| (Loss)/Profit before taxation | <u>(1,638,283)</u> | <u>183,917</u> |
| Taxation at Malaysian statutory rate of 24% | (393,188) | 44,140 |
| Tax effects of: | | |
| - Loss not deductible for tax purposes/(Income not subject to tax) | 329,904 | (116,315) |
| - Expenses not deductible for tax purposes | 40,005 | 41,160 |
| - Restriction on tax deductible expenses for Unit Trust Funds | <u>23,279</u> | <u>31,015</u> |
| Taxation | <u>-</u> | <u>-</u> |

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 31.05.2020 | 30.11.2020 Audited |
|---------------------------------------|-------------------|-------------------------------|
| | USD | USD |
| At fair value through profit or loss: | | |
| - Quoted securities | <u>8,564,631</u> | <u>10,317,155</u> |

| | 01.12.2019 to 31.05.2020 | 01.12.2018 to 31.05.2019 |
|---------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| | USD | USD |
| Net (loss)/gain on financial assets at fair value through profit or loss: | | |
| - Realised loss on disposals | (1,995,203) | (663,173) |
| - Unrealised fair value gain | <u>624,882</u> | <u>1,007,581</u> |
| | <u>(1,370,321)</u> | <u>344,408</u> |

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

| Name of counter | Quantity Units | Aggregate cost USD | Market value USD | Percentage of NAV % |
|-------------------------------|-------------------|--------------------------|------------------------|---------------------------|
| 31.05.2020 | | | | |
| QUOTED SECURITIES | | | | |
| INDONESIA | | | | |
| Communication Services | | | | |
| Telekomunikasi TBK PT | 866,500 | 186,650 | 186,383 | 1.94 |
| Consumer Discretionary | | | | |
| Ace Hardware Indonesia | 1,277,300 | 113,261 | 135,629 | 1.41 |
| Astra International TBK PT | 676,800 | 175,336 | 220,448 | 2.29 |
| | 1,954,100 | 288,597 | 356,077 | 3.70 |
| Consumer Staples | | | | |
| Astra Agro Lestari TBK PT | 157,700 | 70,077 | 79,688 | 0.83 |
| Financials | | | | |
| Bank Central Asia | 114,400 | 194,070 | 202,717 | 2.11 |
| Bank Mandiri | 727,300 | 199,063 | 221,998 | 2.31 |
| Bank Rakyat Indonesia | 987,200 | 168,310 | 198,863 | 2.07 |
| | 1,828,900 | 561,443 | 623,578 | 6.49 |
| Health Care | | | | |
| Medikaloka Hermina Tbk PT | 327,500 | 48,390 | 53,001 | 0.55 |
| Materials | | | | |
| Indocement Tunggal Prakarsa | 241,900 | 184,279 | 199,871 | 2.08 |
| TOTAL INDONESIA | 5,376,600 | 1,339,436 | 1,498,598 | 15.59 |
| MALAYSIA | | | | |
| Communication Services | | | | |
| Telekom Malaysia Bhd | 188,600 | 179,440 | 183,608 | 1.91 |
| Time Dotcom Bhd | 79,500 | 171,734 | 195,777 | 2.04 |
| | 268,100 | 351,174 | 379,385 | 3.95 |
| Consumer Discretionary | | | | |
| Genting Malaysia Bhd | 272,700 | 147,164 | 145,607 | 1.51 |
| Consumer Staples | | | | |
| Kuala Lumpur Kepong Bhd | 20,500 | 98,800 | 103,986 | 1.08 |
| QL Resources Bhd | 101,800 | 183,816 | 237,104 | 2.47 |
| | 122,300 | 282,616 | 341,090 | 3.55 |

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

| Name of counter | Quantity Units | Aggregate cost USD | Market value USD | Percentage of NAV % |
|------------------------------------------|-------------------------|--------------------------|-------------------------|---------------------------|
| 31.05.2020 (CONTINUED) | | | | |
| QUOTED SECURITIES (CONTINUED) | | | | |
| MALAYSIA (CONTINUED) | | | | |
| Energy | | | | |
| Dialog Group Bhd | 270,300 | 211,044 | 248,216 | 2.58 |
| Petronas Dagangan Bhd | 19,700 | 92,944 | 106,457 | 1.11 |
| | <u>290,000</u> | <u>303,988</u> | <u>354,673</u> | <u>3.69</u> |
| Financials | | | | |
| Hong Leong Bank Bhd | 30,200 | 94,937 | 94,527 | 0.98 |
| RHB Bank Bhd | 86,200 | 95,227 | 94,632 | 0.99 |
| | <u>116,400</u> | <u>190,164</u> | <u>189,159</u> | <u>1.97</u> |
| Health Care | | | | |
| Hartalega Holding Bhd | 87,100 | 126,235 | 251,377 | 2.62 |
| Kossan Rubber Industries Bhd | 101,200 | 144,494 | 202,633 | 2.11 |
| Top Glove Corporation Bhd | 85,400 | 116,497 | 261,409 | 2.72 |
| | <u>273,700</u> | <u>387,226</u> | <u>715,419</u> | <u>7.45</u> |
| Industrials | | | | |
| Westports Holdings Bhd | 111,600 | 94,556 | 102,482 | 1.07 |
| Materials | | | | |
| Press Metal Aluminium Holding Bhd | 107,900 | 93,763 | 93,621 | 0.97 |
| Real Estate | | | | |
| Axis REIT | 255,703 | 112,977 | 121,819 | 1.27 |
| KLCCP Stapled Group | 24,000 | 43,278 | 42,587 | 0.44 |
| Sime Darby Property Bhd | 223,500 | 34,464 | 34,978 | 0.36 |
| | <u>503,203</u> | <u>190,719</u> | <u>199,384</u> | <u>2.07</u> |
| TOTAL MALAYSIA | <u>2,065,903</u> | <u>2,041,370</u> | <u>2,520,820</u> | <u>26.23</u> |

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

| Name of counter | Quantity Units | Aggregate cost USD | Market value USD | Percentage of NAV % |
|------------------------------------------|-------------------|--------------------------|------------------------|---------------------------|
| 31.05.2020 (CONTINUED) | | | | |
| QUOTED SECURITIES (CONTINUED) | | | | |
| PHILIPPINES | | | | |
| Consumer Discretionary | | | | |
| Wilcon Depot Inc. | 140,300 | 40,798 | 42,111 | 0.44 |
| Consumer Staples | | | | |
| Century Pacific Food Inc | 63,300 | 168,175 | 163,747 | 1.70 |
| Financials | | | | |
| Bank of Philippine Islands | 57,390 | 69,472 | 75,136 | 0.78 |
| Metro Pacific Investments Corp | 1,616,000 | 91,546 | 92,222 | 0.96 |
| | 1,673,390 | 161,018 | 167,358 | 1.74 |
| Industrials | | | | |
| SM Investments Corp | 2,800 | 45,538 | 50,591 | 0.53 |
| TOTAL PHILIPPINES | 1,879,790 | 415,529 | 423,807 | 4.41 |
| SINGAPORE | | | | |
| Communication Services | | | | |
| NetLink NBN Trust Singapore | 325,400 | 220,450 | 237,290 | 2.47 |
| Telecommunications | 25,100 | 50,519 | 44,248 | 0.46 |
| | 350,500 | 270,969 | 281,538 | 2.93 |
| Consumer Staples | | | | |
| First Resources Ltd | 176,800 | 160,775 | 170,234 | 1.77 |
| Financials | | | | |
| DBS Group Hldg Ltd | 6,600 | 94,171 | 90,978 | 0.95 |
| Oversea-Chinese Banking Corporation | 40,900 | 275,447 | 247,579 | 2.57 |
| United Overseas Bank Ltd | 18,100 | 260,058 | 249,884 | 2.60 |
| | 65,600 | 629,676 | 588,441 | 6.12 |
| Industrials | | | | |
| ComfortDelGro Corporation Ltd | 213,100 | 234,295 | 217,255 | 2.26 |

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

| Name of counter | Quantity Units | Aggregate cost USD | Market value USD | Percentage of NAV % |
|---------------------------------------------------------|-------------------------|--------------------------|-------------------------|---------------------------|
| 31.05.2020 (CONTINUED) | | | | |
| QUOTED SECURITIES (CONTINUED) | | | | |
| SINGAPORE (CONTINUED) | | | | |
| Real Estate | | | | |
| Ascendas Real Estate Investment Trust | 150,900 | 319,487 | 334,394 | 3.48 |
| Capitaland Ltd | 150,700 | 369,649 | 308,344 | 3.21 |
| CapitaLand Mall Trust | 140,200 | 184,721 | 201,497 | 2.10 |
| City Developments Ltd | 32,600 | 180,740 | 177,488 | 1.84 |
| Frasers Logistics & Commercial | 177,600 | 126,138 | 139,570 | 1.45 |
| Keppel DC REIT | 175,300 | 256,617 | 318,963 | 3.32 |
| Lendlease Global Commercial | 498,000 | 225,474 | 236,227 | 2.46 |
| Mapletree Industrial Trust | 176,500 | 303,627 | 339,890 | 3.54 |
| UOL Group Ltd | 28,900 | 138,670 | 139,952 | 1.45 |
| | <u>1,530,700</u> | <u>2,105,123</u> | <u>2,196,325</u> | <u>22.85</u> |
| TOTAL SINGAPORE | <u>2,336,700</u> | <u>3,400,838</u> | <u>3,453,793</u> | <u>35.93</u> |
| THAILAND | | | | |
| Energy | | | | |
| PTT Exploration & Production PCL – NVDR ¹ | <u>68,500</u> | <u>185,539</u> | <u>180,784</u> | <u>1.88</u> |
| Health Care | | | | |
| Bangkok Chain Hospital PCL – NVDR ¹ | <u>541,800</u> | <u>241,258</u> | <u>246,830</u> | <u>2.57</u> |
| TOTAL THAILAND | <u>610,300</u> | <u>426,797</u> | <u>427,614</u> | <u>4.45</u> |
| VIETNAM | | | | |
| Consumer Staples | | | | |
| Viet Nam Dairy Products JSC | <u>19,572</u> | <u>112,169</u> | <u>96,714</u> | <u>1.01</u> |
| Financials | | | | |
| Bank for Foreign Trade of Viet | <u>27,390</u> | <u>94,257</u> | <u>100,273</u> | <u>1.04</u> |
| Real Estate | | | | |
| Vincom Retail JSC | <u>36,400</u> | <u>39,555</u> | <u>43,012</u> | <u>0.45</u> |
| TOTAL VIETNAM | <u>83,362</u> | <u>245,981</u> | <u>239,999</u> | <u>2.50</u> |

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

| Name of counter | Quantity Units | Aggregate cost USD | Market value USD | Percentage of NAV % |
|-------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|-------------------------|---------------------------|
| 31.05.2020 (CONTINUED) | | | | |
| QUOTED SECURITIES (CONTINUED) | | | | |
| TOTAL QUOTED SECURITIES | <u>12,352,655</u> | <u>7,869,951</u> | <u>8,564,631</u> | <u>89.11</u> |
| ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>694,680</u> | | |
| TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>8,564,631</u> | | |
| 30.11.2019 | | | | |
| Audited | | | | |
| QUOTED SECURITIES | | | | |
| INDONESIA | | | | |
| Communication Services | | | | |
| Indosat TBK PT | 525,600 | 122,351 | 106,514 | 0.92 |
| PT XL Axiata TBK | 633,100 | 154,558 | 149,832 | 1.29 |
| Telekomunikasi TBK PT | <u>721,900</u> | <u>207,699</u> | <u>201,027</u> | <u>1.73</u> |
| | <u>1,880,600</u> | <u>484,608</u> | <u>457,373</u> | <u>3.94</u> |
| Consumer Discretionary | | | | |
| Astra International Tbk PT | 375,400 | 181,079 | 172,899 | 1.49 |
| MAP AKTIF ADIPERKASA PT | <u>283,400</u> | <u>130,328</u> | <u>110,445</u> | <u>0.95</u> |
| | <u>658,800</u> | <u>311,407</u> | <u>283,344</u> | <u>2.44</u> |
| Consumer Staples | | | | |
| Astra Agro Lestari TBK PT | <u>99,400</u> | <u>74,266</u> | <u>88,745</u> | <u>0.76</u> |
| Financials | | | | |
| Bank Central Asia | 126,300 | 206,317 | 281,007 | 2.42 |
| Bank Mandiri | 235,700 | 110,078 | 116,490 | 1.00 |
| Bank Rakyat Indonesia | 627,600 | 183,356 | 181,882 | 1.57 |

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

| Name of counter | Quantity Units | Aggregate cost USD | Market value USD | Percentage of NAV % |
|-----------------------------------|-------------------------|--------------------------|-------------------------|---------------------------|
| 30.11.2019 (CONTINUED) | | | | |
| Audited | | | | |
| QUOTED SECURITIES | | | | |
| (CONTINUED) | | | | |
| INDONESIA (CONTINUED) | | | | |
| PT Bank Tabungan Pensiunan Nas | 536,600 | 145,148 | 150,567 | 1.30 |
| | <u>1,526,200</u> | <u>644,899</u> | <u>729,946</u> | <u>6.29</u> |
| Health Care | | | | |
| Medikaloka Hermina Tbk PT | 227,300 | 59,392 | 59,270 | 0.51 |
| | <u>227,300</u> | <u>59,392</u> | <u>59,270</u> | <u>0.51</u> |
| Materials | | | | |
| Indocement Tunggal Prakarsa | 82,800 | 115,070 | 113,819 | 0.98 |
| | <u>82,800</u> | <u>115,070</u> | <u>113,819</u> | <u>0.98</u> |
| Real Estate | | | | |
| Ciputra Development TBK | 2,846,200 | 227,205 | 202,682 | 1.74 |
| | <u>2,846,200</u> | <u>227,205</u> | <u>202,682</u> | <u>1.74</u> |
| TOTAL INDONESIA | <u>7,321,300</u> | <u>1,916,847</u> | <u>1,935,179</u> | <u>16.66</u> |
| MALAYSIA | | | | |
| Communication Services | | | | |
| Time Dotcom Bhd | 66,100 | 136,431 | 144,040 | 1.24 |
| | <u>66,100</u> | <u>136,431</u> | <u>144,040</u> | <u>1.24</u> |
| Consumer Discretionary | | | | |
| Genting Malaysia Bhd | 233,000 | 175,745 | 175,196 | 1.51 |
| | <u>233,000</u> | <u>175,745</u> | <u>175,196</u> | <u>1.51</u> |
| Consumer Staples | | | | |
| QL Resources Bhd | 79,600 | 134,767 | 138,194 | 1.19 |
| | <u>79,600</u> | <u>134,767</u> | <u>138,194</u> | <u>1.19</u> |
| Energy | | | | |
| Dialog Group Bhd | 285,300 | 228,336 | 228,869 | 1.97 |
| Hibiscus Petroleum Bhd | 1,227,400 | 299,435 | 263,056 | 2.26 |
| Serba Dinamik Holdings Bhd | 222,700 | 232,208 | 232,512 | 2.00 |
| Yinson Holdings Bhd | 92,500 | 131,034 | 143,978 | 1.24 |
| | <u>1,827,900</u> | <u>891,013</u> | <u>868,415</u> | <u>7.47</u> |
| Financials | | | | |
| CIMB Group Holdings Bhd | 46,300 | 55,826 | 57,432 | 0.49 |
| Hong Leong Bank Bhd | 93,900 | 378,600 | 380,007 | 3.27 |
| Malayan Banking Bhd | 58,300 | 119,690 | 119,085 | 1.03 |
| Public Bank Bhd | 37,600 | 180,363 | 176,655 | 1.52 |
| | <u>236,100</u> | <u>734,479</u> | <u>733,179</u> | <u>6.31</u> |
| Health Care | | | | |
| Hartalega Hldg Bhd | 89,700 | 107,947 | 112,769 | 0.97 |
| | <u>89,700</u> | <u>107,947</u> | <u>112,769</u> | <u>0.97</u> |

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

| Name of counter | Quantity Units | Aggregate cost USD | Market value USD | Percentage of NAV % |
|-----------------------------------|-------------------------|--------------------------|-------------------------|---------------------------|
| 30.11.2019 (CONTINUED) | | | | |
| Audited | | | | |
| QUOTED SECURITIES | | | | |
| (CONTINUED) | | | | |
| MALAYSIA (CONTINUED) | | | | |
| Industrials | | | | |
| Econpile Holdings Bhd | 480,300 | 92,060 | 87,411 | 0.75 |
| Gamuda Bhd | 98,600 | 87,826 | 88,778 | 0.76 |
| MISC Bhd | 73,400 | 143,663 | 143,250 | 1.23 |
| Pentamaster Corp Bhd | 102,700 | 96,674 | 110,176 | 0.95 |
| Sime Darby Bhd | 158,700 | 87,425 | 85,506 | 0.74 |
| | <u>913,700</u> | <u>507,648</u> | <u>515,121</u> | <u>4.43</u> |
| Information Technology | | | | |
| D&O Green Technologies Bhd | 281,500 | 50,216 | 48,872 | 0.42 |
| Malaysian Pacific Industries | 46,400 | 108,275 | 123,556 | 1.06 |
| MI Technovation Bhd | 253,700 | 142,528 | 152,487 | 1.31 |
| Vitrox Corp Bhd | 61,000 | 111,115 | 113,206 | 0.97 |
| | <u>642,600</u> | <u>412,134</u> | <u>438,121</u> | <u>3.76</u> |
| Materials | | | | |
| Press Metal Aluminium Hldg Bhd | 155,900 | 178,588 | 175,462 | 1.51 |
| Real Estate | | | | |
| Axis REIT | 527,200 | 231,380 | 224,716 | 1.93 |
| IGB REIT | 128,500 | 59,130 | 59,080 | 0.51 |
| Sime Darby Property Bhd | 636,100 | 121,586 | 119,573 | 1.03 |
| | <u>1,291,800</u> | <u>412,096</u> | <u>403,369</u> | <u>3.47</u> |
| TOTAL MALAYSIA | <u>5,536,400</u> | <u>3,690,848</u> | <u>3,703,866</u> | <u>31.86</u> |
| PHILIPPINES | | | | |
| Consumer Staples | | | | |
| Century Pacific Food Inc | 370,300 | 108,584 | 110,803 | 0.95 |
| Financials | | | | |
| Bank of Philippine Islands | 135,840 | 248,755 | 229,539 | 1.98 |
| BDO Unibank Inc. | 78,790 | 225,273 | 235,139 | 2.02 |
| Metro Pacific Investments Corp | 2,745,000 | 250,702 | 232,056 | 2.00 |
| | <u>2,959,630</u> | <u>724,730</u> | <u>696,734</u> | <u>6.00</u> |
| Industrials | | | | |
| SM Investments Corp | 8,260 | 160,419 | 172,135 | 1.48 |
| Real Estate | | | | |
| SM Prime Hldg Inc. | 438,100 | 319,403 | 335,908 | 2.89 |
| TOTAL PHILIPPINES | <u>3,776,290</u> | <u>1,313,136</u> | <u>1,315,580</u> | <u>11.32</u> |

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

| Name of counter | Quantity Units | Aggregate cost USD | Market value USD | Percentage of NAV % |
|------------------------------------------------|-------------------|--------------------------|------------------------|---------------------------|
| 30.11.2019 (CONTINUED) | | | | |
| Audited) | | | | |
| QUOTED SECURITIES | | | | |
| (CONTINUED) | | | | |
| SINGAPORE | | | | |
| Communication Services | | | | |
| Singapore | | | | |
| Telecommunications | 148,000 | 356,930 | 365,980 | 3.15 |
| Consumer Staples | | | | |
| First Resources Ltd | 44,600 | 51,010 | 58,734 | 0.51 |
| Financials | | | | |
| DBS Group Hldg Ltd | 12,400 | 233,705 | 229,067 | 1.97 |
| Oversea-Chinese Banking Corp | 57,800 | 470,184 | 455,854 | 3.92 |
| | 70,200 | 703,889 | 684,921 | 5.89 |
| Real Estate | | | | |
| Capitaland Ltd | 43,100 | 110,178 | 116,039 | 1.00 |
| City Developments Ltd | 22,400 | 158,559 | 169,452 | 1.46 |
| Lendlease Global Commercial | 259,100 | 170,591 | 177,239 | 1.53 |
| Mapletree Industrial Trust | 94,900 | 167,857 | 174,269 | 1.50 |
| | 419,500 | 607,185 | 636,999 | 5.49 |
| TOTAL SINGAPORE | 682,300 | 1,719,014 | 1,746,634 | 15.04 |
| THAILAND | | | | |
| Communication Services | | | | |
| VGI PCL -Foreign | 133,700 | 38,509 | 43,756 | 0.39 |
| Consumer Staples | | | | |
| Carabao Group PCL-F - NVDR | 21,400 | 53,354 | 61,724 | 0.53 |
| CP ALL PCL -NVDR ¹ | 92,300 | 246,424 | 231,895 | 2.00 |
| SAPPE PCL - NVDR ¹ | 77,100 | 61,516 | 56,838 | 0.49 |
| | 190,800 | 361,294 | 350,457 | 3.02 |
| Financials | | | | |
| Bangkok Bank PCL - Foreign | 41,300 | 232,498 | 242,340 | 2.09 |
| Health Care | | | | |
| Bangkok Chain Hospital PCL – NVDR ¹ | 364,400 | 195,649 | 209,606 | 1.80 |
| Chularat Hospital PCL - NVDR ¹ | 2,425,400 | 200,060 | 211,672 | 1.82 |
| | 2,789,800 | 395,709 | 421,278 | 3.62 |

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

| Name of counter | Quantity Units | Aggregate cost USD | Market value USD | Percentage of NAV % |
|-----------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|---------------------------|
| 30.11.2019 (CONTINUED) | | | | |
| Audited | | | | |
| QUOTED SECURITIES | | | | |
| (CONTINUED) | | | | |
| THAILAND (CONTINUED) | | | | |
| Industrials | | | | |
| Airports of Thailand – NVDR ¹ | <u>22,300</u> | <u>52,834</u> | <u>55,658</u> | <u>0.48</u> |
| Real Estate | | | | |
| Supalai PCL - NVDR ¹ | 197,400 | 115,137 | 113,546 | 0.98 |
| WHA Corp PCL - NVDR ¹ | <u>408,100</u> | <u>63,413</u> | <u>56,932</u> | <u>0.49</u> |
| | <u>605,500</u> | <u>178,550</u> | <u>170,478</u> | <u>1.47</u> |
| Utilities | | | | |
| Wha Utilities and Power NVDR ¹ | <u>294,100</u> | <u>67,341</u> | <u>57,848</u> | <u>0.50</u> |
| TOTAL THAILAND | <u>4,077,500</u> | <u>1,326,735</u> | <u>1,341,815</u> | <u>11.57</u> |
| VIETNAM | | | | |
| Consumer Staples | | | | |
| Viet Nam Dairy Products JSC | <u>41,172</u> | <u>235,960</u> | <u>215,621</u> | <u>1.86</u> |
| Financials | | | | |
| Bank for Foreign Trade of Vietnam | <u>15,900</u> | <u>44,817</u> | <u>58,460</u> | <u>0.50</u> |
| TOTAL VIETNAM | <u>57,072</u> | <u>280,777</u> | <u>274,081</u> | <u>2.36</u> |
| TOTAL QUOTED SECURITIES | <u>21,450,862</u> | <u>10,247,357</u> | <u>10,317,155</u> | <u>88.81</u> |
| ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>69,798</u> | | |
| TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>10,317,155</u> | | |

¹ NVDR, or non-voting depository receipt, is a trading instrument issued by Thai NVDR Company Limited, a subsidiary wholly owned by the Stock Exchange of Thailand (“SET”). It is a valid security as specified by the United States Securities and Exchange Commission (“SEC”) and is automatically regarded as a listed security by the SET. The underlying security is a listed security in the SET.

8. CASH AND CASH EQUIVALENTS

| | 31.05.2020 | 30.11.2019 |
|-----------------------------------------------|-------------------|------------------------|
| | USD | Audited USD |
| Deposits with licensed financial institutions | 656,265 | 61,073 |
| Bank balances | 845,724 | 1,047,343 |
| | <u>1,501,989</u> | <u>1,108,416</u> |

9. NUMBER OF UNITS IN CIRCULATION (UNITS)

| | 01.12.2019 to 31.05.2020 | 01.12.2018 to 30.11.2019 |
|-----------------------------------------------|-------------------------------------|-------------------------------------|
| | No. of units | Audited No. of units |
| Class MYR (i) | 56,094,737 | 60,290,759 |
| Class SGD (ii) | 351,918 | 59,598 |
| Class USD (iii) | 2,225,339 | 2,641,623 |
| | <u>58,671,994</u> | <u>62,991,980</u> |
| (i) Class MYR | | |
| At the beginning of the financial period/year | 60,290,759 | 70,502,607 |
| Add : Creation of units from applications | 10,624,063 | 15,537,320 |
| Less: Cancellation of units | (14,820,085) | (25,749,168) |
| At the end of the financial period/year | <u>56,094,737</u> | <u>60,290,759</u> |
| (ii) Class SGD | | |
| At the beginning of the financial period/year | 59,598 | 44,432 |
| Add : Creation of units from applications | 436,666 | 44,027 |
| Less: Cancellation of units | (144,346) | (28,861) |
| At the end of the financial period/year | <u>351,918</u> | <u>59,598</u> |
| (iii) Class USD | | |
| At the beginning of the financial period/year | 2,641,623 | 2,954,445 |
| Add : Creation of units from applications | 28,066 | 138,744 |
| Less: Cancellation of units | (444,350) | (451,566) |
| At the end of the financial period/year | <u>2,225,339</u> | <u>2,641,623</u> |

10. MANAGEMENT EXPENSE RATIO (“MER”)

| | 01.12.2019 to 31.05.2020 | 01.12.2018 to 31.05.2019 |
|-----|-------------------------------------|-------------------------------------|
| | % | % |
| MER | <u>1.16</u> | <u>1.01</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 excluded CDS fee and withholding tax
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is USD10,510,142 (31.05.2019: USD12,686,661).

11. PORTFOLIO TURNOVER RATIO (“PTR”)

| | 01.12.2019 to 31.05.2020 | 01.12.2018 to 31.05.2019 |
|-------------|-------------------------------------|-------------------------------------|
| PTR (times) | <u>1.92</u> | <u>1.92</u> |

PTR is derived based on the following calculation:

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

Under Monetary Authority of Singapore (“MAS”) Guidelines

| | 01.12.2019 to 31.05.2020 | 01.12.2018 to 31.05.2019 |
|-------------|-------------------------------------|-------------------------------------|
| PTR (times) | <u>1.90</u> | <u>1.82</u> |

PTR is derived based on the following calculation:

$$\frac{\text{Lesser of total acquisition or total disposal for the financial period}}{\text{Average NAV of the Fund for the financial period calculated on a daily basis}}$$

where:

total acquisition for the financial period = USD19,962,552 (31.05.2019: USD23,069,675)

total disposal for the financial period = USD20,344,755 (31.05.2019: USD25,652,033)

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

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

| <u>Related parties</u> | <u>Relationship</u> |
|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Principal Asset Management Berhad | 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 Investment Bank Bhd | Fellow related party to the Manager |
| CGS-CIMB Securities Bank Bhd | Fellow related party to the Manager |
| CGS-CIMB Securities (Singapore) Pte Ltd | Fellow related party to the Manager |

Units held by the Manager and parties related to the Manager

| | 31.05.2020 | | 30.11.2019 | |
|-----------------------------------|---------------------|-----------|---------------------|-----------------------|
| | No. of units | RM | No. of units | Audited RM |
| Manager | | | | |
| Principal Asset Management Berhad | | | | |
| - CLASS MYR | 42,166 | 6,085 | 75,390 | 12,417 |
| - CLASS SGD | 501 | 456 | 500 | 519 |
| - CLASS USD | 90 | 48 | 90 | 55 |

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.

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

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

| | 01.12.2019 to 31.05.2020 USD | 01.12.2018 to 31.05.2019 USD |
|--------------------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| <u>Significant related party transactions</u> | | |
| Interest income from deposits with licensed financial institution: | | |
| - CIMB Bank Bhd | <u>31</u> | <u>669</u> |
| Cash placements with licensed financial institution: | | |
| - CIMB Bank Bhd | <u>187,913</u> | <u>5,084,942</u> |

13. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 31 May 2020 are as follows:

| Brokers/Dealers | Value of trades USD | Percentage of total trades % | Brokerage Fees USD | Percentage of total brokerage fees % |
|-------------------------------------------|------------------------------------|-------------------------------------------------|-----------------------------------|-------------------------------------------------------------|
| CGS-CIMB Securities (Singapore) Pte Ltd # | 4,603,045 | 11.42 | 12,462 | 13.21 |
| Hong Leong Investment Bank Bhd | 3,670,930 | 9.11 | 8,270 | 8.77 |
| Affin Hwang Investment Bank Bhd | 3,269,824 | 8.11 | 7,367 | 7.81 |
| RHB Investment Bank Bhd | 3,232,552 | 8.02 | 7,273 | 7.71 |
| Maybank Investment Bank Bhd | 2,996,154 | 7.43 | 6,330 | 6.71 |
| RHB Securities (Singapore) Pte Ltd | 2,794,628 | 6.93 | 6,987 | 7.41 |
| Daiwa Capital Markets Singapore Ltd | 2,703,061 | 6.71 | 6,758 | 7.16 |
| Credit Suisse (Hong Kong) Ltd | 2,431,091 | 6.03 | 5,786 | 6.13 |
| CLSA Ltd | 2,110,759 | 5.24 | 5,157 | 5.47 |
| CLSA Securities M Sdn Bhd | 1,587,019 | 3.94 | 3,311 | 3.51 |
| Others # | 10,905,355 | 27.06 | 24,662 | 26.11 |
| | <u>40,304,418</u> | <u>100.00</u> | <u>94,363</u> | <u>100.00</u> |

13. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 31 May 2019 are as follows:

| Brokers/Dealers | Value of trades USD | Percentage of total trades % | Brokerage Fees USD | Percentage of total brokerage fees % |
|------------------------------------------------|--------------------------------|-------------------------------------------------|-----------------------------------|-------------------------------------------------------------|
| CGS-CIMB Securities (Singapore) Pte Ltd # | 6,399,079 | 13.13 | 18,452 | 15.28 |
| Instinet Pacific Services Ltd | 4,031,348 | 8.27 | 11,214 | 9.28 |
| Maybank Investment Bank Bhd | 3,228,754 | 6.63 | 6,775 | 5.61 |
| UOB Kay Hian Pte Ltd | 3,099,664 | 6.36 | 7,582 | 6.28 |
| Daiwa Capital Markets Singapore Ltd | 3,038,389 | 6.24 | 7,596 | 6.29 |
| J.P. Morgan Securities (Asia Pacific) Ltd | 3,023,746 | 6.21 | 8,516 | 7.05 |
| Credit Suisse (Hong Kong) Ltd | 2,914,960 | 5.98 | 8,091 | 6.70 |
| RHB Investment Bank Bhd | 2,753,175 | 5.65 | 6,195 | 5.13 |
| KAF-Seagroatt & Campbell Securities Sdn Bhd | 2,706,235 | 5.55 | 6,089 | 5.04 |
| Mandiri Sekuritas PT | 2,692,789 | 5.53 | 6,732 | 5.57 |
| Others # | 14,833,569 | 30.45 | 33,543 | 27.77 |
| | <u>48,721,708</u> | <u>100.00</u> | <u>120,785</u> | <u>100.00</u> |

Included in the transactions are trades conducted with CGS-CIMB Securities (Singapore) Pte Ltd, CGS-CIMB Securities Sdn Bhd and CIMB Investment Bank Bhd, fellow related parties to the Manager amounting to USD4,603,045 (31.05.2019: USD6,399,079), USD429,898 (31.05.2019: nil) and nil (31.05.2019: USD174,903) respectively. 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.

14. SIGNIFICANT EVENT DURING THE YEAR

The worsening macro-economic outlook as a result of COVID-19, both domestically and globally, has resulted in the deterioration of the Fund's NAV per unit as of the date of this report. This is mainly due to the decrease in fair value of the Fund's investments at fair value through profit or loss.

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

DIRECTORY

Head Office of the Manager

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

Website

www.principal.com.my

E-mail address

service@principal.com.my

Customer Care Centre

(03) 7718 3000

Trustee for the Principal ASEAN Dynamic Fund

HSBC (Malaysia) Trustee Berhad (Company No. 193701000084 (1281-T))
13th Floor, Bangunan HSBC,
South Tower,
No. 2, Leboh Ampang,
50100 Kuala Lumpur, MALAYSIA.
Tel: (03) 2075 7800
Fax: (03) 2179 6511

Principal Asset Management Berhad
199401018399 (304078-K)

Enquiries:

Customer Care Centre
(603)7718 3000

Email
service@principal.com.my

Website
www.principal.com.my