

# Principal China-India-Indonesia Opportunities Fund

(formerly known as CIMB-Principal  
China-India-Indonesia Equity Fund)

Annual Report

For the Financial Year Ended 30 September 2020

**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
*(formerly known as CIMB-Principal China-India-Indonesia Equity Fund)*

**ANNUAL REPORT**

**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020**

**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
*(formerly known as CIMB-Principal China-India-Indonesia Equity Fund)*

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## INVESTORS' LETTER

Dear Valued Investor,

Volatility has always been part of investing. Markets aren't more volatile than they've been in recent years. I would say the difference now is how quickly risks - may it be an announcement from the Government, a possible pandemic, or simply a tweet - can appear to affect the equity market. The roadmap to recovery will continue to be driven by supportive stimulus post US election, successful vaccine trials and the broadening recovery in China and other parts of Asia. Thus, focusing on your long-term investment plan can be one way to counteract the stresses of volatility. Eventually, markets will learn to separate noise from true information and adapt to the speed of information. It just takes time.

Our commitment to you remains steadfast. We are not advocating short-term, reactive investment decisions. A practical investment approach is generally based on a long-term view and your time horizon. Here are a few things to keep in mind:

### **1. Stay the course.**

Remember volatility, isn't just markets dropping. It's movement. Markets can move up or down and this can create opportunities for long-term growth.

### **2. Review your goals, risk tolerance, and time horizon.**

It's important to make sure your portfolio diversification continues to be in line with your long-term goals and matches your risk tolerance preferences.

### **3. Keep investing.**

There is always a good time to invest. Invest whenever you can.

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. For our:

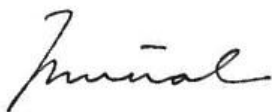
- **Conservative investors, we recommend:** Malaysia focus bond funds and regional balanced funds that are income focused.
- **More aggressive investors, we recommend:** Growth-oriented funds that offer exposure to growth areas in China, Asia-Pacific, ASEAN, Global Technology and Malaysian aggressive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

Please continue to check out our website (<http://www.principal.com.my>) and Facebook account (@PrincipalAssetMY) for our latest insights and investment articles.

Please be informed that effective 17 April 2020, the Fund has been renamed as Principal China-India-Indonesia Opportunities Fund following the issuance of the Replacement Master Prospectus.

We appreciate your continuous support and the trust you place in us. And, we're happy to share that we recently won four awards at the iFAST Awards Night 2020 and another eight awards from the Private Pension Administration ("PPA").

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



**Munirah Khairuddin**  
Chief Executive Officer

## **MANAGER'S REPORT**

### **FUND OBJECTIVE AND POLICY**

#### **What is the investment objective of the Fund?**

The Fund aims to achieve medium to long-term capital appreciation by capitalizing on investments ideas in undervalued listed companies which are domiciled or have significant operations in China, India and Indonesia.

#### **Has the Fund achieved its objective?**

For the financial year under review, the Fund's total return was -2.07% underperforming slightly than the benchmark return which was -1.26%. The Fund's objective is still in place to provide capital growth over the long-term.

#### **What are the Fund investment policy and principal investment strategy?**

The Fund seeks to achieve its objective by investing primarily in equities and equity related securities of undervalued listed companies which are domiciled or have significant operations in China, India and Indonesia markets which offer attractive valuations and medium-term to long-term growth potential. The target companies are companies which are traded at attractive valuations and have the potential to ride on the future recovery and growth of China, India and Indonesia.

The 'significant operations' means the major business of the company. The Fund can invest in companies not only listed in China, India and Indonesia, but also those that have major businesses in China, India and Indonesia markets. For example, the Fund can invest in a company with business/operations in China but listed on Hong Kong Stock Exchange ("HKEX"). The threshold for 'significant operations' would be if more than 30% of total group revenue derive from China, India or Indonesia. Whereas, the 'attractive valuations' means stocks or companies that have valuations based on price/earnings or price-to-book ratios that are lower than the respective sector or country valuations at that time. Where necessary, we will obtain the licenses/permits for investments in countries that require licenses/permits. If we are unable to obtain the necessary licenses/permits, or the licenses/permits are revoked or not renewed (as the case may be), we will seek to invest in other accessible markets.

The Fund will generally invest between 70% to 98% (both inclusive) of its Net Asset Value ("NAV") in equities and equity related securities with at least 2% of the Fund's NAV invested in liquid assets for liquidity purposes. The Fund may also invest up to 28% of its NAV in other permissible investments. The Fund's allocation to each of the aforesaid countries will vary depending on the Manager and its delegate's outlook for each country. The Fund may also opt to seek investment exposure via collective investment scheme that is in line with the Fund's objective, subject to the requirement of the Securities Commission Malaysia ("SC") Guidelines.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in equities and equity related securities;
- up to 28% of the Fund's NAV will be invested in other permissible investments; and
- at least 2% of the Fund's NAV will be invested in liquid assets for liquidity purposes.

#### **Fund category/type**

Equity/Growth

#### **When was the Fund launched?**

21 January 2010

#### **What was the size of the Fund as at 30 September 2020?**

RM76.15 million (182.12 million units)

**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
(formerly known as *CIMB-Principal China-India-Indonesia Equity Fund*)

**FUND OBJECTIVE AND POLICY (CONTINUED)**

**What is the Fund's benchmark?**

An equally weighted custom composite index of MSCI China Index, MSCI India Index and MSCI Indonesia Index.

*Note: The benchmark is for performance comparison only. The benchmark is customised as such to align it closer to the structure of the portfolio. You are cautioned that the risk profile of the Fund is higher than the benchmark.*

**What is the Fund distribution policy?**

Given its investment objective, the Fund is not expected to pay any distribution.

**What was the net income distribution for the financial year ended 30 September 2020?**

The Fund distributed a total net income of RM3.02 million to unit holders. As a result, the NAV per unit dropped from RM0.4477 to RM0.4343 on 18 October 2019, during the financial year ended 30 September 2020.

**PERFORMANCE DATA**

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

	<b>30.09.2020</b>	<b>30.09.2019</b>	<b>30.09.2018</b>
Collective investment schemes	2.30	9.77	8.23
Quoted securities			
- Communication Services	14.72	10.51	8.76
- Consumer Discretionary	19.81	11.88	19.68
- Consumer Staples	1.34	-	4.09
- Energy	7.73	4.71	11.03
- Financials	21.97	19.02	23.79
- Health Care	4.46	5.90	1.28
- Industrials	5.96	5.81	5.53
- Information Technology	11.33	13.71	3.77
- Materials	2.38	4.46	4.63
- Real Estate	2.55	8.80	3.51
- Utilities	1.87	0.53	0.88
Cash and other net assets	3.58	4.90	4.82
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	<b>30.09.2020</b>	<b>30.09.2019</b>	<b>30.09.2018</b>
NAV (RM Million)	76.15	99.50	123.69
Units in circulation (Million)	182.12	226.06	310.82
NAV per unit (RM)	0.4181	0.4401	0.3979
Highest NAV per unit (RM)	0.4609	0.4669	0.4622
Lowest NAV per unit (RM)	0.3101	0.3621	0.3912
Total return (%)	(2.07)	10.61	(8.40)
- Capital growth (%)	(4.27)	10.61	(8.40)
- Income distribution (%)	3.09	-	-

**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
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**PERFORMANCE DATA (CONTINUED)**

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

	<b>30.09.2020</b>	<b>30.09.2019</b>	<b>30.09.2018</b>
Management Expense Ratio ("MER") (%) ^	2.09	2.12	1.94
Portfolio Turnover Ratio ("PTR") (times) #	1.35	1.29	1.85

^ The Fund's MER decreased from 2.12% to 2.09% due to decrease in expenses during the financial year under review.

# The Fund's PTR increased marginally from 1.29 times to 1.35 times, indicating largely stable levels.

	<b>30.09.2020</b>	<b>30.09.2019</b>	<b>30.09.2018</b>
Date of distribution	18.10.2019	-	-
Gross/Net distribution per unit (sen)	1.34	-	-

	<b>30.09.2020</b>	<b>30.09.2019</b>	<b>30.09.2018</b>	<b>30.09.2017</b>	<b>30.09.2016</b>
	%	%	%	%	%
Annual total return	(2.07)	10.61	(8.40)	19.41	13.72

(Launch date: 21 January 2010)

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

**MARKET REVIEW (1 OCTOBER 2019 TO 30 SEPTEMBER 2020)**

Equity markets were roiled in the first half of the financial year under review as the worst Health Care crisis of our generation, Coronavirus 2019 ("COVID-19"), quickly spread across the world starting with Asia followed by Europe and the Americas. Government response and citizenry support of the tough measures have varied, and this has to a large extent determined the success of each country's response to the healthcare crisis. As at end of the financial year under review, new daily cases of COVID-19 remain high but there are visible signs of recovery in the global economy and the phase of peak lockdown has likely passed.

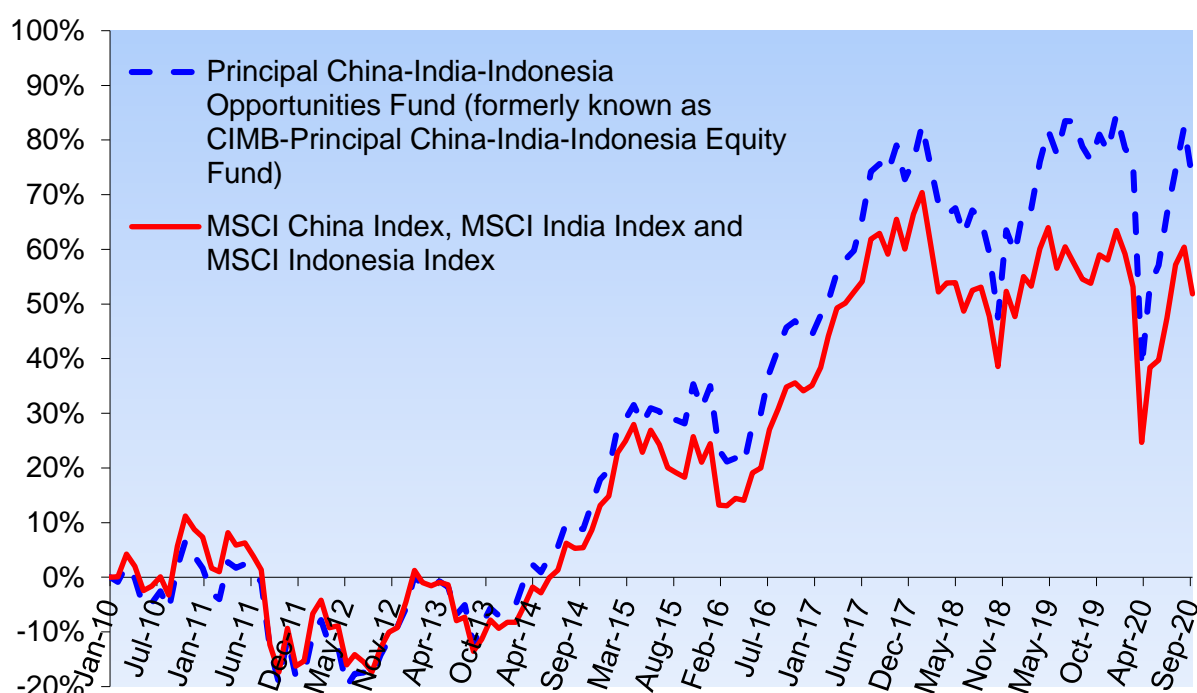
**FUND PERFORMANCE**

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>Since</b>
	<b>to 30.09.2020</b>	<b>to 30.09.2020</b>	<b>to 30.09.2020</b>	<b>inception</b>
	%	%	%	<b>to 30.09.2020</b>
	%	%	%	%
Income Distribution	3.09	3.09	3.09	3.09
Capital Growth	(4.27)	(3.00)	31.71	68.52
Total Return	(2.07)	(0.78)	34.73	72.61
Benchmark	(1.26)	(4.54)	28.38	51.87
Average Total Return	(2.07)	(0.26)	6.14	5.23

For the 1-year financial period under review, the Fund's total return was -2.07%, underperforming the benchmark by 0.81%.

**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
(formerly known as *CIMB-Principal China-India-Indonesia Equity Fund*)

**FUND PERFORMANCE (CONTINUED)**



**Changes in NAV**

	30.09.2020	30.09.2019	Changes %
NAV (RM Million)	76.15	99.50	(23.47)
NAV/Unit (RM)	0.4181	0.4401	(5.00)

NAV of the Fund decreased by 23.47% for the financial year under review due to unit redemptions while NAV per unit decreased by 5.00% due to capital value changes.

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

**PORTFOLIO STRUCTURE**

**Asset allocation**

(% of NAV)	30.09.2020	30.09.2019
Collective investment schemes	2.30	9.77
Quoted securities	94.12	85.33
Cash and other net assets	3.58	4.90
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

Asset allocation on equities has remained largely stable from 95.10% as at 30 September 2019 to 96.42% as at 30 September 2020.



**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
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## **MARKET OUTLOOK\***

We maintain our view that the global economy should continue its recovery over the next 12 months, despite near term uncertainties and for Asian earnings to recover strongly in 2021. We expect fiscal policies to remain supportive in this environment. With inflation expected to remain subdued for longer, Asian Central Banks would have less pressure to normalise interest rates and keep rates lower for longer. Hence, the ample liquidity will be a tailwind for Asian equities in the next 12 months. We view any market weakness as opportunities to accumulate Asian financial assets and to position for a market recovery in 2021.

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

## **INVESTMENT STRATEGY**

In the backdrop of global economic recovery, and as Indonesia better controls its COVID-19 cases or as a vaccine plan is announced, there is potential for the Indonesia market to play catch up given it is down almost 27% in USD terms year-to-date ("YTD"). Macro stability is evidenced to a certain extent by the fact that Indonesia was able to execute quantitative easing without major issues. The Fund is still tactically underweight Indonesia (20% allocation now) as we capitalized on the near-term opportunity in the Technology sell-down by adding certain high-quality Technology companies. As and when catalysts emerge in Indonesia, the Fund will raise its weighting closer to a neutral position.

There are also encouraging signs of economic recovery in India which is why the Indian market outperformed in September 2020 when most other markets saw profit-taking. We expect India to continue rolling out reforms and being a Foreign Direct Investment ("FDI") beneficiary of supply chain diversification.

China's equity markets should continue to perform well as it posts economic growth which outperforms all other major economies.

## **UNIT HOLDINGS STATISTICS**

Breakdown of unit holdings by size as at 30 September 2020 are as follows:

<b>Size of unit holdings (units)</b>	<b>No. of unit holders</b>	<b>No. of units held (million)</b>	<b>% of units held</b>
5,000 and below	197	0.56	0.31
5,001 to 10,000	137	1.01	0.55
10,001 to 50,000	694	17.42	9.57
50,001 to 500,000	407	49.66	27.27
500,001 and above	26	113.47	62.30
<b>Total</b>	<b>1,461</b>	<b>182.12</b>	<b>100.00</b>

## **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 unless the soft commission received is retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. All dealings with brokers are executed on best available terms.

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

**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
*(formerly known as CIMB-Principal China-India-Indonesia Equity Fund)*

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**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF  
PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
*(formerly known as CIMB-Principal China-India-Indonesia Equity Fund)*

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 14 to 52 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 September 2020 and of its financial performance, changes in equity and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

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

**MUNIRAH KHAIRUDDIN**  
Chief Executive Officer/Executive Director

**JUAN IGNACIO EYZAGUIRRE BARAONA**  
Director

Kuala Lumpur  
16 November 2020

**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
*(formerly known as CIMB-Principal China-India-Indonesia Equity Fund)*

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**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
*(formerly known as CIMB-Principal China-India-Indonesia Equity Fund)*

We, Universal Trustee (Malaysia) Berhad, being the Trustee for Principal China-India-Indonesia Opportunities Fund *(formerly known as CIMB-Principal China-India-Indonesia Equity Fund)* (the "Fund"), are of the opinion that Principal Asset Management Berhad (the "Manager"), acting in the capacity of Manager of the Fund, have fulfilled their duties in the following manner for the financial year ended 30 September 2020:

- (a) the Fund is being managed in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Deeds, the Securities Commission's Guidelines on the 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 the financial year, a total distribution of 1.34 sen per unit (gross) has been distributed to the unit holders of the Fund. We are of the view that the distribution is consistent with the objective of the Fund.

For and on behalf of the Trustee  
**UNIVERSAL TRUSTEE (MALAYSIA) BERHAD**

**ONG TEE VANN**  
Chief Executive Officer

Kuala Lumpur  
16 November 2020

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
*(formerly known as CIMB-Principal China-India-Indonesia Equity Fund)*

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Our opinion

In our opinion, the financial statements of Principal China-India-Indonesia Opportunities Fund (the "Fund") *(formerly known as CIMB-Principal China-India-Indonesia Equity Fund)* give a true and fair view of the financial position of the Fund as at 30 September 2020, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 September 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 14 to 52.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND (CONTINUED)**  
*(formerly known as CIMB-Principal China-India-Indonesia Equity Fund)*

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND (CONTINUED)**  
*(formerly known as CIMB-Principal China-India-Indonesia Equity Fund)*

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND (CONTINUED)**  
*(formerly known as CIMB-Principal China-India-Indonesia Equity Fund)*

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

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

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

**OTHER MATTERS**

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

PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants

Kuala Lumpur  
16 November 2020



**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
*(formerly known as CIMB-Principal China-India-Indonesia Equity Fund)*

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020**

	Note	2020 RM	2019 RM
<b>INCOME</b>			
Dividend income		1,675,300	1,811,834
Interest income from deposits with licensed financial institutions and current account at amortised cost		24,835	77,818
Net gain on financial assets at fair value through profit or loss	<b>8</b>	799,288	15,714,494
Net foreign exchange loss		<u>(674,724)</u>	<u>(430,195)</u>
		<u>1,824,699</u>	<u>17,173,951</u>
<b>EXPENSES</b>			
Management fee	<b>4</b>	1,545,450	2,089,619
Trustee fee	<b>5</b>	189,139	275,661
Transaction costs		650,482	923,161
Audit fee		13,600	13,600
Tax agent's fee		42,089	74,641
Other expenses		<u>216,207</u>	<u>218,555</u>
		<u>2,656,967</u>	<u>3,595,237</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(832,268)	13,578,714
Taxation	<b>7</b>	<u>-</u>	<u>(637,233)</u>
<b>(LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR</b>		<u>(832,268)</u>	<u>12,941,481</u>
(Loss)/Profit after taxation is made up as follows:			
Realised amount		(37,936)	4,178,079
Unrealised amount		<u>(794,332)</u>	<u>8,763,402</u>
		<u>(832,268)</u>	<u>12,941,481</u>

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

**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
*(formerly known as CIMB-Principal China-India-Indonesia Equity Fund)*

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2020**

	Note	2020 RM	2019 RM
<b>ASSETS</b>			
Cash and cash equivalents	9	3,040,203	5,115,155
Financial assets at fair value through profit or loss	8	73,424,363	94,624,663
Amount due from stockbrokers		-	959,661
Amount due from Manager		154,382	370,480
Amount due from Manager of collective investment schemes			
- Management fee rebate		260,496	177,586
Dividends receivable		41,329	73,886
<b>TOTAL ASSETS</b>		<u>76,920,773</u>	<u>101,321,431</u>
<b>LIABILITIES</b>			
Amount due to stockbrokers		-	1,055,879
Amount due to Manager		639,246	610,393
Accrued management fee		109,374	132,153
Amount due to Trustee		5,088	6,560
Other payables and accruals		14,200	16,100
<b>TOTAL LIABILITIES</b>		<u>767,908</u>	<u>1,821,085</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>76,152,865</u>	<u>99,500,346</u>
<b>EQUITY</b>			
Unit holders' capital		64,645,211	84,142,143
Retained earnings		11,507,654	15,358,203
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>76,152,865</u>	<u>99,500,346</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	10	<u>182,118,170</u>	<u>226,055,564</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.4181</u>	<u>0.4401</u>

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

**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
*(formerly known as CIMB-Principal China-India-Indonesia Equity Fund)*

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020**

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
<b>Balance as at 1 October 2019</b>		84,142,143	15,358,203	99,500,346
Movement in unit holders' contributions:				
- Creation of units from applications		27,161,966	-	27,161,966
- Creation of units from distribution		2,836,421	-	2,836,421
- Cancellation of units		(49,495,319)	-	(49,495,319)
Total comprehensive loss for the financial year		-	(832,268)	(832,268)
Distribution	<b>6</b>	-	(3,018,281)	(3,018,281)
<b>Balance as at 30 September 2020</b>		<u>64,645,211</u>	<u>11,507,654</u>	<u>76,152,865</u>
<b>Balance as at 1 October 2018</b>		121,278,020	2,416,722	123,694,742
Movement in unit holders' contributions:				
- Creation of units from applications		24,172,272	-	24,172,272
- Cancellation of units		(61,308,149)	-	(61,308,149)
Total comprehensive loss for the financial year		-	12,941,481	12,941,481
<b>Balance as at 30 September 2019</b>		<u>84,142,143</u>	<u>15,358,203</u>	<u>99,500,346</u>

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

**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
*(formerly known as CIMB-Principal China-India-Indonesia Equity Fund)*

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020**

	Note	2020 RM	2019 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from disposal of quoted securities		121,368,255	170,620,534
Purchase of quoted securities		(106,713,503)	(133,721,172)
Proceeds from disposal of collective investment schemes		6,269,415	1,402,228
Dividend income received		1,477,402	1,710,174
Interest income received from deposits with licensed financial institutions and current account		24,835	77,818
Management fee paid		(1,578,572)	(2,127,342)
Management fee rebates received		94,244	238,699
Trustee fee paid		(190,611)	(277,338)
Payment of other fees and expenses		(70,553)	(102,938)
Net realised foreign exchange loss		(415,475)	(506,411)
Foreign tax paid		-	(637,233)
<b>Net cash generated from operating activities</b>		<u>20,265,437</u>	<u>36,679,019</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		27,378,064	23,866,210
Payments for cancellation of units		(49,466,466)	(61,252,151)
Distribution paid		(181,860)	-
<b>Net cash used in financing activities</b>		<u>(22,270,262)</u>	<u>(37,385,941)</u>
Net decrease in cash and cash equivalents		(2,004,825)	(706,922)
Effect of foreign exchange differences		(70,127)	146,811
Cash and cash equivalents at the beginning of financial year		<u>5,115,155</u>	<u>5,677,266</u>
Cash and cash equivalents at the end of financial year	<b>9</b>	<u><u>3,040,203</u></u>	<u><u>5,115,155</u></u>
<u>Cash and cash equivalents comprised of:</u>			
Bank balances		2,467,176	3,537,018
Deposits with licensed financial institutions		<u>573,027</u>	<u>1,578,137</u>
Cash and cash equivalents at the end of the financial year	<b>9</b>	<u><u>3,040,203</u></u>	<u><u>5,115,155</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020**

**1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

Principal China-India-Indonesia Opportunities Fund (*formerly known as CIMB-Principal China-India-Indonesia Equity Fund*) (the “Fund”) is governed by a Principal Master Deed dated 15 May 2008, a Sixth Supplemental Master Deed dated 16 December 2009, a Thirteenth Supplemental Master Deed dated 26 June 2012, an Eighteenth Supplemental Master Deed dated 25 March 2015 and a Twentieth Supplemental Master Deed dated 21 October 2019 (collectively referred to as the “Deeds”), between Principal Asset Management Berhad (the “Manager”) and Universal Trustee (Malaysia) Berhad (the “Trustee”).

The Fund seeks to achieve its objective by investing primarily in equities and equity related securities of undervalued listed companies which are domiciled or have significant operations in China, India and Indonesia markets which offer attractive valuations and medium-term to long-term growth potential. The target companies are companies which are traded at attractive valuations and have the potential to ride on the future recovery and growth of China, India and Indonesia.

The ‘significant operations’ means the major business of the company. The Fund can invest in companies not only listed in China, India and Indonesia, but also those that have major businesses in China, India and Indonesia markets. For example, the Fund can invest in a company with business/operations in China but listed on HKEX. The threshold for ‘significant operations’ would be if more than 30% of total group revenue derive from China, India or Indonesia. Whereas, the ‘attractive valuations’ means stocks or companies that have valuations based on price/earnings or price-to-book ratios that are lower than the respective sector or country valuations at that time. Where necessary, we will obtain the licenses/permits for investments in countries that require licenses/permits. If we are unable to obtain the necessary licenses/permits, or the licenses/permits are revoked or not renewed (as the case may be), we will seek to invest in other accessible markets.

The Fund will generally invest between 70% to 98% (both inclusive) of its NAV in equities and equity related securities with at least 2% of the Fund’s NAV invested in liquid assets for liquidity purposes. The Fund may also invest up to 28% of its NAV in other permissible investments. The Fund’s allocation to each of the aforesaid countries will vary depending on the Manager and its delegate’s outlook for each country. The Fund may also opt to seek investment exposure via collective investment scheme that is in line with the Fund’s objective, subject to the requirement of the SC Guidelines.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund’s NAV will be invested in equities and equity related securities;
- up to 28% of the Fund’s NAV will be invested in other permissible investments; and
- at least 2% of the Fund’s NAV will be invested in liquid assets for liquidity purposes.

We have appointed Principal Asset Management (S) Pte Ltd (“Principal Singapore”), a company incorporated in Singapore as the Sub-Manager of the Fund. The Sub-Manager will be responsible for investing and managing the Fund in accordance with the investment objective and within the investment restrictions.

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.

**1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES (CONTINUED)**

The Fund has changed its name from CIMB-Principal China-India-Indonesia Equity Fund to Principal China-India-Indonesia Opportunities Fund following the issuance of the Replacement Master Prospectus dated 17 April 2020.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of preparation**

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

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

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

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

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

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

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

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

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **(a) Basis of preparation (continued)**

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

There are no new applicable standards, amendments to standards or interpretations effective for financial year beginning on/after 1 October 2020 that are applicable 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 OCI.

Investment in collective investment schemes have debt instrument with contractual cash flow that do not represent solely payment of principal and interest ("SPPI") and therefore are classified as fair value through profit or loss.

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

The Fund classifies cash and cash equivalents, amount due from stockbrokers, amount due from Manager, amount due from Manager of collective investment schemes 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Financial assets and financial liabilities (continued)**

Recognition and measurement

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

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

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

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

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

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.

Collective investment schemes are valued based on the most recent published NAV per unit or share of such collective investment schemes or, if unavailable, the last published price of such unit or share (excluding any sales charge included in such selling price).

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

Foreign quoted securities are valued 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 quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

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



## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **(b) Financial assets and financial liabilities (continued)**

#### Recognition and measurement (continued)

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.

#### Write-off

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

### **(c) Income recognition**

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

Interest income from deposits with licensed financial institutions is 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 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(d) Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances and deposits with licensed financial institutions held in highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(e) Management fee rebate**

Management fee rebate is derived from the collective investment schemes held by the Fund 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 schemes held.

**(f) Taxation**

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

Tax on investment income from foreign 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 taxes are not "income tax" in nature and are recognised and measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

**(g) Transaction costs**

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

**(h) Distribution**

A distribution to the Fund's unit holders is accounted for as a deduction from realized reserve. A proposed distribution is recognised as a liability in the financial year in which it is approved by the Trustee.

**(i) Amount due from/to stockbrokers**

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

These amounts are measured at amortised cost. At each reporting date, the Fund measure the loss allowance on amounts due from stockbrokers at an amount equal to the lifetime ECL if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month ECL. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(i) Amount due from/to stockbrokers (continued)**

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

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

**(j) 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 Malaysian Ringgit (“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) Units of the Fund are denominated in MYR;
- ii) Significant portion of the Fund’s expenses are denominated in MYR; and
- iii) Significant portion of the Fund’s investments 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 financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

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

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **(l) Unit holders' contributions**

The unit holders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the holder to a proportionate share of the Fund's NAV;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

### **(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 Funds' results and financial position are tested for sensitivity to changes in the underlying parameters.

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

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

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

**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
(formerly known as *CIMB-Principal China-India-Indonesia Equity Fund*)

**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES**

Financial instruments of the Fund are as follows:

	<b>Financial assets at fair value through profit or loss RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Total RM</b>
<b>2020</b>			
Cash and cash equivalents (Note 9)	-	3,040,203	3,040,203
Collective investment schemes (Note 8)	1,753,776	-	1,753,776
Quoted securities (Note 8)	71,670,587	-	71,670,587
Amount due from Manager	-	154,382	154,382
Amount due from Manager of collective investment schemes			
- Management fee rebate	-	260,496	260,496
Dividends receivable	-	41,329	41,329
	<u>73,424,363</u>	<u>3,496,410</u>	<u>76,920,773</u>
<b>2019</b>			
Cash and cash equivalents (Note 9)	-	5,115,155	5,115,155
Collective investment schemes (Note 8)	9,723,078	-	9,723,078
Quoted securities (Note 8)	84,901,585	-	84,901,585
Amount due from stockbrokers	-	959,661	959,661
Amount due from Manager	-	370,480	370,480
Amount due from Manager of collective investment schemes			
- Management fee rebate	-	177,586	177,586
Dividends receivable	-	73,886	73,886
	<u>94,624,663</u>	<u>6,696,768</u>	<u>101,321,431</u>

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

The Fund aims to achieve medium to long-term capital appreciation by capitalizing on investments ideas in undervalued listed companies which are domiciled or have significant operations in China, India and Indonesia.

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

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

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

**(a) Market risk**

**(i) Price risk**

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

The price risk is managed through diversification and selection of collective investment schemes, quoted securities and other financial instruments within specified limits according to the Deeds.

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

	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
Financial assets at fair value through profit or loss:		
- Collective investment schemes	1,753,776	9,723,078
- Quoted securities	<u>71,670,587</u>	<u>84,901,585</u>
	<u>73,424,363</u>	<u>94,624,663</u>

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

<b>% Change in price of collective investment schemes and quoted securities</b>	<b>Market value</b>	<b>Impact on profit or loss/NAV</b>
	<b>RM</b>	<b>RM</b>
<b>2020</b>		
-5%	69,753,145	(3,671,218)
0%	73,424,363	-
5%	<u>77,095,581</u>	<u>3,671,218</u>
<b>2019</b>		
-5%	89,893,430	(4,731,233)
0%	94,624,663	-
5%	<u>99,355,896</u>	<u>4,731,233</u>

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

**(a) Market risk (continued)**

**(ii) Interest rate risk**

Interest rate is a general economic indicator that will have an impact on the management of the Fund.

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Fund's exposure to fair value interest rate risk arises from investment in money market instruments. The interest rate risk is expected to be minimal as the Fund's investments comprise mainly short-term deposits with approved licensed financial institutions.

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

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

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

The weighted average effective interest rate per annum is as follows:

	<b>2020</b>	<b>2019</b>
	%	%
Deposits with licensed financial institutions	1.75	3.15

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

**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
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**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**(a) Market risk (continued)**

**(iii) Currency risk (continued)**

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

Financial assets	Cash and cash equivalents RM	Financial Assets at fair value through profit or loss RM	Amount due from stock-brokers RM	Amount due from Manager of collective investment schemes RM	Dividends receivable RM	Total RM
<b>2020</b>						
CNY	624	3,378,687	-	-	-	3,379,311
HKD	762,431	22,372,296	-	-	28,955	23,163,682
IDR	-	14,411,877	-	260,496	-	14,672,373
INR	2,166	24,663,302	-	-	6,674	24,672,142
USD	1,681,298	8,598,201	-	-	5,700	10,285,199
	<u>2,446,519</u>	<u>73,424,363</u>	<u>-</u>	<u>260,496</u>	<u>41,329</u>	<u>76,172,707</u>
<b>2019</b>						
CNY	538	-	-	-	-	538
HKD	-	17,911,642	959,661	-	28,371	18,899,674
IDR	-	36,162,926	-	177,586	-	36,340,512
INR	68	30,340,635	-	-	19,676	30,360,379
USD	3,516,106	10,209,460	-	-	25,839	13,751,405
	<u>3,516,712</u>	<u>94,624,663</u>	<u>959,661</u>	<u>177,586</u>	<u>73,886</u>	<u>99,352,508</u>

**Financial liabilities**

**Amount due to stockbrokers  
RM**

**2019**

HKD

1,055,879

1,055,879

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



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

**(a) Market risk (continued)**

**(iii) Currency risk (continued)**

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

	Change in foreign exchange rate		Impact on profit or loss/NAV	
			2020	2019
		%	RM	RM
CNY	+/-5	+/-168,966	+/-27	
HKD	+/-5	+/-1,158,184	+/-892,190	
IDR	+/-5	+/-733,619	+/-1,817,026	
INR	+/-5	+/-1,233,607	+/-1,518,019	
USD	+/-5	+/-51,4260	+/-687,570	
		+/-3,808,636	+/-4,914,832	

**(b) Credit risk**

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

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

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

For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulation 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 amount due from Manager of collective investment schemes, the Fund will invest with an investment management company of the collective investment schemes which is authorised or approved by the relevant regulatory authority in its home jurisdiction.

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

**(b) Credit risk**

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

Financial assets	Cash and cash equivalents RM	Amount due from stock-brokers RM	Amount due from Manager RM	Amount due from Manager of collective investment schemes RM	Dividends receivable RM	Total RM
<b>2020</b>						
- AAA	3,040,203	-	-	-	-	3,040,203
- Not Rated	-	-	154,382	260,496	41,329	456,207
	<u>3,040,203</u>	<u>-</u>	<u>154,382</u>	<u>260,496</u>	<u>41,329</u>	<u>3,496,410</u>
<b>2019</b>						
- AAA	5,115,155	-	-	-	-	5,115,155
- Not Rated	-	959,661	370,480	177,586	73,886	1,581,613
	<u>5,115,155</u>	<u>959,661</u>	<u>370,480</u>	<u>177,586</u>	<u>73,886</u>	<u>6,696,768</u>

All deposits with licensed financial institutions of the Fund have an average maturity of 1 day (2019: 1 day).

**(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, deposits with licensed financial institutions and other instruments, 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. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining year as at the end of the reporting year to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

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

**(c) Liquidity risk (continued)**

	<b>Less than 1 month RM</b>	<b>Between 1 month to 1 year RM</b>	<b>Total RM</b>
<b>2020</b>			
Amount due to Manager	639,246	-	639,246
Accrued management fee	109,374	-	109,374
Amount due to Trustee	5,088	-	5,088
Other payables and accruals	-	14,200	14,200
<b>Contractual undiscounted cash flows</b>	<b>753,708</b>	<b>14,200</b>	<b>767,908</b>
<b>2019</b>			
Amount due to stockbrokers	1,055,879	-	1,055,879
Amount due to Manager	610,393	-	610,393
Accrued management fee	132,153	-	132,153
Amount due to Trustee	6,560	-	6,560
Other payables and accruals	-	16,100	16,100
<b>Contractual undiscounted cash flows</b>	<b>1,804,985</b>	<b>16,100</b>	<b>1,821,085</b>

**(d) Capital risk management**

The capital of the Fund is represented by equity consisting of unit holders' capital of RM64,645,211 (2019: RM84,142,143) and retained earnings of RM11,507,654 (2019: RM15,358,203). 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 values of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial year 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.

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

**(e) Fair value estimation (continued)**

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

(i) Fair value hierarchy

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

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

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2020</b>				
Financial assets at fair value through profit or loss:				
- Collective investment schemes	1,753,776	-	-	1,753,776
- Quoted securities	71,670,587	-	-	71,670,587
	73,424,363	-	-	73,424,363

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

**(e) Fair value estimation (continued)**

**(i) Fair value hierarchy (continued)**

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2019</b>				
Financial assets at fair value through profit or loss:				
- Collective investment schemes	9,723,078	-	-	9,723,078
- Quoted securities	<u>84,901,585</u>	<u>-</u>	<u>-</u>	<u>84,901,585</u>
	<u>94,624,663</u>	<u>-</u>	<u>-</u>	<u>94,624,663</u>

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

- (ii) The carrying values of cash and cash equivalents, amount due from stockbrokers, amount due from Manager, amount due from Manager of collective investment schemes, 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 financial year ended 30 September 2020, the management fee is recognised at a rate of 1.80% per annum (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**

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 the local custodian fee but excludes the foreign sub-custodian fee (if any). Foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears.

For the financial year ended 30 September 2020, the Trustee fee is recognised at a rate of 0.08% per annum (2019: 0.08% per annum). During the financial year ended 30 September 2020, the Fund incurred custodian fees of RM120,452 (2019: RM182,790).

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

**6. DISTRIBUTION**

Distribution to unit holders is derived from the following sources:

	<b>2020</b> <b>RM</b>
Prior financial year's realised income	4,104,537
Less:	
Expenses	(875,810)
Taxation	(210,446)
Net distribution amount	3,018,281
 Distribution on 18 October 2019	
Gross/Net distribution per unit (sen)	1.34

Gross distribution is derived using total income less total expenses. Net distribution above is sourced from current and prior financial years' realised income.

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

During the financial year ended 30 September 2020, the Fund incurred unrealised loss of RM794,332.

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**7. TAXATION**

	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
Tax charged for the financial year:		
- Current taxation	-	-

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

	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
(Loss)/Profit before taxation	(832,268)	12,941,481
Taxation at Malaysian statutory rate of 24%	(199,744)	3,105,955
Tax effects of:		
- Investment income not subject to tax	(437,928)	(4,121,748)
- Expenses not deductible for tax purposes	261,150	510,061
- Restriction on tax deductible expenses for Unit Trust Funds	376,522	505,732
Taxation	-	-

**8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
At fair value through profit or loss:		
- Collective investment schemes	1,753,776	9,723,078
- Quoted securities	71,670,587	84,901,585
	73,424,363	94,624,663
Net gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	1,356,759	6,764,251
- Unrealised fair value (loss)/gain	(724,283)	8,609,963
- Management fee rebate #	166,812	340,280
	799,288	15,714,494

# Management fee rebate is derived from the collective investment schemes held by the Fund 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.

For the financial year ended 30 September 2020, the rebate is recognised at a rate of 2.00% per annum (2019: 2.00% per annum) for Reksa Dana Principal Indo Domestic Equity Fund and 1.75% per annum for Reksa Dana Principal SMART Equity Fund (2019: 1.75% per annum) respectively, calculated and accrued daily based on the NAV of the collective investment schemes.

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**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 %
<b>2020</b>				
<b>COLLECTIVE INVESTMENT SCHEMES</b>				
Reksa Dana Principal Indo Domestic Equity Fund <i>(formerly known as Reksa Dana CIMB-Principal Indo Domestic Equity Fund)</i>	5,370,771	1,444,578	1,032,777	1.35
Reksa Dana Principal SMART Equity Fund <i>(formerly known as Reksa Dana CIMB-Principal SMART Equity Fund)</i>	<u>3,355,454</u>	<u>1,091,567</u>	<u>720,999</u>	<u>0.95</u>
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES</b>	<b><u>8,726,225</u></b>	<b><u>2,536,145</u></b>	<b><u>1,753,776</u></b>	<b><u>2.30</u></b>
<b>ACCUMULATED UNREALISED LOSS ON COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>(782,369)</u></b>		
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>1,753,776</u></b>		



**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
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**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 %
<b>2020 (CONTINUED)</b>				
<b>QUOTED SECURITIES</b>				
<b>CAYMAN ISLANDS</b>				
<b>Consumer Discretionary</b>				
Alibaba Group Holding Ltd	45,200	5,426,947	6,679,508	8.77
<b>TOTAL CAYMAN ISLANDS</b>	<b>45,200</b>	<b>5,426,947</b>	<b>6,679,508</b>	<b>8.77</b>
<b>CHINA</b>				
<b>Consumer Discretionary</b>				
China Tourism Group Duty Free Corp Ltd - A <sup>1</sup>	5,945	808,624	811,132	1.07
<b>Health Care</b>				
WuXi AppTec Co Ltd	13,500	823,388	805,667	1.06
<b>Industrials</b>				
Centre Testing International Group Co Ltd - A <sup>1</sup>	51,300	759,642	766,995	1.01
<b>Information Technology</b>				
Hangzhou Hikvision Digital Technology Co Ltd	77,200	1,674,129	1,800,560	2.36
<b>TOTAL CHINA</b>	<b>147,945</b>	<b>4,065,783</b>	<b>4,184,354</b>	<b>5.50</b>

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**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 %
<b>2020 (CONTINUED)</b>				
<b>QUOTED SECURITIES</b>				
<b>(CONTINUED)</b>				
<b>HONG KONG, CHINA</b>				
<b>Communication Services</b>				
Tencent Holdings Ltd	22,900	3,912,386	6,280,698	8.25
<b>Consumer Discretionary</b>				
Meituan Dianping	9,300	1,211,893	1,205,774	1.58
<b>Financials</b>				
AIA Group Ltd	23,000	929,918	936,044	1.23
<b>Health Care</b>				
Jinxin Fertility Group Ltd	288,000	1,894,230	1,507,194	1.98
<b>Industrials</b>				
China Conch Venture Holdings Ltd	36,500	743,941	702,610	0.92
Techtronic Industries Co Ltd	35,000	1,173,347	1,906,727	2.51
	71,500	1,917,288	2,609,337	3.43
<b>Information Technology</b>				
Kingboard Laminates Holdings Ltd	193,500	787,319	1,099,800	1.44
<b>Real Estate</b>				
China Overseas Land & Investment Ltd	120,000	1,626,386	1,248,274	1.64
<b>TOTAL HONG KONG, CHINA</b>	<b>728,200</b>	<b>12,279,420</b>	<b>14,887,121</b>	<b>19.55</b>

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**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 %
<b>2020 (CONTINUED)</b>				
<b>QUOTED SECURITIES</b>				
<b>(CONTINUED)</b>				
<b>INDIA</b>				
<b>Consumer Discretionary</b>				
Titan Co Ltd	22,364	1,287,335	1,512,612	1.99
<b>Consumer Staples</b>				
Hindustan Unilever Ltd	8,762	1,045,229	1,020,269	1.34
<b>Energy</b>				
Reliance Industries Ltd	48,213	2,987,230	5,887,503	7.73
<b>Financials</b>				
HDFC Bank Ltd	51,409	3,194,213	3,121,821	4.10
HDFC Life Insurance Co Ltd	40,645	1,379,948	1,280,083	1.68
Housing Development Finance Corp Ltd	34,539	3,508,496	3,383,607	4.45
ICICI Bank Ltd	39,773	852,968	794,363	1.04
	<u>166,366</u>	<u>8,935,625</u>	<u>8,579,874</u>	<u>11.27</u>
<b>Health Care</b>				
Apollo Hospitals Enterprise Ltd	8,948	843,434	1,082,128	1.42
<b>Industrials</b>				
Larsen & Toubro Ltd	22,806	2,004,650	1,157,634	1.52
<b>Information Technology</b>				
Tata Consultancy Services Ltd	21,608	2,508,286	3,031,959	3.98
<b>Materials</b>				
Asian Paints Ltd	8,647	857,872	967,031	1.27
<b>Utilities</b>				
Indraprastha Gas Ltd	65,404	1,545,072	1,424,292	1.87
<b>TOTAL INDIA</b>	<b><u>373,118</u></b>	<b><u>22,014,733</u></b>	<b><u>24,663,302</u></b>	<b><u>32.39</u></b>

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**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 %
<b>2020 (CONTINUED)</b>				
<b>QUOTED SECURITIES</b>				
<b>(CONTINUED)</b>				
<b>INDONESIA</b>				
<b>Communication Services</b>				
Media Nusantara Citra TBK PT	2,545,500	668,532	510,424	0.67
Telekomunikasi Indonesia Persero TBK PT	1,955,300	1,987,875	1,394,051	1.83
	<u>4,500,800</u>	<u>2,656,407</u>	<u>1,904,475</u>	<u>2.50</u>
<b>Consumer Discretionary</b>				
Astra International TBK PT	987,000	1,329,370	1,225,963	1.61
Mitra Adiperkasa TBK PT	4,898,300	1,347,864	777,581	1.02
	<u>5,885,300</u>	<u>2,677,234</u>	<u>2,003,544</u>	<u>2.63</u>
<b>Financials</b>				
Bank Central Asia TBK PT	455,300	3,473,597	3,436,308	4.51
Bank Mandiri Persero TBK PT	513,000	933,892	708,638	0.93
Bank Rakyat Indonesia Persero TBK PT	2,746,000	2,463,838	2,324,873	3.06
Bank Tabungan Pensiunan Nasional TBK PT	811,000	756,635	740,832	0.97
	<u>4,525,300</u>	<u>7,627,962</u>	<u>7,210,651</u>	<u>9.47</u>
<b>Materials</b>				
Indocement Tunggal Prakarsa TBK PT	292,600	1,171,205	847,487	1.11
<b>Real Estate</b>				
Ciputra Development TBK PT	3,852,000	1,013,664	691,944	0.91
<b>TOTAL INDONESIA</b>	<b><u>19,056,000</u></b>	<b><u>15,146,472</u></b>	<b><u>12,658,101</u></b>	<b><u>16.62</u></b>

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**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 %
<b>2020 (CONTINUED)</b>				
<b>QUOTED SECURITIES</b>				
<b>(CONTINUED)</b>				
<b>NETHERLANDS</b>				
<b>Information Technology</b>				
ASML Holding N.V.	754	1,135,086	1,156,875	1.52
<b>TOTAL NETHERLANDS</b>	<b>754</b>	<b>1,135,086</b>	<b>1,156,875</b>	<b>1.52</b>
<b>UNITED STATES</b>				
<b>Communication Services</b>				
Sea Ltd	4,718	2,240,005	3,019,691	3.97
<b>Consumer Discretionary</b>				
New Oriental Education & Technology Group Inc	4,627	2,316,257	2,874,165	3.77
<b>Information Technology</b>				
Taiwan Semiconductor Manufacturing Co Ltd - ADR <sup>3</sup>	4,594	1,503,260	1,547,470	2.03
<b>TOTAL UNITED STATES</b>	<b>13,939</b>	<b>6,059,522</b>	<b>7,441,326</b>	<b>9.77</b>
<b>TOTAL QUOTED SECURITIES</b>	<b>20,365,156</b>	<b>66,127,963</b>	<b>71,670,587</b>	<b>94.12</b>
<b>ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>5,542,624</u>		
<b>TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>71,670,587</u>		

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**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 %
<b>2019</b>				
<b>COLLECTIVE INVESTMENT SCHEMES</b>				
Reksa Dana CIMB-Principal Indo Domestic Equity Fund	9,919,754	2,668,119	2,746,924	2.76
Reksa Dana CIMB-Principal SMART Equity Fund	<u>22,269,718</u>	<u>7,244,588</u>	<u>6,976,154</u>	<u>7.01</u>
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES</b>	<b><u>32,189,472</u></b>	<b><u>9,912,707</u></b>	<b><u>9,723,078</u></b>	<b><u>9.77</u></b>
<b>ACCUMULATED UNREALISED LOSS ON COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>(189,629)</u>		
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>9,723,078</u>		

**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
(formerly known as *CIMB-Principal China-India-Indonesia Equity 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 %
<b>2019 (CONTINUED)</b>				
<b>QUOTED SECURITIES</b>				
<b>CAYMAN ISLANDS</b>				
<b>Consumer Discretionary</b>				
Alibaba Group Holding Ltd	6,869	4,671,110	4,809,045	4.83
<b>TOTAL CAYMAN ISLANDS</b>	<b>6,869</b>	<b>4,671,110</b>	<b>4,809,045</b>	<b>4.83</b>
<b>CHINA</b>				
<b>Real Estate</b>				
China Vanke Co Ltd - H <sup>2</sup>	65,800	1,000,880	959,246	0.96
<b>TOTAL CHINA</b>	<b>65,800</b>	<b>1,000,880</b>	<b>959,246</b>	<b>0.96</b>
<b>HONG KONG, CHINA</b>				
<b>Communication Services</b>				
Tencent Holdings Ltd	26,600	4,442,012	4,690,293	4.71
<b>Consumer Discretionary</b>				
TCL Electronics Holdings Ltd	1,666,000	3,577,932	3,496,300	3.50
<b>Energy</b>				
CNOOC Ltd	161,000	1,116,535	1,028,249	1.04
<b>Financials</b>				
AIA Group Ltd	25,000	927,986	988,568	1.00
<b>Health Care</b>				
Jinxin Fertility Group Ltd	480,000	3,023,518	2,911,795	2.93
Wuxi Biologics Cayman Inc	45,500	2,012,979	1,943,760	1.95
	<u>525,500</u>	<u>5,036,497</u>	<u>4,855,555</u>	<u>4.88</u>

**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
(formerly known as *CIMB-Principal China-India-Indonesia Equity 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 %
<b>2019 (CONTINUED)</b>				
<b>QUOTED SECURITIES</b>				
<b>(CONTINUED)</b>				
<b>HONG KONG, CHINA</b>				
<b>(CONTINUED)</b>				
<b>Industrials</b>				
Techtronic Industries Co Ltd	65,000	1,775,651	1,893,431	1.91
<b>TOTAL HONG KONG, CHINA</b>	<b>2,469,100</b>	<b>16,876,613</b>	<b>16,952,396</b>	<b>17.04</b>
<b>INDIA</b>				
<b>Consumer Discretionary</b>				
Maruti Suzuki India Ltd	3,698	1,523,079	1,467,750	1.47
<b>Energy</b>				
Reliance Industries Ltd	46,449	2,900,528	3,657,207	3.67
<b>Financials</b>				
HDFC Bank Ltd	33,964	2,239,649	2,463,827	2.47
Housing Development Finance Corp Ltd	16,568	1,736,621	1,935,866	1.95
ICICI Bank Ltd	61,535	1,568,112	1,577,245	1.59
	<u>112,067</u>	<u>5,544,382</u>	<u>5,976,938</u>	<u>6.01</u>
<b>Health Care</b>				
Dr Reddy's Laboratories Ltd	6,305	906,519	1,006,927	1.02
<b>Industrials</b>				
Larsen & Toubro Ltd	44,486	3,910,324	3,875,984	3.90
<b>Information Technology</b>				
Infosys Ltd	79,097	3,484,799	3,766,118	3.79
Tata Consultancy Services Ltd	36,051	4,237,253	4,472,798	4.49
	<u>115,148</u>	<u>7,722,052</u>	<u>8,238,916</u>	<u>8.28</u>



**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
(formerly known as *CIMB-Principal China-India-Indonesia Equity 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 %
<b>2019 (CONTINUED)</b>				
<b>QUOTED SECURITIES</b>				
<b>(CONTINUED)</b>				
<b>INDIA (CONTINUED)</b>				
<b>Materials</b>				
Asian Paints Ltd	14,311	1,175,328	1,490,390	1.50
Ultra Tech Cement Ltd	4,287	1,173,174	1,099,906	1.11
	<u>18,598</u>	<u>2,348,502</u>	<u>2,590,296</u>	<u>2.61</u>
<b>Real Estate</b>				
Godrej Properties Ltd	48,831	2,457,956	2,997,597	3.00
<b>Utilities</b>				
Indraprastha Gas Ltd	25,597	458,388	529,020	0.53
<b>TOTAL INDIA</b>	<b><u>421,179</u></b>	<b><u>27,771,730</u></b>	<b><u>30,340,635</u></b>	<b><u>30.49</u></b>
<b>INDONESIA</b>				
<b>Communication Services</b>				
Telekomunikasi Indonesia Persero TBK PT	4,545,100	5,091,024	5,774,950	5.80
<b>Consumer Discretionary</b>				
Astra International TBK PT	259,600	582,668	505,099	0.51
Mitra Adiperkasa TBK PT	5,128,600	1,519,092	1,557,269	1.57
	<u>5,388,200</u>	<u>2,101,760</u>	<u>2,062,368</u>	<u>2.08</u>
<b>Financials</b>				
Bank Central Asia TBK PT	247,100	1,706,727	2,210,848	2.22
Bank Mandiri Persero TBK PT	1,697,400	3,621,026	3,490,245	3.51
Bank Rakyat Indonesia Persero TBK PT	5,145,400	5,688,103	6,249,479	6.28
	<u>7,089,900</u>	<u>11,015,856</u>	<u>11,950,572</u>	<u>12.01</u>

**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
(formerly known as *CIMB-Principal China-India-Indonesia Equity 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 %
<b>2019 (CONTINUED)</b>				
<b>QUOTED SECURITIES</b>				
<b>(CONTINUED)</b>				
<b>INDONESIA</b>				
<b>(CONTINUED)</b>				
<b>Materials</b>				
Semen Indonesia Persero TBK PT	540,500	1,944,686	1,840,370	1.85
<b>Real Estate</b>				
Ciputra Development TBK PT	8,818,200	2,687,634	2,742,584	2.76
PT Puradelta Lestari TBK PT	24,887,700	1,108,492	2,069,004	2.08
	<u>33,705,900</u>	<u>3,796,126</u>	<u>4,811,588</u>	<u>4.84</u>
<b>TOTAL INDONESIA</b>	<b><u>51,269,600</u></b>	<b><u>23,949,452</u></b>	<b><u>26,439,848</u></b>	<b><u>26.58</u></b>
<b>UNITED STATES</b>				
<b>Information</b>				
<b>Technology</b>				
Taiwan Semiconductor Manufacturing Co Ltd - ADR <sup>3</sup>	27,753	4,957,633	5,400,415	5.43
<b>TOTAL UNITED STATES</b>	<b><u>27,753</u></b>	<b><u>4,957,633</u></b>	<b><u>5,400,415</u></b>	<b><u>5.43</u></b>
<b>TOTAL QUOTED SECURITIES</b>	<b><u>54,260,301</u></b>	<b><u>79,227,418</u></b>	<b><u>84,901,585</u></b>	<b><u>85.33</u></b>
<b>ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<b><u>5,674,167</u></b>		
<b>TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<b><u>84,901,585</u></b>		

**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
*(formerly known as CIMB-Principal China-India-Indonesia Equity Fund)*

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

- <sup>1</sup> 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.
- <sup>2</sup> 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.
- <sup>3</sup> ADR, or American depositary receipt, is a negotiable certificate issued by a U.S. bank representing a specified number of shares (or one share) in a foreign stock that is traded on a U.S. exchange. ADRs are denominated in U.S. dollars, with the underlying security held by a U.S. financial institution overseas. ADRs help to reduce administration and duty costs that would otherwise be levied on each transaction.

**9. CASH AND CASH EQUIVALENTS**

	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
Deposits with licensed financial institutions	573,027	1,578,137
Bank balances	2,467,176	3,537,018
	<u>3,040,203</u>	<u>5,115,155</u>

**10. NUMBER OF UNITS IN CIRCULATION (UNITS)**

	<b>2020</b>	<b>2019</b>
	<b>No. of units</b>	<b>No. of units</b>
At the beginning of the financial year	226,055,564	310,818,006
Add: Creation of units from applications	66,933,938	55,471,662
Add: Creation of units from distribution	6,531,019	-
Less: Cancellation of units	(117,402,351)	(140,234,104)
At the end of the financial year	<u>182,118,170</u>	<u>226,055,564</u>

**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
*(formerly known as CIMB-Principal China-India-Indonesia Equity Fund)*

**11. MANAGEMENT EXPENSE RATIO (“MER”)**

	<b>2020</b>	<b>2019</b>
	%	%
MER	2.09	2.12

MER is derived based on the following calculation:

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

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

The average NAV of the Fund for the financial year calculated on a daily basis is RM85,804,629 (2019: RM116,052,961).

**12. PORTFOLIO TURNOVER RATIO (“PTR”)**

	<b>2020</b>	<b>2019</b>
PTR (times)	1.35	1.29

PTR is derived based on the following calculation:

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

where:

- total acquisition for the financial year = RM105,330,133 (2019: RM130,589,847)
- total disposal for the financial year = RM126,806,150 (2019: RM169,072,451)

**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
(formerly known as *CIMB-Principal China-India-Indonesia Equity Fund*)

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

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

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

Units held by the Manager and parties related to the Manager

	<u>2020</u>		<u>2019</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
<b>Manager</b>				
Principal Asset Management Berhad	51,968	21,728	153,942	67,750

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

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

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

**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
(formerly known as *CIMB-Principal China-India-Indonesia Equity Fund*)

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

	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
<u>Significant related party transactions</u>		
Interest income from deposits with licensed financial institution:		
- CIMB Bank Bhd	53	574
Deposits with licensed financial institution:		
- CIMB Bank Bhd	331,000	3,461,000

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

**14. TRANSACTIONS WITH BROKERS/DEALERS**

Details of transactions with the top 10 brokers/dealers for the financial year ended 30 September 2020 are as follows:

<b>Brokers/Dealers</b>	<b>Value of trades</b>	<b>Percentage of total trades</b>	<b>Brokerage fees</b>	<b>Percentage of total brokerage fees</b>
	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>%</b>
Citigroup Global Markets Ltd	31,406,113	13.89	19,675	4.54
Macquarie Capital Securities (Malaysia) Sdn Bhd	25,399,998	11.23	67,896	15.66
Instinet Pacific Ltd	24,064,320	10.64	69,758	16.09
DBS Vickers Securities (Singapore) Pte Ltd	23,812,770	10.53	45,308	10.45
Shenwan Hongyuan Singapore Pte Ltd	20,099,430	8.89	30,149	6.95
CLSA Ltd	13,923,869	6.16	17,838	4.11
Daiwa Capital Markets Singapore Ltd	13,896,985	6.14	34,742	8.01
China International Capital Corporation Hong Kong Securities Ltd	12,054,454	5.33	29,913	6.90
J.P. Morgan Securities LLC	11,074,707	4.90	3,322	0.77
Morgan Stanley	11,025,083	4.87	27,563	6.36
Others #	39,402,099	17.42	87,393	20.16
	226,159,828	100.00	433,557	100.00

**PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND**  
(formerly known as *CIMB-Principal China-India-Indonesia Equity Fund*)

**14. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)**

Details of transactions with the top 10 brokers/dealers for the financial year ended 30 September 2019 are as follows:

<b>Brokers/Dealers</b>	<b>Value of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
Instinet Pacific Ltd	29,254,521	9.76	85,003	13.88
Citigroup Global Markets Ltd	25,857,987	8.63	33,874	5.53
CLSA (Hong Kong) Ltd	25,274,895	8.43	49,660	8.11
J.P. Morgan Securities LLC	24,759,498	8.26	7,428	1.21
DBS Vickers Securities (Singapore) Pte Ltd	24,652,357	8.23	54,654	8.93
Credit Suisse (Hong Kong) Ltd	23,838,208	7.96	48,676	7.95
Shenwan Hongyuan Singapore Pte Ltd	23,581,120	7.87	35,372	5.78
Macquarie Securities (Singapore) Pte Ltd	22,360,660	7.46	66,450	10.85
Sanford C. Bernstein (Hong Kong) Ltd	21,401,275	7.14	58,096	9.49
CGS-CIMB Securities (Singapore) Pte Ltd #	15,838,360	5.29	32,405	5.29
Others #	<u>62,843,417</u>	<u>20.97</u>	<u>140,650</u>	<u>22.98</u>
	<u>299,662,298</u>	<u>100.00</u>	<u>612,268</u>	<u>100.00</u>

# Included in the transactions are trades conducted with CGS-CIMB Securities (Singapore) Pte Ltd and PT Principal Asset Management, related parties to the Manager amounting to RM10,457,941 (2019: RM15,835,360) and Nil (2019: RM1,402,227). The Manager is of the opinion that all transactions with the related party have been entered into in the normal course of business at agreed terms between the related party.

**15. SIGNIFICANT EVENT DURING THE YEAR**

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

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

**16. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved for issue by the Manager on 16 November 2020.

## **DIRECTORY**

### **Head Office of the Manager**

Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))  
10<sup>th</sup> Floor, Bangunan CIMB,  
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### **Customer Care Centre**

(03) 7718 3000

### **Trustee for the Principal China-India-Indonesia Opportunities Fund** *(formerly known as CIMB-Principal China-India-Indonesia Equity Fund)*

Universal Trustee (Malaysia) Berhad (Company No.:17540-D)  
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### **Auditors of the Fund and of the Manager**

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**199401018399 (304078-K)**

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