

**PRINCIPAL GLOBAL DYNAMIC INCOME FUND**

**QUARTERLY REPORT**

**FOR THE QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024**

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## INVESTORS' LETTER

Dear Valued Investor,

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

We are pleased to bring you a copy of the Quarterly Fund Report of the Principal Global Dynamic Income Fund for the financial period ended 30 June 2024. You may also download this report from our website at [www.principal.com.my](http://www.principal.com.my).

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

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

Digital innovation is central to our strategy, as we use data and technology to develop the right solutions for you. We will continue to advance our digital capabilities to provide easy access to your investment portfolio and enable you to carry out transactions seamlessly. Please continue to check out our website ([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,  
Malaysia & Global Shariah & Managing Director,  
Strategic Distribution & Institutional Client Relations  
(Southeast Asia & Global Shariah)  
Non-Independent Executive Director

**MANAGER’S REPORT**

**FUND OBJECTIVE AND POLICY**

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

The Fund aims to provide income and capital growth through investments in one (1) collective investment scheme which invests in a diversified range of assets and markets worldwide including emerging markets.

**Has the Fund achieved its objective?**

The fund is in line to achieve its long-term objective to provide income and potential capital growth as stated under the fund’s investment objective section.

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

The Fund is a feeder fund that invests at least 85% of the Fund’s Net Asset Value (“NAV”) in the Schroder International Selection Fund Dynamic Income, a fund of the Schroder International Selection Fund, an open-ended investment company registered in Luxembourg. Information on Schoder International Selection Fund Dynamic Income is detailed below. The Fund may also invest up to 15% of its NAV in liquid assets for liquidity purposes and derivative for the sole purpose of hedging arrangement.

The asset allocation strategy for this Fund is as follows:

- at least 85% of the Fund’s NAV will be invested in the Target Fund; and
- up to 15% of the Fund’s NAV will be invested in liquid assets for liquidity purposes

Information on the Target Fund:

Target Fund	: Schroder International Selection Fund Dynamic Income
Share class	USD I Class Accumulation Shares
Currency Denomination	US Dollar (“USD”)
Investment Adviser	: Principal Global Investors, LLC
Target Fund Investment Manager	: Schroder Investment Management Limited.
Regulatory authority	: Commission de Surveillance du Secteur Financier

**Base Currency**

USD

**Fund category/type**

Feeder Fund/Income.

**When was the Fund launched?**

Name of Class	Launch Date
Class AUD-Hedged (“AUD-H”)	27 March 2024
Class MYR	27 March 2024
Class MYR-Hedged (“MYR-H”)	27 March 2024
Class MYR-Hedged (“SGD-H”)	27 March 2024
Class USD	27 March 2024

**What was the size of the Fund as at 30 June 2024?**

USD27.35 million (79.12 million units)

**What is the Fund’s benchmark?**

The Fund adheres to the benchmark of the Target Fund for performance comparison. Currently, benchmark of the Target Fund is 60% MSCI AC World Index (USD) & 40% Bloomberg Global Aggregate USD.

**FUND OBJECTIVE AND POLICY (CONTINUED)**

**What is the Fund distribution policy?**

Distributions, if any, will be at the discretion of the Manager and will vary from period to period depending on market conditions and performance of the Fund.

**What was the net income distribution for the financial period from 27 March 2024 (date of launch) to 30 June 2024?**

There was no distribution made for the financial period from 27 March 2024 (date of launch) to 30 June 2024.

**PERFORMANCE DATA**

Details of portfolio composition of the Fund for the unaudited financial period were as follows:

	<b>30.06.2024</b>
	%
Collective investment scheme	93.80
Cash and other assets	16.42
Liabilities	(10.22)
	<u>100.00</u>

Performance details of the Fund for the unaudited financial period were as follows:

	<b>30.06.2024</b>
NAV (USD Million)	
- Class AUD-H	1.38
- Class MYR	4.55
- Class MYR-H	9.13
- Class SGD-H	4.14
- Class USD	8.16
Units in circulation (Million)	
- Class AUD-H	2.04
- Class MYR	21.21
- Class MYR-H	42.34
- Class SGD-H	5.49
- Class USD	8.03
NAV per unit (USD)	
- Class AUD-H	0.6801
- Class MYR	0.2143
- Class MYR-H	0.2155
- Class SGD-H	0.7531
- Class USD	1.0153
	<b>27.03.2024</b>
	<b>(date of launch)</b>
	<b>to 30.06.2024</b>
Highest NAV per unit (USD)	
- Class AUD-H	0.6817
- Class MYR	0.2147
- Class MYR-H	0.2180
- Class SGD-H	0.7606
- Class USD	1.0169

**PERFORMANCE DATA (CONTINUED)**

Performance details of the Fund for the unaudited financial periods were as follows: (continued)

	<b>27.03.2024 (date of launch) to 30.06.2024</b>
Lowest NAV per unit (USD)	
- Class AUD-H	0.6451
- Class MYR	0.2086
- Class MYR-H	0.2086
- Class SGD-H	0.7328
- Class USD	0.9880
Total return (%)	
- Class AUD-H	2.21
- Class MYR	1.08
- Class MYR-H	1.65
- Class SGD-H	2.07
- Class USD	1.53
Capital growth (%)	
- Class AUD-H	2.21
- Class MYR	1.08
- Class MYR-H	1.65
- Class SGD-H	2.07
- Class USD	1.53
Income distribution (%)	
- Class AUD-H	-
- Class MYR	-
- Class MYR-H	-
- Class SGD-H	-
- Class USD	-
Total Expense Ratio ("TER") (%)	0.20
Portfolio Turnover Ratio ("PTR") (times)	1.03
	<b>Since Inception to 30.06.2024 %</b>
Annual total return	
- Class AUD-H	2.21
- Class MYR	1.08
- Class MYR-H	1.65
- Class SGD-H	2.07
- Class USD	1.53

(Launch date: 27 March 2024)

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

**MARKET REVIEW (27 MARCH 2024 (DATE OF LAUNCH) TO 30 JUNE 2024)**

Overheating concerns weighed on markets at the end of first quarter of 2024 (“1Q2024”), with stronger than expected wage inflation and US housing data. On the contrary, the lower than expected non-farm payrolls and weak average hourly earnings renewed hopes for a soft landing.

The Federal Reserve’s (the “Fed”) recent actions added to the confusion with hawkish statement, reduced quantitative tightening, and a dovish press conference. Fed Chair Powell indicated that current monetary policy is restrictive enough to meet the Fed’s inflation goal over time.

Yields have been volatile, and a rate cut before the US election seems likely. Both presidential candidates’ policies are expected to maintain economic activity rather than cool it. A strong payroll report disrupted the slowdown narrative, causing yields to surge as rate cuts were repriced. The US economy is softening but not weak, with current interest rate higher than post Global Financial Crisis (“GFC”) levels.

Global growth looks robust, driven by the services sector, with Europe as a preferred equity allocation region. Rate cuts from the Bank of Canada and the European Central Bank (“ECB”) have been enacted, although ECB’s future cuts remain uncertain due to strong wage growth and low unemployment.

**FUND PERFORMANCE**

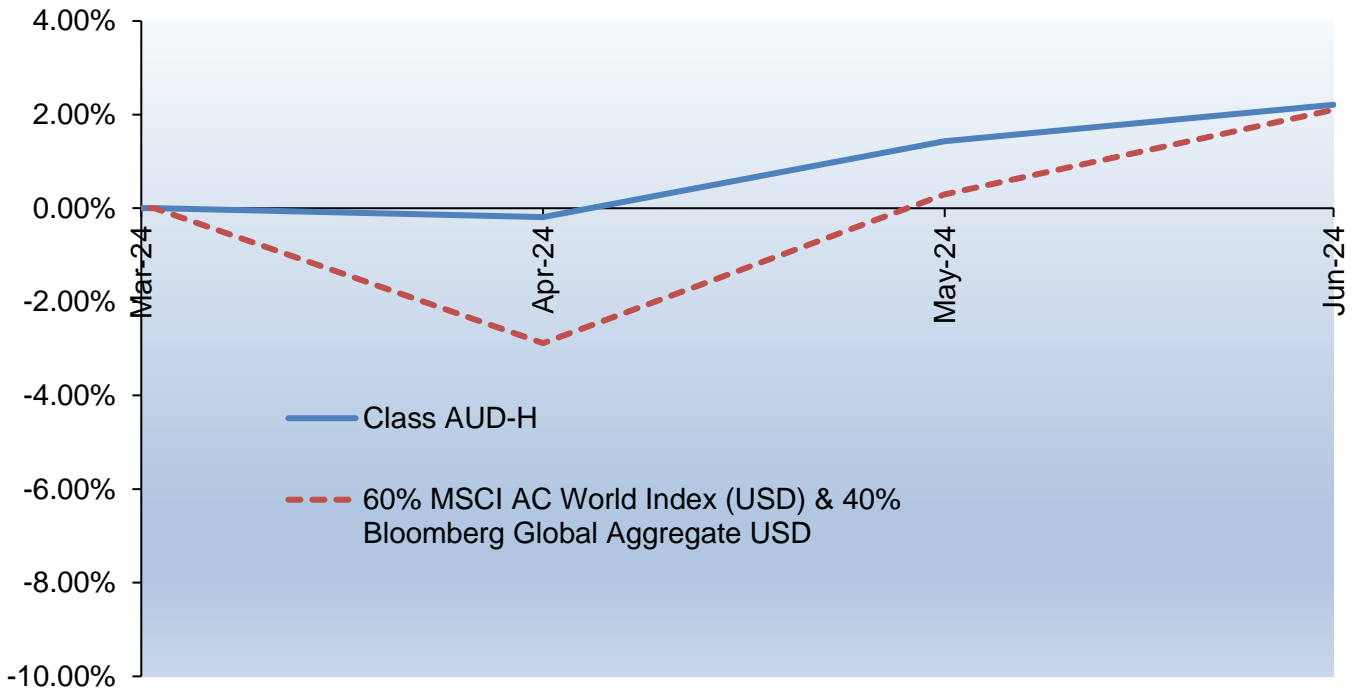
	<b>3 months to 30.06.2024 %</b>	<b>Since inception to 30.06.2024 %</b>
<b>Income Distribution</b>		
- Class AUD-H	-	-
- Class MYR	-	-
- Class MYR-H	-	-
- Class SGD-H	-	-
- Class USD	-	-
<b>Capital Growth</b>		
- Class AUD-H	2.21	2.21
- Class MYR	1.08	1.08
- Class MYR-H	1.65	1.65
- Class SGD-H	2.07	2.07
- Class USD	1.53	1.53
<b>Total Return</b>		
- Class AUD-H	2.21	2.21
- Class MYR	1.08	1.08
- Class MYR-H	1.65	1.65
- Class SGD-H	2.07	2.07
- Class USD	1.53	1.53
<b>Benchmark</b>		
- Class AUD-H	2.01	2.10
- Class MYR	1.67	1.77
- Class MYR-H	2.01	2.10
- Class SGD-H	2.01	2.10
- Class USD	2.01	2.10
<b>Average Total Return</b>		
- Class AUD-H	9.16	8.76
- Class MYR	4.40	4.21
- Class MYR-H	6.78	6.49
- Class SGD-H	8.57	8.19
- Class USD	6.28	6.01

During the financial period under review, the posted positive return for all classes, Class AUD-H, Class MYR, Class MYR-H, Class SGD-H, and Class USD increased by 2.21%, 1.08%, 1.65%, 2.07% and 1.53% respectively, inline with the benchmark performances.

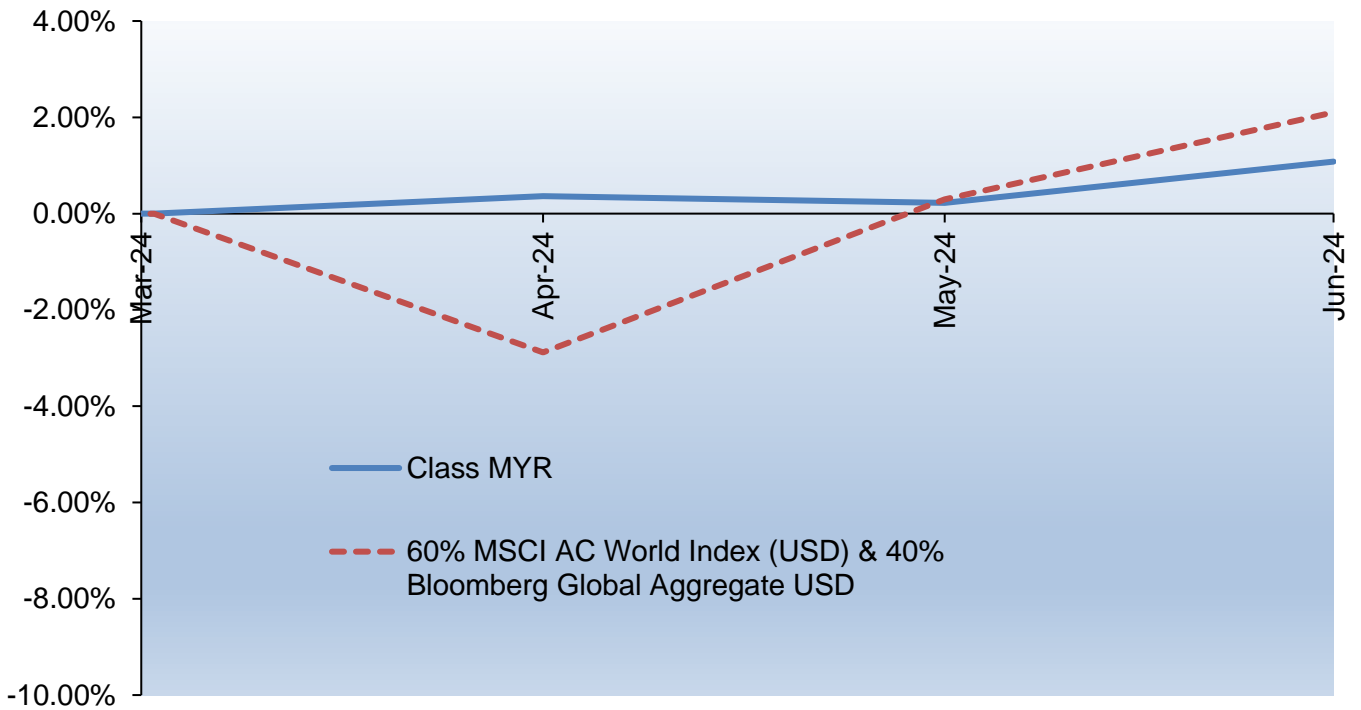
**FUND PERFORMANCE (CONTINUED)**

**Since inception**

**CLASS AUD-H**



**CLASS MYR**

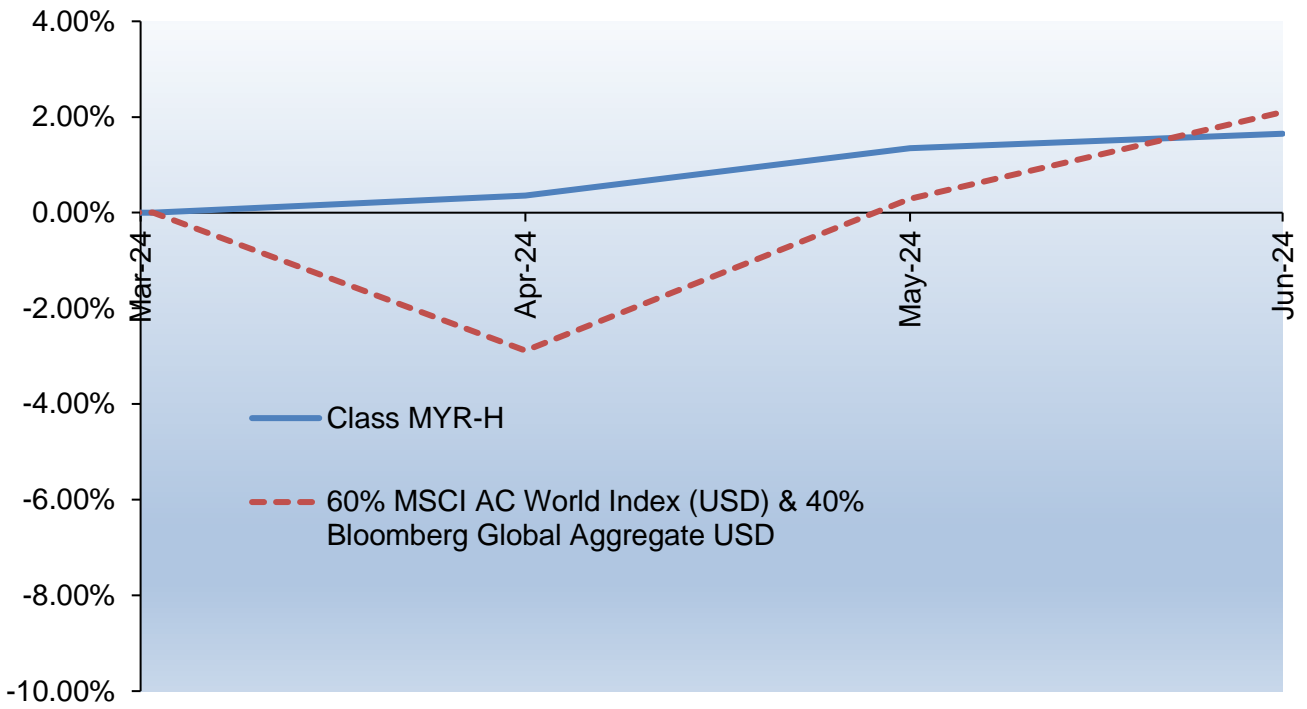




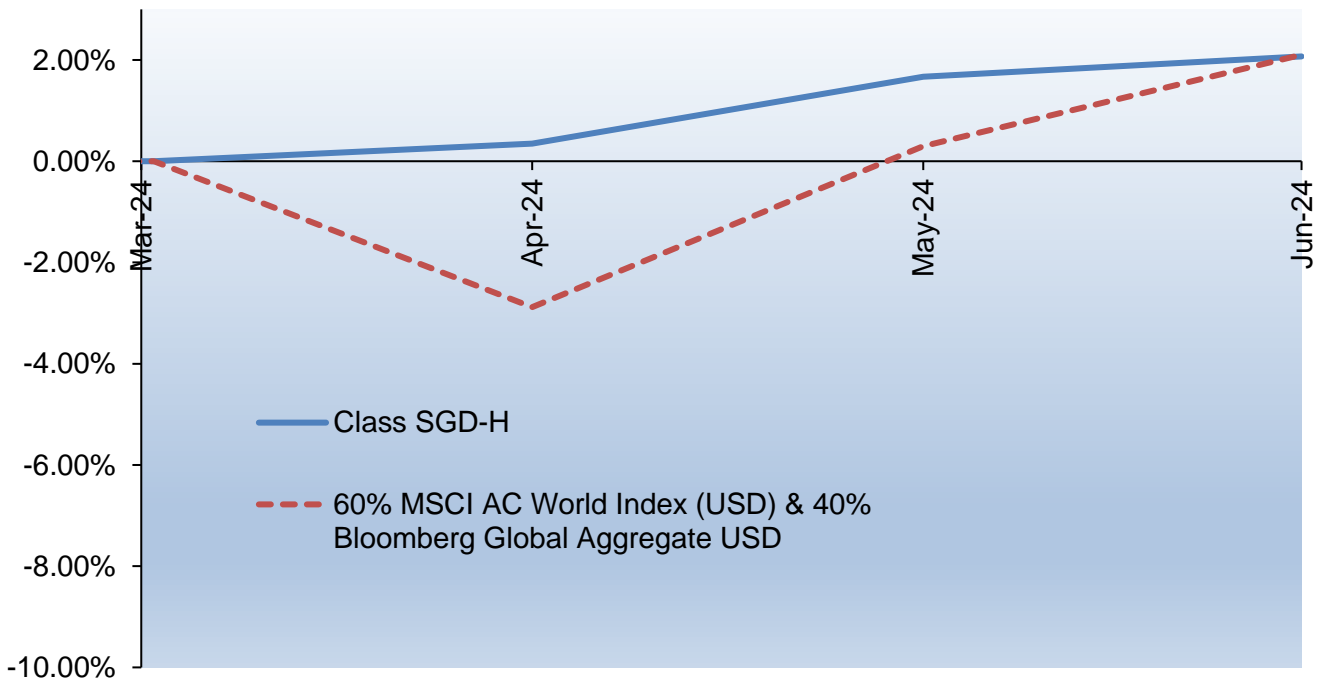
FUND PERFORMANCE (CONTINUED)

Since inception

CLASS MYR-H



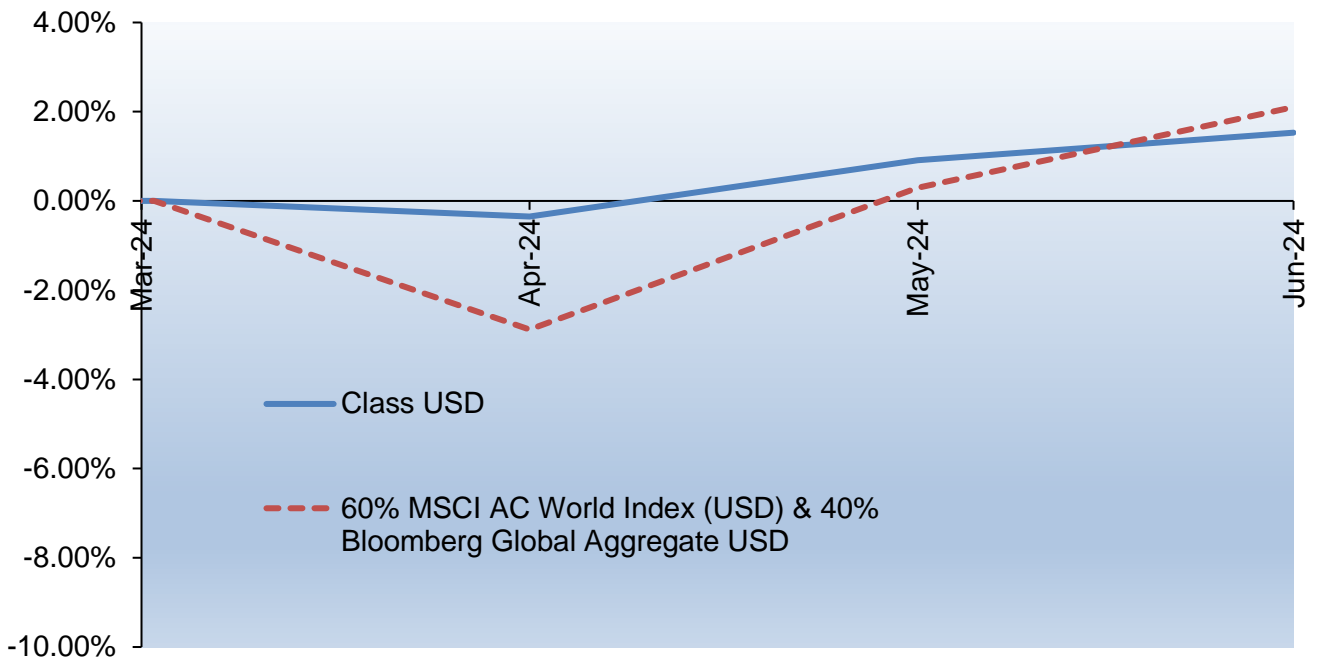
CLASS SGD



**FUND PERFORMANCE (CONTINUED)**

**Since inception**

**CLASS USD**



**Changes in NAV**

**30.06.204**

**CLASS AUD-H**

NAV (USD Million)	1.38
NAV/Unit (USD)	0.6801

**CLASS MYR**

NAV (USD Million)	4.55
NAV/Unit (USD)	0.2143

**CLASS MYR-H**

NAV (USD Million)	9.13
NAV/Unit (USD)	0.2155

**CLASS SGD-H**

NAV (USD Million)	4.14
NAV/Unit (USD)	0.7531

**CLASS USD**

NAV (USD Million)	8.16
NAV/Unit (USD)	1.0153

**FUND PERFORMANCE (CONTINUED)**

**Changes in NAV (continued)**

For the financial period under review, the fund’s NAV for Class AUD-H, Class MYR, Class MYR-H, Class SGD-H, and Class USD increased by 1.38%, 4.55%, 9.13%, 4.14% and 8.16% respectively.

At the time of reporting, Class MYR-H has the highest total NAV, stood at USD 9.13 million.

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

**PORTFOLIO STRUCTURE**

**Asset allocation**

<b>(% of NAV)</b>	<b>30.06.2024</b>
Collective investment scheme	93.80
Cash and other assets	16.29
Liabilities	(10.09)
<b>Total</b>	<b>100.00</b>

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

**MARKET OUTLOOK\***

The UK is now seen as stable market, prompting a position in UK domestically exposed due to positive growth, earnings improvements, increased mergers and acquisitions activity, and political stability reducing the Brexit discount. In the US, potential regulatory and tax changes could boost equities.

As earnings season approaches, Mega-cap Technology is expected to continue outperforming, and smaller tech companies may grow even faster. US banks, with less restrictive capital requirements and strong profitability, are also attractive.

The barbell approach to equities remains, focusing on the best global growth and income opportunities. Fixed income strategy is to shift towards agency mortgage-backed securities over investment grade credit to enhance yield and credit quality, given the current tight US spreads and high mortgage rates. This could capitalize on the limited incentive for homeowners to refinance or move.

\* 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. Our asset allocation decision will be subjected to market conditions.

**SOFT COMMISSIONS AND REBATES**

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

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

During the financial period under review, the Manager and the Trustee did not receive any rebates from the brokers or dealers, but the Manager has retained soft commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. The Manager confirms that the goods and services received were for the benefit of the Fund, the trades were made on a best execution basis and there was no churning of trades.

**SECURITIES FINANCING TRANSACTIONS**

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

**STATE OF AFFAIR OF THE FUND**

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

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

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

**CROSS TRADE**

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

**UNIT SPLIT**

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

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD FROM 27 MARCH 2024 (DATE OF LAUNCH) TO 30 JUNE 2024**

**27.03.2024  
(date of launch)  
to 30.06.2024  
USD**

**INCOME/(LOSS)**

Net loss on financial assets at fair value through profit or loss	298,404
Net loss on derivatives at fair value through profit or loss	(10,820)
Net loss on foreign exchange	(8,345)
	279,238

**EXPENSES**

Management fee	56,097
Trustee fee	935
Audit fee	878
Tax agent's fee	616
	58,526

**PROFIT BEFORE TAXATION**

220,713

Taxation

-

**PROFIT AFTER TAXATION, REPRESENTING  
TOTAL COMPREHENSIVE INCOME FOR THE  
FINANCIAL PERIOD**

220,713

Profit after taxation is made up as follows: :

Realised amount	(13,360)
Unrealised amount	234,073
	220,713

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2024**

	<b>30.06.2024 USD</b>
<b>ASSETS</b>	
Cash and cash equivalents	1,275,795
Financial assets at fair value through profit or loss	25,654,647
Amount due from dealer	1,455,981
Amount due from Manager	1,731,398
Amount due from Manager of collective investment scheme	
- Management fee rebate	28,411
<b>TOTAL ASSETS</b>	<u>30,146,232</u>
<b>LIABILITIES</b>	
Derivative liabilities at fair value through profit or loss	35,412
Amount due to dealer	1,455,768
Amount due from Manager of collective investment scheme	
- Purchase of collective investment scheme	1,250,000
Amount due to Manager	17,386
Accrued management fee	34,902
Amount due to Trustee	582
Other payables and accruals	1,495
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>	<u>2,795,545</u>
<b>NET ASSET VALUE OF THE FUND</b>	<u>27,350,687</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	<u>27,350,687</u>
<b>REPRESENTED BY:</b>	
<b>FAIR VALUE OF OUTSTANDING UNITS</b>	
- Class AUD	1,384,969
- Class MYR	4,546,387
- Class MYR-H	9,126,208
- Class SGD	4,135,958
- Class USD	8,157,165
	<u>27,350,687</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	
- Class AUD	2,036,435
- Class MYR	21,210,788
- Class MYR-H	42,341,506
- Class SGD	5,492,045
- Class USD	8,034,627
	<u>79,115,401</u>

UNAUDITED STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT 30 JUNE 2024 (CONTINUED)

30.06.2024  
USD

**NET ASSET VALUE PER UNIT (USD)**

- Class AUD	0.6801
- Class MYR	0.2143
- Class MYR-H	0.2155
- Class SGD	0.7531
- Class USD	<u>1.0153</u>

**NET ASSET VALUE PER UNIT IN RESPECTIVE  
CURRENCIES**

- Class AUD	AUD1.0221
- Class MYR	MYR1.0106
- Class MYR-H	MYR1.0163
- Class SGD	SGD1.0208
- Class USD	<u>USD1.0153</u>

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS  
FOR THE FINANCIAL PERIOD FROM 27 MARCH 2024 (DATE OF LAUNCH) TO 30 JUNE 2024**

**27.03.2024  
(date of launch)  
to 30.06.2024  
USD**

**NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS  
AT THE BEGINNING OF THE FINANCIAL PERIOD**

-

Movement due to units created and cancelled during  
the financial period:

Creation of units from applications

- Class AUD	1,351,714
- Class MYR	4,504,775
- Class MYR-H	9,133,527
- Class SGD	4,095,960
- Class USD	8,113,470
	<u>27,199,446</u>

Cancellation of units

- Class MYR-H	<u>(69,472)</u>
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Total comprehensive income for the financial period

220,713

**NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS  
AT THE END OF THE FINANCIAL PERIOD**

27,350,687



**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD FROM 27 MARCH 2024 (DATE OF LAUNCH) TO 30 JUNE 2024**

**27.03.2024  
(date of launch)  
to 30.06.2024  
USD**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Purchase of collective investment scheme	(24,140,000)
Management fee paid	5,346
Management fee rebate received	(21,195)
Trustee fee paid	(353)
Net realised loss on forward foreign currency contracts	24,379
Payment of other foreign exchange loss	(13,182)
<b>Net cash used in operating activities</b>	<b>(24,145,005)</b>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from units created	25,468,048
Payments for cancellation of units	(52,086)
<b>Net cash generated from financing activities</b>	<b>25,415,962</b>

Net increase in cash and cash equivalents	1,270,957
Effects of foreign exchange differences	4,838
Cash and cash equivalents at the end of the financial period	<u>1,275,795</u>

Cash and cash equivalents comprises of:

Bank balances	<u>1,275,795</u>
Cash and cash equivalents at the end of financial period	<u>1,275,795</u>

**DIRECTORY**

**Head Office of the Manager**

Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))  
Level 32, Exchange 106,  
Lingkaran TRX,  
55188 Tun Razak Exchange,  
Kuala Lumpur, Malaysia  
Tel: (03) 8680 8888

**Website**

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**Customer Care Centre**

(03) 7723 7260

**Chat with us via WhatsApp**

(6016) 299 9792

**Trustee for the Principal Global Dynamic Income Fund**

HSBC (Malaysia) Trustee Berhad (Company No.: 193701000084 (1281-T))  
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55188 Tun Razak Exchange, Kuala Lumpur, MALAYSIA.  
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