

Principal Global Millennial Equity Fund

(formerly known as CIMB-Principal Millennial
Equity Fund)

Annual Report

For The Financial Year Ended 30 June 2020

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as CIMB-Principal Millennial Equity Fund)

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as CIMB-Principal Millennial Equity Fund)

CONTENTS	PAGE(S)
INVESTORS' LETTER	1
MANAGER'S REPORT	2 - 12
Fund Objective and Policy	
Performance Data	
Market Review	
Fund Performance	
Portfolio Structure	
Market Outlook	
Investment Strategy	
Unit Holdings Statistics	
Soft Commissions and Rebates	
STATEMENT BY MANAGER	13
TRUSTEE'S REPORT	14
INDEPENDENT AUDITORS' REPORT	15 - 18
STATEMENT OF COMPREHENSIVE INCOME	19
STATEMENT OF FINANCIAL POSITION	20 - 21
STATEMENT OF CHANGES IN NET ASSET ATTRIBUTABLE TO UNIT HOLDERS	22
STATEMENT OF CASH FLOWS	23
NOTES TO THE FINANCIAL STATEMENTS	24 - 54
DIRECTORY	55

INVESTORS' LETTER

Dear Valued Investor,

We have seen the reopening of schools and more families enjoying domestic vacations in Malaysia albeit with the necessary measures and standard operating procedures in place. These developments continue to provide positivity and confidence for us to overcome the setbacks experienced in recent times due to the pandemic. The Malaysian economy has been positive with the local unemployment rate starting to reduce as most sectors reopened during the Recovery Movement Control Order ("RMCO"). The FBMKLCI has seen a rebound from the March 2020 low by 21.18% to 1,603 levels as of 31 July 2020. In terms of participation, the retail investors recorded an increase of approximately 33% this year as of 30 June 2020.

Meanwhile, markets globally have shown positive effects of the massive policy support around the world coupled with the reopening of economies. In July 2020, markets rallied across the board with indices within Asia-Pacific bourses outperforming the developed markets. The MSCI Asia ex-Japan Index rose 3.96%, followed by Shanghai 12.09%, and Taiwan 8.64% compared with 5.29% for the S&P 500. The bond market remained positive with increases of 4% to 6%. Nevertheless, markets continue to remain cautious with the ongoing rhetoric between US-China and the US presidential elections in November 2020.

We believe each investor should maintain a diverse portfolio that matches risk tolerance preferences and helps achieve long-term financial goals. For our:

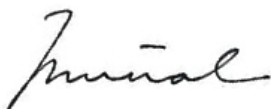
- **Conservative investors, we recommend:** Malaysia focus bond and balanced funds that are income focussed.
- **More aggressive investors, we recommend:** Growth-oriented funds that offer exposure to growth areas in China, Asia-Pacific, Global Technology, ASEAN and Malaysian aggressive funds.

Visit our website (www.principal.com.my) and Facebook account (@PrincipalAssetMY) for additional insights and investing articles.

Please be informed that effective 16 January 2020, the Fund has been renamed as Principal Global Millennial Equity Fund following the issuance of the Prospectus Issue No. 2. We also wish to inform that we have appointed Ernst & Young PLT ("EY") as the auditor of the Fund in respect of the audit for the financial year ended 30 June 2020 onwards. The change of Fund Auditor has been approved by the Trustee of the Fund, Deutsche Trustees Malaysia Berhad, in accordance with the provisions of the Deed in relation to the Fund.

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

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



Munirah Khairuddin
Chief Executive Officer

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to achieve capital appreciation over the medium to long term through investments primarily in a portfolio of global equities.

Has the Fund achieved its objective?

For the financial year under review, the Fund has achieved its objectives as stated under the Fund investment policy.

What are the Fund investment policy and its strategy?

The Fund seeks to achieve its objective by investing in global equity of companies that are impacted by the spending and lifestyle activities of the Millennial generation, which refers to people born from 1980 to the mid-2000s. The investment universe includes listed securities as well as Initial Public Offering ("IPO"). The universe is broadly defined as global all-country and all-cap, across the full market capitalization spectrum (small, medium and large). The Fund is expected to have a growth bias overall, including both growth and value oriented companies over time. Market segments with the greatest Millennial exposure are likely to include, without limitation, consumer goods (including fashion and apparel), social media and e-commerce, and digital media and technology.

Under normal circumstances, the Fund invests a maximum of 98% of its Net Asset Value ("NAV") in equities. The Fund may opt to access into equities via the investment in units of other collective investment scheme. The Fund currently does not intend to invest in warrants. The Fund may also invest in derivative instruments for hedging purpose, subject to the prevailing Securities Commission Malaysia ("SC") Guidelines.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in equities; and
- at least 2% of the Fund's NAV in liquid assets.

Base Currency

US Dollar ("USD")

Fund category/type

Equity / Growth

How long should you invest for?

Recommended three (3) years or more

When was the Fund launched?

Name of Class	Launch Date
Class MYR	31 May 2018
Class MYRH	31 May 2018
Class SGDH	31 May 2018
Class USD	31 May 2018

What was the size of the Fund as at 30 June 2020?

USD21.85 million (85.29 million units)

What is the Fund's benchmark?

Nasdaq Global Millennial Opportunity Index

Note: The Fund's benchmark is for performance comparison purpose only. Investors are cautioned that the risk profile of the Fund is different from the benchmark.

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as CIMB-Principal Millennial Equity Fund)

FUND OBJECTIVE AND POLICY (CONTINUED)

What is the Fund distribution policy?

The Manager has the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of its realised income and/or realised gains, as well as the performance of the Fund. The Manager also has the right to make provisions for reserves in respect of distribution of the Class.

What was the net income distribution for the financial year ended 30 June 2020?

There was no distribution made for the financial year ended 30 June 2020.

PERFORMANCE DATA

Details of portfolio composition of the Fund for the last two audited financial year/period are as follows:

	30.06.2020	30.06.2019
	%	%
Quoted securities		
- Consumer Discretionary	57.48	42.90
- Consumer Staples	2.22	5.01
- Financials	5.53	6.10
- Information Technology	4.98	11.84
- Real Estate	0.80	1.61
- Telecommunication Services	25.31	30.34
Cash and other net assets	3.68	2.20
	<u>100.00</u>	<u>100.00</u>

Performance details of the Fund for the last two audited financial year/period are as follows:

	30.06.2020	30.06.2019
NAV (USD Million)		
- Class MYR	3.66	3.72
- Class MYR-H	17.44	36.25
- Class SGD-H	0.09	0.00*
- Class USD	0.66	0.23
Units in circulation (Million)		
- Class MYR	13.59	15.75
- Class MYR-H	70.98	160.15
- Class SGD-H	0.12	0.00*
- Class USD	0.60	0.23
NAV per unit (USD)		
- Class MYR	0.2697	0.2363
- Class MYR-H	0.2457	0.2263
- Class SGD-H	0.7537	0.6842
- Class USD	1.1101	0.9726

Note: 0.00* denotes fair value less than 1 USD.

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as *CIMB-Principal Millennium Equity Fund*)

PERFORMANCE DATA (CONTINUED)

Performance details of the Fund for the audited financial year/period are as follows (continued):

	30.06.2020	31.05.2018 (date of launch) to 30.06.2019
Highest NAV per unit (USD)		
- Class MYR	0.2745	0.2598
- Class MYR-H	0.2674	0.2518
- Class SGD-H	0.7956	0.7831
- Class USD	1.1308	1.0800
Lowest NAV per unit (USD)		
- Class MYR	0.1830	0.1941
- Class MYR-H	0.1617	0.1839
- Class SGD-H	0.4866	0.5686
- Class USD	0.7542	0.8100
Total return (%)		
- Class MYR	18.32	(7.15)
- Class MYR-H	12.54	(6.52)
- Class SGD-H	13.58	(7.42)
- Class USD	14.14	(2.73)
Capital growth (%)		
- Class MYR	18.32	(7.15)
- Class MYR- H	12.54	(6.52)
- Class SGD- H	13.58	(7.42)
- Class USD	14.14	(2.73)
Income distribution (%)		
- Class MYR	-	-
- Class MYR-H	-	-
- Class SGD-H	-	-
- Class USD	-	-
Management Expense Ratio ("MER") (%) ^	1.92	1.95
Portfolio Turnover Ratio ("PTR") (times) #	1.39	2.18

^ The Fund's MER decreased from 1.95% to 1.92% due to decrease in total expenses during the financial year under review.

For the financial period under review, the Fund's PTR decreased from 2.18 times to 1.39 times, as there were lesser trading activities during the period.

PERFORMANCE DATA (CONTINUED)

	30.06.2020	Since inception to 30.06.2019
	%	%
Annual total return		
- Class MYR	18.32	(7.15)
- Class MYR-H	12.54	(6.52)
- Class SGD-H	13.58	(7.42)
- Class USD	14.14	(2.73)

(Launch date: 31 May 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 period have been extracted from Lipper.

MARKET REVIEW (1 JULY 2019 TO 30 JUNE 2020)

Equity markets started the period by posting positive returns in July 2019. The USD appreciated 0.78% against the Japanese Yen (“JPY”), 3.83% against the British Pound (“GBP”) and 2.25% against the Euro Dollar (“EUR”). During the month, MSCI AC World rose 0.29% with MSCI Emerging Markets (“EM”) down 1.22%. In local terms, Belgium and New Zealand led, while Hong Kong and Spain lagged in developed markets. Meanwhile, EM performance were led by United Arab Emirates (“UAE”) and Turkey, while Peru and India lagged during the month.

Equity markets mostly declined during the month of August 2019. The USD depreciated 2.31% against the JPY, appreciated 0.54% against the GBP and 1.10% against the EUR. During the month, MSCI AC World was down 2.37% with MSCI EM down 4.88%. In local terms, Denmark and Switzerland led, while Hong Kong and Israel lagged in developed markets. In EM, performance was led by Egypt and Mexico, with Argentina and Pakistan lagging.

In September 2019, equity markets reversed and posted positive returns. The USD appreciated 1.80% against the JPY, depreciated 1.20% against the GBP and appreciated 1.01% against the EUR. During the month, MSCI AC World was up 2.10% with MSCI EM up 1.91%. In local terms, Japan and Portugal led, while Hong Kong and Israel lagged in developed markets. EM were led by Pakistan and Turkey, with UAE and Indonesia lagging

Equity markets continued to post positive returns in October 2019. The USD appreciated 0.03% against the JPY, depreciated 5.06% against the GBP and depreciated 2.36% against the EUR. During the month, MSCI AC World was up 2.74% with MSCI EM up 4.22%. In local terms, Sweden and Israel led, while Belgium and Finland lagged in developed markets. EM were led by Russia and Pakistan, with Turkey and Chile lagging.

In November 2019, equity markets posted mainly positive return. The USD appreciated 1.30% against the JPY, 0.04% against the GBP and 1.18% against the EUR. During the month, MSCI AC World was up 2.44% with MSCI EM down 0.14%. In local terms, New Zealand and Ireland led, while Hong Kong and Norway lagged in developed markets. EM were led by Pakistan and Turkey, with Chile and Philippines lagging.

Equity markets ended the year by posting positive returns in the month of December 2019. The USD depreciated 0.78% against the JPY, depreciated 2.44% against the GBP and depreciated 1.82% against the EUR. During the month, MSCI AC World was up 3.56% with MSCI EM up 7.53%. In local terms, Hong Kong and Finland led, while Australia and Israel lagged in developed markets. EM were led by China and South Korea, with Thailand and Poland lagging.

Equity markets began the new year with higher returns, before subsequently hit by the novel COVID-19 outbreak in Hubei province, China. On January 15, 2020, US and China signed a partial trade agreement.

MARKET REVIEW (1 JULY 2019 TO 30 JUNE 2020) (CONTINUED)

In the deal, China agreed to purchase an additional USD200 billion of US goods over the next two years. US and European markets rose higher as trade tensions eased. However, volatility picked up and markets trended down as investors became concerned about the large scale outbreak of the COVID-19 and its negative impact on the global economy growth.

In February 2020, equity markets posted sharply negative returns. The USD depreciated 0.49% against the JPY, appreciated 3.13% against the GBP and 0.89% against the EUR. During the month, MSCI AC World was down 8.08% with MSCI EM down 5.27%. In local terms, New Zealand and Hong Kong led, while Austria and Belgium lagged in developed markets. EM were led by China and Taiwan, with Poland and Greece lagging

Equity markets posted sharply negative returns in March 2020. The USD appreciated 0.08% against the JPY, appreciated 2.95% against the GBP and 0.11% against the EUR. During the month, MSCI AC World was down 13.50% with MSCI EM down 15.40%. In local terms, Denmark and Switzerland led, while Italy and Austria lagged in developed markets. EM were led by China and Malaysia, with Argentina and Colombia lagging.

Equity markets posted positive returns during the month of April 2020. The USD depreciated 0.96% against the JPY, depreciated 1.74% against the GBP and appreciated -0.18% against the EUR. During the month, MSCI AC World was up 10.71% with MSCI EM up 9.16%. In local terms, Austria and the United States led, while Spain and Portugal lagged in developed markets. EM were led by South Africa and India, with Colombia and Indonesia lagging.

In May 2020, equity markets built off the previous month's strong gains cutting into the substantial losses that were witnessed in the month of March 2020. Investors continued to look through historically weak economic data points and focused on broad-based reopenings in the US in hopes that the economic destruction from the COVID-19 has begun to trough. Further return catalysts came in the form of advancements by health care companies in their fight against COVID-19 as well as ongoing monetary measures by central banks with the latest being the European Central Bank ("ECB"). Developed markets maintained their leadership over EM as investors continued to find their way back into the market after the historic sell-off in March 2020. The markets had a more cyclical tilt led by IT, industrials and discretionary while volatility has come down significantly from previously elevated levels.

Equity markets were mostly higher in June 2020 as the reopening of parts of the world ignited hopes that the global economy is on a path to recovery after a swift push into a recessionary stage. In turn, the more economically sensitive areas led the returns including emerging markets, IT and materials. The improving growth prospects pushed commodity prices higher which have now recovered sharply from their lows of mid-March 2020. Returns were uneven though throughout the month amid bouts of volatility brought on by increased COVID-19 cases as cities moved away from lockdowns to early stage reopenings.

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as *CIMB-Principal Millennial Equity Fund*)

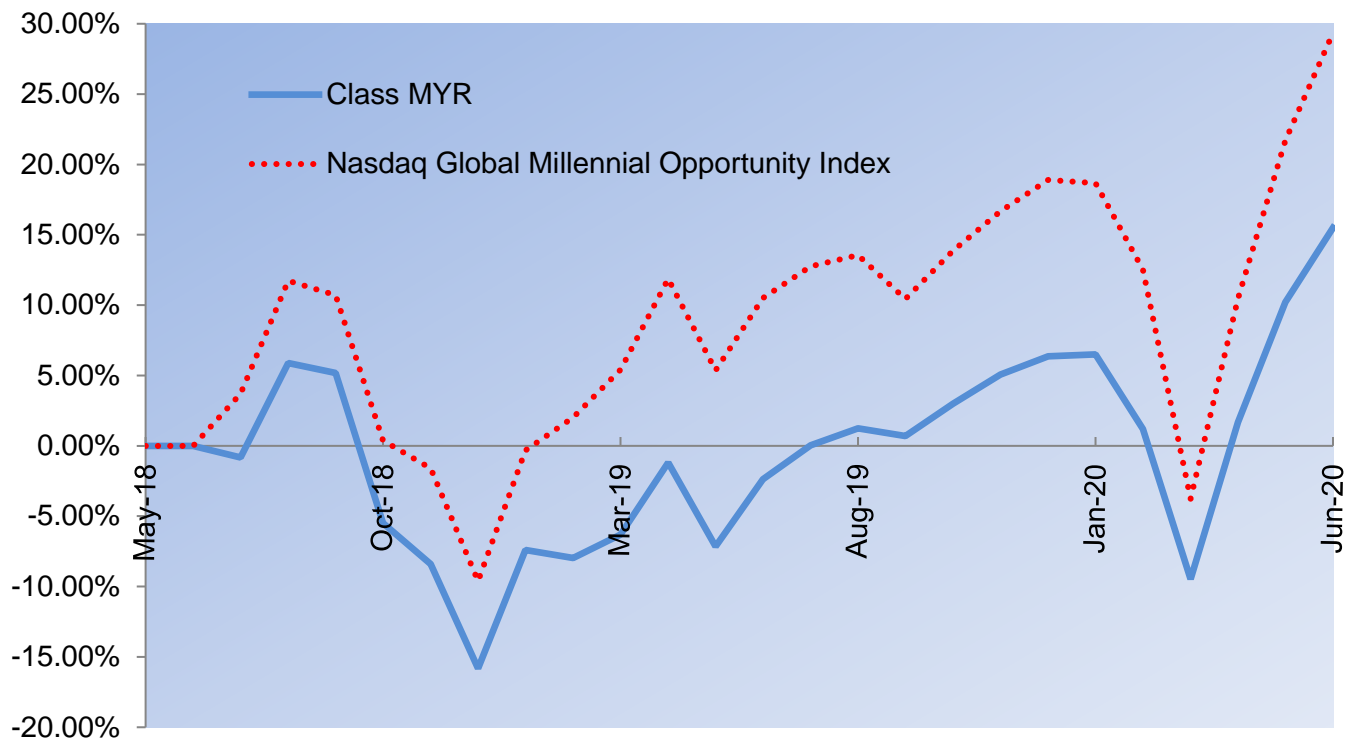
FUND PERFORMANCE

	1 year to 30.06.2020			
	Class MYR %	Class MYR-H %	Class SGD-H %	Class USD %
Income Distribution	-	-	-	-
Capital Growth	18.32	12.54	13.58	14.14
Total Return	18.32	12.54	13.58	14.14
Benchmark	17.05	12.89	12.89	12.89
Average Total Return	18.32	12.54	13.58	14.14

	Since inception to 30.06.2020			
	Class MYR %	Class MYR-H %	Class SGD-H %	Class USD %
Income Distribution	-	-	-	-
Capital Growth	15.50	5.20	5.15	11.02
Total Return	15.50	5.20	5.15	11.02
Benchmark	29.35	20.14	20.14	20.14
Average Total Return	7.15	2.46	2.43	5.13

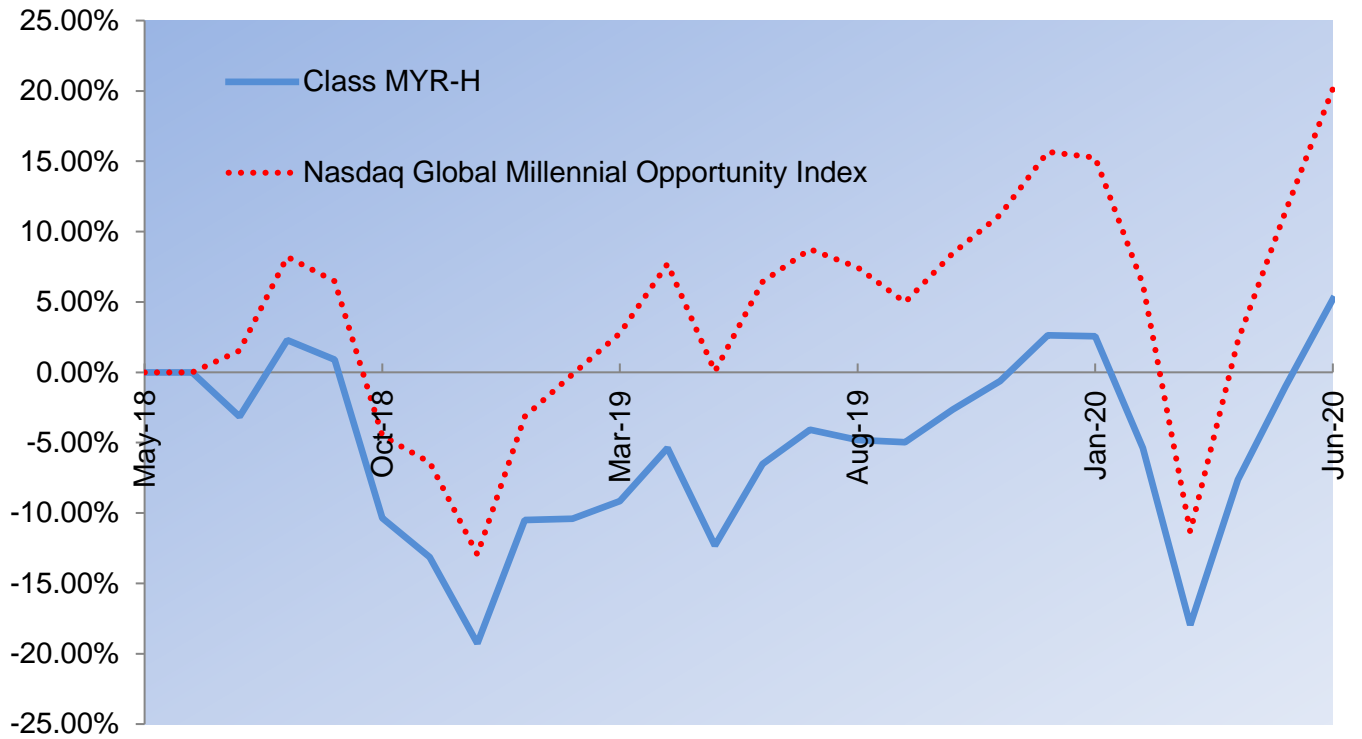
For the 1-year financial year under review, the Fund posted positive returns for all the classes, Class MYR, Class MYR-H, Class SGD-H and Class USD, which increased by 18.32%, 12.54%, 13.58% and 14.14% respectively.

CLASS MYR

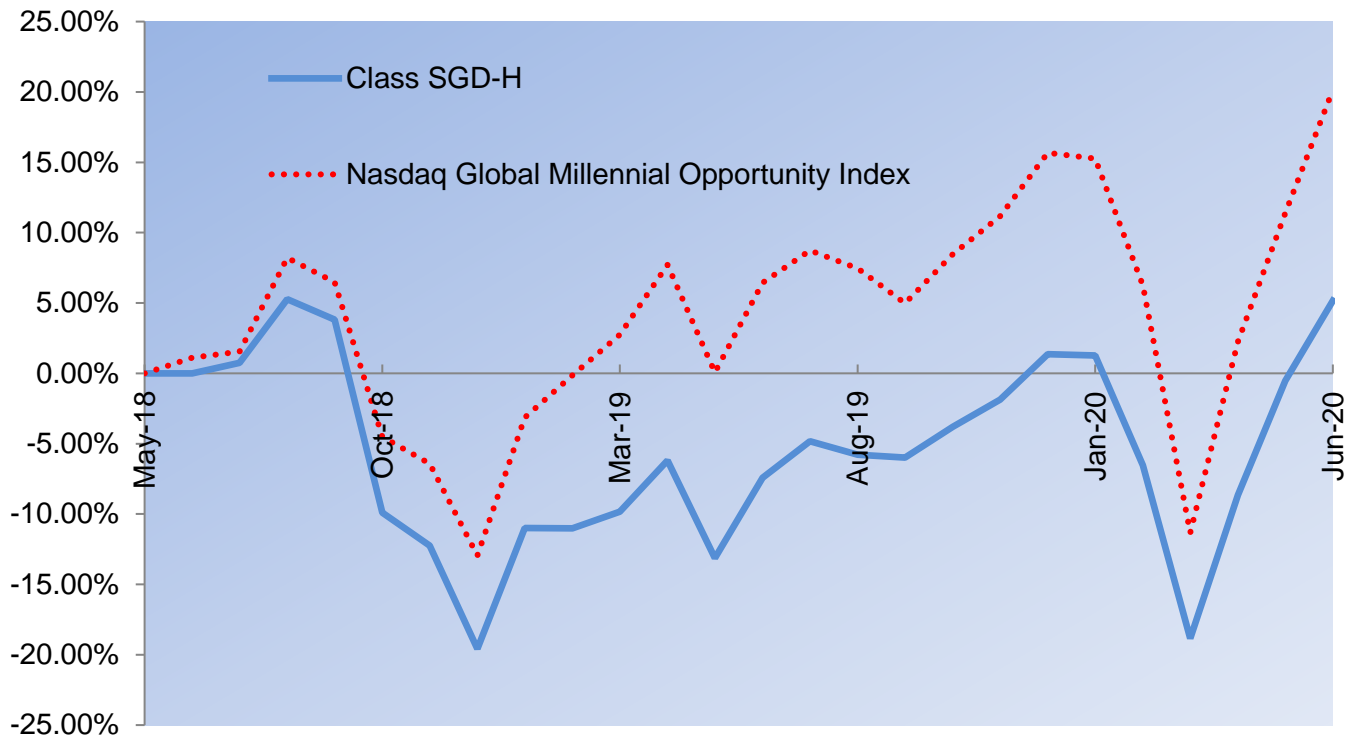


FUND PERFORMANCE (CONTINUED)

CLASS MYR-H

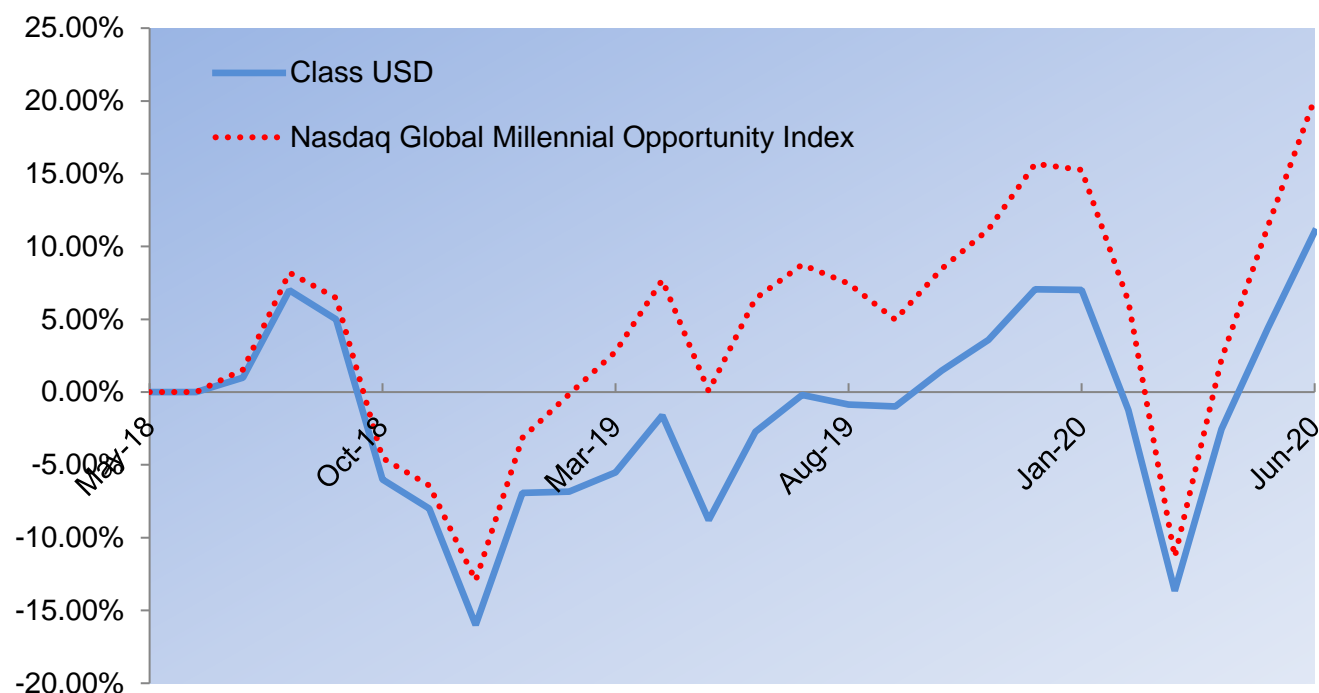


CLASS SGD-H



FUND PERFORMANCE (CONTINUED)

CLASS USD



Changes in NAV

	30.06.2020	30.06.2019	Changes %
CLASS MYR			
NAV (RM Million)	3.66	3.72	(1.61)
NAV/Unit (USD)	0.2697	0.2363	14.13
CLASS MYR-H			
NAV (RM Million)	17.44	36.25	(51.89)
NAV/Unit (USD)	0.2457	0.2263	8.57
CLASS SGD-H			
NAV (RM Million)	0.09	0.00*	>100.00
NAV/Unit (USD)	0.7537	0.6842	10.16
CLASS USD			
NAV (RM Million)	0.66	0.23	>100.00
NAV/Unit (USD)	1.1101	0.9726	14.14

Note: 0.00* denotes fair value less than 1 USD.

During the financial year, The Fund recorded positive net inflow from unit creations for two of the four classes - Class SGD-H and Class USD. Meanwhile, Class MYR and Class MYR-H saw a decline in NAV by 1.61% and 51.89% respectively due to net redemptions.

In terms of NAV per unit, the Fund recorded an increase in NAV for all the classes – Class MYR, Class MYR-H, Class SGD-H, and Class USD. The increase in NAV per unit for all classes were due to the positive investment performance achieved during the period.

FUND PERFORMANCE (CONTINUED)

Changes in NAV (continued)

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	30.06.2020	30.06.2019
Quoted securities	96.32	97.80
Cash and other net assets	3.68	2.20
TOTAL	100.00	100.00

During the financial year under review, the Fund was fully invested with minimal level of liquid assets maintained primarily for redemption purposes.

MARKET OUTLOOK*

Various shocks to the global economic system led by the global pandemic and geo-political tensions have weighed heavily on growth and other economic dynamics placing much of the globe in a recessionary stage. Business investment and capital expenditures were already slowing, and disruptions to the supply chain are further decelerating growth. The consumer has been a strong contributor to growth but spending and sentiment are now being hurt by the effects of the virus causing a slowing of spending in the near-term. Housing has remained resilient, and this is likely to remain the case as further declines in rates accelerate refinancing and housing purchases.

The ongoing destruction of COVID-19 on corporations and consumers has led to an unprecedented amount of central bank intervention. While we do remain in a recessionary environment, we would expect it to be relatively short-lived as economies eventually return to normalcy, the negative impacts from the virus subside, and central banks implement ongoing monetary measures to lessen the negative shocks to the economy. After weeks of shutdowns and lockdowns, cities shifted to reopening parts of the economy which should improve economic data points moving forward while oil prices have recovered in sympathy.

INVESTMENT STRATEGY

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

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as CIMB-Principal Millennial Equity Fund)

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 30 June 2020 are as follows:

CLASS MYR

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	39	0.11	0.81
5,001 to 10,000	36	0.29	2.13
10,001 to 50,000	41	0.85	6.25
50,001 to 500,000	19	2.06	15.18
500,001 and above	3	10.28	75.63
Total	138	13.59	100.00

CLASS MYR-H

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	8	0.03	0.04
5,001 to 10,000	9	0.06	0.08
10,001 to 50,000	19	0.40	0.56
50,001 to 500,000	5	1.03	1.46
500,001 and above	5	69.46	97.86
Total	46	70.98	100.00

CLASS SGD-H

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001 to 10,000	-	-	-
10,001 to 50,000	-	-	-
50,001 to 500,000	1	0.12	100.00
500,001 and above	-	-	-
Total	2	0.12	100.00

CLASS USD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001 to 10,000	-	-	-
10,001 to 50,000	-	-	-
50,001 to 500,000	2	0.60	100.00
500,001 and above	-	-	-
Total	3	0.60	100.00

SOFT COMMISSIONS AND REBATES

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

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND**
(formerly known as CIMB-Principal Millennial Equity 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 19 to 54 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 June 2020 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN
Chief Executive Officer/Executive Director

JUAN IGNACIO EYZAGUIRRE BARAONA
Director

Kuala Lumpur
21 August 2020

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF
PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND**
(formerly known as CIMB-Principal Millennial Equity Fund)

We have acted as Trustee for Principal Global Millennial Equity Fund *(formerly known as CIMB-Principal Millennial Equity Fund)* (the "Fund") for the financial year ended 30 June 2020. To the best of our knowledge, for the financial year under review, Principal Asset Management Berhad (the "Manager") has operated and managed the Fund in accordance with the following:-

- (a) the Fund is being managed in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Deeds, the Securities Commission's Guidelines on the Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) the valuation/pricing for the Fund is carried out in accordance with the Deed(s) of the Fund and any regulatory requirements; and
- (c) creation and cancellation of units for the Fund are carried out in accordance with the Deed(s) of the Fund and any regulatory requirements.

For **Deutsche Trustees Malaysia Berhad**

NG HON LEONG
Head, Trustee Operations

RICHARD LIM HOCK SENG
Chief Executive Officer

Kuala Lumpur
21 August 2020

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND**
(formerly known as CIMB-Principal Millennial Equity Fund)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Principal Global Millennial Equity Fund (*formerly known as CIMB-Principal Millennial Equity Fund*) (the "Fund"), which comprise the statement of financial position as at 30 June 2020, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 19 to 54.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2020, and of its financial performance and cash flows for the 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 MILLENNIAL EQUITY FUND (CONTINUED)**
(formerly known as CIMB-Principal Millennial Equity Fund)

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND (CONTINUED)**
(formerly known as CIMB-Principal Millennial Equity Fund)

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 MILLENNIAL EQUITY FUND (CONTINUED)**
(formerly known as CIMB-Principal Millennial Equity Fund)

Other matters

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

The financial statements of the Fund for the year ended 30 June 2019, were audited by another auditor who expressed an unmodified opinion on those statements on 14 August 2019.

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

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

Kuala Lumpur, Malaysia
21 August 2020

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as CIMB-Principal Millennial Equity Fund)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	01.07.2019 to 30.06.2020 USD	31.05.2018 (date of launch) to 30.06.2019 USD
INCOME/(LOSS)			
Dividend income		310,489	489,559
Net gain/(loss) on financial assets at fair value through profit or loss	7	4,657,226	(108,308)
Net loss on derivative assets at fair value through profit or loss	10	(707,537)	(709,114)
Net foreign exchange loss		(129,896)	(525,987)
		<u>4,130,282</u>	<u>(853,850)</u>
EXPENSES			
Management fee	4	522,885	616,133
Trustee's and custodian fees	5	25,114	24,713
Audit fee		3,231	3,687
Tax agent's fee		2,433	1,880
Transaction costs		43,502	186,461
Other expenses		80,477	119,131
		<u>677,642</u>	<u>952,005</u>
PROFIT/(LOSS) BEFORE TAXATION		3,452,640	(1,805,855)
Taxation	6	-	-
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>3,452,640</u>	<u>(1,805,855)</u>
Increase/(Decrease) in net assets attributable to unit holders are made up as follows:			
Realised amount		2,641,323	(4,099,380)
Unrealised amount		811,317	2,293,525
		<u>3,452,640</u>	<u>(1,805,855)</u>

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

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as *CIMB-Principal Millennial Equity Fund*)

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 USD	2019 USD
ASSETS			
Cash and cash equivalents	8	1,078,081	968,359
Financial assets at fair value through profit or loss	7	21,049,384	39,313,610
Amount due from stockbrokers		-	6,053,193
Amount due from Manager		679,458	84,798
Derivative assets at fair value through profit or loss	10	-	382,581
Dividends receivable		2,604	26,651
TOTAL ASSETS		22,809,527	46,829,192
LIABILITIES			
Derivative liabilities at fair value through profit or loss	10	39,910	-
Amount due to stockbrokers		-	6,032,907
Amount due to Manager		876,076	532,700
Accrued management fee		34,237	58,555
Amount due to Trustee		1,046	1,789
Other payables and accruals		4,365	4,220
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		955,634	6,630,171
NET ASSET VALUE OF THE FUND		21,853,893	40,199,021
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		21,853,893	40,199,021

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

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as *CIMB-Principal Millennial Equity Fund*)

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2020

	Note	2020 USD	2019 USD
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (USD)			
- Class MYR		3,665,583	3,721,572
- Class MYR-H		17,438,405	36,248,463
- Class SGD-H		86,907	684
- Class USD		662,998	228,302
		21,853,893	40,199,021
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class MYR		13,590,543	15,746,310
- Class MYR-H		70,983,855	160,149,908
- Class SGD-H		115,303	1,000
- Class USD		597,225	234,727
	9	85,286,926	176,131,945
NET ASSET VALUE PER UNIT (USD)			
- Class MYR		0.2697	0.2363
- Class MYR-H		0.2457	0.2263
- Class SGD-H		0.7537	0.6842
- Class USD		1.1101	0.9726
		1.1549	0.9761
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- Class MYR		1.1549	0.9761
- Class MYR-H		1.0519	0.9347
- Class SGD-H		1.0514	0.9256
- Class USD		1.1101	0.9726
		1.1549	0.9761

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

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as *CIMB-Principal Millennium Equity Fund*)

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020**

	01.07.2019 to 30.06.2020 USD	31.05.2018 (date of launch) to 30.06.2019 USD
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR/PERIOD	40,199,021	-
Movement due to units created and cancelled during the financial year/period:		
- Creation of units from applications		
- Class MYR	5,743,150	4,457,397
- Class MYR-H	10,994,974	49,430,571
- Class SGD-H	347,556	640
- Class USD	853,910	221,673
	<u>17,939,590</u>	<u>54,110,281</u>
 - Cancellation of units		
- Class MYR	(6,249,623)	(797,619)
- Class MYR-H	(32,757,438)	(11,307,786)
- Class SGD-H	(277,718)	-
- Class USD	(452,579)	-
	<u>(39,737,358)</u>	<u>(12,105,405)</u>
 Increase/(decrease) in net assets attributable to unit holders during the financial year/period	<u>3,452,640</u>	<u>(1,805,855)</u>
 NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR/PERIOD	<u><u>21,853,893</u></u>	<u><u>40,199,021</u></u>

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

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as CIMB-Principal Millennial Equity Fund)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	01.07.2019 to 30.06.2020	31.05.2018 (date of launch) to 30.06.2019
Note	USD	USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of quoted securities	58,038,212	46,777,756
Purchase of quoted securities	(35,096,474)	(86,406,418)
Dividend income received	258,075	347,224
Management fee paid	(547,203)	(557,578)
Trustee's and custodian fees paid	(25,857)	(22,924)
Payments for other fees and expenses	(53,036)	(4,767)
Net realised exchange loss	(130,045)	(525,820)
Net realised gain/(loss) on forward foreign currency contracts	(285,047)	(1,091,695)
Net cash generated from/(used in) operating activities	22,158,626	(41,484,222)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	17,344,931	54,025,741
Payments for cancellation of units	(39,393,983)	(11,575,354)
Net cash (used in)/generated from financing activities	(22,049,052)	42,450,387
Net increase in cash and cash equivalents	109,574	966,165
Cash and cash equivalents at the beginning of the financial year/period	968,359	-
Effect of foreign currency exchange	148	2,194
Cash and cash equivalents at the end of the financial year/period	8 1,078,081	968,359
<u>Cash and cash equivalents comprised of:</u>		
Bank balances	1,078,081	968,359
Cash and cash equivalents at the end of the financial year/period	8 1,078,081	968,359

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 30 JUNE 2020

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal Global Millennial Equity Fund (*formerly known as CIMB-Principal Millennial Equity Fund*) (the “Fund”) was constituted pursuant to the execution of a Deed dated 10 May 2018 and a First Supplemental Deed dated 7 November 2019 (collectively known as the “Deeds”), made between Principal Asset Management Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”).

The principal activity of the Fund is to achieve its objective by investing in global equity of companies that are impacted by the spending and lifestyle activities of the Millennial generation, which refers to people born from 1980 to the mid-2000s. The investment universe includes listed securities as well as IPOs. The universe is broadly defined as global all-country and all-cap, across the full market capitalization spectrum (small, medium and large). The Fund is expected to have a growth bias overall, including both growth and value oriented companies over time. Market segments with the greatest Millennial exposure are likely to include, without limitation, consumer goods (including fashion and apparel), social media and e-commerce, and digital media and technology.

Under normal circumstances, the Fund invests a maximum of 98% of its NAV in equities. The Fund may opt to access into equities via the investment in units of other collective investment scheme. The Fund currently does not intend to invest in warrants. The Fund may also invest in derivative instruments for hedging purpose, subject to the prevailing SC Guidelines.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund’s NAV will be invested in equities; and
- at least 2% of the Fund’s NAV in liquid assets.

The Manager has appointed Principal Global Investors (“PGI”), a company incorporated in the United States, as the Sub-Manager of the Fund. PGI will be responsible for the investment management function of the fund in accordance with the investment objective and within the investment parameters, restrictions and limits of this Fund.

All investments are subjected to the SC Guidelines on Unit Trust Funds, 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 has changed its name from CIMB-Principal Millennial Equity Fund to Principal Global Millennial Equity Fund following the issuance of the Prospectus Issue No. 2 dated 16 January 2020.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

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 period.

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).

Standards, amendments to published standards or interpretations that are effective and relevant:

The Fund has applied the following amendments to published standards for the first time for the financial year beginning 1 July 2019:

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities

Classification

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

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

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

Derivatives are financial assets/liabilities at fair value through profit or loss unless they are designated hedges (Note 2(k)).

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

The Fund classifies amount due to stockbrokers, amount due to Manager, accrued management fee, amount due to Trustee, and other payables and accruals as financial liabilities measured at amortised cost.

Recognition and measurement

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

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

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

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

Unrealised gains or losses arising from changes in 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 period 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Recognition and measurement (continued)

Foreign quoted securities outside Malaysia are valued at the last traded market price quoted on the respective foreign stock exchanges at the close of the business day of the respective foreign stock exchanges.

If a valuation based on the market price does not represent the fair value of the quoted securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted securities are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

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

Impairment for assets carried at amortised costs

The Fund measures credit risk and expected credit losses (“ECL”) using probability of default, exposure at default and loss given default. The Manager 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.

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 period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 quoted securities are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

(d) Foreign currency

Functional and presentation currencies

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

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

- i) Significant portion of the Fund’s expenses are denominated in USD; and
- ii) Significant portion of the cash is denominated in USD for the purpose of making settlement of foreign trades; and
- iii) Significant portion of the Fund’s investments 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 period-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 flows, cash and cash equivalents comprise bank balances which are subject to an insignificant risk of changes in value.

(f) Taxation

Current tax expense is determined according to Malaysian tax laws at the current rate based upon the taxable profit earned during the financial period.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

(h) Transaction costs

Transaction costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisors, stockbrokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

(i) Unit holders' contributions

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

The Fund issues cancellable units, in four classes of units, known respectively as Class MYR, Class MYR-H, Class SGD-H and Class USD, which are cancelled at the unit holder's option, do not have identical features subject to restrictions as stipulated in the Prospectus and SC's Guidelines on Unit Trust Funds. 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 units 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 members of respective classes with the total number of outstanding units of respective classes.

(j) Amount due from/to stockbrokers

Amount due from and amount due to stockbrokers represent receivables for quoted securities sold and payables for quoted securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund measure the loss allowance on amounts due from broker at an amount equal to the lifetime ECL if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month ECL. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) 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).

(l) Critical accounting estimates and judgments in applying accounting policies

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

Estimates and judgement 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 Unit Trust Funds.

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

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as *CIMB-Principal Millennium Equity Fund*)

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss USD	Financial assets at amortised cost USD	Total USD
2020			
Cash and cash equivalents (Note 8)	-	1,078,081	1,078,081
Quoted securities (Note 7)	21,049,384	-	21,049,384
Amount due from Manager	-	679,458	679,458
Dividends receivable	-	2,604	2,604
	<u>21,049,384</u>	<u>1,760,143</u>	<u>22,809,527</u>
2019			
Cash and cash equivalents (Note 8)	-	968,359	968,359
Quoted securities (Note 7)	39,313,610	-	39,313,610
Amount due from stockbrokers	-	6,053,193	6,053,193
Amount due from Manager	-	84,798	84,798
Derivative assets	382,581	-	382,581
Dividends receivable	-	26,651	26,651
	<u>39,696,191</u>	<u>7,133,001</u>	<u>46,829,192</u>

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

The Fund aims to achieve capital appreciation over the medium to long term through investments primarily in a portfolio of global equities.

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 Unit Trust Funds.

(a) Market risk

(i) Price risk

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

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

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

(a) Market risk (continued)

(i) Price risk (continued)

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

	2020	2019
	USD	USD
Financial assets at fair value through profit or loss:		
- Quoted securities	21,049,384	39,313,610

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

% Change in price of quoted securities	Market value USD	Impact on profit or loss/NAV USD
2020		
-5%	19,996,915	(1,052,469)
0%	21,049,384	-
5%	22,101,853	1,052,469
2019		
-5%	37,347,929	(1,965,681)
0%	39,313,610	-
5%	41,279,291	1,965,681

(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.

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as *CIMB-Principal Millennium Equity Fund*)

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

(a) Market risk (continued)

(ii) Currency risk (continued)

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

Financial assets

	Cash and cash equivalents USD	Financial assets at fair value through profit or loss USD	Amount due from stock- brokers USD	Amount due from Manager USD	Derivative assets USD	Dividends receivable USD	Total USD
2020							
EUR	-	1,008,205	-	-	-	-	1,008,205
GBP	-	531,069	-	-	-	-	531,069
HKD	3,882	1,234,544	-	-	-	-	1,238,426
JPY	-	629,765	-	-	-	-	629,765
MYR	64,561	-	-	630,404	-	-	694,965
SEK	-	540,061	-	-	-	-	540,061
SGD	1	-	-	-	-	-	1
ZAR	-	286,691	-	-	-	-	286,691
	68,444	4,230,335	-	630,404	-	-	4,929,183
2019							
EUR	-	4,376,538	126,451	-	-	-	4,502,989
GBP	-	2,703,468	29,712	-	-	1,896	2,735,076
HKD	-	1,821,617	516,905	-	-	7,294	2,345,816
JPY	-	1,360,859	121,605	-	-	-	1,482,464
MYR	195,170	-	-	84,798	382,581	-	662,549
SEK	-	2,044,122	547,272	-	-	-	2,591,394
SGD	1	-	-	-	-	-	1
ZAR	-	821,364	-	-	-	-	821,364
	195,171	13,127,968	1,341,945	84,798	382,581	9,190	15,141,653

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as CIMB-Principal Millennium Equity Fund)

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

(a) Market risk (continued)

(ii) Currency risk (continued)

Financial liabilities

	Derivative liabilities USD	Amount due to stock- brokers USD	Amount due to Manager USD	Other payables USD	Net assets attributable to unit holders USD	Total USD
2020						
MYR	39,774	-	-	4,365	21,103,988	21,148,127
SGD	136	-	876,076	-	86,907	963,118
	<u>39,910</u>	<u>-</u>	<u>876,076</u>	<u>4,365</u>	<u>21,190,895</u>	<u>22,111,246</u>
2019						
EUR	-	49,760	-	-	-	49,760
GBP	-	321,897	-	-	-	321,897
HKD	-	69,927	-	-	-	69,927
MYR	-	-	532,700	4,220	39,970,035	40,506,955
SEK	-	1,051,247	-	-	-	1,051,247
SGD	-	-	-	-	684	684
	<u>-</u>	<u>1,492,831</u>	<u>532,700</u>	<u>4,220</u>	<u>39,970,719</u>	<u>42,000,470</u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes in foreign exchange movements at the end of each reporting period. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remain constants. 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 after tax/NAV USD
2020		
EUR	+/- 5	+/- 50,410
GBP	+/- 5	+/- 26,553
HKD	+/- 5	+/- 61,921
JPY	+/- 5	+/- 31,488
MYR	+/- 5	+/-1,132,512
SEK	+/- 5	+/- 27,003
SGD	+/- 5	+/- 4,352
ZAR	+/- 5	+/- 14,335
		<u>+/- 1,319,856</u>

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

(a) Market risk (continued)

(iii) Currency risk (continued)

	Change in foreign exchange rate %	Impact on profit after tax/NAV USD
2019		
EUR	+/- 5	+/- 222,661
GBP	+/- 5	+/- 120,659
HKD	+/- 5	+/- 113,794
JPY	+/- 5	+/- 74,123
MYR	+/- 5	+/- 1,992,220
SEK	+/- 5	+/- 77,007
SGD	+/- 5	+/- 34
ZAR	+/- 5	+/- 41,068
		+/- 2,641,566

(b) Credit risk

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

The credit risk arising from bank balances in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

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 Unit Trust Funds.

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

	Cash and cash equivalents USD	Amount due from Manager USD	Dividends receivable USD	Total USD
2020				
Finance				
- Deutsche Bank Malaysia Bhd (AAA)	1,078,081	-	-	1,078,081
- Not Rated	-	679,458	1,501	679,458
Telecommunication Services				
- Not Rated	-	-	1,103	1,103
	1,078,081	679,458	2,604	1,760,143

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as *CIMB-Principal Millennium Equity Fund*)

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

(b) Credit risk (continued)

	Cash and cash equivalents USD	Amount due from stock- brokers USD	Amount due from Manager USD	Derivative assets USD	Dividends receivable USD	Total USD
2019						
Consumer discretionary						
- Not Rated	-	-	-	-	15,530	15,530
Finance						
- Deutsche Bank Malaysia Bhd (AAA)	968,359	-	-	-	-	968,359
- AAA	-	-	-	382,581	-	382,581
- A+	-	4,711,248	-	-	-	4,711,248
- A2	-	703,435	-	-	-	703,435
- A3	-	516,905	-	-	-	516,905
- Not Rated	-	121,605	84,798	-	-	206,403
Information technology						
- Not Rated	-	-	-	-	5,146	5,146
Real Estate						
- Not Rated	-	-	-	-	3,389	3,389
Telecommunication services						
- Not Rated	-	-	-	-	2,586	2,586
	<u>968,359</u>	<u>6,053,193</u>	<u>84,798</u>	<u>382,581</u>	<u>26,651</u>	<u>7,515,582</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 which are capable of being converted into cash within 7 business days.

Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

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

(c) Liquidity risk (continued)

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 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
2020			
Derivative liabilities at fair value through profit or loss	39,910	-	39,910
Amount due to Manager	876,076	-	876,076
Accrued management fee	34,237	-	34,237
Amount due to Trustee	1,046	-	1,046
Other payables and accruals	-	4,365	4,365
Net assets attributable to unit holders*	21,853,893	-	21,853,893
Contractual undiscounted cash flows	22,805,162	4,365	22,809,527
2019			
Amount due to stockbrokers	6,032,907	-	6,032,907
Amount due to Manager	532,700	-	532,700
Accrued management fee	58,555	-	58,555
Amount due to Trustee	1,789	-	1,789
Other payables and accruals	-	4,220	4,220
Net assets attributable to unit holders*	40,199,021	-	40,199,021
Contractual undiscounted cash flows	46,824,972	4,220	46,829,192

* Outstanding units are redeemed on demand at the unit 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 USD21,853,893 (2019: USD40,199,021). The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

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

(e) Fair value estimation

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

The fair values 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 period end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

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

(i) Fair value hierarchy

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

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

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

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

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

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
2020				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>21,049,384</u>	<u>-</u>	<u>-</u>	<u>21,049,384</u>
Derivative liabilities at fair value through profit or loss:				
- Forward foreign currency contracts	<u>-</u>	<u>(39,910)</u>	<u>-</u>	<u>(39,910)</u>
2019				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>39,313,610</u>	<u>-</u>	<u>-</u>	<u>39,313,610</u>
Derivative assets at fair value through profit or loss:				
- Forward foreign currency contracts	<u>-</u>	<u>382,581</u>	<u>-</u>	<u>382,581</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1 include quoted securities. The Fund does not adjust the quoted prices for these instruments.

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. This include forward foreign currency contracts. 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. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

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

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as CIMB-Principal Millennial Equity Fund)

4. MANAGEMENT FEE

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

For the financial year from 1 July 2019 to 30 June 2020 and the financial period from 31 May 2018 (date of launch) to 30 June 2019, the management fee for the respective classes is recognised at the following rates:

Class MYR	Class MYR-H	Class SGD-H	Class USD
1.80%	1.80%	1.80%	1.80%

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

5. TRUSTEE'S AND CUSTODIAN FEES

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.06% per annum, (including local custodian fee but excluding foreign sub-custodian fee and charges) on the NAV of the Fund. The foreign sub-custodian fee and charges is dependent on the country invested and is charged monthly in arrears.

For the financial year from 1 July 2019 to 30 June 2020, the Trustee's fee is recognised at the rate of 0.055% per annum (31 May 2018 (date of launch) to 30 June 2019: 0.055% per annum).

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

6. TAXATION

	01.07.2019 to 30.06.2020 USD	31.05.2018 (date of launch) to 30.06.2019 USD
Tax charged for the financial period:		
- Current taxation	-	-

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

	01.07.2019 to 30.06.2020 USD	31.05.2018 (date of launch) to 30.06.2019 USD
Profit/(Loss) before taxation	3,452,640	(1,805,855)
Taxation at Malaysian statutory rate of 24% (31.05 2018 (date of launch to 30.06.2019): 24%)	828,634	(433,405)
Tax effects of:		
- (Income not subject to tax)/Loss not deductible for tax purposes	(991,300)	204,924
- Expenses not deductible for tax purposes	35,900	79,133
- Restriction on tax deductible expenses for Unit Trust Funds	126,766	149,348
Taxation	-	-

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as CIMB-Principal Millennial Equity Fund)

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020	2019
	USD	USD
At fair value through profit or loss at inception:		
- Quoted securities	21,049,384	39,313,610
	01.07.2019	31.05.2018
	to 30.06.2020	(date of
	USD	launch)
		to 30.06.2019
		USD
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised gain/(loss) on disposals	3,423,567	(2,019,419)
- Unrealised fair value gain	1,233,659	1,911,111
	4,657,226	(108,308)

	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2020				
QUOTED SECURITIES				
FRANCE				
Consumer Discretionary				
LVMH Moet Hennessy Louis Vuitton Se	850	360,663	372,785	1.71
TOTAL FRANCE	850	360,663	372,785	1.71
GERMANY				
Consumer Discretionary				
Adidas Ag	1,335	322,435	350,245	1.60
TOTAL GERMANY	1,335	322,435	350,245	1.60
HONG KONG, CHINA				
Consumer Discretionary				
Li Ning Company Limited	152,500	273,246	484,040	2.22
Tencent Holdings Limited	2,933	146,385	188,686	0.86
	155,433	419,631	672,726	3.08
Telecommunication Services				
China Yuhua Education Co. Ltd	684,640	310,992	561,818	2.57
TOTAL HONG KONG, CHINA	840,073	730,623	1,234,544	5.65

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as CIMB-Principal Millennial Equity Fund)

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2020 (CONTINUED)				
QUOTED SECURITIES				
(CONTINUED)				
JAPAN				
Consumer Discretionary				
Sony Corporation	9,200	453,109	629,765	2.88
TOTAL JAPAN	9,200	453,109	629,765	2.88
NETHERLANDS				
Financials				
Adyen N.V.	196	200,566	285,175	1.31
TOTAL NETHERLANDS	196	200,566	285,175	1.31
SOUTH AFRICA				
Information Technology				
Naspers Limited	1,573	258,741	286,691	1.31
TOTAL SOUTH AFRICA	1,573	258,741	286,691	1.31
SWEDEN				
Consumer Discretionary				
H & M Hennes & Mauritz Ab	37,275	651,023	540,061	2.47
TOTAL SWEDEN	37,275	651,023	540,061	2.47
UNITED KINGDOM				
Consumer Discretionary				
Rightmove Plc	31,684	270,233	213,718	0.98
Telecommunication Services				
JD Sports Fashion Plc	41,286	277,775	317,351	1.45
TOTAL UNITED KINGDOM	72,970	548,008	531,069	2.43

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as CIMB-Principal Millennial Equity Fund)

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2020 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
UNITED STATES				
Consumer Discretionary				
Activision Blizzard, Inc.	7,265	435,066	551,414	2.52
Alphabet Inc.	335	435,730	473,559	2.17
Chipotle Mexican Grill, Inc.	260	248,024	273,614	1.25
Deckers Outdoor Corporation	2,113	424,895	414,972	1.90
Discover Financial Services	6,500	353,586	325,585	1.49
Domino'S Pizza, Inc.	580	217,456	214,275	0.98
Ebay Inc.	5,903	259,138	309,612	1.42
Fortune Brands Home & Security, Inc.	6,569	431,541	419,956	1.92
Garmin Ltd.	4,584	358,071	446,940	2.05
Lululemon Athletica Inc.	1,993	487,069	621,836	2.85
Microsoft Corporation	3,656	470,499	744,033	3.40
New Oriental Education & Technology Group Inc.	5,527	679,532	719,781	3.29
Nvidia Corporation	1,981	657,526	752,602	3.44
Paypal Holdings, Inc.	3,549	505,280	618,342	2.83
Pinduoduo Inc.	3,400	264,570	291,856	1.34
Sprouts Farmers Market, Inc.	15,997	258,315	409,363	1.87
Starbucks Corporation	4,467	327,992	328,727	1.50
Tal Education Group	11,117	608,818	760,180	3.48
Tempur Sealy International, Inc.	5,331	509,827	383,565	1.76
The Home Depot, Inc.	2,880	573,569	721,469	3.30
	94,007	8,506,504	9,781,681	44.76
Consumer Staples				
Facebook, Inc.	1,866	392,161	423,713	1.94
IAC/Interactivecorp	191	40,528	61,769	0.28
	2,057	432,689	485,482	2.22
Financials				
Comcast Corporation	9,321	403,315	363,333	1.66
Electronic Arts Inc.	4,241	553,919	560,024	2.56
	13,562	957,234	923,357	4.22

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as *CIMB-Principal Millennial Equity Fund*)

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2020 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
UNITED STATES (CONTINUED)				
Information Technology				
Apple Inc	2,198	477,179	801,830	3.67
Real Estate				
Booking Holdings Inc.	110	188,795	175,157	0.80
Telecommunication Services				
Alibaba Group Holding Limited	2,865	551,001	617,981	2.83
Amazon.Com, Inc.	93	182,983	256,570	1.17
Essex Property Trust, Inc.	759	247,032	173,940	0.80
Joyy Inc	7,020	434,310	621,621	2.84
Match Group, Inc.	7,777	385,466	832,528	3.81
Msg Networks Inc.	26,988	357,556	268,531	1.23
Netflix, Inc.	1,473	644,090	670,274	3.07
Spotify Technology S.A.	1,400	216,482	361,466	1.65
Take-Two Interactive Software, Inc.	4,802	604,525	670,215	3.07
The Walt Disney Company	1,600	193,600	178,416	0.82
	<u>54,777</u>	<u>3,817,045</u>	<u>4,651,542</u>	<u>21.29</u>
TOTAL UNITED STATES	<u>166,711</u>	<u>14,379,446</u>	<u>16,819,049</u>	<u>76.96</u>
TOTAL QUOTED SECURITIES	<u>1,130,183</u>	<u>17,904,614</u>	<u>21,049,384</u>	<u>96.32</u>
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES		<u>3,144,770</u>		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u><u>21,049,384</u></u>		

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as CIMB-Principal Millennial Equity Fund)

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2019				
QUOTED SECURITIES				
FRANCE				
Telecommunication Services				
Vivendi SA	55,360	1,583,507	1,526,295	3.80
TOTAL FRANCE	55,360	1,583,507	1,526,295	3.80
GERMANY				
Consumer Discretionary				
Adidas Ag	7,359	1,685,000	2,275,287	5.66
TOTAL GERMANY	7,359	1,685,000	2,275,287	5.66
HONG KONG, CHINA				
Consumer Discretionary				
China YuHua Education Corporation Ltd	2,284,000	993,622	994,022	2.47
Li Ning Co. Ltd	351,000	596,276	827,595	2.06
	2,635,000	1,589,898	1,821,617	4.53
TOTAL HONG KONG, CHINA	2,635,000	1,589,898	1,821,617	4.53

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as CIMB-Principal Millennial Equity Fund)

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2019 (CONTINUED)				
QUOTED SECURITIES				
(CONTINUED)				
JAPAN				
Consumer Discretionary				
Fast Retailing Co., Ltd.	300	174,154	181,353	0.45
Information Technology				
Sony Corporation	22,500	1,093,902	1,179,506	2.94
TOTAL JAPAN	22,800	1,268,056	1,360,859	3.39
NETHERLANDS				
Financials				
Adyen N.V.	744	565,885	574,956	1.43
TOTAL NETHERLANDS	744	565,885	574,956	1.43
SOUTH AFRICA				
Telecommunication Services				
Naspers Limited	3,385	768,402	821,364	2.04
TOTAL SOUTH AFRICA	3,385	768,402	821,364	2.04
SWEDEN				
Consumer Discretionary				
Aktiebolaget Electrolux	13,362	327,710	341,821	0.85
Hennes & Mauritz AB (H&M)	95,494	1,666,184	1,702,301	4.24
TOTAL SWEDEN	108,856	1,993,894	2,044,122	5.09

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as *CIMB-Principal Millennial Equity Fund*)

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2019 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
UNITED KINGDOM				
Consumer Discretionary				
Boohoo Group PLC	361,473	1,074,431	973,689	2.42
JD Sports Fashion PLC	107,245	638,431	800,193	1.99
	<u>468,718</u>	<u>1,712,862</u>	<u>1,773,882</u>	<u>4.41</u>
Telecommunication Services				
Rightmove PLC	136,633	874,414	929,586	2.31
TOTAL UNITED KINGDOM	<u>605,351</u>	<u>2,587,276</u>	<u>2,703,468</u>	<u>6.72</u>
UNITED STATES				
Consumer Discretionary				
Alibaba Group Holding Ltd	4,229	731,271	716,604	1.78
Amazon.Com, Inc.	122	213,431	231,023	0.58
Bright Horizons Family Solutions Inc.	1,606	240,525	242,297	0.60
Carter's, Inc.	9,321	860,531	909,170	2.26
Deckers Outdoor Corporation	4,573	535,161	804,711	2.00
Ebay Inc.	5,670	210,086	223,965	0.56
Lowe's Companies, Inc.	10,028	1,120,546	1,011,925	2.52
Lululemon Athletica Inc.	562	101,281	101,278	0.25
New Oriental Education & Technology Group Inc.	1,226	117,340	118,407	0.29
Nike, Inc.	11,932	997,678	1,001,692	2.49
Starbucks Corporation	12,505	908,535	1,048,293	2.61
TAL Education Group	2,631	100,215	100,241	0.25
The Home Depot, Inc.	8,235	1,604,858	1,712,633	4.26
Toll Brothers, Inc.	25,316	924,654	927,072	2.31
	<u>97,956</u>	<u>8,666,112</u>	<u>9,149,311</u>	<u>22.76</u>
Consumer Staples				
Molson Coors Brewing Company	18,182	1,145,815	1,018,192	2.53
The Kroger Co.	45,946	1,133,139	997,488	2.48
	<u>64,128</u>	<u>2,278,954</u>	<u>2,015,680</u>	<u>5.01</u>

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as *CIMB-Principal Millennial Equity Fund*)

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2019 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
UNITED STATES (CONTINUED)				
Financials				
Discover Financial Services	16,596	1,215,248	1,287,684	3.20
LexinFintech Holdings Ltd.	12,369	160,609	138,038	0.35
PayPal Holdings, Inc.	3,943	440,435	451,316	1.12
	<u>32,908</u>	<u>1,816,292</u>	<u>1,877,038</u>	<u>4.67</u>
Information Technology				
Apple Inc	5,129	997,917	1,015,132	2.53
Baozun Inc.	3,268	136,572	162,943	0.41
Cornerstone OnDemand, Inc.	8,760	495,415	507,467	1.26
Hewlett-Packard Enterprise	38,667	817,131	803,887	2.00
Microsoft Corporation	7,817	932,033	1,047,165	2.60
Momo Inc.	1,113	45,735	39,846	0.10
	<u>64,754</u>	<u>3,424,803</u>	<u>3,576,440</u>	<u>8.90</u>
Real Estate				
AvalonBay Communities, Inc.	3,186	642,198	647,332	1.61
Telecommunication Services				
Booking Holdings Inc.	486	933,730	911,108	2.27
CBS Corporation	21,008	1,006,581	1,048,299	2.61
Ctrip.Com International, Ltd.	39,218	1,607,066	1,447,536	3.60
Facebook, Inc.	736	137,821	142,048	0.35
IAC/InterActiveCorp	7,662	1,625,775	1,666,715	4.15
Match Group, Inc.	23,069	1,088,879	1,551,852	3.86
MSG Networks Inc.	43,997	915,049	912,498	2.27
YY Inc.	17,790	1,217,321	1,239,785	3.08
	<u>153,966</u>	<u>8,532,222</u>	<u>8,919,841</u>	<u>22.19</u>
TOTAL UNITED STATES	<u>416,898</u>	<u>25,360,581</u>	<u>26,185,642</u>	<u>65.14</u>

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as CIMB-Principal Millennial Equity Fund)

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2019 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
TOTAL QUOTED SECURITIES	<u>3,855,753</u>	37,402,499	<u>39,313,610</u>	<u>97.80</u>
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES		<u>1,911,111</u>		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>39,313,610</u>		

8. CASH AND CASH EQUIVALENTS

	2020 USD	2019 USD
Bank balances	<u>1,078,081</u>	<u>968,359</u>

9. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2020	2019
	No. of units	No. of units
Class MYR (i)	13,590,543	15,746,310
Class MYR-H (ii)	70,983,855	160,149,908
Class SGD-H (iii)	115,303	1,000
Class USD (iv)	597,225	234,727
	<u>85,286,926</u>	<u>176,131,945</u>

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as CIMB-Principal Millennial Equity Fund)

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

(i) Class MYR

	01.07.2019 to 30.06.2020	31.05.2018 (date of launch) to 30.06.2019
	No. of units	No. of units
At the beginning of the financial year/period	15,746,310	-
Add: Creation of units from applications	22,478,032	19,164,299
Less: Cancellation of units	<u>(24,633,799)</u>	<u>(3,417,989)</u>
At the end of the financial year/period	<u>13,590,543</u>	<u>15,746,310</u>

(ii) Class MYR-H

	01.07.2019 to 30.06.2020	31.05.2018 (date of launch) to 30.06.2019
	No. of units	No. of units
At the beginning of the financial year/period	160,149,908	-
Add: Creation of units from applications	47,212,669	211,577,885
Less: Cancellation of units	<u>(136,378,722)</u>	<u>(51,427,977)</u>
At the end of the financial year/period	<u>70,983,855</u>	<u>160,149,908</u>

(iii) Class SGD-H

	01.07.2019 to 30.06.2020	31.05.2018 (date of launch) to 30.06.2019
	No. of units	No. of units
At the beginning of the financial year/period	1,000	-
Add: Creation of units from applications	511,880	1,000
Less: Cancellation of units	<u>(397,577)</u>	<u>-</u>
At the end of the financial year/period	<u>115,303</u>	<u>1,000</u>

(iv) Class USD

	01.07.2019 to 30.06.2020	31.05.2018 (date of launch) to 30.06.2019
	No. of units	No. of units
At the beginning of the financial year/period	234,727	-
Add: Creation of units from applications	808,386	234,727
Less: Cancellation of units	<u>(445,888)</u>	<u>-</u>
At the end of the financial year/period	<u>597,225</u>	<u>234,727</u>

10. DERIVATIVE LIABILITIES/ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020	2019
	USD	USD
Forward foreign currency contracts	<u>(39,910)</u>	<u>382,581</u>
		31.05.2018
	01.07.2019	(date of
	to 30.06.2020	launch)
	USD	to 30.06.2019
		USD
Net loss on derivative assets at fair value through profit or loss:		
- Net realised loss on forward foreign currency contracts	(285,047)	(1,091,695)
- Net unrealised (loss)/gain on forward foreign currency contracts	<u>(422,490)</u>	<u>382,581</u>
	<u>(707,537)</u>	<u>(709,114)</u>

As at 30 June 2020, there are total of five (2019: five) outstanding USD/Malaysian Ringgit (“MYR”) and USD/Singapore Dollar (“SGD”) forward foreign currency contracts. The notional principal amount of the outstanding forward foreign currency contracts amounting to USD18,431,050 (2019: USD37,063,824).

The forward foreign currency contracts are entered into during the financial period to minimise the risk of foreign exchange exposure between the USD and the MYR and SGD for the Fund.

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

11. MANAGEMENT EXPENSE RATIO (“MER”)

	01.07.2019	31.05.2018
	to 30.06.2020	(date of launch)
	%	to 30.06.2019
		%
MER	<u>1.92</u>	<u>1.95</u>

MER is derived based on the following calculation:

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

- A = Management fee
- B = Trustee's and custodian fees
- C = Audit fee
- D = Tax Agent's fee
- E = Other expenses excluding withholding tax
- F = Average NAV of the Fund calculation on a daily basis

The average NAV of the Fund for the financial year/period calculated on a daily basis is USD29,075,121 (30.06.2019: USD33,296,915).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.07.2019 to 30.06.2020	31.05.2018 (date of launch) to 30.06.2019
PTR (times)	1.39	2.18

PTR is derived from the following calculation:

(Total acquisition for the financial year/period + total disposal for the financial year/period) ÷ 2
Average NAV of the Fund for the financial year/period calculated on a daily basis

where:

total acquisition for the financial year/period = USD29,063,567 (31.05.2018 (date of launch to 30.06.2019: USD92,332,819)

total disposal for the financial year/period = USD51,985,020 (31.05.2018 (date of launch to 30.06.2019: USD52,910,902)

13. 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 shareholder of the Manager
CIMB Investment Bank Bhd	Fellow related party to the Manager

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as CIMB-Principal Millennial Equity Fund)

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

Units held by the Manager and parties related to the Manager

	01.07.2019 to 30.06.2020		31.05.2018 (date of launch) to 30.06.2019	
	No. of units	USD	No. of units	USD
Manager				
Principal Asset Management Berhad				
- Class MYR	152,899	41,237	9,063	2,142
- Class MYR-H	347	85	1,937	438
- Class SGD-H	1,843	1,389	1,000	684
- Class USD	1,000	1,110	1,000	973

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.

There were no significant related party transactions during the financial year/period, other than those already disclosed elsewhere in the financial statements.

14. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for the financial year ended 30 June 2020 are as follows:

Brokers	Value of trades USD	Percentage of total trades %	Percentage of brokerage fees	
			Brokerage fees USD	fees %
Stifel, Nicolaus And Company, Incorporated	8,863,430	10.94	1,031	3.34
Bank of America Securities	7,020,540	8.66	2,399	7.76
Wall Street Access/Global Liquidity Partners	5,449,559	6.72	1,260	4.08
Instinet Clearing Services Jersey City	5,430,050	6.70	1,874	6.06
Algosco	5,022,198	6.20	1,235	4.00
Sanford Bernstein	4,618,901	5.70	971	3.14
Deutsche Bank (Malaysia) Bhd	4,502,622	5.56	544	1.76
Merrill Lynch Int Ltd	4,306,368	5.31	819	2.65
Jefferies Llc.	4,195,914	5.18	884	2.86
Citigroup Global Markets Limited	3,900,444	4.81	4,012	12.98
Others	27,738,561	34.22	15,872	51.37
	<u>81,048,587</u>	<u>100.00</u>	<u>30,901</u>	<u>100.00</u>

PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND
(formerly known as *CIMB-Principal Millennial Equity Fund*)

14. TRANSACTIONS WITH BROKERS (CONTINUED)

Details of transactions with the top 10 brokers for the financial period ended 30 June 2019 are as follows:

Brokers	Value of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of brokerage fees %
Morgan Stanley	17,375,899	11.96	8,765	7.79
Barclays Investment Bank Goldman Sachs & Co. LLC	15,242,305	10.49	18,175	16.15
Robert W. Baird & Co.	14,871,462	10.24	4,706	4.18
Bank of America Merrill Lynch International Ltd	4,858,171	3.34	7,287	6.47
Wolfe Trahan Securities	4,635,524	3.19	3,469	3.08
UBS AG London Branch	4,626,895	3.19	6,940	6.17
J.P. Morgan Securities, Inc.	3,881,230	2.67	1,217	1.08
Investment Technology Group, Inc.	3,844,313	2.65	3,877	3.44
Wells Fargo & Co.	3,800,132	2.62	2,748	2.44
Others	3,762,939	2.59	1,881	1.67
	<u>68,344,851</u>	<u>47.06</u>	<u>53,478</u>	<u>47.53</u>
	<u>145,243,721</u>	<u>100.00</u>	<u>112,543</u>	<u>100.00</u>

15. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The worsening of the macro-economic outlook as a result of COVID-19, both domestically and globally, has impacted the Fund's performance during the financial year.

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

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 21 August 2020.

DIRECTORY

Head office of the Manager

Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))
10th Floor, Bangunan CIMB,
Jalan Semantan,
Damansara Heights,
50490 Kuala Lumpur, MALAYSIA.
Tel: (03) 2084 8888

Website

www.principal.com.my

E-mail address

service@principal.com.my

Customer Care Centre

(03) 7718 3000

Trustee for the Principal Global Millennial Equity Fund *(formerly known as CIMB-Principal Millennial Equity Fund)*

Deutsche Trustees Malaysia Berhad (Co. No. 763590-H)
Level 20, Menara IMC,
8, Jalan Sultan Ismail,
50250 Kuala Lumpur, MALAYSIA.
Tel: (03) 2053 7522

Auditors of the Fund (for financial year ended 30 June 2020)

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

Auditors of the Fund (for financial year ended 30 June 2019) and of the Manager

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)
Level 10, 1 Sentral,
Jalan Rakyat, Kuala Lumpur Sentral,
PO Box 10192,
50706 Kuala Lumpur, MALAYSIA.
Tel: (03) 2173 1188
Fax: (03) 2173 1288

Tax Adviser

PricewaterhouseCoopers Taxation Services Sdn Bhd
PricewaterhouseCoopers Chartered Accountants
Level 10, 1 Sentral,
Jalan Rakyat, Kuala Lumpur Sentral,
PO Box 10192, 50706 Kuala Lumpur, MALAYSIA.

Principal Asset Management Berhad
199401018399 (304078-K)

Enquiries:

Customer Care Centre
(603)7718 3000

Email
service@principal.com.my

Website
www.principal.com.my