

PRINCIPAL BIOTECHNOLOGY DISCOVERY FUND

UNAUDITED SEMI-ANNUAL REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2024

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INVESTORS' LETTER

Dear Valued Investor,

Greetings from Principal Asset Management Berhad ("Principal Malaysia") and thank you for investing with us!

We are pleased to bring you a copy of the Semi-Annual Fund Report of the Principal Biotechnology Discovery Fund for the financial period ended 31 October 2024. You may also download this report from our website at www.principal.com.my.

We are proud to announce that Principal Malaysia has received numerous accolades in 2024. At the Asia Asset Management 2024 Best of the Best Awards, we won the Best of the Best Performance Award: China A-Share Equity (3 years) and Best Institutional House – Malaysia. At the 2024 Global Banking & Finance Awards, our CEO, Munirah Khairuddin, was named Asset Management CEO of the Year Malaysia, and we were recognized as Asset Management Company of the Year Malaysia. We also received the Best International Equity Fund Manager for MSCI EM Latin America 2023 at the EPF External Fund Managers Awards 2023.

At the Alpha Southeast Asia Fund Management Awards 2024, we won three awards: Best Absolute Return Strategy, Best Online & Mobile Platform (Asset Manager), and Best Asset Manager (Income Oriented, Money Market & Alternative Investment Funds). At the Triple A Sustainable Investing Awards 2024, we secured the Asset Management Company of the Year (Malaysia) award. The World Business Outlook magazine awarded us Best Investment Management and Solutions Provider Malaysia, Best Institutional House Malaysia, and Asset Management CEO (Munirah Khairuddin) of the Year Malaysia. Additionally, we received three awards at the iFast Awards 2024, seven at the LSEG Lipper Fund Awards 2024, and ten at the FSMOne Recommended Funds 2023/2024.

Digital innovation is central to our strategy, as we use data and technology to develop the right solutions for you. We will continue to advance our digital capabilities to provide easy access to your investment portfolio and enable you to carry out transactions seamlessly. Please continue to check out our website, like our Facebook page (@PrincipalMalaysia), follow us on our Instagram account (@principalmalaysia), and LinkedIn page (Principal Malaysia) for the latest updates, market insights and investment articles.

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

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

Munirah Khairuddin

Chief Executive Officer,
Malaysia & Global Shariah & Managing Director,
Strategic Distribution & Institutional Client Relations
(Southeast Asia & Global Shariah)
Non-Independent Executive Director

MANAGER’S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to achieve capital appreciation through investments in one collective investment scheme (“CIS”), which invests in biotechnology-related securities.

Has the Fund achieved its objective?

The fund is in line to achieve its long-term objective of providing capital appreciation through investments in one collective investment scheme as stated under the fund objective section.

What are the Fund investment policy and principal investment strategy?

The Fund is a feeder fund and it invests in a single CIS, i.e. Franklin Biotechnology Discovery Fund (“Target Fund”). The Fund may also invest in liquid assets for liquidity purpose.

In order to achieve its investment objective, the Fund will invest at least 95% of its NAV in the Target Fund; a portfolio established on 3 April 2000 under the Franklin Templeton Investment Funds (“FTIF”). The Fund may also invest up to 5% of its NAV in liquid assets for liquidity purpose.

The Fund will be actively rebalanced from time to time to meet sales and withdrawals transactions. This is to enable a proper and efficient management of the Fund. As this is a feeder fund that invests predominantly in the Target Fund, we do not intend to take temporary defensive position for the Fund during adverse market, economic and/or any other conditions. This is to allow the Fund to mirror the performance of the Target Fund in either bullish or bearish market conditions. However, the Target Fund Investment Manager may take temporary defensive position when deemed necessary.

Information on the Target Fund

Company : Franklin Templeton Investment Funds
 Management Company : Franklin Templeton International Services S.à r.l.
 Investment Manager : Franklin Advisers, Inc.
 Regulatory authority : Commission de Surveillance du Secteur Financier

Base Currency

United States Dollar (“USD”)

Fund category/ type

Feeder fund/ Growth

When was the Fund launched?

Name of Class	Launch date
Class AUD-Hedged (“AUD-H”)	15 September 2021
Class MYR-Hedged (“MYR-H”)	15 September 2021
Class SGD-Hedged (“SGD-H”)	15 September 2021
Class USD	15 September 2021

What was the size of the Fund as at 31 October 2024?

USD16.23 million (58.28 million units)

What is the Fund’s benchmark?

As this is a feeder fund, the Fund adheres to the benchmark of the Target Fund for performance comparison. Currently, the performance comparator of the Target Fund is NASDAQ Biotechnology Index.

Note: Any changes to the Target Fund’s benchmark will be updated in our website and/or the Fund’s Product Highlights Sheet.

FUND OBJECTIVE AND POLICY (CONTINUED)

What is the Fund distribution policy?

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

What was the net income distribution for the six months financial period ended 31 October 2024?

There was no distribution made for the six months financial period ended 31 October 2024.

PERFORMANCE DATA

Details of portfolio composition of the Fund for the last two financial period are as follows:

	31.10.2024	31.10.2023	31.10.2022
	%	%	%
Collective investment scheme	100.78	99.71	99.63
Cash and other assets	2.79	1.76	0.84
Liabilities	(3.57)	(1.47)	(0.47)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Performance details of the Fund for the last two financial period are as follows:

	31.10.2024	31.10.2023	31.10.2022
NAV (USD Million)			
- Class AUD-H	1.06	0.92	1.07
- Class MYR-H	12.88	14.44	20.67
- Class SGD-H	0.69	0.92	0.69
- Class USD	1.60	1.42	1.89
Units in circulation (Million)			
- Class AUD-H	1.55	1.91	20.07
- Class MYR-H	54.41	89.87	120.06
- Class SGD-H	0.86	1.61	1.20
- Class USD	1.46	1.80	2.32
NAV per unit (USD)			
- Class AUD-H	0.6832	0.4810	0.5130
- Class MYR-H	0.2367	0.1607	0.1722
- Class SGD-H	0.8004	0.5672	0.5753
- Class USD	1.0980	0.7875	0.8156
	01.05.2024	01.05.2023	01.05.2022
	to 31.10.2024	to 31.10.2023	to 31.10.2022
Highest NAV per unit (USD)			
- Class AUD-H	0.7511	0.5912	0.6023
- Class MYR-H	0.2612	0.1989	0.1943
- Class SGD-H	0.8700	0.6717	0.6284
- Class USD	1.1623	0.8965	0.8629
Lowest NAV per unit (USD)			
- Class AUD-H	0.6282	0.4742	0.4779
- Class MYR-H	0.2032	0.1577	0.1580
- Class SGD-H	0.7260	0.5579	0.5004
- Class USD	1.0144	0.7756	0.6949

PERFORMANCE DATA (CONTINUED)

Performance details of the Fund for the last two financial period are as follows (continued):

	01.05.2024 to 31.10.2024	01.05.2023 to 31.10.2023	01.05.2022 to 31.10.2022
Total return (%)			
- Class AUD-H	8.12	(11.48)	1.47
- Class SGD-H	6.91	(11.06)	1.36
- Class USD	7.08	(10.73)	1.60
- Class AUD-H	8.23	(9.58)	2.00
Capital growth (%)			
- Class AUD-H	8.12	(11.48)	1.47
- Class MYR-H	6.91	(11.06)	1.36
- Class SGD-H	7.08	(10.73)	1.60
- Class USD	8.23	(9.58)	2.00
Income distribution (%)			
- Class AUD-H	-	-	-
- Class MYR-H	-	-	-
- Class SGD-H	-	-	-
- Class USD	-	-	-
Total Expense Ratio ("TER") (%) ^	0.59	0.60	0.58
Portfolio Turnover Ratio ("PTR") (times) #	0.42	0.12	0.08

^ The Fund's TER decreased from 0.60% to 0.59% during the financial period under review due to increase in overall NAV.

For the financial period under review, the Fund's PTR increase from 0.12 times to 0.42 times. As a feeder fund, the turnover reflects the investments and withdrawal in the target fund.

	31.10.2024	31.10.2023	31.10.2022	Since inception to 31.10.2022
	%	%	%	%
Annual total return				
- Class AUD-H	37.70	(5.74)	(20.92)	1.32
- Class MYR-H	35.43	(5.97)	(19.65)	1.28
- Class SGD-H	36.63	(4.87)	(20.10)	1.85
- Class USD	39.42	(3.45)	(19.56)	1.39

(Launch date: 15 September 2021)

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 MAY 2024 to 31 OCTOBER 2024)

Global equities delivered mixed results during the period, influenced by economic uncertainty, central bank policy shifts, and geopolitical developments. The Federal Reserve's (the "Fed") initiation of a rate-cutting cycle in response to slower growth provided some support to markets, but concerns over persistent inflation, subdued global manufacturing activity, and the United States ("US") presidential election kept investors cautious. Developed and frontier markets slightly outperformed global benchmarks, while emerging markets underperformed due to headwinds like weak Chinese economic data and geopolitical tensions. Growth stocks edged out value stocks, with the former benefiting from renewed investor interest in innovation and technology.

MARKET REVIEW (1 MAY 2024 to 31 OCTOBER 2024) (CONTINUED)

Sector performance varied widely during the period. Defensive sectors such as consumer staples and utilities were relatively resilient, while cyclical areas like industrials and materials lagged due to weaker global demand. Health care was among the weakest performers, weighed down by declines in pharmaceuticals and life sciences tools. However, select industries, including biotechnology and medical technology, showed promise. Record-breaking drug approvals and ongoing advancements in robotic surgery and innovative treatments highlighted the sector’s long-term growth potential, even as near-term performance remained challenged.

Despite volatility, innovation-driven industries continued to attract attention. Technology-related sectors benefited from the rapid adoption of advanced tools and systems, while medical technology innovations, such as robotic surgery and new treatment paradigms, underscored significant progress in health care. These advancements supported growth-oriented investments and offered some resilience amid broader market uncertainties, signaling areas of strength during an otherwise uneven period.

FUND PERFORMANCE

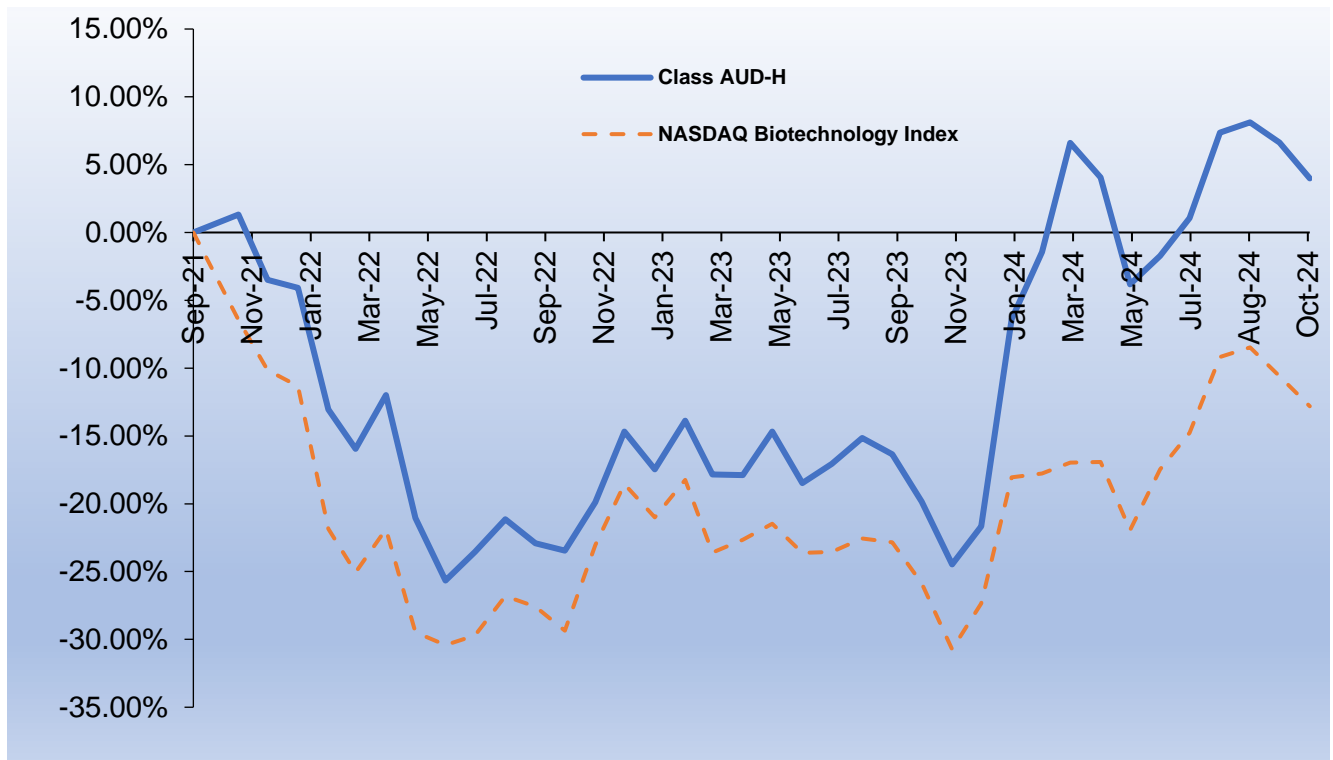
	6 months to 31.10.2024 %	1 year to 31.10.2024 %	3 years to 31.10.2024 %	Since inception to 31.10.2024 %
Income Distribution				
- Class AUD-H	-	-	-	-
- Class MYR-H	-	-	-	-
- Class SGD-H	-	-	-	-
- Class USD	-	-	-	-
Capital Growth				
- Class AUD-H	8.12	37.70	2.64	3.99
- Class MYR-H	6.91	35.43	2.32	3.63
- Class SGD-H	7.08	36.63	3.86	5.78
- Class USD	8.23	39.42	8.28	9.79
Total Return				
- Class AUD-H	8.12	37.70	2.64	3.99
- Class MYR-H	6.91	35.43	2.32	3.63
- Class SGD-H	7.08	36.63	3.86	5.78
- Class USD	8.23	39.42	8.28	9.79
Benchmark				
- Class AUD-H	11.72	25.87	(6.79)	(12.81)
- Class MYR-H	11.72	25.87	(6.79)	(12.81)
- Class SGD-H	11.72	25.87	(6.79)	(12.81)
- Class USD	11.72	25.87	(6.79)	(12.81)
Average Total Return				
- Class AUD-H	16.75	37.70	0.87	1.26
- Class MYR-H	14.18	35.43	0.77	1.15
- Class SGD-H	14.52	36.63	1.27	1.81
- Class USD	16.99	39.42	2.69	3.03

During the Financial period under review, the fund returned positively, Class AUD-H, Class MYR-H, Class SGD-H, and Class USD increased by 8.12%, 6.91%, 7.08%, and 8.23% respectively underperforming the benchmark which increased by 11.72% during the same period.

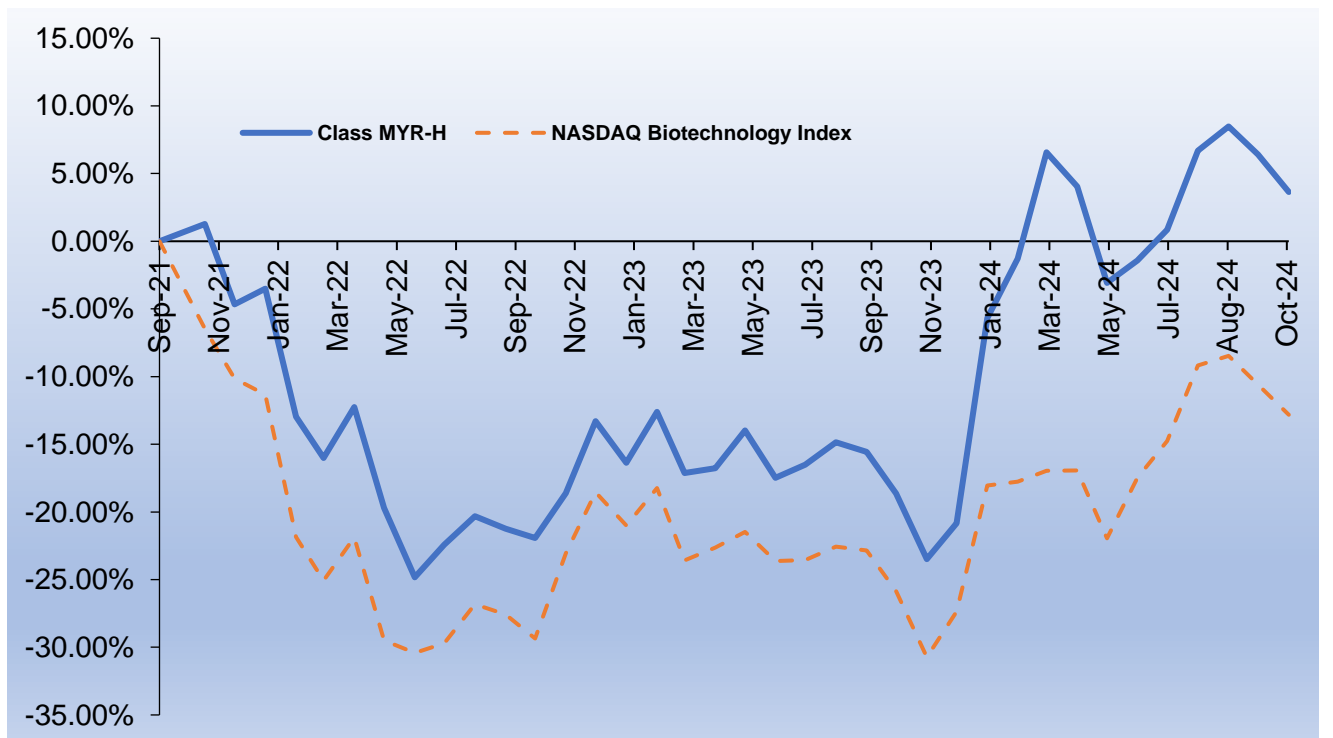
FUND PERFORMANCE (CONTINUED)

Since inception

CLASS AUD-H



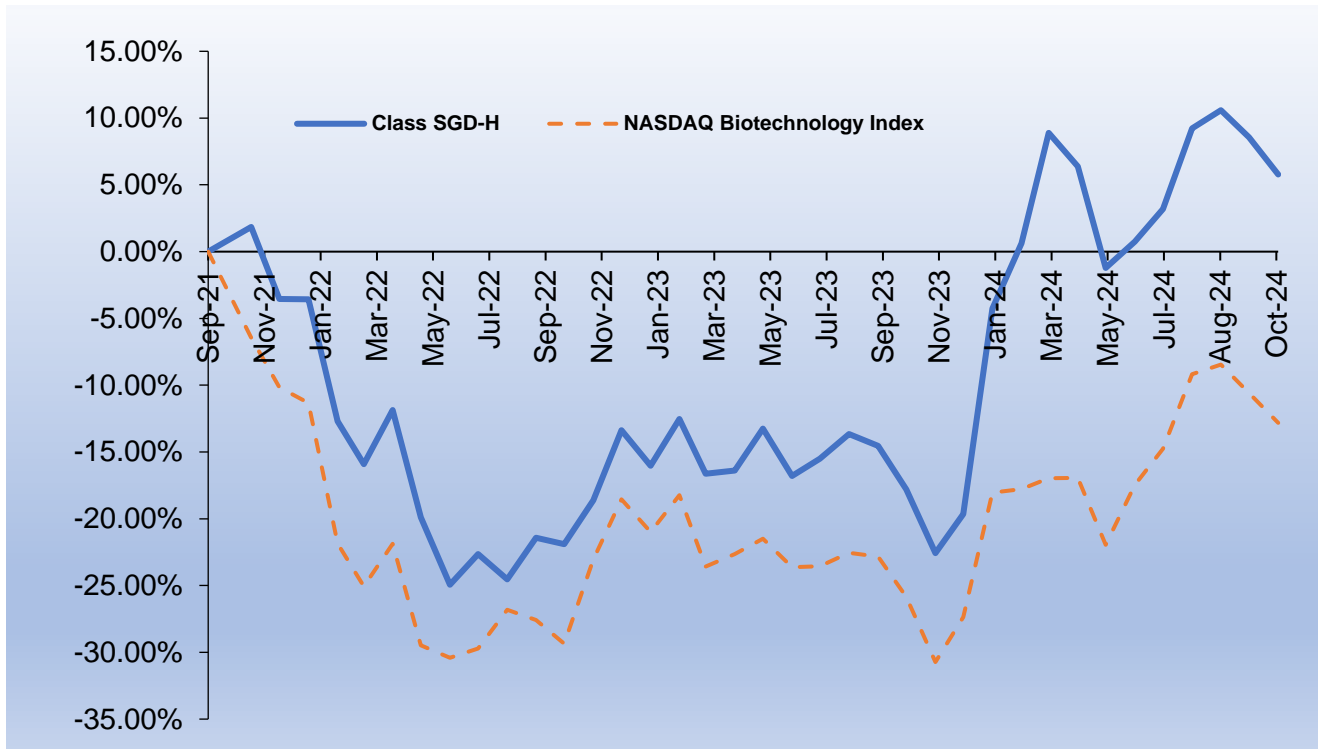
Class MYR-H



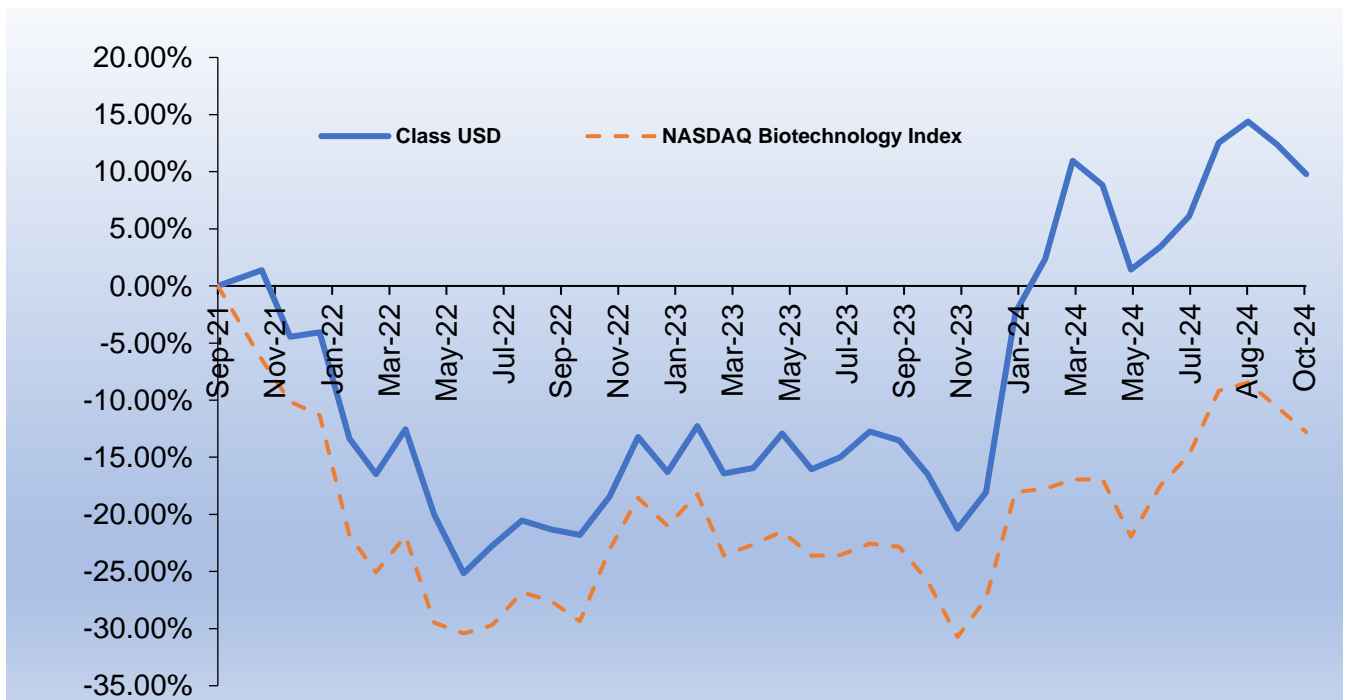
FUND PERFORMANCE (CONTINUED)

Since inception

Class SGD-H



Class USD



FUND PERFORMANCE (CONTINUED)

Changes in NAV

	31.10.2024	30.04.2024 Audited	Changes %
CLASS AUD-H			
NAV (USD Million)	1.06	1.58	(32.91)
NAV/Unit (USD)	0.6832	0.6282	8.76
CLASS MYR-H			
NAV (USD Million)	12.88	21.87	(41.11)
NAV/Unit (USD)	0.2367	0.2032	16.49
CLASS SGD-H			
NAV (USD Million)	0.69	0.84	(17.86)
NAV/Unit (USD)	0.8004	0.7260	10.25
CLASS USD			
NAV (USD Million)	1.60	1.61	(0.62)
NAV/Unit (USD)	1.0980	1.0144	8.24

During the financial period under review, the fund's NAV for Class AUD-H, Class MYR-H, Class SGD-H, and Class USD decreased by 32.91%, 41.11%, 17.86%, and 0.62% respectively.

In addition, the NAV per unit for Class AUD-H, Class MYR-H, Class SGD-H, and Class USD increased by 8.76%, 16.49%, 10.25%, and 8.24% respectively.

At the time of reporting, Class MYR-H has the highest total NAV, stood at USD 12.88 million.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.10.2024	30.04.2024 Audited
Collective investment scheme	100.78	97.76
Cash and other assets	2.79	7.80
Liabilities	(3.57)	(5.56)
TOTAL	100.00	100.00

The fund was fully invested during the financial period under review, a minimal level of liquid assets was maintained primarily for redemption purposes.

PORTFOLIO STRUCTURE (CONTINUED)

Asset allocation (continued)

Top 10 holdings of the Target Fund for the financial period ended:

	% of NAV
Top 10 holdings*	31.10.2024
Amgen Inc	6.72
Vertex Pharmaceuticals Inc	6.22
Regeneron Pharmaceuticals Inc	5.93
Gilead Sciences Inc	4.91
Intra-Cellular Therapies Inc	3.43
Argenx SE	3.03
Insmed Inc	2.87
Merus NV	2.84
Astrazeneca PLC	2.78
Jazz Pharmaceuticals PLC	2.71

	% of NAV
Top 10 holdings*	31.10.2023
Amgen Inc	8.13
Vertex Pharmaceuticals Inc	7.49
Regeneron Pharmaceuticals Inc	7.24
Biogen Inc	5.10
Gilead Sciences Inc	4.66
Astrazeneca PLC	3.99
Jazz Pharmaceuticals PLC	3.93
Ascendis Pharma	3.87
Argenx SE	3.13
Seagen Inc	3.11

* As disclosed in the Fund Fact Sheet.

MARKET OUTLOOK*

The biotechnology sector faces a dynamic landscape, supported by strong fundamentals, but tempered by notable risks. Innovation remains a cornerstone, with advances in areas like cell and gene therapies, radiopharmaceuticals, and antibody-drug conjugates driving optimism. Regulatory support, including an accommodative Food and Drug Administration (“FDA”) and evolving Medicare reimbursement models, has the potential to bolster profitability for companies focused on transformative therapies. Additionally, consolidation through Mergers and acquisitions (“M&A”) activity continues to reshape the industry as larger firms seek to offset revenue pressures from patent expirations and new drug-pricing regulations under the Inflation Reduction Act (“IRA”). This wave of consolidation is also providing critical funding pathways for smaller and early-stage companies constrained by tighter capital markets.

However, challenges persist. Continued pricing pressures, the implementation of IRA measures, and uncertainty around the pace of interest-rate reductions in the United States present headwinds for the sector. Capital constraints, while driving M&A opportunities, also limit growth for start-ups and smaller biotech firms reliant on external funding. Furthermore, the evolving drug reimbursement landscape, particularly for high-cost therapies, demands innovative payment mechanisms to balance accessibility with financial sustainability. Despite these risks, the sector’s ability to innovate, coupled with its relative insulation from economic fluctuations and growing global demand, positions it as a compelling long-term investment opportunity.

* 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

The fund will continue to remain fully invested in the target fund with minimal cash kept for liquidity purposes.

SOFT COMMISSIONS AND REBATES

Principal Malaysia (the “Manager”) and the Trustee will not retain any form of rebate from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Principal Malaysia Funds (“Funds”). Accordingly, any rebate or shared commission will be directed to the account of the Fund. The Manager may retain goods and services (soft commission) provided by any broker or dealer if the following conditions are met:

- (a) the soft commission brings direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- (b) any dealings with the broker or dealer is executed on terms which are the most favourable for the Fund; and
- (c) the availability of soft commission is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and we and the fund the manager will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commission.

During the financial period under review, the Manager and Trustee did not receive any rebates from the brokers or dealers but the Manager has retained soft commission in the form of goods and services for the benefit of the fund such as financial wire services and stock quotations system incidental to investment management of the Funds and there was no churning of trades.

SECURITIES FINANCING TRANSACTIONS

The Fund has not undertaken any securities lending or repurchase transactions during the six months financial period under review.

STATE OF AFFAIR OF THE FUND

There were no significant changes in the state of affairs of the Fund during the period and up to the date of Manager’s report, not otherwise disclosed in the financial statements.

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

There were no circumstances that had materially affected the interest of the unit holders during the financial period under review.

CROSS TRADE

No cross-trade transactions have been carried out during the financial period under review.

UNIT SPLIT

No unit split exercise has been carried out during the financial period under review.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL BIOTECHNOLOGY DISCOVERY 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 3 to 23 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 October 2024 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
Malaysia & Global Shariah & Managing Director,
Strategic Distribution & Institutional Client Relations
(Southeast Asia & Global Shariah)
Non-Independent Executive Director

UDAY JAYARAM

Executive Managing Director,
Head of Southeast Asia
Non-Independent Executive Director

Kuala Lumpur
13 December 2024

TRUSTEE'S REPORT

**TO THE UNIT HOLDERS OF
PRINCIPAL BIOTECHNOLOGY DISCOVERY FUND ("Fund")**

We have acted as Trustee of the Fund for the financial period ended 31 October 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management Company under the Deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deed; and
3. Any creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirement.

For HSBC (Malaysia) Trustee Berhad

Lee Cincee
Senior Manager, Trustee and Fiduciary Services

Kuala Lumpur
13 December 2024

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2024**

	Note	01.05.2024 to 31.10.2024 USD	01.05.2023 to 31.10.2023 USD
INCOME/(LOSS)			
Net gain/(loss) on financial assets at fair value through profit or loss	7	2,262,089	(1,748,399)
Net gain/(loss) on derivatives at fair value through profit or loss	8	1,301,293	(1,586,582)
Net foreign exchange (loss)/gain		(14,799)	541
		3,548,583	(3,334,440)
EXPENSES			
Management fee	4	185,627	195,960
Trustee fee	5	3,085	3,813
Audit fee		952	1,018
Tax agent's fee		698	1,419
Other expenses		1,951	908
		192,313	203,118
PROFIT/(LOSS) BEFORE TAXATION		3,356,270	(3,537,558)
Taxation	6	-	-
PROFIT/(LOSS) AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS)		3,356,270	(3,537,558)
Profit/(loss) after taxation is made up as follows:			
Realised amount		3,033,632	(2,475,750)
Unrealised amount		322,638	(1,061,808)
		3,356,270	(3,537,558)

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2024**

		31.10.2024	30.04.2024
	Note	USD	Audited USD
ASSETS			
Cash and cash equivalents	9	200,338	221,398
Financial assets at fair value through profit or loss	7	16,355,684	25,324,332
Derivative Assets at fair value through profit or loss		-	34,226
Amount due from dealer		-	657,996
Amount due from Manager		80,201	629,932
Amount due from Manager of collective investment scheme			
- Management fee rebate		13,023	16,700
- Sale of collective investment scheme		159,755	460,000
TOTAL ASSETS		<u>16,809,001</u>	<u>27,344,584</u>
LIABILITIES			
Derivative liabilities at fair value through profit or loss	8	194,733	-
Amount due to Manager of collective investment scheme			
- Purchase of Shariah-compliant collective investment scheme		160,592	-
Amount due to dealer		-	659,416
Amount due to Manager		190,877	737,331
Accrued management fee		26,872	37,101
Amount due to Trustee		448	618
Other payables and accruals		5,901	6,250
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>579,423</u>	<u>1,440,716</u>
NET ASSET VALUE OF THE FUND		<u>16,229,578</u>	<u>25,903,868</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>16,229,578</u>	<u>25,903,868</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (USD)			
- Class AUD-H		1,061,116	1,579,428
- Class MYR-H		12,875,768	21,869,924
- Class SGD-H		692,324	844,847
- Class USD		1,600,370	1,609,669
		<u>16,229,578</u>	<u>25,903,868</u>

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

UNAUDITED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 OCTOBER 2024 (CONTINUED)

	Note	31.10.2024	30.04.2024
		USD	Audited USD
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class AUD-H		1,553,161	2,514,085
- Class MYR-H		54,405,170	107,646,231
- Class SGD-H		864,931	1,163,760
- Class USD		1,457,579	1,586,789
	10	<u>58,280,841</u>	<u>112,910,865</u>
NET ASSET VALUE PER UNIT (USD)			
- Class AUD-H		0.6832	0.6282
- Class MYR-H		0.2367	0.2032
- Class SGD-H		0.8004	0.7260
- Class USD		<u>1.0980</u>	<u>1.0144</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- Class AUD-H		AUD0.4488	AUD0.9618
- Class MYR-H		RM1.0363	MYR0.9693
- Class SGD-H		SGD1.0578	SGD0.9881
- Class USD		<u>USD1.0979</u>	<u>USD1.0144</u>

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

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2024**

	01.05.2024 to 31.10.2024	01.05.2023 to 31.10.2023
	USD	USD
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	25,903,868	23,999,014
Movements due to units created and cancelled during the financial period:		
Creation of units from applications		
- Class AUD-H	813,939	-
- Class MYR-H	4,044,083	413,751
- Class SGD-H	407,501	315,532
- Class USD	486,768	4,170
	5,752,291	733,453
Cancellation of units		
- Class AUD-H	(1,454,327)	(78,760)
- Class MYR-H	(16,052,065)	(3,110,809)
- Class SGD-H	(654,377)	(37,835)
- Class USD	(622,082)	(276,148)
	(18,782,851)	(3,503,552)
Total comprehensive income/(loss) for the financial period	3,356,270	(3,537,558)
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	16,229,578	17,691,357

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

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2024**

	01.05.2024 to 31.10.2024	01.05.2023 to 31.10.2023
	USD	USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Purchase of collective investment scheme	(2,964,408)	(320,000)
Proceeds from disposal of collective investment scheme	14,585,245	4,790,000
Management fee rebate received	74,414	77,815
Management fee paid	(195,856)	(202,611)
Trustee fees paid	(3,255)	(4,120)
Payments for other fees and expenses	(3,950)	(3,639)
Net realised gain/(loss) on forward foreign currency contracts	1,528,832	(1,794,428)
Receipt/(Payment) of other foreign exchange gain/(loss)	38,223	(319)
Net cash generated from operating activities	13,059,245	2,542,698
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	6,302,022	732,425
Payments for cancellation of units	(19,329,305)	(3,355,681)
Net cash used in financing activities	(13,027,283)	(2,623,256)
Net increase/(decrease) in cash and cash equivalents	31,962	(80,558)
Effect of foreign exchange differences	(53,022)	860
Cash and cash equivalents at the beginning of the financial period	221,398	287,546
Cash and cash equivalents at the end of the financial period	200,338	207,848
<u>Cash and cash equivalents comprised of:</u>		
Bank balance	200,338	207,848
Cash and cash equivalents at the end of the financial period	200,338	207,848

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2024**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal Biotechnology Discovery Fund (the “Fund”) is governed by a Principal Deed dated 28 December 2020 and the First Supplemental Deed dated 22 December 2022 (referred to as the “Deed”), made between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund is a feeder fund, and it invests in a single CIS, i.e. Franklin Biotechnology Discovery Fund (“Target Fund”). The Fund may also invest in liquid assets for liquidity purpose.

In order to achieve its investment objective, the Fund will invest at least 95% of its NAV in the Target Fund; a portfolio established on 3 April 2000 under the Franklin Templeton Investment Funds (“FTIF”). The Fund may also invest up to 5% of its NAV in liquid assets for liquidity purpose.

The Fund will be actively rebalanced from time to time to meet sales and withdrawals transactions. This is to enable a proper and efficient management of the Fund. As this is a feeder fund that invests predominantly in the Target Fund, we do not intend to take temporary defensive position for the Fund during adverse market, economic and/or any other conditions. This is to allow the Fund to mirror the performance of the Target Fund in either bullish or bearish market conditions. However, the Target Fund Investment Manager may take temporary defensive position when deemed necessary.

All investments are subjected to the Securities Commission Malaysia’s (“SC”) Guidelines on Unit Trust Funds (“GUTF”) issued by the Securities Commission Malaysia, 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. MATERIAL ACCOUNTING POLICY INFORMATION

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

(a) Basis of preparation

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(a) Basis of preparation (continued)**

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 other standards, amendments to standards or interpretations that are effective for financial period beginning on 1 May 2024 that have a material effect on the financial statements of the Fund.

None of the standards, amendments to standards or interpretations that are effective for the financial period beginning on/after 1 November 2024 are applicable to the Fund.

(b) Financial assets and financial liabilitiesClassification

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.

The Fund classifies cash and cash equivalents, amount due from dealers, amount due from Manager, amount due from Manager of collective investment scheme – management fee rebate and sale of collective investment scheme and dividend receivables as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Recognition and measurement

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

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

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

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

Unrealised gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the statement of comprehensive income within net gain or loss on financial assets at fair value through profit or loss in the financial 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 collective investment scheme is valued based on the most recent published NAV per unit or share of such collective investment scheme or, if unavailable, on the last published price of such unit or share (excluding any sales charge included in such selling price).

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 costs

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. MATERIAL ACCOUNTING POLICY INFORMATION (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 period.

(c) Income recognition

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

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

(d) Foreign currencyFunctional and presentation currency

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

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

- i) The Fund's investments are denominated in USD;
- ii) Significant portion of the cash is denominated in USD for the purpose of making settlement of the foreign trades; and
- iii) Significant portion of the Fund's expenses are denominated in USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial 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 flow, cash and cash equivalent comprise bank balances with known amounts of cash and which are subject to an insignificant risk of changes in value.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Taxation

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

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

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

The analysis of realised and unrealised portions of profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with GUTF.

(h) Amount due from/to Manager of collective investment scheme (sales/purchase of investment)

Amounts due to Manager of collective investment scheme represent payables for collective investment scheme purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

(i) 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 four classes of units, known respectively as the Class AUD-H, Class MYR-H, Class SGD-H and Class USD which are cancelled at the unit holder's option. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the member exercises the right to put back the unit to the Fund.

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

(j) Management fee rebate

Management fee rebate derived from the Manager and Manager of the collective investment schemes on an accrual basis to ensure no double charging of management fee. It is accrued daily based on the fair value of collective investment schemes held

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

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(k) Critical accounting estimates and judgements in applying accounting policies (continued)**

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 GUTF issued by the Securities Commission Malaysia

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

(l) Derivative financial instruments

A derivative financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

The Fund's derivative financial instruments comprise forward foreign exchange contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the date of statements of financial position, with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held-for-trading and accounted for in accordance with the accounting policy set out in Note 2(b).

(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.

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 GUTF.

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund aims to provide long term total returns through investments in one collective investment scheme, which is managed with medium to high-risk strategy by investing primarily in bonds and shares, either directly or through investing into other funds.

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

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated in the Deed and GUTF issued by the Securities Commission Malaysia

(a) Market risk

(i) Price risk

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

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

(ii) Currency risk

Currency risk is associated with investments that are quoted and/or priced in foreign currency denomination. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Manager will evaluate the likely directions of a foreign currency versus USD based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

(b) Credit risk

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

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

In derivative activities, credit risk arises when counterparties to derivative contracts, are unable or unwilling to fulfil their obligation to pay the positive fair value or receivable resulting from the execution of contract terms.

For amount due from Manager, the settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the GUTF.

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

In derivative activities, credit risk arises when counterparties to derivative contracts, are unable or unwilling to fulfil their obligation to pay the positive fair value or receivable resulting from the execution of contract terms.

(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. The Fund's investments in collective investment scheme are realisable which are capable of being converted into cash within 10 business days. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

(d) Capital risk management

The capital of the Fund is represented by net 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) are 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 price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy

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

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

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

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

	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
31.10.2024				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	<u>16,355,684</u>	<u>-</u>	<u>-</u>	<u>16,355,684</u>
Financial liabilities at fair value through profit or loss:				
- Derivative assets at fair value through profit or loss	<u>-</u>	<u>194,733</u>	<u>-</u>	<u>194,733</u>

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

30.04.2024

Audited

Financial assets at
fair value through
profit or loss:

- Collective
investment
scheme

25,324,332	-	-	25,324,332
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Financial liabilities at
fair value through
profit or loss:

- Derivative
liabilities at
fair value
through profit
or loss

-	34,226	-	34,226
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Investments whose values are based on quoted market prices in active markets and are therefore classified within Level 1, include collective investment scheme which invest in 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 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, forward foreign currency contracts and interest rate swaps. 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.

- (ii) The carrying values of cash and cash equivalents, derivative contracts, amount due from dealer, amount due from Manager, amount due from Manager of collective investment scheme - management fee rebate and sale of collective investment scheme, dividends receivable and all other liabilities are a reasonable approximation of their fair values due to their short term nature.

4. MANAGEMENT FEE

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

For the six months financial period ended 31 October 2024 and 31 October 2023, the management fee for the respective classes is recognised at the following rates:

Class AUD-H	Class MYR-H	Class SGD-H	Class USD
1.80%	1.80%	1.80%	1.80%

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

5. TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to a fee of 0.04% per annum of the NAV of the Class. The Trustee's fee includes local custodian fees and charges but excludes foreign sub-custodian fees and charges.

For the financial period ended 31 October 2024, the Trustee fee is recognised at a rate of 0.04% per annum (2023: 0.03% per annum) for each class.

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

6. TAXATION

	01.05.2024 to 31.10.2024 USD	01.05.2023 to 31.10.2023 USD
Tax charged for the financial period:		
- Current taxation	-	-

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

	01.05.2024 to 31.10.2024 USD	01.05.2023 to 31.10.2023 USD
Profit/(loss) before taxation	3,356,270	(3,537,558)
Taxation at Malaysian statutory rate of 24% (31.10.2023: 24%)	805,505	(849,014)
Tax effects of:		
- Investment loss not deductible for tax purposes	(851,660)	800,266
- Expenses not deductible for tax purposes	1,437	1,377
- Restriction on tax deductible expenses for Unit Trust Fund	44,718	47,371
Taxation	-	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.10.2024 USD	30.04.2024 Audited USD
At fair value through profit or loss:		
- Collective investment scheme	16,355,684	25,324,332

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

	01.05.2024 to 31.10.2024	01.05.2023 to 31.10.2023
	USD	USD
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised gain/(loss) on disposals	1,586,733	(553,273)
- Unrealised fair value gain/(loss)	604,619	(1,270,464)
- Management fee rebate #	70,737	75,338
	<u>2,262,089</u>	<u>(1,748,399)</u>

Management fee rebate is derived from the Fund's investment in collective investment scheme on an accruals basis to ensure no double charging of management fee. It is accrued daily based on the fair value of the collective investment scheme held.

For the financial period ended 31 October 2024, other income is recognised at a rate of 1.30% per annum (31.10.2023: 1.30% per annum) calculated and accrued daily based on the NAV of the collective investment scheme.

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
31.10.2024				
COLLECTIVE INVESTMENT SCHEME				
Franklin Templeton International Services S.à r.l.- Franklin Biotechnology Discovery Fund- I Acc USD	237,314	14,681,130	16,355,684	100.78
TOTAL COLLECTIVE INVESTMENT SCHEME	<u>237,314</u>	<u>14,681,130</u>	<u>16,355,684</u>	<u>100.78</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>1,674,554</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>16,355,684</u>		

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
30.04.2024				
Audited				
COLLECTIVE				
INVESTMENT SCHEME				
Franklin Templeton International Services S.à r.l.- Franklin Biotechnology Discovery Fund- I Acc USD	400,385	24,254,397	25,324,332	97.76
TOTAL COLLECTIVE INVESTMENT SCHEME	400,385	24,254,397	25,324,332	97.76
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		1,069,935		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		25,324,332		

8. DERIVATIVE LIABILITIES/ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.10.2024 USD	30.04.2024 Audited USD
Forward foreign currency contracts	(194,733)	34,226
	01.05.2024 to 31.10.2024 USD	01.05.2023 to 31.10.2023 USD
Net gain/(loss) on derivative assets/liabilities at fair value through profit or loss:		
- Realised gain/(loss) on forward foreign currency contracts	1,530,252	(1,794,378)
- Unrealised fair value (loss)/gain on forward foreign currency contracts	(228,959)	207,796
	<u>1,301,293</u>	<u>(1,586,582)</u>

As at 31 October 2024, there were 9 outstanding (31.10.2023: 9 outstanding) USD/Australian Dollar ("AUD"), USD/Malaysian Ringgit ("MYR") and USD/Singapore Dollar ("SGD") forward foreign currency contracts respectively. The notional principal amount of the outstanding forward foreign currency contracts amounted USD16,553,618 (31.10.2023: USD17,735,024).

The USD/AUD, USD/MYR and USD/SGD forward foreign currency contracts were entered into during the financial period to minimise the risk of foreign exchange exposure between the USD and the foreign currencies exposure of the Fund.

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

As the Fund has not adopted hedge accounting during the financial period, any changes in the fair value of the forward foreign currency contract are recognised immediately in the statement of comprehensive income during the financial period.

9. CASH AND CASH EQUIVALENTS

	31.10.2024	30.04.2024
	USD	Audited USD
Bank balances	<u>200,338</u>	<u>221,398</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.05.2024 to 31.10.2024	01.05.2023 to 30.04.2024
	No. of units	Audited No. of units
Class AUD-H (i)	1,553,161	2,514,085
Class MYR-H (ii)	54,405,170	107,646,231
Class SGD-H (iii)	864,931	1,163,760
Class USD (iv)	<u>1,457,579</u>	<u>1,586,789</u>
	<u>58,280,841</u>	<u>112,910,865</u>

(i) Class AUD-H

At the beginning of the financial period/year	2,514,085	2,057,529
Add : Creation of units from applications	1,127,906	1,501,754
Less : Cancellation of units	<u>(2,088,830)</u>	<u>(1,045,198)</u>
At the end of the financial period/year	<u>1,553,161</u>	<u>2,514,085</u>

(ii) Class MYR-H

At the beginning of the financial period/year	107,646,231	104,800,573
Add : Creation of units from applications	17,267,233	104,771,189
Less : Cancellation of units	<u>(70,508,294)</u>	<u>(101,925,531)</u>
At the end of the financial period/year	<u>54,405,170</u>	<u>107,646,231</u>

(iii) Class SGD-H

At the beginning of the financial period/year	1,163,760	1,185,672
Add : Creation of units from applications	511,515	899,917
Less : Cancellation of units	<u>(810,344)</u>	<u>(921,829)</u>
At the end of the financial period/year	<u>864,931</u>	<u>1,163,760</u>

(iv) Class USD

At the beginning of the financial period/year	1,586,789	2,133,036
Add : Creation of units from applications	431,444	718,973
Less : Cancellation of units	<u>(560,654)</u>	<u>(1,265,220)</u>
At the end of the financial period/year	<u>1,457,579</u>	<u>1,586,789</u>

11. TOTAL EXPENSE RATIO (“TER”)

	01.05.2024 to 31.10.2024	01.05.2023 to 31.10.2023
	%	%
TER	0.59	0.60

TER is derived from the following calculation:

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

- A = Management fee (exclude rebate)
- B = Trustee fee
- C = Audit fee
- D = Tax agent’s fee
- E = Other expenses
- 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 USD20,512,674 (31.10.2023: USD21,451,575).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.05.2024 to 31.10.2024	01.05.2023 to 31.10.2023
	%	%
PTR (times)	0.42	0.12

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 = USD3,125,000 (31.10.2023: USD320,000)
- total disposal for the financial period = USD14,285,000 (31.10.2023: USD4,790,000)

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

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

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

<u>Related parties</u>	<u>Relationship</u>
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

Units held by the Manager and parties related to the Manager

	31.10.2024		30.04.2024 Audited	
	No. of units	USD	No. of units	USD
Manager				
Principal Asset Management Berhad				
- Class AUD-H	0*	0*	0*	0*
- Class MYR-H	5,265	1,246	2,282	464
- Class SGD-H	7	5	7	5
- Class USD	0*	0*	0*	0*

Note: 0.00* denotes count less than 1.

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.

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

14. TRANSACTIONS WITH BROKER/DEALER

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 31 October 2024 are as follows:

Broker/Dealer	Value of trades USD	Percentage of total trades %
Franklin Templeton International Services Sarl - Franklin Biotechnology Discovery Fund-I Acc USD	<u>17,410,000</u>	<u>100.00</u>

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 31 October 2023 are as follows:

Broker/Dealer	Value of trades USD	Percentage of total trades %
Franklin Templeton International Services Sarl - Franklin Biotechnology Discovery Fund-I Acc USD	<u>5,110,000</u>	<u>100.00</u>

DIRECTORY

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