

Principal Asia Pacific Dynamic Mixed Asset Fund

(formerly known as CIMB-Principal Asia Pacific
Dynamic Mixed Asset Fund)

Annual Report

For The Financial Year Ended 31 May 2020

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 MAY 2020

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

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INVESTORS' LETTER

Dear Valued Investor,

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

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

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

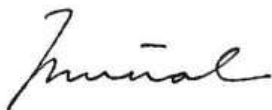
Continue to log on to our website (www.principal.com.my) to receive updates on our latest insights and investing articles.

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

Please be informed that effective 16 January 2020, the Fund has been renamed as Principal Asia Pacific Dynamic Mixed Asset Fund following the issuance of the Replacement Prospectus issue No. M3.

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

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



Munirah Khairuddin
Chief Executive Officer

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to provide income and capital appreciation by investing in equities, debt securities, money market instruments and/or deposits.

Has the Fund achieved its objective?

The Fund continues to deliver on its long-term objective of providing investors with income and capital appreciation. The near-term return objective, however, has fallen short due to the difficult financial market conditions of 2020.

What are the Fund investment policy and principal investment strategy?

The Fund will be managed with the aim to provide investors with income and capital appreciation over the medium to long term through investments in the Asia Pacific ex Japan region. The Fund seeks to achieve its investment objective through a diversified portfolio investment in equities, debt securities, money market instruments and/or deposits. The investment in debt securities and money market instruments is to provide some capital stability to the Fund whilst the investment in equity portion will provide the added return in a rising market. The Fund may invest in deposits for liquidity purpose.

The Fund may invest up to 100% of its Net Asset Value ("NAV") in equities, debt securities or money market instruments and deposits with financial institutions. The Sub-Manager has the flexibility to determine its asset allocation between different asset classes according to Sub-Manager's views on the prevailing market condition. For example, Sub-Manager may invest up to 100% of the NAV in debt securities and liquid assets in the volatile market to preserve value of the Fund or Sub-Manager can invest up to 100% of the NAV in equities with the aim to generate added return in rising market. The minimum credit rating for the debt securities must be at least "BBB" by Standard & Poor's ("S&P") or equivalent rating by any other international rating agencies. The Fund may also invest up to 10% of the Fund's NAV in unrated fixed income securities.

At the Manager discretion, the Fund may opt to access into the equities and/or debt securities market via the investment in units of other collective investment scheme, subject to the requirements of the Securities Commission Malaysia ("SC") Guidelines and the Standards of Qualifying collective investment scheme. When deemed necessary, the Manager or the Sub-Manager may also utilize derivative instruments such as futures contracts and currency forwards to hedge the portfolio, subject to the prevailing SC Guidelines and Standards of Qualifying collective investment scheme.

The Manager have appointed Principal Asset Management (Singapore) Pte. Ltd. ("Principal Singapore") as the Sub-Manager of the Fund. Principal Singapore will be responsible for investing and managing the equities portion, debt portion and asset allocation of the Fund in accordance with the investment objective and within the investment restrictions. For debt portion, we will work with the Sub-Manager in the overall due diligence and debt selection process.

Base Currency

Malaysian Ringgit ("MYR")

Fund category/type

Mixed Asset/Growth & Income

How long should you invest for?

Recommended medium to long term

When was the Fund launched?

Name of Class	Launch Date
Class MYR	9 January 2017
Class USD	9 January 2017

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

FUND OBJECTIVE AND POLICY (CONTINUED)

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

RM149.92 million (140.52 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 six percent (6%) 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?

Annually, depending on the availability of realised income and/or realised gains and at Manager's discretion.

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

The Fund distributed a total of RM2.45 million to unit holders for the financial year ended 31 May 2020.

The Fund's NAV per unit are as follows:

Date	NAV per unit (Before distribution)	NAV per unit (After distribution)
12.03.2020		
- Class MYR	1.0204	1.0039
- Class USD	4.5409	4.4672

PERFORMANCE DATA

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

	31.05.2020 %	31.05.2019 %	31.05.2018 %
Unquoted securities	31.33	25.87	25.59
Quoted securities			
- Communication Services	8.81	11.93	3.41
- Consumer Discretionary	15.42	2.88	12.33
- Consumer Staples	2.68	1.54	4.37
- Energy	2.74	2.53	1.43
- Financials	0.19	6.50	11.94
- Health Care	-	-	0.36
- Industrials	10.95	3.42	4.51
- Information Technology	2.45	5.97	13.68
- Materials	6.03	1.00	3.34
- Real Estate	9.29	25.35	5.73
- Utilities	-	-	2.74
Cash and other net assets	10.11	13.01	10.57
	<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.

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as *CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund*)

PERFORMANCE DATA (CONTINUED)

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

	31.05.2020	31.05.2019	31.05.2018
NAV (RM Million)			
- Class MYR	145.59	209.21	262.44
- Class USD	4.33	8.35	9.18
Units in circulation (Million)			
- Class MYR	139.59	207.24	249.56
- Class USD	0.93	1.86	1.96
NAV per unit (RM)			
- Class MYR	1.0430	1.0095	1.0516
- Class USD	4.6414	4.4922	4.6796
			09.01.2017
	01.06.2019	01.06.2018	(date of launch)
	to 31.05.2020	to 31.05.2019	to 31.05.2018
Highest NAV per unit (RM)			
- Class MYR	1.1132	1.0731	5.1505
- Class USD	4.9537	4.7754	1.1605
Lowest NAV per unit (RM)			
- Class MYR	0.9134	0.9294	4.4185
- Class USD	4.0646	4.1358	0.9955
Total return (%)			
- Class MYR	5.07	(3.98)	9.84
- Class USD	1.31	(8.79)	22.50
Capital growth (%)			
- Class MYR	3.37	(3.98)	5.13
- Class USD	(0.34)	(8.79)	17.80
Income distribution (%)			
- Class MYR	1.65	-	4.47
- Class USD	1.73	-	1.05
Management Expense Ratio ("MER") (%) ^	1.98	1.95	2.90
Portfolio Turnover Ratio ("PTR") (times) #	1.50	1.65	2.66

^ The Fund's MER increased from 1.95% to 1.98% mainly due to decrease in average NAV during the financial year under review.

The Fund registered a PTR of 1.50 times, lower than previous years' level. This is due to a slightly longer holding period for underlying securities.

	01.06.2019	01.06.2018	09.01.2017
	to 31.05.2020	to 31.05.2019	(date of launch)
	RM	RM	to 31.05.2018
			RM
Gross/Net distribution per unit (sen)			
Date of distribution			
Distribution on 12 March 2020			
- Class MYR	1.65	-	-
- Class USD	7.36	-	-
Distribution on 13 April 2018			
- Class MYR	-	-	4.68
- Class USD	-	-	5.03

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

PERFORMANCE DATA (CONTINUED)

	31.05.2020	31.05.2019	Since inception to 31.05.2018
	%	%	%
Annual total return			
- Class MYR	5.07	(3.98)	9.84
- Class USD	1.31	(8.79)	22.50

(Launch date: 09 January 2017)

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

MARKET REVIEW (1 JUNE 2019 TO 31 MAY 2020)

Markets experienced heightened volatility during the financial year under review. Geopolitical tensions were high with the US taking issue with China over trade, market access and technology intellectual property rights. As tensions eased in fourth quarter of 2019, global economies began to accelerate on the back of inventory building, leading to significant rallies in equity markets around the world. However, the bullish sentiment was short-lived as markets were rocked by the emergence of COVID-19, which developed into a global pandemic. Economic activities ground to a halt as every major economy around the world entered a lockdown. Governments responded with fiscal stimulus while Central Banks, led by the US Federal Reserve (the “Fed”), cut short term rates down to zero and provided unprecedented balance sheet support to ensure financial market liquidity. China, which was one of the first stock markets to decline sharply, was also subsequently the first to see a rebound. Most global stock markets found a bottom at the end of March 2020. By the end of May 2020, the number of infectious cases of COVID-19 continue to rise, but the low death rates provided most Governments with reasons to consider re-opening their economies.

FUND PERFORMANCE

Class MYR	1 year to 31.05.2020	3 years to 31.05.2020	Since inception to 31.05.2020
	%	%	%
Income distribution	1.65	6.19	6.19
Capital growth	3.37	2.69	4.35
Total Return	5.07	8.96	10.82
Benchmark	6.00	19.10	22.47
Average Total Return	5.07	2.90	3.08

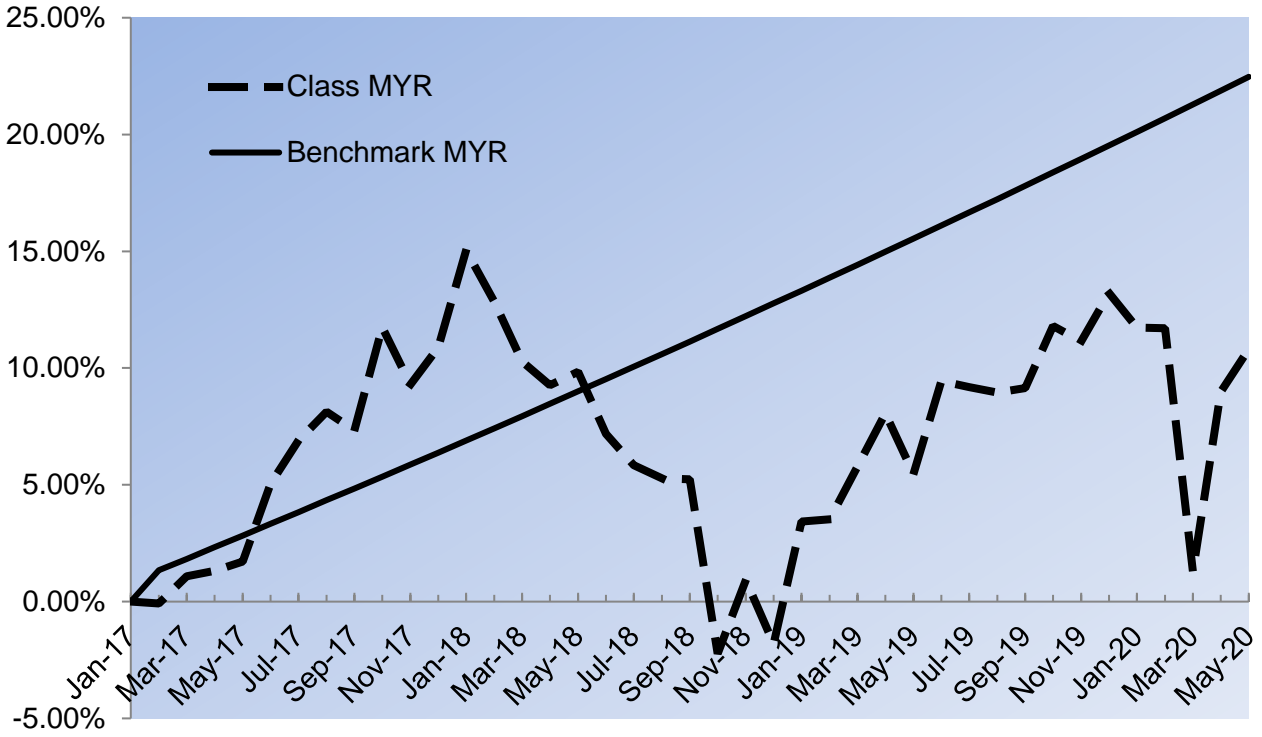
Class USD	1 year to 31.05.2020	3 years to 31.05.2020	Since inception to 31.05.2020
	%	%	%
Income distribution	1.73	5.91	5.91
Capital growth	(0.34)	1.40	7.08
Total Return	1.31	7.32	13.20
Benchmark	6.00	19.10	22.47
Average Total Return	1.31	2.38	3.72

Class MYR had a total return of 5.07%, while the Class USD had a total returned of 1.31%. During the financial year under review, the Fund provided a dividend income to its investors of 1.65% and 1.73% respectively. The shortfall of total returns against the benchmark can be largely attributed to broad-based capital losses in the regional equity markets.

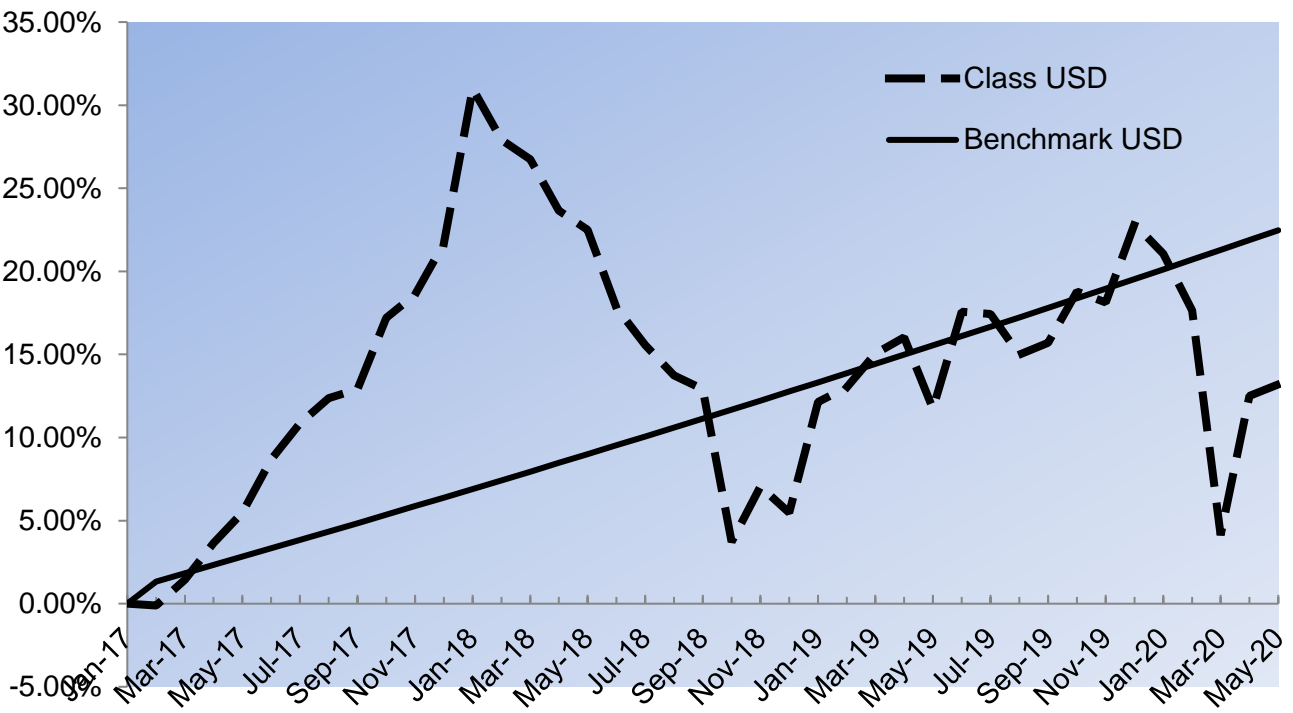
PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

FUND PERFORMANCE (CONTINUED)

CLASS MYR



CLASS USD



PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
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FUND PERFORMANCE (CONTINUED)

Changes in NAV

Class MYR	31.05.2020	31.05.2019	Changes %
NAV (RM Million)	145.59	209.21	(30.41)
NAV/Unit (RM)	1.0430	1.0095	3.32

Class USD	31.05.2020	31.05.2019	Changes %
NAV (RM Million)	4.33	8.35	(48.14)
NAV/Unit (RM)	4.6414	4.4922	3.32

As of 31 May 2020, the NAV per unit for both Class MYR and Class USD have risen 3.32% from a year ago, due to appreciation of in the value of the underlying investments. However, total NAV of the Fund has fallen due to redemptions from unit holders.

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)	31.05.2020	31.05.2019
Quoted securities	58.56	61.12
Unquoted fixed income securities	31.33	25.87
Cash and other net assets	10.11	13.01
TOTAL	100.00	100.00

As of 31 May 2020, the Fund has 58.56% invested in quoted securities, 31.33% in unquoted fixed income securities, and 10.11% in cash and other net assets. The Fund has taken the opportunities arising from market weakness to accumulate equities for long term growth. The Fund has also taken profit on fixed income which have risen in value due to sharp falls in interest rates.

MARKET OUTLOOK*

Global economic activities, proxied by Purchasing Managers' Index ("PMI"), would likely accelerate rapidly over second to third quarter of 2020 as major countries begin to re-open their markets. Fueled by generous fiscal spending, record low interest rates, and aggressive Quantitative Easing ("QE") from the Central Banks of the developed world, the initial pace of reflation would likely be strong, providing a positive backdrop for equities throughout the Asian region. A second wave of COVID-19 infection could arise, but this risk would be ameliorated by better awareness and preparedness. The low death rate arising from the virus in its current form, and possible vaccines for the COVID-19, are also reassuring factors.

Recovery in business prospects and equity performances would continue to broaden across sectors and regions. In the near term, Immediate beneficiaries of this broadening would be the Association of Southeast Asian Nations ("ASEAN") and sectors relating to gaming, financials, industrials, and the service sectors.

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
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MARKET OUTLOOK* (CONTINUED)

Deterioration of US-China trade relations remain a key risk for Asian equities, as political rhetoric could be ratcheted up leading to the November 2020 presidential elections in the US. However, we expected trade issues to recede as a headline risk as we enter fourth quarter of 2020 and the year of 2021.

*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

Within equities, we prefer Asian equities over Developed Markets. Asian markets could climb a wall of worries for the rest of the year with a stable to soft US Dollar ("USD"), a floor on external demand from the massive stimulus within developed nations, recovering domestic economies and relatively cheaper valuations. Within Asian equities, we have broadened our exposure to large cap growth, selective deep value and value with high dividend yields. We still have a bias towards quality given the aforementioned risks.

Within fixed income, we favor a neutral duration. Tactically, US Treasury yields could rise in the short term as the economy heals. We do not expect rate cuts in Malaysia and Thailand over the next 6 months.

UNIT HOLDINGS STATISTICS

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

CLASS MYR

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	31	0.09	0.06
5,001-10,000	31	0.26	0.19
10,001-50,000	92	2.66	1.91
50,001-500,000	32	4.40	3.15
500,001 and above	3	132.18	94.69
Total	189	139.59	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	-	-	-
10,001-50,000	1	0.02	2.15
50,001-500,000	-	-	-
500,001 and above	1	0.91	97.85
Total	3	0.93	100.00

SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (the “Manager”) and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Funds unless the soft commission received is retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. All dealings with brokers are executed on best available terms.

During the financial year under review, the Manager and the 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.

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
*(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset 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 16 to 54 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 May 2020 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN
Chief Executive Officer/Executive Director

JUAN IGNACIO EYZAGUIRRE BARAONA
Director

Kuala Lumpur
14 July 2020

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

We have acted as Trustee of Principal Asia Pacific Dynamic Mixed Asset Fund *(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)* ("the Fund") for the financial year ended 31 May 2020. To the best of our knowledge, Principal Asset Management Berhad ("the Manager"), has operated and managed the Fund in accordance with the following:

- a) limitations imposed on the investment powers of the Manager and the Trustee under the Deeds, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- b) valuation/pricing is carried out in accordance with the Deeds and any regulatory requirements; and
- c) creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirements.

During this financial year, a total distribution of 1.65 cent per unit (gross) for Class MYR and 7.36 cent per unit (gross) for Class USD have been distributed to the unit holders of the Fund respectively. We are of the view that the distributions are not inconsistent with the objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie
Manager, Investment Compliance Monitoring

Kuala Lumpur
14 July 2020

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND**
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Principal Asia Pacific Dynamic Mixed Asset Fund (the "Fund") *(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)* give a true and fair view of the financial position of the Fund as at 31 May 2020, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 May 2020, and the statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the financial year then ended and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 16 to 54.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND (CONTINUED)**
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND (CONTINUED)**
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND (CONTINUED)**
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
14 July 2020

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MAY 2020

	Note	2020 RM	2019 RM
INCOME/(LOSS)			
Dividend income		3,106,942	5,371,882
Interest income from deposits with licensed financial institutions at amortised cost		103,575	314,522
Interest income from fixed income securities		2,320,764	2,024,031
Net gain/(loss) on financial assets at fair value through profit or loss	8	12,402,222	(11,743,114)
Net foreign exchange (loss)/gain		(281,196)	339,063
		<u>17,652,307</u>	<u>(3,693,616)</u>
EXPENSES			
Management fee	4	3,379,973	4,358,927
Trustee's and custodian fees	5	261,963	298,509
Audit fee		15,400	15,400
Tax agent's fee		39,694	36,490
Transaction costs		1,539,936	2,297,829
Other expenses		526,132	7,216
		<u>5,763,098</u>	<u>7,014,371</u>
PROFIT/(LOSS) BEFORE FINANCE COST AND TAXATION		11,889,209	(10,707,987)
Finance cost			
- Class MYR		(2,373,040)	-
- Class USD		(74,929)	-
	6	<u>(2,447,969)</u>	<u>-</u>
PROFIT/(LOSS) BEFORE TAXATION		9,441,240	(10,707,987)
Taxation	7	(432,752)	(680,163)
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>9,008,488</u>	<u>(11,388,150)</u>
Increase/(Decrease) in net assets attributable to unit holders is made up as follows:			
Realised amount		5,224,512	(4,002,466)
Unrealised amount		3,783,976	(7,385,684)
		<u>9,008,488</u>	<u>(11,388,150)</u>

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

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2020

	Note	2020 RM	2019 RM
ASSETS			
Cash and cash equivalents	9	17,069,996	30,620,601
Financial assets at fair value through profit or loss	8	134,769,210	189,262,693
Amount due from stockbrokers		1,880,565	1,013,409
Amount due from Manager		-	291,262
Dividends receivable		183,461	561,235
TOTAL ASSETS		<u>153,903,232</u>	<u>221,749,200</u>
LIABILITIES			
Amount due to stockbrokers		3,359,005	-
Amount due to Manager		370,731	3,811,262
Accrued management fee		228,017	344,388
Amount due to Trustee		6,334	9,566
Other payables and accruals		15,900	24,001
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>3,979,987</u>	<u>4,189,217</u>
NET ASSET VALUE OF THE FUND		<u>149,923,245</u>	<u>217,559,983</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>149,923,245</u>	<u>217,559,983</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (RM)			
- Class MYR		145,594,383	209,205,587
- Class USD		4,328,862	8,354,396
		<u>149,923,245</u>	<u>217,559,983</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class MYR		139,584,509	207,236,394
- Class USD		932,661	1,859,748
	10	<u>140,517,170</u>	<u>209,096,142</u>
NET ASSET VALUE PER UNIT (RM)			
- Class MYR		1.0430	1.0095
- Class USD		4.6414	4.4922
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- Class MYR		RM1.0430	RM1.0095
- Class USD		USD1.0682	USD1.0724

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

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2020**

	2020	2019
	RM	RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	217,559,983	271,613,550
Movement due to units created and cancelled during the financial year:		
- Creation of units from applications		
- Class MYR	14,621,298	18,781,957
- Class USD	51,736	2,852,238
	14,673,034	21,634,195
- Creation of units from distributions		
- Class MYR	2,372,783	-
- Class USD	74,928	-
	2,447,711	-
- Cancellation of units		
- Class MYR	(89,221,401)	(61,033,830)
- Class USD	(4,544,570)	(3,265,782)
	(93,765,971)	(64,299,612)
Increase/(Decrease) in net assets attributable to unit holders during the financial year	9,008,488	(11,388,150)
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	149,923,245	217,559,983

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

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2020

	Note	2020 RM	2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of quoted securities		302,186,988	400,702,010
Proceeds from disposal of unquoted fixed income securities		10,773,591	10,303,325
Proceeds from redemption of unquoted fixed income securities		-	10,000,000
Purchase of quoted securities		(245,473,808)	(376,991,370)
Purchase of unquoted fixed income securities		-	(5,986,571)
Dividend income received		3,184,780	4,725,564
Interest income received from deposits with licensed financial institutions		103,575	314,522
Interest income received from unquoted fixed income securities		2,251,905	2,316,928
Management fee paid		(3,496,344)	(4,426,371)
Trustee's and custodian fees paid		(265,195)	(300,383)
Payments for other fees and expenses		(79,220)	(83,571)
Net realised foreign exchange loss		(611,820)	(457,953)
Tax paid		(432,752)	(329,798)
Net cash generated from operating activities		<u>68,141,700</u>	<u>39,786,332</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		14,964,071	26,682,960
Payments for cancellation of units		(97,229,991)	(60,619,750)
Finance costs paid		(258)	-
Net cash used in financing activities		<u>(82,266,178)</u>	<u>(33,936,790)</u>
Net (decrease)/increase in cash and cash equivalents		(14,124,478)	5,849,542
Effects of foreign exchange differences		573,873	1,086,394
Cash and cash equivalents at the beginning of the financial year		<u>30,620,601</u>	<u>23,684,665</u>
Cash and cash equivalents at the end of the financial year	9	<u>17,069,996</u>	<u>30,620,601</u>
<u>Cash and cash equivalent comprised of:</u>			
Bank balances		<u>17,069,996</u>	<u>30,620,601</u>
Cash and cash equivalents at the end of the financial year	9	<u>17,069,996</u>	<u>30,620,601</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2020

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal Asia Pacific Dynamic Mixed Asset Fund (*formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund*) (the “Fund”) is governed by a Deed dated 11 July 2016 and a First Supplemental Deed dated 7 November 2019 (collectively referred to as the “Deeds”), between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund will be managed with the aim to provide investors with income and capital appreciation over the medium to long term through investments in the Asia Pacific ex Japan region. The Fund seeks to achieve its investment objective through a diversified portfolio investment in equities, debt securities, money market instruments and/or deposits. The investment in debt securities and money market instruments is to provide some capital stability to the Fund whilst the investment in equity portion will provide the added return in a rising market. The Fund may invest in deposits for liquidity purpose.

The Fund may invest up to 100% of its NAV in equities, debt securities or money market instruments and deposits with financial institutions. The Sub-Manager has the flexibility to determine its asset allocation between different asset classes according to Sub-Manager’s views on the prevailing market condition. For example, Sub-Manager may invest up to 100% of the NAV in debt securities and liquid assets in the volatile market to preserve value of the Fund or Sub-Manager can invest up to 100% of the NAV in equities with the aim to generate added return in rising market. The minimum credit rating for the debt securities must be at least “BBB” by S&P or equivalent rating by any other international rating agencies. The Fund may also invest up to 10% of the Fund’s NAV in unrated fixed income securities.

At the Manager discretion, the Fund may opt to access into the equities and/or debt securities market via the investment in units of other collective investment scheme, subject to the requirements of the SC Guidelines and the Standards of Qualifying collective investment scheme. When deemed necessary, the Manager or the Sub-Manager may also utilize derivative instruments such as futures contracts and currency forwards to hedge the portfolio, subject to the prevailing SC Guidelines and Standards of Qualifying collective investment scheme.

The Manager have appointed Principal Singapore as the Sub-Manager of the Fund. Principal Singapore will be responsible for investing and managing the equities portion, debt portion and asset allocation of the Fund in accordance with the investment objective and within the investment restrictions. For debt portion, we will work with the Sub-Manager in the overall due diligence and debt selection process.

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

The Fund has changed its name from CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund to Principal Asia Pacific Dynamic Mixed Asset Fund following the issuance of the Replacement Prospectus Issue No. M3 dated 16 January 2020.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements have been prepared in accordance with the provisions of the MFRS and IFRS.

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

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

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 estimates and assumptions are significant to the financial statements are disclosed in Note 2(m).

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

The Fund has applied the following amendments to published standards for the first time for the financial year beginning 1 June 2019:

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities

Classification

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

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

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

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

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.

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

Recognition and measurement

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

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

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

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

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Recognition and measurement (continued)

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.

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

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

Unquoted fixed income securities denominated in Ringgit Malaysia ("RM") are revalued on a daily basis based on fair value prices quoted by a Bond Pricing Agency ("BPA") registered with the SC as per the SC Guidelines on Unit Trust Funds. Refer to Note 2(m) for further explanation.

Unquoted fixed income securities denominated in foreign currencies are revalued on a daily basis based on fair value prices quoted by ICE Data Services ("ICE"), a provider of financial market data. However, if such quotations are not available on any business day, or should the gaps of the quotations provided by the financial institutions or IDC differ by more than 20 bps, the valuation shall be determined by reference to the value of such debt securities quoted by Bloomberg.

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

Impairment for assets carried at amortised cost

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Write-off

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

(c) Income recognition

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

Interest income from deposits with licensed financial institutions and unquoted fixed income securities are recognised on a time proportionate basis using the effective interest rate method on an accrual basis.

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

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

(d) Foreign currency

Functional and presentation currency

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Foreign currency (continued)

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

(e) Unit holders' contributions

The unit holders' contributions to the Fund meet the definition of puttable instruments classified as financial liability under MFRS 132 "Financial Instruments: Presentation".

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

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

(f) Cash and cash equivalents

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

(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.

(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, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

(j) Finance cost

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

(k) 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 measured at amortised cost. At each reporting date, the Fund measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses 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.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Estimates and 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.

Estimate of fair value of unquoted fixed income securities

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.

Ringgit-denominated unquoted fixed income securities are valued using fair value prices quoted by a BPA. Where the Manager is of the view that the price quoted by BPA for a specific unquoted fixed income securities differs from the market price by more than 20 bps, the Manager may use market price, provided that the Manager records its basis for using a non-BPA price, obtains necessary internal approvals to use the non-BPA price, and keeps an audit trail of all decisions and basis for adopting the use of non-BPA price.

Unquoted fixed income securities denominated in foreign currencies are shall be calculated daily by reference to the average of bid and offer prices quoted by three (3) independent and reputable financial institutions or any alternative valuation basis as may be permitted by the SC from time to time. However, where quotations are not available, such unlisted non RM-denominated debt securities will be valued at least weekly at fair price determined in good faith by us, based on the methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

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 RM	Financial assets at amortised cost RM	Total RM
2020			
Cash and cash equivalents (Note 9)	-	17,069,996	17,069,996
Quoted securities (Note 8)	87,802,417	-	87,802,417
Unquoted fixed income securities (Note 8)	46,966,793	-	46,966,793
Amount due from stockbrokers	-	1,880,565	1,880,565
Dividends receivable	-	183,461	183,461
	<u>134,769,210</u>	<u>19,134,022</u>	<u>153,903,232</u>
2019			
Cash and cash equivalents (Note 9)	-	30,620,601	30,620,601
Quoted securities (Note 8)	132,982,073	-	132,982,073
Unquoted fixed income securities (Note 8)	56,280,620	-	56,280,620
Amount due from stockbrokers	-	1,013,409	1,013,409
Amount due from Manager	-	291,262	291,262
Dividends receivable	-	561,235	561,235
	<u>189,262,693</u>	<u>32,486,507</u>	<u>221,749,200</u>

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

The Fund aims to provide income and capital appreciation by investing in equities, debt securities, money market instruments and/or deposits.

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

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

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

(a) Market risk

(i) Price risk

This is the risk that the fair value of an investment in quoted securities and unquoted fixed income securities will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk). The value of investments 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 Deeds.

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

	2020	2019
	RM	RM
Financial assets at fair value through profit or loss:		
- Quoted securities	87,802,417	132,982,073

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 reporting 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 RM	Impact on profit or loss/NAV RM
	2020		
	-5%	83,412,296	(4,390,121)
	0%	87,802,417	-
	5%	92,192,538	4,390,121
	2019		
	-5%	126,332,969	(6,649,104)
	0%	132,982,073	-
	5%	139,631,177	6,649,104

The Fund is exposed to price risk arising from interest rate fluctuation in relation to its investments of RM46,966,793 (2019: RM56,280,260) in unquoted fixed income securities. The Fund's exposure to price risk arising from interest rate fluctuation and the related sensitivity analysis are disclosed in "interest rate risk" below.

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as *CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund*)

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

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

Financial assets	Cash and cash equivalents RM	Financial assets at fair value through profit or loss RM	Amount due from stockbrokers RM	Dividend receivables RM	Total RM
2020					
AUD	-	2,113,505	-	-	2,113,505
CNY	13,751	1,961,491	-	-	1,975,242
HKD	-	47,648,827	1,543,425	39,324	49,231,576
IDR	-	21,697,289	-	-	21,697,289
INR	1,182,156	5,776,096	-	-	6,958,252
KRW	-	5,715,977	-	-	5,715,977
PHP	-	772,465	-	-	772,465
SGD	71,936	26,645,419	-	144,137	26,861,492
THB	-	7,063,346	-	-	7,063,346
TWD	-	2,338,496	-	-	2,338,496
USD	15,032,868	2,652,798	337,140	-	18,022,806
	<u>16,300,711</u>	<u>124,385,709</u>	<u>1,880,565</u>	<u>183,461</u>	<u>142,750,446</u>

Financial assets	Cash and cash equivalents RM	Financial assets at fair value through profit or loss RM	Dividend receivables RM	Total RM
2019				
AUD	-	10,977,876	-	10,977,876
HKD	-	29,105,503	270,511	29,376,014
IDR	10	32,749,299	-	32,749,309
INR	-	22,219,603	-	22,219,603
KRW	-	1,136,523	17,803	1,154,326
PHP	-	2,178,830	-	2,178,830
SGD	71,125	61,317,038	272,921	61,661,084
THB	-	12,054,135	-	12,054,135
TWD	-	6,209,546	-	6,209,546
USD	28,753,001	1,100,839	-	29,853,840
	<u>28,824,136</u>	<u>179,049,192</u>	<u>561,235</u>	<u>208,434,563</u>

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as *CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund*)

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

(a) Market risk (continued)

(ii) Currency risk (continued)

Financial liabilities	Amount due to stockbrokers RM	Total RM
2020		
IDR	1,510,436	1,510,436
INR	1,230,347	1,230,347
SGD	618,222	618,222
	3,359,005	3,359,005

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

	% Change in foreign exchange rate	Impact on profit or loss/NAV	
		2020 RM	2019 RM
AUD	+/- 5	+/- 105,675	+/- 548,894
CNY	+/- 5	+/- 98,762	-
HKD	+/- 5	+/- 2,461,579	+/-1,468,801
IDR	+/- 5	+/- 1,009,343	+/-1,637,465
INR	+/- 5	+/- 286,395	+/-1,110,980
KRW	+/- 5	+/- 285,799	+/- 57,716
PHP	+/- 5	+/- 38,623	+/-108,942
SGD	+/- 5	+/- 1,312,164	+/-3,191,996
THB	+/- 5	+/- 353,167	+/- 602,707
TWD	+/- 5	+/- 116,925	+/- 310,477
USD	+/- 5	+/- 901,140	+/-1,074,972

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

(a) Market risk (continued)

(iii) Interest rate risk

In general, when interest rates rise, unquoted fixed income securities prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund holds an unquoted fixed income securities till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

Investors should note that the movement in prices of unquoted fixed income securities and money market instruments are benchmarked against interest rates. As such, the investments are exposed to the movement of the interest rates.

This risk is crucial since unquoted fixed income securities portfolio management depends on forecasting interest rate movements. Prices of unquoted fixed income securities move inversely to interest rate movements, therefore as interest rates rise, the prices of unquoted fixed income securities decrease and vice versa. Furthermore, unquoted fixed income securities with longer maturity and lower yield coupon rates are more susceptible to interest rate movements.

Such investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuers to make payments of interest income and principal, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.

The table below summarises the sensitivity of the Fund's profit or loss and NAV to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changes by 1% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the interest rate, having regard to the historical volatility of the interest rate.

% Change in interest rate	Impact on profit or loss/NAV	
	2020 RM	2019 RM
+1%	(50,531)	(80,611)
-1%	50,731	80,913

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

(b) Credit risk

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

Investment in unquoted fixed income securities may involve a certain degree of credit/default risk with regards to the issuers.

Generally, credit risk or default risk is the risk of loss due to the issuer's non-payment or untimely payment of the investment amount as well as the returns on investment. This will cause a decline in value of the defaulted unquoted fixed income securities and subsequently depress the NAV of the Fund. Usually credit risk is more apparent for an investment with a longer tenure, i.e. the longer the duration, the higher the credit risk.

Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer. In addition, the Manager imposes a minimum rating requirement as rated by either local and/or foreign rating agencies and manages the duration of the investment in accordance with the objective of the Fund.

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

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

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

	Cash and cash equivalents RM	Financial asset at fair value through profit or loss RM	Amount due from stock- brokers RM	Dividends receivable RM	Total RM
2020					
- AAA	17,069,996	-	-	-	17,069,996
- Baa1	-	7,063,346	-	-	7,063,346
- Baa2	-	13,605,395	-	-	13,605,395
- Not Rated	-	26,298,052	1,880,565	183,461	28,362,078
	<u>17,069,996</u>	<u>46,966,793</u>	<u>1,880,565</u>	<u>183,461</u>	<u>66,100,815</u>

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as *CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund*)

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

(b) Credit risk (continued)

	Cash and cash equivalents RM	Financial asset at fair value through profit or loss RM	Amount due from stock- brokers RM	Amount due from Manager RM	Dividends receivable RM	Total RM
2019						
- AAA	30,620,601	14,852,838	-	-	-	45,473,439
- Baa1	-	12,054,135	-	-	-	12,054,135
- Baa2	-	13,135,700	-	-	-	13,135,700
- Not Rated	-	16,237,947	1,013,409	291,262	561,235	18,103,853
	<u>30,620,601</u>	<u>56,280,620</u>	<u>1,013,409</u>	<u>291,262</u>	<u>561,235</u>	<u>88,767,127</u>

All financial assets of the Fund as at the end of the financial year are neither past due nor impaired.

(c) Liquidity risk

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

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

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.

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

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

(c) Liquidity risk (continued)

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
2020			
Amount due to stockbrokers	3,359,005	-	3,359,005
Amount due to Manager	370,731	-	370,731
Accrued management fee	228,017	-	228,017
Amount due to Trustee	6,334	-	6,334
Other payables and accruals	-	15,900	15,900
Net assets attributable to unit holders*	<u>149,923,245</u>	<u>-</u>	<u>149,923,245</u>
Contractual undiscounted cash flows	<u><u>153,887,332</u></u>	<u><u>15,900</u></u>	<u><u>153,903,232</u></u>
2019			
Amount due to Manager	3,811,262	-	3,811,262
Accrued management fee	344,388	-	344,388
Amount due to Trustee	9,566	-	9,566
Other payables and accruals	-	24,001	24,001
Net assets attributable to unit holders*	<u>217,559,983</u>	<u>-</u>	<u>217,559,983</u>
Contractual undiscounted cash flows	<u><u>221,725,199</u></u>	<u><u>24,001</u></u>	<u><u>221,749,200</u></u>

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

(d) Capital risk management

The capital of the fund is represented by net assets attributable to unit holders RM149,923,245 (2019: RM217,559,983). 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) is 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 market price falls within the bid-ask spread. In circumstances where the last traded market price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

The fair value of financial assets 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.

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
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3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2020				
Financial assets at fair value through profit or loss:				
- Quoted securities	87,802,417	-	-	87,802,417
- Unquoted fixed income securities	-	46,966,793	-	46,966,793
	<u>87,802,417</u>	<u>46,966,793</u>	<u>-</u>	<u>134,769,210</u>
2019				
Financial assets at fair value through profit or loss:				
- Quoted securities	132,982,073	-	-	132,982,073
- Unquoted fixed income securities	-	56,280,620	-	56,280,620
	<u>132,982,073</u>	<u>56,280,620</u>	<u>-</u>	<u>189,262,693</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).

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted fixed income securities. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. 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 current liabilities are a reasonable approximation of their fair values due to their short-term nature.

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

4. MANAGEMENT FEE

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

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

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

5. TRUSTEE'S FEE 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's fee includes local/custodian fee but excludes foreign sub-custodian fees and charges.

For the financial year ended 31 May 2020, the Trustee's fee is recognised at a rate of 0.05% per annum (31 May 2019: 0.05%) (including local custodian fee but excluding foreign sub-custodian fee) on the NAV of the Fund. The foreign custodian fee is recognised at RM168,075 (31 May 2019: RM177,427).

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

6. FINANCE COST

Finance cost is derived from the following sources:

	2020	2019
	RM	RM
Interest income	329,265	-
Net realised gain on disposal of investments	2,742,379	-
Realised foreign exchange loss	(183,145)	-
Dividend Income	477,621	-
	3,366,120	-
Less:		
Expenses	918,151	-
Net finance cost	2,447,969	-
Finance cost on 12 March 2020		
Gross/Net finance cost per unit (sen)		
- Class MYR	1.65	-
- Class USD	7.36	-

Gross finance cost is derived using total income less total expenses. Net finance cost above is sourced from current financial year's realised income.

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

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

7. TAXATION

	2020	2019
	RM	RM
Tax charged for the financial year:		
- Current taxation	432,752	680,163

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

	2020	2019
	RM	RM
Profit/(Loss) before taxation	9,441,240	(10,707,987)
Taxation at Malaysian statutory rate of 24%	2,265,898	(2,569,917)
Tax effects of:		
- (Income not subject to tax)/Loss not deductible for tax purposes	(4,236,554)	886,468
- Expenses not deductible for tax purposes	1,152,082	633,498
- Restriction on tax deductible expenses for Unit Trust Funds	818,574	1,049,951
Income subject to withholding tax	-	680,163
Capital gain tax	432,752	-
Taxation	432,752	680,163

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020	2019
	RM	RM
At fair value through profit or loss:		
- Quoted securities	87,802,417	132,982,073
- Unquoted fixed income securities	46,966,793	56,280,620
	134,769,210	189,262,693

	2020	2019
	RM	RM
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised gain/(loss) on disposals	9,195,792	(10,760,202)
- Unrealised fair value gain/(loss)	3,206,430	(982,912)
	12,402,222	(11,743,114)

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2020				
QUOTED SECURITIES				
AUSTRALIA				
Industrials				
Cleanaway Waste Management Ltd	250,687	1,320,850	1,411,671	0.94
Materials				
BHP Group Ltd	7,016	722,967	701,834	0.47
TOTAL AUSTRALIA	257,703	2,043,817	2,113,505	1.41
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	1,923	1,535,185	1,732,834	1.16
TOTAL CAYMAN ISLANDS	1,923	1,535,185	1,732,834	1.16
CHINA				
Financials				
Ping An Insurance Group Co Ltd	6,500	326,304	278,758	0.19
Industrials				
Shenzhen Airport Co Ltd	403,700	1,891,269	1,961,491	1.31
Materials				
Anhui Conch Cement Co Ltd	178,000	4,840,881	5,792,624	3.86
TOTAL CHINA	588,200	7,058,454	8,032,873	5.36
HONG KONG, CHINA				
Communication Services				
Tencent Holding Ltd	25,400	4,510,657	5,843,784	3.90

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as *CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund*)

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2020 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
HONG KONG, CHINA (CONTINUED)				
Consumer Discretionary				
Brilliance China Automotive Holdings Ltd	662,000	2,477,192	2,516,175	1.68
Galaxy Entertainment Group Ltd	102,000	2,555,236	2,990,577	1.99
Li Ning Co Ltd	255,000	3,125,159	3,716,778	2.48
Meituan Dianping Inc.	76,000	4,028,201	6,250,242	4.17
Sands China Ltd	193,200	3,447,367	3,265,484	2.18
Xinyi Glass Holding Co Ltd	374,000	2,040,082	1,719,248	1.15
	<u>1,662,200</u>	<u>17,673,237</u>	<u>20,458,504</u>	<u>13.65</u>
Energy				
CNOOC Ltd	<u>56,000</u>	<u>266,348</u>	<u>270,927</u>	<u>0.18</u>
Industrials				
China Conch Venture Holdings Ltd	271,500	5,215,802	5,296,661	3.53
Techtronic Industries Co Ltd	93,000	2,966,194	3,477,458	2.32
	<u>364,500</u>	<u>8,181,996</u>	<u>8,774,119</u>	<u>5.85</u>
Real Estate				
China Overseas Land & Investment Ltd	218,000	3,035,442	2,884,175	1.92
China Resources Land Ltd	66,000	1,246,650	1,130,338	0.75
Link REIT	68,200	2,660,998	2,215,598	1.48
	<u>352,200</u>	<u>6,943,090</u>	<u>6,230,111</u>	<u>4.15</u>
TOTAL HONG KONG, CHINA	<u>2,460,300</u>	<u>37,575,328</u>	<u>41,577,445</u>	<u>27.73</u>
INDIA				
Consumer Staples				
Dabur India Ltd	<u>66,861</u>	<u>1,646,845</u>	<u>1,793,270</u>	<u>1.20</u>
Energy				
Reliance Industries Ltd	<u>47,756</u>	<u>3,574,837</u>	<u>3,844,820</u>	<u>2.56</u>
Materials				
Asian Paints Ltd	<u>1,426</u>	<u>121,655</u>	<u>138,006</u>	<u>0.09</u>
TOTAL INDIA	<u>116,043</u>	<u>5,343,337</u>	<u>5,776,096</u>	<u>3.85</u>

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2020 (CONTINUED)				
QUOTED SECURITIES				
(CONTINUED)				
INDONESIA				
Communication Services				
Telekomunikasi Tbk PT	1,604,800	1,497,320	1,499,854	1.00
Real Estate				
Puradelta Lestari Tbk PT	7,586,100	407,955	315,111	0.21
TOTAL INDONESIA	9,190,900	1,905,275	1,814,965	1.21
PHILIPPINES				
Materials				
D&L Industries Inc.	1,978,700	1,523,320	772,465	0.52
TOTAL PHILIPPINES	1,978,700	1,523,320	772,465	0.52
SINGAPORE				
Communication Services				
NetLink NBN Trust	1,852,000	4,912,945	5,868,036	3.91
Industrials				
ComfortDelGro Corporation Ltd	844,700	3,926,811	3,741,791	2.50
Real Estate				
CapitaLand Ltd	84,500	892,137	751,223	0.50
Frasers Logistics & Commercial Trust	562,400	1,988,981	1,920,361	1.28
Keppel DC REIT	525,517	2,590,836	4,154,650	2.77
Lendlease Global Commercial REIT	277,400	753,014	571,736	0.38
	1,449,817	6,224,968	7,397,970	4.93
TOTAL SINGAPORE	4,146,517	15,064,724	17,007,797	11.34
SOUTH KOREA				
Consumer Staples				
LG Household & Health Care Ltd	460	2,070,010	2,211,624	1.48

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2020 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
SOUTH KOREA (CONTINUED)				
Information Technology				
Samsung Electronics Co Ltd	10,476	1,713,818	1,863,959	1.24
Materials				
LG Chem Ltd	1,197	1,538,641	1,640,394	1.09
TOTAL SOUTH KOREA	12,133	5,322,469	5,715,977	3.81
TAIWAN				
Industrials				
AirTac International Group	7,000	423,124	521,643	0.35
Information Technology				
Taiwan Semiconductor Manufacturing Co Ltd	43,000	1,500,809	1,816,853	1.21
TOTAL TAIWAN	50,000	1,923,933	2,338,496	1.56
UNITED STATES				
Consumer Discretionary				
New Oriental Education & Technology Group Inc.	1,765	938,932	919,964	0.61
TOTAL UNITED STATES	1,765	938,932	919,964	0.61
TOTAL QUOTED SECURITIES	18,804,184	80,234,774	87,802,417	58.56
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		7,567,643		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		87,802,417		

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

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

Name of issuer	Nominal Value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
2020 (CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES				
INDONESIA				
Indonesia Treasury Bond 7.00% 15/05/2022 (Baa2)	13,351,500	14,020,587	13,605,395	9.07
Indonesia Treasury Bond 8.25% 15/05/2029 (Non- rated)	<u>5,934,000</u>	<u>5,942,912</u>	<u>6,276,929</u>	<u>4.19</u>
	<u>19,285,500</u>	<u>19,963,499</u>	<u>19,882,324</u>	<u>13.26</u>
MALAYSIA				
Malaysian Government 3.88% 10/03/2022 (Non- rated)	<u>10,000,000</u>	<u>10,122,666</u>	<u>10,383,501</u>	<u>6.93</u>
SINGAPORE				
Singapore Government Bond 1.75% 01/02/2023 (Non-rated)	<u>9,228,600</u>	<u>8,824,427</u>	<u>9,637,622</u>	<u>6.43</u>
THAILAND				
Thailand Government Bond 1.88% 17/06/2022 (Baa1)	<u>6,825,750</u>	<u>6,384,579</u>	<u>7,063,346</u>	<u>4.71</u>
TOTAL UNQUOTED FIXED INCOME SECURITIES	<u>45,339,850</u>	<u>45,295,171</u>	<u>46,966,793</u>	<u>31.33</u>
ACCUMULATED UNREALISED GAIN ON UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>1,671,622</u>		
TOTAL UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>46,966,793</u>		

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019				
QUOTED SECURITIES				
AUSTRALIA				
Industrials				
Cleanaway Waste Management Ltd	811,611	4,155,522	5,245,974	2.41
TOTAL AUSTRALIA	811,611	4,155,522	5,245,974	2.41
CHINA				
Financials				
Industrial and Commercial Bank Ltd	751,000	2,300,423	2,247,052	1.03
TOTAL CHINA	751,000	2,300,423	2,247,052	1.03
HONG KONG, CHINA				
Communication Services				
Tencent Holding Ltd	54,900	9,237,137	9,562,581	4.40
Consumer Discretionary				
Sands China Ltd	157,600	3,242,853	2,989,302	1.37
Xinyi Glass Holding Co Ltd	512,000	2,489,503	2,147,459	0.99
	<u>669,600</u>	<u>5,732,356</u>	<u>5,136,761</u>	<u>2.36</u>
Financials				
AIA Group Ltd	43,200	1,645,966	1,699,972	0.78
Real Estate				
Henderson Land Development	145,200	2,984,144	3,142,005	1.44
Link REIT	146,000	5,967,257	7,317,132	3.36
	<u>291,200</u>	<u>8,951,401</u>	<u>10,459,137</u>	<u>4.80</u>
TOTAL HONG KONG, CHINA	1,058,900	25,566,860	26,858,451	12.34
INDIA				
Consumer Staples				
Dabur India Ltd	92,607	2,200,939	2,203,731	1.01
Energy				
Reliance Industries Ltd	68,872	5,086,316	5,505,766	2.53

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
INDIA (CONTINUED)				
Financials				
HDFC Bank Ltd	23,429	2,663,458	3,415,094	1.57
ICICI Bank Ltd	100,699	2,166,950	2,564,237	1.18
	<u>124,128</u>	<u>4,830,408</u>	<u>5,979,331</u>	<u>2.75</u>
Information Technology				
Tata Consultancy Services Ltd	29,567	3,598,373	3,903,218	1.79
Real Estate				
Godrej Properties Ltd	86,797	4,518,951	4,627,557	2.13
TOTAL INDIA	<u>401,971</u>	<u>20,234,987</u>	<u>22,219,603</u>	<u>10.21</u>
INDONESIA				
Communication Services				
Telekomunikasi Tbk PT	5,233,500	6,020,375	5,990,526	2.76
Consumer Staples				
Gudang Garam Tbk PT	48,800	1,159,180	1,152,627	0.53
Financials				
Bank Central Asia Tbk PT	379,700	2,797,934	3,242,961	1.49
Real Estate				
Puradelta Lestari Tbk PT	43,653,000	2,347,510	3,203,039	1.47
TOTAL INDONESIA	<u>49,315,000</u>	<u>12,324,999</u>	<u>13,589,153</u>	<u>6.25</u>
PHILIPPINES				
Materials				
D&L Industries Inc	2,675,900	2,173,710	2,178,830	1.00
TOTAL PHILIPPINES	<u>2,675,900</u>	<u>2,173,710</u>	<u>2,178,830</u>	<u>1.00</u>

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as *CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund*)

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
SINGAPORE				
Communication Services				
NetLink NBN Trust	4,112,300	10,093,400	10,381,275	4.77
Financials				
United Overseas Bank Ltd	13,700	1,086,899	979,211	0.45
Industrials				
ComfortDelGro Corporation Ltd	292,300	2,351,710	2,187,015	1.01
Information Technology				
Venture Corp Ltd	38,800	2,194,096	1,783,134	0.82
Real Estate				
CapitaLand Ltd	559,300	5,780,317	5,477,577	2.52
CapitaLand Mall Trust	1,496,900	10,283,004	10,972,299	5.04
CDL Hospitality Trusts	1,479,500	7,163,783	7,244,838	3.33
Keppel DC REIT	797,300	3,515,820	3,782,981	1.74
Mapletree Commercial Trust	1,616,000	8,201,008	9,387,772	4.32
	<u>5,949,000</u>	<u>34,943,932</u>	<u>36,865,467</u>	<u>16.95</u>
TOTAL SINGAPORE	<u>10,406,100</u>	<u>50,670,036</u>	<u>52,196,102</u>	<u>24.00</u>
SOUTH KOREA				
Information Technology				
Samsung Electronics Co Ltd	7,604	1,379,763	1,136,523	0.51
TOTAL SOUTH KOREA	<u>7,604</u>	<u>1,379,763</u>	<u>1,136,523</u>	<u>0.51</u>
TAIWAN				
Information Technology				
Taiwan Semiconductor Manufacturing Co. Ltd	199,000	6,327,955	6,209,546	2.85
TOTAL TAIWAN	<u>199,000</u>	<u>6,327,955</u>	<u>6,209,546</u>	<u>2.85</u>

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
UNITED STATES				
Consumer Discretionary				
Huazhu Group Ltd	8,588	1,166,078	1,100,839	0.52
TOTAL UNITED STATES	8,588	1,166,078	1,100,839	0.52
TOTAL QUOTED SECURITIES	65,635,674	126,300,333	132,982,073	61.12
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		6,681,740		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		132,982,073		

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as *CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund*)

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 (CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES				
AUSTRALIA				
Australian Government 5.75% 15/07/2022 (Non- rated)	<u>4,927,450</u>	<u>6,513,671</u>	<u>5,731,902</u>	<u>2.64</u>
INDONESIA				
Indonesia Treasury Bond 7.00% 15/05/2022 (Baa2)	13,207,500	14,070,496	13,135,700	6.04
Indonesia Treasury Bond (Non-rated)	<u>5,870,000</u>	<u>5,952,833</u>	<u>6,024,446</u>	<u>2.77</u>
	<u>19,077,500</u>	<u>20,023,329</u>	<u>19,160,146</u>	<u>8.81</u>
MALAYSIA				
Malaysian Government 3.88% 10/03/2022 (Non- rated)	<u>10,000,000</u>	<u>10,140,362</u>	<u>10,213,501</u>	<u>4.69</u>
SINGAPORE				
Singapore Government Bond 1.75% 01/02/2023 (Non-rated)	<u>9,124,500</u>	<u>8,798,922</u>	<u>9,120,936</u>	<u>4.19</u>
THAILAND				
Thailand Government Bond 1.88% 17/06/2022 (Baa1)	<u>11,939,310</u>	<u>11,453,241</u>	<u>12,054,135</u>	<u>5.54</u>
TOTAL UNQUOTED FIXED INCOME SECURITIES	<u>55,068,760</u>	<u>56,929,525</u>	<u>56,280,620</u>	<u>25.87</u>
ACCUMULATED UNREALISED LOSS ON UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(648,905)</u>		
TOTAL UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>56,280,620</u>		

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

9. CASH AND CASH EQUIVALENTS

	2020	2019
	RM	RM
Bank balances	17,069,996	30,620,601
	<u>17,069,996</u>	<u>30,620,601</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2020	2019
	No. of units	No. of units
Class MYR (i)	139,584,509	207,236,394
Class USD (ii)	932,661	1,859,748
	<u>140,517,170</u>	<u>209,096,142</u>

	2020	2019
	No. of units	No. of units

(i) Class MYR

At beginning of the financial year	207,236,394	249,556,972
Add : Creation of units from applications	13,736,470	18,480,473
Add : Creation of units from distribution	2,363,565	-
Less : Cancellation of units	<u>(83,751,920)</u>	<u>(60,801,051)</u>
At the end of the financial year	<u>139,584,509</u>	<u>207,236,394</u>

(ii) Class USD

At beginning of the financial year	1,859,748	1,961,106
Add : Creation of units from applications	10,855	635,520
Add : Creation of units from distribution	16,773	-
Less : Cancellation of units	<u>(954,715)</u>	<u>(736,878)</u>
At the end of the financial year	<u>932,661</u>	<u>1,859,748</u>

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

11. MANAGEMENT EXPENSE RATIO (“MER”)

	2020	2019
	%	%
MER	1.98	1.95

MER is derived from the following calculation:

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

- A = Management fee
- B = Trustee’s and custodian fee
- C = Audit fee
- D = Tax agent’s fee
- E = Other expenses excluding Central Depository System (“CDS”) transfer fee and withholding tax
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is RM187,300,538 (2019: RM241,365,532).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	2020	2019
PTR (times)	1.50	1.65

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 = RM247,960,059 (2019: RM381,544,915)
- total disposal for the financial year = RM314,649,807 (2019: RM413,049,734)

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

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

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

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

Units held by the Manager and parties related to the Manager

	2020		2019
	No. of units	RM	No. of units
	RM		RM
Manager			
Principal Asset Management Berhad			
- Class MYR	7,771	8,105	4,581
- Class USD	174	808	171
	7,945	8,913	4,752

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

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

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

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

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

	2020 RM	2019 RM
<u>Significant related party transactions</u>		
Interest income from deposits with licensed financial institution:		
- CIMB Bank Bhd	-	203,242
Cash placements with licensed financial institution:		
- CIMB Bank Bhd	-	762,892,700
<u>Significant related party balances</u>		
Amount due to related broker:		
- CGS-CIMB Securities (Singapore) Pte Ltd	337,140	-

14. TRANSACTIONS WITH BROKERS/DEALERS

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

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
JP Morgan Securities LLC	58,554,156	10.42	19,117	1.90
Citigroup Global Markets Ltd	56,651,279	10.08	71,662	7.12
Instinet Pacific Ltd	54,925,832	9.78	143,547	14.26
Credit Suisse (Hong Kong) Ltd	42,334,463	7.54	95,828	9.52
CLSA Securities (Malaysia) Sdn Bhd	40,782,068	7.26	12,235	1.22
Macquarie Capital Securities (Malaysia) Sdn Bhd	38,392,199	6.83	107,633	10.69
Daiwa Capital Markets Singapore Ltd	34,122,600	6.07	72,094	7.16
DBS Vickers Securities (Singapore) Pte Ltd	34,064,335	6.06	64,296	6.39
Morgan Stanley Securities Ltd	29,972,620	5.33	74,932	7.45
JP Morgan Securities Asia Pacific Ltd	28,026,368	4.99	77,088	7.66
Others #	143,999,364	25.64	268,024	26.63
	561,825,284	100.00	1,006,456	100.00

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
(formerly known as *CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund*)

14. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

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

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Sanford C. Bernstein & Co. LLC	92,842,949	11.68	208,295	13.05
Credit Suisse Securities (Hong Kong) Ltd	86,630,982	10.90	219,776	13.77
Citigroup Global Markets Ltd	80,873,126	10.18	98,993	6.20
JP Morgan Securities Asia Pacific Ltd	57,821,984	7.28	154,016	9.65
Instinet Pacific Ltd	55,054,209	6.93	132,542	8.30
CLSA Ltd	52,799,211	6.64	117,140	7.34
JP Morgan Securities LLC	52,342,110	6.59	16,588	1.04
CICC Hong Kong Securities Ltd	41,006,587	5.16	103,917	6.51
DBS Vickers Securities (Singapore) Pte Ltd	35,529,523	4.47	72,691	4.55
CGS-CIMB Securities (Singapore) Pte Ltd #	34,452,698	4.34	84,019	5.26
Others	205,241,270	25.83	388,035	24.33
	<u>794,594,649</u>	<u>100.00</u>	<u>1,596,012</u>	<u>100.00</u>

Included in the transactions are trades conducted with CGS-CIMB Securities (Singapore) Pte Ltd, fellow related party to the Manager amounting to RM9,565,324 (2019: RM34,452,698). The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

15. SIGNIFICANT EVENT DURING THE YEAR

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

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

16. APPROVAL OF FINANCIAL STATEMENTS

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

DIRECTORY

Head Office of the Manager

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Trustee for the Principal Asia Pacific Dynamic Mixed Asset Fund

(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund)

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