

# Principal Emerging Markets Multi Asset Fund

Annual Report

For The Financial Year Ended 31 January 2023

**PRINCIPAL EMERGING MARKETS MULTI ASSET FUND**  
**ANNUAL REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023**

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## INVESTORS' LETTER

Dear Valued Investor,

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

We are pleased to bring you a copy of the Annual Fund Report of the Principal Emerging Markets Multi Asset Fund for the financial year ended 31 January 2023. You may also download this report from our website at [www.principal.com.my](http://www.principal.com.my).

We are pleased to share that Principal Malaysia was accorded with the 2023 Best of the Best Performance Award for Asia Pacific Equity ex-Japan (10 Years) at the Asia Asset Management Best of the Best Awards 2023.

Digital innovation is central to our strategy, as we use data and technology to develop the right solutions for you. We will continue to advance our digital capabilities to provide easy access to your investment portfolio and enable you to carry out transactions seamlessly. Please continue to check out our website ([www.principal.com.my](http://www.principal.com.my)), like our Facebook page (@PrincipalAssetMY), follow us on our Instagram account (@principalassetmanagement\_my), and LinkedIn page (Principal Asset Management Berhad) for the latest updates, market insights and investment articles.

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

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

**Munirah Khairuddin**  
Chief Executive Officer

**MANAGER'S REPORT****FUND OBJECTIVE AND POLICY****What is the investment objective of the Fund?**

The Fund aims to maximise total return through investments in one collective investment scheme, which invests primarily in assets of the Emerging Markets ("EM").

**Has the Fund achieved its objective?**

For the financial year under review, the Fund has not achieved its objective. However, we are taking necessary action to ensure that the Fund is in line to achieve its long-term objective as stated under the Investment Objective section.

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

The Fund is a feeder fund and it invests in a single collective investment scheme, i.e. AllianceBernstein Société d'Investissement à Capital Variable ("AB SICAV") I Emerging Markets Multi-Asset Portfolio ("Target Fund"). The Fund may also invest in liquid asset for liquidity purpose.

In order to achieve its investment objective, the Fund will invest at least 95% of its Net Asset Value ("NAV") in the Target Fund; a Undertaking for Collective Investment in Transferable Securities ("UCITS") domiciled in Luxembourg and established on 23 May 2011. Currently, the Fund will invest in Class AD of the Target Fund, which is a share class denominated in USD and launched on 21 March 2013. The Fund will also maintain up to 5% of its NAV in liquid assets for liquidity purposes. The Fund may invest into any other classes of the Target Fund which must be denominated in USD if the Manager and the Target Fund Manager are of the opinion that the change is in the interest of the Unit holders.

**Asset Allocation**

- At least 95% of the Fund's NAV will be invested in the Target Fund; and
- Up to 5% of the Fund's NAV will be invested in liquid assets for liquidity purposes.

**Information on the Target Fund:**

Company	: AB SICAV I, an open-ended investment company with variable capital (société d'investissement à capital variable) incorporated on 8 June 2006 with limited liability in the Grand Duchy of Luxembourg.
Investment Manager	: AllianceBernstein L.P.
Management Company	: AllianceBernstein (Luxembourg) S.à r.l.
Regulatory authority	: Commission de Surveillance du Secteur Financier

**Base Currency**

USD

**Fund category/type**

Feeder Fund/Income & Growth

**When was the Fund launched?**

<b>Name of Class</b>	<b>Launch date</b>
Class AUD-Hedged ("AUD-H")	1 July 2017
Class EUR-Hedged ("EUR-H")	2 July 2018
Class GBP-Hedged ("GBP-H")	2 July 2018
Class HKD-Hedged ("HKD-H")	2 July 2018
Class MYR	6 January 2017
Class MYR-Hedged ("MYR-H")	27 February 2017
Class RMB-Hedged ("RMB-H")	2 July 2018
Class SGD-Hedged ("SGD-H")	1 July 2017
Class USD	6 January 2017

**What was the size of the Fund as at 31 January 2023?**

USD7.26 million (28.73 million units)

## FUND OBJECTIVE AND POLICY (CONTINUED)

### What is the Fund's benchmark?

The Fund is benchmark unconstrained as the Target Fund is benchmark unconstrained i.e. it will be actively managed without references to any specific benchmark.

### What is the Fund distribution policy?

Quarterly, depending on the availability of realised income and/or realised gains and at the Manager's discretion. The Manager has the right to make provisions for reserves in respect of distribution of the Class. If the income available is too small or insignificant, any distribution may not be of benefit to unit holders as the total cost to be incurred in any such distribution may be higher than the amount for distribution. The Manager has the discretion to decide on the amount to be distributed. The Manager also has the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of its realised income and/or realised gains, as well as the performance of the Fund.

### What was the net income distribution for the financial year ended to 31 January 2023?

The Fund distributed a total net income of USD0.32 million to unit holders for the financial year ended 31 January 2023.

The Fund's NAV per unit were as follows:

Date	NAV per unit (before distribution) USD	NAV per unit (after distribution) USD
Distribution on 14 March 2022		
Class AUD-H	0.5840	0.5779
Class GBP-H	1.3136	1.2991
Class HKD-H	0.1283	0.1269
Class MYR	0.2049	0.2027
Class MYR-H	0.2077	0.2055
Class RMB-H	0.1626	0.1609
Class SGD-H	0.6013	0.5947
Class USD	0.9377	0.9277
Distribution on 15 June 2022		
Class AUD-H	0.5348	0.5288
Class GBP-H	1.1692	1.1559
Class HKD-H	0.1233	0.1220
Class MYR	0.1979	0.1957
Class MYR-H	0.1911	0.1890
Class RMB-H	0.1495	0.1479
Class SGD-H	0.5680	0.5618
Class USD	0.9055	0.8956
Distribution on 15 September 2022		
Class AUD-H	0.4716	0.4659
Class GBP-H	1.0114	0.9991
Class HKD-H	0.1122	0.1109
Class MYR	0.1804	0.1783
Class MYR-H	0.1692	0.1672
Class RMB-H	0.1307	0.1291
Class SGD-H	0.5114	0.5054
Class USD	0.8258	0.8164
Distribution on 13 December 2022		
Class AUD-H	0.4736	0.4693
Class GBP-H	1.0750	1.0651
Class HKD-H	0.1121	0.1110
Class MYR	0.1791	0.1774
Class MYR-H	0.1715	0.1699
Class RMB-H	0.1299	0.1287
Class SGD-H	0.5286	0.5236
Class USD	0.8200	0.8120

## FUND OBJECTIVE AND POLICY (CONTINUED)

Breakdown of distribution were as follows:

	RM	%
Income	315,154	100.00
Capital	-	-
Total	315,154	100.00

## PERFORMANCE DATA

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

	31.01.2023	31.01.2022	31.01.2021
	%	%	%
Collective investment scheme	98.37	99.07	99.20
Cash and other assets	4.63	1.46	4.26
Liabilities	(3.00)	(0.53)	(3.46)
	100.00	100.00	100.00

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

	31.01.2023	31.01.2022	31.01.2021
NAV (USD Million)			
- Class AUD-H	0.94	1.35	2.85
- Class EUR-H	0.00*	0.00*	0.00*
- Class GBP-H	0.01	0.01	0.15
- Class HKD-H	0.00*	0.00*	0.02
- Class MYR	0.83	1.31	2.50
- Class MYR-H	3.17	4.15	7.94
- Class RMB-H	0.39	0.58	1.33
- Class SGD-H	1.07	1.48	2.25
- Class USD	0.85	1.30	2.67
Units in circulation (Million)			
- Class AUD-H	1.85	2.06	3.65
- Class EUR-H	0.00*	0.00*	0.00*
- Class GBP-H	0.01	0.01	0.08
- Class HKD-H	0.00*	0.00*	0.11
- Class MYR	4.36	5.56	9.76
- Class MYR-H	16.91	17.35	29.72
- Class RMB-H	2.74	3.15	6.77
- Class SGD-H	1.88	2.13	2.90
- Class USD	0.98	1.21	2.28
NAV per unit (USD)			
- Class AUD-H	0.5105	0.6524	0.7825
- Class EUR-H	1.0405	1.3144	1.5200
- Class GBP-H	1.1274	1.5510	1.7613
- Class HKD-H	0.1174	0.1477	0.1625
- Class MYR	0.1895	0.2349	0.2562
- Class MYR-H	0.1875	0.2391	0.2671
- Class RMB-H	0.1406	0.1860	0.1956
- Class SGD-H	0.5709	0.6950	0.7759
- Class USD	0.8672	1.0750	1.1736

Note: 0.00\* denotes fair value/unit count less than 0.01 million.

**PERFORMANCE DATA (CONTINUED)**

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

	31.01.2023	31.01.2022	31.01.2021
Highest NAV per unit (USD)			
- Class AUD-H	0.6752	0.8562	0.8280
- Class EUR-H	1.3683	1.6288	1.5966
- Class GBP-H	1.5960	1.9375	1.8462
- Class HKD-H	0.1505	0.1741	0.1711
- Class MYR	0.2393	0.2760	0.2698
- Class MYR-H	0.2436	0.2885	0.2812
- Class RMB-H	0.1899	0.2109	0.2043
- Class SGD-H	0.7138	0.8351	0.8159
- Class USD	1.0950	1.2641	1.2354
Lowest NAV per unit (USD)			
- Class AUD-H	0.3889	0.6361	0.3846
- Class EUR-H	0.7918	1.2869	0.8536
- Class GBP-H	0.8591	1.5161	0.9633
- Class HKD-H	0.0982	0.1450	0.1025
- Class MYR	0.1583	0.2304	0.1645
- Class MYR-H	0.1417	0.2336	0.1548
- Class RMB-H	0.1095	0.1827	0.1116
- Class SGD-H	0.4445	0.6826	0.4559
- Class USD	0.7250	1.0542	0.7527
Total return (%)			
- Class AUD-H	(17.85)	(6.17)	14.59
- Class EUR-H	(18.32)	(6.19)	14.94
- Class GBP-H	(17.23)	(6.23)	15.37
- Class HKD-H	(16.60)	(6.14)	17.10
- Class MYR	(14.12)	(1.64)	15.62
- Class MYR-H	(16.54)	(3.97)	16.85
- Class RMB-H	(16.40)	(2.78)	20.44
- Class SGD-H	(16.63)	(5.41)	16.07
- Class USD	(15.79)	(5.04)	17.29
Capital growth (%)			
- Class AUD-H	(21.29)	(9.45)	9.87
- Class EUR-H	(18.32)	(6.19)	14.94
- Class GBP-H	(20.76)	(10.23)	12.41
- Class HKD-H	(20.12)	(8.60)	15.73
- Class MYR	(17.76)	(5.06)	10.88
- Class MYR-H	(20.05)	(7.30)	12.06
- Class RMB-H	(19.91)	(5.84)	14.92
- Class SGD-H	(20.14)	(8.73)	11.11
- Class USD	(19.33)	(8.41)	12.58
Income distribution (%)			
- Class AUD-H	4.38	3.61	4.25
- Class EUR-H	-	-	-
- Class GBP-H	4.46	4.46	2.62
- Class HKD-H	4.40	2.69	1.19



**PERFORMANCE DATA (CONTINUED)**

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

	31.01.2023	31.01.2022	31.01.2021
Income distribution (%) (continued)			
- Class MYR	4.42	3.60	4.27
- Class MYR-H	4.39	3.59	4.24
- Class RMB-H	4.38	3.25	3.31
- Class SGD-H	4.39	3.64	4.46
- Class USD	4.39	3.68	4.18
Total Expense Ratio ("TER") (%) ^	0.32	0.30	0.29
Portfolio Turnover Ratio ("PTR") (times) #	0.21	0.38	0.45

^ The Fund's TER increased from 0.30% to 0.32% due to the decrease in average NAV during the financial year under review.

# For the financial year under review, the Fund's PTR decreased to 0.21 from 0.38 times as there were lesser trading activities during the period.

	31.01.2023	31.01.2022	31.01.2021
<b>Gross/Net distribution per unit (cent)</b>			
Distribution on 14 March 2022			
- Class AUD-H	0.61	-	-
- Class GBP-H	1.44	-	-
- Class HKD-H	0.14	-	-
- Class MYR	0.22	-	-
- Class MYR-H	0.22	-	-
- Class RMB-H	0.17	-	-
- Class SGD-H	0.65	-	-
- Class USD	1.00	-	-
Distribution on 15 June 2022			
- Class AUD-H	0.60	-	-
- Class GBP-H	1.32	-	-
- Class HKD-H	0.13	-	-
- Class MYR	0.22	-	-
- Class MYR-H	0.21	-	-
- Class RMB-H	0.16	-	-
- Class SGD-H	0.62	-	-
- Class USD	0.99	-	-
Distribution on 15 September 2022			
- Class AUD-H	0.56	-	-
- Class GBP-H	1.22	-	-
- Class HKD-H	0.13	-	-
- Class MYR	0.21	-	-
- Class MYR-H	0.20	-	-
- Class RMB-H	0.16	-	-
- Class SGD-H	0.60	-	-
- Class USD	0.94	-	-
Distribution on 13 December 2022			
- Class AUD-H	0.43	-	-
- Class GBP-H	0.98	-	-
- Class HKD-H	0.11	-	-
- Class MYR	0.17	-	-
- Class MYR-H	0.16	-	-
- Class RMB-H	0.12	-	-
- Class SGD-H	0.49	-	-
- Class USD	0.80	-	-

PERFORMANCE DATA (CONTINUED)

	31.01.2023	31.01.2022	31.01.2021
<b>Gross/Net distribution per unit (cent)</b>			
Distribution on 4 March 2021			
- Class AUD-H	-	0.78	-
- Class GBP-H	-	1.76	-
- Class HKD-H	-	0.16	-
- Class MYR	-	0.26	-
- Class MYR-H	-	0.27	-
- Class RMB-H	-	0.15	-
- Class SGD-H	-	0.84	-
- Class USD	-	1.17	-
Distribution on 4 June 2021			
- Class AUD-H	-	0.60	-
- Class GBP-H	-	1.37	-
- Class HKD-H	-	-	-
- Class MYR	-	0.20	-
- Class MYR-H	-	0.20	-
- Class RMB-H	-	0.15	-
- Class SGD-H	-	0.59	-
- Class USD	-	0.90	-
Distribution on 9 September 2021			
- Class AUD-H	-	0.66	-
- Class GBP-H	-	3.09	-
- Class HKD-H	-	0.13	-
- Class MYR	-	0.22	-
- Class MYR-H	-	0.23	-
- Class RMB-H	-	0.16	-
- Class SGD-H	-	0.65	-
- Class USD	-	1.15	-
Distribution on 15 December 2021			
- Class AUD-H	-	0.64	-
- Class GBP-H	-	1.42	-
- Class HKD-H	-	0.13	-
- Class MYR	-	0.22	-
- Class MYR-H	-	0.22	-
- Class RMB-H	-	0.17	-
- Class SGD-H	-	0.64	-
- Class USD	-	0.99	-
Distribution on 18 March 2020			
- Class AUD-H	-	-	0.56
- Class MYR	-	-	0.21
- Class MYR-H	-	-	0.21
- Class RMB-H	-	-	0.10
- Class SGD-H	-	-	0.61
- Class USD	-	-	0.94
Distribution on 18 June 2020			
- Class AUD-H	-	-	0.58
- Class GBP-H	-	-	1.33
- Class MYR	-	-	0.22
- Class MYR-H	-	-	0.20
- Class RMB-H	-	-	0.13
- Class SGD-H	-	-	0.71
- Class USD	-	-	0.96
Distribution on 9 September 2020			
- Class AUD-H	-	-	0.61
- Class GBP-H	-	-	1.33
- Class HKD-H	-	-	0.05

PERFORMANCE DATA (CONTINUED)

	31.01.2023	31.01.2022	31.01.2021
<b>Gross/Net distribution per unit (cent)</b>			
Distribution on 9 September 2020			
(continued)			
- Class MYR	-	-	0.22
- Class MYR-H	-	-	0.22
- Class RMB-H	-	-	0.11
- Class SGD-H	-	-	0.63
- Class USD	-	-	1.03
Distribution on 8 December 2020			
- Class AUD-H	-	-	0.66
- Class GBP-H	-	-	1.09
- Class HKD-H	-	-	0.13
- Class MYR	-	-	0.23
- Class MYR-H	-	-	0.24
- Class RMB-H	-	-	0.15
- Class SGD-H	-	-	0.73
- Class USD	-	-	1.02

	31.01.2023	31.01.2022	31.01.2021	31.01.2020	31.01.2019
	%	%	%	%	%
Annual total return					
- Class MYR	(14.12)	(1.64)	15.62	3.73	(13.66)
- Class USD	(15.79)	(5.04)	17.29	3.72	(13.66)

(Launch date: 6 January 2017)

	31.01.2023	31.01.2022	31.01.2021	31.01.2020	31.01.2019
	%	%	%	%	%
Annual total return					
- Class MYR-H	(16.54)	(3.97)	16.85	3.93	(17.51)

(Launch date: 27 February 2017)

	31.01.2023	31.01.2022	31.01.2021	31.01.2020	31.01.2019
	%	%	%	%	%
Annual total return					
- Class AUD-H	(17.85)	(6.17)	14.59	2.38	(23.01)
- Class SGD-H	(16.63)	(5.41)	16.07	2.71	(16.95)

(Launch date: 1 July 2017)

	31.01.2023	31.01.2022	31.01.2021	31.01.2020
	%	%	%	%
Annual total return				
- Class EUR-H	(18.32)	(6.19)	14.94	4.83
- Class GBP-H	(17.23)	(6.23)	15.37	4.20
- Class HKD-H	(16.60)	(6.14)	17.10	2.86
- Class RMB-H	(16.40)	(2.78)	20.44	2.71

(Launch date: 2 July 2018)

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 FEBRUARY 2022 TO 31 JANUARY 2023)**

EM equities, as measured by the Morgan Stanley Capital International (“MSCI”) EM Index, declined 7.0% during the first quarter of 2022 (in USD terms). Stocks experienced periods of increased volatility against a backdrop of tightening monetary policy particularly in the US, geopolitical turmoil triggered by Russia’s invasion of Ukraine, and surging Coronavirus Disease 2019 (“COVID-19”) cases in China, which prompted the renewal of strict lockdowns in some cities. Inflation continued to accelerate, threatening the global economic recovery as commodity price shocks and global supply-chain woes worsened as a result of the war.

During the second quarter of 2022, EM stocks, as measured by the MSCI EM Index, declined 11.5%; year to date, the index has lost 17.6%. The global economic outlook deteriorated sharply in the second quarter as the growing risk of recession especially in the US accelerated amid persistently high inflation. Central bankers, led by the US Federal Reserve (the “Fed”), responded with aggressively tighter monetary policy. The impact of rising energy prices on the cost of living, worsened by Russia’s move to reduce energy supplies to parts of Europe; and escalating supply-chain disruptions related to China’s pledge to enforce its zero-COVID-19 strategy weighed heavily on risk sentiment and fueled investor concern about the growing risk of recession.

EM equities, as measured by the MSCI EM Index, closed down 0.3% in July 2022, underperforming developed markets which rallied in the month amid a recalibration of rate-hike expectations on the back of softer economic data. In contrast, concerns over China’s economic woes and weak commodity prices weighed on EMs. Year to date, the MSCI EM has declined 17.8% (all returns in US-dollar terms).

The MSCI EM Index, rose modestly in August 2022, but struggled for direction throughout the month. EMs were weighed down by worries over global growth exacerbated by the Fed increasingly hawkish commentary, a worsening economic slowdown in China, escalating US-China tension around Taiwan and weaker commodity prices. Despite this, EM equities outperformed developed markets (“DM”s), which fell in the month. The MSCI EM Index closed up 0.4%; year to date, the index has lost 17.5% (all returns in US-dollar terms).

EM equities, as measured by the MSCI EM Index, declined 11.6% in September 2022; year to date, the index has lost 27.2% (all returns in USD terms), though the continued strength of the USD mitigated losses for most investors with non-USD based currencies. The global economic outlook continued to deteriorate. Increasingly hawkish central banks and persistent inflation elevated investor concern that rapidly rising borrowing costs would slow economic growth significantly and tip global economies including that of the US into recession.

Global equities rallied throughout much of the fourth quarter as investor sentiment was boosted by early evidence of easing inflationary pressures, which raised hopes that the Fed and other key central banks would soon slow the pace of rate hikes. Equities gave back gains late in the quarter as optimism faded after the Fed downshifted to a 0.50% rate hike but strongly reaffirmed its conviction for higher-for-longer rates. EM stocks, as measured by the MSCI EM Index, rose 9.7% during the fourth quarter of 2022 and lost 20.1% for the full year (all returns in USD terms).

EM equities experienced a solid gain during the month of January 2023. The MSCI EM Index rose 7.9%, in USD terms, amid optimism over the potential for a strong economic rebound in China following the end of zero-COVID-19 restrictions and cooling inflation in the US, which may lead to a less hawkish Fed. A weaker US dollar also benefited EM equities.

FUND PERFORMANCE

	1 year to 31.01.2023								
	Class AUD-H %	Class EUR-H %	Class GBP-H %	Class HKD-H %	Class MYR %	Class MYR-H %	Class RMB-H %	Class SGD-H %	Class USD %
Income									
Distribution	4.38	-	4.46	4.40	4.42	4.39	4.38	4.39	4.39
Capital									
Growth	(21.29)	(18.32)	(20.76)	(20.12)	(17.76)	(20.05)	(19.91)	(20.14)	(19.33)
Total Return	(17.85)	(18.32)	(17.23)	(16.60)	(14.12)	(16.54)	(16.40)	(16.63)	(15.79)
Benchmark	-	-	-	-	-	-	-	-	-
Average									
Total									
Return	(17.85)	(18.32)	(17.23)	(16.60)	(14.12)	(16.54)	(16.40)	(16.63)	(15.79)
	3 years to 31.01.2023								
	Class AUD-H %	Class EUR-H %	Class GBP-H %	Class HKD-H %	Class MYR %	Class MYR-H %	Class RMB-H %	Class SGD-H %	Class USD %
Income									
Distribution	12.80	-	11.98	8.49	12.79	12.73	11.34	13.01	12.76
Capital									
Growth	(21.70)	(11.93)	(20.04)	(15.50)	(13.42)	(16.92)	(13.25)	(19.01)	(16.82)
Total Return	(11.68)	(11.93)	(10.45)	(8.33)	(2.34)	(6.35)	(3.42)	(8.47)	(6.20)
Benchmark	-	-	-	-	-	-	-	-	-
Average									
Total									
Return	(4.05)	(4.14)	(3.61)	(2.86)	(0.79)	(2.16)	(1.15)	(2.91)	(2.11)
	5 years to 31.01.2023								
	Class AUD-H %	Class EUR-H %	Class GBP-H %	Class HKD-H %	Class MYR %	Class MYR-H %	Class RMB-H %	Class SGD-H %	Class USD %
Income									
Distribution	16.80	-	-	-	19.36	23.84	-	18.77	17.98
Capital									
Growth	(33.81)	-	-	-	(22.96)	(31.87)	-	(32.48)	(28.81)
Total Return	(22.69)	-	-	-	(8.04)	(15.63)	-	(19.81)	(16.01)
Benchmark	-	-	-	-	-	-	-	-	-
Average									
Total									
Return	(5.02)	-	-	-	(1.66)	(3.34)	-	(7.10)	(3.43)
	Since inception to 31.01.2023								
	Class AUD-H %	Class EUR-H %	Class GBP-H %	Class HKD-H %	Class MYR %	Class MYR-H %	Class RMB-H %	Class SGD-H %	Class USD %
Income									
Distribution	16.80	-	13.34	8.49	22.17	28.58	11.96	19.93	19.54
Capital									
Growth	(27.19)	(3.92)	(8.53)	(8.00)	(19.17)	(20.02)	(4.97)	(24.82)	(13.28)
Total Return	(14.96)	(3.92)	3.67	(0.19)	(1.25)	2.84	6.40	(9.83)	3.66
Benchmark	-	-	-	-	-	-	-	-	-
Average									
Total									
Return	(2.52)	(0.75)	0.68	(0.04)	(0.18)	0.42	1.17	(1.62)	0.53

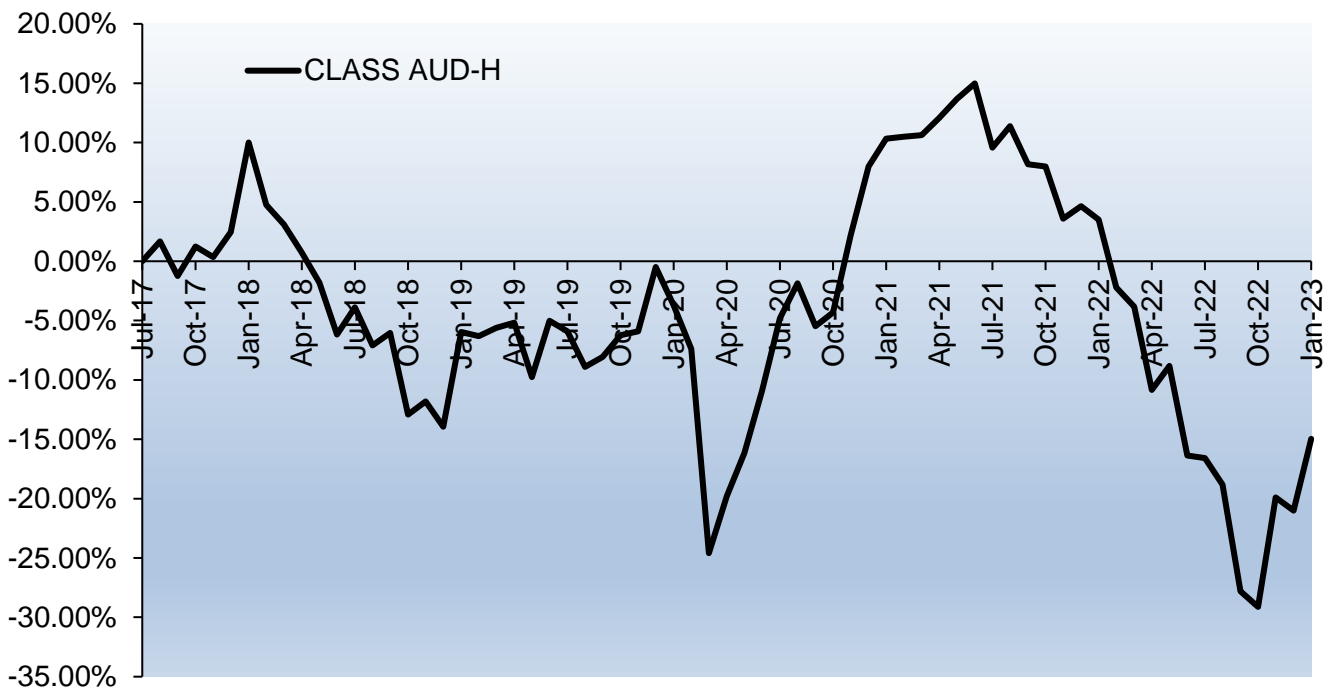
## FUND PERFORMANCE (CONTINUED)

For the financial year under review, the Fund posted negative returns for all classes. Class AUD-H, Class EUR-H, Class GBP-H, Class HKD-H, Class MYR, Class MYR-H, Class RMB-H, Class SGD-H, and Class USD fell by 17.85%, 18.32%, 17.23%, 16.60%, 14.12%, 16.54%, 16.40%, 16.63%, and 15.79% respectively.

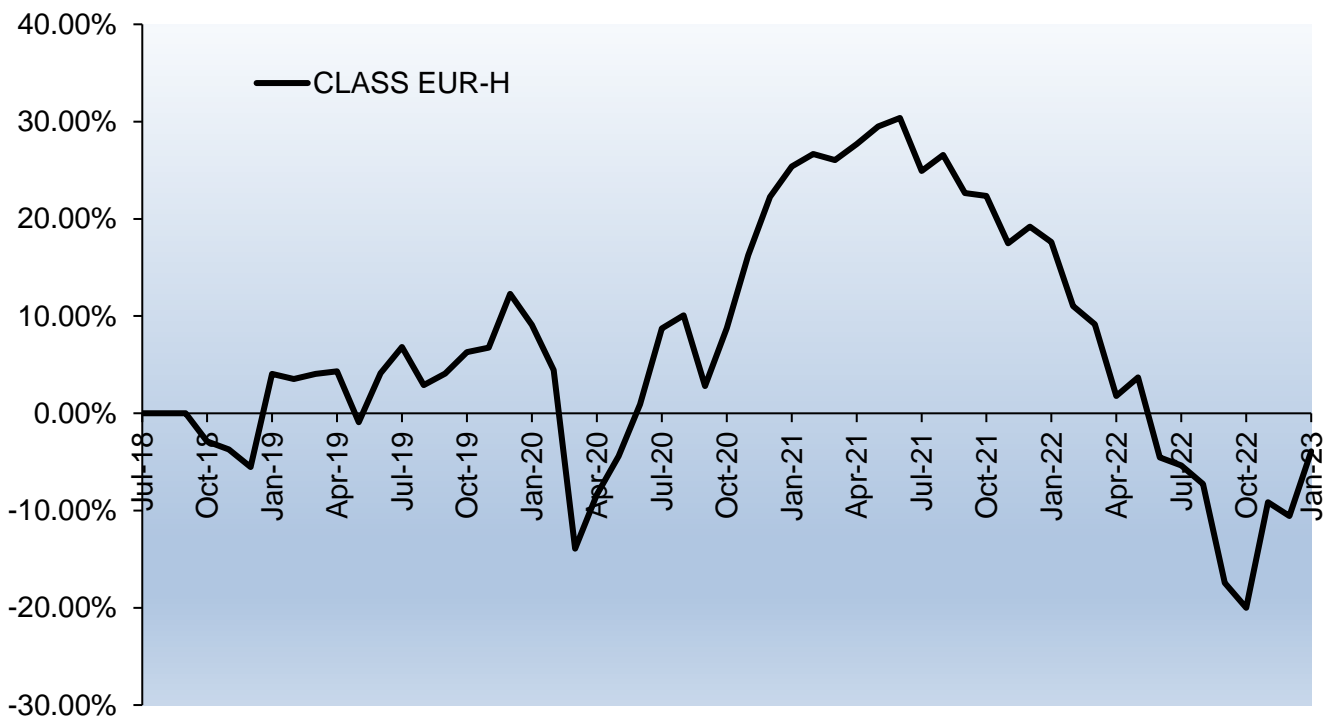
To note, the Fund is benchmark unconstrained. However, the weakness in performance during the period under review was in line with the overall EM market performance, as highlighted under the Market Review section.

### Since Inception

#### CLASS AUD-H



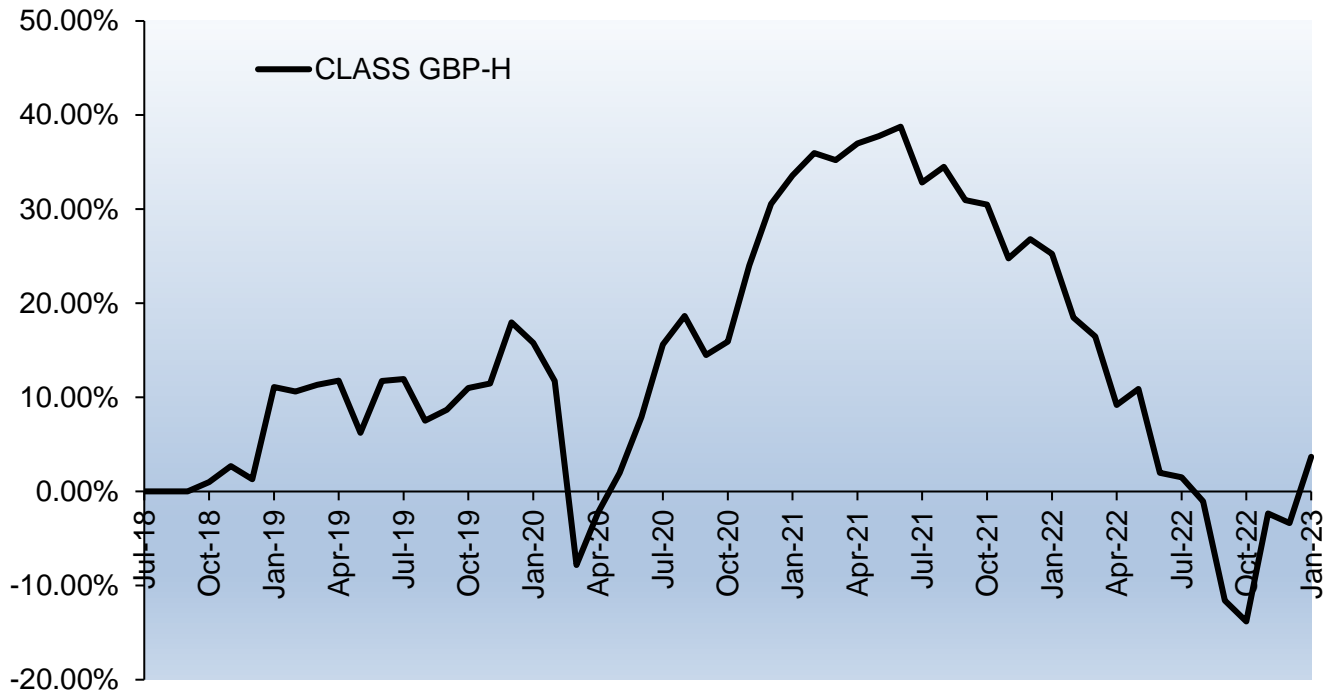
#### CLASS EUR-H



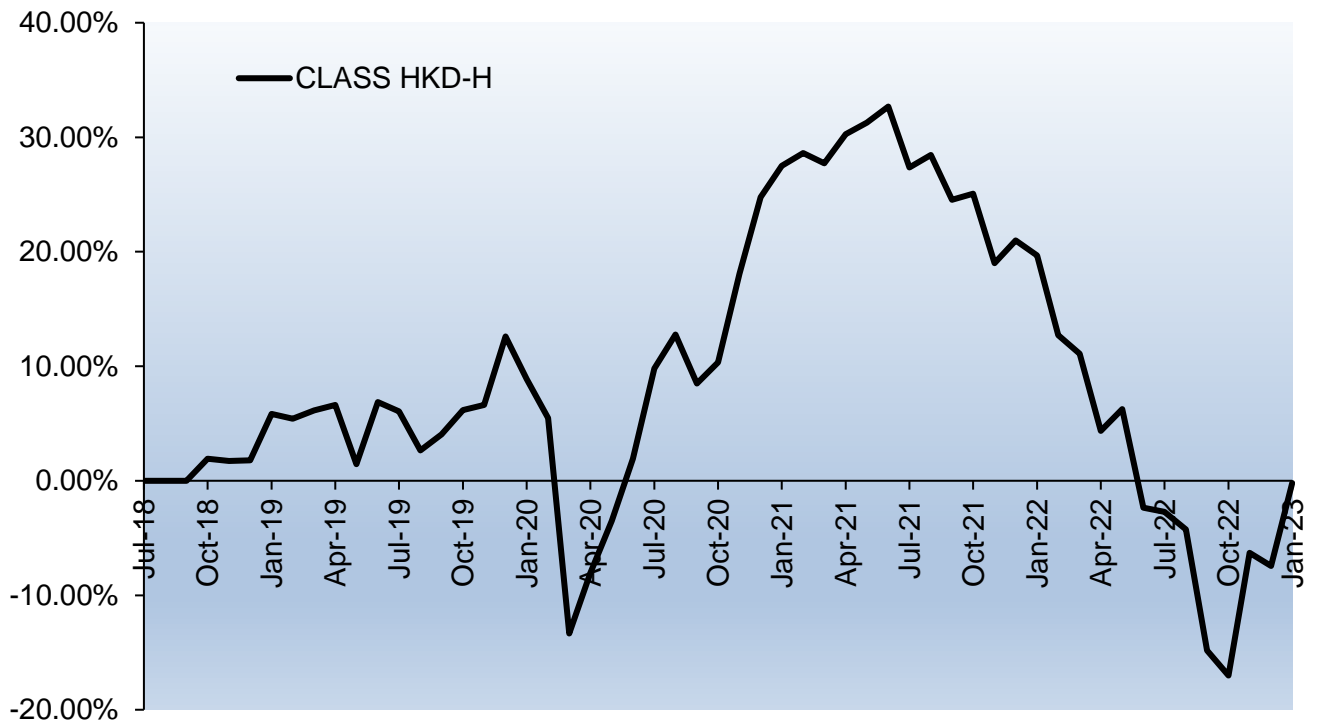
FUND PERFORMANCE (CONTINUED)

Since Inception

CLASS GBP-H



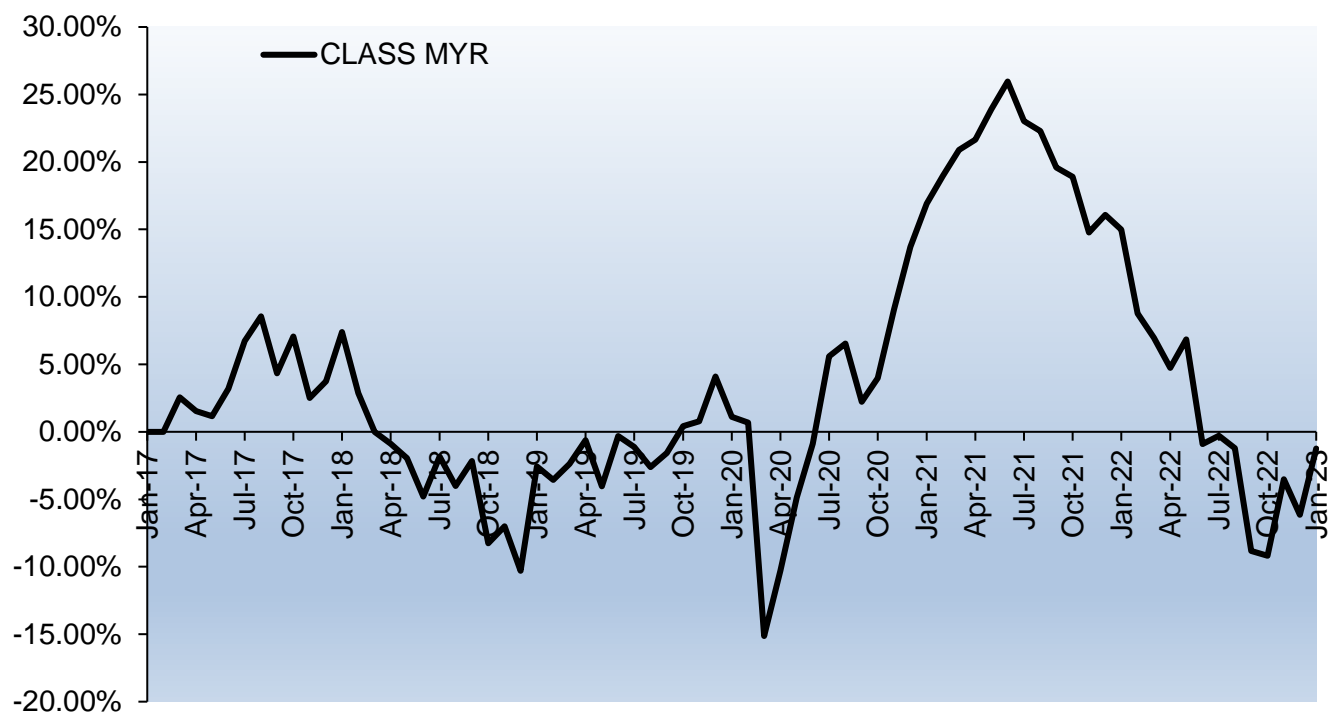
CLASS HKD-H



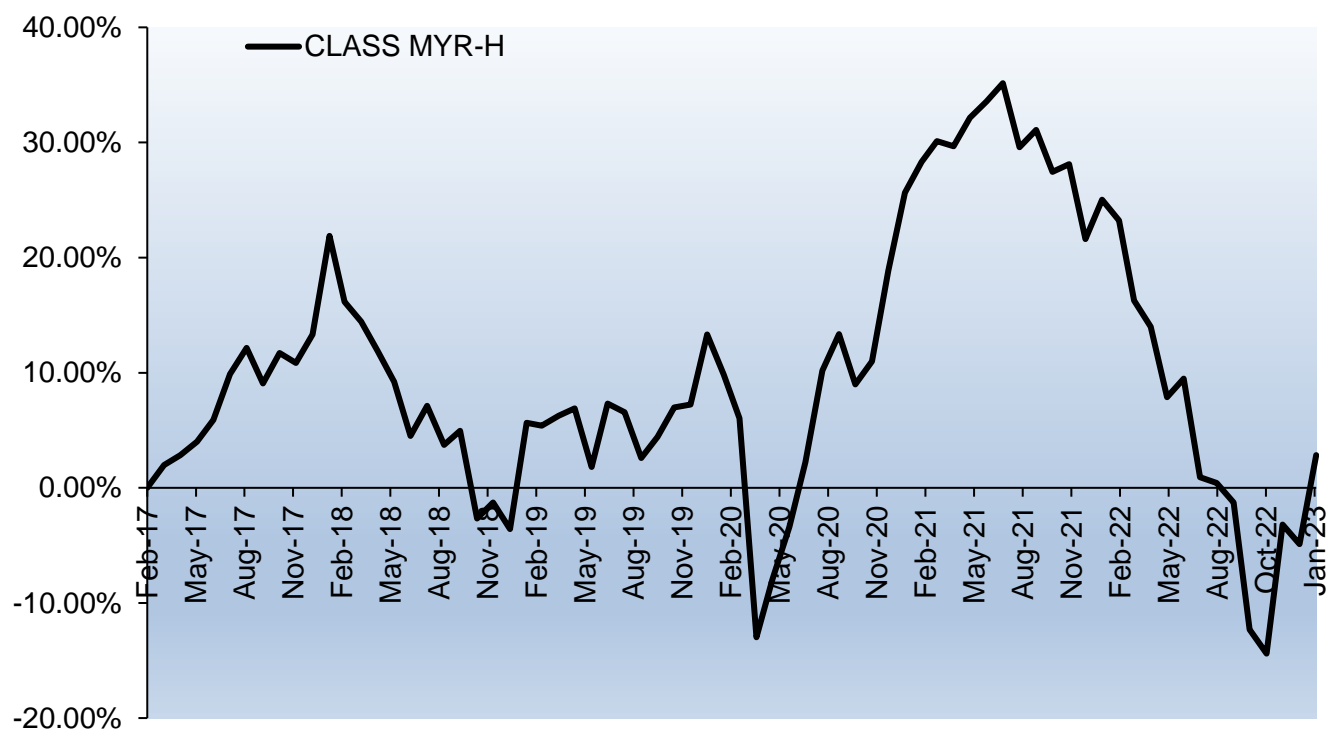
FUND PERFORMANCE (CONTINUED)

Since Inception

CLASS MYR



CLASS MYR-H

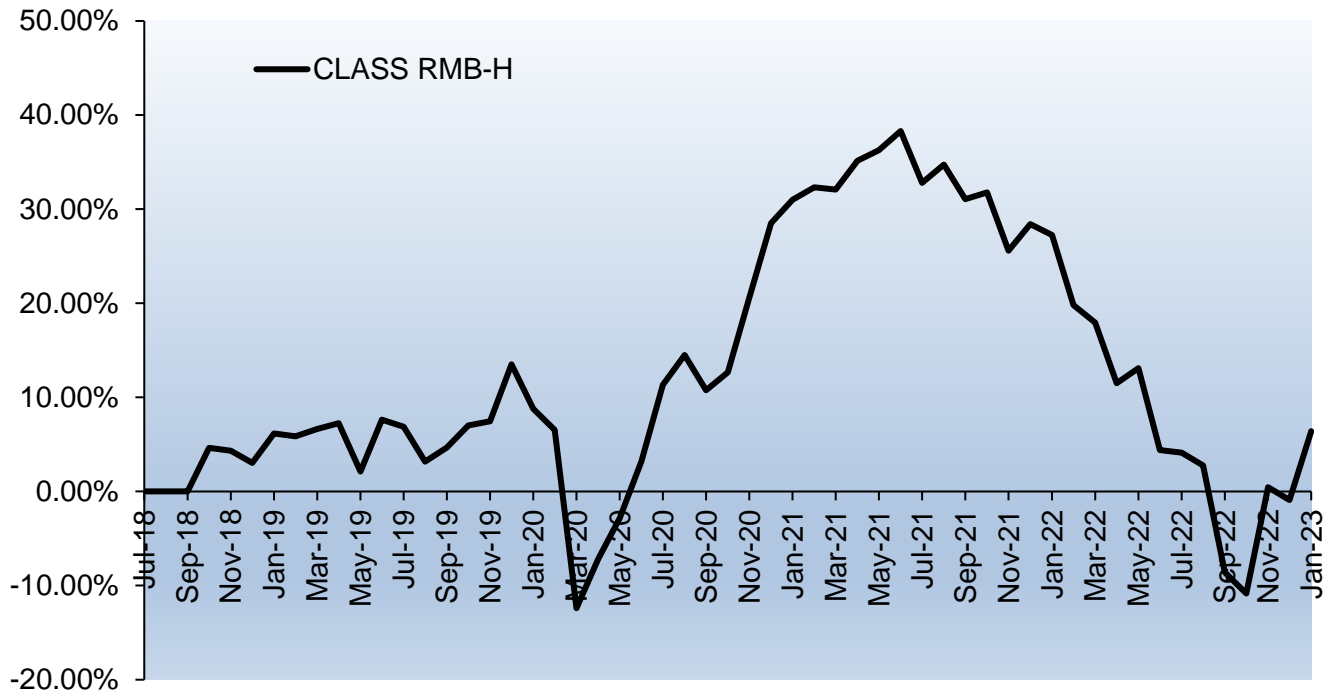




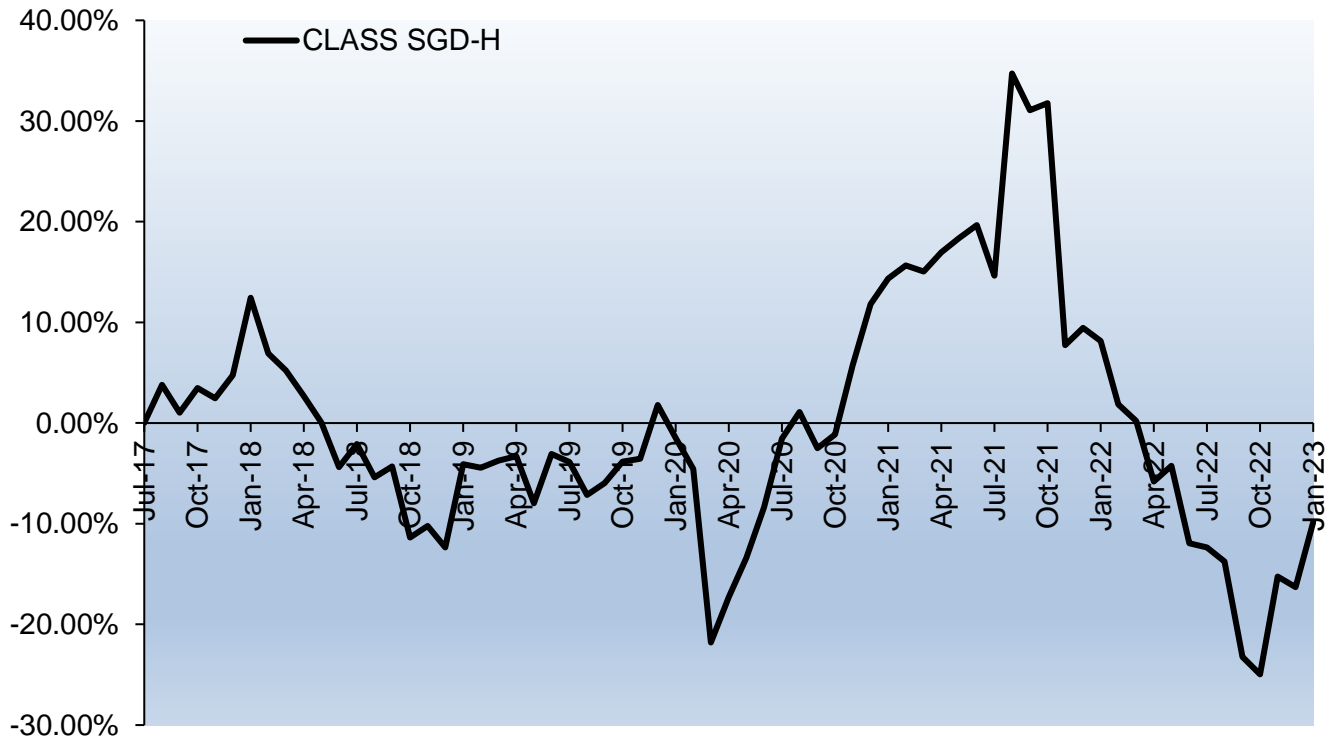
FUND PERFORMANCE (CONTINUED)

Since Inception

CLASS RMB-H



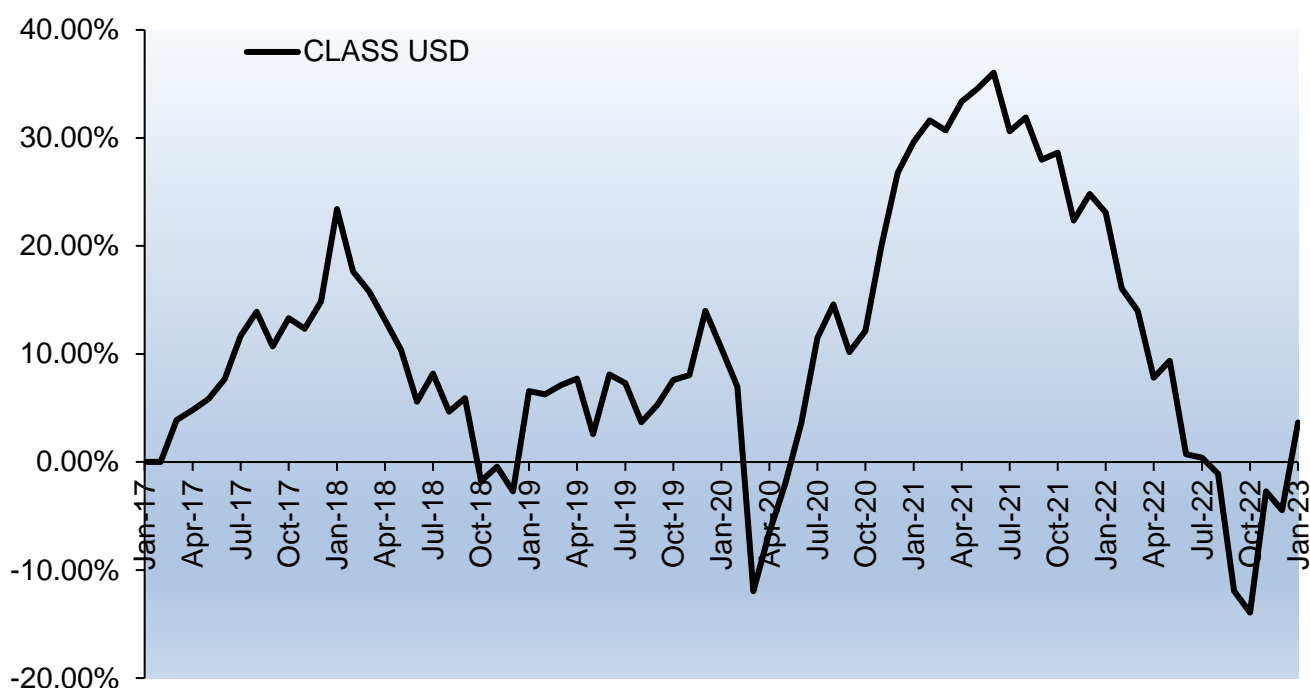
CLASS SGD-H



## FUND PERFORMANCE (CONTINUED)

Since Inception

## CLASS USD



## Changes in NAV

	31.01.2023	31.01.2022	Changes %
<b>CLASS AUD-H</b>			
NAV (USD Million)	0.94	1.35	(30.37)
NAV/Unit (USD)	0.5105	0.6524	(21.75)
<b>CLASS EUR-H</b>			
NAV (USD Million)	0.00*	0.00*	-
NAV/Unit (USD)	1.0405	1.3144	(20.84)
<b>CLASS GBP-H</b>			
NAV (USD Million)	0.01	0.01	-
NAV/Unit (USD)	1.1274	1.5510	(27.31)
<b>CLASS HKD-H</b>			
NAV (USD Million)	0.00*	0.00*	-
NAV/Unit (USD)	0.1174	0.1477	(20.51)
<b>CLASS MYR</b>			
NAV (USD Million)	0.83	1.31	(36.64)
NAV/Unit (USD)	0.1895	0.2349	(19.33)
<b>CLASS MYR-H</b>			
NAV (USD Million)	3.17	4.15	(23.61)
NAV/Unit (USD)	0.1875	0.2391	(21.58)

Note: 0.00\* denotes fair value less than 0.01 million.

## FUND PERFORMANCE (CONTINUED)

### Changes in NAV (Continued)

	31.01.2023	31.01.2022	Changes
<b>CLASS RMB-H</b>			
NAV (USD Million)	0.39	0.58	(32.76)
NAV/Unit (USD)	0.1406	0.1860	(24.41)
<b>CLASS SGD-H</b>			
NAV (USD Million)	1.07	1.48	(27.70)
NAV/Unit (USD)	0.5709	0.6950	(17.86)
<b>CLASS USD</b>			
NAV (USD Million)	0.85	1.30	(34.62)
NAV/Unit (USD)	0.8672	1.0750	(19.33)

For the financial year under review, the Fund's NAV for Class AUD-H, Class MYR, Class MYR-H, Class RMB-H, Class SGD-H, and Class USD decreased by 30.37%, 36.64%, 23.61%, 32.76%, 27.70%, and 34.62% respectively due to outflows from redemptions. Meanwhile Class EUR-H, Class GBP-H, and Class HKD-H remained flat during the same financial year under review.

The Fund's NAV per unit for all classes also decreased during the financial year under review mainly due to the negative investment performance.

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)	31.01.2023	31.01.2022
Collective investment scheme	98.37	99.07
Cash and other assets	4.63	1.46
Liabilities	(3.00)	(0.53)
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

The Fund was fully invested during the financial year under review. A minimal level of liquid assets was maintained primarily for redemption purposes.

## PORTFOLIO STRUCTURE (CONTINUED)

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

	% of NAV
	31.01.2023
<b>Top 10 holdings*</b>	
Taiwan Semiconductor Manufacturing	2.60
Alibaba Group Holding	2.22
Hana Financial Group Inc	1.92
Hon Hai Precision Industry Co Ltd	1.80
GAIL India Ltd	1.61
Agricultural Bank of China Ltd	1.59
PetroChina Co Ltd	1.58
KT Corporations	1.54
Kia Corporations	1.51
Samsung Electronics	1.48

\* As per disclosed in Fund Fact Sheet.

## MARKET OUTLOOK\*

We think that volatility is likely to remain a feature for at least the first half of 2023 as central banks continue to move rates upward. We continued to see indications of global disinflation, a softening US dollar and signs of increased activity in China. We opine that two of the key macro headwinds that EM debt faced in 2022—namely, a tightening in global liquidity as a function of high global inflation and the strict zero-COVID-19 policy in China—were beginning to abate.

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

## INVESTMENT STRATEGY

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

## SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (the "Manager") and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Principal Malaysia Funds ("Funds") unless the soft commission received is retained in the form of goods and services such as research and advisory services that assists in the decision making process relating to the Fund's investments. 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 for the benefit of the fund such as financial wire services and stock quotations system incidental to investment management of the Funds and there was no churning of trades.

## SECURITIES FINANCING TRANSACTIONS

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

**STATE OF AFFAIR OF THE FUND**

Latest changes to the Statement by Manager's signatory as follows:

Mr. Juan Ignacio Eyzaguirre Baraona (retired on 30 June 2022)

Mr. Uday Jayaram (appointed on 30 June 2022)

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

**CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS**

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

**CROSS TRADE**

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

**UNIT SPLIT**

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF  
PRINCIPAL EMERGING MARKETS MULTI ASSET FUND**

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 7 to 34 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 January 2023 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

**UDAY JAYARAM**

Director

Kuala Lumpur

17 March 2023

**TRUSTEE'S REPORT**

**TO THE UNIT HOLDERS OF  
PRINCIPAL EMERGING MARKETS MULTI ASSET FUND ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 31 January 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquires, Principal Asset Management Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management Company under the Deeds, securities laws and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

We are of the opinion that the distributions of income by the Fund are appropriate and reflects the investment objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat  
Manager, Investment Compliance Monitoring

Kuala Lumpur  
17 March 2023

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL EMERGING MARKETS MULTI ASSET FUND**

**Report on the audit of the financial statements**

*Opinion*

We have audited the financial statements of Principal Emerging Markets Multi Asset Fund (the "Fund"), which comprise the statement of financial position as at 31 January 2023 of the Fund, and statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 7 to 34.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 January 2023, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

*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 audit 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 Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.



**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL EMERGING MARKETS MULTI ASSET FUND (cont'd.)**

**Report on the audit of the financial statements (cont'd.)**

*Information other than the financial statements and auditors' report thereon*

The Manager of the Fund (the "Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund 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 is responsible for the preparation of 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 have no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL EMERGING MARKETS MULTI ASSET FUND (cont'd.)**

**Report on the audit of the financial statements (cont'd.)**

*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 skepticism throughout the audit. We are also:

- 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- 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.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL EMERGING MARKETS MULTI ASSET FUND (cont'd.)**

**Report on the audit of the financial statements (cont'd.)**

**Other matters**

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Yeo Beng Yean  
No. 03013/10/2024 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
17 March 2023

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023**

	Note	2023 USD	2022 USD
<b>LOSS</b>			
Dividend income		422,821	619,159
Net loss on financial assets at fair value			
Through profit or loss	8	(1,809,037)	(706,601)
Net loss on derivatives at fair value through profit or loss	9	(142,746)	(344,212)
Net gain on foreign exchange		2,996	1,000
		<u>(1,525,966)</u>	<u>(430,654)</u>
<b>EXPENSES</b>			
Management fee	4	134,178	255,343
Trustee fee	5	2,981	5,674
Audit fee		2,247	2,300
Tax agent's fee		1,577	1,200
Other expenses		1,412	3,681
		<u>142,395</u>	<u>268,198</u>
<b>LOSS BEFORE DISTRIBUTION AND TAXATION</b>		(1,668,361)	(698,852)
Distribution:			
- Class AUD-H		40,460	73,925
- Class GBP-H		411	1,257
- Class HKD-H		7	8
- Class MYR		38,891	64,267
- Class MYR-H		132,501	204,497
- Class RMB-H		16,201	28,720
- Class SGD-H		48,813	63,976
- Class USD		37,869	72,133
	6	<u>315,153</u>	<u>508,783</u>
<b>LOSS BEFORE TAXATION</b>		(1,983,514)	(1,207,635)
Taxation	7	<u>(61,745)</u>	<u>-</u>
<b>LOSS AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR</b>		<u>(2,045,259)</u>	<u>(1,207,635)</u>
Loss after taxation is made up as follows:			
Realised amount		(874,811)	(9,509)
Unrealised amount		<u>(1,170,448)</u>	<u>(1,198,126)</u>
		<u>(2,045,259)</u>	<u>(1,207,635)</u>

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 JANUARY 2023**

	Note	2023 USD	2022 USD
<b>ASSETS</b>			
Cash and cash equivalents	10	230,340	48,738
Financial assets at fair value through profit or loss	8	7,140,270	10,084,682
Derivative assets		62,015	-
Amount due from dealer		43,790	100,000
Amount due from Manager		-	30
<b>TOTAL ASSETS</b>		<b>7,476,415</b>	<b>10,233,450</b>
<b>LIABILITIES</b>			
Derivative liability at fair value through profit or loss	9	-	30,164
Amount due to dealer		144,452	1,088
Amount due to Manager		43,790	-
Amount due to the Manager of collective			
- management fee rebate		7,756	3,434
Accrued management fee		10,768	15,766
Amount due to Trustee		239	350
Tax payable		6,626	-
Other payables and accruals		3,896	3,535
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>		<b>217,527</b>	<b>54,337</b>
<b>NET ASSET VALUE OF THE FUND</b>		<b>7,258,888</b>	<b>10,179,113</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<b>7,258,888</b>	<b>10,179,113</b>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS</b>			
- Class AUD-H		943,445	1,345,850
- Class EUR-H		1,041	1,314
- Class GBP-H		9,607	12,652
- Class HKD-H		127	293
- Class MYR		825,854	1,306,427
- Class MYR-H		3,169,863	4,148,274
- Class RMB-H		385,462	584,996
- Class SGD-H		1,070,698	1,478,132
- Class USD		852,791	1,301,175
		<b>7,258,888</b>	<b>10,179,113</b>

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 JANUARY 2023 (CONTINUED)**

		<b>2023</b>	<b>2022</b>
	<b>Note</b>	<b>USD</b>	<b>USD</b>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
- Class AUD-H		1,848,004	2,062,976
- Class EUR-H		1,000	1,000
- Class GBP-H		8,522	8,157
- Class HKD-H		1,085	1,981
- Class MYR		4,359,145	5,561,460
- Class MYR-H		16,908,887	17,349,521
- Class RMB-H		2,742,302	3,144,989
- Class SGD-H		1,875,303	2,126,661
- Class USD		983,346	1,210,372
	<b>11</b>	<b>28,727,594</b>	<b>31,467,117</b>
<b>NET ASSET VALUE PER UNIT (USD)</b>			
- Class AUD-H		0.5105	0.6524
- Class EUR-H		1.0405	1.3144
- Class GBP-H		1.1274	1.5510
- Class HKD-H		0.1174	0.1477
- Class MYR		0.1895	0.2349
- Class MYR-H		0.1875	0.2391
- Class RMB-H		0.1406	0.1860
- Class SGD-H		0.5709	0.6950
- Class USD		0.8672	1.0750
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- Class AUD-H		AUD0.7281	AUD0.9251
- Class EUR-H		EUR0.9608	EUR1.1763
- Class GBP-H		GBP0.9147	GBP1.1544
- Class HKD-H		HKD0.9200	HKD1.1517
- Class MYR		MYR0.8083	MYR0.9828
- Class MYR-H		MYR0.7998	MYR1.0004
- Class RMB-H		RMB0.9503	RMB1.1865
- Class SGD-H		SGD0.7518	SGD0.9414
- Class USD		USD0.8672	USD1.0750

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS  
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023**

	<b>2023 USD</b>	<b>2022 USD</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<u>10,179,113</u>	<u>19,705,892</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class AUD-H	73,632	200,518
- Class MYR	47,333	32,333
- Class MYR-H	67,382	303,239
- Class RMB-H	4,146	453,222
- Class SGD-H	(18,408)	401,196
- Class USD	<u>(5,156)</u>	<u>107,102</u>
	<u>168,929</u>	<u>1,497,610</u>
Creation of units from distributions		
- Class AUD-H	40,460	64,012
- Class GBP-H	411	1,257
- Class HKD-H	8	8
- Class MYR	38,891	61,917
- Class MYR-H	132,501	186,458
- Class RMB-H	16,201	28,718
- Class SGD-H	48,813	33,806
- Class USD	<u>37,869</u>	<u>51,939</u>
	<u>315,154</u>	<u>428,115</u>
Cancellation of units		
- Class AUD-H	(239,711)	(1,487,550)
- Class GBP-H	-	(137,484)
- Class HKD-H	(118)	(18,488)
- Class MYR	(321,710)	(1,177,802)
- Class MYR-H	(294,926)	(3,770,253)
- Class RMB-H	(95,425)	(1,197,915)
- Class SGD-H	(142,384)	(1,043,260)
- Class USD	<u>(264,775)</u>	<u>(1,412,117)</u>
	<u>(1,359,049)</u>	<u>(10,244,869)</u>
Total comprehensive loss for the financial year	<u>(2,045,259)</u>	<u>(1,207,635)</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR</b>	<u>7,258,888</u>	<u>10,179,113</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 JANUARY 2023**

	Note	2023 USD	2022 USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from disposal of collective investment scheme		2,060,001	9,685,000
Purchase of collective investment scheme		(1,042,821)	(1,154,159)
Dividend income received		422,820	619,159
Management fee paid		(139,176)	(271,145)
Management fee rebate received		122,518	241,212
Trustee fee paid		(3,092)	(6,025)
Tax paid		(55,119)	-
Payments for other fees and expenses		(4,875)	(7,028)
Net realised loss on forward foreign currency contracts		(34,263)	(416,776)
Net realised foreign exchange gain		439	2,579
<b>Net cash generated from operating activities</b>		<b>1,326,432</b>	<b>8,692,817</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from units created		168,960	1,739,637
Payments for cancellation of units		(1,316,347)	(10,591,747)
Distributions		1	(80,668)
<b>Net cash used in financing activities</b>		<b>(1,147,386)</b>	<b>(8,932,778)</b>
Net increase/(decrease) in cash and cash equivalents		179,046	(239,961)
Effects of foreign exchange differences		2,556	(1,578)
Cash and cash equivalents at the beginning of the financial year		48,738	290,277
Cash and cash equivalents at the end of the financial year	<b>10</b>	<b>230,340</b>	<b>48,738</b>
<u>Cash and cash equivalents comprised of:</u>			
Bank balances		230,340	48,738
Cash and cash equivalents at the end of financial year	<b>10</b>	<b>230,340</b>	<b>48,738</b>

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 JANUARY 2023**

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

Principal Emerging Markets Multi Asset Fund (the “Fund”) is governed by a Principal Deed dated 30 December 2016, First Supplemental Deed dated 8 March 2017, Second Supplemental Deed dated 22 May 2018 and Third Supplemental Deed dated 30 December 2019 (collectively refer to as “Deeds”), made between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund is a feeder fund and it invests in a single collective investment scheme, i.e. the Target Fund. The Fund may also invest in liquid asset for liquidity purpose.

In order to achieve its investment objective, the Fund will invest at least 95% of its NAV in the Target Fund; a UCITS domiciled in Luxembourg and established on 23 May 2011. Currently, the Fund will invest in Class AD of the Target Fund, which is a share class denominated in USD and launched on 21 March 2013. The Fund will also maintain up to 5% of its NAV in liquid assets for liquidity purposes. The Fund may invest into any other classes of the Target Fund which must be denominated in USD if the Manager and the Target Fund Manager are of the opinion that the change is in the interest of the Unit holders.

Information on the Target Fund:

Company	: AB SICAV I, an open-ended investment company with variable capital (société d'investissement à capital variable) incorporated on 8 June 2006 with limited liability in the Grand Duchy of Luxembourg.
Investment Manager	: AllianceBernstein L.P.
Management Company	: AllianceBernstein (Luxembourg) S.à r.l.
Regulatory authority	: Commission de Surveillance du Secteur Financier

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of preparation**

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

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

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

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

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

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

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

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 February 2022 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 annual period beginning on/after 1 February 2023 to the financial statements of the Fund.

### (b) Financial assets and financial liabilities

#### Classification

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

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

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

Investments in collective investment scheme have contractual cash flows that do not represent solely payment of principal and interest, and therefore are classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from dealer and amount due from Manager as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

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

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

#### Recognition and measurement

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

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

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

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

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

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

#### Impairment for assets carried at amortised costs

The Fund measures credit risk and expected credit losses ("ECL") using probability of default, exposure at default and loss given default. The Manager considers both historical analysis and forward looking information in determining any ECL. The Manager considers 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.

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

**(d) Functional and presentation currency**

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

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

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

**(e) Cash and cash equivalents**

For the purpose of statement of cash flow, cash and cash equivalent comprise bank balances with known amounts of cash and which are subject to an insignificant risk of changes in value.

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

### (f) Management fee rebate

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

### (g) Distribution

A distribution to the Fund's unit holders is accounted for as distribution in the statement of comprehensive income as the unit holders' contributions are classified as financial liability as per Note 2(i). A proposed distribution is recognised as a liability in the financial year in which it is approved by the Trustee.

### (h) 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 collective investment scheme is based on the tax regime of the respective countries that the Fund invests in.

### (i) Unit holders' contributions

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

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

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

### (j) Derivative financial instruments

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

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

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

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

### (j) Derivative financial instruments (continued)

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

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

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

### (k) Realised and unrealised portions of profit or loss after taxation.

The analysis of realised and unrealised portions of profit or loss after taxation as presented on the statement of comprehensive income is guided by SC Guidelines on Unit Trust Funds<sup>1</sup>.

### (l) Critical accounting estimates and judgements in applying accounting policies

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

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

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

<sup>1</sup> The presentation of 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 provided as per the SC Guidelines on Unit Trust Funds. However, the Fund is not guided by the SC Guidelines on Unit Trust Funds.

### 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
<b>2023</b>			
Cash and cash equivalents (Note 10)	-	230,340	230,340
Collective investment scheme (Note 8)	7,140,270	-	7,140,270
Derivative assets	62,015	-	62,015
Amount due from dealer	-	43,790	43,790
	<u>7,202,285</u>	<u>274,130</u>	<u>7,476,415</u>
	Financial assets at fair value through profit or loss USD	Financial assets at amortised cost USD	Total USD
<b>2022</b>			
Cash and cash equivalents (Note 10)	-	48,738	48,738
Collective investment scheme (Note 8)	10,084,682	-	10,084,682
Amount due from dealer	-	100,000	100,000
Amount due from Manager	-	30	30
	<u>10,084,682</u>	<u>148,768</u>	<u>10,233,450</u>

All current liabilities, except derivative liabilities at fair value through profit or loss, are financial liabilities which are carried at amortised cost.

The Fund aims to maximise total return through investments in one collective investment scheme, which invests primarily in assets of the EM.

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 Deeds and SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

#### (a) Market risk

##### (i) Price risk

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

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

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

(a) Market risk (continued)

(i) Price risk (continued)

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

	2023 USD	2022 USD
Financial assets at fair value through profit or loss:		
- Collective investment scheme	7,140,270	10,084,682

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

% Change in price of collective investment scheme	Market value USD	Impact on profit or loss/NAV USD
<b>2023</b>		
-5%	6,783,256	(357,014)
0%	7,140,270	-
+5%	7,497,284	357,014
<b>2022</b>		
-5%	9,580,448	(504,234)
0%	10,084,682	
+5%	10,588,916	504,234

(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.



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:

Financial assets	Cash and cash equivalents USD	Amount due from dealer USD	Amount due from Manager USD	Total USD
<b>2023</b>				
AUD	791	43,790	-	44,581
EUR	1,062	-	-	1,062
GBP	1,203	-	-	1,203
HKD	128	-	-	128
MYR	3,164	-	-	3,164
RMB	128	-	-	128
SGD	1,059	-	-	1,059
	<u>7,567</u>	<u>43,790</u>	<u>-</u>	<u>51,357</u>
<b>2022</b>				
AUD	1,145	-	-	1,145
EUR	1,096	-	-	1,096
GBP	1,311	-	-	1,311
HKD	128	-	-	128
MYR	972	-	-	972
RMB	169	-	-	169
SGD	978	-	-	978
	<u>5,799</u>	<u>-</u>	<u>-</u>	<u>5,799</u>
<b>Financial liabilities</b>	<b>Amount due to Manager USD</b>		<b>Total USD</b>	
<b>2023</b>				
AUD		43,790		43,790
EUR		-		-
GBP		-		-
MYR		-		-
RMB		-		-
SGD		-		-
		<u>43,790</u>		<u>43,790</u>

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	Derivative Liabilities at fair value through profit or loss USD	Total USD
<b>2022</b>		
AUD	(25,370)	(25,370)
EUR	(18)	(18)
GBP	(161)	(161)
MYR	5,731	5,731
RMB	(2,478)	(2,478)
SGD	(7,868)	(7,868)
	<u>(30,164)</u>	<u>(30,164)</u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes in foreign exchange rate movements at the end of the reporting year. The analysis is based on the assumption that the foreign exchange rate fluctuated by 5%, with all other variables remain 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.

	Change in foreign exchange rate %	Impact on profit or loss/NAV	
		2023 USD	2022 USD
AUD	+/-5	+/-4,419	+/-1,211
EUR	+/-5	+/-8	+/-132
GBP	+/-5	+/-53	+/-56
HKD	+/-5	+/-60	+/-74
MYR	+/-5	+/-6	+/-6
RMB	+/-5	+/-158	+/-238
SGD	+/-5	+/-53	+/-442
		<u>+/-4,081</u>	<u>+/-1,683</u>

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

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

(b) Credit risk (continued)

The following table sets out the credit risk concentration of the Fund at the end of the reporting year (continued):

	Cash and cash equivalents USD	Amount due from dealer USD	Amount due from Manager of collective investment scheme - management fee rebate USD	Total USD
<b>2023</b>				
- AAA	230,340	-	-	230,340
- Not rated	-	43,790	-	43,790
	230,340	43,790	-	274,130
	Cash and cash equivalents USD	Amount due from dealer USD	Amount due from Manager USD	Amount due from Manager USD
<b>2022</b>				
- AAA	48,738	-	-	48,738
- Not rated	-	100,000	30	100,030
	48,738	100,000	30	148,768

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

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period on the statement of financial position date 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
<b>2023</b>			
Amount due to dealer	144,452	-	144,452
Amount due to Manager	43,790	-	43,790
Amount due to the Manager of collective investment scheme			
- management fee rebate	7,756	-	7,756
Accrued management fee	10,768	-	10,768
Amount due to Trustee	239	-	239
Tax payable	-	6,626	6,626
Other payables and accruals	-	3,896	3,896
Net assets attributable to unit holders*	7,258,888	-	7,258,888
<b>Contractual undiscounted cash flows</b>	<b>7,465,893</b>	<b>10,522</b>	<b>7,476,415</b>
<b>2022</b>			
Derivative liability	30,164	-	30,164
Amount due to dealer	1,088	-	1,088
Amount due to Manager	-	-	-
Amount due to the Manager of collective investment scheme			
- management fee rebate	3,434	-	3,434
Accrued management fee	15,766	-	15,766
Amount due to Trustee	350	-	350
Other payables and accruals	-	3,535	3,535
Net assets attributable to unit holders*	10,179,113	-	10,179,113
<b>Contractual undiscounted cash flows</b>	<b>10,229,915</b>	<b>3,535</b>	<b>10,233,450</b>

\* 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 USD7,258,888 (2022: USD10,179,113). 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 price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

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

#### (i) Fair value hierarchy

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

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

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

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

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

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

(e) Fair value estimation (continued)

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>2023</b>				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	<u>7,140,270</u>	<u>-</u>	<u>-</u>	<u>7,140,270</u>
Financial liabilities at fair value through profit or loss:				
- Derivative liability	<u>-</u>	<u>62,015</u>	<u>-</u>	<u>62,015</u>
<b>2022</b>				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	<u>10,084,682</u>	<u>-</u>	<u>-</u>	<u>10,084,682</u>
Financial liabilities at fair value through profit or loss:				
- Derivative liability	<u>-</u>	<u>30,164</u>	<u>-</u>	<u>30,164</u>

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

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted fixed income securities, forward foreign currency contracts and interest rate swaps. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

- (ii) The carrying values of cash and cash equivalents, amount due from dealer, and amount due from Manager and all other liabilities are a reasonable approximation of their fair values due to their short-term nature.

#### 4. MANAGEMENT FEE

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

For the financial year ended 31 January 2023, the management fee is recognised at a rate of 1.80% per annum (2022: 1.80% per annum) for each class.

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

#### 5. TRUSTEE FEE

In accordance with the Deeds, the Trustee is entitled to a fee of up to 0.08% per annum of the NAV of the Fund. The Trustee fee includes local custodian fees and charges but excludes foreign sub-custodian fees and charges.

For the financial year ended 31 January 2023, the Trustee fee is recognised at a rate of 0.04% per annum (2022: 0.04% per annum) for each Fund.

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

#### 6. DISTRIBUTIONS

Distributions to unit holders were derived from the following sources (assessed up to distribution declaration date:

	<b>2023</b>	<b>2022</b>
	<b>USD</b>	<b>USD</b>
Dividend income	877,202	536,256
Net realised (loss)/gain on disposal of collective investment scheme	(331,648)	263,073
Net realised loss on forward foreign currency contract	(173,928)	(335,488)
Net foreign currency (loss)/gain	(5,120)	2,924
Prior financial years' realised income	13,326	286,677
	<u>379,832</u>	<u>753,442</u>
Less:		
Expenses	58,016	(244,659)
Tax on expenses	6,663	-
Net distribution amount	<u>315,153</u>	<u>508,783</u>

#### Gross/Net distribution per unit (cent)

Distribution on 14 March 2022

- Class AUD-H	0.61	-
- Class GBP-H	1.44	-
- Class HKD-H	0.14	-
- Class MYR	0.22	-
- Class MYR-H	0.22	-
- Class RMB-H	0.17	-
- Class SGD-H	0.65	-
- Class USD	1.00	-

Distribution on 15 June 2022

- Class AUD-H	0.60	-
- Class GBP-H	1.32	-
- Class HKD-H	0.13	-
- Class MYR	0.22	-

6. DISTRIBUTIONS (CONTINUED)

**Gross/Net distribution per unit (cent) (continued)**

Distribution on 15 June 2022 (continued)

- Class MYR	0.22	-
- Class MYR-H	0.21	-
- Class RMB-H	0.16	-
- Class SGD-H	0.62	-
- Class USD	0.99	-

Distribution on 15 September 2022

- Class AUD-H	0.56	-
- Class GBP-H	1.22	-
- Class HKD-H	0.13	-
- Class MYR	0.21	-
- Class MYR-H	0.20	-
- Class RMB-H	0.16	-
- Class SGD-H	0.60	-
- Class USD	0.94	-

Distribution on 13 December 2022

- Class AUD-H	0.43	-
- Class GBP-H	0.98	-
- Class HKD-H	0.11	-
- Class MYR	0.17	-
- Class MYR-H	0.16	-
- Class RMB-H	0.12	-
- Class SGD-H	0.49	-
- Class USD	0.80	-

Distribution on 4 March 2021

- Class AUD-H	-	0.78
- Class GBP-H	-	1.76
- Class HKD-H	-	0.16
- Class MYR	-	0.26
- Class MYR-H	-	0.27
- Class RMB-H	-	0.15
- Class SGD-H	-	0.84
- Class USD	-	1.17

Distribution on 4 June 2021

- Class AUD-H	-	0.60
- Class GBP-H	-	1.37
- Class HKD-H	-	-
- Class MYR	-	0.20
- Class MYR-H	-	0.20
- Class RMB-H	-	0.15
- Class SGD-H	-	0.59
- Class USD	-	0.90

Distribution on 9 September 2021

- Class AUD-H	-	0.66
- Class GBP-H	-	3.09
- Class HKD-H	-	0.13
- Class MYR	-	0.22
- Class MYR-H	-	0.23
- Class RMB-H	-	0.16
- Class SGD-H	-	0.65
- Class USD	-	1.15

Distribution on 15 December 2021

- Class AUD-H	-	0.64
- Class GBP-H	-	1.42
- Class HKD-H	-	0.13



6. DISTRIBUTIONS (CONTINUED)

**Gross/Net distribution per unit (cent) (continued)**

Distribution on 15 December 2021 (continued)

- Class MYR	-	0.22
- Class MYR-H	-	0.22
- Class RMB-H	-	0.17
- Class SGD-H	-	0.64
- Class USD	-	0.99
	<u>15.98</u>	<u>20.12</u>

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

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

There are unrealised losses of USD1,170,448 during the financial year ended 31 January 2023.

7. TAXATION

	<b>2023 USD</b>	<b>2022 USD</b>
Tax charged for the financial year:		
- Tax on foreign source income	<u>61,745</u>	<u>-</u>

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

	<b>2023 USD</b>	<b>2022 USD</b>
Loss before taxation	<u>(1,983,514)</u>	<u>(1,207,635)</u>
Taxation at Malaysian statutory rate of 24% (2022: 24%)	(476,043)	(289,832)
Tax effects of:		
- Loss not deductible for tax purpose	366,230	103,356
- Expenses not deductible for tax purposes	(74,214)	(119,972)
- Restriction on tax deductible expenses for Wholesale Funds	184,027	306,448
Tax on foreign source income	<u>(61,745)</u>	<u>-</u>
	<u>(61,745)</u>	<u>-</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>2023 USD</b>	<b>2022 USD</b>
At fair value through profit or loss:		
- Collective investment scheme	<u>7,140,270</u>	<u>10,084,682</u>

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

	2023 USD	2022 USD
Net loss on financial assets at fair value through profit or loss:		
- Realised (loss)/gain on disposals	(662,051)	236,776
- Unrealised fair value loss	(1,265,182)	(1,168,629)
- Management fee rebate #	118,196	225,252
	<u>(1,809,037)</u>	<u>(706,601)</u>

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

For the financial year ended 31 January 2023, management fee rebate is recognised at a rate of 1.60% per annum (2022: 1.60% per annum) calculated and accrued daily based on the NAV of the collective investment scheme.

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2023</b>				
<b>COLLECTIVE INVESTMENT SCHEME</b>				
AllianceBernstein SICAV I Emerging Markets Multi Asset Portfolio	725,637	9,201,911	7,140,270	98.37
<b>TOTAL COLLECTIVE INVESTMENT SCHEME</b>	<b>725,637</b>	<b>9,201,911</b>	<b>7,140,270</b>	<b>98.37</b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<b>(2,061,641)</b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<b>7,140,270</b>		
<b>2022</b>				
<b>COLLECTIVE INVESTMENT SCHEME</b>				
AllianceBernstein SICAV I Emerging Markets Multi Asset Portfolio	824,586	10,881,141	10,084,682	99.07
<b>TOTAL COLLECTIVE INVESTMENT SCHEME</b>	<b>824,586</b>	<b>10,881,141</b>	<b>10,084,682</b>	<b>99.07</b>

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

2022  
COLLECTIVE  
INVESTMENT SCHEME

ACCUMULATED  
UNREALISED LOSS ON  
FINANCIAL ASSETS AT  
FAIR VALUE THROUGH  
PROFIT OR LOSS

(796,459)

TOTAL FINANCIAL  
ASSETS AT FAIR  
VALUE THROUGH  
PROFIT OR LOSS

10,084,682

9. DERIVATIVE ASSETS/(LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 USD	2022 USD
Forward foreign currency contracts	<u>62,015</u>	<u>(30,164)</u>
Net loss on derivative assets/liabilities at fair value through profit or loss:		
- Realised loss on forward foreign currency contracts	(234,925)	(316,292)
- Unrealised fair value gain/ (loss) on forward foreign currency contracts	<u>92,179</u>	<u>(27,920)</u>
	<u>(142,746)</u>	<u>(344,212)</u>

As at 31 January 2023, there were 16 outstanding USD/AUD, USD/EUR, USD/GBP, USD/HKD, USD/MYR, USD/RMB and USD/SGD forward foreign currency contracts (2022: there were 15 outstanding USD/ AUD, USD/ EUR, USD/GBP, USD/ HKD, USD/MYR, USD/ RMB and USD/SGD outstanding forward foreign currency contracts) respectively. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD5,664,264 (2022: USD7,901,071).

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

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

10. CASH AND CASH EQUIVALENTS

	2023 USD	2022 USD
Bank balances	<u>230,340</u>	<u>48,738</u>

11. NUMBER OF UNITS IN CIRCULATION (UNITS)

	<b>2023</b>	<b>2022</b>
	<b>No. of units</b>	<b>No. of units</b>
Class AUD-H (i)	1,848,004	2,062,976
Class EUR-H (ii)	1,000	1,000
Class GBP-H (iii)	8,522	8,157
Class HKD-H (iv)	1,085	1,981
Class MYR (v)	4,359,145	5,561,460
Class MYR-H (vi)	16,908,887	17,349,521
Class RMB-H (vii)	2,742,302	3,144,989
Class SGD-H (viii)	1,875,303	2,126,661
Class USD (ix)	983,346	1,210,372
	<u>28,727,594</u>	<u>31,467,117</u>
 (i) Class AUD-H		
At the beginning of the financial year	2,062,976	3,645,050
Add : Creation of units from applications	159,064	251,034
Add : Creation of units from distributions	64,607	84,313
Less : Cancellation of units	(438,643)	(1,917,421)
At the end of the financial year	<u>1,848,004</u>	<u>2,062,976</u>
 (ii) Class EUR-H		
At the beginning of the financial year	1,000	1,000
Add : Creation of units from applications	-	-
Less : Cancellation of units	-	-
At the end of the financial year	<u>1,000</u>	<u>1,000</u>
 (iii) Class GBP-H		
At the beginning of the financial year	8,157	82,066
Add : Creation of units from distributions	365	708
Less : Cancellation of units	-	(74,617)
At the end of the financial year	<u>8,522</u>	<u>8,157</u>
 (iv) Class HKD-H		
At the beginning of the financial year	1,981	111,256
Add : Creation of units from distributions	57	52
Less : Cancellation of units	(953)	(109,327)
At the end of the financial year	<u>1,085</u>	<u>1,981</u>
 (v) Class MYR		
At the beginning of the financial year	5,561,460	9,762,518
Add : Creation of units from applications	274,120	126,868
Add : Creation of units from distributions	199,156	243,206
Less : Cancellation of units	(1,675,591)	(4,571,132)
At the end of the financial year	<u>4,359,145</u>	<u>5,561,460</u>

11. NUMBER OF UNITS IN CIRCULATION (UNITS) (CONTINUED)

	<b>2023</b>	<b>2022</b>
	<b>No of units</b>	<b>No. of units</b>
(vi) Class MYR-H		
At the beginning of the financial year	17,349,521	29,715,935
Add : Creation of units from applications	418,587	1,097,997
Add : Creation of units from distributions	656,366	713,824
Less : Cancellation of units	<u>(1,515,587)</u>	<u>(14,178,235)</u>
At the end of the financial year	<u>16,908,887</u>	<u>17,349,521</u>
(vii) Class RMB-H		
At the beginning of the financial year	3,144,989	6,769,728
Add : Creation of units from applications	25,204	2,257,340
Add : Creation of units from distributions	114,609	145,626
Less : Cancellation of units	<u>(542,500)</u>	<u>(6,027,705)</u>
At the end of the financial year	<u>2,742,302</u>	<u>3,144,989</u>
(viii) Class SGD-H		
At the beginning of the financial year	2,126,661	2,903,093
Add : Creation of units from applications	4,713	511,656
Add : Creation of units from distributions	50,197	44,560
Less : Cancellation of units	<u>(306,268)</u>	<u>(1,332,648)</u>
At the end of the financial year	<u>1,875,303</u>	<u>2,126,661</u>
(ix) Class USD		
At the beginning of the financial year	1,210,372	2,276,206
Add : Creation of units from applications	-	88,286
Add : Creation of units from distributions	37,828	44,492
Less : Cancellation of units	<u>(264,854)</u>	<u>(1,198,612)</u>
At the end of the financial year	<u>983,346</u>	<u>1,210,372</u>

12. TOTAL EXPENSE RATIO ("TER")

	<b>2023</b>	<b>2022</b>
	<b>%</b>	<b>%</b>
TER	<u>0.32</u>	<u>0.30</u>

TER is derived from the following calculation:

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

A	=	Management fee
B	=	Trustee fee
C	=	Audit fee
D	=	Tax agent's fee
E	=	Other expenses
F	=	Average NAV of the Fund calculated on a daily basis

**12. TOTAL EXPENSE RATIO ("TER") (CONTINUED)**

The average NAV of the Fund for the financial year calculated on a daily basis is USD7,458,388 (2022: USD14,201,227).

**13. PORTFOLIO TURNOVER RATIO ("PTR")**

	2023	2022
PTR (times)	0.21	0.38

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 = USD1,042,821 (2022: USD1,154,159)

total disposal for the financial year = USD2,060,000 (2022: USD9,685,000)

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

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

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

Units held by the Manager and parties related to the Manager

		2023		2022
	No. of units	USD	No. of units	USD
<b>Manager</b>				
Principal Asset Management Berhad				
- Class AUD-H	1,155	590	1,107	722
- Class EUR-H	1,000	1,041	1,000	1,314
- Class GBP-H	1,134	1,278	1,085	1,683

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

		<b>2023</b>		<b>2022</b>
	<b>No. of units</b>	<b>USD</b>	<b>No. of units</b>	<b>USD</b>
<b>Manager</b>				
Principal Asset Management Berhad				
- Class HKD-H	1,085	127	1,039	153
- Class MYR	1,044	198	999	235
- Class MYR-H	12,538	2,351	21,590	5,162
- Class RMB-H	1,120	157	1,073	200
- Class SGD-H	9	5	8	6
- Class USD	192	166	184	198

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

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

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

**15. TRANSACTIONS WITH BROKER/DEALER**

Details of transactions with the broker/dealer for the financial year ended 31 January 2023 are as follows:

<b>Broker/Dealer</b>	<b>Value of trades USD</b>	<b>Percentage of total trades %</b>
Alliance Bernstein Investor Services	3,102,821	100.00

Details of transactions with the broker/dealer for the financial year ended 31 January 2022 are as follows:

<b>Broker/Dealer</b>	<b>Value of trades USD</b>	<b>Percentage of total trades %</b>
Alliance Bernstein Investor Services	10,839,159	100.00

**16. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

The COVID-19 pandemic, with its related lockdowns and movement restrictions, together with geopolitical tensions and heightened inflationary environment globally have had, and will continue to have, a significant impact on global economic conditions and the environment which the Fund operates.

The Manager continues to closely monitor the macroeconomic outlook affected by these factors and their impact to the Fund's performance and will be managing the risks to achieve the Fund's objective.

**17. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved for issue by the Manager on 17 March 2023.

**DIRECTORY**

**Head Office of the Manager**

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**Auditors of the Fund**

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