

Principal Asia Pacific Dynamic Mixed Asset Fund

Interim Report

For the Six Months Financial Period Ended 30 November 2020

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND

INTERIM REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020

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INVESTORS' LETTER

Dear Valued Investor,

Firstly, allow me to wish you a very Happy New Year! Every year is a new beginning, for us to look back at our achievements and set new goals. My guess is all of us will remember 2020 as one of the most interesting, if not most challenging periods of our lives. Families, businesses and communities are all adjusting as we face new challenges and opportunities.

Here at Principal, it means a renewed commitment to helping our customers. In 2021, we will continue to deliver exciting new investment opportunities and digital innovations for our customers. We are grateful for the opportunity to serve you and for the trust you place in us.

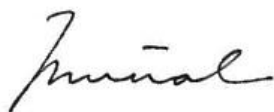
Amid a global pandemic, it might be tempting to think about delaying your investment goals. But, in reality “now” is always a better time than “later” for pursuing your goals and dreams. At Principal, customers are a top priority. We will always work to help you reach your goals, as we did last year throughout the pandemic. We will continue to focus on finding ways to make it easier for you to do investments with us, by offering new solutions around digital payments, digital submissions and digital onboarding to name a few. And, we're just getting started.

We continue to prefer equities over fixed income and remain positive on Asian equities favouring China and more developed Asian economies on a 12-month basis. We've also added more ASEAN names in anticipation of a broader economic recovery which would be strengthened by the greater availability of Coronavirus 2019 (“COVID-19”) vaccines by mid-2021.

As we look towards this year, the team is excited to bring you more insights, tips and innovative solutions to help you manage your investments and reach your long-term financial goals. Visit our website (www.principal.com.my) and follow our Facebook page (@PrincipalAssetMY) in order not to miss these updates and promotions.

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

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



Munirah Khairuddin
Chief Executive Officer

MANAGER’S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

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

Has the Fund achieved its objective?

Yes, the Fund is on track to achieve its target return for the financial period.

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’s 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 CIS. 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 CIS.

The Manager has 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

When was the Fund launched?

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

FUND OBJECTIVE AND POLICY (CONTINUED)

What was the size of the Fund as at 30 November 2020?

RM87.94 million (73.19 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 level of the Fund's income and at Manager's discretion.

What was the net income distribution for the six months financial period ended 30 November 2020?

The Fund distributed a total of RM1.51 million to unit holders for the six months financial period ended 30 November 2020.

The Fund's NAV per unit are as follows:

Date	NAV per unit (before distribution) RM	NAV per unit (after distribution) RM
28.09.2020		
Class MYR	1.1287	1.1119
Class USD	5.0225	4.9478

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND

PERFORMANCE DATA

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

	30.11.2020	30.11.2019	30.11.2018
	%	%	%
Unquoted fixed income securities	17.72	29.91	23.26
Quoted securities			
- Communication Services	4.25	10.49	4.64
- Consumer Discretionary	14.43	4.81	6.91
- Consumer Staples	4.22	3.19	7.76
- Energy	5.37	2.71	7.81
- Financials	5.30	7.47	12.49
- Health Care	2.38	-	-
- Industrials	10.86	6.42	2.98
- Information Technology	7.46	8.39	4.92
- Materials	10.91	4.30	5.29
- Real Estate	2.11	17.82	13.69
- Utilities	2.89	1.20	-
Cash and other net assets	12.10	3.29	10.25
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

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

	30.11.2020	30.11.2019	30.11.2018
NAV (RM Million)			
- Class MYR	85.48	187.62	227.48
- Class USD	2.46	6.22	7.98
Units in circulation (Million)			
- Class MYR	72.72	176.22	235.49
- Class USD	0.47	1.31	1.86
NAV per unit (RM)			
- Class MYR	1.1754	1.0647	0.9660
- Class USD	5.2306	4.7379	4.2986
	01.06.2020	01.06.2019	01.06.2018
	to 30.11.2020	to 30.11.2019	to 30.11.2018
Highest NAV per unit (RM)			
- Class MYR	1.1886	1.0765	1.0731
- Class USD	5.2894	4.7903	4.7754
Lowest NAV per unit (RM)			
- Class MYR	1.0515	1.0103	0.9294
- Class USD	4.6793	4.4959	4.1358

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND

PERFORMANCE DATA (CONTINUED)

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

	01.06.2020 to 30.11.2020	01.06.2019 to 30.11.2019	01.06.2018 to 30.11.2018
Total return (%)			
- Class MYR	14.19	5.38	(8.11)
- Class USD	21.84	5.72	(12.60)
Capital growth (%)			
- Class MYR	12.50	5.38	(8.11)
- Class USD	20.03	5.72	(12.60)
Income distribution (%)			
- Class MYR	1.51	-	-
- Class USD	1.51	-	-
Management Expense Ratio ("MER") (%)	1.03	1.07	0.98
Portfolio Turnover Ratio ("PTR") (times) #	0.97	0.74	0.97

^ The Fund's MER decreased from 1.07% to 1.03% mainly due to decreased expenses during the financial period under review.

The Fund's PTR saw a slight increase over the previous year due to decrease in average NAV.

	01.06.2020 to 30.11.2020	01.06.2019 to 30.11.2019	01.06.2018 to 30.11.2018	
Gross/Net distribution per unit (sen)				
Distribution on 28 September 2020				
- Class MYR	1.68	-	-	
- Class USD	7.47	-	-	
				Since inception
	30.11.2020	30.11.2019	30.11.2018 to 30.11.2017	
	%	%	%	%
Annual total return				
- Class MYR	13.86	10.14	(7.64)	9.29
- Class USD	16.75	10.34	(9.74)	18.61

(Launch date: 9 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 period have been extracted from Lipper.

MARKET REVIEW (1 JUNE 2020 TO 30 NOVEMBER 2020)

Broad market continued its recovery from the late-March 2020 market bottomed, riding on prospects of successful vaccines and the rebound in economic activities. Asian Central Banks continued to provide liquidity and maintained very low interest rates, mimicking the actions of the US Federal Reserve (the “Fed”). Bond yields remain very supportive on the back of low inflation. China, Taiwan and Korea, as well as growth sectors such as technology, provided market leadership for equity advance.

FUND PERFORMANCE

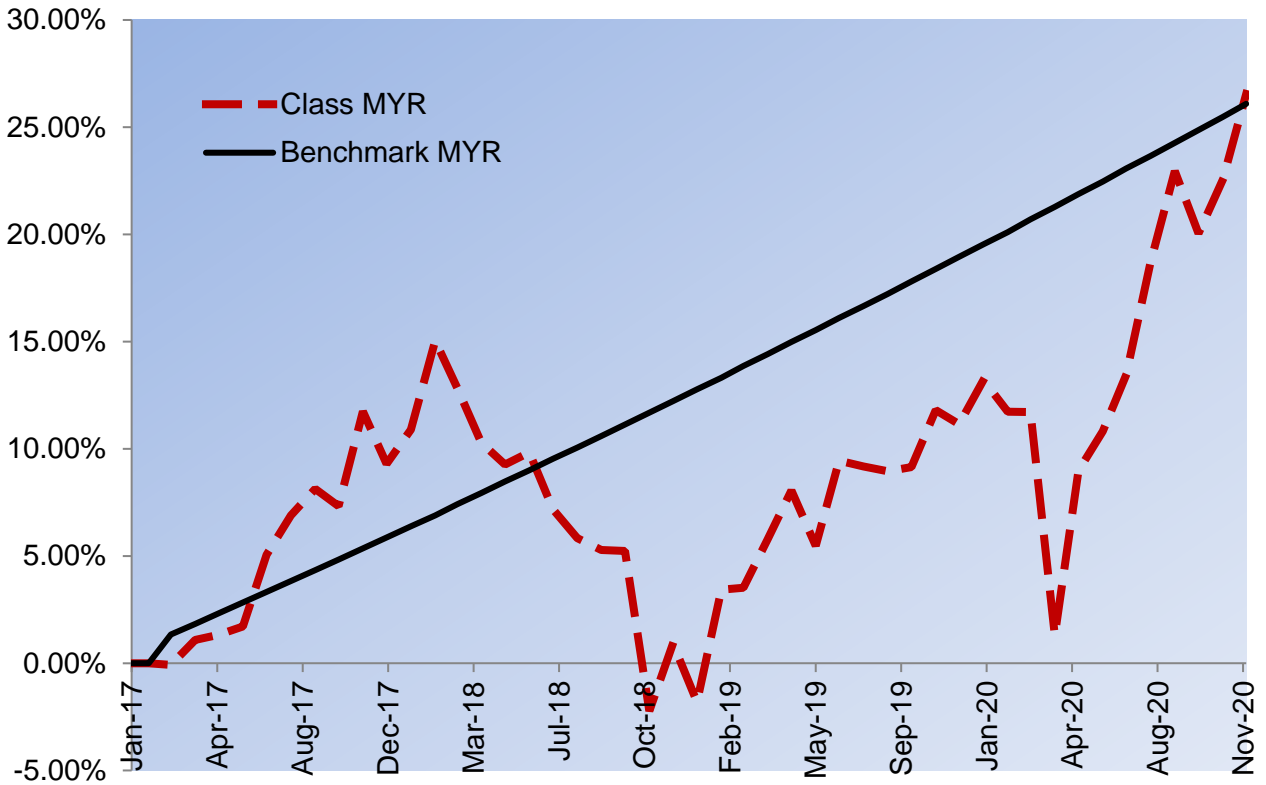
	Class MYR			
	6 months	1 year	3 years	Since
	to 30.11.2020	to 30.11.2020	to 30.11.2020	inception
				to 30.11.2020
Income Distribution	1.51	3.18	7.79	7.79
Capital Growth	12.50	10.35	7.51	17.39
Total Return	14.19	13.86	15.79	26.55
Benchmark	2.96	6.00	19.10	26.09
Average Total Return	N/A	13.86	5.01	6.23

	Class USD			
	6 months	1 year	3 years	Since
	to 30.11.2020	to 30.11.2020	to 30.11.2020	inception
				to 30.11.2020
Income Distribution	1.51	3.18	4.26	4.26
Capital Growth	20.03	13.15	8.24	28.53
Total Return	21.84	16.75	16.28	37.92
Benchmark	2.96	6.00	19.10	26.09
Average Total Return	N/A	16.75	5.16	8.60

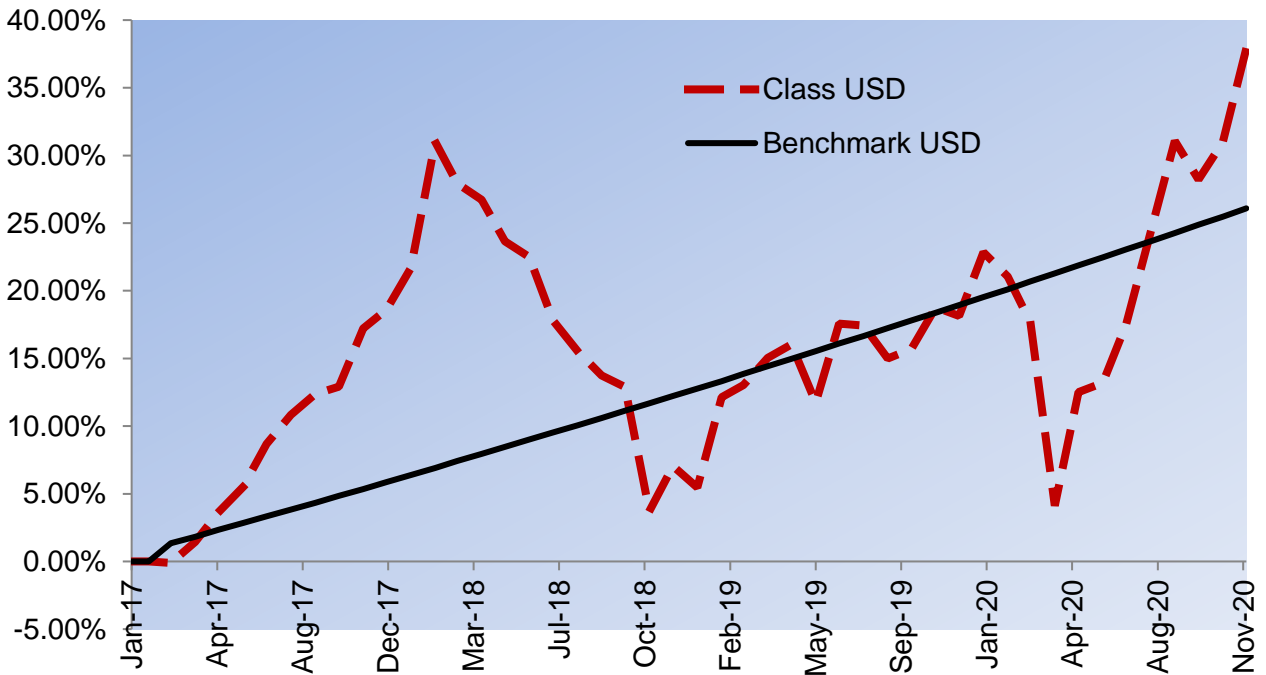
For the 6 months to November 2020, the Fund has returned 14.19% in Class MYR and 21.84% in Class USD. This is due to the strong performance of equities in the Asian region, as well as falling bond yields which supported fixed income prices and elevated valuation for equities. Since inception, the Fund has returned 26.55% in Class MYR, or 37.92% in Class USD despite heightened price volatility during the period.

FUND PERFORMANCE (CONTINUED)

CLASS MYR



CLASS USD



FUND PERFORMANCE (CONTINUED)

Changes in NAV

CLASS MYR

	30.11.2020	31.05.2020 Audited	Changes %
NAV (RM Million)	85.48	145.59	(41.29)
NAV/Unit (RM)	1.1754	1.0430	12.69

CLASS USD

	30.11.2020	31.05.2020 Audited	Changes %
NAV (RM Million)	2.46	4.33	(43.19)
NAV/Unit (RM)	5.2306	4.6414	12.69

The NAV of the Fund for both classes have fallen due to redemption of holding units over the period under review. On the other hand, the NAV per unit for both classes have risen 12.69% as the Fund benefited from price increases in its underlying investments.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	30.11.2020	31.05.2020 Audited
Quoted securities	70.18	58.56
Unquoted fixed income securities	17.72	31.33
Cash and other net assets	12.10	10.11
TOTAL	100.00	100.00

The Fund has increased its allocation to equities as the Manager has a favourable outlook on equities over the next 12 months. Cash and other net assets has increased to 12.10% as the Manager took profit on some investments, with the intention to re-invest the cash into new investments.

MARKET OUTLOOK*

Asian assets are attractive over the next 12 months, backed by a stable outlook for Asian currencies, low inflation, and supportive central bank policies. We expect Asian equities to outperform cash and fixed income due to strong corporate earnings growth of above 20% in 2021. Meanwhile, equity valuations of 14 times forward price to earnings are elevated but not expensive. Politically, we expect China and United States (“US”) to work towards some resolution on their trade disputes. The key risks are a resurgence of the COVID-19, premature withdrawal of fiscal and monetary stimulus, and further adversarial stance in geo-political relationships.

*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

We maintain a slight preference for equities over cash and fixed income. Within fixed income, we are invested in corporate debt to enhance the yield through longer duration bonds. Within equities, we are diversifying our investments towards laggard markets in anticipation of a broadening in economic recovery. We intend to deploy our cash holdings towards companies with good growth prospects at a reasonable valuation.

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 30 November 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	39	0.12	0.17
5,001 to 10,000	38	0.30	0.41
10,001 to 50,000	87	2.33	3.20
50,001 to 500,000	36	4.31	5.93
500,001 and above	2	65.66	90.29
Total	202	72.72	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 to 10,000	-	-	-
10,001 to 50,000	1	0.03	6.38
50,001 to 500,000	1	0.44	93.62
500,001 and above	-	-	-
Total	3	0.47	100.00

Note: 0.00* denotes value less than 0.01 million

SOFT COMMISSIONS AND REBATES

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

During the financial period 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.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
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 unaudited financial statements set out on pages 13 to 47 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 30 November 2020 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting.

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN
Chief Executive Officer/Executive Director

JUAN IGNACIO EYZAGUIRRE BARAONA
Director

Kuala Lumpur
13 January 2021

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

We have acted as Trustee of Principal Asia Pacific Dynamic Mixed Asset Fund (“the Fund”) for the financial period ended 30 November 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 period, a total distribution of 1.68 cent per unit (gross) for Class MYR and 7.47 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
Senior Manager, Investment Compliance Monitoring

Kuala Lumpur
13 January 2021

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020**

	Note	01.06.2020 to 30.11.2020 RM	01.06.2019 to 30.11.2019 RM
INCOME			
Dividend income		1,416,307	2,086,915
Interest income from current account		117	98,658
Interest income from unquoted fixed income securities		629,072	1,248,720
Net gain on financial assets at fair value through profit or loss	8	17,107,372	10,760,016
Net foreign exchange (loss)/gain		<u>(477,984)</u>	<u>634,073</u>
		<u>18,674,884</u>	<u>14,828,382</u>
EXPENSES			
Management fee		1,042,060	1,895,931
Trustee and custodian fees		28,946	145,723
Audit fee		5,650	9,750
Tax agent's fee	4	28,198	2,000
Transaction costs	5	453,248	820,100
Other expenses		<u>170,181</u>	<u>190,824</u>
		<u>1,728,283</u>	<u>3,064,328</u>
PROFIT BEFORE FINANCE COST AND TAXATION		16,946,601	11,764,054
Finance cost			
- Class MYR		(1,469,722)	-
- Class USD		<u>(44,427)</u>	-
	6	<u>(1,514,149)</u>	-
PROFIT BEFORE TAXATION		15,432,452	11,764,054
Taxation	7	<u>(145,650)</u>	<u>(271,647)</u>
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>15,286,802</u>	<u>11,492,407</u>
Increase in net assets attributable to unit holders is made up as follows:			
Realised amount		13,821,669	14,039,885
Unrealised amount		<u>1,465,133</u>	<u>(2,547,478)</u>
		<u>15,286,802</u>	<u>11,492,407</u>

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

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2020**

		30.11.2020	31.05.2020
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents	9	11,792,947	17,069,996
Financial assets at fair value through profit or loss	8	77,302,962	134,769,210
Amount due from stockbrokers		186,878	1,880,565
Amount due from Manager		61,936	-
Dividends receivable		2,481	183,461
TOTAL ASSETS		<u>89,347,204</u>	<u>153,903,232</u>
LIABILITIES			
Amount due to stockbrokers		387,149	3,359,005
Amount due to Manager		867,020	370,731
Accrued management fee		134,822	228,017
Amount due to Trustee		3,745	6,334
Other payables and accruals		12,549	15,900
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>1,405,285</u>	<u>3,979,987</u>
NET ASSET VALUE OF THE FUND		<u>87,941,919</u>	<u>149,923,245</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>87,941,919</u>	<u>149,923,245</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- Class MYR		85,476,279	145,594,383
- Class USD		2,465,640	4,328,862
		<u>87,941,919</u>	<u>149,923,245</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class MYR		72,718,285	139,584,509
- Class USD		471,385	932,661
	10	<u>73,189,670</u>	<u>140,517,170</u>
NET ASSET VALUE PER UNIT (RM)			
- Class MYR		1.1754	1.0430
- Class USD		5.2306	4.6414
NET ASSET VALUE PER UNIT IN RESPECTIVE			
- Class MYR		RM1.1754	RM1.0430
- Class USD		USD1.2843	USD1.0682

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

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020**

	01.06.2020 to 30.11.2020 RM	01.06.2019 to 30.11.2019 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>149,923,245</u>	<u>217,559,983</u>
Movement due to units created and cancelled during the financial period:		
Creation of units from applications		
- Class MYR	8,794,257	11,350,940
- Class USD	<u>170,569</u>	<u>51,314</u>
	<u>8,964,826</u>	<u>11,402,254</u>
Creation of units from distributions		
- Class MYR	1,469,460	-
- Class USD	<u>44,427</u>	<u>-</u>
	<u>1,513,887</u>	<u>-</u>
Cancellation of units		
- Class MYR	(85,186,356)	(43,975,111)
- Class USD	<u>(2,560,485)</u>	<u>(2,641,474)</u>
	<u>(87,746,841)</u>	<u>(46,616,585)</u>
Increase in net assets attributable to unit holders during the financial period	<u>15,286,802</u>	<u>11,492,407</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	<u>87,941,919</u>	<u>193,838,059</u>

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

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020**

	01.06.2020 to 30.11.2020	01.06.2019 to 30.11.2019
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of quoted securities	106,189,269	163,498,096
Proceeds from disposal of unquoted fixed income securities	45,265,554	-
Purchase of quoted securities	(63,828,725)	(149,698,104)
Purchase of unquoted fixed income securities	(14,201,345)	-
Dividend income received	1,508,697	2,456,988
Interest income received from current account	117	98,658
Interest income received from unquoted fixed income securities	570,682	1,165,125
Management fee paid	(1,135,255)	(1,948,203)
Trustee and custodian fees paid	(31,535)	(147,175)
Payments for other fees and expenses	(125,923)	(23,509)
Net realised foreign exchange loss	(391,783)	(360,451)
Tax paid	(145,650)	(271,647)
Net cash generated from operating activities	73,674,103	14,769,778
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	8,901,533	11,693,295
Payments for cancellation of units	(87,246,324)	(49,988,141)
Distributions paid	(262)	-
Net cash used in financing activities	(78,345,053)	(38,294,846)
Net decrease in cash and cash equivalents	(4,670,950)	(23,525,068)
Effects of foreign exchange differences	(606,099)	14,358
Cash and cash equivalents at the beginning of the financial period	17,069,996	30,620,601
Cash and cash equivalents at the end of the financial period	<u>11,792,947</u>	<u>7,109,891</u>
<u>Cash and cash equivalents comprised of:</u>		
Bank balances	<u>11,792,947</u>	<u>7,109,891</u>
Cash and cash equivalents at the end of financial period	<u>11,792,947</u>	<u>7,109,891</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

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’s 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 CIS. 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 CIS.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

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

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

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

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

(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 other comprehensive income (“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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Classification (classification)

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 period which they arise.

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

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Recognition and measurement (continued)

Unquoted fixed income securities denominated in Malaysian Ringgit (“MYR”) 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 ICE differ by more than 20 basis points (“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.

Write-off

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Income recognition

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

Interest income from 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 are 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.

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

(e) Cash and cash equivalents

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) 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 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.

(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 period.

Tax on dividend income from foreign quoted securities is based on the tax regime of the respective countries that the Fund invests in.

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

(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.

(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 period in which it is approved by the Trustee.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) 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.

(l) 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 stockbroker at an amount equal to the lifetime ECL if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month ECL. Significant financial difficulties of the stockbroker, 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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Estimate of fair value of unquoted fixed income securities (continued)

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 MYR-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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

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.

(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 is exposed to price risk arising from interest rate fluctuation in relation to its investments 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.

3. 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.

(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.

3. 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. For this Fund, the unquoted fixed income securities must be at least "BBB" by S&P or equivalent rating by any other international rating agencies.

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.

(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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders. 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.

(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 period 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.

3. 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
30.11.2020				
Financial assets at fair value through profit or loss:				
- Quoted securities	61,716,185	-	-	61,716,185
- Unquoted fixed income securities	-	15,586,777	-	15,586,777
	<u>61,716,185</u>	<u>15,586,777</u>	<u>-</u>	<u>77,302,962</u>

31.05.2020

Audited

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>

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.

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 six months financial period ended 30 November 2020, the management fee is recognised at a rate of 1.80% per annum (30.11.2019: 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 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 fee includes local custodian fees but excludes foreign sub-custodian fees and charges.

For the six months financial period ended 30 November 2020, the Trustee fee is recognised at a rate of 0.05% per annum (30.11.2019: 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 RM67,220 (30.11.2020: RM93,059).

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

6. FINANCE COST

Finance cost is derived from the following sources:

	01.06.2020 to 30.11.2020	01.06.2019 to 30.11.2019
	RM	RM
Interest income	32,823	-
Net realised gain on disposal of investments	1,214,580	-
Realised foreign exchange gain	193,985	-
Dividend Income	279,715	-
	1,721,103	-
Less:		
Expenses	(206,954)	-
Net distribution amount	1,514,149	-
Gross/Net distribution per unit (cent)		
Distribution on 28 September 2020		
- Class MYR	1.68	-
- Class USD	7.47	-
	9.15	-

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

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7. TAXATION

	01.06.2020 to 30.11.2020	01.06.2019 to 30.11.2019
	RM	RM
Tax charged for the financial period:		
- Current taxation	<u>145,650</u>	<u>271,647</u>

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

	01.06.2020 to 30.11.2020	01.06.2019 to 30.11.2019
	RM	RM
Profit before taxation	<u>15,432,452</u>	<u>11,764,054</u>
Taxation at Malaysian statutory rate of 24%	3,703,788	2,823,373
Tax effects of:		
- Income not subject to tax	(4,481,972)	(3,558,812)
- Expenses not deductible for tax purposes	524,907	275,222
- Restriction on tax deductible expenses for Unit Trust Funds	253,277	460,217
Income subject to capital gain tax	<u>145,650</u>	<u>271,647</u>
Taxation	<u>145,650</u>	<u>271,647</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.11.2020	31.05.2020
	RM	Audited RM
At fair value through profit or loss:		
- Quoted securities	61,716,185	87,802,417
- Unquoted fixed income securities	<u>15,586,777</u>	<u>46,966,793</u>
	<u>77,302,962</u>	<u>134,769,210</u>
	01.06.2020 to 30.11.2020	01.06.2019 to 30.11.2019
	RM	RM
Net gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	14,920,293	8,220,773
- Unrealised fair value gain	<u>2,187,079</u>	<u>2,539,243</u>
	<u>17,107,372</u>	<u>10,760,016</u>

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 %
30.11.2020				
QUOTED SECURITIES				
AUSTRALIA				
Energy				
Beach Energy Ltd	87,500	491,006	462,539	0.53
Materials				
BHP Group Ltd	7,288	867,981	833,333	0.95
Northern Star Resources Ltd	10,749	485,264	407,109	0.46
	<u>18,037</u>	<u>1,353,245</u>	<u>1,240,442</u>	<u>1.41</u>
TOTAL AUSTRALIA	<u>105,537</u>	<u>1,844,251</u>	<u>1,702,981</u>	<u>1.94</u>
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	19,500	2,423,078	2,677,612	3.04
TOTAL CAYMAN ISLANDS	<u>19,500</u>	<u>2,423,078</u>	<u>2,677,612</u>	<u>3.04</u>
CHINA				
Financials				
Ping An Insurance Group Co of China Ltd - H ¹	2,500	125,502	119,506	0.14
Health Care				
WuXi AppTec Co Ltd	34,300	2,186,548	2,090,064	2.38
Industrials				
Sany Heavy Industry Co Ltd - A ²	156,000	1,828,743	2,964,283	3.37
Shenzhen Airport Co Ltd	143,800	673,680	791,889	0.90
	<u>299,800</u>	<u>2,502,423</u>	<u>3,756,172</u>	<u>4.27</u>
TOTAL CHINA	<u>336,600</u>	<u>4,814,473</u>	<u>5,965,742</u>	<u>6.79</u>

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 %
30.11.2020 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
HONG KONG, CHINA				
Communication Services				
Tencent Holdings Ltd	10,700	1,900,159	3,164,460	3.60
Consumer Discretionary				
Galaxy Entertainment Group Ltd	17,000	425,873	526,876	0.60
Li Ning Co Ltd	41,000	539,027	904,567	1.03
Meituan Dianping Inc	19,600	1,038,852	2,985,805	3.40
Sands China Ltd	63,600	1,135,770	1,062,409	1.21
Xinyi Glass Holding Co Ltd	340,000	1,926,169	3,107,675	3.53
	<u>481,200</u>	<u>5,065,691</u>	<u>8,587,332</u>	<u>9.77</u>
Consumer Staples				
China Mengniu Dairy Company Ltd	72,000	1,422,861	1,482,607	1.69
Sun Art Retail Group Ltd	102,000	568,001	436,146	0.50
	<u>174,000</u>	<u>1,990,862</u>	<u>1,918,753</u>	<u>2.19</u>
Energy				
CNOOC Ltd	241,000	1,166,894	1,029,236	1.17
Financials				
AIA Group Ltd	34,400	1,421,829	1,535,073	1.75
Industrials				
China Conch Venture Holdings Ltd	170,500	3,266,719	3,295,942	3.75
Information Technology				
Kingboard Laminates Holdings Ltd	113,000	506,138	744,360	0.85
Real Estate				
China Overseas Land & Investment Ltd	88,000	1,216,293	871,830	0.99

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 %
30.11.2020 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
HONG KONG, CHINA (CONTINUED)				
Utilities				
China Resources Gas Group Ltd	48,000	1,032,756	941,757	1.07
TOTAL HONG KONG, CHINA	1,360,800	17,567,341	22,088,743	25.14
INDIA				
Consumer Discretionary				
Titan Co Ltd	13,703	960,048	1,024,023	1.16
Energy				
Reliance Industries Ltd	31,681	2,421,848	3,226,508	3.67
Financials				
ICICI Bank Ltd	56,278	1,500,855	1,462,492	1.66
Materials				
Asian Paints Ltd	9,574	987,762	1,164,390	1.32
Utilities				
Indraprastha Gas Ltd	58,622	1,377,995	1,597,588	1.82
TOTAL INDIA	169,858	7,248,508	8,475,001	9.63
INDONESIA				
Financials				
Bank Tabungan Pensiunan Nasional Tbk PT	1,291,400	1,418,041	1,534,977	1.75
TOTAL INDONESIA	1,291,400	1,418,041	1,534,977	1.75

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 %
30.11.2020 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
PHILIPPINES				
Materials				
D&L Industries Inc	<u>873,700</u>	<u>672,626</u>	<u>521,101</u>	<u>0.59</u>
TOTAL PHILIPPINES	<u>873,700</u>	<u>672,626</u>	<u>521,101</u>	<u>0.59</u>
SINGAPORE				
Communication Services				
NetLink NBN Trust	<u>32,200</u>	<u>85,419</u>	<u>94,635</u>	<u>0.11</u>
Industrials				
ComfortDelGro Corp Ltd	<u>215,900</u>	<u>1,003,668</u>	<u>1,084,949</u>	<u>1.23</u>
Materials				
Nanofilm Technologies International Ltd	<u>158,900</u>	<u>1,259,675</u>	<u>1,548,626</u>	<u>1.76</u>
Real Estate				
Keppel DC REIT	<u>115,517</u>	<u>569,507</u>	<u>988,610</u>	<u>1.12</u>
TOTAL SINGAPORE	<u>522,517</u>	<u>2,918,269</u>	<u>3,716,820</u>	<u>4.22</u>
SOUTH KOREA				
Communication Services				
NCSOFT Corp	<u>160</u>	<u>475,137</u>	<u>476,993</u>	<u>0.54</u>
Consumer Discretionary				
Hanon Systems	<u>7,327</u>	<u>283,048</u>	<u>405,854</u>	<u>0.46</u>
Consumer Staples				
LG Household & Health Care Ltd	<u>321</u>	<u>1,548,642</u>	<u>1,788,701</u>	<u>2.03</u>

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 %
30.11.2020 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
SOUTH KOREA (CONTINUED)				
Information Technology				
Samsung Electro-Mechanics Co Ltd	2,775	1,408,109	1,593,288	1.81
Samsung Electronics Co Ltd	13,309	2,544,132	3,267,218	3.72
	<u>16,084</u>	<u>3,952,241</u>	<u>4,860,506</u>	<u>5.53</u>
Materials				
LG Chem Ltd	1,740	3,165,996	5,123,256	5.83
TOTAL SOUTH KOREA	<u>25,632</u>	<u>9,425,064</u>	<u>12,655,310</u>	<u>14.39</u>
TAIWAN				
Industrials				
AirTac International Group	12,000	1,086,424	1,419,300	1.61
Information Technology				
Taiwan Semiconductor Manufacturing Co Ltd	14,000	602,047	958,598	1.08
TOTAL TAIWAN	<u>26,000</u>	<u>1,688,471</u>	<u>2,377,898</u>	<u>2.69</u>
TOTAL QUOTED SECURITIES	<u>4,731,544</u>	<u>50,020,122</u>	<u>61,716,185</u>	<u>70.18</u>
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>11,696,063</u>		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>61,716,185</u>		

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND

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

Name of counter	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2020 (CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES				
BRITISH VIRGIN ISLANDS				
COSL Finance (B.V.I.) Ltd 3.25% 06/09/2022 (A)	814,500	863,871	843,980	0.96
TOTAL BRITISH VIRGIN ISLANDS	814,500	863,871	843,980	0.96
CAYMAN ISLANDS				
Alibaba Group Holding Ltd 3.40% 06/12/2027 (A+)	814,500	941,978	928,673	1.06
China Overseas Finance (Cayman) VIII Ltd 2.375% 02/03/2025 (A-)	1,629,000	1,727,303	1,669,107	1.90
Foxconn Far East Ltd 1.625% 28/10/2025 (A-)	814,500	829,527	833,785	0.95
Meituan 2.125% 28/10/2025 (BBB)	814,500	836,765	828,706	0.94
Tencent Holdings Ltd 3.80% 11/02/2025 (A+)	814,500	925,864	903,998	1.03
Three Gorges Finance I (Cayman Islands) Ltd 3.15% 02/06/2026 (A+)	814,500	914,267	886,259	1.01
TOTAL CAYMAN ISLANDS	5,701,500	6,175,704	6,050,528	6.89
INDONESIA				
Indonesia Treasury Bond 7.00% 15/05/2022 (BBB)	5,756,000	6,217,373	6,088,681	6.91
TOTAL INDONESIA	5,756,000	6,217,373	6,088,681	6.91
MALAYSIA				
Mah Sing Group Bhd 6.90% 04/04/2022 (Not rated)	2,500,000	2,599,548	2,603,588	2.96
TOTAL MALAYSIA	2,500,000	2,599,548	2,603,588	2.96

PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND

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

Name of counter	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2020 (CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
TOTAL UNQUOTED FIXED INCOME SECURITIES	<u>14,772,000</u>	15,856,496	<u>15,586,777</u>	<u>17.72</u>
ACCUMULATED UNREALISED LOSS ON UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(269,719)</u>		
TOTAL UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>15,586,777</u>		

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 %
31.05.2020				
Audited				
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 of China Ltd - H ¹	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 Holdings Ltd	25,400	4,510,657	5,843,784	3.90
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

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 %
31.05.2020 (CONTINUED)				
Audited (Continued)				
QUOTED SECURITIES (CONTINUED)				
HONG KONG, CHINA (CONTINUED)				
Consumer Discretionary (continued)				
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

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 %
31.05.2020 (CONTINUED)				
Audited (Continued)				
QUOTED SECURITIES				
(CONTINUED)				
INDONESIA				
Communication Services				
Telekomunikasi Tbk PT	<u>1,604,800</u>	<u>1,497,320</u>	<u>1,499,854</u>	<u>1.00</u>
Real Estate				
Puradelta Lestari Tbk PT	<u>7,586,100</u>	<u>407,955</u>	<u>315,111</u>	<u>0.21</u>
TOTAL INDONESIA	<u>9,190,900</u>	<u>1,905,275</u>	<u>1,814,965</u>	<u>1.21</u>
PHILIPPINES				
Materials				
D&L Industries Inc	<u>1,978,700</u>	<u>1,523,320</u>	<u>772,465</u>	<u>0.52</u>
TOTAL PHILIPPINES	<u>1,978,700</u>	<u>1,523,320</u>	<u>772,465</u>	<u>0.52</u>
SINGAPORE				
Communication Services				
NetLink NBN Trust	<u>1,852,000</u>	<u>4,912,945</u>	<u>5,868,036</u>	<u>3.91</u>
Industrials				
ComfortDelGro Corp Ltd	<u>844,700</u>	<u>3,926,811</u>	<u>3,741,791</u>	<u>2.50</u>
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	<u>277,400</u>	<u>753,014</u>	<u>571,736</u>	<u>0.38</u>
	<u>1,449,817</u>	<u>6,224,968</u>	<u>7,397,970</u>	<u>4.93</u>
TOTAL SINGAPORE	<u>4,146,517</u>	<u>15,064,724</u>	<u>17,007,797</u>	<u>11.34</u>
SOUTH KOREA				
Consumer Staples				
LG Household & Health Care Ltd	<u>460</u>	<u>2,070,010</u>	<u>2,211,624</u>	<u>1.48</u>

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 %
31.05.2020 (CONTINUED)				
Audited (Continued)				
QUOTED SECURITIES (CONTINUED)				
SOUTH KOREA (CONTINUED)				
Information Technology				
Samsung Electronics Co Ltd	<u>10,476</u>	<u>1,713,818</u>	<u>1,863,959</u>	<u>1.24</u>
Materials				
LG Chem Ltd	<u>1,197</u>	<u>1,538,641</u>	<u>1,640,394</u>	<u>1.09</u>
TOTAL SOUTH KOREA	<u>12,133</u>	<u>5,322,469</u>	<u>5,715,977</u>	<u>3.81</u>
TAIWAN				
Industrials				
AirTac International Group	<u>7,000</u>	<u>423,124</u>	<u>521,643</u>	<u>0.35</u>
Information Technology				
Taiwan Semiconductor Manufacturing Co Ltd	<u>43,000</u>	<u>1,500,809</u>	<u>1,816,853</u>	<u>1.21</u>
TOTAL TAIWAN	<u>50,000</u>	<u>1,923,933</u>	<u>2,338,496</u>	<u>1.56</u>
UNITED STATES				
Consumer Discretionary				
New Oriental Education & Technology Group Inc	<u>1,765</u>	<u>938,932</u>	<u>919,964</u>	<u>0.61</u>
TOTAL UNITED STATES	<u>1,765</u>	<u>938,932</u>	<u>919,964</u>	<u>0.61</u>
TOTAL QUOTED SECURITIES	<u>18,804,184</u>	<u>80,234,774</u>	<u>87,802,417</u>	<u>58.56</u>
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>7,567,643</u>		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>87,802,417</u>		

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 %
31.05.2020 (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>		

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

¹ H shares refer to the shares of companies incorporated in the Chinese mainland that are listed on the Hong Kong Stock Exchange or other foreign exchange. H shares are still regulated by Chinese law, but they are denominated in Hong Kong dollars and trade the same as other equities on the Hong Kong Stock exchange.

² A-shares trade on the two Chinese stock exchanges, the Shanghai Stock Exchange and the Shenzhen Stock Exchange. A-shares are shares of mainland China-based companies and are available for purchase to selected foreign institutions through the Qualified Foreign Institutional Investor ("QFII") system.

9. CASH AND CASH EQUIVALENTS

	30.11.2020	31.05.2020
	RM	Audited RM
Bank balances	11,792,947	17,069,996

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.06.2020 to 30.11.2020	01.06.2019 to 31.05.2020
	No. of units	Audited No. of units
Class MYR (i)	72,718,285	139,584,509
Class USD (ii)	471,385	932,661
	73,189,670	140,517,170

(i) Class MYR

	01.06.2020 to 30.11.2020	01.06.2019 to 31.05.2020
	No of units	Audited No of units
At the beginning of the financial period/year	139,584,509	207,236,394
Add : Creation of units from applications	7,771,677	13,736,470
Add : Creation of units from distributions	1,321,576	2,363,565
Less : Cancellation of units	(75,959,477)	(83,751,920)
At the end of the financial period/year	72,718,285	139,584,509

(ii) Class USD

	01.06.2020 to 30.11.2020	01.06.2019 to 31.05.2020
	No of units	Audited No of units
At the beginning of the financial period/year	932,661	1,859,748
Add : Creation of units from applications	33,571	10,855
Add : Creation of units from distributions	8,979	16,773
Less : Cancellation of units	(503,826)	(954,715)
At the end of the financial period/year	471,385	932,661

11. MANAGEMENT EXPENSE RATIO (“MER”)

	01.06.2020 to 30.11.2020	01.06.2019 to 30.11.2019
	%	%
MER	<u>1.03</u>	<u>1.07</u>

MER is derived from the following calculation:

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

- A = Management fee
- B = Trustee and custodian 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 period calculated on a daily basis is RM115,328,722 (30.11.2019: RM252,811,810).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.06.2020 to 30.11.2020	01.06.2019 to 30.11.2019
PTR (times)	<u>0.97</u>	<u>0.74</u>

PTR is derived based on the following calculation:

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

where:

- total acquisition for the financial period = RM74,829,378 (30.11.2019: RM149,200,105)
- total disposal for the financial period = RM149,758,971 (30.11.2019: RM162,800,544)

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

	30.11.2020		31.05.2020	
	No. of units	RM	No. of units	Audited RM
Manager				
Principal Asset Management Berhad				
- Class MYR	3,980	4,678	7,771	8,105
- Class USD	176	921	174	808

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

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

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

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

	30.11.2020	31.05.2020
	RM	Audited RM
<u>Significant related party balances</u>		
Bank balances:		
- CGS-CIMB Securities (Singapore) Pte Ltd	-	337,140

Other than those disclosed elsewhere in the financial statements, there were no significant related party transactions during the financial period.

14. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 30 November 2020 are as follows:

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Citigroup Global Markets Ltd	32,334,817	14.40	7,914	2.70
Instinet Pacific Ltd	28,479,565	12.68	53,626	18.27
Standard Chartered PLC	24,036,688	10.70	-	-
Credit Suisse (Hong Kong) Ltd	14,251,323	6.35	30,118	10.26
J.P. Morgan Securities LLC	12,825,013	5.71	4,055	1.38
Citi Bank Bhd	10,283,000	4.58	-	-
JP Morgan Securities (Asia Pacific) Ltd	10,068,303	4.48	26,041	8.87
Morgan Stanley	8,885,243	3.96	20,060	6.84
CLSA Securities (M) Sdn Bhd	7,632,167	3.40	2,329	0.79
DBS Vickers Securities (Singapore) Pte Ltd	7,410,541	3.30	14,496	4.94
Others #	68,381,689	30.44	134,818	45.95
	<u>224,588,349</u>	<u>100.00</u>	<u>293,457</u>	<u>100.00</u>

14. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 30 November 2019 are as follows:

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Citigroup Global Markets Ltd	38,762,268	12.45	44,225	8.42
J.P. Morgan Securities LLC	36,403,660	11.70	12,474	2.38
CLSA Securities (M) Sdn Bhd	27,629,104	8.88	8,289	1.58
Instinet Pacific Ltd Hong Kong	23,618,121	7.59	62,463	11.90
DBS Vickers Securities (Singapore) Pte Ltd	21,267,922	6.83	41,054	7.82
Morgan Stanley Asia (Singapore) Securities Pte Ltd	20,695,289	6.65	51,738	9.85
Macquarie Capital Securities Singapore Pte Ltd	19,470,306	6.26	10,091	1.92
JP Morgan Securities (Asia Pacific) Ltd	18,716,520	6.01	52,544	10.01
Macquarie Capital Securities (Malaysia) Sdn Bhd	17,647,871	5.67	47,541	9.05
Sanford C. Bernstein & Co., LLC	14,027,247	4.51	35,325	6.73
Others #	73,025,214	23.45	159,296	30.34
	<u>311,263,522</u>	<u>100.00</u>	<u>525,040</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 RM6,598,158 (30.11.2019: RM5,936,775). 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 FINANCIAL PERIOD

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 period.

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

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