

Principal Dynamic Growth Fund

(formerly known as CIMB-Principal Dynamic
Growth Fund)

Annual Report

For The Financial Year Ended 31 March 2020

PRINCIPAL DYNAMIC GROWTH FUND
(formerly known as CIMB-Principal Dynamic Growth Fund)

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

CONTENTS	PAGE(S)
INVESTORS' LETTER	1
MANAGER'S REPORT	2 - 9
Fund Objective and Policy	
Performance Data	
Market Review	
Fund Performance	
Portfolio Structure	
Market Outlook	
Investment Strategy	
Unit Holdings Statistics	
Soft Commissions and Rebates	
STATEMENT BY MANAGER	10
TRUSTEE'S REPORT	11
INDEPENDENT AUDITORS' REPORT	12 - 15
STATEMENT OF COMPREHENSIVE INCOME	16
STATEMENT OF FINANCIAL POSITION	17
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	18
STATEMENT OF CASH FLOWS	19
NOTES TO THE FINANCIAL STATEMENTS	20 - 53
DIRECTORY	54

INVESTORS' LETTER

Dear Valued Investor,

We are now two months into our shared “quarantine” and I hope you and your family are staying well. Around the world, communities and Governments are working together to break the chain of the Coronavirus Disease 2019 (“COVID-19”). This unprecedented crisis has been met with unimaginable action. The global response to fighting the pandemic has been encouraging.

Global equity market has shown signs of recovery towards the end of April 2019 in rebounding by approximately 11% from a decline in March 2019 of this year. Governments around the world launched fiscal stimulus packages, estimated at over 3% of global Gross Domestic Product (“GDP”), to help stabilise their local businesses and citizens amongst the strain that COVID-19 has placed on all of us. In Malaysia alone, the Government unveiled a RM260 billion stimulus package.

As an investment house, we’re refining our short-term asset allocation within our investment portfolio to an equal split between equities and fixed income. We favour Large cap, high quality defensive stocks and Asian equities due to the region having more policy room relative to the rest of the world and China is likely to return to normalcy ahead of the rest. For our:

- **Conservative investors, we recommend:** Malaysia focus bond and balanced funds that consistently pay dividends.
- **More aggressive investors, we recommend:** Growth-oriented funds that offer exposure to growth areas in China, Asia-Pacific and Global Technology.

I know this may be a challenging time for you. Please know we’re committed to being by your side throughout this year and beyond. I encourage you to check our website (www.principal.com.my) and Facebook account (@PrincipalAssetMY) for up-to-date market commentaries and investment content.

We are well positioned and experienced to manage through this period of adversity. While we may face some short-term challenges and headwinds, we will continue to focus on what we can control, and I have no doubt that we will emerge from this crisis stronger.

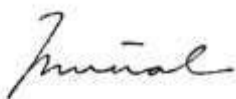
Because of the trust you’ve placed in us, we continue to win accolades - the most recent recognition coming from Lipper Refinitiv for our Principal Titans Income Plus Fund (*formerly known as CIMB-Principal Equity Income Fund*) on its 2019 performance.

Please be informed that effective 31 December 2019, the Fund has been renamed as Principal Dynamic Growth Fund following the issuance of the Replacement Information Memorandum Issue No.2.

Even in challenging times, we all can celebrate the simple joys. To that end, my sincere wishes to our Muslim customers for a most peaceful and blessed Ramadhan Kareem.

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

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



Munirah Khairuddin
Chief Executive Officer

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

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

Has the Fund achieved its objective?

The Fund has achieved its objective of capital appreciation over the medium to long term.

What are the Fund investment policy and principal investment strategy?

The Fund will be managed with the aim of achieving a stable and positive investment returns over the medium to long term regardless of market conditions.

As this is an equity fund, under general market conditions, the Fund will invest in equities of companies which the Manager believes will exhibit good growth potential* when compared against its peers or the overall market. However, as the Fund adopts a dynamic strategy, the Fund may also be managed defensively by investing all or a substantial portion of its assets in debt instruments, money market instruments and/or deposits, when the Manager believes that the equity markets that the Fund invests in are experiencing excessive volatility, expected prolonged declines, or when there are other adverse conditions, such as political instability. 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 requirements of the Securities Commission Malaysia ("SC") Guidelines.

The asset allocation strategy for this Fund is as follows:

- Up to 100% of the Fund's Net Asset Value ("NAV") will be invested in equities; and
- Up to 100% of the Fund's NAV may be invested in debt instruments, money market instruments and/or deposits.

The investment universe of the Fund is unconstrained, but the Fund will generally focus its investment in the Asia Pacific ex Japan region, i.e. companies that are domiciled in, listed in, and/or have operations or businesses that focus in the Asia Pacific ex Japan region.

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

The Sub-Manager will adopt an active investment strategy by using a bottom-up equity selection process in searching for companies taking into consideration its growth potential compared against its peers or the overall market. To complement this strategy, the Sub-Manager combines it with a top-down risk framework and will actively trade the securities in the portfolio of the Fund. Analysis and studies will be made on the trends in the marketplace and how the trends can be capitalized for the portfolio. The Sub-Manager will study the potential companies to be invested in, focusing on the sustainability and quality of earnings and give particular attention to the quality and adaptability of management in the dynamic environment they operate in. In addition, the Sub-Manager analyzes the quality and sustainability of cash flow and income of the companies. For the debt instruments, money market instruments and/or deposits portion, the Sub-Manager formulates an interest rate outlook through examining factors such as inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, the Sub-Manager identifies the weighting of the tenure and credit for the investments of the Fund.

* Companies that have a better growth than GDP of the respective country and reasonably priced based on the Sub-Manager's estimate.

FUND OBJECTIVE AND POLICY (CONTINUED)

Base Currency

US Dollar ("USD")

Fund category/type

Wholesale Fund (Equity)/Growth

How long should you invest for?

Medium to long term

When was the Fund launched?

22 July 2015

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

USD12.44 million (12.89 million units)

What is the Fund's benchmark?

The performance of this Fund cannot be compared directly with any specific publicly available benchmark. However, the Fund has a target return of ten percent (10%) per annum.

This is not a guaranteed return and is only a measurement of the Fund's performance. The Fund may not achieve the target return in any particular financial year but targets to achieve this growth over the medium to long term.

What is the Fund distribution policy?

The Class of the Fund is not expected to make any distributions. However, the Manager has the discretion to make any distribution payment subject to the income and the performance of the Fund.

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

There was no distribution made for the financial year ended 31 March 2020.

PRINCIPAL DYNAMIC GROWTH FUND
(formerly known as CIMB-Principal Dynamic Growth Fund)

PERFORMANCE DATA

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

	31.03.2020	31.03.2019	31.03.2018
	%	%	%
Collective investment schemes	3.39	3.74	3.01
Quoted securities			
- Communication Services	11.67	5.18	5.15
- Consumer Discretionary	15.84	13.39	15.18
- Consumer Staples	-	3.23	4.36
- Energy	3.11	4.83	1.47
- Financials	5.61	20.98	22.06
- Health Care	6.43	2.51	-
- Industrials	11.42	14.36	8.30
- Information Technology	21.31	11.10	20.70
- Materials	7.13	2.79	12.60
- Real Estate	8.62	14.75	4.00
Cash and other net assets	5.47	3.14	3.17
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

* Note: The Fund has adopted the Global Industry Classification Standard ("GICS") sectors classification.

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

	31.03.2020	31.03.2019	31.03.2018
NAV (USD Million)			
- Class SGD	6.64	10.54	13.52
- Class USD	5.80	8.82	11.30
Units in circulation (Million)			
- Class SGD	7.91	10.76	12.19
- Class USD	4.98	6.48	7.34
NAV per unit (USD)			
- Class SGD	0.8390	0.9802	1.1091
- Class USD	1.1653	1.3614	1.5405
Highest NAV per unit (USD)			
- Class SGD	1.1038	1.1262	1.1715
- Class USD	1.5332	1.5643	1.6272
Lowest NAV per unit (USD)			
- Class SGD	0.7447	0.8529	0.8011
- Class USD	1.0343	1.1847	1.1128
Total return (%)			
- Class SGD	(9.83)	(8.48)	28.93
- Class USD	(14.44)	(11.54)	37.61
Capital growth (%)			
- Class SGD	(9.83)	(8.48)	28.93
- Class USD	(14.44)	(11.54)	37.61
Income distribution (%)			
- Class SGD	-	-	-
- Class USD	-	-	-

PRINCIPAL DYNAMIC GROWTH FUND
(formerly known as CIMB-Principal Dynamic Growth Fund)

PERFORMANCE DATA (CONTINUED)

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

	31.03.2020	31.03.2019	31.03.2018
Management Expense Ratio ("MER") (%) ^	1.75	1.65	1.68
Portfolio Turnover Ratio ("PTR") (times) #	0.90	0.88	0.81

^ The Fund's MER increased from 1.65% to 1.75% mainly due to the decrease in average NAV during the financial year under review.

The Fund's PTR increased slightly to 0.90 times from 0.88 times. This is relatively low for a equity fund and similar to the previous period ending March 2019. There were no significant change in our views of the stock markets and hence there were insignificant changes to the portfolio.

	31.03.2020	31.03.2019	31.03.2018	31.03.2017	Since inception to 31.03.2016
	%	%	%	%	%
Annual total return					
- Class SGD	(9.83)	(8.48)	28.93	13.67	(0.98)
- Class USD	(14.44)	(11.54)	37.61	9.58	2.06

(Launch date: 22 July 2015)

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 APRIL 2019 TO 31 MARCH 2020)

For the financial period under review, the Asia Pacific Ex-Japan stock markets was volatile throughout. The MSCI Asia Pacific ex-Japan Index declined sharply, ultimately falling 17.5%. The stocks in Asia was initially negatively impacted by the trade war between the US and China but other mitigating factors helped stocks to post a stronger end to 2019. These factors include: 1) As the Chinese economy stumbled, the authorities incrementally stepped up fiscal and monetary stimulus; 2) The developed economies' Central Banks further eased policies including introducing new programs to purchase bonds; 3) Improving manufacturing outlook led by the technology sector; 4) Finally, receding trade tensions with a interim deal reached between the US and China at the end of year. However, towards the end January 2020, China suffered a disease outbreak which crippled the economy as the country went into a lockdown to prevent the spread of the new disease, the COVID-19. It soon morphed into a global pandemic by the end of the first quarter of 2020. This caused a sharp drop in Asian equities as Governments around the globe took unprecedented steps to prevent a further spread just as China did. Many western European and the US ordered lockdowns. This caused economic activity to grind to a halt.

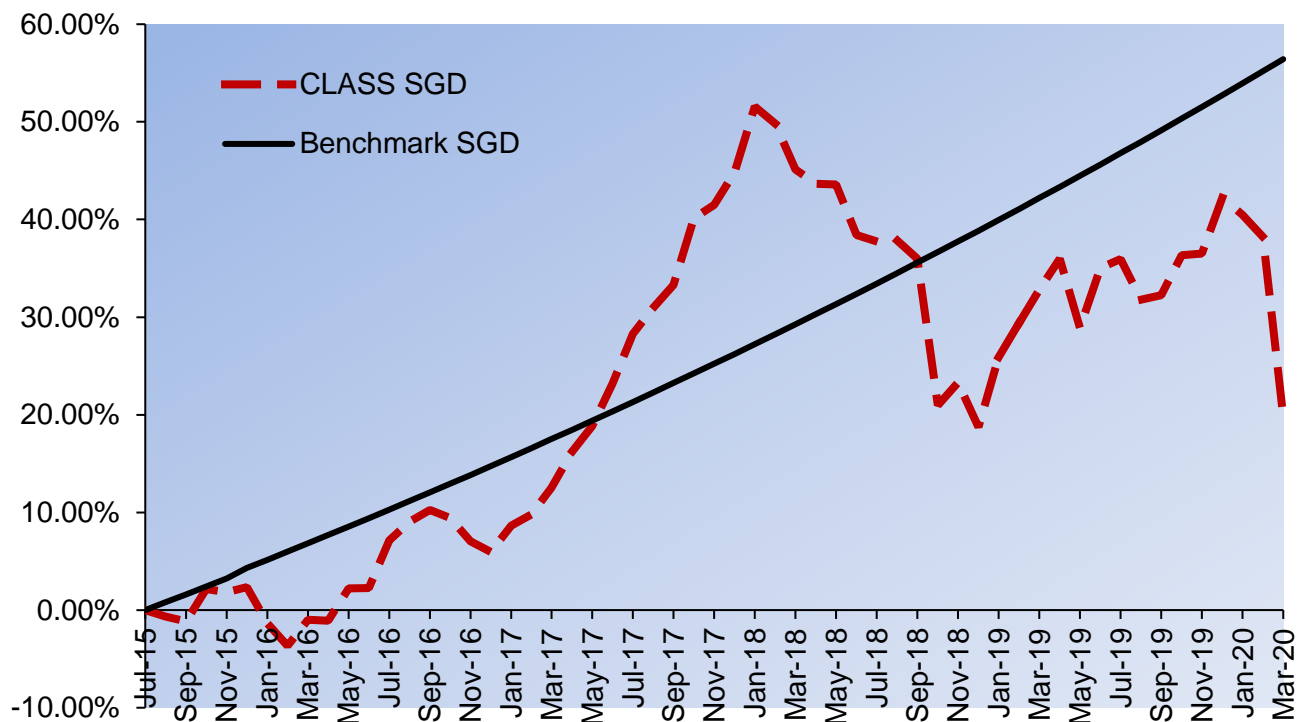
FUND PERFORMANCE

	1 year to 31.03.2020		3 years to 31.03.2020	
	Class SGD %	Class USD %	Class SGD %	Class USD %
Income	-	-	-	-
Capital	(9.83)	(14.44)	6.40	4.15
Total Return	(9.83)	(14.44)	6.40	4.15
Benchmark	10.00	10.00	33.10	33.10
Average Total Return	(9.83)	(14.44)	2.09	13.02

	Since inception to 31.03.2020	
	Class SGD %	Class USD %
Income	-	-
Capital	19.76	16.48
Total Return	19.76	16.48
Benchmark	56.42	56.42
Average Total Return	3.91	9.02

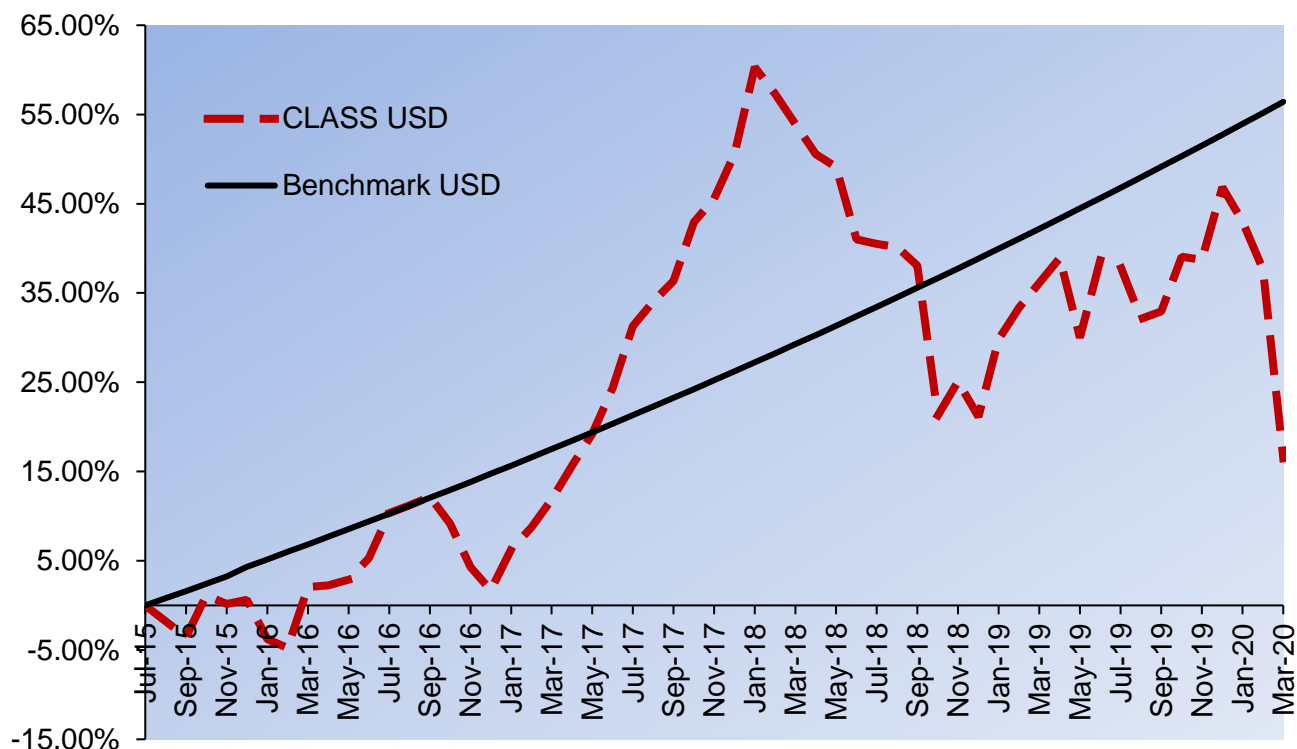
For the financial period under review, the Fund declined 9.83% and 14.44% in SGD and USD terms respectively due to the recent outbreak COVID-19 pandemic. However, over the past 3 years, the Fund managed a 6.4% and 4.15% return in SGD and USD respectively despite volatile market conditions.

Class SGD



FUND PERFORMANCE (CONTINUED)

Class USD



Changes in NAV

CLASS SGD

	31.03.2020	31.03.2019	Changes %
NAV (USD Million)	6.64	10.54	(37.00)
NAV/Unit (USD)	0.8390	0.9802	(14.41)

CLASS USD

	31.03.2020	31.03.2019	Changes %
NAV (USD Million)	5.80	8.82	(34.24)
NAV/Unit (USD)	1.1653	1.3614	(14.40)

The NAV of the Fund declined by 37.00% and 34.24% in SGD and USD classes respectively. The NAV per unit declined by 14.41% and 14.40% in SGD and USD classes respectively. The decline in NAV was due to redemptions and the decline in the underlying assets.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.03.2020	31.03.2019
Collective investment schemes	3.39	3.74
Quoted securities	91.14	93.12
Cash and other net assets	5.47	3.14
TOTAL	100.00	100.00

As at 31 March 2020, the Fund held 91.14% in quoted securities, 3.39% in collective investment schemes with the rest in cash and other net assets. This is similar to the asset allocation at the end of March 2019.

MARKET OUTLOOK*

In the near term, the stock markets is likely to be clouded by the uncertainty surrounding the COVID-19 outbreak which initially started out as a regional outbreak but it has since evolved into a global pandemic. This has caused a sharp drop in economic activities as many countries has since gone into lockdown of varying degrees to try to stem the spread of the outbreak. We expect the sharp drop in economic activities globally to continue for a few months which is likely to cause a recession. The stock market at the time of writing has corrected very quickly and sharply to reflect this scenario.

Beyond this, while the situation remains fluid, we expect this outbreak to be ultimately contained and to be transitory. The authorities have taken unprecedented measures such as strict travel restrictions, and other draconian measures in a bid to contain the spread of the disease. To cope with the economic downturn, many Governments and their respectively have acted decisively and aggressively by providing massive stimulus both fiscal and monetary to support the economy and financial markets to stabilise. We expect these actions to eventually prove positive for financial markets.

* 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

With the expected sell-off in the stock market in the near term, we expect an indiscriminate selling of stocks. This will present the fund an opportunity to accumulate quality companies with a fundamentally and structurally strong long-term growth profile at more reasonable prices. These companies include leading internet companies, leading technology companies and other companies with strong brands and franchises.

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

UNIT HOLDINGS STATISTICS

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

CLASS SGD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001 - 10,000	-	-	-
10,001 - 50,000	-	-	-
50,001 - 500,000	1	0.10	1.26
500,001 and above	3	7.81	98.74
Total	5	7.91	100.00

CLASS USD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	2	0.00	0.00
5,001 - 10,000	-	-	-
10,001 - 50,000	-	-	-
50,001 - 500,000	1	0.41	8.23
500,001 and above	1	4.57	91.77
Total	4	4.98	100.00

SOFT COMMISSIONS AND REBATES

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

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL DYNAMIC GROWTH FUND**
(formerly known as CIMB-Principal Dynamic Growth Fund)

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 16 to 53 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 31 March 2020 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN
Chief Executive Officer/Executive Director

JUAN IGNACIO EYZAGUIRRE BARAONA
Director

Kuala Lumpur
14 May 2020

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF
PRINCIPAL DYNAMIC GROWTH FUND**
(formerly known as CIMB-Principal Dynamic Growth Fund)

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

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

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie
Manager, Investment Compliance Monitoring

Kuala Lumpur
14 May 2020

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL DYNAMIC GROWTH FUND**
(Formerly known as CIMB-Principal Dynamic Growth Fund)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

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

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 March 2020, and the statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 16 to 53.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL DYNAMIC GROWTH FUND (CONTINUED)**
(Formerly known as CIMB-Principal Dynamic Growth 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 DYNAMIC GROWTH FUND (CONTINUED)**
(Formerly known as CIMB-Principal Dynamic Growth 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 represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL DYNAMIC GROWTH FUND (CONTINUED)**
(Formerly known as CIMB-Principal Dynamic Growth Fund)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
14 May 2020

PRINCIPAL DYNAMIC GROWTH FUND
(formerly known as CIMB-Principal Dynamic Growth Fund)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

	Note	2020 USD	2019 USD
LOSS			
Dividend income		386,759	579,850
Interest income		7,767	4,925
Net loss on financial assets at fair value through profit or loss	7	(2,357,360)	(3,060,647)
Net foreign exchange loss		(51,851)	(68,209)
		<u>(2,014,685)</u>	<u>(2,544,081)</u>
EXPENSES			
Management fee	4	268,667	315,877
Trustee's fee	5	33,181	31,143
Transaction costs		82,650	103,712
Audit fee		2,710	2,867
Tax agent's fee		5,103	3,000
Other expenses		40,768	17,857
		<u>433,079</u>	<u>474,456</u>
LOSS BEFORE TAXATION		(2,447,764)	(3,018,537)
Taxation	6	-	(43,278)
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>(2,447,764)</u>	<u>(3,061,815)</u>
Decrease in net assets attributable to unit holders are made up as follows:			
Realised amount		799,392	51,096
Unrealised amount		(3,247,156)	(3,112,911)
		<u>(2,447,764)</u>	<u>(3,061,815)</u>

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

PRINCIPAL DYNAMIC GROWTH FUND
(formerly known as *CIMB-Principal Dynamic Growth Fund*)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 USD	2019 USD
ASSETS			
Cash and cash equivalents	8	416,341	751,467
Financial assets at fair value through profit or loss	7	11,760,595	18,757,687
Amount due from stockbrokers		791,423	171,581
Amount due from Manager		6,933	-
Amount due from Manager of collective investment schemes			
- Management fee rebate		18,804	5,336
Dividends receivable		15,917	21,582
TOTAL ASSETS		13,010,013	19,707,653
LIABILITIES			
Amount due to stockbrokers		-	304,516
Amount due to Manager		546,131	8,690
Accrued management fee		17,491	23,273
Amount due to Trustee		610	813
Other payables and accruals		4,842	6,219
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		569,074	343,511
NET ASSET VALUE OF THE FUND		12,440,939	19,364,142
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		12,440,939	19,364,142
FAIR VALUE OF OUTSTANDING UNITS (USD)			
- Class SGD		6,635,912	10,544,569
- Class USD		5,805,027	8,819,573
		12,440,939	19,364,142
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class SGD		7,909,045	10,757,480
- Class USD		4,981,253	6,477,948
	9	12,890,298	17,235,428
NET ASSET VALUE PER UNIT (USD)			
- Class SGD		0.8390	0.9802
- Class USD		1.1653	1.3614
		1.1653	1.3614
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- Class SGD		SGD1.1982	SGD1.3281
- Class USD		USD1.1653	USD1.3614
		USD1.1653	USD1.3614

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

PRINCIPAL DYNAMIC GROWTH FUND
(formerly known as CIMB-Principal Dynamic Growth Fund)

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

	2020	2019
	USD	USD
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>19,364,142</u>	<u>24,823,392</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class SGD	40,861	659,032
- Class USD	<u>98,281</u>	<u>118,715</u>
	<u>139,142</u>	<u>777,747</u>
Cancellation of units		
- Class SGD	(2,626,510)	(1,833,210)
- Class USD	<u>(1,988,071)</u>	<u>(1,341,972)</u>
	<u>(4,614,581)</u>	<u>(3,175,182)</u>
Decrease in net assets attributable to unit holders during the financial year	<u>(2,447,764)</u>	<u>(3,061,815)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS DURING THE FINANCIAL YEAR	<u>12,440,939</u>	<u>19,364,142</u>

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

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

	Note	2020	2019
		USD	USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of quoted securities		17,720,333	19,420,079
Purchase of quoted securities		(14,120,500)	(17,188,551)
Dividend income received		351,163	549,786
Interest income received		7,767	4,925
Management fee paid		(274,746)	(323,597)
Management fee rebate received		13,986	35,079
Trustee's and custodian fees paid		(33,384)	(31,400)
Payment of other fees and expenses		(11,737)	(22,854)
Net realised foreign exchange loss		(35,394)	(35,526)
Net cash generated from operating activities		3,617,488	2,407,941
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		132,072	786,860
Payments for cancellation of units		(4,086,211)	(3,173,073)
Net cash used in financing activities		(3,954,139)	(2,386,213)
Net (decrease)/increase in cash and cash equivalents		(336,651)	21,728
Effect of foreign exchange differences		1,525	(12,643)
Cash and cash equivalents at the beginning of financial year		751,467	742,382
Cash and cash equivalents at the end of financial year	8	416,341	751,467
<u>Cash and cash equivalents comprised of:</u>			
Bank balances		416,341	751,467
Cash and cash equivalents at the end of the financial year	8	416,341	751,467

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal Dynamic Growth Fund (*formerly known as CIMB-Principal Dynamic Growth Fund*) (the “Fund”) is governed by Principal Deed dated 10 July 2015, and a First Supplemental Deed dated 30 December 2019 (collectively referred to as the “Deeds”), made between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund will be managed with the aim of achieving a stable and positive investment returns over the medium to long term regardless of market conditions.

As this is an equity fund, under general market conditions, the Fund will invest in equities of companies which the Manager believes will exhibit good growth potential when compared against its peers or the overall market. However, as the Fund adopts a dynamic strategy, the Fund may also be managed defensively by investing all or a substantial portion of its assets in debt instruments, money market instruments and/or deposits, when the Manager believes that the equity markets that the Fund invests in are experiencing excessive volatility, expected prolonged declines, or when there are other adverse conditions, such as political instability. 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 requirements of the SC Guidelines.

The asset allocation strategy for this Fund is as follows:

- Up to 100% of the Fund’s NAV will be invested in equities; and
- Up to 100% of the Fund’s NAV may be invested in debt instruments, money market instruments and/or deposits.

The investment universe of the Fund is unconstrained, but the Fund will generally focus its investment in the Asia Pacific ex Japan region, i.e. companies that are domiciled in, listed in, and/or have operations or businesses that focus in the Asia Pacific ex Japan region.

We have appointed Principal Singapore, a company incorporated in Singapore as the Sub-Manager of the Fund. Principal Singapore will be responsible for investing and managing the Fund in accordance with the investment objective and within the investment restrictions.

The Sub-Manager will adopt an active investment strategy by using a bottom-up equity selection process in searching for companies taking into consideration its growth potential compared against its peers or the overall market. To complement this strategy, the Sub-Manager combines it with a top-down risk framework and will actively trade the securities in the portfolio of the Fund. Analysis and studies will be made on the trends in the marketplace and how the trends can be capitalized for the portfolio. The Sub-Manager will study the potential companies to be invested in, focusing on the sustainability and quality of earnings and give particular attention to the quality and adaptability of management in the dynamic environment they operate in. In addition, the Sub-Manager analyzes the quality and sustainability of cash flow and income of the companies. For the debt instruments, money market instruments and/or deposits portion, the Sub-Manager formulates an interest rate outlook through examining factors such as inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, the Sub-Manager identifies the weighting of the tenure and credit for the investments of the Fund.

All investments are subjected to the SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, SC requirements, the Deed, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

Fund has changed its name from CIMB-Principal Dynamic Growth Fund to Principal Dynamic Growth Fund following the issuance of the Replacement Information Memorandum Issue No. 2 dated 31 December 2019.

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

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 judgment in the process of applying the Fund's accounting policies. Although these estimates and judgment are based on the Manager's best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment 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 April 2019:

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities

Classification

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

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

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

The contractual cash flows of the Fund's debt securities are solely principal and interest. 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.

Investment in collective investment schemes are debt instruments with contractual cash flow that do not represent solely payment of principal and interest ("SPPI") and therefore is classified as 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Recognition and measurement (continued)

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, on 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 done 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.

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

Impairment for assets carried at amortised costs

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Write-off

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

(c) Income recognition

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

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

(d) Cash and cash equivalents

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

(e) 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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Functional and presentation currencies

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

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

- i) Significant portion of the NAV is invested in the form of cash denominated in USD for the purpose of making settlement of the foreign trades; and
- ii) Significant portion of the Fund’s expenses are denominated in USD.

(h) 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.

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.

(i) Management fee rebate

Management fee rebate is derived from the Fund’s investment in collective investment schemes 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Unit holders' contributions

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

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

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

(k) Increase/Decrease in net assets attributable to unit holders

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

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

The analysis of realised and unrealised portions of increase/decrease in net assets attributable to unit holders as presented on the statement of comprehensive income is prepared in accordance with SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

(m) Critical accounting estimates and judgments 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 judgment 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 Unlisted Capital Market Products under the Lodge and Launch Framework.

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

PRINCIPAL DYNAMIC GROWTH FUND
(formerly known as CIMB-Principal Dynamic Growth Fund)

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss USD	Financial assets at amortised cost USD	Total USD
2020			
Cash and cash equivalents (Note 8)	-	416,341	416,341
Collective investment schemes (Note 7)	421,547	-	421,547
Quoted securities (Note 7)	11,339,048	-	11,339,048
Amount due from stockbrokers	-	791,423	791,423
Amount due from Manager	-	6,933	6,933
Amount due from Manager of collective investment schemes			
- Management fee rebate	-	18,804	18,804
Dividends receivable	-	15,917	15,917
	<u>11,760,595</u>	<u>1,249,418</u>	<u>13,010,013</u>
2019			
Cash and cash equivalents (Note 8)	-	751,467	751,467
Collective investment schemes (Note 7)	724,760	-	724,760
Quoted securities (Note 7)	18,032,927	-	18,032,927
Amount due from stockbrokers	-	171,581	171,581
Amount due from Manager of collective investment schemes			
- Management fee rebate	-	5,336	5,336
Dividends receivable	-	21,582	21,582
	<u>18,757,687</u>	<u>949,966</u>	<u>19,707,653</u>

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

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

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

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated in the Deed and SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

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

(a) Market risk

(i) Price risk

Price risk 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:

	2020	2019
	USD	USD
Financial assets at fair value through profit or loss:		
- Collective investment schemes	421,547	724,760
- Quoted securities	<u>11,339,048</u>	<u>18,032,927</u>
	<u><u>11,760,595</u></u>	<u><u>18,757,687</u></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 the financial year. The analysis is based on the assumptions that the price of the collective investment schemes and quoted securities fluctuate 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.

% Change in price of collective investment schemes and quoted securities	Market value	Impact on profit or loss/NAV
	USD	USD
2020		
-5%	11,172,565	(588,030)
0%	11,760,595	-
5%	<u>12,348,625</u>	<u>588,030</u>
2019		
-5%	17,819,803	(937,884)
0%	18,757,687	-
5%	<u>19,695,571</u>	<u>937,884</u>

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

(a) Market risk (continued)

(ii) Currency risk

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

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

Financial assets	Cash and cash equivalents USD	Financial assets at fair value through profit or loss USD	Amount due from stockbrokers USD	Amount due from Manager USD	Amount due from Manager of collective investment schemes USD	Dividends receivable USD	Total USD
2020							
AUD	-	1,313,495	86,403	-	-	8,373	1,408,271
CNY	1,460	372,375	-	-	-	-	373,835
HKD	-	3,806,016	241,894	-	-	1,800	4,049,710
IDR	-	702,075	-	-	18,804	-	720,879
INR	-	387,477	26,312	-	-	-	413,789
KRW	-	1,408,682	125,675	-	-	-	1,534,357
MYR	14,132	-	-	-	-	-	14,132
SGD	3,347	1,207,300	45,527	6,933	-	-	1,263,107
TWD	-	1,241,326	199,266	-	-	5,744	1,446,336
	<u>18,939</u>	<u>10,438,746</u>	<u>725,077</u>	<u>6,933</u>	<u>18,804</u>	<u>15,917</u>	<u>11,224,416</u>
2019							
AUD	-	2,748,425	-	-	-	13,439	2,761,864
CNY	-	1,398,862	-	-	-	-	1,398,862
HKD	-	4,562,261	-	-	-	8,143	4,570,404
IDR	-	1,999,298	-	-	5,336	-	2,004,634
INR	246,339	1,079,856	-	-	-	-	1,326,195
KRW	-	802,191	-	-	-	-	802,191
MYR	277,693	-	-	-	-	-	277,693
PHP	-	358,056	-	-	-	-	358,056
SGD	5,178	2,525,708	171,581	-	-	-	2,702,467
THB	3	592,332	-	-	-	-	592,335
TWD	-	798,341	-	-	-	-	798,341
	<u>529,213</u>	<u>16,865,330</u>	<u>171,581</u>	<u>-</u>	<u>5,336</u>	<u>21,582</u>	<u>17,593,042</u>

PRINCIPAL DYNAMIC GROWTH FUND
(formerly known as CIMB-Principal Dynamic Growth Fund)

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

(a) Market risk (continued)

(ii) 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 of the Fund (continued):

Financial liabilities	Amount due to stockbrokers USD	Amount due to Manager USD	Accrued management fees USD	Amount due to trustee USD	Other payables and accruals USD	Net assets attributable to unit holders USD	Total USD
2020							
MYR	-	-	-	-	4,842	-	4,842
SGD	-	526,131	-	-	-	6,635,912	7,162,043
	-	526,131	-	-	4,842	6,635,912	7,166,885
2019							
HKD	44,636	-	-	-	-	-	44,636
INR	63,180	-	-	-	-	-	63,180
MYR	-	-	23,273	813	6,219	-	30,305
SGD	196,700	3,690	-	-	-	10,544,569	10,744,959
	304,516	3,690	23,273	813	6,219	10,544,569	10,883,080

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)

(ii) Currency risk (continued)

	Change in foreign exchange rate	Impact on profit or loss/NAV	
		2020 USD	2019 USD
	%		
AUD	+5	70,414	138,093
CNY	+5	18,692	69,943
HKD	+5	202,486	226,288
IDR	+5	36,044	100,232
INR	+5	20,689	63,151
KRW	+5	76,718	40,110
MYR	+5	465	12,369
PHP	+5	-	17,903
SGD	+5	(294,947)	(402,125)
THB	+5	-	29,617
TWD	+5	72,317	39,917
		202,878	335,498
AUD	-5	(70,41)	(138,093)
CNY	-5	(18,692)	(69,943)
HKD	-5	(202,486)	(226,288)
IDR	-5	(36,044)	(100,232)
INR	-5	(20,689)	(63,151)
KRW	-5	(76,718)	(40,110)
MYR	-5	(465)	(12,369)
PHP	-5	-	(17,903)
SGD	-5	294,947	402,125
THB	-5	-	(29,617)
TWD	-5	(72,317)	(39,917)
		(202,878)	(335,498)

(b) Credit risk

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

For amount due from Manager, the settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

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

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

(b) Credit risk (continued)

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

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

	Cash and cash equivalents USD	Amount due from stockbrokers USD	Amount due from Manager USD	Amount due from Manager of collective investment schemes USD	Dividends receivable USD	Total USD
2020						
- AAA	416,341	-	-	-	-	416,341
- Not Rated	-	791,423	6,933	18,804	15,917	833,077
	416,341	791,423	6,933	18,804	15,917	1,249,418
2019						
- AAA	751,467	-	-	-	-	751,467
- Not Rated	-	171,581	-	5,336	21,582	198,499
	751,467	171,581	-	5,336	21,582	949,966

(c) Liquidity risk

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

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances and other instruments which are capable of being converted into cash within 7 business days. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

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

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

(c) Liquidity risk (continued)

	Less than 1 month USD	Between 1 month to 1 year USD	Total USD
2020			
Amount due to Manager	546,131	-	546,131
Accrued management fee	17,491	-	17,491
Amount due to Trustee	610	-	610
Other payables and accruals	-	4,842	4,842
Net assets attributable to unit holders*	<u>12,440,939</u>	<u>-</u>	<u>12,440,939</u>
Contractual undiscounted cash flows	<u>13,005,171</u>	<u>4,842</u>	<u>13,010,013</u>
2019			
Amount due to stockbrokers	304,516	-	304,516
Amount due to Manager	8,690	-	8,690
Accrued management fee	23,273	-	23,273
Amount due to Trustee	813	-	813
Other payables and accruals	-	6,219	6,219
Net assets attributable to unit holders*	<u>19,364,142</u>	<u>-</u>	<u>19,364,142</u>
Contractual undiscounted cash flows	<u>19,701,434</u>	<u>6,219</u>	<u>19,707,653</u>

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

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders of USD12,440,939 (2019: USD19,364,142). The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

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

(e) Fair value estimation

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded market price for financial assets where the last traded market price falls within the bid-ask spread. In circumstances where the last traded market price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

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

(i) Fair value hierarchy

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

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

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

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

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

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

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
2020				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	421,547	-	-	421,547
- Quoted securities	11,339,048	-	-	11,339,048
	11,760,595	-	-	11,760,595
 2019				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	724,760	-	-	724,760
- Quoted securities	18,032,927	-	-	18,032,927
	18,757,687	-	-	18,757,687

Investments whose values are based on quoted market prices in active markets and are therefore classified within Level 1, include active listed equities and collective investment schemes. 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 Deed, the Manager is entitled to a maximum management fee of 3.00% per annum for each class, calculated daily based on the NAV of the Fund.

For the financial year ended 31 March 2020 and 31 March 2019, the management fee for the respective classes is recognised at the following rates:

Class SGD	Class USD
1.50%	1.50%

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

5. TRUSTEE'S AND CUSTODIAN FEES

In accordance with the Deed, the Trustee is entitled to a maximum fee of 0.20% per annum, calculated daily based on the NAV of the Fund. The Trustee's fee includes local custodian fees and charges but excludes foreign sub-custodian fees and charges.

For the financial year ended 31 March 2020, the Trustee's fee is recognised at a rate of 0.05% per annum (2019: 0.05% per annum) for each classes while the foreign custodian fee is recognised at USD24,225 (2019: USD20,614).

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

6. TAXATION

	2020	2019
	USD	USD
Tax charged for the financial year:		
- Withholding tax	-	43,278
	-	43,278

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

	2020	2019
	USD	USD
Loss before finance cost and taxation	(2,447,764)	(3,018,537)
Taxation at Malaysian statutory rate of 24%	(587,463)	(724,449)
Tax effects of:		
Investment income not subject to tax	483,524	610,579
Expenses not deductible for tax purposes	38,180	36,186
Restriction on tax deductible expenses for Wholesale Funds	65,759	77,684
Investment income subject to withholding tax	-	43,278
Taxation	-	43,278

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020	2019
	USD	USD
At fair value through profit or loss:		
- Collective investment schemes	421,547	724,760
- Quoted securities	11,339,048	18,032,927
	11,760,595	18,757,687
Net loss on financial assets at fair value through profit or loss:		
- Realised gain on disposals	860,902	15,786
- Unrealised fair value loss	(3,245,419)	(3,100,560)
- Management fee rebate #	27,157	24,127
	(2,357,360)	(3,060,647)

PRINCIPAL DYNAMIC GROWTH FUND
(formerly known as CIMB-Principal Dynamic Growth Fund)

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

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 31 March 2020, the rebate is recognised at a rate of 2.00% per annum and 1.75% per annum (2019: 2.00% per annum and 1.75% per annum) for investment in Principal Indo Domestic Equity Fund *(formerly known as CIMB-Principal Indo Domestic Equity Fund)* and Principal SMART Equity Fund *(formerly known as CIMB-Principal Smart Equity Fund)* respectively, calculated and accrued daily based on the NAV of the collective investment schemes.

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2020				
COLLECTIVE INVESTMENT SCHEME				
Principal Indo Domestic Equity Fund <i>(formerly known as CIMB-Principal Indo Domestic Equity Fund)</i>	7,566,094	485,824	306,574	2.47
Principal SMART Equity Fund <i>(formerly known as CIMB-Principal SMART Equity Fund)</i>	<u>2,589,552</u>	<u>209,466</u>	<u>114,973</u>	<u>0.92</u>
TOTAL COLLECTIVE INVESTMENT SCHEMES	<u>10,155,646</u>	<u>695,290</u>	<u>421,547</u>	<u>3.39</u>
ACCUMULATED UNREALISED LOSS ON COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>(273,743)</u>		
TOTAL COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>421,547</u>		

PRINCIPAL DYNAMIC GROWTH FUND
(formerly known as CIMB-Principal Dynamic Growth Fund)

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2020 (CONTINUED)				
QUOTED SECURITIES				
AUSTRALIA				
Consumer Discretionary				
Aristocrat Leisure Ltd	9,963	211,442	130,479	1.05
Health Care				
CSL Ltd	2,247	278,580	408,924	3.29
Industrials				
Cleanaway Waste Management Ltd	142,529	164,686	148,192	1.19
Seven Group Holdings Ltd	29,488	428,739	203,312	1.64
	<u>172,017</u>	<u>593,425</u>	<u>351,504</u>	<u>2.83</u>
Materials				
BHP Group Ltd	13,650	335,694	242,651	1.95
James Hardie Industries SE	15,839	274,173	179,937	1.45
	<u>29,489</u>	<u>609,867</u>	<u>422,588</u>	<u>3.40</u>
TOTAL AUSTRALIA	<u>213,716</u>	<u>1,693,314</u>	<u>1,313,495</u>	<u>10.57</u>
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	4,453	756,671	866,019	6.96
TOTAL CAYMAN ISLANDS	<u>4,453</u>	<u>756,671</u>	<u>866,019</u>	<u>6.96</u>
CHINA				
Industrials				
Centre Testing International Group Co Ltd - A ⁴	78,100	104,201	169,195	1.36
Information Technology				
Hangzhou Hikvision Digital Technology Co Ltd	51,600	259,128	203,180	1.63
Materials				
Anhui Conch Cement Co Ltd	20,500	130,058	142,417	1.15
TOTAL CHINA	<u>150,200</u>	<u>493,387</u>	<u>514,792</u>	<u>4.14</u>

PRINCIPAL DYNAMIC GROWTH FUND
(formerly known as CIMB-Principal Dynamic Growth Fund)

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2020 (CONTINUED)				
QUOTED SECURITIES				
(CONTINUED)				
HONG KONG, CHINA				
Communication Services				
Tencent Holdings Ltd	18,000	746,716	882,892	7.10
Consumer Discretionary				
Galaxy Entertainment Group Ltd	31,000	233,875	165,371	1.33
Meituan Dianping	19,000	247,135	229,554	1.84
Sands China Ltd	44,000	224,204	161,211	1.30
Shenzhou International Group Holdings Ltd	12,000	152,473	127,565	1.02
	<u>106,000</u>	<u>857,687</u>	<u>683,701</u>	<u>5.49</u>
Financials				
AIA Group Ltd	43,600	273,406	394,582	3.17
Health Care				
Jinxin Fertility Group Ltd	124,000	190,793	137,576	1.11
Wuxi Biologics Cayman Inc	19,500	222,032	252,827	2.03
	<u>143,500</u>	<u>412,825</u>	<u>390,403</u>	<u>3.14</u>
Industrials				
China Conch Venture Holdings Ltd	60,500	290,537	270,056	2.17
Techtronic Industries Co Ltd	49,500	251,814	321,215	2.58
	<u>110,000</u>	<u>542,351</u>	<u>591,271</u>	<u>4.75</u>
Information Technology				
Kingboard Laminates Holdings Ltd	254,000	268,291	234,950	1.89
Sunny Optical Technology Group Co Ltd	14,000	175,472	188,561	1.52
	<u>268,000</u>	<u>443,763</u>	<u>423,511</u>	<u>3.41</u>
Real Estate				
China Resources Land Ltd	72,000	318,439	297,239	2.39
TOTAL HONG KONG, CHINA	<u>761,100</u>	<u>3,595,187</u>	<u>3,663,599</u>	<u>29.45</u>

PRINCIPAL DYNAMIC GROWTH FUND
(formerly known as CIMB-Principal Dynamic Growth Fund)

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2020 (CONTINUED)				
QUOTED SECURITIES				
(CONTINUED)				
INDIA				
Energy				
Reliance Industries Ltd	26,306	376,643	387,477	3.11
TOTAL INDIA	26,306	376,643	387,477	3.11
INDONESIA				
Financials				
Bank Mandiri Persero Tbk PT	486,200	260,881	139,450	1.12
Materials				
Semen Indonesia Persero Tbk PT	301,900	271,225	141,078	1.13
TOTAL INDONESIA	788,100	532,106	280,528	2.25
SINGAPORE				
Communication Services				
NetLink NBN Trust	468,100	291,526	296,625	2.38
Industrials				
Singapore Technologies Engineering Ltd	62,200	154,811	135,883	1.09
Real Estate				
CapitaLand Ltd	116,000	312,830	231,485	1.86
Keppel DC REIT	235,744	309,669	378,004	3.04
Lendlease Global Commercial REIT	454,000	289,499	165,303	1.33
	805,744	911,998	774,792	6.23
TOTAL SINGAPORE	1,336,044	1,358,335	1,207,300	9.70

PRINCIPAL DYNAMIC GROWTH FUND
(formerly known as CIMB-Principal Dynamic Growth Fund)

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2020 (CONTINUED)				
QUOTED SECURITIES				
(CONTINUED)				
SOUTH KOREA				
Communication Services				
NCSOFT Corp	510	228,992	272,794	2.19
Information Technology				
Samsung Electronics Co Ltd	17,501	641,179	685,571	5.51
SK Hynix Inc	3,946	272,640	269,661	2.17
	<u>21,447</u>	<u>913,819</u>	<u>955,232</u>	<u>7.68</u>
Materials				
LG Chem Ltd	722	234,949	180,656	1.45
TOTAL SOUTH KOREA	<u>22,679</u>	<u>1,377,760</u>	<u>1,408,682</u>	<u>11.32</u>
TAIWAN				
Industrials				
Shin Zu Shing Co Ltd	45,000	207,306	173,273	1.39
Information Technology				
ASE Technology Holding Co Ltd	98,000	239,261	189,808	1.53
Largan Precision Co Ltd	1,000	146,777	126,587	1.02
Taiwan Semiconductor Manufacturing Co Ltd	83,000	636,663	751,658	6.04
	<u>182,000</u>	<u>1,022,701</u>	<u>1,068,053</u>	<u>8.59</u>
TOTAL TAIWAN	<u>227,000</u>	<u>1,230,007</u>	<u>1,241,326</u>	<u>9.98</u>
UNITED STATES				
Consumer Discretionary				
New Oriental Education & Technology Group Inc	2,693	331,847	291,490	2.34

PRINCIPAL DYNAMIC GROWTH FUND
(formerly known as CIMB-Principal Dynamic Growth Fund)

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2020 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
UNITED STATES (CONTINUED)				
Financials				
HDFC Bank Ltd	4,273	146,862	164,340	1.32
TOTAL UNITED STATES	6,966	478,709	455,830	3.66
TOTAL QUOTED SECURITIES	3,536,564	11,892,119	11,339,048	91.14
ACCUMULATED UNREALISED LOSS ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		(553,071)		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		11,339,048		
2019				
COLLECTIVE INVESTMENT SCHEMES				
CIMB-Principal Indo Domestic Equity Fund	7,566,094	485,824	522,098	2.70
CIMB-Principal SMART Equity Fund	2,589,552	209,465	202,662	1.04
TOTAL COLLECTIVE INVESTMENT SCHEMES	10,155,646	695,289	724,760	3.74
ACCUMULATED UNREALISED GAIN ON COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS		29,471		
TOTAL COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS		724,760		

PRINCIPAL DYNAMIC GROWTH FUND
(formerly known as CIMB-Principal Dynamic Growth Fund)

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2019 (CONTINUED)				
QUOTED SECURITIES				
AUSTRALIA				
Consumer Discretionary				
Aristocrat Leisure Ltd	12,148	276,859	211,086	1.09
Energy				
Oil Search Ltd	40,107	263,075	223,204	1.15
Health Care				
CSL Ltd	3,518	436,158	486,193	2.51
Industrials				
Cleanaway Waste Management Ltd	322,820	373,003	508,072	2.62
Seven Group Holdings Ltd	44,752	650,669	558,389	2.88
Transurban Group Ltd	37,216	313,267	348,270	1.80
	<u>404,788</u>	<u>1,336,939</u>	<u>1,414,731</u>	<u>7.30</u>
Materials				
BHP Group Ltd	15,143	286,291	413,211	2.13
TOTAL AUSTRALIA	<u>475,704</u>	<u>2,599,322</u>	<u>2,748,425</u>	<u>14.18</u>
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	3,999	612,211	729,618	3.77
TOTAL CAYMAN ISLANDS	<u>3,999</u>	<u>612,211</u>	<u>729,618</u>	<u>3.77</u>
CHINA				
Financials				
Industrial and Commercial Bank of China Ltd - H ³	699,000	492,538	512,033	2.64
Ping An Insurance Group Company of China Ltd - H ³	44,500	372,761	498,313	2.57
	<u>743,500</u>	<u>865,299</u>	<u>1,010,346</u>	<u>5.21</u>
Industrials				
Centre Testing International Co Ltd - A ⁴	113,100	147,178	148,265	0.77

PRINCIPAL DYNAMIC GROWTH FUND
(formerly known as CIMB-Principal Dynamic Growth Fund)

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2019 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
CHINA (CONTINUED)				
Information Technology				
Hangzhou Hikvision Digital Technology Co Ltd	45,987	242,999	240,251	1.24
TOTAL CHINA	902,587	1,255,476	1,398,862	7.22
HONG KONG, CHINA				
Communication Services				
Tencent Holdings Ltd	14,200	489,282	653,054	3.37
Consumer Discretionary				
Galaxy Entertainment Group Ltd	60,000	483,513	408,557	2.11
Haier Electronics Group Co Ltd	94,000	276,106	273,033	1.41
Sands China Ltd	48,800	232,042	245,256	1.27
Shenzhen International Group Holdings Ltd	17,000	207,682	227,834	1.18
	219,800	1,199,343	1,154,680	5.97
Financials				
AIA Group Ltd	66,800	390,952	665,057	3.43
Industrials				
Techtronic Industries Co Ltd	88,000	447,670	591,369	3.05
Information Technology				
Sunny Optical Technology Group Co Ltd	19,700	241,202	235,283	1.22
Real Estate				
China Resources Land Ltd	86,000	320,916	385,651	1.99
Henderson Land Development Co Ltd	46,000	267,667	292,423	1.51
Link REIT	50,000	484,545	584,744	3.02
	182,000	1,073,128	1,262,818	6.52
TOTAL HONG KONG, CHINA	590,500	3,841,577	4,562,261	23.56

PRINCIPAL DYNAMIC GROWTH FUND
(formerly known as CIMB-Principal Dynamic Growth Fund)

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2019 (CONTINUED)				
QUOTED SECURITIES				
(CONTINUED)				
INDIA				
Energy				
Reliance Industries Ltd	36,121	519,679	711,903	3.68
Financials				
IndusInd Bank Ltd	9,012	224,908	231,914	1.20
Real Estate				
Godrej Properties Ltd	11,572	143,185	136,039	0.70
TOTAL INDIA	56,705	887,772	1,079,856	5.58
INDONESIA				
Communication Services				
Telekomunikasi Tbk PT	489,000	134,296	135,601	0.70
Consumer Discretionary				
Ace Hardware Indonesia Tbk PT	814,600	60,327	101,794	0.53
Mitra Adiperkasa Tbk PT	610,900	27,185	41,601	0.21
	1,425,500	87,512	143,395	0.74
Consumer Staples				
Gudang Garam Tbk PT	52,600	283,039	307,232	1.59
Financials				
Bank Rakyat Indonesia Tbk PT	1,331,900	317,720	385,236	1.99
Materials				
Semen Indonesia Persero Tbk PT	130,300	114,448	127,608	0.66
Real Estate				
Ciputra Development Tbk PT	2,499,400	184,153	175,466	0.91
TOTAL INDONESIA	5,928,700	1,121,168	1,274,538	6.59

PRINCIPAL DYNAMIC GROWTH FUND
(formerly known as CIMB-Principal Dynamic Growth Fund)

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2019 (CONTINUED)				
QUOTED SECURITIES				
(CONTINUED)				
PHILIPPINES				
Financials				
Bank Of Philippine Islands	102,910	184,670	164,765	0.85
Industrials				
Megawide Construction Corporation	472,800	122,639	193,291	1.00
TOTAL PHILIPPINES	575,710	307,309	358,056	1.85
SINGAPORE				
Financials				
DBS Group Holdings Ltd	22,800	356,917	424,547	2.19
Industrials				
Singapore Technologies Engineering Ltd	156,900	390,512	433,080	2.24
Information Technology				
Venture Corporation Ltd	29,100	257,781	385,291	1.99
Real Estate				
Capitaland Ltd	73,100	196,146	196,917	1.02
CapitaLand Mall Trust	164,700	249,258	289,297	1.49
CDL Hospitality Trusts	347,900	460,826	418,520	2.16
Keppel DC REIT	341,500	367,583	378,056	1.95
	927,200	1,273,813	1,282,790	6.62
TOTAL SINGAPORE	1,136,000	2,279,023	2,525,708	13.04
SOUTH KOREA				
Information Technology				
Samsung Electronics Co Ltd	20,399	673,106	802,191	4.15
TOTAL SOUTH KOREA	20,399	673,106	802,191	4.15

PRINCIPAL DYNAMIC GROWTH FUND
(formerly known as *CIMB-Principal Dynamic Growth Fund*)

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2019 (CONTINUED)				
QUOTED SECURITIES				
(CONTINUED)				
TAIWAN				
Financials				
CTBC Financial Holding Co Ltd	471,000	297,596	312,490	1.61
Information Technology				
Taiwan Semiconductor Manufacturing Co Ltd	61,000	418,150	485,851	2.51
TOTAL TAIWAN	532,000	715,746	798,341	4.12
THAILAND				
Consumer Staples				
CP ALL PCL - NVDR ¹	135,000	282,339	318,195	1.64
Financials				
Bangkok Bank PCL	42,000	267,134	274,137	1.42
TOTAL THAILAND	177,000	549,473	592,332	3.06
UNITED STATES				
Communication Services				
Autohome Inc	2,045	169,118	214,970	1.11
Consumer Discretionary				
Huazhu Group Ltd	8,405	245,883	354,187	1.83
Financials				
HDFC Bank Ltd	4,164	286,231	482,649	2.49
ICICI Bank Ltd - ADR ²	9,680	100,378	110,933	0.57
	13,844	386,609	593,582	3.06
TOTAL UNITED STATES	24,294	801,610	1,162,739	6.00

PRINCIPAL DYNAMIC GROWTH FUND
(formerly known as CIMB-Principal Dynamic Growth Fund)

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2019 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
TOTAL QUOTED SECURITIES	<u>10,423,598</u>	15,643,793	<u>18,032,927</u>	<u>93.12</u>
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>2,389,134</u>		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>18,032,927</u>		

- ¹ NVDR, or non-voting depository receipt, is a trading instrument issued by Thai NVDR Company Limited, a subsidiary wholly owned by the Stock Exchange of Thailand (“SET”). It is a valid security as specified by the United States Securities and Exchange Commission (“SEC”) and is automatically regarded as a listed security by the SET. The underlying security is a listed security in the SET.
- ² ADR, or American depository 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.
- ³ 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 exchange.
- ⁴ 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.

PRINCIPAL DYNAMIC GROWTH FUND
(formerly known as *CIMB-Principal Dynamic Growth Fund*)

8. CASH AND CASH EQUIVALENTS

	2020	2019
	USD	USD
Bank balances	416,341	751,467

9. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2020	2019
	No. of units	No. of units
Class SGD (i)	7,909,045	10,757,480
Class USD (ii)	4,981,253	6,477,948
	12,890,298	17,235,428

(i) Class SGD

	2020	2019
	No. of units	No. of units
At the beginning of the financial year	10,757,480	12,192,106
Add: Creation of units from applications	41,823	623,213
Less: Cancellation of units	(2,890,258)	(2,057,839)
At the end of the financial year	7,909,045	10,757,480

(ii) Class USD

	2020	2019
	No. of units	No. of units
At the beginning of the financial year	6,477,948	7,335,858
Add: Creation of units from applications	73,415	84,942
Less: Cancellation of units	(1,570,110)	(942,852)
At the end of the financial year	4,981,253	6,477,948

10. MANAGEMENT EXPENSE RATIO ("MER")

	2020	2019
	%	%
MER	1.75	1.65

MER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial year ended 31 March 2020 calculated on a daily basis is USD17,890,067 (31.03.2019: USD21,048,393).

11. PORTFOLIO TURNOVER RATIO (“PTR”)

	2020	2019
PTR (times)	0.90	0.88

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	= USD13,789,329 (2019: USD17,360,499)
total disposal for the financial year	= USD18,401,904 (2019: USD19,552,953)

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

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

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

PRINCIPAL DYNAMIC GROWTH FUND
(formerly known as CIMB-Principal Dynamic Growth Fund)

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

Units held by the Manager and parties related to the Manager

	2020		2019	
	No. of units	USD	No. of units	USD
Manager				
Principal Asset Management Berhad				
- Class SGD	5	4	5	5
- Class USD	43	50	43	59

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 the 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.

	2020	2019
	USD	USD
<u>Significant related party transactions:</u>		
Management fee rebate		
- Principal Asset Management Berhad	13,690	-
- PT Principal Asset Management	13,468	11,063
<u>Significant related party balances:</u>		
Collective investment schemes		
- Principal Indo Domestic Equity Fund <i>(formerly known as CIMB-Principal Indo Domestic Equity Fund)</i>	306,574	522,098
- Principal SMART Equity Fund <i>(formerly known as CIMB-Principal SMART Equity Fund)</i>	114,973	202,662

PRINCIPAL DYNAMIC GROWTH FUND
(formerly known as CIMB-Principal Dynamic Growth Fund)

13. TRANSACTIONS WITH BROKERS/DEALERS

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

Brokers/Dealers	Value of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
Citigroup Global Markets Ltd	6,410,381	19.94	7,594	13.98
J.P. Morgan Securities LLC	3,454,973	10.75	1,036	1.91
Credit Suisse (Hong Kong) Ltd	2,690,389	8.37	6,030	11.10
CLSA Ltd	2,685,638	8.35	4,668	8.59
Instinet Pacific Services Ltd	2,375,642	7.39	6,332	11.65
DBS Vickers Securities (Singapore) Pte Ltd	2,066,920	6.43	3,805	7.00
Morgan Stanley	1,765,136	5.49	4,392	8.08
Macquarie Capital Securities (Malaysia) Sdn Bhd	1,736,598	5.40	4,529	8.34
CLSA Securities (M) Sdn Bhd	1,676,721	5.22	503	0.93
CGS-Cimb Securities (Singapore) Pte Ltd #	1,397,581	4.35	3,273	6.02
Others	5,888,381	18.31	12,169	22.40
	<u>32,148,360</u>	<u>100.00</u>	<u>54,331</u>	<u>100.00</u>

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

Brokers/Dealers	Value of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
J.P. Morgan Securities LLC	4,370,511	11.84	1,311	1.75
Credit Suisse (Hong Kong) Ltd	3,943,218	10.68	8,727	11.63
Citigroup Global Markets Ltd	3,904,537	10.58	7,475	9.96
Sanford C. Bernstein & Co., LLC	3,727,612	10.10	8,306	11.07
CLSA Ltd	3,333,933	9.03	8,265	11.01
DBS Vickers Securities (Singapore) Pte Ltd	2,419,279	6.55	5,432	7.24
Instinet Pacific Services Ltd	1,620,862	4.39	4,213	5.61
Morgan Stanley Ltd	1,548,210	4.19	3,871	5.16
China International Capital Corp Ltd	1,527,581	4.14	4,100	5.46
Shenwan Hongyuan Singapore Pte Ltd	1,513,237	4.10	2,270	3.02
Others #	9,002,313	24.40	21,091	28.09
	<u>36,911,293</u>	<u>100.00</u>	<u>75,061</u>	<u>100.00</u>

13. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

Included in the transactions are trades conducted with CGS-Cimb Securities (Singapore) Pte Ltd and CIMB Investment Bank Bhd, fellow related parties to the Manager amounting to USD1,397,581 (2019: USD974,123) and Nil (2019: USD298,702) respectively. 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.

14. SIGNIFICANT EVENT DURING THE FINANCIAL 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 end.

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

15. APPROVAL OF FINANCIAL STATEMENTS

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

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Trustee for the Principal Dynamic Growth Fund

(formerly known as CIMB-Principal Dynamic Growth Fund)

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