

Principal Asia Pacific Dynamic Growth Fund

Annual Report

For the Financial Year Ended 28 February 2021

PRINCIPAL ASIA PACIFIC DYNAMIC GROWTH FUND

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2021

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INVESTORS' LETTER

Dear Valued Investor,

Fuelled by the pandemic crisis, the world has expedited the digital enablement agenda in view of growing expectations and adoption of new digital offerings. Our investments to foster a digital and customer-first mindset with new technology, training and tooling has given Principal a competitive advantage on this front.

Introducing Principal e-Cash Fund, available on **GO+**, an e-investment feature within the Touch 'n Go eWallet. It is the one of its kind eWallet feature in Malaysia that allows you to potentially grow your eWallet balance while you continue to use it as you normally would. The returns are credited daily. GO+ also carries a 'cash-out' feature that will allow movement of funds seamlessly between the user's eWallet and designated bank account. Our aim is to make investing accessible and easy for Malaysians irrespective of their financial background.

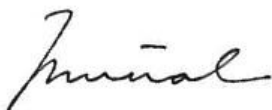
The equity market has had a phenomenal first quarter, recording positive year-to-date ("YTD") returns, led by strong inflows, improving economic data, and reducing number of Coronavirus Disease 2019 ("COVID-19") cases globally. Despite the near-term concerns on higher inflation that can add to the recent volatility, investors should keep a long-term perspective. The key focus should be on growth and recovery of Asian economies, the revitalisation of ASEAN markets, *Environmental, Social, and Governance* ("ESG"), Biotech and other renewable themes. We remain positive on Asian equities favouring China and more developed Asian economies on a 12-month basis. We've also added more ASEAN names in anticipation of a broader economic recovery which would be strengthened by the greater availability of COVID-19 vaccines by mid-2021.

Visit our website (www.principal.com.my) and follow our Facebook page (@PrincipalAssetMY) for content on investing, retirement, and the latest market outlook.

We also wish to inform that Ernst & Young PLT ("EY") has been appointed as the auditor of the Fund in respect of the audit for the financial year ended 28 February 2021 onwards. The appointment of the Fund Auditor by the Trustee of the Fund, HSBC (Malaysia) Trustee Berhad, is in accordance with the provisions of the Deed in relation to the Fund.

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.

Has the Fund achieved its objective?

Yes, the Fund has met its objective of capital appreciation over the medium to long term.

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 return regardless of market conditions. As the Fund is an equity fund, under general market conditions, the Fund will invest in equities of companies which the Sub-Manager* believes will exhibit good growth potential when compared against its peers or the overall market. The Fund may also invest up to 38% of its assets in debt securities, money market instruments and/or deposits to be in line with the Fund's investment objective. The Fund may also opt to access into the equities and/or debt securities market via the investment in units of other collective investment schemes, subject to the requirements of the Securities Commission Malaysia ("SC") Guidelines and the Standards of Qualifying collective investment schemes. The Manager or the Sub-Manager may also utilise derivative instruments such as futures contracts to hedge the portfolio. The use of derivatives is subject to the prevailing SC Guidelines and Standards of Qualifying collective investment schemes.

The Fund will focus its investment in the Asia Pacific ex Japan region, i.e. companies that are domiciled in, listed in, and/or have operations or businesses that focus in the Asia Pacific ex Japan region, where the regulatory authority is an ordinary or associate member of the International Organisation of Securities Commission ("IOSCO"). If the investment is a listed security, the investment must be traded in an exchange that is a member of World Federation of Exchanges ("WFE"). Where necessary, the Manager will obtain the licenses/permits for investments in countries that require such licenses/permits. If the Manager is unable to obtain the necessary licenses/permits, or the licenses/permits are revoked or not renewed as the case may be), the Manager or the Sub-Manager will seek to invest in other accessible markets.

The asset allocation strategy for this Fund is as follows:

- Between 60% to 98% (both inclusive) of the Fund's Net Asset Value ("NAV") will be invested in equities;
- Up to 38% of the Fund's NAV may be invested in debt instruments, money market instruments and/or deposits;
- Up to 20% of the Fund's NAV may be invested in units of other collective investment schemes; and
- At least 2% of the Fund's NAV in liquid assets.

* Principal Asset Management (S) Pte. Ltd ("Principal Singapore") was appointed as the Sub-Manager for the Fund on 25 April 2016. As the Sub-Manager, Principal Singapore is responsible for the investment management function of the Fund, and has the discretion to manage, realize, invest, reinvest or howsoever deal with the Fund in accordance with the investment objective of the Fund. The Sub-Manager's discretionary authority over the investments of the Fund is subject to the SC Guidelines, Standards of Qualifying CIS and its internal policies and procedures. Principal Singapore shall be responsible for the review, monitoring and oversight of Principal Singapore in the performance of the latter's duties and obligations in respect of the Fund.

Base Currency

US Dollar ("USD")

Fund category/type

Equity/Growth

FUND OBJECTIVE AND POLICY (CONTINUED)

When was the Fund launched?

Name of Class	Launch Date
Class AUD	25 April 2016
Class MYR	25 April 2016
Class SGD	25 April 2016
Class USD	25 April 2016

What was the size of the Fund as at 28 February 2021?

USD203.28 million (573.45 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 Manager's discretion 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 financial year ended 28 February 2021?

There was no distribution made for the financial year ended 28 February 2021.

However, there was a unit split exercise for the financial year ended 28 February 2021.

Date	NAV per unit (before unit split) USD	NAV per unit (after unit split) USD
Unit Split Ratio: 3 unit for every 5 units held		
23.12.2020		
Class AUD	1.3467	0.8415
Class MYR	0.4480	0.2800
Class SGD	1.3213	0.8258
Class USD	1.7903	1.1189

PERFORMANCE DATA

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

	28.02.2021	29.02.2020	28.02.2019
	%	%	%
Quoted securities			
- Communication Services	9.47	7.75	5.48
- Consumer Discretionary	11.96	15.16	14.22
- Consumer Staples	1.23	-	5.23
- Energy	4.60	2.79	4.90
- Financials	12.10	8.66	22.04
- Health Care	7.47	6.15	2.57
- Industrials	13.87	12.13	14.75
- Information Technology	18.13	20.79	10.16
- Materials	8.87	9.07	3.14
- Real Estate	0.68	10.60	13.08
Cash and other assets	13.68	8.57	5.58
Liabilities	(2.06)	(1.67)	(1.15)
	<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 years were as follows:

	28.02.2021	29.02.2020	28.02.2019
NAV (USD Million)			
- Class AUD	22.93	14.10	22.46
- Class MYR	156.10	70.55	100.57
- Class SGD	7.05	5.46	8.75
- Class USD	17.20	7.50	11.31
Units in circulation (Million)			
- Class AUD	25.67	14.64	24.02
- Class MYR	525.26	220.13	323.33
- Class SGD	8.04	5.77	9.54
- Class USD	14.48	5.85	9.10
NAV per unit (USD)			
- Class AUD	0.8932	0.9633	0.9349
- Class MYR	0.2971	0.3205	0.3110
- Class SGD	0.8765	0.9453	0.9174
- Class USD	1.1877	1.2809	1.2431
Highest NAV per unit (USD)			
- Class AUD	1.3605	1.0767	1.1206
- Class MYR	0.4526	0.3582	0.3728
- Class SGD	1.3350	1.0565	1.0996
- Class USD	1.8089	1.4316	1.4899
Lowest NAV per unit (USD)			
- Class AUD	0.7322	0.9076	0.8313
- Class MYR	0.2436	0.3019	0.2766
- Class SGD	0.7185	0.8906	0.8158
- Class USD	0.9735	1.2067	1.1053
Total return (%)			
- Class AUD	48.45	2.13	(15.07)
- Class MYR	48.28	3.11	(14.95)
- Class SGD	48.00	3.28	(15.18)
- Class USD	48.24	3.09	(14.95)

PERFORMANCE DATA (CONTINUED)

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

	28.02.2021	29.02.2020	28.02.2019
Capital growth (%)			
- Class AUD	48.45	2.13	(15.07)
- Class MYR	48.28	3.11	(14.95)
- Class SGD	48.00	3.28	(15.18)
- Class USD	48.24	3.09	(14.95)
Income distribution (%)			
- Class AUD	-	-	-
- Class MYR	-	-	-
- Class SGD	-	-	-
- Class USD	-	-	-
Management Expense Ratio ("MER") (%) ^	2.00	1.93	1.95
Portfolio Turnover Ratio ("PTR") (times) #	1.33	0.96	0.87

^ The Fund's MER increased from 1.93% to 2.00% due to decreased in average NAV expenses during the financial year under review.

The Fund's PTR increased from 0.96 times to 1.33 times over the past financial year. During the financial year under review, there was extreme volatility in the stock markets which allowed the Fund to be re-positioned in better opportunities.

	28.02.2021	29.02.2020	28.02.2019	Since inception to 28.02.2018
	%	%	%	%
Annual total return				
- Class AUD	48.45	2.13	(15.07)	42.90
- Class MYR	48.28	3.11	(14.95)	43.53
- Class SGD	48.00	3.28	(15.18)	43.20
- Class USD	48.24	3.09	(14.95)	43.57

(Launch date: 25 April 2016)

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 MARCH 2020 TO 28 FEBRUARY 2021)

For the financial year under review, the Asia Pacific Ex-Japan stock markets started off in a volatile manner triggered by the COVID-19 pandemic but soon rose sharply. It was led not only by North Asian markets, but it eventually broadened to include the Association of Southeast Asian Nations (“ASEAN”) markets. The MSCI Asia Pacific ex-Japan Index gained 36.3% in USD terms. Following the COVID-19 outbreak and subsequent lockdowns in the first half of 2020, Governments globally introduced unprecedented levels of fiscal and monetary stimulus in order to support the economy and stabilise financial markets. Fears of a liquidity crunch and massive bankruptcies were allayed as policy makers went to extraordinary lengths to ensure companies and families were given as much support as needed to tide them over this difficult period. Globally, economies also started to rebound as it emerged from various degrees of lockdowns. Economic data showed sequential improvements throughout the second half of 2020. China and other North Asia economies led the recovery as the pandemic was relatively well under control while other regions like ASEAN lagged due to a higher transmission rates of the coronavirus among its citizens. China, Korea and Taiwan were also beneficiaries of strong export recovery. This was led primarily by strong demand for electronic components which saw a sharp jump as the work from home phenomenon led to a surge in demand for Personal computer (“PCs”), fifth-generation wireless (“5G”) handsets, notebooks and other similar electronic devices. The Information Technology (“IT”), internet and other similar sectors which benefitted from digitalisation had strong stock price performances. Towards the end of the year, ASEAN and India stocks also rebounded sharply as well. Positive news of the efficacy of several coronavirus vaccines gave hope that all economies could soon see economic activity resuming in full in the near term.

FUND PERFORMANCE

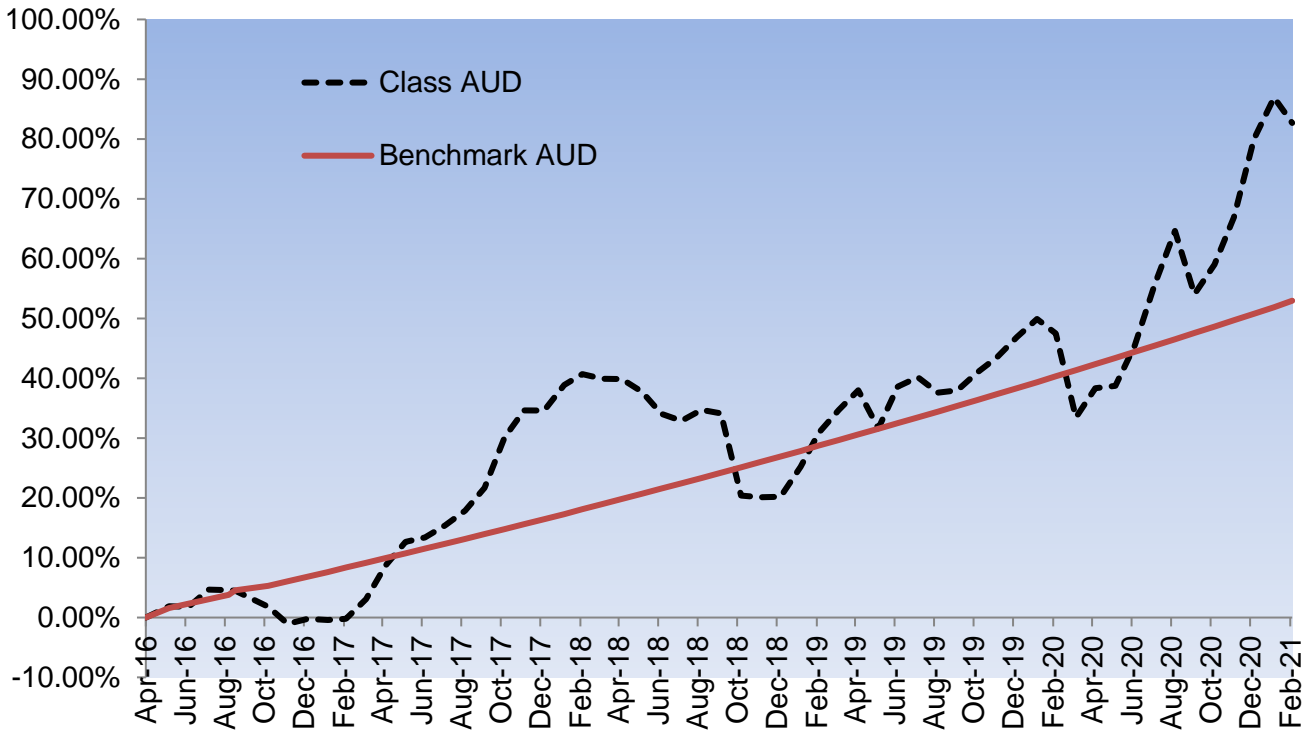
	1 year to 28.02.2021				3 years to 28.02.2021			
	Class	Class	Class	Class	Class	Class	Class	Class
	AUD	MYR	SGD	USD	AUD	MYR	SGD	USD
	%	%	%	%	%	%	%	%
Income Distribution	-	-	-	-	-	-	-	-
Capital Growth	48.45	48.28	48.00	48.24	28.75	30.04	29.66	29.97
Total Return	48.45	48.28	48.00	48.24	28.75	30.04	29.66	29.97
Benchmark	9.00	9.00	9.00	9.00	29.50	29.50	29.50	29.50
Average Total Return	48.45	48.28	48.00	48.24	8.79	9.15	9.04	9.13

	Since inception to 28.02.2021			
	Class	Class	Class	Class
	AUD	MYR	SGD	USD
	%	%	%	%
Income Distribution	-	-	-	-
Capital Growth	82.69	85.79	89.08	90.02
Total Return	82.69	85.79	89.08	90.02
Benchmark	52.97	52.97	52.97	52.97
Average Total Return	13.22	13.62	14.03	14.15

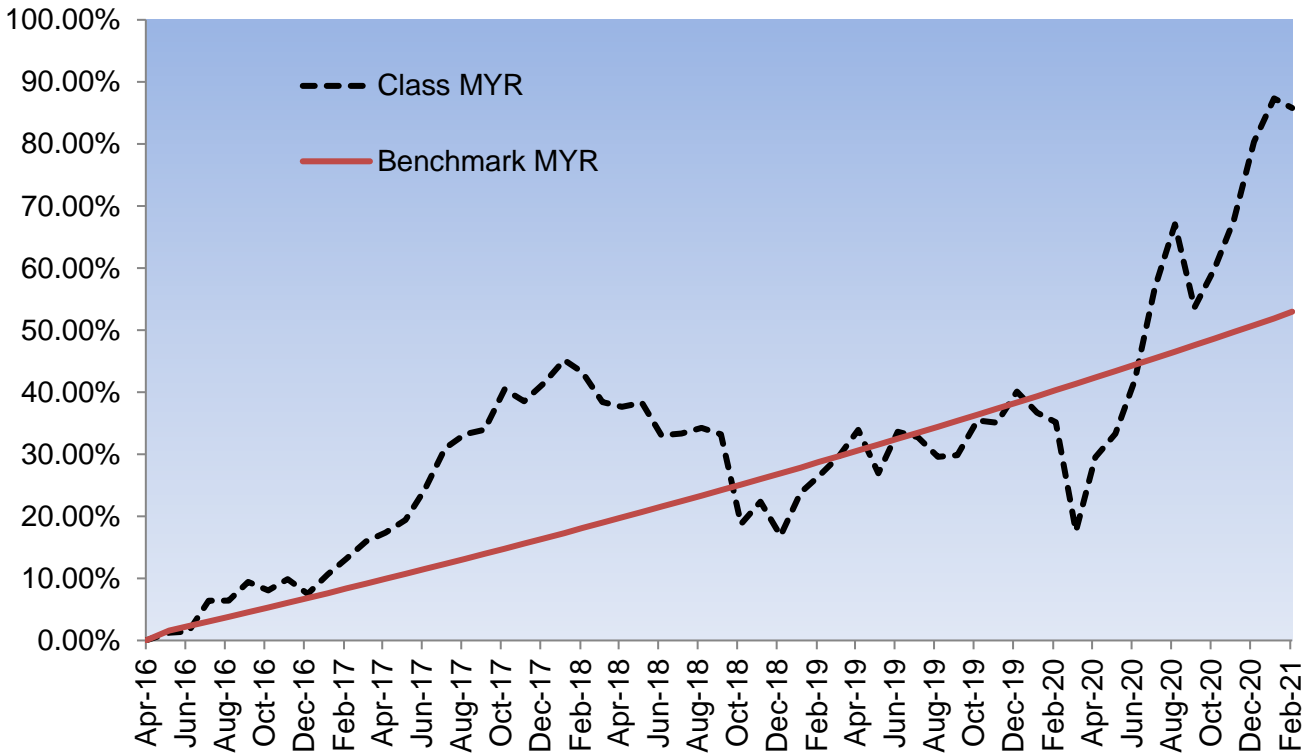
The Fund has performed strongly for the financial period under review. Over the past year months ending 28 February 2021, the Fund gained 48.45%, 48.28%, 48.00% and 48.24% in AUD, MYR, SGD and USD classes respectively. This was supported by the positive Asian stock market performances.

FUND PERFORMANCE (CONTINUED)

Class AUD

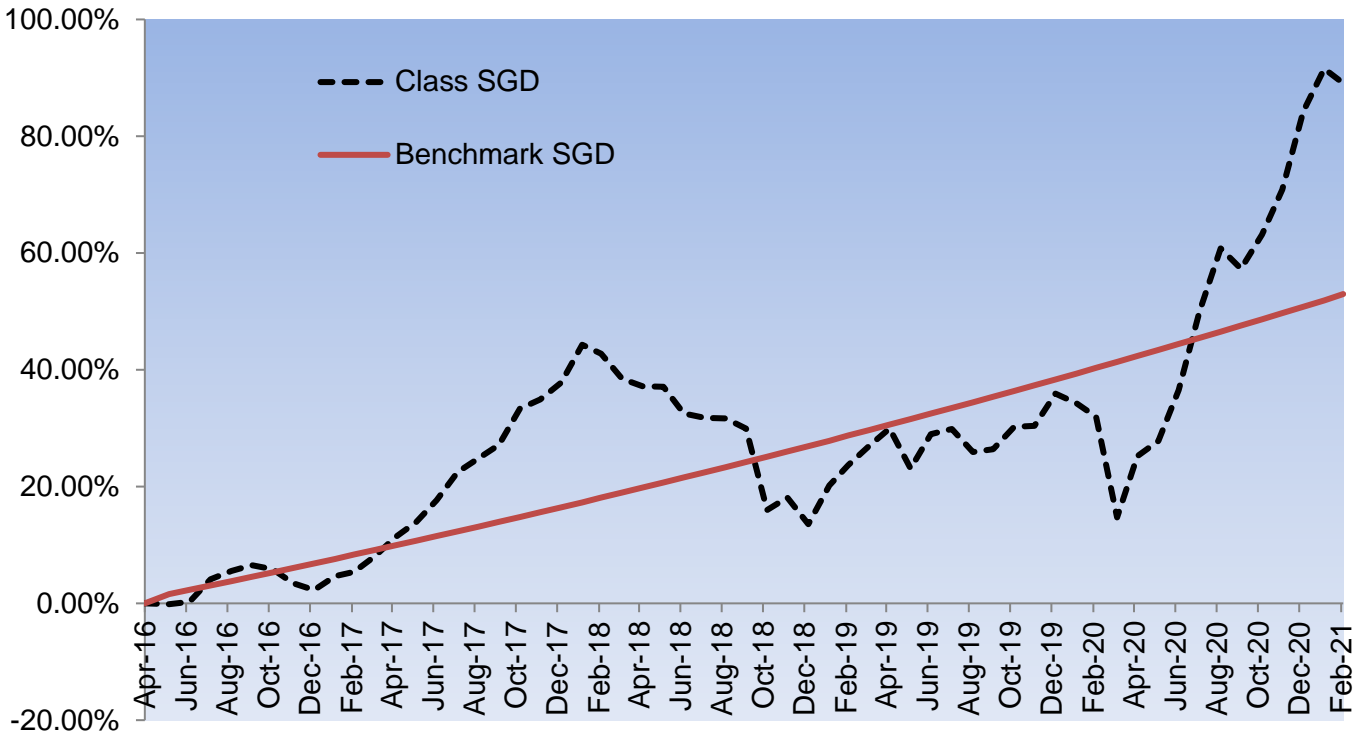


Class MYR

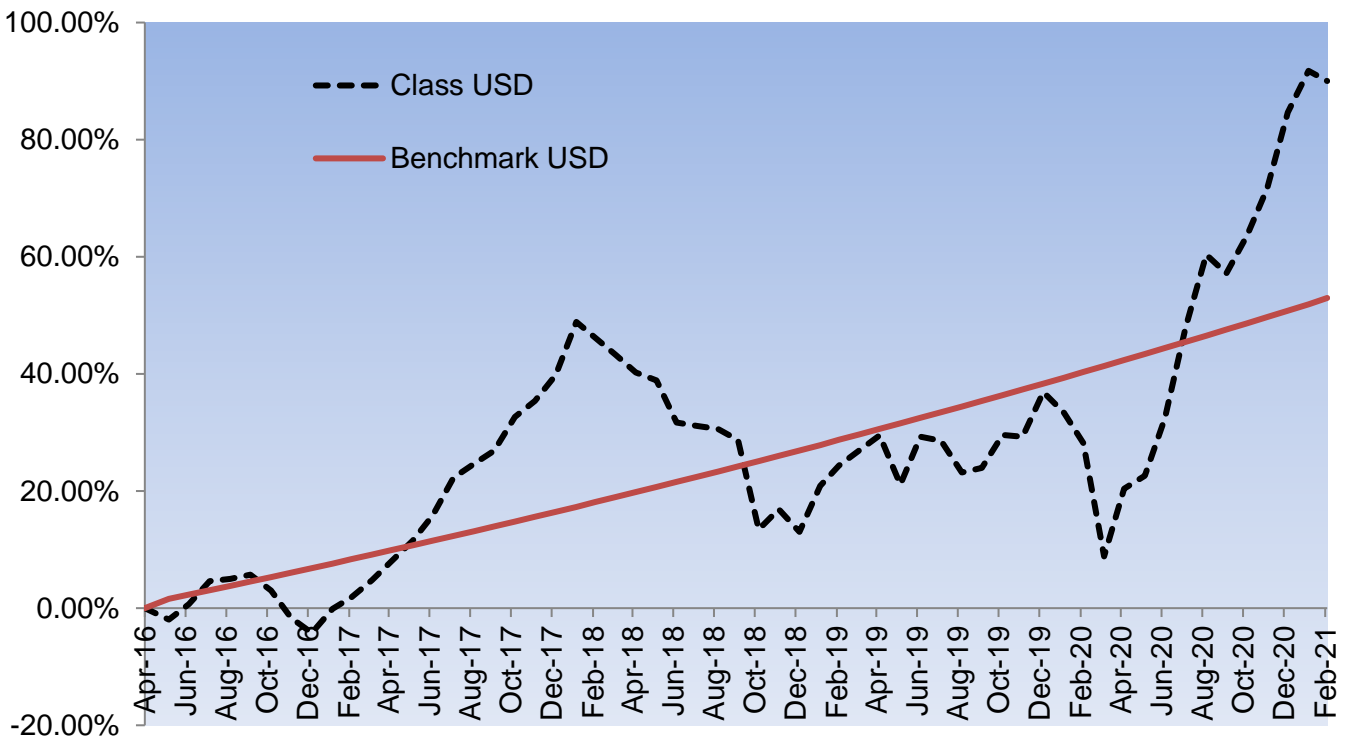


FUND PERFORMANCE (CONTINUED)

Class SGD



Class USD



FUND PERFORMANCE (CONTINUED)

Changes in NAV

CLASS AUD

	28.02.2021	29.02.2020	Changes %
NAV (USD Million)	22.93	14.10	62.62
NAV/Unit (USD)	0.8932	0.9633	(7.28)

CLASS MYR

	28.02.2021	29.02.2020	Changes %
NAV (USD Million)	156.10	70.55	>100.00
NAV/Unit (USD)	0.2971	0.3205	(7.30)

CLASS SGD

	28.02.2021	29.02.2020	Changes %
NAV (USD Million)	7.05	5.46	29.12
NAV/Unit (USD)	0.8765	0.9453	(7.28)

CLASS USD

	28.02.2021	29.02.2020	Changes %
NAV (USD Million)	17.20	7.50	>100.00
NAV/Unit (USD)	1.1877	1.2809	(7.28)

The NAV of Fund has gained 62.62%, >100%, 29.12% and >100.00% for the AUD, MYR, SGD and USD classes respectively, while the NAV per unit declined by 7.28% for the AUD, SGD and USD classes respectively and for the MYR class declined by 7.30%. The NAV has risen due to the gains in the underlying assets. The decline of the NAV per unit for the various classes was due to a share split.

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

(% of NAV)	28.02.2021	29.02.2020
Quoted securities	88.38	93.10
Cash and other assets	13.68	8.57
Liabilities	(2.06)	(1.67)
TOTAL	100.00	100.00

As at 28 February 2021, the Fund held 88.38% in quoted securities with the rest in cash and other net assets. The cash level is slightly higher compared to the levels as at the end of February 2020.

MARKET OUTLOOK*

In the near term, the stock markets in the Asia ex-Japan’s outlook are likely to remain positive. This is led by the expectations of a synchronized economic recovery globally as economies re-opens from the mobility restrictions imposed earlier. Countries globally are accelerating programs to vaccinate large swaths of their residents in the next several months which gives hope that the coronavirus can finally be under control. Earnings growth for Asian corporates are also expected to be robust for most sectors as recovery takes hold. In addition, Central Banks and Governments will remain accommodative in their fiscal and monetary policies to aid in the recovery process. Policy makers are likely to err on the side of caution and will unlikely pull back from this stance prematurely. As a result, we expect many sectors to do well and for the recovery in the stock markets to broaden out to sectors beyond the internet and IT sectors.

However, there are still risks surrounding the rate of COVID-19 infections. It could accelerate again as mutations of the virus could render the vaccination programs less effective. Latest studies showed that these vaccines remain effective for the latest strains.

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

INVESTMENT STRATEGY

In the near term, the Fund is positioned to benefit from strong trends in the automation, electric vehicles, 5G handsets and the proliferation of digitalization of the economy. The Fund is also invested in companies that are also poised to recover along with the re-opening of the economy. These companies include banks, materials, energy and other consumption related sectors.

Over the longer term, we remain positive on the outlook for Asian equities due to the young and growing population, growing middle class and strong economic growth potential. Our strategy will be to uncover and be exposed to stocks in these growing sectors early.

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 28 February 2021 are as follows:

CLASS AUD

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 - 10,000	-	-	0.00
10,001 - 50,000	2	0.05	0.19
50,001 - 500,000	2	0.43	1.68
500,001 and above	6	25.19	98.13
Total	11	25.67	100.00

Note: 0.00* denotes unit count less than 0.01 million.

UNIT HOLDINGS STATISTICS (CONTINUED)

Breakdown of unit holdings by size as at 28 February 2021 are as follows (continued):

CLASS MYR

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	338	0.87	0.17
5,001 - 10,000	263	1.91	0.36
10,001 - 50,000	690	15.95	3.04
50,001 - 500,000	315	34.77	6.62
500,001 and above	23	471.76	89.81
Total	1,629	525.26	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 - 10,000	-	-	-
10,001 - 50,000	3	0.08	1.00
50,001 - 500,000	3	1.16	14.43
500,001 and above	2	6.80	84.57
Total	9	8.04	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	1	0.00*	0.00
5,001 - 10,000	1	0.01	0.07
10,001 - 50,000	2	0.06	0.41
50,001 - 500,000	4	0.96	6.63
500,001 and above	4	13.45	92.89
Total	12	14.48	100.00

Note: 0.00* denotes unit count less than 0.01 million.

SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (the “Manager”) and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Principal Malaysia Funds (“Funds”) unless the soft commission received is retained in the form of goods and services such as 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 Trustee did not receive any rebates from the brokers or dealers but the Manager has retained soft commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds.

**STATEMENT BY MANAGER TO THE UNITHOLDERS OF
PRINCIPAL ASIA PACIFIC DYNAMIC GROWTH 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 51 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 28 February 2021 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 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
22 April 2021

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ASIA PACIFIC DYNAMIC GROWTH FUND**

We have acted as Trustee of Principal Asia Pacific Dynamic Growth Fund (the "Fund") for the financial year ended 28 February 2021. 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
Senior Manager, Investment Compliance Monitoring

Kuala Lumpur
16 April 2021

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ASIA PACIFIC DYNAMIC GROWTH FUND**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Principal Asia Pacific Dynamic Growth Fund (the "Fund") give a true and fair view of the financial position of the Fund as at 28 February 2021, and statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 18 to 51.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 28 February 2021, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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 audit 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 Code of Ethics for Professional Accountants (including International Independence Standards) ("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
PRINCIPAL ASIA PACIFIC DYNAMIC GROWTH FUND (CONTINUED)**

Report on the audit of the financial statements (cont'd.)

Information other than the financial statements and auditors' report thereon

The Manager of the Fund (the "Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund, 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 is responsible for the preparation of 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 have no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ASIA PACIFIC DYNAMIC GROWTH FUND (CONTINUED)**

Report on the audit of the financial statements (cont'd.)

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:

- 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- 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.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ASIA PACIFIC DYNAMIC GROWTH FUND (CONTINUED)**

Report on the audit of the financial statements (cont'd.)

Other matters

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

The financial statements of the Fund for the year ended 28 February 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 16 April 2020.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Yeo Beng Yean
No. 03013/10/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
22 April 2021

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2021**

	Note	2021 USD	2020 USD
INCOME			
Dividend income		6,547,972	2,850,409
Interest income		1,247	60,789
Net gain on financial assets at fair value through profit or loss	7	40,820,341	6,426,871
Net foreign exchange loss		<u>(4,793,826)</u>	<u>(297,574)</u>
		<u>42,575,734</u>	<u>9,040,495</u>
EXPENSES			
Management fee	4	1,962,993	2,299,972
Trustee and custodian fees	5	141,112	142,422
Audit fee		2,648	3,845
Tax agent's fee		54,981	6,233
Transaction costs		766,497	637,269
Other expenses		<u>193,499</u>	<u>262,134</u>
		<u>3,121,730</u>	<u>3,351,875</u>
PROFIT BEFORE TAXATION		39,454,004	5,688,620
Taxation	6	<u>-</u>	<u>-</u>
PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u>39,454,004</u>	<u>5,688,620</u>
Profit after taxation is made up as follows:			
Realised amount		13,078,016	7,572,065
Unrealised amount		<u>26,375,988</u>	<u>(1,883,445)</u>
		<u>39,454,004</u>	<u>5,688,620</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2021**

	Note	2021 USD	2020 USD
ASSETS			
Cash and cash equivalents	8	8,166,987	2,876,608
Financial assets at fair value through profit or loss	7	179,668,779	90,872,259
Amount due from stockbrokers		1,039,537	4,624,308
Amount due from Manager		18,423,959	773,004
Dividends receivable		165,151	92,736
TOTAL ASSETS		<u>207,464,413</u>	<u>99,238,915</u>
LIABILITIES			
Amount due to stockbrokers		2,078,037	-
Amount due to Manager		1,811,492	1,467,427
Accrued management fee		277,437	153,026
Amount due to Trustee		7,707	4,251
Other payables and accruals		7,132	3,726
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>4,181,805</u>	<u>1,628,430</u>
NET ASSET VALUE OF THE FUND		<u>203,282,608</u>	<u>97,610,485</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>203,282,608</u>	<u>97,610,485</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (USD)			
- Class AUD		22,931,059	14,100,697
- Class MYR		156,104,664	70,553,540
- Class SGD		7,047,015	5,455,912
- Class USD		17,199,870	7,500,336
		<u>203,282,608</u>	<u>97,610,485</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class AUD		25,670,069	14,636,870
- Class MYR		525,259,260	220,129,200
- Class SGD		8,039,121	5,771,376
- Class USD		14,481,027	5,855,362
	9	<u>573,449,477</u>	<u>246,392,808</u>
NET ASSET VALUE PER UNIT (USD)			
- Class AUD		0.8932	0.9633
- Class MYR		0.2971	0.3205
- Class SGD		0.8765	0.9453
- Class USD		<u>1.1877</u>	<u>1.2809</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- Class AUD		AUD1.1396	AUD1.4738
- Class MYR		MYR1.2025	MYR1.3506
- Class SGD		SGD1.1628	SGD1.3185
- Class USD		<u>USD1.1877</u>	<u>USD1.2809</u>

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2021**

	2021 USD	2020 USD
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>97,610,485</u>	<u>143,093,930</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class AUD	22,711,383	7,954,927
- Class MYR	210,884,603	11,178,882
- Class SGD	7,326,566	771,315
- Class USD	<u>24,978,902</u>	<u>1,426,189</u>
	<u>265,901,454</u>	<u>21,331,313</u>
Cancellation of units		
- Class AUD	(19,635,702)	(17,336,128)
- Class MYR	(153,444,247)	(45,061,107)
- Class SGD	(7,954,510)	(4,430,556)
- Class USD	<u>(18,648,876)</u>	<u>(5,675,587)</u>
	<u>(199,683,335)</u>	<u>(72,503,378)</u>
Total comprehensive income for the financial year	<u>39,454,004</u>	<u>5,688,620</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	<u>203,282,608</u>	<u>97,610,485</u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2021**

	Note	2021 USD	2020 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of quoted securities		120,604,925	144,298,438
Purchase of quoted securities		(166,162,754)	(97,230,298)
Dividend income received		6,221,099	2,602,420
Interest income received from current account		1,247	60,789
Management fee paid		(1,838,582)	(2,341,346)
Trustee's and custodian fees paid		(137,656)	(143,571)
Payments for other fees and expenses		(79,067)	(23,277)
Net realised foreign exchange loss		(568,282)	(230,576)
Net cash (used in)/generated from operating activities		<u>(41,959,070)</u>	<u>46,992,579</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		248,209,379	21,371,769
Payments for cancellation of units		(199,497,456)	(71,690,735)
Net cash generated from/(used in) financing activities		<u>48,711,923</u>	<u>(50,318,966)</u>
Net increase/(decrease) in cash and cash equivalents		6,752,853	(3,326,387)
Effects of foreign exchange differences		(1,462,474)	(753)
Cash and cash equivalents at the beginning of the financial year		<u>2,876,608</u>	<u>6,203,748</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>8,166,987</u></u>	<u><u>2,876,608</u></u>
<u>Cash and cash equivalents comprised of:</u>			
Bank balances		<u>8,166,987</u>	<u>2,876,608</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>8,166,987</u></u>	<u><u>2,876,608</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 28 FEBRUARY 2021**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal Asia Pacific Dynamic Growth Fund (the “Fund”) is governed by Principal Deed dated 23 November 2015 and First Supplement Deed dated 7 November 2019 (collectively referred to as the “Deeds”), made between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund will be managed with the aim of achieving a stable and positive investment return regardless of market conditions.

As the Fund is an equity fund, under general market conditions, the Fund will invest in equities of companies which the Sub-Manager* believes will exhibit good growth potential when compared against its peers or the overall market. The Fund may also invest up to 38% of its assets in debt securities, money market instruments and/or deposits to be in line with the Fund’s investment objective. The Fund may also opt to access into the equities and/or debt securities market via the investment in units of other collective investment schemes, subject to the requirements of the SC Guidelines and the Standards of Qualifying collective investment schemes. We or the Sub-Manager may also utilise derivative instruments such as futures contracts to hedge the portfolio. The use of derivatives is subject to the prevailing SC Guidelines and Standards of Qualifying collective investment schemes.

The Fund will focus its investment in the Asia Pacific ex Japan region, i.e. companies that are domiciled in, listed in, and/or have operations or businesses that focus in the Asia Pacific ex Japan region, where the regulatory authority is an ordinary or associate member of the IOSCO. If the investment is a listed security, the investment must be traded in an exchange that is a member of WFE. Where necessary, we will obtain the licenses/permits for investments in countries that require such licenses/permits. If we are unable to obtain the necessary licenses/permits, or the licenses/permits are revoked or not renewed (as the case may be), we or the Sub-Manager will seek to invest in other accessible markets.

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 38% of the Fund’s NAV may be invested in debt instruments, money market instruments and/or deposits.
- Up to 20% of the Fund’s NAV may be invested in units of other collective investment schemes; and
- At least 2% of the Fund’s NAV in liquid assets.

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.

* Principal Asset Management (S) Pte. Ltd (“Principal Singapore”) was appointed as the Sub-Manager for the Fund on 25 April 2016. As the Sub-Manager, Principal Singapore is responsible for the investment management function of the Fund, and has the discretion to manage, realize, invest, reinvest or howsoever deal with the Fund in accordance with the investment objective of the Fund. The Sub-Manager’s discretionary authority over the investments of the Fund is subject to the SC Guidelines, Standards of Qualifying CIS and its internal policies and procedures. Principal Singapore shall be responsible for the review, monitoring and oversight of Principal Singapore in the performance of the latter’s duties and obligations in respect of the Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

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

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(k).

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 March 2020 that have a material effect on the financial statements of the Fund.

None of the standards, amendments to standards or interpretations that are effective for the financial year beginning on/after 1 March 2021 are applicable to the Fund.

Classification

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

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

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

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

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

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

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

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

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

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

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

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

Quoted securities in Malaysia are valued at the last traded 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 exchanges 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 quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted securities are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Impairment for assets carried at amortised cost

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

(c) Income recognition

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

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(d) Functional and presentation currency**

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in 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) The Fund’s investments are denominated in USD;
- ii) Significant portion of the cash is denominated in USD for the purpose of making settlement of the foreign trades; and
- iii) Significant portion of the Fund’s expenses are denominated in USD.

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) Unit holder’s 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 four classes of units, known respectively as the Class AUD, Class MYR, Class SGD 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.

(f) Cash and cash equivalents

For the purpose of statement of cash flow, cash and cash equivalent comprise bank balances with known amounts of cash and which are subject to an insignificant risk of changes in value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(g) 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 dividend income from foreign quoted securities is based on the tax regime of the respective countries that the Fund invests in.

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

(h) Transaction costs

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

(i) Amount due from/to stockbrokers

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund measures 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. 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.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss USD	Financial assets at amortised cost USD	Total USD
2021			
Cash and cash equivalents (Note 8)	-	8,166,987	8,166,987
Quoted securities (Note 7)	179,668,779	-	179,668,779
Amount due from stockbrokers	-	1,039,537	1,039,537
Amount due from Manager	-	18,423,959	18,423,959
Dividends receivable	-	165,151	165,151
	<u>179,668,779</u>	<u>27,795,634</u>	<u>207,464,413</u>
2020			
Cash and cash equivalents (Note 8)	-	2,876,608	2,876,608
Quoted securities (Note 7)	90,872,259	-	90,872,259
Amount due from stockbrokers	-	4,624,308	4,624,308
Amount due from Manager	-	773,004	773,004
Dividends receivable	-	92,736	92,736
	<u>90,872,259</u>	<u>8,366,656</u>	<u>99,238,915</u>

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

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

The Fund aims to achieve capital appreciation over the medium to long term.

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

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

(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 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.

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

	2021	2020
	USD	USD
Financial assets at fair value through profit or loss:		
- Quoted securities	<u>179,668,779</u>	<u>90,872,259</u>

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

% Change in price of quoted securities	Market value USD	Impact on profit or loss/NAV USD
2021		
-5%	170,685,340	(8,983,439)
0%	179,668,779	-
+5%	<u>188,652,218</u>	<u>8,983,439</u>
2020		
-5%	86,328,646	(4,543,613)
0%	90,872,259	-
+5%	<u>95,415,872</u>	<u>4,543,613</u>

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

(a) Market risk (continued)

(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.

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

Financial assets	Cash and cash equivalents USD	Financial assets at fair value through profit or loss USD	Amount due from stockbrokers USD	Amount due from Manager USD	Dividends receivable USD	Total USD
2021						
AUD	4,154,496	22,204,306	-	1,126,424	84,625	27,569,851
CNY	76,863	10,003,712	-	-	-	10,080,575
HKD	-	66,391,885	1,039,537	-	-	67,431,422
IDR	1	7,112,672	-	-	-	7,112,673
INR	-	12,927,334	-	-	-	12,927,334
KRW	-	23,902,375	-	-	80,526	23,982,901
MYR	960,078	-	-	15,296,197	-	16,256,275
SGD	23,307	3,897,486	-	573,062	-	4,493,855
TWD	-	21,015,692	-	-	-	21,015,692
	<u>5,214,745</u>	<u>167,455,462</u>	<u>1,039,537</u>	<u>16,995,683</u>	<u>165,151</u>	<u>190,870,578</u>
2020						
AUD	169,914	11,779,749	1,152,124	267,812	-	13,369,599
CNY	10,511	4,215,690	-	-	-	4,226,201
HKD	-	24,829,695	1,841,531	-	-	26,671,226
IDR	1	5,655,034	123,297	-	57,908	5,836,240
INR	-	5,647,996	229,821	-	-	5,877,817
KRW	-	9,781,722	75,472	-	-	9,857,194
MYR	960,078	-	-	437,271	-	1,397,349
PHP	-	747,885	-	-	-	747,885
SGD	23,307	7,063,842	329,432	-	34,828	7,451,409
TWD	-	10,246,103	149,150	-	-	10,395,253
	<u>1,163,811</u>	<u>79,967,716</u>	<u>3,900,827</u>	<u>705,083</u>	<u>92,736</u>	<u>85,830,173</u>

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

(a) Market risk (continued)

(ii) Currency risk (continued)

Financial liabilities	Amount due to stockbroker USD	Amount due to Manager USD	Other payables and accruals USD	Net assets attributable to unit holders USD	Total USD
2021					
AUD		437,970	-	22,931,059	23,369,029
MYR		1,115,849	7,132	156,104,664	157,227,645
SGD	2,078,037	56,969	-	7,047,015	9,182,021
	<u>2,078,037</u>	<u>1,610,788</u>	<u>7,132</u>	<u>186,082,738</u>	<u>189,778,695</u>

Financial liabilities	Amount due to Manager USD	Other payables and accruals USD	Net assets attributable to unit holders USD	Total USD
2020				
AUD	240,982	-	14,100,697	14,341,679
MYR	981,540	3,726	70,553,540	71,538,806
SGD	244,905	-	5,455,912	5,700,817
	<u>1,467,427</u>	<u>3,726</u>	<u>90,110,149</u>	<u>91,581,302</u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes in foreign exchange movements at the end of the reporting year. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remaining constant. 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	
		2021 USD	2020 USD
	%		
AUD	+/-5	+/-210,041	+/- 48,604
CNY	+/-5	+/-504,029	+/-211,310
HKD	+/-5	+/-3,371,571	+/-1,333,561
IDR	+/-5	+/-355,634	+/-291,812
INR	+/-5	+/-646,367	+/-293,891
KRW	+/-5	+/-1,199,145	+/-492,860
MYR	+/-5	+/-7,048,569	+/-3,507,073
PHP	+/-5	-	+/-37,394
SGD	+/-5	+/-234,408	+/-87,530
TWD	+/-5	+/-1,050,785	+/-519,763
		<u>+/-513,411</u>	<u>+/-223,734</u>

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

(b) Credit risk

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

For amount due from Manager, the settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC Guidelines on Unit Trust Funds.

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.

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

	Cash and cash equivalents USD	Amount due from stockbrokers USD	Amount due from Managers USD	Dividends receivable USD	Total USD
2021					
- AAA	8,166,987	-	-	-	8,166,987
- Not Rated	-	1,039,537	18,423,959	165,151	19,628,647
	<u>8,166,987</u>	<u>1,039,537</u>	<u>18,423,959</u>	<u>165,151</u>	<u>27,795,634</u>
2020					
- AAA	2,876,608	-	-	-	2,876,608
- Not Rated	-	4,624,308	773,004	92,736	5,490,048
	<u>2,876,608</u>	<u>4,624,308</u>	<u>773,004</u>	<u>92,736</u>	<u>8,366,656</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, which are capable of being converted into cash within 7 business days. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

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

(c) Liquidity risk (continued)

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining 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 USD	Between 1 month to 1 year USD	Total USD
2021			
Amount due to stockbroker	2,078,037	-	2,078,037
Amount due to Manager	1,811,492	-	1,811,492
Accrued Management fee	277,437	-	277,437
Amount due to Trustee	7,707	-	7,707
Other payables and accruals	-	7,132	7,132
Net assets attributable to unit holders*	<u>203,282,608</u>	<u>-</u>	<u>203,282,608</u>
Contractual undiscounted cash flows	<u>207,457,281</u>	<u>7,132</u>	<u>207,464,413</u>
2020			
Amount due to Manager	1,467,427	-	1,467,427
Accrued Management fee	153,026	-	153,026
Amount due to Trustee	4,251	-	4,251
Other payables and accruals	-	3,726	3,726
Net assets attributable to unit holders*	<u>97,610,485</u>	<u>-</u>	<u>97,610,485</u>
Contractual undiscounted cash flows	<u>99,235,189</u>	<u>3,726</u>	<u>99,238,915</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 unit holders of these instruments typically retain them for the medium to long term.

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders of USD203,282,608 (2020: USD97,610,485). The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

3. 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 value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial 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.

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

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

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
2021				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>179,668,779</u>	<u>-</u>	<u>-</u>	<u>179,668,779</u>
2020				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>90,872,259</u>	<u>-</u>	<u>-</u>	<u>90,872,259</u>

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

- (ii) The carrying values of cash and cash equivalents, amount due from stockbrokers, amount due from Manager, dividends receivable and all liabilities are a reasonable approximation of their fair values due to their short term nature.

4. MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to a maximum management fee of 3.00% per annum for each class, calculated daily based on the NAV of the Fund.

For the financial year ended 28 February 2021 and 29 February 2020, the management fee for the respective classes is recognised at the following rates:

Class AUD	Class MYR	Class SGD	Class USD
1.80%	1.80%	1.80%	1.80%

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

5. TRUSTEE AND CUSTODIAN FEES

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.08% per annum, calculated daily based on the NAV of the Fund. The Trustee fee includes local custodian fees and charges but excludes foreign sub-custodian fees and charges.

For the financial year ended 28 February 2021, the Trustee fee is recognised at a rate of 0.05% per annum (2020: 0.05% per annum) for each unit class.

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

6. TAXATION

	2021 USD	2020 USD
Tax charged for the financial year:		
- Taxation	-	-
	<u>-</u>	<u>-</u>

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

	2021 USD	2020 USD
Profit before taxation	<u>39,454,004</u>	<u>5,688,620</u>
Taxation at Malaysian statutory rate of 24% (2020: 24%)	9,468,961	1,365,269
Tax effects of:		
- Income not subject to tax	(10,218,176)	(2,169,719)
- Expenses not deductible for tax purposes	276,744	250,261
- Restriction on tax deductible expenses for Unit Trust Funds	472,471	554,189
Income subject to withholding tax	-	-
Taxation	<u>-</u>	<u>-</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021 USD	2020 USD
At fair value through profit or loss:		
- Quoted securities	<u>179,668,779</u>	<u>90,872,259</u>

	2021 USD	2020 USD
Net gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	13,588,830	8,308,083
- Unrealised fair value gain/(loss)	27,231,511	(1,881,212)
	<u>40,820,341</u>	<u>6,426,871</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 %
2021				
QUOTED SECURITIES				
AUSTRALIA				
Consumer Discretionary				
Aristocrat Leisure Ltd	115,017	2,433,074	2,736,938	1.35
Energy				
Beach Energy Ltd	2,366,260	3,159,695	3,060,184	1.51
Industrials				
ALS Ltd	375,732	2,447,129	2,909,620	1.43
Seven Group Holdings Ltd	241,982	3,817,922	4,113,805	2.02
	617,714	6,265,051	7,023,425	3.45
Materials				
BHP Group Ltd	108,227	3,076,171	4,167,575	2.05
James Hardie Industries PLC	132,726	3,008,049	3,798,122	1.87
Northern Star Resources Ltd	177,202	1,912,227	1,418,063	0.70
	418,155	7,996,447	9,383,760	4.62
TOTAL AUSTRALIA	3,517,146	19,854,267	22,204,307	10.93
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	209,300	6,339,638	6,271,996	3.09
TOTAL CAYMAN ISLANDS	209,300	6,339,638	6,271,996	3.09
CHINA				
Consumer Discretionary				
China Tourism Group Duty Free - A ²	77,803	2,122,754	3,703,508	1.82
Financials				
Ping An Insurance Group Co. - H ¹	213,500	2,561,336	2,623,561	1.29
Health Care				
WuXi AppTec Co., Ltd. – H ¹	182,300	3,183,660	3,800,994	1.87

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 %
2021 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
CHINA (CONTINUED)				
Industrials				
Centre Testing International Group Co Ltd - A ²	560,190	1,405,319	2,115,690	1.04
Sany Heavy Industry Co Ltd - A ²	658,422	2,697,253	4,184,514	2.06
Weichai Power Co., Ltd H ¹	647,000	2,003,947	1,893,785	0.93
	<u>1,865,612</u>	<u>6,106,519</u>	<u>8,193,989</u>	<u>4.03</u>
TOTAL CHINA	<u>2,339,215</u>	<u>13,974,269</u>	<u>18,322,052</u>	<u>9.01</u>
HONG KONG, CHINA				
Communication Services				
Tencent Holdings Ltd	<u>116,200</u>	<u>7,484,368</u>	<u>9,926,416</u>	<u>4.88</u>
Consumer Discretionary				
Li Ning Co. Ltd	740,500	3,308,597	4,163,054	2.05
Meituan	89,500	2,575,836	3,923,760	1.93
New Oriental Education & Technology Group Inc	6,350	1,047,980	1,119,290	0.55
	<u>836,350</u>	<u>6,932,413</u>	<u>9,206,104</u>	<u>4.53</u>
Consumer Staples				
Budweiser Brewing Company APAC	<u>816,200</u>	<u>2,720,132</u>	<u>2,494,281</u>	<u>1.23</u>
Financials				
AIA Group Ltd	370,800	4,165,449	4,640,189	2.28
Hong Kong Exchanges & Clearing Ltd	79,600	4,076,455	4,856,890	2.39
	<u>450,400</u>	<u>8,241,904</u>	<u>9,497,079</u>	<u>4.67</u>
Health Care				
Alibaba Health Info Tech	854,000	2,638,024	2,863,068	1.41
WuXi Biologics	378,626	3,126,663	4,689,302	2.31
	<u>1,232,626</u>	<u>5,764,687</u>	<u>7,552,370</u>	<u>3.72</u>
Industrials				
Techtronic Industries Co Ltd	<u>485,500</u>	<u>5,133,482</u>	<u>7,412,102</u>	<u>3.65</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 %
2021 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
HONG KONG, CHINA (CONTINUED)				
Information Technology				
Kingboard Laminates Holdings Ltd	3,346,500	4,804,513	5,713,198	2.81
TOTAL HONG KONG, CHINA	7,283,776	41,081,499	51,801,550	25.49
INDIA				
Energy				
Reliance Industries Ltd	214,611	4,561,283	6,093,817	3.00
Reliance Industries Ltd- Partially paid	12,413	64,651	204,595	0.10
	227,024	4,625,934	6,298,412	3.10
Health Care				
Apollo Hospitals Enterprise Ltd	92,140	3,034,699	3,836,567	1.89
Information Technology				
Tata Consultancy Services Ltd	70,870	2,759,136	2,792,356	1.37
TOTAL INDIA	390,034	10,409,721	12,927,335	6.36
INDONESIA				
Consumer Discretionary				
Astra International TBK PT	6,349,600	2,687,122	2,402,478	1.18
Financials				
Bank Central Asia TBK PT	1,411,800	3,187,825	3,318,830	1.63
Real Estate				
Summarecon Agung TBK PT	24,069,500	1,470,227	1,391,363	0.68
TOTAL INDONESIA	31,830,900	7,345,174	7,112,671	3.49
SINGAPORE				
Financials				
United Overseas Bank Ltd	209,500	3,760,489	3,897,486	1.92
TOTAL SINGAPORE	209,500	3,760,489	3,897,486	1.92

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 %
2021 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
SOUTH KOREA				
Communication Services				
NCSOFT Corporation	2,833	1,846,954	2,360,084	1.16
Information Technology				
Samsung Electro-Mechanics Co. Ltd	17,483	2,615,750	2,948,753	1.45
Samsung Electronics Co. Ltd	135,544	7,534,295	9,952,664	4.90
	<u>153,027</u>	<u>10,150,045</u>	<u>12,901,417</u>	<u>6.35</u>
Materials				
LG Chem Ltd	11,683	6,623,066	8,640,930	4.25
TOTAL SOUTH KOREA	<u>167,543</u>	<u>18,620,065</u>	<u>23,902,431</u>	<u>11.76</u>
TAIWAN				
Industrials				
Airtac International Group	160,000	4,750,876	5,567,644	2.74
Information Technology				
Mediatek Inc.	89,000	1,989,818	2,860,736	1.41
Taiwan Semiconductor Manufacturing Company Ltd Co	579,000	8,743,679	12,587,253	6.19
	<u>668,000</u>	<u>10,733,497</u>	<u>15,447,989</u>	<u>7.60</u>
TOTAL TAIWAN	<u>828,000</u>	<u>15,484,373</u>	<u>21,015,633</u>	<u>10.34</u>
UNITED STATES				
Communication Services				
SEA Ltd ARD ³	29,530	4,099,802	6,959,926	3.42
Financials				
HDFC Bank Ltd	66,381	4,018,379	5,253,392	2.58
TOTAL UNITED STATES	<u>95,911</u>	<u>8,118,181</u>	<u>12,213,318</u>	<u>6.00</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 %
2021 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
TOTAL QUOTED SECURITIES	<u>46,871,325</u>	<u>144,997,722</u>	<u>179,668,779</u>	<u>88.39</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>34,671,057</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u><u>179,668,779</u></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 %
2020				
QUOTED SECURITIES				
AUSTRALIA				
Consumer Discretionary				
Aristocrat Leisure Ltd	77,358	1,624,520	1,674,160	1.72
Health Care				
CSL Ltd	16,321	2,046,061	3,301,077	3.38
Industrials				
Cleanaway Waste Management Ltd	925,030	1,078,848	1,372,506	1.41
Seven Group Holdings Ltd	187,394	2,731,285	2,152,087	2.20
	<u>1,112,424</u>	<u>3,810,133</u>	<u>3,524,593</u>	<u>3.61</u>
Materials				
BHP Group Ltd	64,483	1,752,854	1,416,175	1.45
James Hardie Industries SE	101,005	1,739,240	1,863,744	1.91
	<u>165,488</u>	<u>3,492,094</u>	<u>3,279,919</u>	<u>3.36</u>
TOTAL AUSTRALIA	<u>1,371,591</u>	<u>10,972,808</u>	<u>11,779,749</u>	<u>12.07</u>
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holdings Ltd	28,598	4,716,704	5,948,384	6.09
TOTAL CAYMAN ISLANDS	<u>28,598</u>	<u>4,716,704</u>	<u>5,948,384</u>	<u>6.09</u>
CHINA				
Industrials				
Centre Testing International Group Co. Ltd	541,423	721,860	1,260,994	1.29
Information Technology				
Hangzhou Hikvision Digital Technology Co. Ltd	328,000	1,644,284	1,642,343	1.68
Materials				
Anhui Conch Cement Co. Ltd	179,000	1,135,344	1,312,353	1.34

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 %
2020 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
CHINA (CONTINUED)				
TOTAL CHINA	1,048,423	3,501,488	4,215,690	4.31
HONG KONG				
Communication Services				
Tencent Holdings Ltd	100,800	4,259,562	4,991,480	5.11
Consumer Discretionary				
Galaxy Entertainment Group Ltd	170,000	1,299,207	1,122,059	1.15
Meituan Dianping	130,200	1,693,439	1,651,919	1.69
Sands China Ltd	233,600	1,191,219	1,086,331	1.11
Shenzhou International Group Holdings Ltd	79,200	1,021,876	972,849	1.00
	613,000	5,205,741	4,833,158	4.95
Financials				
AIA Group Ltd	276,200	2,135,309	2,724,781	2.79
Health Care				
Jinxin Fertility Group Ltd	856,000	1,309,714	1,097,036	1.12
WuXi Biologic (Cayman) Inc	110,000	1,224,433	1,608,715	1.65
	966,000	2,534,147	2,705,751	2.77
Industrials				
China Conch Venture Holdings	305,000	1,456,713	1,482,930	1.52
Techtronic Industries Co Ltd	382,500	2,096,507	3,093,841	3.17
	687,500	3,553,220	4,576,771	4.69
Information Technology				
Kingboard Laminates Holdings Ltd	1,492,500	1,576,498	1,487,705	1.52
Sunny Optical Technology (Group) Co. Ltd	89,900	1,115,182	1,397,796	1.43
	1,582,400	2,691,680	2,885,501	2.95

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 %
2020 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
HONG KONG (CONTINUED)				
Real Estate				
China Resources Land Ltd	458,000	2,024,536	2,112,253	2.16
TOTAL HONG KONG	4,683,900	22,404,195	24,829,695	25.42
INDIA				
Energy				
Reliance Industries Ltd	147,775	2,230,530	2,721,008	2.79
Materials				
Ultra Tech Cement Ltd	20,182	1,206,860	1,180,195	1.21
Real Estate				
Godrej Properties Ltd	125,661	1,558,532	1,746,793	1.79
TOTAL INDIA	293,618	4,995,922	5,647,996	5.79
INDONESIA				
Consumer Discretionary				
Mitra Adiperkasa TBK PT	15,306,200	1,118,205	854,881	0.88
Financials				
PT Bank Mandiri TBK	2,934,300	1,562,390	1,490,341	1.53
Materials				
Semen Indonesia (Persero) TBK PT	2,261,100	2,012,720	1,653,568	1.69
Real Estate				
Ciputra Development TBK PT	15,312,000	1,168,683	1,010,210	1.03
Summarecon Agung TBK PT	11,016,100	940,232	646,034	0.66
	26,328,100	2,108,915	1,656,244	1.69
TOTAL INDONESIA	46,829,700	6,802,230	5,655,034	5.79

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 %
2020 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
PHILIPPINES				
Financials				
Bank of Philippine Islands	514,910	948,215	747,885	0.77
TOTAL PHILIPPINES	514,910	948,215	747,885	0.77
SINGAPORE				
Communication Services				
NetLink NBN Trust	1,412,900	860,470	992,743	1.02
Industrials				
Singapore Technologies Engineering Ltd	411,700	1,024,038	1,230,882	1.26
Real Estate				
CapitaLand Mall Trust	739,700	1,996,355	1,872,103	1.92
Keppel DC REIT	701,768	705,433	1,167,296	1.20
Lendlease Global Commercial REIT	2,920,600	1,862,362	1,800,818	1.84
	4,362,068	4,564,150	4,840,217	4.96
TOTAL SINGAPORE	6,186,668	6,448,658	7,063,842	7.24
SOUTH KOREA				
Communication Services				
NCSOFT Corporation	2,952	1,330,209	1,576,824	1.62
Information Technology				
Samsung Electronics Co. Ltd	109,361	4,457,603	4,878,473	5.00
SK Hynix Inc	26,194	1,809,257	1,895,016	1.94
	135,555	6,266,860	6,773,489	6.94
Materials				
LG Chem Ltd	4,726	1,537,958	1,431,409	1.47
TOTAL SOUTH KOREA	143,233	9,135,027	9,781,722	10.03

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 %
2020 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
TAIWAN				
Industrials				
Shin Zu Shing Co Ltd	272,000	1,232,465	1,246,210	1.28
Information Technology				
ASE Technology Holdings Co Ltd	677,000	1,649,675	1,591,058	1.63
Largan Precision Co. Ltd	16,000	2,348,430	2,336,315	2.39
Taiwan Semiconductor Manufacturing Co Ltd	487,000	3,885,178	5,072,520	5.20
	<u>1,180,000</u>	<u>7,883,283</u>	<u>8,999,893</u>	<u>9.22</u>
TOTAL TAIWAN	<u>1,452,000</u>	<u>9,115,748</u>	<u>10,246,103</u>	<u>10.50</u>
UNITED STATES				
Consumer Discretionary				
New Oriental Education & Technology Group	11,593	1,408,263	1,482,629	1.52
Financials				
HDFC Bank Ltd	36,705	1,670,298	2,013,269	2.06
ICICI Bank Ltd – ADR ³	105,282	1,313,157	1,460,261	1.51
	<u>141,987</u>	<u>2,983,455</u>	<u>3,473,530</u>	<u>3.57</u>
TOTAL UNITED STATES	<u>153,580</u>	<u>4,391,718</u>	<u>4,956,159</u>	<u>5.09</u>
TOTAL QUOTED SECURITIES	<u>62,706,221</u>	<u>83,432,713</u>	<u>90,872,259</u>	<u>93.10</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>7,439,546</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>90,872,259</u>		

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

- ¹ H shares refer to the shares of companies incorporated in the Chinese mainland that are listed on the Hong Kong Stock Exchange or other foreign exchange. H shares are regulated by Chinese law, but they are denominated in Hong Kong dollars and trade the same as other equities on the Hong Kong Stock Exchange.
- ² A-shares trade on the two Chinese stock exchanges, the Shanghai Stock Exchange and the Shenzhen Stock Exchange. A-shares are shares of mainland China-based companies and are available for purchase to select foreign institutions through the stock connect system.
- ³ ADR, or American depositary receipt, is a negotiable certificate issued by a U.S. bank representing a specified number of shares (or one share) in a foreign stock that is traded on a U.S. exchange. ADRs are denominated in U.S. dollars, with the underlying security held by a U.S. financial institution overseas. ADRs help to reduce administration and duty costs that would otherwise be levied on each transaction.

8. CASH AND CASH EQUIVALENTS

	2021	2020
	USD	USD
Bank balances	<u>8,166,987</u>	<u>2,876,608</u>

9. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2021	2020
	No. of units	No. of units
Class AUD (i)	25,670,069	14,636,870
Class MYR (ii)	525,259,260	220,129,200
Class SGD (iii)	8,039,121	5,771,376
Class USD (iv)	<u>14,481,027</u>	<u>5,855,362</u>
	<u>573,449,477</u>	<u>246,392,808</u>

(i) Class AUD

	2021	2020
	No. of units	No. of units
At the beginning of the financial year	14,636,870	24,021,184
Add: Creation of units from applications	29,878,687	8,170,214
Less: Cancellation of units	<u>(18,845,488)</u>	<u>(17,554,528)</u>
At the end of the financial year	<u>25,670,069</u>	<u>14,636,870</u>

(ii) Class MYR

	2021	2020
	No. of units	No. of units
At the beginning of the financial year	220,129,200	323,329,931
Add: Creation of units from applications	744,692,444	34,130,051
Less: Cancellation of units	<u>(439,562,384)</u>	<u>(137,330,782)</u>
At the end of the financial year	<u>525,259,260</u>	<u>220,129,200</u>

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

(iii) Class SGD

	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
At the beginning of the financial year	5,771,376	9,537,957
Add: Creation of units from applications	9,872,425	801,063
Less: Cancellation of units	<u>(7,604,679)</u>	<u>(4,567,644)</u>
At the end of the financial year	<u>8,039,121</u>	<u>5,771,376</u>

(iv) Class USD

	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
At the beginning of the financial year	5,855,362	9,098,039
Add: Creation of units from applications	21,844,851	1,098,785
Less: Cancellation of units	<u>(13,219,186)</u>	<u>(4,341,462)</u>
At the end of the financial year	<u>14,481,027</u>	<u>5,855,362</u>

10. MANAGEMENT EXPENSE RATIO (“MER”)

	<u>2021</u>	<u>2020</u>
	%	%
MER	<u>2.00</u>	<u>1.93</u>

MER is derived from the following calculation:

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

- A = Management fee
- B = Trustee and custodian fees
- C = Audit fee
- D = Tax agent’s fee
- E = Other expenses excluding withholding tax
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is USD109,318,654 (2020: USD127,419,798).

11. PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2021</u>	<u>2020</u>
PTR (times)	<u>1.33</u>	<u>0.96</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 = USD169,845,071 (2020: USD96,270,497)
- total disposal for the financial year = USD121,870,241 (2020: USD148,599,392)

12. 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
PT Principal Asset Management	Subsidiary of the Manager
CIMB Investment 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

	<u>2021</u>		<u>2020</u>	
	<u>No. of units</u>	<u>USD</u>	<u>No. of units</u>	<u>USD</u>
Manager				
Principal Asset Management Berhad				
- Class AUD	175	156	112	108
- Class MYR	49,160	14,605	134,818	43,209
- Class SGD	2,168	1,900	1,354	1,280
- Class USD	408	485	254	325

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.

There are no significant related party balances for the financial year 2021 and 2020, apart from those mentioned elsewhere in the financial statements.

13. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for the financial ended 28 February 2021 are as follows:

Brokers	Value of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
Citigroup Global Markets Ltd	37,939,073	13.01	33,828	6.38
Instinet Pacific Limited	32,068,934	10.99	58,083	10.95
Credit Suisse (Hong Kong) Ltd	30,745,100	10.54	62,434	11.77
Sanford C Bernstein & Co LLC	22,437,337	7.69	53,538	10.09
DBS Vickers Securities (Singapore) Pte Ltd	20,781,952	7.12	36,073	6.80
J.P. Morgan Securities (Asia Pacific) Limited	20,197,714	6.92	55,141	10.39
CLSA Ltd	19,683,945	6.75	42,382	7.99
Macquarie Securities (Australia) Ltd	16,839,618	5.77	27,798	5.24
Macquarie Capital Securities (Malaysia) Sdn Bhd	13,046,610	4.47	37,564	7.08
CGS-CIMB Securities (Singapore) Pte. Ltd #	12,924,807	4.43	19,411	3.66
Others	65,050,221	22.31	104,243	19.65
	<u>291,715,311</u>	<u>100.00</u>	<u>530,495</u>	<u>100.00</u>

Details of transactions with the top 10 brokers for the financial ended 29 February 2020 are as follows:

Brokers	Value of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
Citigroup Global Markets Ltd	47,708,777	19.51	84,603	18.83
Credit Suisse (Hong Kong) Ltd	26,307,609	10.76	60,567	13.48
JP Morgan Securities, LLC.	23,198,750	9.49	6,960	1.55
CLSA Ltd	20,482,803	8.38	36,055	8.02
Instinet Pacific Ltd	15,505,414	6.34	41,319	9.19
DBS Vickers Securities (Singapore) Pte Ltd	14,796,735	6.05	27,769	6.18
Morgan Stanley	13,871,626	5.67	34,532	7.68
Macquarie Capital Securities (Malaysia) Sdn Bhd	12,355,394	5.05	32,247	7.18
CLSA Securities (Malaysia) Sdn Bhd	12,147,885	4.97	3,644	0.81
JP Morgan Securities Singapore Pte Ltd	8,819,157	3.61	22,091	4.92
Others #	49,369,757	20.17	99,631	22.16
	<u>244,563,907</u>	<u>100.00</u>	<u>449,418</u>	<u>100.00</u>

13. TRANSACTIONS WITH BROKERS (CONTINUED)

Included in the transactions are trades conducted with CGS-CIMB Securities (Singapore) Pte. Ltd fellow related parties to the Manager amounting to USD12,924,807 (2020: USD8,526,780). The Manager is of the opinion that all transactions with the related company have been entered into at agreed terms between the related parties.

14. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The COVID-19 pandemic and related lockdowns and movement restrictions have had, and will continue to have, a significant impact on global economic conditions and the environment in which the Fund operates.

The Manager continue to closely monitor the macro-economic outlook as a result of COVID-19 pandemic and its impact to the Fund's performance and will be managing the risks to achieve the Fund's objective.

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 22 April 2021.

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