

**PRINCIPAL GLOBAL INCOME FUND**  
**ANNUAL REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31 MAY 2021**

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**INVESTORS' LETTER**

Dear Valued Investor,

The global equity markets maintained its uptrend in May despite continued volatility arising from concerns of potentially higher inflation and policy changes. Equity markets with the highest return were in Asia, led by India at 6.5%, and the Shanghai Composite at 4.9%, followed by the STOXX Europe 600 at 2.1%. The bond indices gained more grounds in May 2021, after the turnaround in April 2021, with growth of 0.7% to 1.1%.

Our investment team continue to do their best to make the right decisions to maximise fund returns to help you meet your long-term investment needs. We are positive on Asian equities on a long-term basis and have added more ASEAN names on anticipation of a broader recovery which would be enhanced by the greater availability of Coronavirus Disease 2019 ("COVID-19") vaccines.

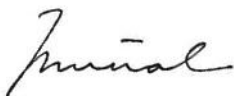
We are pleased to share that we have won awards for Best Online & Mobile Platform (Asset Manager), Best Fund with the optimal Sharpe ratio and Best Fund Manager for Pension Mandates & Private Retirement Schemes at Alpha Southeast Asia's 12<sup>th</sup> Fund Management Awards 2021.

Continue to log on to our website ([www.principal.com.my](http://www.principal.com.my)), like our Facebook page (@PrincipalAssetMY) and follow us on our latest social media asset, our Instagram account (principalassetmanagement\_my) to receive updates on our latest market commentary and insights as well as investing articles.

We also wish to inform that Ernst & Young PLT ("EY") has been appointed as the auditor of the Fund in respect of the audit for the financial year ended 31 May 2021 onwards. The appointment of the Fund Auditor by the Trustee of the Fund, HSBC (Malaysia) Trustee Berhad, is in accordance with the provisions of the Deed in relation to the Fund.

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 provide income and moderate capital growth through investments in one collective investment scheme, which invests primarily in a diversified portfolio of high yielding debt securities.

**Has the Fund achieved its objective?**

For the financial year under review, the Fund has performed in line with its objectives as stated under the Fund Performance 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 Fonds Commun de Placement (“AB FCP I”) Global High Yield 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; portfolio established on 22 September 1997 under the AB FCP I. The Fund will also maintain up to 5% of its NAV in liquid assets for liquidity purposes.

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

Information on the Target Fund:

Company : AB FCP I, a mutual investment fund (fonds commun de placement) organised under the laws of the Grand Duchy of Luxembourg  
 Management Company : AllianceBernstein (Luxembourg) S.à r.l.  
 Investment Manager : AllianceBernstein L.P.  
 Regulatory authority : Commission de Surveillance du Secteur Financier

**Base Currency**

United States Dollar (“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”)	11 October 2017
Class EUR-Hedged (“EUR-H”)	2 July 2018
Class GBP-Hedged (“GBP-H”)	11 October 2017
Class HKD-Hedged (“HKD-H”)	2 July 2018
Class MYR-Hedged (“MYR-H”)	11 October 2017
Class RMB-Hedged (“RMB-H”)	2 July 2018
Class SGD-Hedged (“SGD-H”)	11 October 2017
Class USD	11 October 2017

**What was the size of the Fund as at 31 May 2021?**

USD22.85 million (49.51 million units)

**FUND OBJECTIVE AND POLICY (CONTINUED)**

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

As the Fund feeds into the Target Fund, the Fund compares to the Target Fund for performance comparison purpose.

Note: Please note that the Target Fund is benchmark unconstrained, i.e. it will be managed without reference 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.

**What was the net income distribution for the financial year ended to 31 May 2021?**

The Fund distributed a total net income of USD1.60 million to unit holders for the financial year ended 31 May 2021.

The Fund's NAV per unit were as follows:

Date	NAV per unit (before distribution)	NAV per unit (after distribution)
	USD	USD
09.06.2020		
- Class AUD-H	0.6399	0.6328
- Class EUR-H	1.0084	0.9959
- Class GBP-H	1.0868	1.0730
- Class HKD-H	0.1225	0.1209
- Class MYR-H	0.2117	0.2091
- Class RMB-H	0.1418	0.1400
- Class SGD-H	0.6448	0.6367
- Class USD	0.9174	0.9045
07.09.2020		
- Class AUD-H	0.6846	0.6762
- Class EUR-H	1.0716	1.0579
- Class GBP-H	1.1399	1.1258
- Class HKD-H	0.1249	0.1231
- Class MYR-H	0.2221	0.2193
- Class RMB-H	0.1507	0.1486
- Class SGD-H	0.6689	0.6603
- Class USD	0.9335	0.9216
09.12.2020		
- Class AUD-H	0.7281	0.7191
- Class EUR-H	1.1388	1.1244
- Class GBP-H	1.2136	1.1982
- Class HKD-H	0.1292	0.1278
- Class MYR-H	0.2363	0.2330
- Class RMB-H	0.1645	0.1624
- Class SGD-H	0.7092	0.6997
- Class USD	0.9679	0.9556

**FUND OBJECTIVE AND POLICY (CONTINUED)**

The Fund's NAV per unit were as follows:

Date	NAV per unit	NAV per unit
	(before distribution)	(after distribution)
	USD	USD
10.03.2021		
- Class AUD-H	0.7475	0.7359
- Class EUR-H	1.1103	1.0917
- Class GBP-H	1.2491	1.2283
- Class HKD-H	0.1286	0.1268
- Class MYR-H	0.2319	0.2283
- Class RMB-H	0.2011	0.1988
- Class SGD-H	0.6933	0.6886
- Class USD	0.9628	0.9483

**PERFORMANCE DATA**

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

	31.05.2021	31.05.2020	31.05.2019
	%	%	%
Collective investment scheme	101.01	94.97	98.17
Cash and other assets	2.57	6.42	5.01
Liabilities	(3.58)	(1.39)	(3.18)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	31.05.2021	31.05.2020	31.05.2019
NAV (USD Million)			
- Class AUD-H	5.40	5.55	1.72
- Class EUR-H	0.04	0.20	0.21
- Class GBP-H	4.36	5.98	5.40
- Class HKD-H	0.15	0.08	0.05
- Class MYR-H	7.26	10.23	5.79
- Class RMB-H	0.00*	0.02	0.00*
- Class SGD-H	2.19	2.83	3.61
- Class USD	3.45	2.77	2.20
Units in circulation (Million)			
- Class AUD-H	7.16	9.50	2.49
- Class EUR-H	0.04	0.21	0.20
- Class GBP-H	3.40	5.91	4.55
- Class HKD-H	1.18	0.69	0.37
- Class MYR-H	31.11	51.68	25.16
- Class RMB-H	0.00*	0.19	0.00*
- Class SGD-H	3.06	4.66	5.13
- Class USD	3.56	3.16	2.25

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

**PERFORMANCE DATA (CONTINUED)**

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

	<b>31.05.2021</b>	<b>31.05.2020</b>	<b>31.05.2019</b>
NAV per unit (USD)			
- Class AUD-H	0.7533	0.5840	0.6911
- Class EUR-H	1.1422	0.9471	1.0953
- Class GBP-H	1.2810	1.0112	1.1850
- Class HKD-H	0.1294	0.1170	0.1305
- Class MYR-H	0.2334	0.1980	0.2301
- Class RMB-H	0.2087	0.1339	0.1516
- Class SGD-H	0.7162	0.6067	0.7045
- Class USD	0.9687	0.8751	0.9773
Highest NAV per unit (USD)			
- Class AUD-H	0.7763	0.7219	0.7608
- Class EUR-H	1.1532	1.1407	1.1635
- Class GBP-H	1.2821	1.2883	1.3133
- Class HKD-H	0.1310	0.1364	0.1321
- Class MYR-H	0.2409	0.2483	0.2498
- Class RMB-H	0.2088	0.1628	0.1579
- Class SGD-H	0.7238	0.7452	0.7374
- Class USD	0.9793	1.0200	0.9961
Lowest NAV per unit (USD)			
- Class AUD-H	0.5840	0.4340	0.6651
- Class EUR-H	0.9471	0.7822	1.0636
- Class GBP-H	1.0112	0.8080	1.1636
- Class HKD-H	0.1169	0.0988	0.1235
- Class MYR-H	0.1980	0.1634	0.2222
- Class RMB-H	0.1339	0.1141	0.1499
- Class SGD-H	0.6067	0.4974	0.6778
- Class USD	0.8750	0.7405	0.9244
Total return (%)			
- Class AUD-H	16.44	(8.03)	(7.05)
- Class EUR-H	15.88	(9.16)	-
- Class GBP-H	15.91	(8.26)	(5.15)
- Class HKD-H	16.64	(6.55)	-
- Class MYR-H	18.16	(6.59)	(2.49)
- Class RMB-H	45.85	(6.41)	-
- Class SGD-H	16.51	(7.22)	(1.59)
- Class USD	16.94	(6.38)	2.15
Capital growth (%)			
- Class AUD-H	10.66	(11.93)	(8.45)
- Class EUR-H	9.69	(13.31)	-
- Class GBP-H	9.75	(12.50)	(8.31)
- Class HKD-H	10.65	(9.32)	-
- Class MYR-H	11.87	(10.75)	(7.97)
- Class RMB-H	38.68	(8.76)	-
- Class SGD-H	10.35	(11.68)	(5.06)
- Class USD	10.68	(10.47)	(1.03)

**PERFORMANCE DATA (CONTINUED)**

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

	<b>31.05.2021</b>	<b>31.05.2020</b>	<b>31.05.2019</b>
Income distribution (%)			
- Class AUD-H	5.22	4.43	1.40
- Class EUR-H	5.64	4.78	-
- Class GBP-H	5.61	4.85	3.16
- Class HKD-H	5.41	5.83	-
- Class MYR-H	5.63	4.65	5.48
- Class RMB-H	5.18	2.39	-
- Class SGD-H	5.58	4.96	3.47
- Class USD	5.65	4.55	3.18
Management Expense Ratio ("MER") (%) ^	1.58	1.72	1.71
Portfolio Turnover Ratio ("PTR") (times) #	0.30	0.41	0.32

^ The Fund's MER decreased from 1.72% to 1.58% mainly due to increase in average NAV during the financial year under review.

# The Fund's PTR decreased from 0.41 times to 0.30 times due to increase in average NAV within the reporting year.

	<b>31.05.2021</b>	<b>31.05.2020</b>	<b>31.05.2019</b>
Gross/Net distribution per unit (cent)			
Distribution on 9 June 2020			
- Class AUD-H	0.71	-	-
- Class EUR-H	1.24	-	-
- Class GBP-H	1.37	-	-
- Class HKD-H	0.16	-	-
- Class MYR-H	0.26	-	-
- Class RMB-H	0.18	-	-
- Class SGD-H	0.81	-	-
- Class USD	1.29	-	-
Distribution on 7 September 2020			
- Class AUD-H	0.83	-	-
- Class EUR-H	1.37	-	-
- Class GBP-H	1.41	-	-
- Class HKD-H	0.18	-	-
- Class MYR-H	0.28	-	-
- Class RMB-H	0.20	-	-
- Class SGD-H	0.85	-	-
- Class USD	1.19	-	-



PERFORMANCE DATA (CONTINUED)

	31.05.2021	31.05.2020	31.05.2019
Gross/Net distribution per unit (cent)			
Distribution on 9 December 2020			
- Class AUD-H	0.90	-	-
- Class EUR-H	1.44	-	-
- Class GBP-H	1.54	-	-
- Class HKD-H	0.14	-	-
- Class MYR-H	0.33	-	-
- Class RMB-H	0.21	-	-
- Class SGD-H	0.95	-	-
- Class USD	1.23	-	-
Distribution on 10 March 2021			
- Class AUD-H	1.12	-	-
- Class EUR-H	1.86	-	-
- Class GBP-H	2.08	-	-
- Class HKD-H	0.18	-	-
- Class MYR-H	0.36	-	-
- Class RMB-H	0.23	-	-
- Class SGD-H	1.07	-	-
- Class USD	1.45	-	-
Distribution on 25 September 2019			
- Class AUD-H	-	1.24	-
- Class EUR-H	-	1.99	-
- Class GBP-H	-	2.08	-
- Class HKD-H	-	0.24	-
- Class MYR-H	-	0.42	-
- Class SGD-H	-	1.28	-
- Class USD	-	1.80	-
Distribution on 19 December 2019			
- Class AUD-H	-	0.70	-
- Class EUR-H	-	1.37	-
- Class GBP-H	-	1.48	-
- Class HKD-H	-	0.25	-
- Class MYR-H	-	0.26	-
- Class RMB-H	-	0.12	-
- Class SGD-H	-	1.01	-
- Class USD	-	1.35	-
Distribution on 19 March 2020			
- Class AUD-H	-	0.69	-
- Class EUR-H	-	1.32	-
- Class GBP-H	-	1.52	-
- Class HKD-H	-	0.16	-
- Class MYR-H	-	0.29	-
- Class RMB-H	-	0.19	-
- Class SGD-H	-	0.88	-
- Class USD	-	1.01	-

**PERFORMANCE DATA (CONTINUED)**

	31.05.2021	31.05.2020	31.05.2019	
Gross/Net distribution per unit (cent)				
Distribution on 23 May 2019				
- Class AUD-H	-	-		0.67
- Class GBP-H	-	-		4.50
- Class HKD-H	-	-		0.06
- Class MYR-H	-	-		0.75
- Class SGD-H	-	-		1.51
- Class USD	-	-		1.07
Distribution on 22 November 2018				
- Class GBP-H	-	-		0.50
- Class MYR-H	-	-		0.50
- Class SGD-H	-	-		0.30
- Class USD	-	-		2.00
				<b>Since inception</b>
	<b>31.05.2021</b>	<b>31.05.2020</b>	<b>31.05.2019 to</b>	<b>31.05.2018</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Annual total return				
- Class AUD-H	16.44	(8.03)	(7.05)	(0.75)
- Class GBP-H	15.91	(8.26)	(5.15)	(2.13)
- Class MYR-H	18.16	(6.59)	(2.49)	(0.91)
- Class SGD-H	16.51	(7.22)	(1.59)	(1.79)
- Class USD	16.94	(6.38)	2.15	(1.22)

(Launch date: 11 October 2017)

	31.05.2021	31.05.2020	31.05.2019 to 31.05.2018	
	%	%	%	%
Annual total return				
- Class EUR-H	15.88	(9.16)	-	-
- Class HKD-H	16.64	(6.55)	-	-
- Class RMB-H	45.85	(6.41)	-	-

(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 JUNE 2020 TO 31 MAY 2021)**

Most fixed-income sectors advanced in June 2020, extending the rebound from the lows reached in March 2020. Investors maintained confidence that monetary and fiscal stimulus measures will offset the economic dislocation from the novel coronavirus. Numerous pharmaceutical companies announced progress in developing vaccines and treatments to combat the pandemic. However, new COVID-19 cases were on the rise as some governments eased and then reinstated social distancing measures, particularly in areas that were among the first to reopen. As expected, the US Federal Reserve (the "Fed") voted to hold short-term interest rates near zero until the economy "has weathered recent events". The Fed officials also noted that fiscal stimulus in the US "might prove to be insufficient." The Fed confirmed that quantitative-easing purchases would be sustained at the current pace of USD80 billion of US Treasuries ("UST") and USD40 billion of mortgage-backed securities per month.

**MARKET REVIEW (1 JUNE 2020 TO 31 MAY 2021) (CONTINUED)**

Fixed-income assets rallied in July 2020, extending gains for the fourth month in a row. Central banks kept short-term interest rates anchored, and investors continued to support risk assets in the search for yield. COVID-19 cases continued to rage across most of the globe, particularly in the US, as pharmaceutical companies raced to advance late-stage trials on numerous promising vaccines and treatments to fight the global pandemic. The Fed voted to keep short-term interest rates near zero for the foreseeable future. The Fed also extended its mostly untapped emergency lending facilities - which were originally slated to end in September 2020 - until the end of the year. The European Central Bank ("ECB") met and kept its main refinancing rate at zero, maintaining negative rates on marginal lending and bank deposit facility rates, after expanding the Pandemic Emergency Purchase Programme ("PEPP") in June to GBP1.35 trillion.

Global fixed-income markets were mixed in August 2020, as the real economic impact of the virus unfolded, including increased evictions and more permanent job loss. Projected skyrocketing budget deficits, including 16% of Gross Domestic Products ("GDP") for the US next year - a level not seen since 1945 - and further responses by Central Banks resulted in steepening curves, as short-term rates remained anchored and required term premiums increased across global government yields. Punitively low rates and a focus on economic stability with less inflation restraint provided incentive for investors to continue to seek out yield where available, as they acclimate to the repressive impact of ongoing reductions in purchasing power from sitting in cash.

Fixed-income markets were mixed in September 2020, as the pace of the global economic recovery began to slow; pandemic cases accelerated in the United Kingdom ("UK"), eurozone and parts of the US; hope for a new fiscal stimulus package in the US faded; and trade tensions remained elevated. The upcoming US presidential election became more contentious, leading markets to trend lower.

In October 2020, fixed-income markets were mixed as developed-market ("DM") Government bond returns diverged significantly on a regional basis. Longer-term UST rates spiked primarily on the improving growth outlook in the US and on investor expectations for additional fiscal stimulus that could potentially lead to higher inflation. Longer-term eurozone Government rates fell based on investor optimism that the ECB will increase its PEPP by upward of EUR500 billion in December 2020, especially since numerous eurozone Governments resumed pandemic-related lockdowns and restrictions.

Fixed-income markets were positive in November 2020 despite interim volatility driven by macroeconomic crosscurrents. DM interest rates initially spiked on promising vaccine news and expectations of a Democratic Party "blue wave" in the US presidential and senate races that could lead to another massive fiscal stimulus package and potentially higher inflation.

Fixed-income markets were generally positive in December 2020 as investors looked past a recent surge in virus spread and focused on longer-term positive developments. These included the passage of another fiscal stimulus program in the US, approval of the emergency recovery program in the European Union ("EU"), expansion of the ECB's emergency purchase program and a last-minute resolution of Brexit negotiations between the UK and EU. The rollout of vaccines to combat the COVID-19 pandemic boosted investor confidence even as the number of cases accelerated - leading to renewed lockdowns and restrictions - primarily in the US, UK and EU. DM short-term rates remained anchored as Central Bankers reiterated that monetary policy would remain accommodative well into the future.

In January 2021, Non-Government DM sector returns were mixed. DM high-yield corporate bonds had positive results and led returns as investors continued to search for higher yields, with European high yield posting larger gains than in the US. Global investment-grade corporate bonds had negative returns similar to Government Bonds, with bonds in Europe outperforming treasuries, while US investment-grade corporates underperformed with larger losses. Emerging Markets ("EM") returns also varied as EM corporate bonds had slightly negative returns and outperformed DM treasuries, with the high-yield component of corporate debt slightly positive. EM sovereign and local-currency bonds trailed DM treasuries after a very strong December 2020 when the US Dollar ("USD") fell sharply against EM currencies.

**MARKET REVIEW (1 JUNE 2020 TO 31 MAY 2021) (CONTINUED)**

Most fixed-income markets declined in February 2021 as DM interest rates turned sharply higher. Rates initially rose on inflation concerns over a massive fiscal stimulus proposal in the US, supply-chain disruptions, and higher input costs. Global treasury returns fell 1.86%, as measured by the Bloomberg Barclays Global Treasury Index on a hedged basis, as DM government bond yield curves steepened in all major markets. Meanwhile, EM returns varied as EM corporate bonds had slightly negative returns and significantly outperformed DM treasuries, with the high-yield component of EM corporate debt posting the highest positive returns in monthly comparisons.

Fixed-income markets were mixed in March 2021 as longer-term DM interest rates diverged based on central bank monetary policy perspectives and decisions. The Fed, along with central banks in Canada and the UK, indicated that rising rates on the long end of the yield curve were a manageable positive sign due to the rebound in economic growth, while the ECB, Reserve Bank of Australia (“RBA”) and Bank of Japan (“BoJ”) reiterated their desire to control borrowing costs on longer maturities. Major Central Bankers also reinforced that loose monetary policy will remain accommodative for the foreseeable future and that short-term interest rates will remain firmly anchored until inflation targets are sustainable.

Fixed-income markets were mixed in April 2021 as longer-term DM interest rates staged a bit of a turnaround from last month’s divergence, based on the progress of vaccine rollouts, economic growth expectations and central bank policies. The Fed, ECB, Bank of Canada and RBA met and maintained current monetary policy, and they reiterated that short-term interest rates will remain low until inflation targets are sustainable.

In May 2021, longer-term DM interest rates initially rose on inflation fears but rallied toward the end of the month in most DM markets when central banks reaffirmed that short-term interest rates will remain anchored and recent inflation spikes are likely to be transitory. By the end of the month, rates were little

**FUND PERFORMANCE**

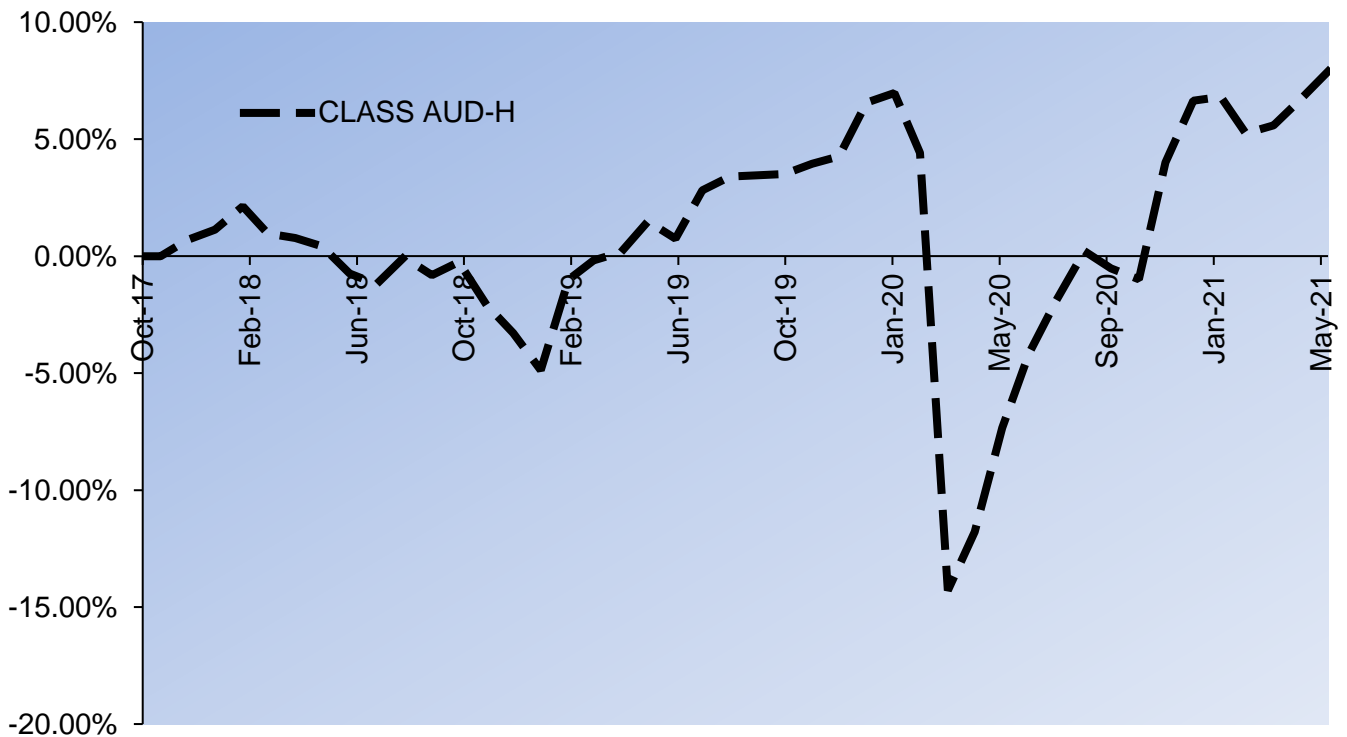
	<b>1 year to 31.05.2021</b>							
	<b>Class AUD-H</b>	<b>Class EUR-H</b>	<b>Class GBP-H</b>	<b>Class HKD-H</b>	<b>Class MYR-H</b>	<b>Class RMB-H</b>	<b>Class SGD-H</b>	<b>Class USD</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Income								
Distribution	5.22	5.64	5.61	5.41	5.63	5.18	5.58	5.65
Capital Growth	10.66	9.69	9.75	10.65	11.87	38.68	10.35	10.68
Total Return	16.44	15.88	15.91	16.64	18.16	45.85	16.51	16.94
Benchmark	-	-	-	-	-	-	-	-
Average Total Return	16.44	15.88	15.91	16.64	18.16	45.86	16.51	16.94
	<b>3 years to 31.05.2021</b>							
	<b>Class AUD-H</b>	<b>Class EUR-H</b>	<b>Class GBP-H</b>	<b>Class HKD-H</b>	<b>Class MYR-H</b>	<b>Class RMB-H</b>	<b>Class SGD-H</b>	<b>Class USD</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Income								
Distribution	10.95	10.69	15.40	-	16.67	-	13.69	14.03
Capital Growth	(2.03)	(6.51)	(7.73)	-	(2.88)	-	(3.72)	(1.93)
Total Return	8.71	3.49	6.48	-	13.31	-	9.47	11.82
Benchmark	-	-	-	-	-	-	-	-
Average Total Return	2.82	1.15	2.11	-	2.98	-	3.06	2.63

FUND PERFORMANCE (CONTINUED)

	Since inception to 31.05.2021							
	Class AUD-H	Class EUR-H	Class GBP-H	Class HKD-H	Class MYR-H	Class RMB-H	Class SGD-H	Class USD
	%	%	%	%	%	%	%	%
Income								
Distribution	10.95	10.69	15.40	11.55	16.67	7.69	13.69	14.03
Capital								
Growth	(2.76)	(6.51)	(9.70)	0.43	(3.76)	32.99	(5.44)	(3.13)
Total Return	7.89	3.49	4.21	12.03	12.28	43.22	7.51	10.46
Benchmark	-	-	-	-	-	-	-	-
Average Total Return	2.11	1.18	1.17	3.97	2.60	13.10	2.01	2.27

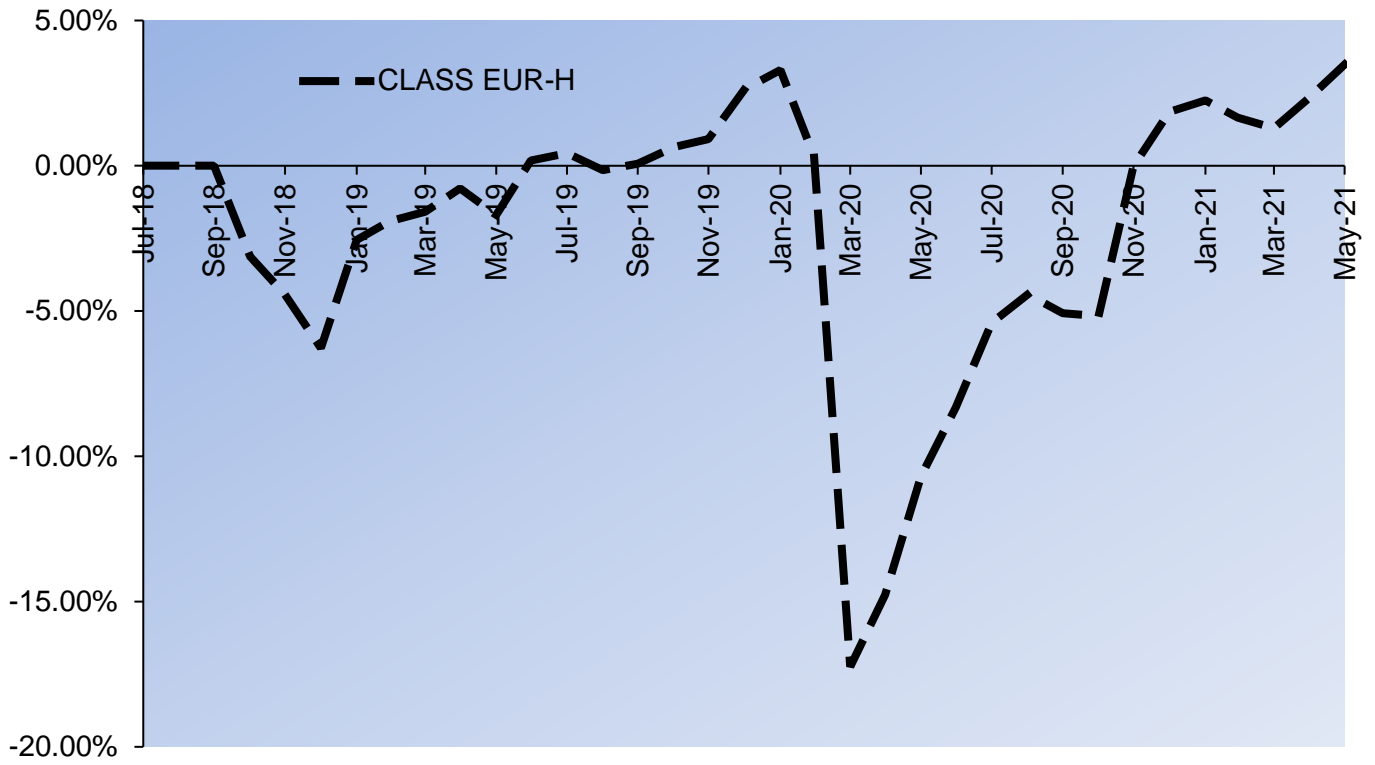
For the annual period under review, all eight classes posted positive returns. Class AUD-H, Class EUR-H, Class GBP-H, Class HKD-H, Class MYR-H, Class RMB-H, Class SGD-H and Class USD increased by 16.44%, 15.88%, 15.91%, 16.64%, 18.16%, 45.85%, 16.51%, and 16.94% respectively. The Fund has no benchmark for performance comparison.

CLASS AUD-H

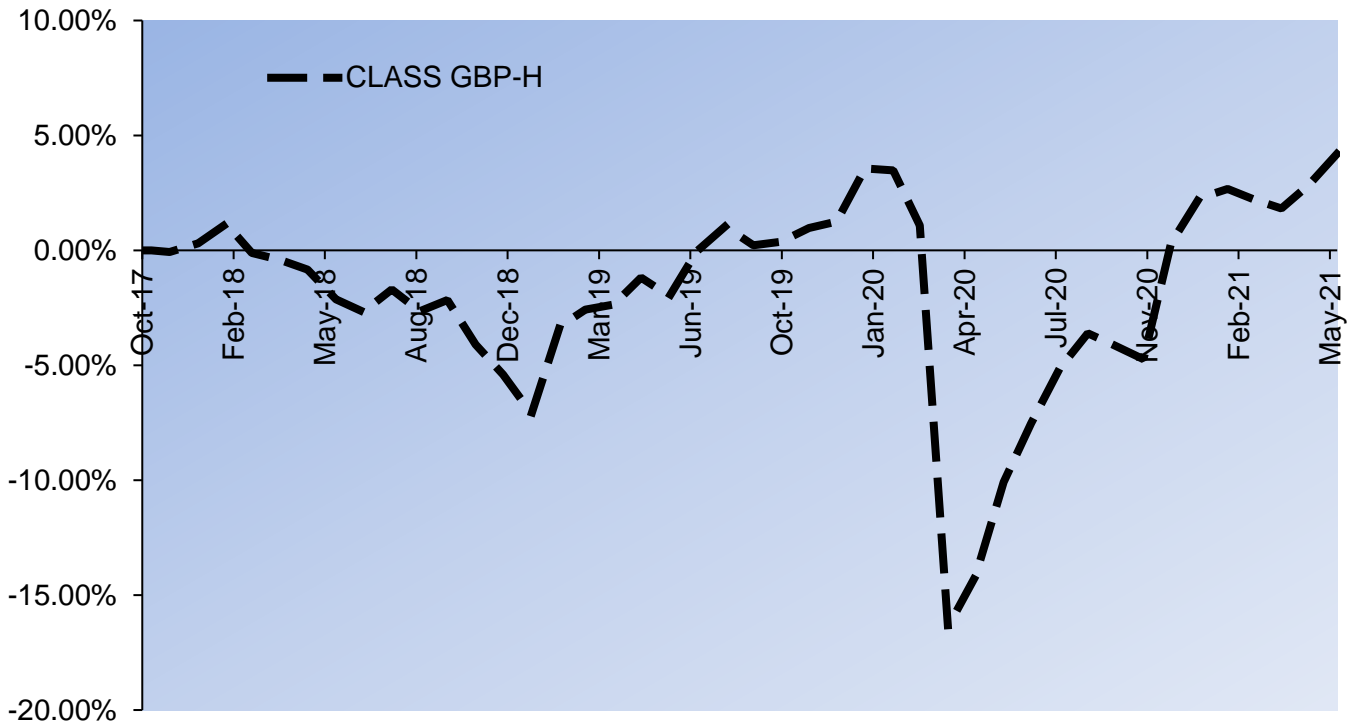


FUND PERFORMANCE (CONTINUED)

CLASS EUR-H

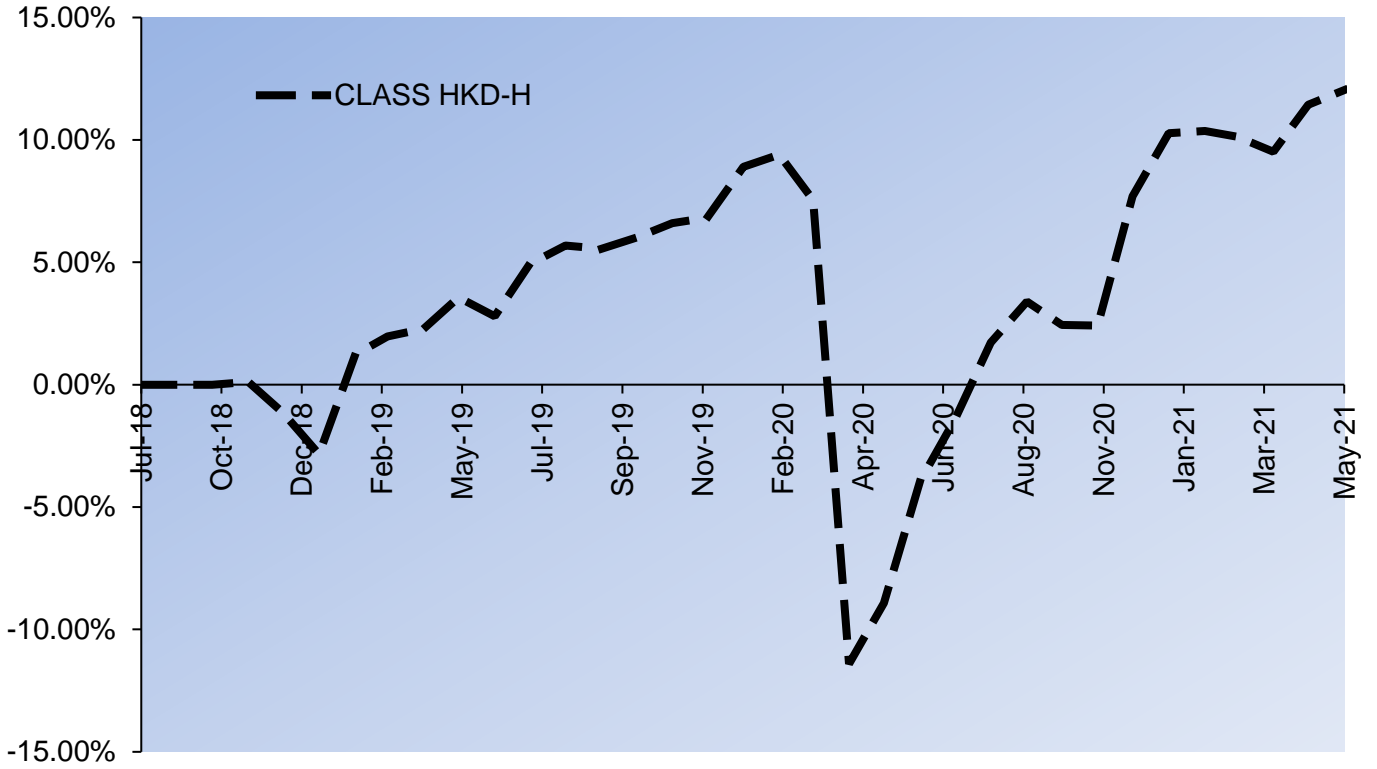


CLASS GBP-H

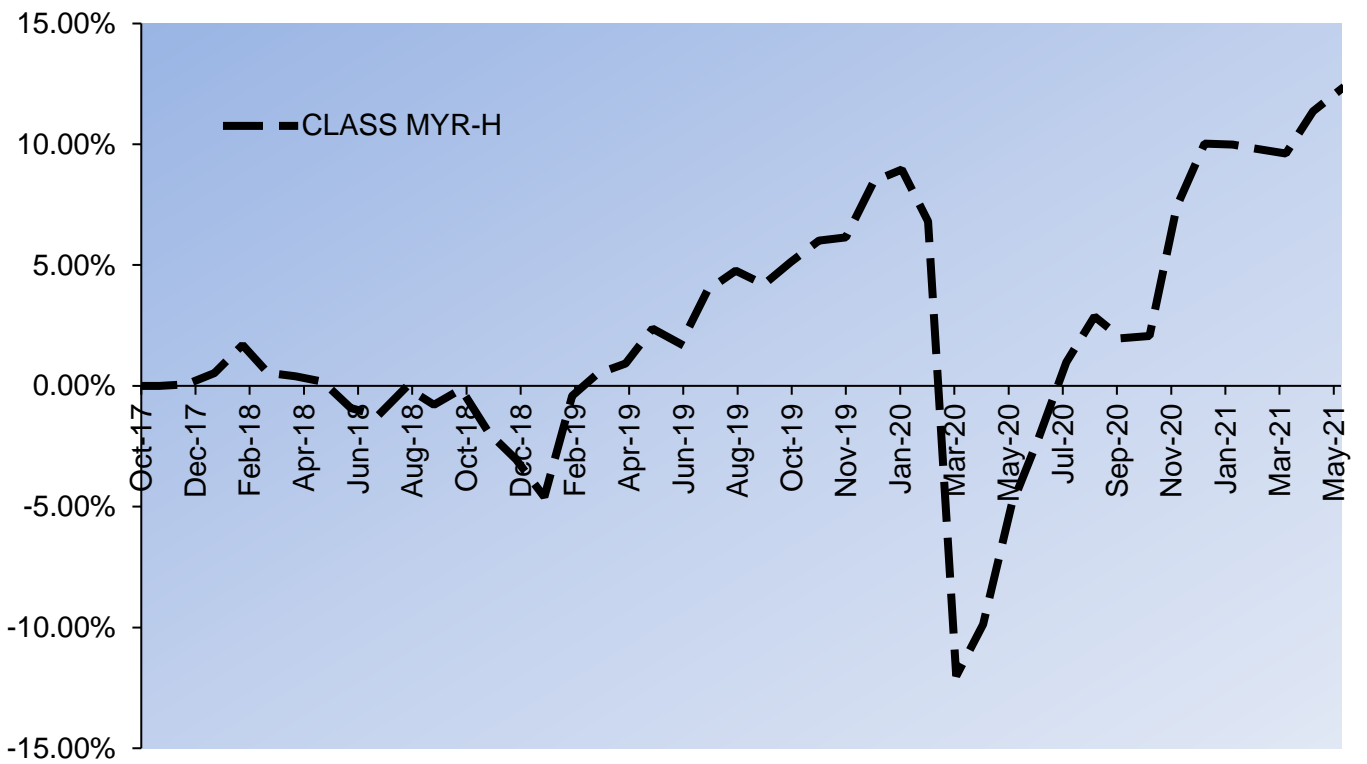


FUND PERFORMANCE (CONTINUED)

CLASS HKD-H

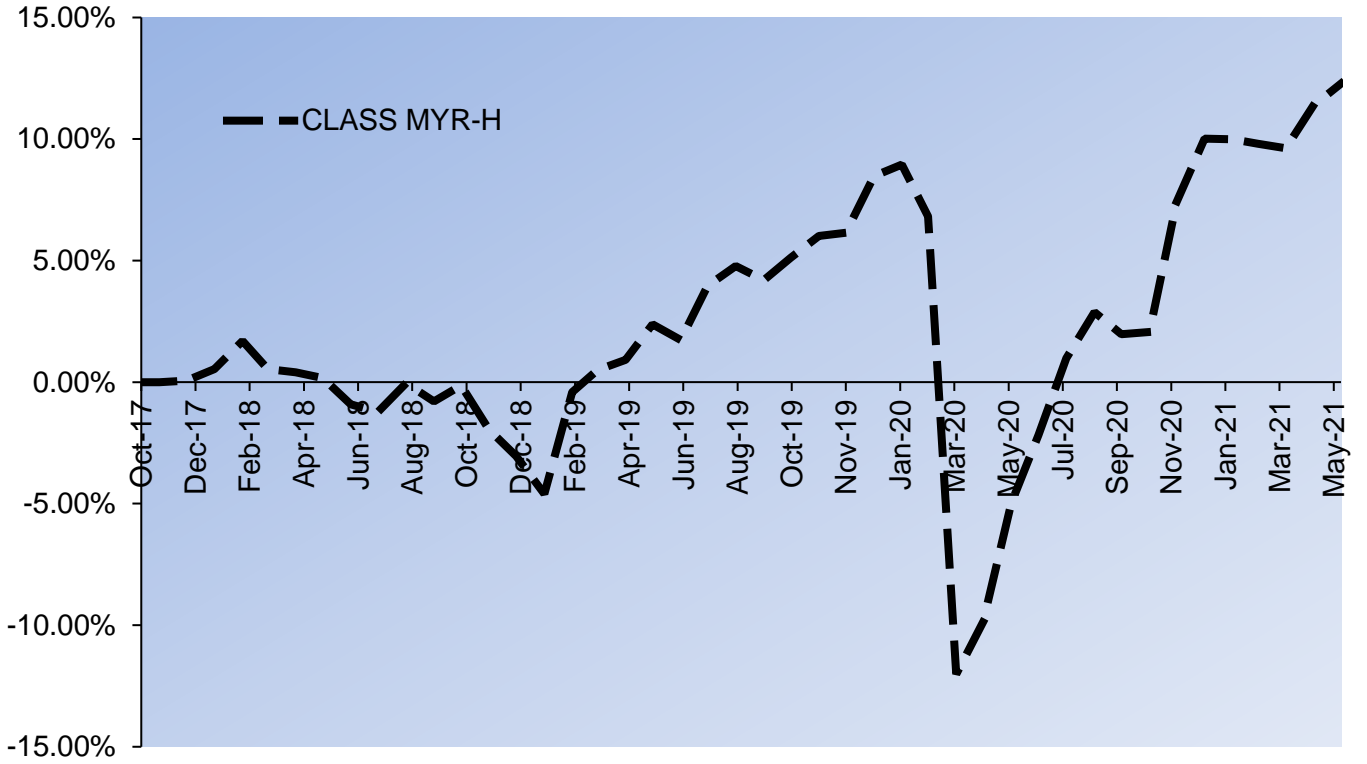


CLASS MYR-H

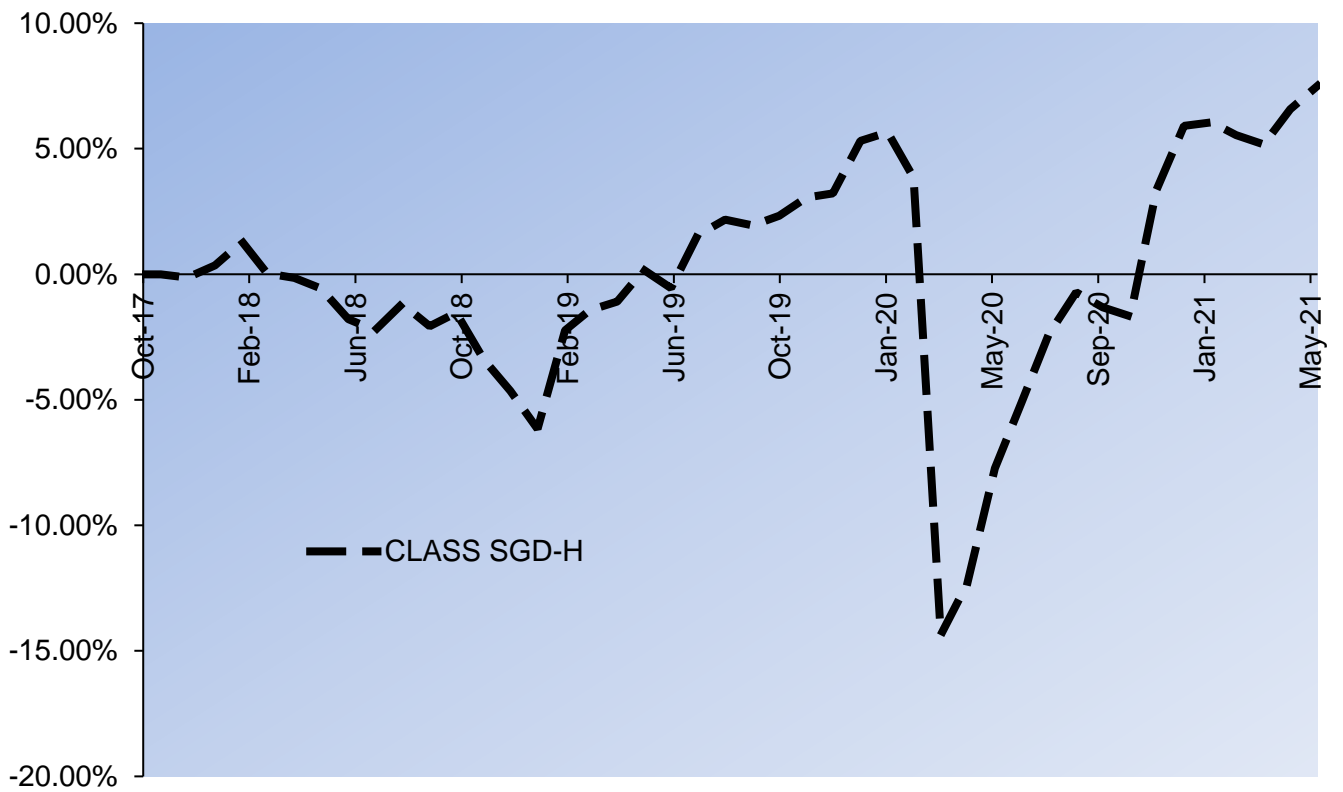


FUND PERFORMANCE (CONTINUED)

CLASS RMB-H



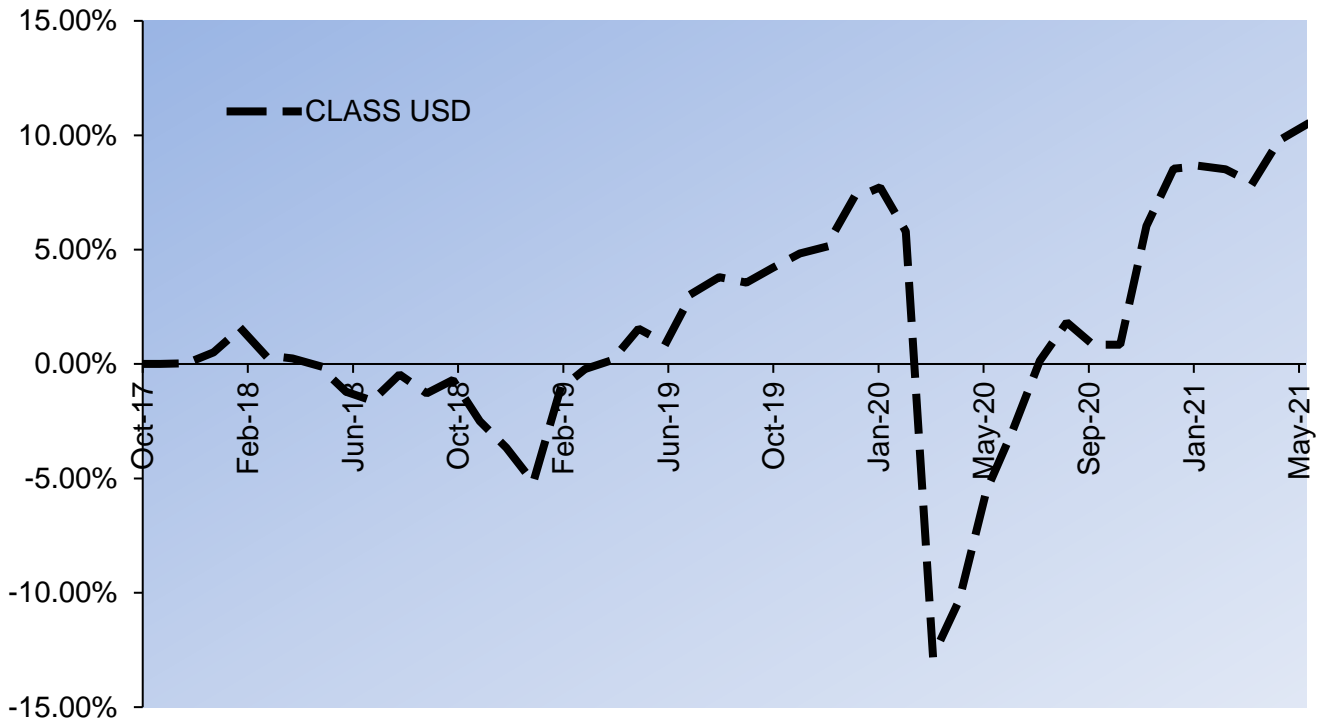
CLASS SGD-H





FUND PERFORMANCE (CONTINUED)

CLASS USD



Changes in NAV

CLASS AUD-H

	31.05.2021	31.05.2020	Changes %
NAV (USD Million)	5.40	5.55	(2.70)
NAV/Unit (USD)	0.7533	0.5840	28.99

CLASS EUR-H

	31.05.2021	31.05.2020	Changes %
NAV (USD Million)	0.04	0.20	(80.00)
NAV/Unit (USD)	1.1422	0.9471	20.60

CLASS GBP-H

	31.05.2021	31.05.2020	Changes %
NAV (USD Million)	4.36	5.98	(27.09)
NAV/Unit (USD)	1.2810	1.0112	26.68

CLASS HKD-H

	31.05.2021	31.05.2020	Changes %
NAV (USD Million)	0.15	0.08	87.50
NAV/Unit (USD)	0.1294	0.1170	10.60

**FUND PERFORMANCE (CONTINUED)**

**Changes in NAV (continued)**

**CLASS MYR-H**

	<b>31.05.2021</b>	<b>31.05.2020</b>	<b>Changes %</b>
NAV (USD Million)	7.27	10.23	(28.93)
NAV/Unit (USD)	0.2334	0.1980	17.88

**CLASS RMB-H**

	<b>31.05.2021</b>	<b>31.05.2020</b>	<b>Changes %</b>
NAV (USD Million)	0.00*	0.02	(100.00)
NAV/Unit (USD)	0.2087	0.1339	55.86

**CLASS SGD-H**

	<b>31.05.2021</b>	<b>31.05.2020</b>	<b>Changes %</b>
NAV (USD Million)	2.19	2.83	(22.61)
NAV/Unit (USD)	0.7162	0.6067	18.05

**CLASS USD**

	<b>31.05.2021</b>	<b>31.05.2020</b>	<b>Changes %</b>
NAV (USD Million)	3.44	2.77	24.19
NAV/Unit (USD)	0.9687	0.8751	10.70

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

The Fund recorded inflows from creations over the financial year under review for Class HKD-H and Class USD by 87.50% and 24.19% respectively. Meanwhile Class AUD-H, Class EUR-H, Class GBP-H, Class MYR-H, Class RMB-H, and Class SGD-H saw net redemptions of 2.70%, 80.00%, 27.09%, 28.93%, 100.00%, and 22.61% over the same 1-year period under review.

In addition, the Fund's NAV per unit for all 8 classes – Class AUD-H, Class EUR-H, Class GBP-H, Class HKD-H, Class MYR-H, Class RMB-H, Class SGD-H, and Class USD increased during the financial year under review. The improvement in the NAV per unit is due to the positive investment performance recorded during the period under review.

At the time of reporting, Class MYR-H has the largest total NAV which stood at USD7.27 million.

**PORTFOLIO STRUCTURE**

**Asset allocation**

<b>(% of NAV)</b>	<b>31.05.2021</b>	<b>31.05.2020</b>
Collective investment scheme	101.01	94.97
Cash and net assets	2.57	6.42
Liabilities	(3.58)	(1.39)
<b>Total</b>	<b>100.00</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\***

Given the expected strong recovery in economic output in the second half of the year as the pandemic eases and economies normalize, we expect global GDP to rebound strongly, with estimates for DM and EM GDP growth of 5.0% and 7.4%, respectively. The US is at a significant advantage over other advanced economies in these areas, with expected output this year above the pre-pandemic trend. With the delay in reopening European economies, we are more cautious about the euro area's prospects. Output there is not expected to reach pre-pandemic levels until well into 2022. In China, output is already above the pre-pandemic trend. With economic and social stability being paramount, China is likely to exert a stabilizing influence on global growth.

\* 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.

**UNIT HOLDINGS STATISTICS**

Breakdown of unit holdings by size as at 31 May 2021 were as follows:

**CLASS AUD-H**

<b>Size of unit holdings (units)</b>	<b>No. of members</b>	<b>No. of units held (million)</b>	<b>% of units held</b>
5,000 and below	1	0.00*	0.00
5,001-10,000	-	-	-
10,001-50,000	-	-	-
50,001-500,000	1	0.10	1.40
500,001 and above	3	7.06	98.60
<b>Total</b>	<b>5</b>	<b>7.16</b>	<b>100.00</b>

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

**UNIT HOLDINGS STATISTICS (CONTINUED)**

Breakdown of unit holdings by size as at 31 May 2021 were as follows (continued):

**CLASS EUR-H**

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	1	0.00*	0.00
5,001-10,000	-	-	-
10,001-50,000	1	0.04	100.00
50,001-500,000	-	-	-
500,001 and above	-	-	-
<b>Total</b>	<b>2</b>	<b>0.04</b>	<b>100.00</b>

**CLASS GBP-H**

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	1	0.00*	0.00
5,001-10,000	-	-	-
10,001-50,000	1	0.03	0.88
50,001-500,000	1	0.08	2.35
500,001 and above	2	3.29	96.77
<b>Total</b>	<b>5</b>	<b>3.40</b>	<b>100.00</b>

**CLASS HKD-H**

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	1	0.00*	0.00
5,001-10,000	-	-	-
10,001-50,000	-	-	-
50,001-500,000	1	0.31	26.27
500,001 and above	1	0.87	73.73
<b>Total</b>	<b>3</b>	<b>1.18</b>	<b>100.00</b>

**CLASS MYR-H**

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	1	0.00*	0.00
5,001-10,000	-	-	-
10,001-50,000	1	0.01	0.03
50,001-500,000	-	-	-
500,001 and above	6	31.10	99.97
<b>Total</b>	<b>8</b>	<b>31.11</b>	<b>100.00</b>

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

**UNIT HOLDINGS STATISTICS (CONTINUED)**

Breakdown of unit holdings by size as at 31 May 2021 were as follows (continued):

**CLASS RMB-H**

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	1	0.00*	100.00
5,001-10,000	-	-	-
10,001-50,000	-	-	-
50,001-500,000	-	-	-
500,001 and above	-	-	-
<b>Total</b>	<b>1</b>	<b>0.00</b>	<b>100.00</b>

**CLASS SGD-H**

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	1	0.00*	0.00
5,001-10,000	-	-	-
10,001-50,000	-	-	-
50,001-500,000	3	0.95	31.05
500,001 and above	1	2.11	68.95
<b>Total</b>	<b>5</b>	<b>3.06</b>	<b>100.00</b>

**CLASS USD**

Size of unit holdings (units)	No. of members	No. of units held (million)	% of units held
5,000 and below	1	0.00*	0.00
5,001-10,000	-	-	-
10,001-50,000	-	-	-
50,001-500,000	2	0.28	7.87
500,001 and above	2	3.28	92.13
<b>Total</b>	<b>5</b>	<b>3.56</b>	<b>100.00</b>

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

**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 financial wire services and stock quotations system incidental to investment management of the Funds. All dealings with brokers are executed on best available terms.

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF  
PRINCIPAL GLOBAL INCOME 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 26 to 53 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 May 2021 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

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

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

**JUAN IGNACIO EYZAGUIRRE BARAONA**  
Director

Kuala Lumpur  
19 July 2021

**TRUSTEE'S REPORT TO THE UNITHOLDERS OF  
PRINCIPAL GLOBAL INCOME FUND**

We have acted as Trustee of Principal Global Income Fund ("the Fund") for the financial year ended 31 May 2021. To the best of our knowledge, Principal Asset Management Berhad ("the Manager"), has operated and managed the Fund in accordance with the following:-

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

During this financial year, a total distribution of 3.56 cent per unit (gross) for Class AUD-Hedged, 5.91 cent per unit (gross) for Class EUR-Hedged, 6.40 cent per unit (gross) for Class GBP-Hedged, 0.66 cent per unit (gross) for Class HKD-Hedged, 1.23 cent per unit (gross) for Class MYR-Hedged, 0.82 cent per unit (gross) for Class RMB-Hedged, 3.68 cent per unit (gross) for Class SGD-Hedged and 5.16 cent per unit (gross) for Class USD have been distributed to the unitholders of the Fund respectively. We are of the view that the distributions are not inconsistent with the objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat  
Manager, Investment Compliance Monitoring

Kuala Lumpur  
12 July 2021

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL GLOBAL INCOME FUND**

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

*Opinion*

We have audited the financial statements of Principal Global Income Fund (the "Fund"), which comprise the statement of financial position as at 31 May 2021 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 26 to 53.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 May 2021, and of its financial performance and cash flows for the period 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 GLOBAL INCOME FUND (CONTINUED)**

**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 GLOBAL INCOME FUND (CONTINUED)****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 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 GLOBAL INCOME FUND (CONTINUED)**

**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.

The financial statements of the Fund for the year ended 31 May 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 15 July 2020.

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

Yeo Beng Yean  
No. 03013/10/2022 J  
Chartered Accountant

Kuala Lumpur  
19 July 2021

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2021**

	Note	2021 USD	2020 USD
<b>INCOME/(LOSS)</b>			
Dividend income		2,100,035	1,752,080
Interest income from current account at amortised cost		-	4
Net gain/(loss) on financial assets at fair value through profit or loss	8	3,238,950	(3,872,362)
Net gain/(loss) on derivatives at fair value through profit or loss	9	2,810,310	(1,028,747)
Net loss on foreign exchange		<u>(26,423)</u>	<u>(31,115)</u>
		<u>8,122,872</u>	<u>(3,180,140)</u>
<b>EXPENSES</b>			
Management fee	4	485,072	390,513
Trustee fee	5	11,760	9,467
Audit fee		1,705	2,383
Tax agent's fee		902	1,096
Other expenses		<u>2,706</u>	<u>3,716</u>
		<u>502,145</u>	<u>407,175</u>
<b>PROFIT/(LOSS) BEFORE FINANCE COST AND TAXATION</b>		7,620,727	(3,587,315)
Finance cost:			
- Class AUD-H		(326,126)	(143,514)
- Class EUR-H		(7,507)	(9,129)
- Class GBP-H		(333,778)	(267,192)
- Class HKD-H		(6,015)	(3,356)
- Class MYR-H		(568,042)	(361,230)
- Class RMB-H		(1,110)	(564)
- Class SGD-H		(161,268)	(142,728)
- Class USD		<u>(193,626)</u>	<u>(119,302)</u>
	6	<u>(1,597,472)</u>	<u>(1,047,015)</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		6,023,255	(4,634,330)
Taxation	7	<u>-</u>	<u>-</u>
<b>PROFIT/(LOSS) AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD</b>		<u>6,023,255</u>	<u>(4,634,330)</u>
Profit/(Loss) after taxation is made up as follows:			
Realised amount		2,668,267	(1,347,011)
Unrealised amount		<u>3,354,988</u>	<u>(3,287,319)</u>
		<u>6,023,255</u>	<u>(4,634,330)</u>

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAY 2021**

	Note	2021 USD	2020 USD
<b>ASSETS</b>			
Cash and cash equivalents	10	182,008	1,286,716
Financial assets at fair value through profit or loss	8	23,079,258	26,263,672
Derivative assets at fair value through profit or loss	9	-	193,989
Amount due from Manager		47,551	115,564
Amount due from dealer		206,950	90,453
Amount due from the Manager of collective investment scheme			
- management fee rebate		150,573	88,979
<b>TOTAL ASSETS</b>		<u>23,666,340</u>	<u>28,039,373</u>
<b>LIABILITIES</b>			
Derivative liabilities at fair value through profit or loss	9	4,400	-
Amount due to Manager		569,895	251,447
Amount due to dealer		207,065	90,841
Accrued management fee		32,743	37,407
Amount due to Trustee		794	907
Other payables and accruals		3,750	3,392
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>		<u>818,647</u>	<u>383,994</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>22,847,693</u>	<u>27,655,379</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>22,847,693</u>	<u>27,655,379</u>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS</b>			
- Class AUD-H		5,395,728	5,548,818
- Class EUR-H		40,963	194,878
- Class GBP-H		4,361,621	5,979,020
- Class HKD-H		152,206	80,557
- Class MYR-H		7,262,715	10,232,645
- Class RMB-H		225	24,808
- Class SGD-H		2,189,411	2,828,493
- Class USD		3,444,824	2,766,160
		<u>22,847,693</u>	<u>27,655,379</u>

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAY 2021 (CONTINUED)**

	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>		
- Class AUD-H	7,162,373	9,501,446
- Class EUR-H	35,862	205,768
- Class GBP-H	3,404,856	5,912,771
- Class HKD-H	1,176,396	688,251
- Class MYR-H	31,111,778	51,682,846
- Class RMB-H	1,077	185,283
- Class SGD-H	3,056,988	4,661,963
- Class USD	3,556,171	3,160,886
<b>11</b>	<u>49,505,501</u>	<u>75,999,214</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>		
- Class AUD-H	0.7533	0.5840
- Class EUR-H	1.1422	0.9471
- Class GBP-H	1.2810	1.0112
- Class HKD-H	0.1294	0.1170
- Class MYR-H	0.2334	0.1980
- Class RMB-H	0.2087	0.1339
- Class SGD-H	0.7162	0.6067
- Class USD	<u>0.9687</u>	<u>0.8751</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE</b>		
- Class AUD-H	AUD0.9724	AUD0.8787
- Class EUR-H	EUR0.9349	EUR0.8523
- Class GBP-H	GBP0.9030	GBP0.8228
- Class HKD-H	HKD1.0043	HKD0.9068
- Class MYR-H	MYR0.9624	MYR0.8603
- Class RMB-H	RMB1.3299	RMB0.9590
- Class SGD-H	SGD0.9456	SGD0.8569
- Class USD	<u>USD0.9687</u>	<u>USD0.8751</u>

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 MAY 2021**

	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<u>27,655,379</u>	<u>18,983,441</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class AUD-H	2,115,560	5,536,499
- Class EUR-H	39,873	8,820
- Class GBP-H	1,599,514	2,071,739
- Class HKD-H	73,578	65,045
- Class MYR-H	3,991,347	8,183,240
- Class RMB-H	-	27,481
- Class SGD-H	350,561	1,402,079
- Class USD	<u>2,067,368</u>	<u>2,031,348</u>
	<u>10,237,801</u>	<u>19,326,251</u>
Creation of units from distributions		
- Class AUD-H	146,925	87,089
- Class EUR-H	3,010	1,065
- Class GBP-H	108,963	73,754
- Class HKD-H	2,303	1,782
- Class MYR-H	371,379	247,730
- Class RMB-H	1,110	563
- Class SGD-H	58,958	48,386
- Class USD	<u>52,098</u>	<u>44,818</u>
	<u>744,746</u>	<u>505,187</u>
Cancellation of units		
- Class AUD-H	(4,133,970)	(1,007,743)
- Class EUR-H	(234,048)	-
- Class GBP-H	(4,879,270)	(495,916)
- Class HKD-H	(15,898)	(23,974)
- Class MYR-H	(9,145,345)	(2,205,046)
- Class RMB-H	(32,491)	-
- Class SGD-H	(1,569,129)	(1,787,434)
- Class USD	<u>(1,803,337)</u>	<u>(1,005,057)</u>
	<u>(21,813,488)</u>	<u>(6,525,170)</u>
Total comprehensive income/(loss) for the financial year	<u>6,023,255</u>	<u>(4,634,330)</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR</b>	<u>22,847,693</u>	<u>27,655,379</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 MAY 2021**

	Note	2021 USD	2020 USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from disposal of collective investment scheme		12,595,000	4,200,000
Purchase of collective investment scheme		(6,500,035)	(15,262,154)
Interest received from current account		-	4
Dividend income received		2,100,035	1,752,080
Management fee paid		(489,736)	(380,255)
Management fee rebate received		266,805	220,604
Trustee fee paid		(11,873)	(9,218)
Payments for other fees and expenses		(4,905)	(8,375)
Net realised gain/(loss) on forward foreign currency contracts		3,008,424	(1,456,744)
<b>Net cash generated from/(used in) from operating activities</b>		<u>10,963,715</u>	<u>(10,944,058)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from units created		10,305,813	19,373,867
Payments for cancellation of units		(21,495,040)	(6,279,153)
Distributions paid		(852,776)	(848,115)
<b>Net cash (used in)/generated from financing activities</b>		<u>(12,042,003)</u>	<u>12,246,599</u>
Net (decrease)/increase in cash and cash equivalents		(1,078,288)	1,302,541
Effects of foreign exchange differences		(26,420)	(31,115)
Cash and cash equivalents at the beginning of the financial year		1,286,716	15,290
Cash and cash equivalents at the end of the financial year	<b>10</b>	<u>182,008</u>	<u>1,286,716</u>
<u>Cash and cash equivalents comprised of:</u>			
Bank balances		182,008	1,286,716
Cash and cash equivalents at the end of financial year	<b>10</b>	<u>182,008</u>	<u>1,286,716</u>

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



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2021**

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

Principal Global Income Fund (the “Fund”) is governed by a Principal Deed dated 9 October 2017, a First Supplemental Deed dated 22 May 2018 and a Second Supplemental Deed dated 30 December 2019 (collectively referred to as the “Deeds”), made between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund 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; portfolio established on 22 September 1997 under the AB FCP I. The Fund will also maintain up to 5% of its NAV in liquid assets for liquidity purposes.

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

Information on the Target Fund:

Company	: AB FCP I, a mutual investment fund (fonds commun de placement) organised under the laws of the Grand Duchy of Luxembourg
Management Company	: AllianceBernstein (Luxembourg) S.à r.l.
Investment Manager	: AllianceBernstein L.P.
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

### (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 effective for financial period beginning on 1 June 2020 that have a material effect on the financial statements of the Fund.

None of the standards, amendments to standards or interpretations that are effective for the financial period beginning on/after 1 June 2021 are applicable to 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 contractual cash flows of the Fund's investments are solely principal and interest. However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

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

The Fund classifies cash and cash equivalents, amount due from dealer, amount due from Manager and amount due from Manager of collective investment scheme - management fee rebate 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**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) Distribution**

A distribution to the Fund's unit holders is accounted for as finance cost in the statement of comprehensive income. A proposed distribution is recognised as a liability in the financial year in which it is approved by the Trustee.

**(g) 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.

**(h) 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 eight classes of units, known respectively as the Class AUD-H, Class EUR-H, Class GBP-H, Class HKD-H, 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.

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

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>.

**(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 unfavorable.

<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.

**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) Amount due from dealer**

Amount due from dealer represents receivables for collective investment scheme sold that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

**(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.

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

Financial instruments of the Fund are as follows:

	<b>Financial assets at fair value through profit or loss USD</b>	<b>Financial assets at amortised cost USD</b>	<b>Total USD</b>
<b>2021</b>			
Cash and cash equivalents (Note 10)	-	182,008	182,008
Collective investment scheme (Note 8)	23,079,258	-	23,079,258
Amount due from dealer	-	206,950	206,950
Amount due from Manager	-	47,551	47,551
Amount due from Manager of collective investment scheme - management fee rebate	-	150,573	150,573
	<u>23,079,258</u>	<u>587,082</u>	<u>23,666,340</u>
<b>2020</b>			
Cash and cash equivalents (Note 10)	-	1,286,716	1,286,716
Collective investment scheme (Note 8)	26,263,672	-	26,263,672
Derivative assets at fair value through profit or loss (Note 9)	193,989	-	193,989
Amount due from dealer	-	90,453	90,453
Amount due from Manager	-	115,564	115,564
Amount due from Manager of collective investment scheme - management fee rebate	-	88,979	88,979
	<u>26,457,661</u>	<u>1,581,712</u>	<u>28,039,373</u>

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

The Fund aims to provide income and moderate capital growth through investments in one collective investment scheme, which invests primarily in a diversified portfolio of high yielding debt securities.

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.

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

(a) Market risk (continued)

(i) Price risk (continued)

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

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

	2021 USD	2020 USD
Financial assets at fair value through profit or loss:		
- Collective investment scheme	<u>23,079,258</u>	<u>26,263,672</u>

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>2021</b>		
-5%	21,925,295	(1,153,963)
0%	23,079,258	-
5%	<u>24,233,221</u>	<u>1,153,963</u>
<b>2020</b>		
-5%	24,950,488	(1,313,184)
0%	26,263,672	-
5%	<u>27,576,856</u>	<u>1,313,184</u>

(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	Derivative assets at fair value through profit or loss USD	Total USD
<b>2021</b>					
AUD	54,354	-	-	-	54,354
CNH	157	-	-	-	157
EUR	2,076	11,984	-	-	14,060
GBP	6,301	-	-	-	6,301
HKD	650	-	-	-	650
MYR	11,522	26,493	47,551	-	85,566
SGD	3,053	70,871	-	-	73,924
	<u>78,113</u>	<u>109,348</u>	<u>47,551</u>	<u>-</u>	<u>235,012</u>
<b>2020</b>					
AUD	5,841	-	52,384	99,205	157,430
CNH	140	-	-	(126)	14
EUR	4,024	-	-	3,797	7,821
GBP	4,298	-	-	77,982	82,280
HKD	495	-	-	42	537
MYR	7,053	21,651	63,180	(873)	91,011
SGD	2,776	-	-	13,962	16,738
	<u>24,627</u>	<u>21,651</u>	<u>115,564</u>	<u>193,989</u>	<u>355,831</u>

Financial liabilities	Amount due to dealer USD	Amount due to Manager USD	Other payables and accruals USD	Total USD
<b>2021</b>				
AUD	50,372	380,291	-	430,663
EUR	-	11,984	-	11,984
GBP	-	2,326	-	2,326
MYR	47,551	104,424	-	151,975
SGD	-	70,871	-	70,871
	<u>97,923</u>	<u>569,896</u>	<u>-</u>	<u>667,819</u>
<b>2020</b>				
AUD	55,642	103,662	-	159,304
GBP	-	105,804	-	105,804
MYR	13,605	41,981	3,433	59,019
	<u>69,247</u>	<u>251,447</u>	<u>3,433</u>	<u>324,127</u>

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

(a) Market risk (continued)

(ii) Currency risk (continued)

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	
		2021 USD	2020 USD
	%		
AUD	+5	(18,815)	(94)
CNH	+5	8	1
EUR	+5	102	391
GBP	+5	(110)	(1,176)
HKD	+5	33	27
MYR	+5	(3,320)	1,600
SGD	+5	153	837
		<u>(21,949)</u>	<u>1,586</u>

	Change in foreign exchange rate	Impact on profit or loss/NAV	
		2021 USD	2020 USD
	%		
AUD	-5	18,815	94
CNH	-5	(8)	(1)
EUR	-5	(102)	(391)
GBP	-5	110	1,176
HKD	-5	(33)	(27)
MYR	-5	3,320	(1,600)
SGD	-5	(153)	(837)
		<u>21,949</u>	<u>(1,586)</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:

	Cash and cash equivalents USD	Amount due from dealer USD	Amount due from Manager USD	Amount due from collective investment scheme - management fee rebate USD	Derivative assets at fair value through profit or loss USD	Total USD
<b>2021</b>						
- AAA	182,008	-	-	-	-	182,008
- Not rated	-	206,950	47,551	150,573	-	405,074
	<u>182,008</u>	<u>206,950</u>	<u>47,551</u>	<u>150,573</u>	<u>-</u>	<u>587,082</u>
<b>2020</b>						
- AAA	1,286,716	-	-	-	193,989	1,480,705
- Not rated	-	90,453	115,564	88,979	-	294,996
	<u>1,286,716</u>	<u>90,453</u>	<u>115,564</u>	<u>88,979</u>	<u>193,989</u>	<u>1,775,701</u>

(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.

	Less than 1 month USD	Between 1 month to 1 year USD	Total USD
<b>2021</b>			
Derivative liabilities at fair value through profit or loss	4,400	-	4,400
Amount due to dealer	569,895	-	569,895
Amount due to Manager	207,065	-	207,065
Accrued management fee	32,743	-	32,743
Amount due to Trustee	794	-	794
Other payables and accruals	-	3,750	3,750
Net assets attributable to unit holders*	<u>22,847,693</u>	<u>-</u>	<u>22,847,693</u>
<b>Contractual undiscounted cash flows</b>	<u>23,662,590</u>	<u>3,750</u>	<u>23,666,340</u>

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

c) Liquidity risk (continued)

2020

Amount due to dealer	90,841	-	90,841
Amount due to Manager	251,447	-	251,447
Accrued management fee	37,407	-	37,407
Amount due to Trustee	907	-	907
Other payables and accruals	-	3,392	3,392
Net assets attributable to unit holders*	<u>27,655,379</u>	<u>-</u>	<u>27,655,379</u>
<b>Contractual undiscounted cash flows</b>	<u>28,035,981</u>	<u>3,392</u>	<u>28,039,373</u>

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

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders of USD22,847,693 (2020: USD27,655,379). The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

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

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial 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.

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy

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

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

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

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

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

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

(i) Fair value hierarchy

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>2021</b>				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	23,079,258	-	-	23,079,258
Financial liabilities at fair value through profit or loss:				
- Derivative liabilities	-	4,400	-	4,400

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>2020</b>				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	26,263,672	-	-	26,263,672
- Derivative assets	-	193,989	-	193,989
	<u>26,263,672</u>	<u>193,989</u>	<u>-</u>	<u>26,457,661</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, derivative contracts, amount due from dealer, amount due from Manager, amount due from Manager of collective investment scheme - management fee rebate, 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 May 2021, the management fee is recognised at a rate of 1.65% per annum (2020: 1.65% 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 0.08% per annum of the NAV of the Class. The Trustee fee includes local custodian fees and charges but excludes foreign sub-custodian fees and charges.

For the financial year ended 31 May 2021, the Trustee fee is recognised at a rate of 0.04% per annum (2020: 0.04% per annum) for each class.

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

6. FINANCE COST

Distributions to unit holders are derived from the following sources:

	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
Dividend income	<u>1,597,472</u>	<u>1,047,015</u>
	1,597,472	1,047,015
Less:		
Expenses	<u>-</u>	<u>-</u>
Net distribution amount	<u><u>1,597,472</u></u>	<u><u>1,047,015</u></u>

Gross/Net distribution per unit (cent)

Distribution on 9 June 2020

- Class AUD-H	0.71	-
- Class EUR-H	1.24	-
- Class GBP-H	1.37	-
- Class HKD-H	0.16	-
- Class RMB-H	0.18	-
- Class MYR-H	0.26	-
- Class SGD-H	0.81	-
- Class USD	1.29	-

Distribution on 7 September 2020

- Class AUD-H	0.83	-
- Class EUR-H	1.37	-
- Class GBP-H	1.41	-
- Class HKD-H	0.18	-
- Class MYR-H	0.28	-
- Class RMB-H	0.20	-
- Class SGD-H	0.85	-
- Class USD	1.19	-

Distribution on 9 December 2020

- Class AUD-H	0.90	-
- Class EUR-H	1.44	-
- Class GBP-H	1.54	-
- Class HKD-H	0.14	-
- Class MYR-H	0.33	-
- Class RMB-H	0.21	-
- Class SGD-H	0.95	-
- Class USD	1.23	-

Distribution on 10 March 2021

- Class AUD-H	1.12	-
- Class EUR-H	1.86	-
- Class GBP-H	2.08	-
- Class HKD-H	0.18	-
- Class MYR-H	0.36	-
- Class RMB-H	0.23	-
- Class SGD-H	1.07	-
- Class USD	1.45	-

**6. FINANCE COST (CONTINUED)**

Distributions to unit holders are derived from the following sources (continued):

	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
Distribution on 25 September 2019		
- Class AUD-H	-	1.24
- Class EUR-H	-	1.99
- Class GBP-H	-	2.08
- Class HKD-H	-	0.24
- Class MYR-H	-	0.42
- Class SGD-H	-	1.28
- Class USD	-	1.80
Distribution on 19 December 2019		
- Class AUD-H	-	0.70
- Class EUR-H	-	1.37
- Class GBP-H	-	1.48
- Class HKD-H	-	0.25
- Class MYR-H	-	0.26
- Class RMB-H	-	0.12
- Class SGD-H	-	1.01
- Class USD	-	1.35
Distribution on 19 March 2020		
- Class AUD-H	-	0.69
- Class EUR-H	-	1.32
- Class GBP-H	-	1.52
- Class HKD-H	-	0.16
- Class MYR-H	-	0.29
- Class RMB-H	-	0.19
- Class SGD-H	-	0.88
- Class USD	-	1.01
	<u>27.42</u>	<u>21.65</u>

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

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

During the financial year ended 31 May 2021, the Fund incurred unrealised loss of nil (2020: USD3,287,319).



7. TAXATION

	2021 USD	2020 USD
Tax charged for the financial year:		
- Current taxation	<u>-</u>	<u>-</u>

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

	2021 USD	2020 USD
Profit/(Loss) before taxation	<u>6,023,255</u>	<u>(4,634,330)</u>
Taxation at Malaysian statutory rate of 24%	1,445,581	(1,112,239)
Tax effects of:		
- (Investment income not subject to tax)/Investment not deductible for tax purposes	(1,949,490)	763,234
- Expenses not deductible for tax purposes	387,082	254,687
- Restriction on tax deductible expenses for Wholesale Funds	<u>116,827</u>	<u>94,318</u>
Taxation	<u>-</u>	<u>-</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021 USD	2020 USD
At fair value through profit or loss:		
- Collective investment scheme	<u>23,079,258</u>	<u>26,263,672</u>
Net profit/(loss) on financial assets at fair value through profit or loss:		
- Realised loss on disposals	(659,695)	(781,592)
- Unrealised fair value gain/(loss)	3,570,246	(3,352,623)
- Management fee rebate #	<u>328,399</u>	<u>261,853</u>
	<u>3,238,950</u>	<u>(3,872,362)</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 May 2021, other income is recognised at a rate of 1.15% per annum (2020: 1.15% per annum) calculated and accrued daily based on the NAV of the collective investment scheme.

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2021</b>				
<b>COLLECTIVE INVESTMENT SCHEME</b>				
AllianceBernstein Luxembourg SARL-AB FCP I – Global High Yield Portfolio	1,945,975	24,352,360	23,079,258	101.01
<b>TOTAL COLLECTIVE INVESTMENT SCHEME</b>	<b>1,945,975</b>	<b>24,352,360</b>	<b>23,079,258</b>	<b>101.01</b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>(1,273,102)</b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>23,079,258</b>		
<b>2020</b>				
<b>COLLECTIVE INVESTMENT SCHEME</b>				
AllianceBernstein Luxembourg SARL-AB FCP I – Global High Yield Portfolio	2,434,075	31,107,020	26,263,672	94.97
<b>TOTAL COLLECTIVE INVESTMENT SCHEME</b>	<b>2,434,075</b>	<b>31,107,020</b>	<b>26,263,672</b>	<b>94.97</b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>(4,843,348)</b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>26,263,672</b>		

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

	<b>2021</b> <b>USD</b>	<b>2020</b> <b>USD</b>
Forward foreign currency contracts	<u>(4,400)</u>	<u>193,989</u>
Net gain/(loss) on derivative assets/liabilities at fair value through profit or loss:		
- Realised gain/(loss) on forward foreign currency contracts	3,008,699	(1,197,073)
- Unrealised fair value (loss)/gain on forward foreign currency contracts	<u>(198,389)</u>	<u>168,326</u>
	<u>2,810,310</u>	<u>(1,028,747)</u>

As at 31 May 2021, there were 14 outstanding USD/Australian Dollar (“AUD”), USD/Euro Dollar (“EUR”), USD/Malaysian Ringgit (“MYR”) and USD/Singapore Dollar (“SGD”) forward foreign currency contracts (2020: there were 21 outstanding USD/Australian Dollar (“AUD”), USD/Euro Dollar (“EUR”), USD/British Pound (“GBP”), USD/Hong Kong Dollar (“HKD”), USD/Malaysian Ringgit (“MYR”), USD/Renminbi (“RMB”) and USD/Singapore Dollar (“SGD”) forward foreign currency contracts respectively. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD20,099,520 (2020: USD24,733,654).

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

	<b>2021</b> <b>USD</b>	<b>2020</b> <b>USD</b>
Bank balances	<u>182,008</u>	<u>1,286,716</u>

11. NUMBER OF UNITS IN CIRCULATION (UNITS)

	<b>2021</b>	<b>2020</b>
	<b>No. of units</b>	<b>No. of units</b>
Class AUD-H (i)	7,162,373	9,501,446
Class EUR-H (ii)	35,862	205,768
Class GBP-H (iii)	3,404,856	5,912,771
Class HKD-H (iv)	1,176,396	688,251
Class MYR-H (v)	31,111,778	51,682,846
Class RMB-H (vi)	1,077	185,283
Class SGD-H (vii)	3,056,988	4,661,963
Class USD (viii)	<u>3,556,171</u>	<u>3,160,886</u>
	<u>49,505,501</u>	<u>75,999,214</u>

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

(i) Class AUD-H

	<u>2021</u>	<u>2020</u>
	<b>No of units</b>	<b>No of units</b>
At the beginning of the financial year	9,501,446	2,486,390
Add : Creation of units from applications	3,188,179	8,442,021
Add : Creation of units from distributions	212,613	149,694
Less : Cancellation of units	<u>(5,739,865)</u>	<u>(1,576,659)</u>
At the end of the financial year	<u>7,162,373</u>	<u>9,501,446</u>

(ii) Class EUR-H

	<u>2021</u>	<u>2020</u>
	<b>No of units</b>	<b>No of units</b>
At the beginning of the financial year	205,768	194,744
Add : Creation of units from applications	38,359	9,951
Add : Creation of units from distributions	2,795	1,073
Less : Cancellation of units	<u>(211,060)</u>	<u>-</u>
At the end of the financial year	<u>35,862</u>	<u>205,768</u>

(iii) Class GBP-H

	<u>2021</u>	<u>2020</u>
	<b>No of units</b>	<b>No of units</b>
At the beginning of the financial year	5,912,771	4,553,486
Add : Creation of units from applications	1,400,017	1,728,305
Add : Creation of units from distributions	93,711	70,683
Less : Cancellation of units	<u>(4,001,643)</u>	<u>(439,703)</u>
At the end of the financial year	<u>3,404,856</u>	<u>5,912,771</u>

(iv) Class HKD-H

	<u>2021</u>	<u>2020</u>
	<b>No of units</b>	<b>No of units</b>
At the beginning of the financial year	688,251	366,355
Add : Creation of units from applications	598,201	488,080
Add : Creation of units from distributions	18,554	14,894
Less : Cancellation of units	<u>(128,610)</u>	<u>(181,078)</u>
At the end of the financial year	<u>1,176,396</u>	<u>688,251</u>

(v) Class MYR-H

	<u>2021</u>	<u>2020</u>
	<b>No of units</b>	<b>No of units</b>
At the beginning of the financial year	51,682,846	25,164,066
Add : Creation of units from applications	18,150,290	34,938,050
Add : Creation of units from distributions	1,675,303	1,214,284
Less : Cancellation of units	<u>(40,396,661)</u>	<u>(9,633,554)</u>
At the end of the financial year	<u>31,111,778</u>	<u>51,682,846</u>

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

(vi) Class RMB-H

	<u>2021</u>	<u>2020</u>
	<b>No of units</b>	<b>No of units</b>
At the beginning of the financial year	185,283	1,000
Add : Creation of units from applications	-	179,956
Add : Creation of units from distributions	7,377	4,327
Less : Cancellation of units	<u>(191,583)</u>	<u>-</u>
At the end of the financial year	<u>1,077</u>	<u>185,283</u>

(vii) Class SGD-H

	<u>2021</u>	<u>2020</u>
	<b>No of units</b>	<b>No of units</b>
At the beginning of the financial year	4,661,963	5,132,677
Add : Creation of units from applications	539,960	1,980,358
Add : Creation of units from distributions	88,111	76,451
Less : Cancellation of units	<u>(2,233,046)</u>	<u>(2,527,523)</u>
At the end of the financial year	<u>3,056,988</u>	<u>4,661,963</u>

(viii) Class USD

	<u>2021</u>	<u>2020</u>
	<b>No of units</b>	<b>No of units</b>
At the beginning of the financial year	3,160,886	2,251,649
Add : Creation of units from applications	2,222,996	2,025,118
Add : Creation of units from distributions	56,040	49,204
Less : Cancellation of units	<u>(1,883,751)</u>	<u>(1,165,085)</u>
At the end of the financial year	<u>3,556,171</u>	<u>3,160,886</u>

12. MANAGEMENT EXPENSE RATIO ("MER")

	<u>2021</u>	<u>2020</u>
	%	%
MER	<u>1.58</u>	<u>1.72</u>

MER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial year calculated on a daily basis is USD31,757,295 (2020: USD23,605,419).

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	2021	2020
PTR (times)	0.30	0.41

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 = USD6,500,035 (2020: USD15,262,080)

total disposal for the financial year = USD12,595,000 (2020: USD4,281,591)

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

	2021	2020
	No. of units	USD
<b>Manager</b>		
Principal Asset Management Berhad		
- Class AUD-H	1,949	1,468
- Class EUR-H	1	1
- Class GBP-H	1	1
- Class HKD-H	1	0.00*
- Class MYR-H	942	220
- Class RMB-H	1,075	224
- Class SGD-H	296	212
- Class USD	519	503
	4,784	2,629
	7,209	4,332

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

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

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**

Details of transactions with the broker for the financial year ended 31 May 2021 are as follows:

Broker	Value of trades USD	Percentage of total trades %
AllianceBernstein (Luxembourg) S.à r.l.	<u>19,095,035</u>	<u>100.00</u>

Details of transactions with the broker for the financial year ended 31 May 2020 are as follows:

Broker	Value of trades USD	Percentage of total trades %
AllianceBernstein (Luxembourg) S.à r.l.	<u>17,791,591</u>	<u>100.00</u>

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

The COVID-19 pandemic and related lockdowns and movement restrictions have had, and will continue to have, a significant impact on global economic conditions and the environment in which the Fund operates.

The Manager continues to closely monitor the macro-economic outlook as a result of COVID-19 pandemic and its 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 19 July 2021.

**DIRECTORY**

**Head Office of the Manager**

Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))  
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(03) 7718 3000

**Trustee for the Principal Global Income Fund**

HSBC (Malaysia) Trustee Berhad (Company No.: 193701000084 (1281-T))  
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**Auditors of the Fund (for the financial period ended 31 May 2021) and of the Manager (for the financial year ended 31 December 2020)**

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