

PRINCIPAL GLOBAL INCOME FUND
ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

CONTENTS	PAGE(S)
INVESTORS' LETTER	i
MANAGER'S REPORT	ii - xviii
Fund Objective and Policy	
Performance Data	
Market Review	
Fund Performance	
Portfolio Structure	
Market Outlook	
Investment Strategy	
Soft Commissions and Rebates	
Securities Financing Transactions	
State of Affair of The Fund	
Circumstances That Materially Affect Any Interest of Unit Holders	
Cross Trade	
Unit Split	
STATEMENT BY MANAGER	1
TRUSTEE'S REPORT	2
INDEPENDENT AUDITORS' REPORT	3 - 6
STATEMENT OF COMPREHENSIVE INCOME	7
STATEMENT OF FINANCIAL POSITION	8 - 9
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	10
STATEMENT OF CASH FLOWS	11
NOTES TO THE FINANCIAL STATEMENTS	12 - 34
DIRECTORY	35

INVESTORS' LETTER

Dear Valued Investor,

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

We are pleased to bring you a copy of the Annual Fund Report of the Principal Global Income Fund for the financial year ended 31 May 2024. You may also download this report from our website at www.principal.com.my.

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

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

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

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

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

Munirah Khairuddin
Country Head and Chief Executive Officer, Malaysia
Non-Independent Executive Director

MANAGER’S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to provide income and 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?

During the financial year under review, the fund is inline to achieve its long-term objective as stated in the investment objective section.

What are the Fund investment policy and principal investment strategy?

The Fund is a feeder fund and it invests in a single collective investment scheme, i.e. AllianceBernstein 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

Asset Allocation

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

Base Currency

United States Dollar (“USD”)

Fund category/type

Feeder Fund/Income & Growth

When was the Fund launched?

Name of Class	Launch Date
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

FUND OBJECTIVE AND POLICY (CONTINUED)

What was the size of the Fund as at 31 May 2024?

USD9.12 million (29.02 million units)

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 2024?

The Fund distributed a total net income of USD0.51 million to unit holders for the financial year ended 31 May 2024.

Breakdown of distribution were as follows:

	31.05.2024		31.05.2023	
	USD	%	USD	%
Source of distribution				
Distribution out of current year's income	506,090	100.00	761,487	100.00
Distribution out of prior year's income/capital	-	-	-	-
Total	506,090	100.00	761,487	100.00

The Fund's NAV per unit before and after distribution were as follows:

Date	NAV per unit (before distribution)	NAV per unit (after distribution)
	USD	USD
Distribution on 14 June 2023		
- Class AUD-H	0.5209	0.5133
- Class EUR-H	0.7875	0.7754
- Class GBP-H	0.8989	0.8854
- Class HKD-H	0.1012	0.0997
- Class MYR-H	0.1668	0.1642
- Class RMB-H	0.1562	0.1538
- Class SGD-H	0.5598	0.5514
- Class USD	0.7816	0.7699
Distribution on 15 September 2023		
- Class AUD-H		
- Class EUR-H	0.4918	0.4871
- Class GBP-H	0.7722	0.7650
- Class HKD-H	0.8808	0.8726
- Class MYR-H	0.1011	0.1002
- Class RMB-H	0.1633	0.1618
- Class SGD-H	0.1525	0.1511
- Class USD	0.5491	0.5440

FUND OBJECTIVE AND POLICY (CONTINUED)

The Fund's NAV per unit before and after distribution were as follows (continued):

Date	NAV per unit	NAV per unit
	(before distribution)	(after distribution)
	USD	USD
Distribution on 14 December 2023		
- Class AUD-H	0.5113	0.5064
- Class EUR-H	0.8163	0.8089
- Class GBP-H	0.9302	0.9218
- Class HKD-H	0.1044	0.1034
- Class MYR-H	0.1677	0.1662
- Class RMB-H	0.1602	0.1589
- Class SGD-H	0.5779	0.5726
- Class USD	0.8069	0.7994
Distribution on 14 March 2024		
- Class AUD-H		
- Class EUR-H	0.5203	0.5151
- Class GBP-H	0.8149	0.8067
- Class HKD-H	0.9401	0.9307
- Class MYR-H	0.1049	0.1039
- Class RMB-H	0.1674	0.1657
- Class SGD-H	0.1589	0.1573
- Class USD	0.5777	0.5720

PERFORMANCE DATA

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

	31.05.2024	31.05.2023	31.05.2022
	%	%	%
Collective investment scheme	99.34	99.35	97.90
Cash and other assets	8.65	3.91	4.82
Liabilities	(7.99)	(3.26)	(2.72)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	31.05.2024	31.05.2023	31.05.2022
NAV (USD Million)			
- Class AUD-H	1.96	2.59	3.62
- Class EUR-H	0.06	0.06	0.06
- Class GBP-H	1.49	1.80	2.16
- Class HKD-H	0.06	0.06	0.10
- Class MYR-H	3.24	5.25	5.36
- Class RMB-H	0.07	0.00*	0.00*
- Class SGD-H	0.47	0.93	1.22
- Class USD	1.77	2.34	2.85

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):

	31.05.2024	31.05.2023	31.05.2022
Units in circulation (Million)			
- Class AUD-H	3.76	5.30	6.02
- Class EUR-H	0.08	0.08	0.07
- Class GBP-H	1.59	2.07	2.21
- Class HKD-H	0.60	0.60	0.87
- Class MYR-H	19.57	31.90	27.80
- Class RMB-H	0.43	0.01	0.01
- Class SGD-H	0.82	1.71	2.05
- Class USD	2.17	3.04	3.40
NAV per unit (USD)			
- Class AUD-H	0.5221	0.4882	0.6011
- Class EUR-H	0.8072	0.7647	0.8602
- Class GBP-H	0.9349	0.8664	0.9767
- Class HKD-H	0.1046	0.0999	0.1103
- Class MYR-H	0.1656	0.1646	0.1926
- Class RMB-H	0.1568	0.1546	0.1835
- Class SGD-H	0.5680	0.5457	0.5962
- Class USD	0.8141	0.7704	0.8395
Highest NAV per unit (USD)			
- Class AUD-H	0.5375	0.6058	0.7622
- Class EUR-H	0.8266	0.8605	1.1501
- Class GBP-H	0.9496	0.9725	1.2907
- Class HKD-H	0.1054	0.1103	0.1310
- Class MYR-H	0.1702	0.1924	0.2373
- Class RMB-H	0.1606	0.1840	0.2139
- Class SGD-H	0.5827	0.5985	0.7232
- Class USD	0.8169	0.8395	0.9806
Lowest NAV per unit (USD)			
- Class AUD-H	0.4614	0.4590	0.5652
- Class EUR-H	0.7312	0.6790	0.8190
- Class GBP-H	0.8248	0.7334	0.9277
- Class HKD-H	0.0970	0.0967	0.1072
- Class MYR-H	0.1528	0.1564	0.1865
- Class RMB-H	0.1450	0.1488	0.1764
- Class SGD-H	0.5215	0.4990	0.5735
- Class USD	0.7509	0.7410	0.8166
Total return (%)			
- Class AUD-H	8.10	(4.78)	(8.97)
- Class EUR-H	7.78	(5.98)	(9.25)
- Class GBP-H	8.67	(4.19)	(9.15)
- Class HKD-H	8.54	(4.48)	(8.54)
- Class MYR-H	6.52	(4.84)	(7.38)
- Class RMB-H	7.22	(4.98)	(6.02)
- Class SGD-H	7.73	(3.90)	(8.62)
- Class USD	9.59	(3.01)	(8.37)

PERFORMANCE DATA (CONTINUED)

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

	31.05.2024	31.05.2023	31.05.2022
Capital growth (%)			
- Class AUD-H	3.56	(9.99)	(13.94)
- Class EUR-H	3.16	(10.70)	(14.20)
- Class GBP-H	4.08	(9.41)	(14.31)
- Class HKD-H	3.96	(9.65)	(13.83)
- Class MYR-H	1.92	(9.94)	(12.44)
- Class RMB-H	2.71	(10.12)	(7.83)
- Class SGD-H	3.15	(9.41)	(13.68)
- Class USD	4.93	(8.23)	(13.34)
Income distribution (%)			
- Class AUD-H	4.39	5.79	5.78
- Class EUR-H	4.48	5.28	5.78
- Class GBP-H	4.41	5.76	6.02
- Class HKD-H	4.40	5.72	6.14
- Class MYR-H	4.51	5.67	5.78
- Class RMB-H	4.39	5.72	1.96
- Class SGD-H	4.44	6.08	5.86
- Class USD	4.44	5.69	5.73
Total Expense Ratio ("TER") (%) ^	0.62	0.61	0.59
Portfolio Turnover Ratio ("PTR") (times) #	0.47	0.29	0.41

^ During the financial year under review, the Fund's TER increased from 0.61% to 0.62% due to decrease in average NAV.

For the financial year under review, the Fund's PTR increased from 0.29 times to 0.47 times. As a feeder fund, the turnover reflects the investments and withdrawals in the target fund.

	31.05.2024	31.05.2023	31.05.2022
Gross/Net distribution per unit (cent)			
Distribution on 14 June 2023			
- Class AUD-H	0.76	-	-
- Class EUR-H	1.20	-	-
- Class GBP-H	1.33	-	-
- Class HKD-H	0.15	-	-
- Class MYR-H	0.26	-	-
- Class RMB-H	0.24	-	-
- Class SGD-H	0.84	-	-
- Class USD	1.17	-	-
Distribution on 15 September 2023			
- Class AUD-H	0.46	-	-
- Class EUR-H	0.72	-	-
- Class GBP-H	0.82	-	-
- Class HKD-H	0.09	-	-
- Class MYR-H	0.15	-	-
- Class RMB-H	0.15	-	-
- Class SGD-H	0.51	-	-
- Class USD	0.70	-	-

PERFORMANCE DATA (CONTINUED)

	31.05.2024	31.05.2023	31.05.2022
Gross/Net distribution per unit (cent)			
Distribution on 14 December 2023			
- Class AUD-H	0.46	-	-
- Class EUR-H	0.74	-	-
- Class GBP-H	0.83	-	-
- Class HKD-H	0.10	-	-
- Class MYR-H	0.15	-	-
- Class RMB-H	0.13	-	-
- Class SGD-H	0.52	-	-
- Class USD	0.75	-	-
Distribution on 14 March 2024			
- Class AUD-H	0.52	-	-
- Class EUR-H	0.81	-	-
- Class GBP-H	0.93	-	-
- Class HKD-H	0.10	-	-
- Class MYR-H	0.17	-	-
- Class RMB-H	0.16	-	-
- Class SGD-H	0.57	-	-
- Class USD	0.81	-	-
Distribution on 14 June 2022			
- Class AUD-H	-	0.81	-
- Class EUR-H	-	0.85	-
- Class GBP-H	-	1.32	-
- Class HKD-H	-	0.15	-
- Class MYR-H	-	0.26	-
- Class RMB-H	-	0.25	-
- Class SGD-H	-	1.01	-
- Class USD	-	1.14	-
Distribution on 14 September 2022			
- Class AUD-H	-	0.78	-
- Class EUR-H	-	1.10	-
- Class GBP-H	-	1.26	-
- Class HKD-H	-	0.15	-
- Class MYR-H	-	0.25	-
- Class RMB-H	-	0.24	-
- Class SGD-H	-	0.79	-
- Class USD	-	1.13	-
Distribution on 14 December 2022			
- Class AUD-H	-	0.60	-
- Class EUR-H	-	0.88	-
- Class GBP-H	-	0.99	-
- Class HKD-H	-	0.12	-
- Class MYR-H	-	0.20	-
- Class RMB-H	-	0.19	-
- Class SGD-H	-	0.64	-
- Class USD	-	0.95	-

PERFORMANCE DATA (CONTINUED)

	31.05.2024	31.05.2023	31.05.2022
Gross/Net distribution per unit (cent)			
Distribution on 17 March 2023			
- Class AUD-H	-	0.78	-
- Class EUR-H	-	1.14	-
- Class GBP-H	-	1.26	-
- Class HKD-H	-	0.15	-
- Class MYR-H	-	0.26	-
- Class RMB-H	-	0.24	-
- Class SGD-H	-	0.82	-
- Class USD	-	1.12	-
Distribution on 11 June 2021			
- Class AUD-H	-	-	1.01
- Class EUR-H	-	-	1.51
- Class GBP-H	-	-	1.68
- Class HKD-H	-	-	0.17
- Class MYR-H	-	-	0.32
- Class RMB-H	-	-	-
- Class SGD-H	-	-	0.96
- Class USD	-	-	1.30
Distribution on 15 September 2021			
- Class AUD-H	-	-	1.07
- Class EUR-H	-	-	1.66
- Class GBP-H	-	-	1.88
- Class HKD-H	-	-	0.19
- Class MYR-H	-	-	0.34
- Class RMB-H	-	-	-
- Class SGD-H	-	-	1.05
- Class USD	-	-	1.45
Distribution on 17 December 2021			
- Class AUD-H	-	-	0.92
- Class EUR-H	-	-	1.35
- Class GBP-H	-	-	1.66
- Class HKD-H	-	-	0.21
- Class MYR-H	-	-	0.30
- Class RMB-H	-	-	0.11
- Class SGD-H	-	-	0.95
- Class USD	-	-	1.22
Distribution on 15 March 2022			
- Class AUD-H	-	-	0.88
- Class EUR-H	-	-	1.34
- Class GBP-H	-	-	1.66
- Class HKD-H	-	-	0.17
- Class MYR-H	-	-	0.30
- Class RMB-H	-	-	0.28
- Class SGD-H	-	-	0.90
- Class USD	-	-	1.25

PERFORMANCE DATA (CONTINUED)

	31.05.2024	31.05.2023	31.05.2022	31.05.2021	31.05.2020
	%	%	%	%	%
Annual total return					
- Class AUD-H	8.10	(4.78)	(8.97)	16.44	(8.03)
- Class GBP-H	8.67	(4.19)	(9.15)	15.91	(8.26)
- Class MYR-H	6.52	(4.84)	(7.38)	18.16	(6.59)
- Class SGD-H	7.73	(3.90)	(8.62)	16.51	(7.22)
- Class USD	9.59	(3.01)	(8.37)	16.94	(6.38)

(Launch date: 11 October 2017)

	31.05.2024	31.05.2023	31.05.2022	31.05.2021	31.05.2020
	%	%	%	%	%
Annual total return					
- Class EUR-H	7.78	(5.98)	(9.25)	15.88	(9.16)
- Class HKD-H	8.54	(4.48)	(8.54)	16.64	(6.55)
- Class RMB-H	7.22	(4.98)	(6.02)	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 2023 TO 31 MAY 2024)

During the fourth quarter of 2023, developed market (“DM”) government bond yields dropped sharply in most markets, except Japan, as central banks largely ended their hiking cycles due to slowing economic growth and easing inflation. DM government bonds rose overall, driven by expectations of favorable central bank policies. Credit risk assets generally outperformed, with DM investment-grade corporate bonds and high-yield corporates showing strong gains, particularly in the United States (“US”). Securitized assets had mixed returns, while emerging market (“EM”) hard-currency sovereign and corporate bonds saw notable gains as the US dollar fell against most DM and EM currencies.

In the first quarter of 2024, government bond returns fell initially as investors adjusted their expectations for central bank rate cuts but began to rally mid-March 2024 when some key central banks indicated a move towards policy easing. Government bonds saw a slight overall loss for the quarter. DM corporate bond returns outperformed government bonds, with significant new issuance and higher yields. Securitized assets also performed well, while US agency mortgage-backed securities underperformed US Treasuries (“UST”). EM hard-currency sovereign bonds rose overall, driven by gains in high-yield EM sovereigns, while local-currency sovereign bonds fell.

In May 2024, DM government bond markets were mixed amidst central bank meetings, inflation reports, and economic updates. Government bonds saw modest gains, particularly in the US and Canada, while falling in Switzerland and Japan. The Federal Reserve (the “Fed”) and other major central banks held rates steady, with some expectations for easing cycles to begin soon. DM corporate bond returns were strong, driven by lower UST and tighter credit spreads. High-yield corporate bonds in DM outperformed government bonds overall. EM debt also saw gains, supported by investor optimism. Securitized assets had solid positive returns, with notable gains in US agency mortgage-backed securities and asset-backed securities.

FUND PERFORMANCE

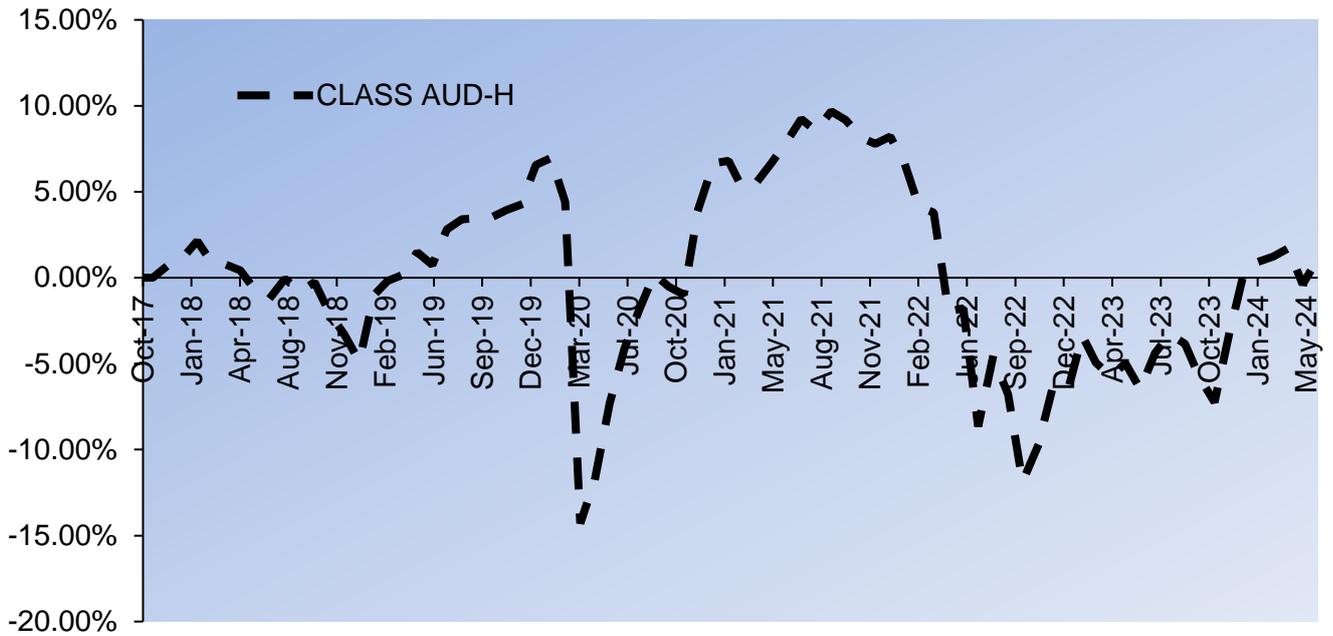
	1 year to 31.05.2024 %	3 years to 31.05.2024 %	5 years to 31.05.2024 %	Since Inception to 31.05.2024 %
Income Distribution				
- Class AUD-H	4.39	16.81	28.35	29.61
- Class EUR-H	4.48	16.35	28.79	28.79
- Class GBP-H	4.41	17.07	29.63	35.10
- Class HKD-H	4.40	17.14	30.08	30.68
- Class MYR-H	4.51	16.82	29.14	36.29
- Class RMB-H	4.39	12.53	21.19	21.19
- Class SGD-H	4.44	17.28	29.97	33.34
- Class USD	4.44	16.70	28.90	33.07
Capital Growth				
- Class AUD-H	3.56	(19.79)	(21.82)	(22.00)
- Class EUR-H	3.16	(20.96)	(24.84)	(26.11)
- Class GBP-H	4.08	(19.20)	(22.42)	(27.04)
- Class HKD-H	3.96	(19.06)	(20.55)	(18.71)
- Class MYR-H	1.92	(19.63)	(19.75)	(22.65)
- Class RMB-H	2.71	(14.91)	7.67	13.16
- Class SGD-H	3.15	(19.34)	(21.32)	(23.73)
- Class USD	4.93	(16.55)	(17.29)	(19.16)
Total Return				
- Class AUD-H	8.10	(6.30)	0.35	1.09
- Class EUR-H	7.78	(8.04)	(3.20)	(4.83)
- Class GBP-H	8.67	(5.41)	0.57	(1.43)
- Class HKD-H	8.54	(5.18)	3.34	6.23
- Class MYR-H	6.52	(6.11)	3.63	5.42
- Class RMB-H	7.22	(4.25)	30.48	37.14
- Class SGD-H	7.73	(5.40)	2.26	1.70
- Class USD	9.59	(2.61)	6.61	7.58
Benchmark				
- Class AUD-H	-	-	-	-
- Class EUR-H	-	-	-	-
- Class GBP-H	-	-	-	-
- Class HKD-H	-	-	-	-
- Class MYR-H	-	-	-	-
- Class RMB-H	-	-	-	-
- Class SGD-H	-	-	-	-
- Class USD	-	-	-	-
Average Total Return				
- Class AUD-H	8.10	(2.14)	0.07	0.16
- Class EUR-H	7.78	(2.75)	(0.65)	(0.83)
- Class GBP-H	8.67	(1.84)	0.11	(0.22)
- Class HKD-H	8.54	(1.76)	0.66	1.03
- Class MYR-H	6.52	(2.08)	0.71	0.80
- Class RMB-H	7.22	(1.44)	5.46	5.48
- Class SGD-H	7.73	(1.83)	0.45	0.25
- Class USD	9.59	(0.88)	1.29	1.11

During the financial year under review, all classes recorded 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 8.10%, 7.78%, 8.67%, 8.54%, 6.52%, 7.22%, 7.73%, and 9.59% respectively. The fund has no benchmark for comparison.

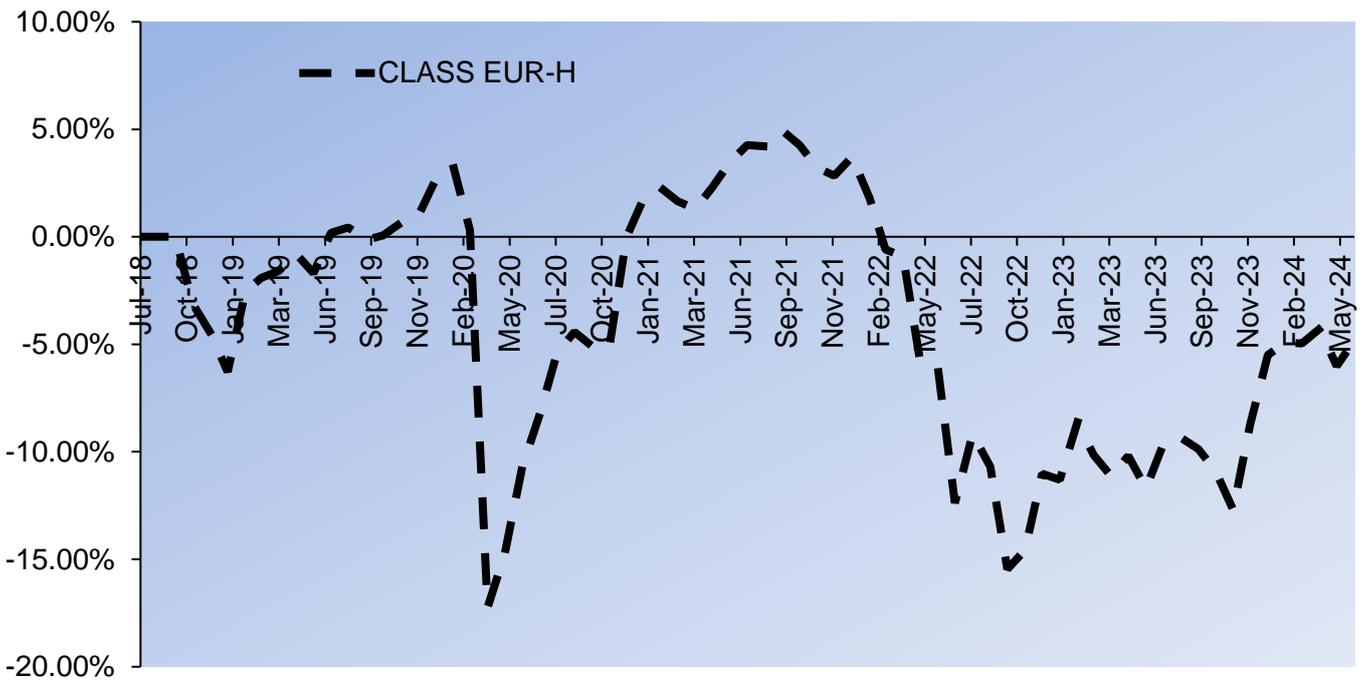
FUND PERFORMANCE (CONTINUED)

Since Inception

CLASS AUD-H



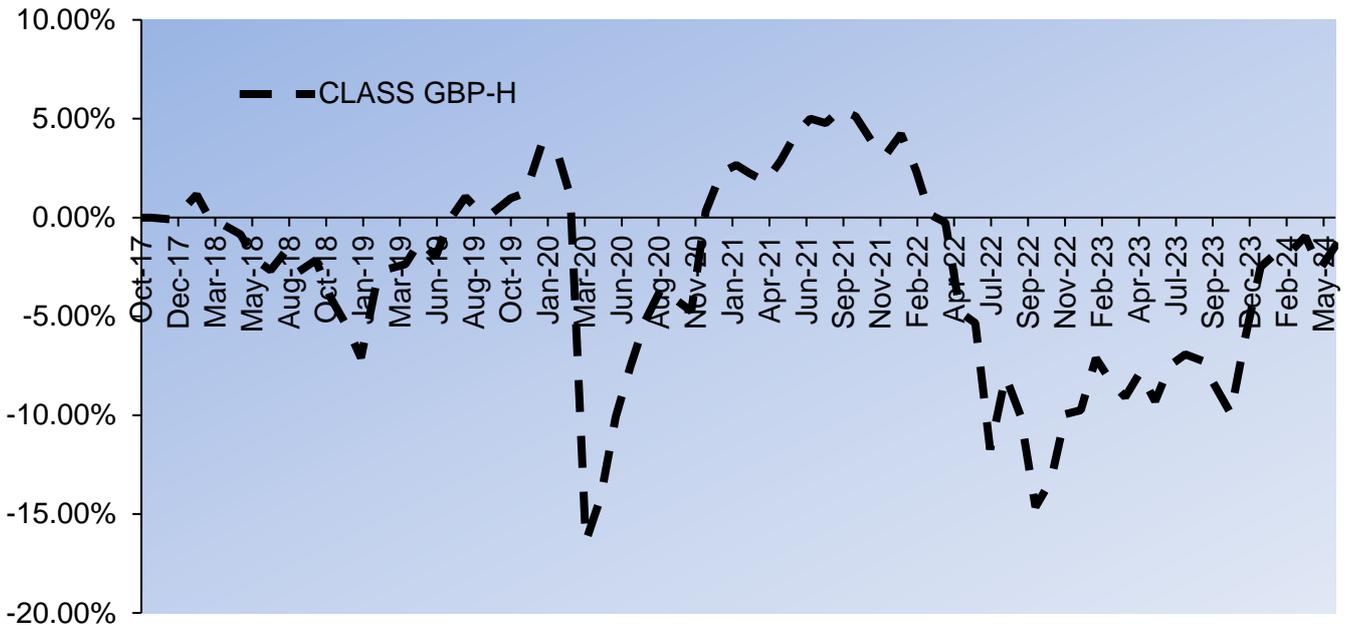
CLASS EUR-H



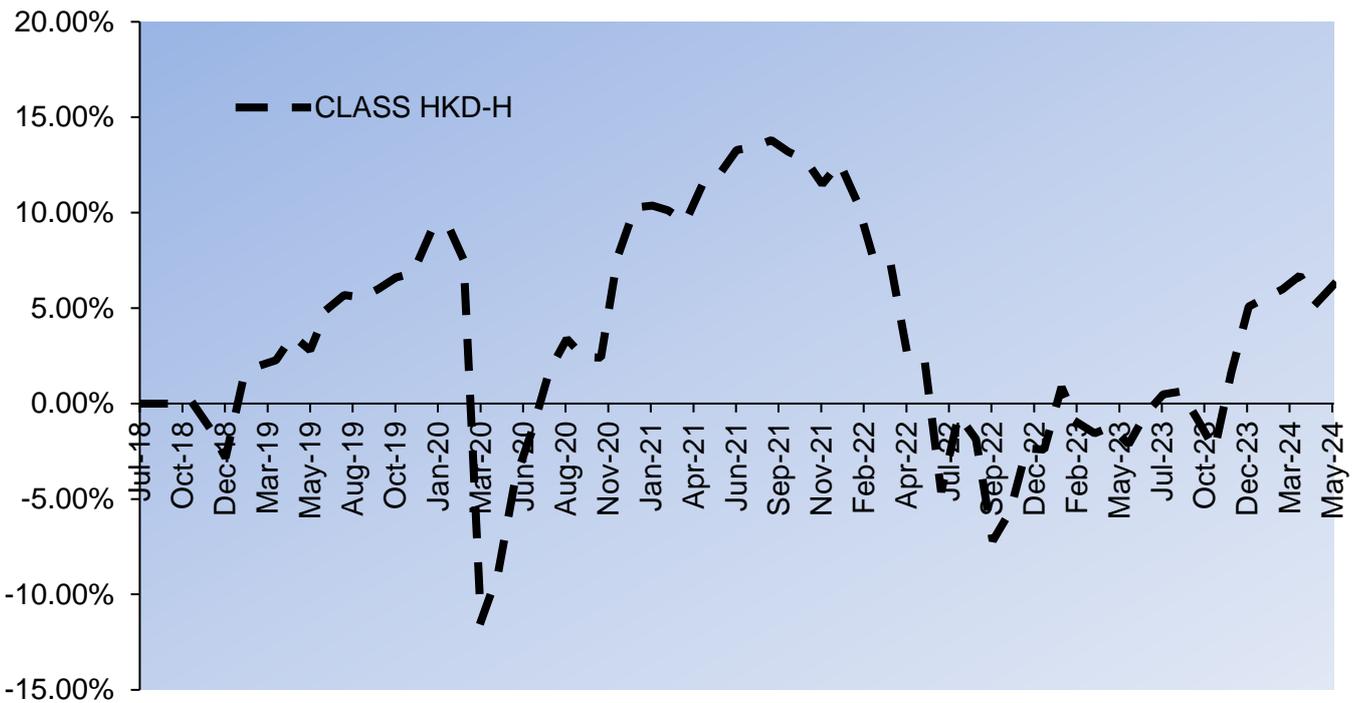
FUND PERFORMANCE (CONTINUED)

Since Inception

CLASS GBP-H



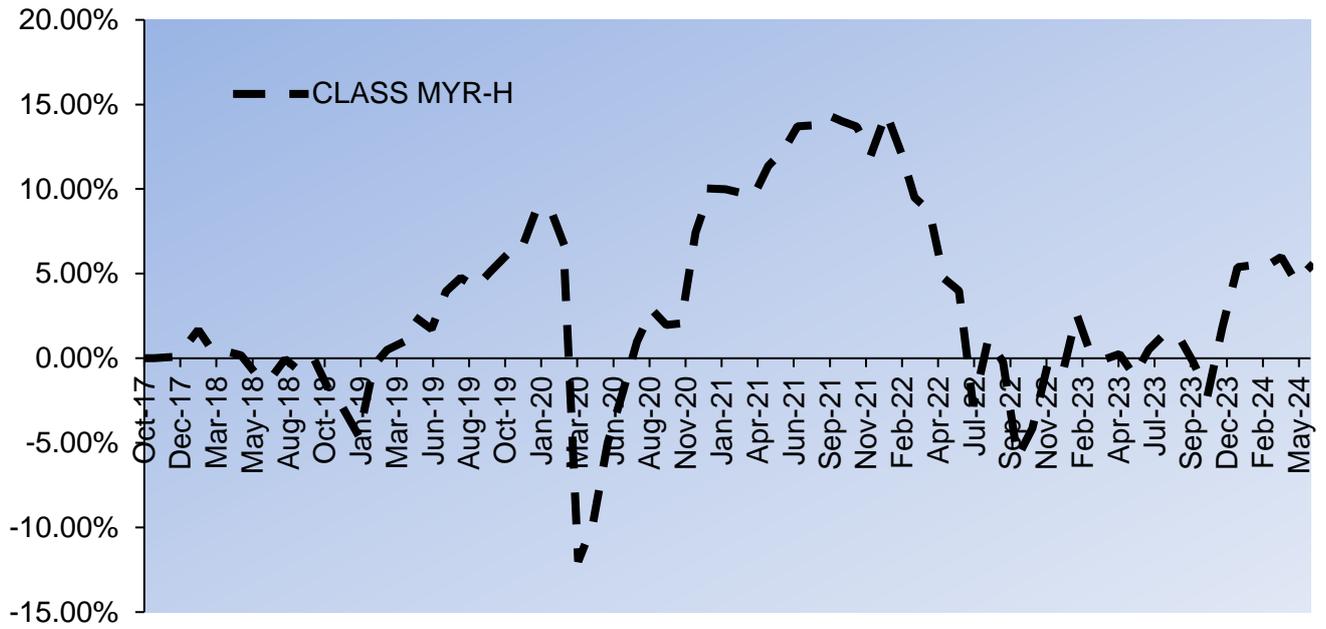
CLASS HKD-H



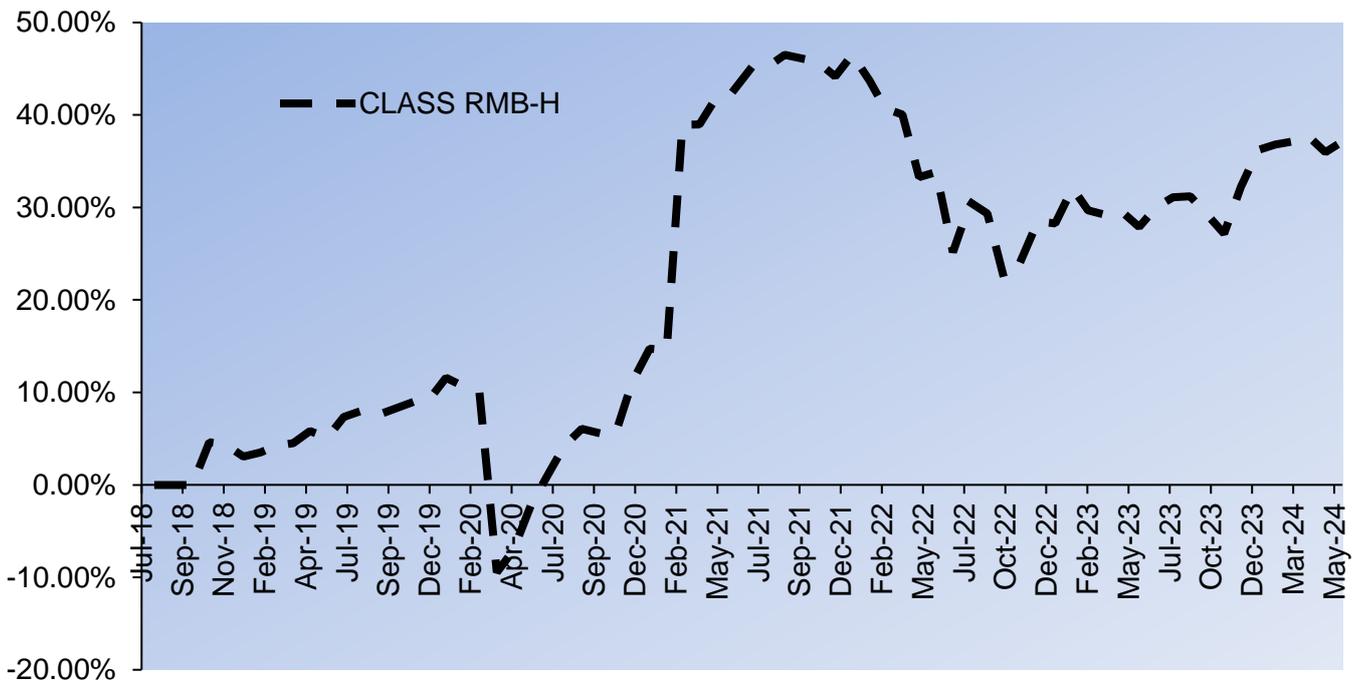
FUND PERFORMANCE (CONTINUED)

Since Inception

CLASS MYR-H



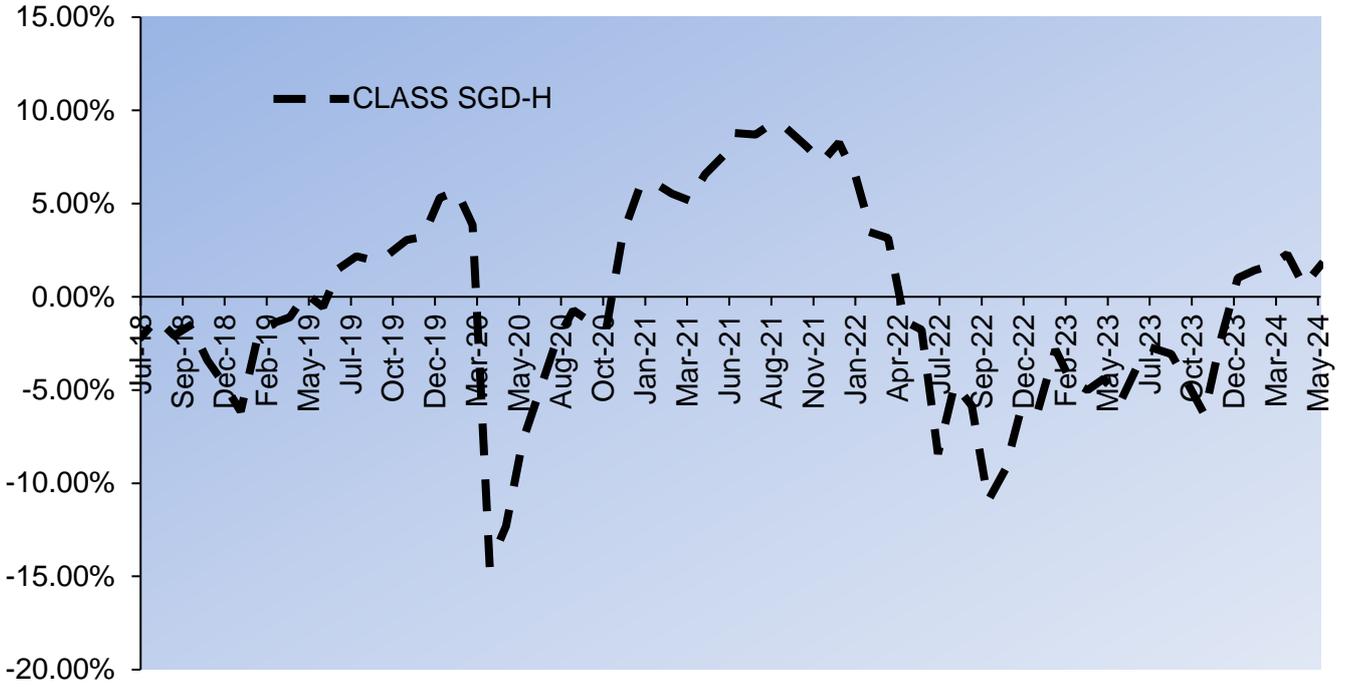
CLASS RMB-H



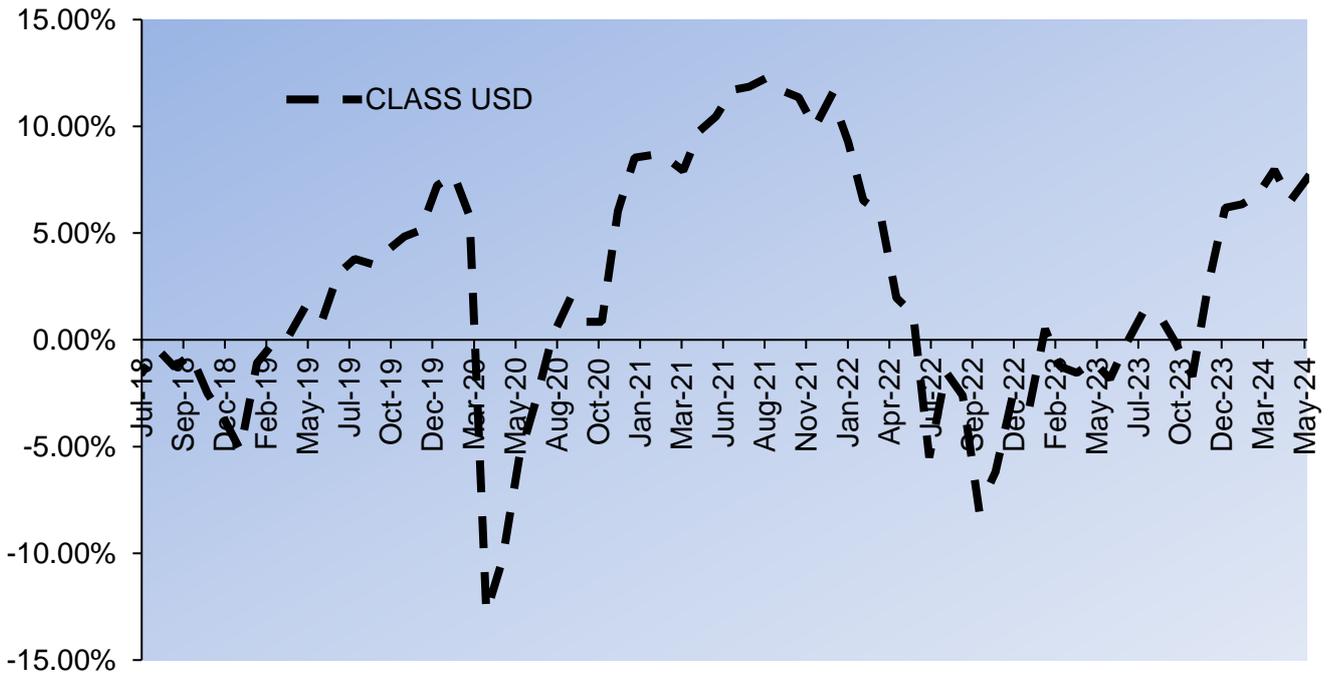
FUND PERFORMANCE (CONTINUED)

Since Inception

CLASS SGD-H



CLASS USD



FUND PERFORMANCE (CONTINUED)

Changes in NAV

	31.05.2024	31.05.2023	Changes %
CLASS AUD-H			
NAV (USD Million)	1.96	2.59	(24.32)
NAV/Unit (USD)	0.5221	0.4882	6.94
CLASS EUR-H			
NAV (USD Million)	0.06	0.06	-
NAV/Unit (USD)	0.8072	0.7647	5.56
CLASS GBP-H			
NAV (USD Million)	1.49	1.80	(17.22)
NAV/Unit (USD)	0.9349	0.8664	7.91
CLASS HKD-H			
NAV (USD Million)	0.06	0.06	-
NAV/Unit (USD)	0.1046	0.0999	4.70
CLASS MYR-H			
NAV (USD Million)	3.24	5.25	(38.29)
NAV/Unit (USD)	0.1656	0.1646	0.61
CLASS RMB-H			
NAV (USD Million)	0.07	0.00*	>100.00
NAV/Unit (USD)	0.1568	0.1546	1.42
CLASS SGD-H			
NAV (USD Million)	0.47	0.93	(49.46)
NAV/Unit (USD)	0.5680	0.5457	4.09
CLASS USD			
NAV (USD Million)	1.77	2.34	(24.36)
NAV/Unit (USD)	0.8141	0.7704	5.67

For the financial year under review, the fund's NAV for Class AUD-H, Class GBP-H, Class MYR-H, Class SGD-H, and Class USD decreased by 24.32%, 17.22%, 38.29%, 49.46%, and 24.36% respectively. The NAV for Class EUR-H and Class HKD-H remain unchanged while Class RMB-H increased to USD 0.07 million.

In addition, the NAV per unit for 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 6.94%, 5.56%, 7.91%, 4.70%, 0.61%, 1.42%, 4.09%, and 5.67% respectively.

At the time of reporting, Class MYR-H has the highest total NAV, stood at USD 3.24 million.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.05.2024	31.05.2023
Collective investment scheme	99.34	99.35
Cash and other assets	8.65	3.91
Liabilities	(7.99)	(3.26)
Total	100.00	100.00

For the financial year under review, the fund was fully invested. A minimal level of liquid asset was maintained primarily for redemption purposes.

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

	% of NAV
Top 10 holdings*	31.05.2024
Staples Inc	0.42
Ford Motor Co	0.41
Societe Generale SA	0.36
Federal National Mortgage Association	0.36
Federal National Mortgage Association	0.35
Aircastle Ltd	0.35
DaVita Inc	0.34
Neptune Bidco US Inc	0.34
Veritas US/Veritas Bermuda	0.33
NGL Energy Operating/NGL Energy Finance	0.33

	% of NAV
Top 10 holdings*	31.05.2023
Aircastle Ltd	0.44
Verscend Escrow Corp	0.43
Ford Motor Co	0.43
Altice Financing SA	0.42
UBS Group AG	0.41
FNMA 16.888 pct	0.40
Sirius XM Radio Inc	0.39
FNMA 15.388 pct	0.38
Prime Security Services Borrower/Prime Finance	0.37
Republic of South Africa Govt Intl Bond	0.37

* As per disclosed in the Fund Fact Sheet.

MARKET OUTLOOK*

Global economic growth is projected to be modestly below potential this year, with significant regional variations. The US is slowing, while the United Kingdom and eurozone are expected to grow slightly after mild recessions. Japan is tightening monetary policy due to inflation, and China shows economic improvement despite low inflation. Emerging markets are set to outperform developed markets with ongoing monetary easing. Central bank meetings in June will provide key insights into future policies, with potential rate cuts expected. Disinflation trends continue across developed economies, and global manufacturing and service sectors show signs of recovery. Corporate fundamentals support credit, though defaults may rise as conditions tighten. The fund will continue to remain fully invested in the target fund with minimal cash kept for liquidity purposes.

MARKET OUTLOOK* (CONTINUED)

The fund will continue to remain fully invested in the target fund with minimal cash kept for liquidity purposes. The US housing market remains resilient, while the commercial mortgage market faces challenges, especially in the office sector. Investment strategies emphasize diversification, defensive positioning, and selective opportunities amid a complex economic landscape.

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

INVESTMENT STRATEGY

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

SOFT COMMISSIONS AND REBATES

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

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

During the financial year under review, the Manager and Trustee did not receive any rebates from the brokers or dealers but the Manager has retained soft commission in the form of goods and services for the benefit of the fund such as financial wire services and stock quotations system incidental to investment management of the Funds and there was no churning of trades.

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIR OF THE FUND

In relation to this Fund, the Fund had issued a First Supplemental Information Memorandum dated 26 February 2024.

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

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

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

CROSS TRADE

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

UNIT SPLIT

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL 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 7 to 34 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the statement of financial position of the Fund as at 31 May 2024 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

Country Head and Chief Executive Officer, Malaysia
Non-Independent Executive Director

UDAY JAYARAM

Executive Managing Director,
Head of Southeast Asia
Non-Independent Executive Director

Kuala Lumpur
17 July 2024

TRUSTEE'S REPORT

**TO THE UNIT HOLDERS OF
PRINCIPAL GLOBAL INCOME FUND ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 31 May 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

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

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

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
17 July 2024

**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 of the Fund as at 31 May 2024, 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 material accounting policy information, as set out on pages 7 to 34.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 May 2024, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL GLOBAL INCOME FUND (CONT'D.)**

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

Information other than the financial statements and auditors' report thereon

The Manager of the Fund (the "Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon.

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

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

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

Responsibilities of the Manager and the Trustee 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 (CONT'D.)**

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

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We 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 (CONT'D.)**

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

Other matters

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

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

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

Kuala Lumpur
17 July 2024

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024**

	Note	2024 USD	2023 USD
INCOME/(LOSS)			
Dividend income		834,565	1,070,368
Net gain/(loss) on financial assets at fair value through profit or loss	8	567,701	(1,006,116)
Net loss on derivatives at fair value through profit or loss	9	(105,002)	(806,646)
Net gain/(loss) on foreign exchange		4,590	(4,535)
		<u>1,301,854</u>	<u>(746,929)</u>
EXPENSES			
Management fee	4	180,759	226,322
Trustee fee	5	3,505	5,486
Audit fee		2,039	2,146
Tax agent's fee		1,431	1,507
Other expenses		1,979	2,327
		<u>189,713</u>	<u>237,788</u>
PROFIT/(LOSS) BEFORE DISTRIBUTION AND TAXATION		1,112,141	(984,717)
Distribution:			
- Class AUD-H		102,389	167,135
- Class EUR-H		2,646	2,951
- Class GBP-H		75,041	104,510
- Class HKD-H		2,632	4,554
- Class MYR-H		185,049	283,455
- Class RMB-H		1,138	113
- Class SGD-H		29,074	60,042
- Class USD		108,121	138,727
	6	<u>506,090</u>	<u>761,487</u>
PROFIT/(LOSS) BEFORE TAXATION		606,051	(1,746,204)
Taxation	7	<u>(105,780)</u>	<u>(252,319)</u>
PROFIT/(LOSS) AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		<u>500,271</u>	<u>(1,998,523)</u>
Profit/(Loss) after taxation is made up as follows:			
Realised amount		(1,460,656)	(1,759,511)
Unrealised amount		1,960,927	(239,012)
		<u>500,271</u>	<u>(1,998,523)</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 2024**

	Note	2024 USD	2023 USD
ASSETS			
Cash and cash equivalents	10	199,434	70,399
Financial assets at fair value through profit or loss	8	9,055,819	12,950,400
Derivative assets at fair value through profit or loss	9	11,065	-
Amount due from Manager		181,868	12,153
Amount due from dealer		95,434	190,716
Amount due from the Manager of collective investment scheme			
- Management fee rebate		249,133	235,743
Tax recoverable		51,235	-
TOTAL ASSETS		<u>9,843,988</u>	<u>13,459,411</u>
LIABILITIES			
Derivative liabilities at fair value through profit or loss	9	-	160,818
Amount due to manager		495,198	86,624
Amount due to dealer		215,307	85,791
Accrued management fee		13,262	18,765
Amount due to trustee		241	455
Tax payable		-	60,332
Other payables and accruals		4,073	12,053
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>728,081</u>	<u>424,838</u>
NET ASSET VALUE OF THE FUND		<u>9,115,907</u>	<u>13,034,573</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>9,115,907</u>	<u>13,034,573</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- Class AUD-H		1,963,340	2,587,969
- Class EUR-H		62,456	57,801
- Class GBP-H		1,485,630	1,797,042
- Class HKD-H		62,594	59,735
- Class MYR-H		3,240,236	5,250,665
- Class RMB-H		67,884	1,795
- Class SGD-H		467,791	931,096
- Class USD		1,765,976	2,348,470
		<u>9,115,907</u>	<u>13,034,573</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 2024 (CONTINUED)**

	2024	2023
	USD	USD
NUMBER OF UNITS IN CIRCULATION (UNITS)		
- Class AUD-H	3,760,542	5,300,548
- Class EUR-H	77,377	75,588
- Class GBP-H	1,589,024	2,074,047
- Class HKD-H	598,203	598,203
- Class MYR-H	19,570,623	31,896,204
- Class RMB-H	432,956	11,607
- Class SGD-H	823,540	1,706,232
- Class USD	2,169,322	3,048,315
11	<u>29,021,587</u>	<u>44,710,744</u>
NET ASSET VALUE PER UNIT (USD)		
- Class AUD-H	0.5221	0.4882
- Class EUR-H	0.8072	0.7647
- Class GBP-H	0.9349	0.8664
- Class HKD-H	0.1046	0.0999
- Class MYR-H	0.1656	0.1646
- Class RMB-H	0.1568	0.1546
- Class SGD-H	0.5680	0.5457
- Class USD	<u>0.8141</u>	<u>0.7704</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- Class AUD-H	AUD0.7856	AUD0.7532
- Class EUR-H	EUR0.7441	EUR0.7163
- Class GBP-H	GBP0.7348	GBP0.7010
- Class HKD-H	HKD0.8186	HKD0.7819
- Class MYR-H	MYR0.7790	MYR0.7589
- Class RMB-H	RMB1.1395	RMB1.1017
- Class SGD-H	SGD0.7679	SGD0.7394
- Class USD	<u>USD0.8141</u>	<u>USD0.7704</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 2024**

	2024	2023
	USD	USD
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>13,034,573</u>	<u>15,373,941</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class AUD-H	30,731	-
- Class EUR-H	1,835	-
- Class GBP-H	482,869	42,501
- Class MYR-H	1,105,656	1,836,224
- Class RMB-H	63,158	-
- Class SGD-H	396,991	-
- Class USD	897,970	39,409
	<u>2,979,210</u>	<u>1,918,134</u>
Creation of units from distributions		
- Class AUD-H	29,519	42,022
- Class EUR-H	1,409	1,536
- Class GBP-H	27,003	42,840
- Class MYR-H	76,671	143,682
- Class RMB-H	516	113
- Class SGD-H	15,088	21,041
- Class USD	19,717	22,227
	<u>169,923</u>	<u>273,461</u>
Cancellation of units		
- Class AUD-H	(1,397,826)	(421,991)
- Class GBP-H	(976,414)	(192,677)
- Class HKD-H	-	(28,061)
- Class MYR-H	1,382,711	(1,342,672)
- Class RMB-H	(4,050,630)	(188)
- Class SGD-H	(891,714)	(212,258)
- Class USD	(1,634,197)	(334,593)
	<u>(7,568,070)</u>	<u>(2,532,440)</u>
Total comprehensive income/(loss) for the financial year	<u>500,271</u>	<u>(1,998,523)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	<u><u>9,115,907</u></u>	<u><u>13,034,573</u></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 2024**

	Note	2024 USD	2023 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of collective investment scheme		7,215,000	4,490,000
Purchase of collective investment scheme		(2,874,565)	(3,550,368)
Dividend income received		834,565	1,070,368
Management fee paid		(186,262)	(228,855)
Management fee rebate received		108,456	(296,868)
Trustee fee paid		(3,719)	(5,547)
Payments for other fees and expenses		(13,429)	2,294
Net realised loss on forward foreign currency contracts		(52,621)	(647,779)
Tax paid		(217,347)	(191,987)
Net cash generated from operating activities		<u>4,810,078</u>	<u>641,258</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from units created		2,809,495	1,965,209
Payments for cancellation of units		(7,159,496)	(2,617,626)
Distributions paid		(336,168)	(488,062)
Net cash used in financing activities		<u>(4,686,169)</u>	<u>(1,140,479)</u>
Net increase/(decrease) in cash and cash equivalents		123,909	(499,221)
Effects of foreign exchange differences		5,126	(4,536)
Cash and cash equivalents at the beginning of the financial year		<u>70,399</u>	<u>574,156</u>
Cash and cash equivalents at the end of the financial year	10	<u>199,434</u>	<u>70,399</u>
<u>Cash and cash equivalents comprised:</u>			
Bank balances		<u>199,434</u>	<u>70,399</u>
Cash and cash equivalents at the end of financial year	10	<u>199,434</u>	<u>70,399</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 2024**

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, a Second Supplemental Deed dated 30 December 2019 and a Third Supplemental Deed dated 2 February 2024 (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 Fund had issued a First Supplemental Information Memorandum dated 26 February 2024.

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. MATERIAL 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. MATERIAL ACCOUNTING POLICIES (CONTINUED)**(a) Basis of preparation (continued)**

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial 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 year beginning on 1 June 2023 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 year beginning on/after 1 June 2024 are applicable to the Fund.

(b) Financial assets and financial liabilitiesClassification

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, derivative assets at fair value through profit or loss, 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. MATERIAL 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. MATERIAL 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 currencyFunctional 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 United States Dollar ("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. MATERIAL ACCOUNTING POLICIES (CONTINUED)**(f) Distribution**

Distributions to unit holders are recognised in the statement of comprehensive income as the unit holders' contribution are classified as financial liability. Distribution is reinvested into the Fund on the ex-date. Reinvestment of units is based on the NAV per unit on the ex-date, which is also the time of creation. Proposed distributions are 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.

Pursuant to Finance Act 2021, foreign-sourced income received in Malaysia will be taxed at prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met. Withholding taxes on investment income from investment are based on tax regime of the respective countries that the Fund invests in. Such withholding taxes are not "income tax" in nature and are recognised and measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

(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 Guidelines on Unit Trust Funds¹.

¹ 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. MATERIAL ACCOUNTING POLICIES (CONTINUED)**(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.

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:

	Financial assets at fair value through profit or loss USD	Financial assets at amortised cost USD	Total USD
2024			
Cash and cash equivalents (Note 10)	-	199,434	199,434
Collective investment scheme (Note 8)	9,055,819	-	9,055,819
Derivative assets at fair value through profit or loss (Note 9)	11,065	-	11,065
Amount due from dealer	-	95,434	95,434
Amount due from Manager	-	181,868	181,868
Amount due from Manager of collective investment scheme			
- Management fee rebate	-	249,133	249,133
	<u>9,066,884</u>	<u>725,869</u>	<u>9,792,753</u>
2023			
Cash and cash equivalents (Note 10)	-	70,399	70,399
Collective investment scheme (Note 8)	12,950,400	-	12,950,400
Amount due from dealer	-	190,716	190,716
Amount due from Manager	-	12,153	12,153
Amount due from Manager of collective investment scheme			
- Management fee rebate	-	235,743	235,743
	<u>12,950,400</u>	<u>509,011</u>	<u>13,459,411</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:

	2024 USD	2023 USD
Financial assets at fair value through profit or loss:		
- Collective investment scheme	<u>9,055,819</u>	<u>12,950,400</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
2024		
-5%	8,603,028	(452,791)
0%	9,055,819	
5%	<u>9,508,610</u>	<u>452,791</u>
2023		
-5%	12,302,880	(647,520)
0%	12,950,400	-
5%	<u>13,597,920</u>	<u>647,520</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
2024					
AUD	2,641	15,015	-	6,344	24,000
CNH	347	-	-	(147)	200
EUR	2,357	-	-	142	2,499
GBP	3,572	-	-	534	4,106
HKD	330	-	-	(139)	191
MYR	6,682	18,454	-	4,886	30,022
SGD	1,966	-	61,832	(614)	63,184
	<u>17,895</u>	<u>33,469</u>	<u>61,832</u>	<u>11,006</u>	<u>124,202</u>
2023					
AUD	1,143	-	-	-	1,143
CNH	140	-	-	-	140
EUR	2,472	-	-	-	2,472
GBP	2,573	-	-	-	2,573
HKD	278	-	-	-	278
MYR	9,551	190,716	12,153	-	212,420
SGD	1,836	-	-	-	1,836
	<u>17,993</u>	<u>190,716</u>	<u>12,153</u>	<u>-</u>	<u>220,862</u>

Financial liabilities	Amount due to dealer USD	Amount due to Manager USD	Net assets attributable to unit holders USD	Total USD
2024				
AUD	-	15,015	1,963,340	1,978,355
CNH	-	-	62,456	62,456
EUR	-	-	1,485,630	1,485,630
GBP	-	2,087	62,594	64,681
HKD	-	-	3,240,236	3,240,236
MYR	-	296,888	67,884	364,772
SGD	61,832	61,606	467,791	591,229
	<u>61,832</u>	<u>375,596</u>	<u>7,349,931</u>	<u>7,787,359</u>
2023				
AUD	-	6,445	2,587,969	2,594,414
CNH	-	-	57,801	57,801
EUR	-	-	1,797,042	1,797,042
GBP	-	2,027	59,735	61,762

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

(a) Market risk (continued)

(ii) Currency risk (continued)

	Amount due to dealer USD	Amount due to Manager USD	Net assets attributable to unit holders USD	Total USD
Financial liabilities (continued)				
2023 (continued)				
HKD	-	-	5,250,665	5,250,665
MYR	85,791	78,152	1,795	165,738
SGD	-	-	931,096	931,096
	<u>85,791</u>	<u>86,624</u>	<u>10,686,103</u>	<u>10,858,518</u>

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

	Change in foreign exchange rate	Impact on profit or loss/NAV	
	%	2024 USD	2023 USD
AUD	-5	(97,718)	(129,664)
CNH	-5	(3,113)	(2,883)
EUR	-5	(74,157)	(89,729)
GBP	-5	(3,029)	(2,959)
HKD	-5	(162,002)	(262,519)
MYR	-/+5	(16,738)	2,334
SGD	-5	(26,402)	(46,463)
		<u>(383,159)</u>	<u>(531,883)</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 Manager of collective investment scheme - management fee rebate USD	Derivative assets at fair value through profit or loss USD	Total USD
2024						
- AAA	199,434	-	-	249,133	-	448,567
- Not rated	-	95,434	181,868	-	11,065	288,367
	<u>199,434</u>	<u>95,434</u>	<u>181,868</u>	<u>249,133</u>	<u>11,065</u>	<u>736,934</u>
2023						
- AAA	70,399	-	-	235,743	-	306,142
- Not rated	-	190,716	12,153	-	-	202,869
	<u>70,399</u>	<u>190,716</u>	<u>12,153</u>	<u>235,743</u>	<u>-</u>	<u>509,011</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
2024			
Amount due to dealer	215,307	-	215,307
Amount due to Manager	495,198	-	495,198
Accrued management fee	13,262	-	13,262
Amount due to Trustee	241	-	241
Other payables and accruals	-	4,073	4,073
Net assets attributable to unit holders*	<u>9,115,907</u>	<u>-</u>	<u>9,115,907</u>
Contractual undiscounted cash flows	<u>9,839,915</u>	<u>4,073</u>	<u>9,843,988</u>

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

(c) Liquidity risk (continued)

	Less than 1 month USD	Between 1 month to 1 year USD	Total USD
2023			
Derivative liabilities at fair value through profit or loss	160,818	-	160,818
Amount due to dealer	85,791	-	85,791
Amount due to Manager	86,624	-	86,624
Accrued management fee	18,765	-	18,765
Amount due to Trustee	455	-	455
Other payables and accruals	-	12,053	12,053
Net assets attributable to unit holders*	<u>13,034,573</u>	<u>-</u>	<u>13,034,573</u>
Contractual undiscounted cash flows	<u>13,387,026</u>	<u>12,053</u>	<u>13,399,079</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 USD9,115,907 (2023: USD13,034,573). 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.

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
2024				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	9,055,819	-	-	9,055,819
Derivative assets at fair value through profit or loss:				
- Forward foreign currency contracts	-	11,065	-	11,065

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
2023				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	12,950,400	-	-	12,950,400
Derivative liabilities at fair value through profit or loss:				
- Forward foreign currency contracts	-	(160,818)	-	(160,818)

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 assets at fair value through profit or loss, 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 2024, the management fee is recognised at a rate of 1.65% per annum (2023: 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 maximum 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 period from 1 April 2023 until 31 July 2023, the Trustee fee is recognized at a rate of 0.04% per annum for each class. Effective 1 August 2023, Trustee fee is recognised at a rate of 0.03% per annum for each class (31.05.2023: 0.04% per annum).

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

6. DISTRIBUTION

Breakdown of distribution were as follows:

Source of distribution	2024		2023	
	USD	%	USD	%
Distribution out of current year's income	506,090	100.00	761,487	100.00
Distribution out of prior year's income/capital*	-	-	-	-
Total	506,090	100.00	761,487	100.00

Gross/Net distribution per unit (cent)

Distribution on 14 June 2023

- Class AUD-H	0.76	-
- Class EUR-H	1.20	-
- Class GBP-H	1.33	-
- Class HKD-H	0.15	-
- Class MYR-H	0.26	-
- Class RMB-H	0.24	-
- Class SGD-H	0.84	-
- Class USD	1.17	-

Distribution on 15 September 2023

- Class AUD-H	0.46	-
- Class EUR-H	0.72	-
- Class GBP-H	0.82	-
- Class HKD-H	0.09	-
- Class MYR-H	0.15	-
- Class RMB-H	0.15	-
- Class SGD-H	0.51	-
- Class USD	0.70	-

Distribution on 14 December 2023

- Class AUD-H	0.46	-
- Class EUR-H	0.74	-
- Class GBP-H	0.83	-
- Class HKD-H	0.10	-
- Class MYR-H	0.15	-
- Class RMB-H	0.13	-
- Class SGD-H	0.52	-
- Class USD	0.75	-

6. DISTRIBUTION (CONTINUED)

	2024 USD	2023 USD
Gross/ Net distribution per unit (cent)		
Distribution on 14 March 2024		
- Class AUD-H	0.52	-
- Class EUR-H	0.81	-
- Class GBP-H	0.93	-
- Class HKD-H	0.10	-
- Class MYR-H	0.17	-
- Class RMB-H	0.16	-
- Class SGD-H	0.57	-
- Class USD	0.81	-
Distribution on 14 June 2022		
- Class AUD-H	-	0.81
- Class EUR-H	-	0.85
- Class GBP-H	-	1.32
- Class HKD-H	-	0.15
- Class MYR-H	-	0.26
- Class RMB-H	-	0.25
- Class SGD-H	-	1.01
- Class USD	-	1.14
Distribution on 14 September 2022		
- Class AUD-H	-	0.78
- Class EUR-H	-	1.10
- Class GBP-H	-	1.26
- Class HKD-H	-	0.15
- Class MYR-H	-	0.25
- Class RMB-H	-	0.24
- Class SGD-H	-	0.79
- Class USD	-	1.13
Distribution on 14 December 2022		
- Class AUD-H	-	0.60
- Class EUR-H	-	0.88
- Class GBP-H	-	0.99
- Class HKD-H	-	0.12
- Class MYR-H	-	0.20
- Class RMB-H	-	0.19
- Class SGD-H	-	0.64
- Class USD	-	0.95
Distribution on 17 March 2023		
- Class AUD-H	-	0.78
- Class EUR-H	-	1.14
- Class GBP-H	-	1.26
- Class HKD-H	-	0.15
- Class MYR-H	-	0.26
- Class RMB-H	-	0.24
- Class SGD-H	-	0.82
- Class USD	-	1.12

6. DISTRIBUTION (CONTINUED)

* Distribution income has been accrued as at the end of the prior financial year but is not declared and paid as distribution.

Gross distribution is derived using total income less total expenses. Net distribution above is sourced from current 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 2024, the Fund incurred no unrealised loss (2023: USD239,012).

7. TAXATION

	2024	2023
	USD	USD
Tax charged for the financial year:		
- Tax on foreign source income	124,601	252,319
- Over provision of tax in prior year	(18,821)	-
	105,780	252,319

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:

	2024	2023
	USD	USD
Profit/(Loss) before taxation	606,051	(1,746,204)
Taxation at Malaysian statutory rate of 24% (2023: 24%)	145,452	(419,089)
Tax effects of:		
- (Income not subject to tax)/loss not deductible for tax purpose	(312,445)	179,263
- Expenses not deductible for tax purposes	123,121	184,994
- Restriction on tax deductible expenses for Wholesale Funds	43,872	54,832
Tax on foreign source income	124,601	252,319
Over provision of tax in prior year	(18,821)	-
	105,780	252,319

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	USD	USD
At fair value through profit or loss:		
- Collective investment scheme	9,055,819	12,950,400

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

	2024 USD	2023 USD
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised loss on disposals	(1,318,010)	(1,162,545)
- Unrealised fair value gain	1,763,865	2,123
- Management fee rebate #	121,846	154,306
	<u>567,701</u>	<u>(1,006,116)</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 2024, management fee rebate is recognised at a rate of 1.15% per annum (2023: 1.15% per annum) calculated and accrued daily based on the NAV of the collective investment scheme.

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2024				
COLLECTIVE INVESTMENT SCHEME				
AllianceBernstein Luxembourg SARL-AB FCP I – Global High Yield Portfolio	932,628	10,327,314	9,055,819	99.34
TOTAL COLLECTIVE INVESTMENT SCHEME	<u>932,628</u>	<u>10,327,314</u>	<u>9,055,819</u>	<u>99.34</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(1,271,495)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>9,055,819</u>		

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 %
2023				
COLLECTIVE INVESTMENT SCHEME				
AllianceBernstein Luxembourg SARL-AB FCP I – Global High Yield Portfolio	1,385,069	15,985,760	12,950,400	99.35
TOTAL COLLECTIVE INVESTMENT SCHEME	1,385,069	15,985,760	12,950,400	99.35
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		(3,035,360)		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		12,950,400		

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

	2024 USD	2023 USD
Forward foreign currency contracts Derivative assets/(liabilities)	11,065	(160,818)
Net loss on derivative assets/liabilities at fair value through profit or loss:		
- Realised loss on forward foreign currency contracts	(276,885)	(572,856)
- Unrealised fair value gain/(loss) on forward foreign currency contracts	171,883	(233,790)
	<u>(105,002)</u>	<u>(806,646)</u>

As at 31 May 2024, there were 11 outstanding (2023: 14 outstanding) USD/Australian Dollar (“AUD”), USD/Malaysian Ringgit (“MYR”) and USD/Singapore Dollar (“SGD”) forward foreign currency contracts. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD8,033,614 (2023: USD10,970,828).

The USD/AUD, USD/MYR 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

	2024	2023
	USD	USD
Bank balances	199,434	70,399

11. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2024	2023
	No. of units	No. of units
Class AUD-H (i)	3,760,542	5,300,548
Class EUR-H (ii)	77,377	75,588
Class GBP-H (iii)	1,589,024	2,074,047
Class HKD-H (iv)	598,203	598,203
Class MYR-H (v)	19,570,623	31,896,204
Class RMB-H (vi)	432,956	11,607
Class SGD-H (vii)	823,540	1,706,232
Class USD (viii)	2,169,322	3,048,315
	<u>29,021,587</u>	<u>44,710,744</u>

(i) Class AUD-H

	2024	2023
	No of units	No of units
At the beginning of the financial year	5,300,548	6,021,296
Add : Creation of units from applications	59,235	-
Add : Creation of units from distributions	57,283	80,045
Less : Cancellation of units	(1,656,524)	(800,793)
At the end of the financial year	<u>3,760,542</u>	<u>5,300,548</u>

(ii) Class EUR-H

At the beginning of the financial year	75,588	73,585
Add : Creation of units from distributions	1,789	2,003
At the end of the financial year	<u>77,377</u>	<u>75,588</u>

(iii) Class GBP-H

At the beginning of the financial year	2,074,047	2,210,002
Add : Creation of units from applications	555,476	51,889
Add : Creation of units from distributions	30,032	50,022
Less : Cancellation of units	(1,070,531)	(237,866)
At the end of the financial year	<u>1,589,024</u>	<u>2,074,047</u>

(iv) Class HKD-H

At the beginning of the financial year	598,203	870,628
Less : Cancellation of units	-	(272,425)
At the end of the financial year	<u>598,203</u>	<u>598,203</u>

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

(v) Class MYR-H

	2024	2023
	No of units	No of units
At the beginning of the financial year	31,896,204	27,803,350
Add : Creation of units from applications	6,721,805	11,383,046
Add : Creation of units from distributions	466,607	561,971
Less : Cancellation of units	<u>(19,513,993)</u>	<u>(7,852,163)</u>
At the end of the financial year	<u>19,570,623</u>	<u>31,896,204</u>

(vi) Class RMB-H

At the beginning of the financial year	11,607	12,076
Add : Creation of units from applications	418,058	-
Add : Creation of units from distributions	3,291	691
Less : Cancellation of units	-	<u>(1,160)</u>
At the end of the financial year	<u>432,956</u>	<u>11,607</u>

(vii) Class SGD-H

At the beginning of the financial year	1,706,232	2,048,072
Add : Creation of units from applications	711,722	-
Add : Creation of units from distributions	27,001	38,396
Less : Cancellation of units	<u>(1,621,415)</u>	<u>(380,236)</u>
At the end of the financial year	<u>823,540</u>	<u>1,706,232</u>

(viii) Class USD

At the beginning of the financial year	3,048,315	3,404,028
Add : Creation of units from applications	1,140,216	49,193
Add : Creation of units from distributions	25,168	28,544
Less : Cancellation of units	<u>(2,044,377)</u>	<u>(433,450)</u>
At the end of the financial year	<u>2,169,322</u>	<u>3,048,315</u>

12. TOTAL EXPENSE RATIO (“TER”)

	2024	2023
	%	%
TER	<u>0.62</u>	<u>0.61</u>

TER is derived from the following calculation:

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

A	=	Management fee (excluded rebate)
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 USD 10,929,040 (2023: USD13,728,325).

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	2024	2023
PTR (times)	0.47	0.29

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial year = USD2,962,880 (2023: USD3,550,368)

total disposal for the financial year = USD7,215,000 (2023: USD4,490,000)

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

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

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

Units held by the Manager and parties related to the Manager

	2024	2023
	No. of units	USD
	No. of units	USD
Manager		
Principal Asset Management Berhad		
- Class AUD-H	1	1
- Class EUR-H	1	1
- Class GBP-H	1	1
- Class HKD-H	1	0.00*
- Class MYR-H	484	80
- Class RMB-H	1	0.00*
- Class SGD-H	3	2
- Class USD	10	8
	502	93
	72	21

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 2024 are as follows:

Broker	Value of trades USD	Percentage of total trades %
AllianceBernstein (Luxembourg) S.à r.l.	<u>10,177,880</u>	<u>100.00</u>

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

Broker	Value of trades USD	Percentage of total trades %
AllianceBernstein (Luxembourg) S.à r.l.	<u>8,040,368</u>	<u>100.00</u>

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 17 July 2024.

DIRECTORY

Head Office of the Manager

Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))
Level 32, Exchange 106,
Lingkaran TRX,
55188 Tun Razak Exchange, Kuala Lumpur
MALAYSIA.
Tel: (03) 8680 8000

Website

www.principal.com.my

E-mail address

myservice@principal.com

Customer Care Centre

(03) 7723 7260

Chat with us via WhatsApp:

(6016) 299 9792

Trustee for the Principal Global Income Fund

HSBC (Malaysia) Trustee Berhad (Company No.: 193701000084 (1281-T))
19th Floor, Menara IQ, Lingkaran TRX,
55188 Tun Razak Exchange, Kuala Lumpur, MALAYSIA.
Tel: (03) 2075 7800
Fax: (03) 8894 2611

Auditors of the Fund and of the Manager

Ernst & Young PLT 202006000003 (LLP0022760-LCA) & AF 0039
Level 23A, Menara Millennium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel: +603 7495 8000
Fax: +603 2095 5332