

# Principal Global Technology Fund

(formerly known as CIMB-Principal Global  
Technology Fund)

Annual Report

For The Financial Year Ended 31 July 2020

**PRINCIPAL GLOBAL TECHNOLOGY FUND**  
*(formerly known as CIMB-Principal Global Technology Fund)*

**ANNUAL REPORT**

**FOR THE FINANCIAL YEAR ENDED 31 JULY 2020**

**PRINCIPAL GLOBAL TECHNOLOGY FUND**  
*(formerly known as CIMB-Principal Global Technology Fund)*

---

<b>CONTENTS</b>	<b>PAGE(S)</b>
INVESTORS' LETTER	1 - 2
MANAGER'S REPORT	3 - 13
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	14
TRUSTEE'S REPORT	15
INDEPENDENT AUDITOR'S REPORT	16 - 19
STATEMENT OF COMPREHENSIVE INCOME	20
STATEMENT OF FINANCIAL POSITION	21 - 22
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	23
STATEMENT OF CASH FLOWS	24
NOTES TO THE FINANCIAL STATEMENTS	25 - 48
DIRECTORY	49

## INVESTORS' LETTER

Dear Valued Investor,

Most of you would have heard investment experts saying that there is no time like the present to invest. I couldn't agree more to this, given that the economic recovery has started to broaden - this is the time that you should remain invested.

Below are some key questions Investors may have, and which we have attempted to answer:

Is there still upside for equities ?

- Yes. 3 stories driving the markets are: central bank liquidity, medical development of Coronavirus 2019 ("COVID-19"), and the US elections.
- The Federal Reserve System (the "Fed") - central bank of the United States will continue to loosen financial conditions and keep stimulus in place even as the economy starts to recover.

Should I remain invested now ?

- Yes. Global stocks have room to rally, backed by positive medical developments, reopening of economies and accommodative monetary policies.
- The Fed announced it will allow target inflation at 2% over time, investors can therefore expect low rates for a longer period, and ultra-low interest rates making it rational for investors to pay more for a given dollar of equity earnings.
- Global stocks have rebounded around 49% since their March lows and credit spreads have narrowed.

Where can investors find yield ?

- Central banks around the world have cut their rates to unprecedented levels to cushion the COVID-19-induced economic slowdown. Accommodative monetary policies also mean rates are set to stay lower for the foreseeable future.
- The Fed has said it is "not even thinking about" raising rates.
- Investors will likely be pushed to search harder for yield, especially in the Asian equities and fixed income space in the medium to long term.

## **INVESTORS' LETTER (CONTINUED)**

We're here to help you choose the right investments according to your risk appetite and long-term financial goals. For our:

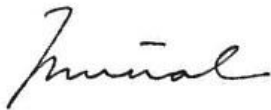
- **Conservative investors, we recommend:** Malaysia focus bond and balanced funds that are income focussed.
- **Moderate investors, we recommend:** Regional Asia-Pacific mixed asset funds.
- **More aggressive investors, we recommend:** Growth-oriented funds that offer exposure to growth areas in China,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

Be sure to check out our website ([www.principal.com.my](http://www.principal.com.my)) and Facebook account (@PrincipalAssetMY) regularly for our latest insights and investment articles.

Please be informed that effective 31 December 2019, the Fund has been renamed as Principal Global Technology Fund following the issuance of the Information Memorandum issue No.2.

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

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



**Munirah Khairuddin**  
Chief Executive Officer

## **MANAGER'S REPORT**

### **FUND OBJECTIVE AND POLICY**

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

The Fund aims to provide capital appreciation through investments in one collective investment scheme, which invests primarily in a diversified portfolio of technology related companies.

#### **Has the Fund achieved its objective?**

For the financial year under review, the Fund has achieved its objective as stated under the Fund investment policy. However, the Fund has not achieved favourable return past one year largely due to unfavourable macro environment.

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

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

In order to achieve its investment objective, the Fund will invest at least 95% of its Net Asset Value ("NAV") in the Target Fund; a portfolio established on 4 March 2000 under the Franklin Templeton Investment Funds. The Fund will also maintain up to 5% of its NAV in liquid assets for liquidity purposes.

#### **Information on the Target Fund**

Company: Franklin Templeton Investment Funds

Management Company: Franklin Templeton International Services S.à r.l.

Investment Manager: Franklin Advisers, Inc.

Regulatory authority: Commission de Surveillance du Secteur Financier

#### **Base Currency**

US Dollar ("USD")

#### **Fund category/type**

Feeder Fund/ Growth

#### **How long should you invest for?**

Recommended five (5) year or more.

#### **When was the Fund launched?**

<b>Name of Class</b>	<b>Launch Date</b>
Class AUD-Hedged ("AUD-H")	17 May 2018
Class GBP-Hedged ("GBP-H")	17 May 2018
Class MYR-Hedged ("MYR-H")	17 May 2018
Class SGD-Hedged ("SGD-H")	17 May 2018
Class USD	17 May 2018

#### **What was the size of the Fund as at 31 July 2020?**

USD177.23 million (405.09 million units)

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

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

**FUND OBJECTIVE AND POLICY (CONTINUED)**

**What is the Fund distribution policy?**

The Fund is not expected to pay any distribution. Distributions, if any, are at our discretion and will vary from period to period depending on the availability of realised income for distribution and performance of the Fund.

**What was the net income distribution for the financial year ended 31 July 2020?**

There was no distribution made for the financial year ended 31 July 2020.

**PERFORMANCE DATA**

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

	<b>31.07.2020</b>	<b>31.07.2019</b>
	%	%
Collective investment scheme	89.78	90.16
Cash and other net assets	10.22	9.84
	<u>100.00</u>	<u>100.00</u>

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

	<b>31.07.2020</b>	<b>31.07.2019</b>
NAV (USD Million)		
- Class AUD-H	16.90	8.59
- Class GBP-H	4.46	3.04
- Class MYR-H	133.59	42.82
- Class SGD-H	7.72	4.94
- Class USD	14.56	5.90
Units in circulation (Million)		
- Class AUD-H	15.92	11.22
- Class GBP-H	2.33	2.28
- Class MYR-H	370.39	157.92
- Class SGD-H	7.07	6.12
- Class USD	9.38	5.24
NAV per unit (USD)		
- Class AUD-H	1.0616	0.7654
- Class GBP-H	1.9175	1.3350
- Class MYR-H	0.3607	0.2711
- Class SGD-H	1.0915	0.8072
- Class USD	1.5515	1.1242

**PRINCIPAL GLOBAL TECHNOLOGY FUND**  
(formerly known as *CIMB-Principal Global Technology Fund*)

**PERFORMANCE DATA (CONTINUED)**

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

	<b>31.07.2020</b>	<b>17.05.2018 (date of launch) to 31.07.2019</b>
Highest NAV per unit (USD)		
- Class AUD-H	1.5048	0.7934
- Class GBP-H	1.4867	1.3846
- Class MYR-H	1.5438	0.2810
- Class SGD-H	1.5182	0.8369
- Class USD	1.5671	1.1655
Lowest NAV per unit (USD)		
- Class AUD-H	0.9445	0.5495
- Class GBP-H	0.9293	0.9666
- Class MYR-H	0.9616	0.1936
- Class SGD-H	0.9462	0.5802
- Class USD	0.9700	0.8000
Total return (%)		
- Class AUD-H	34.85	13.39
- Class GBP-H	34.85	12.17
- Class MYR-H	36.65	14.63
- Class SGD-H	36.04	13.31
- Class USD	38.01	15.27
- Capital growth (%)		
- Class AUD-H	34.85	13.39
- Class GBP-H	34.85	12.17
- Class MYR-H	36.65	14.63
- Class SGD-H	36.04	13.31
- Class USD	38.01	15.27
- Income distribution (%)		
- Class AUD-H	-	-
- Class GBP-H	-	-
- Class MYR-H	-	-
- Class SGD-H	-	-
- Class USD	-	-
Management Expense Ratio ("MER") (%) ^	1.20	1.38
Portfolio Turnover Ratio ("PTR") (times) #	0.89	0.72

^ For the financial year review, the Fund's MER decreased from 1.38% to 1.20% due to increase in average NAV.

# For the financial year under review, the Fund's PTR increased from 0.72 times to 0.89 times, as there were more investment trading activities during the financial year under review.



**PRINCIPAL GLOBAL TECHNOLOGY FUND**  
(formerly known as *CIMB-Principal Global Technology Fund*)

**PERFORMANCE DATA (CONTINUED)**

	<b>31.07.2020</b>	<b>31.07.2019</b>	<b>Since inception to 31.07.2019</b>
	%	%	%
Annual total return			
- Class AUD-H	34.85	13.39	0.44
- Class GBP-H	34.85	12.17	0.34
- Class MYR-H	36.65	14.63	0.57
- Class SGD-H	36.04	13.31	0.40
- Class USD	38.01	15.27	0.58
(Launch date: 17 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 year have been extracted from Lipper.

**MARKET REVIEW (1 AUGUST 2019 TO 31 JULY 2020)**

Global stock markets experienced a volatile third quarter of 2019. Equities found some support as key central banks in developed and emerging markets cut interest rates or indicated a readiness to do so if needed to sustain economic growth. However, the US-China trade spat continued to drive alternating market sentiment as shifting developments in trade talks between the world's two largest economies crimped global exports and weighed on global economic outlooks. Following a series of rallies and selloffs, Information Technology ("IT") and communication services sector stocks generally finished the period in fourth and fifth place, respectively, amongst the 11 major equity sectors.

Global stock markets rose nearly across the board in the fourth quarter of 2019. Equities were supported by signs of easing US-China trade tensions, including news of a "phase one" deal, as well as greater clarity on Brexit and hopes for continued accommodative policies by major central banks. The waning market headwinds stirred a momentum-driven rally in which information technology stocks continued to be 2019's bull market leader over the October 2019 to December 2019 span. Communication services stocks also enjoyed above-average returns and ranked fourth out of 11 major equity sectors for the quarterly period, while they finished the year in second place.

Global stock markets slipped in January 2020 as concerns mounted that the spread of the COVID-19 originating in China would impact global business. Meanwhile, the much-anticipated partial US-China trade accord, signed in mid of January 2020, did not seem to boost market sentiment for long. Information technology sector stocks bucked the overall downtrend and ranked second out of 11 major sector groups. As their 2019 rally continued through January, investors grew more selective amongst IT-related industries than we saw last year—semiconductor-related equities generally sold off, as did communications equipment manufacturers and a few other areas, while the strongest gains were concentrated amongst internet services, application software, systems software, data processing, and technology hardware companies.

Global stock markets sold off virtually across the board as 2020's first quarter progressed. Volatility on many indices rose to levels not seen since the global financial crisis or longer as investors struggled to price the impact of an unprecedented global economic shutdown stemming from the escalating COVID-19 pandemic. Bear-market volatility held the potential to reverberate for months, sending investors into assets perceived as havens amidst widespread fear that the disruption in global supply chains will tip the globe into a deep recession. A wide performance gap separated the 11 major sectors, with IT stocks proving most resistant to the market downdraft.

**MARKET REVIEW (1 AUGUST 2019 TO 31 JULY 2020) (CONTINUED)**

Global stock markets rebounded strongly in April 2020 following the rout in March 2020 as government officials continued pledging extraordinary measures to help support economies impacted by the COVID-19 pandemic. Many investors cheered signals that governments were planning to ease restrictions and began looking forward to business activity recovering in the second half of the year. The IT sector's returns were close to the broader market averages, having ranked sixth out of 11 major sector groups in April 2020. IT was also the only sector showing overall gains on a year-to-date ("YTD") basis, while the other 10 remained in negative territory.

Global equity markets surged during the second quarter of 2020, as many investors cheered plans for the reopening of economies and government officials continued pledging extraordinary measures to lessen the economic impact of the pandemic. Markets were restrained in the latter half of June as reopening were followed by increased COVID-19 infections in certain regions, especially in the United States. All 11 major equity sectors advanced amid a wide variation in total returns: IT stocks helped lead the rally with substantially above-average returns and a second-place finish (just behind the consumer discretionary sector), while communication services sector shares ranked fifth within the group and held closer to the broader market indices.

Global equity markets turned in solid performances during July 2020, with widespread gains amongst developed and emerging markets. Investors parsed mixed developments that on balance supported equities, US Treasuries and some risk assets alongside perceived havens. Sentiment was dampened by escalating US-China tensions and rising COVID-19 infections, which led to business re-openings being paused or stepped back in certain regions. Ten out of 11 equity sectors advanced for the month, led by consumer discretionary, utilities and materials stocks, while the IT sector ranked sixth and exhibited overall returns that tracked the broader market averages. Large and mid capitalisation companies posted nearly identical returns that more than doubled the small-cap tier's July 2020 gains. By investment style, value stocks continued to lag their growth-oriented peers across the market-cap spectrum, underscoring a prolonged trend

**FUND PERFORMANCE**

**1 year to 31.07.2020**

	<b>Class AUD-H</b>	<b>Class GBP-H</b>	<b>Class MYR-H</b>	<b>Class SGD-H</b>	<b>Class USD</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Income Distribution	-	-	-	-	-
Capital Growth	34.85	34.85	36.65	36.04	38.01
Total Return	34.85	34.85	36.65	36.04	38.01
Benchmark	37.12	37.12	37.12	37.12	37.12
Average Total Return	34.85	34.85	36.65	36.04	38.01

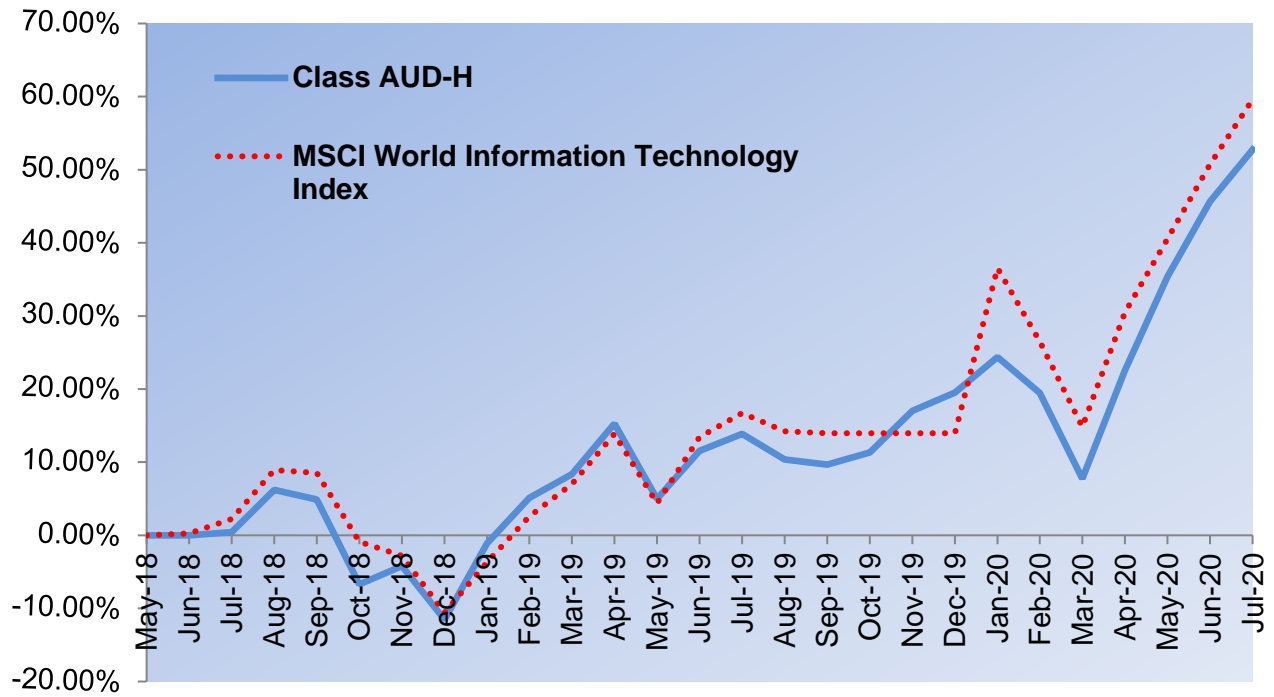
**Since inception to 31.07.2020**

	<b>Class AUD-H</b>	<b>Class GBP-H</b>	<b>Class MYR-H</b>	<b>Class SGD-H</b>	<b>Class USD</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Income Distribution	-	-	-	-	-
Capital Growth	52.74	51.78	57.53	54.76	60.00
Total Return	52.74	51.78	57.53	54.76	60.00
Benchmark	59.60	59.60	59.60	59.60	59.60
Average Total Return	21.14	20.80	22.85	21.87	23.72

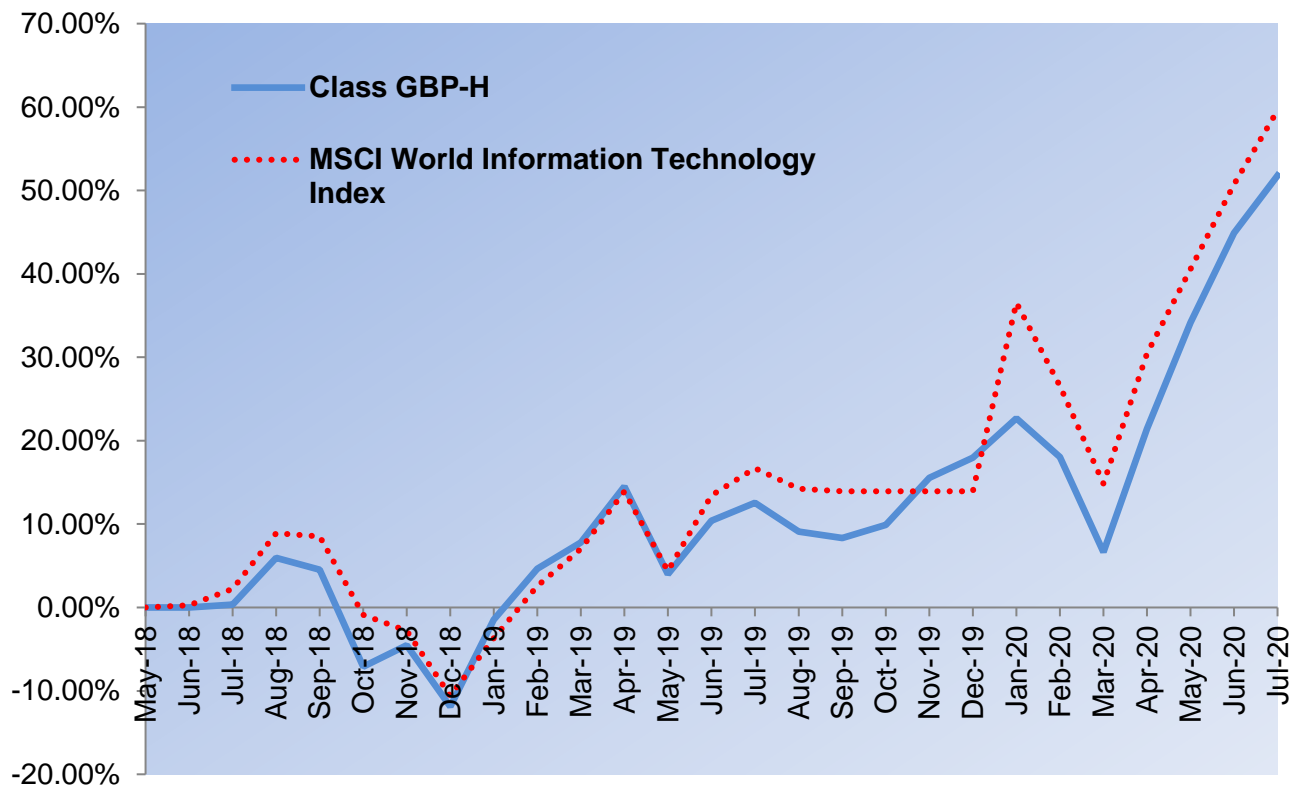
During the financial year under review, all of the classes, Class AUD-H, Class GBP-H, Class MYR-H, Class SGD-H, and Class USD increased by 34.85%, 34.85%, 36.65%, 36.04%, and 38.01% respectively. Meanwhile, the benchmark increased by 37.12% during the same reporting year.

**FUND PERFORMANCE (CONTINUED)**

**Class AUD-H**

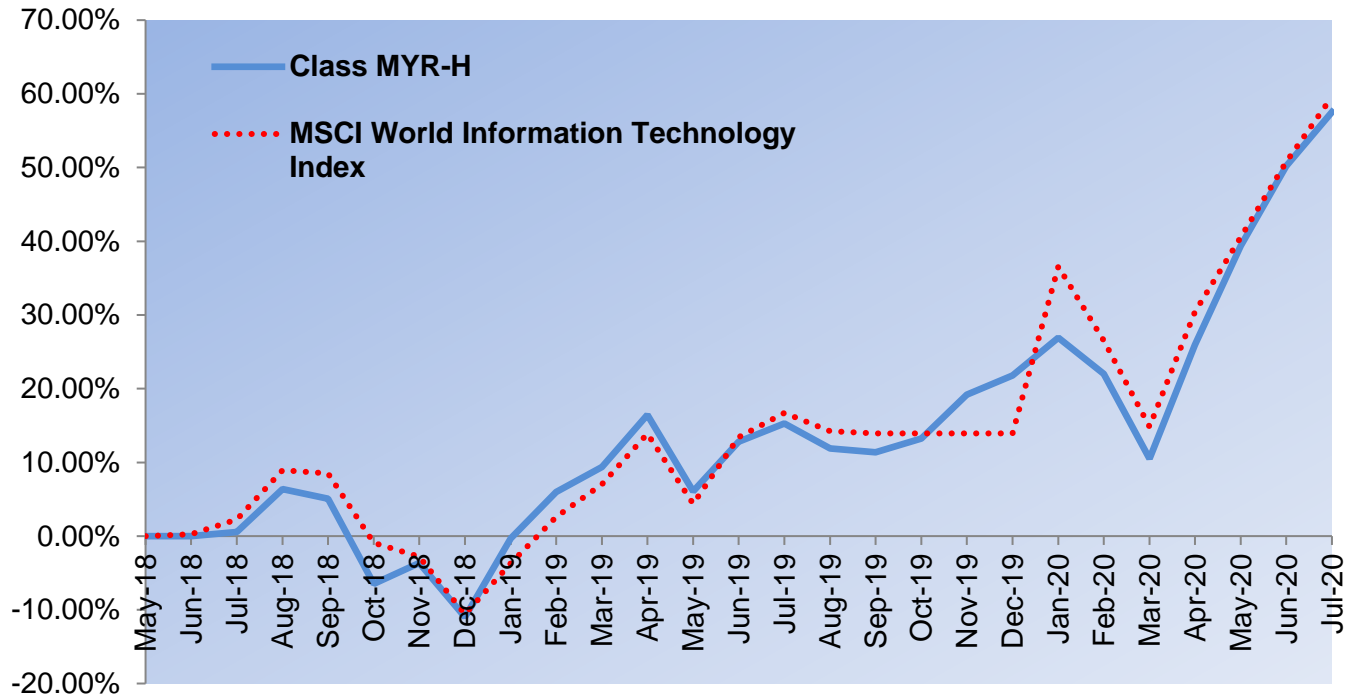


**Class GBP-H**

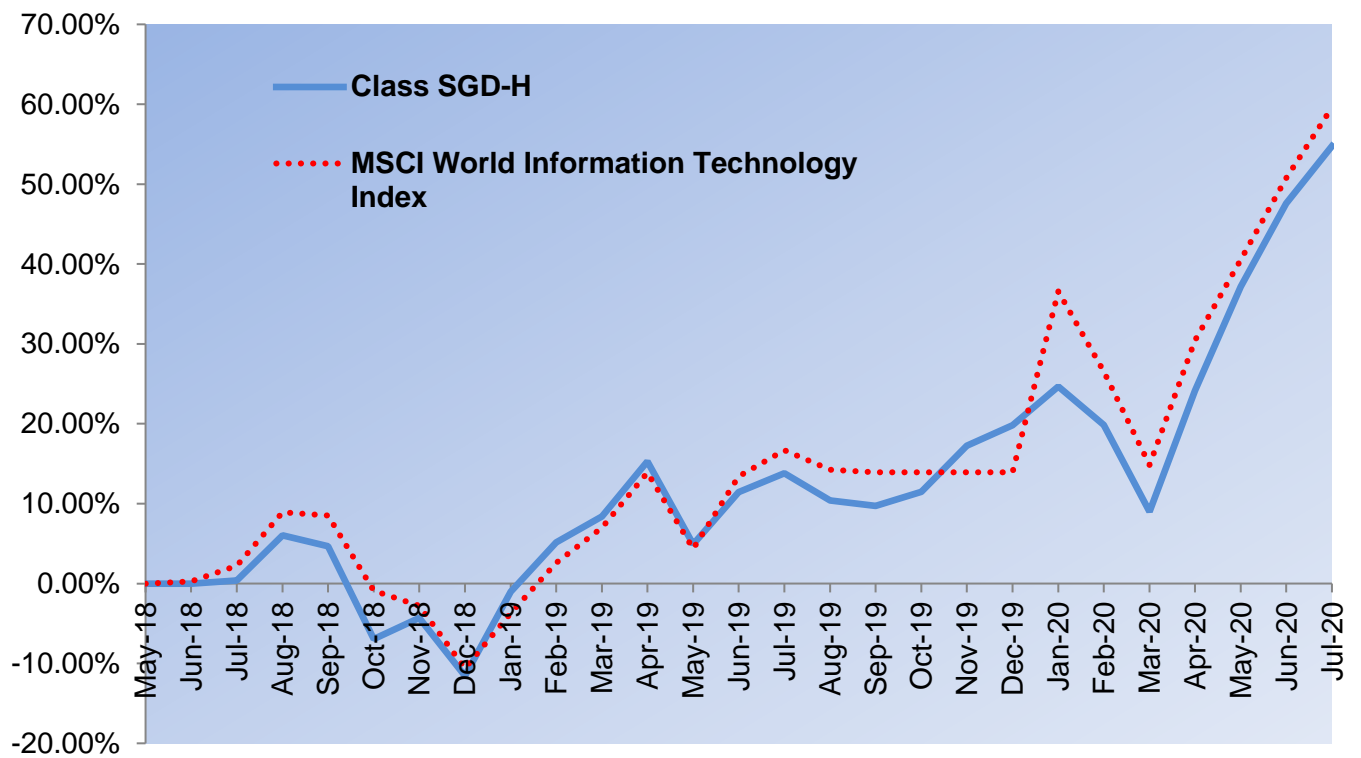


**FUND PERFORMANCE (CONTINUED)**

**Class MYR-H**

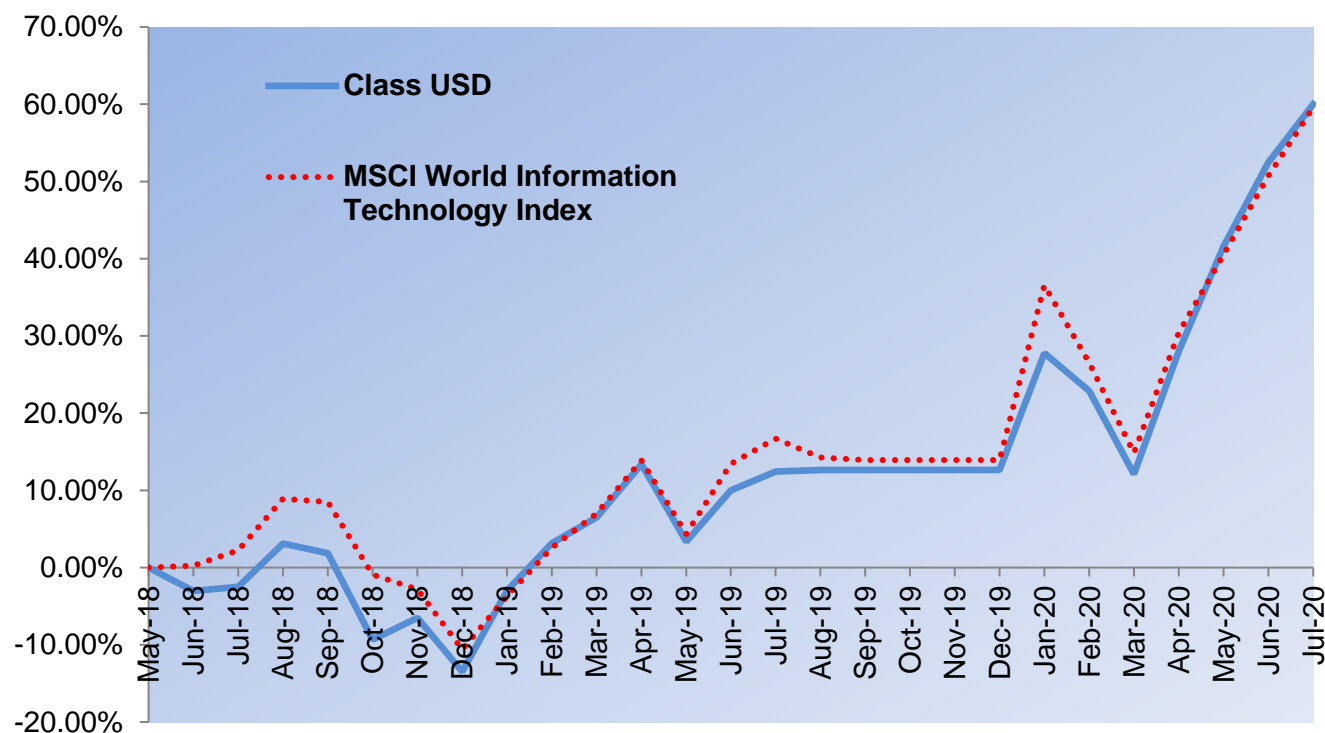


**Class SGD-H**



**FUND PERFORMANCE (CONTINUED)**

**Class USD**



**Changes in NAV**

**CLASS AUD-H**

	<b>31.07.2020</b>	<b>31.07.2019</b>	<b>Changes</b>
			<b>%</b>
NAV (USD Million)	16.90	8.59	96.74
NAV/Unit (USD)	1.0616	0.7654	38.70

**CLASS GBP-H**

	<b>31.07.2020</b>	<b>31.07.2019</b>	<b>Changes</b>
			<b>%</b>
NAV (USD Million)	4.46	3.04	46.71
NAV/Unit (USD)	1.9175	1.3350	43.63

**CLASS MYR-H**

	<b>31.07.2020</b>	<b>31.07.2019</b>	<b>Changes</b>
			<b>%</b>
NAV (USD Million)	133.59	42.82	>100.00
NAV/Unit (USD)	0.3607	0.2711	33.05

**PRINCIPAL GLOBAL TECHNOLOGY FUND**  
(formerly known as *CIMB-Principal Global Technology Fund*)

**FUND PERFORMANCE (CONTINUED)**

**Changes in NAV (continued)**

**CLASS SGD-H**

	<b>31.07.2020</b>	<b>31.07.2019</b>	<b>31.07.2019</b> %
NAV (USD Million)	7.72	4.94	56.28
NAV/Unit (USD)	1.0915	0.8072	35.22

**CLASS USD**

	<b>31.07.2020</b>	<b>31.07.2019</b>	<b>31.07.2019</b> %
NAV (USD Million)	14.56	5.90	>100.00
NAV/Unit (USD)	1.5515	1.1242	38.01

For the financial year under review, the Fund recorded positive net inflow from unit creations for Class AUD-H, Class GBP-H, Class MYR-H, Class SGD-H and Class USD. The increase in NAV was mainly attributed towards positive net creations during the financial year under review.

Meanwhile, the NAV per unit of all classes Class AUD-H, Class GBP-H, Class MYR-H, Class SGD-H, and Class USD saw positive growth of 38.70%, 43.63%, 33.05%, 35.22% and 38.01% respectively. The changes in NAV per unit is attributed towards the investment performance during the financial year under review.

At the time of reporting, Class MYR-H has the largest total NAV which stood at USD133.59 million.

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

**PORTFOLIO STRUCTURE**

**Asset allocation**

(% of NAV)	<b>31.07.2020</b>	<b>31.07.2019</b>
Collective investment scheme	89.78	90.16
Cash and other net assets	10.22	9.84
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

The Fund was fully invested during the financial year under review. A minimal level of liquid assets was maintained primarily for redemption purposes. At the reporting date, some material amount of creations was still sitting in receivables which will be invested in the collective investment schemes.

## MARKET OUTLOOK\*

While the global community is still reeling from the uncertainty of the new reality under the COVID-19 pandemic, we are encouraged by the tentative economic reboot that appears to be underway in many parts of the world. We believe the COVID-19 crisis is shining a bright light on the growing role of technology in our lives. COVID-19 driven imperatives around working from home, educating from home, e-commerce, remote health care, streaming media, contactless delivery and others have all become dramatically more important in 2020, and have accelerated many secular themes we see at the core of the IT and communication services sectors.

Other risks we are monitoring include the deteriorating US–China trade situation, for which there seems to be no let-up in tensions. The situation became even more challenged during the spring months as the Trump Administration imposed new licensing restrictions, which is creating incremental challenges for key Chinese suppliers across the semiconductor and semiconductor capital equipment industries (in particular those supplying Huawei Technology Co Ltd and Taiwan Semiconductor Manufacturing Company Ltd. Regulation is another area we are paying close attention to, in both the US and European Union, with recent investigations into the business practices of key digital leaders

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

## INVESTMENT STRATEGY

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

## UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 31 July 2020 are as follows:

### CLASS AUD-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	1	0.01	0.06
10,001 to 50,000	1	0.04	0.25
50,001 to 500,000	3	0.56	3.52
500,001 and above	5	15.31	96.17
<b>Total</b>	<b>11</b>	<b>15.92</b>	<b>100.00</b>

### CLASS GBP-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	4	0.09	3.86
50,001 to 500,000	1	0.12	5.15
500,001 and above	3	2.12	90.99
<b>Total</b>	<b>9</b>	<b>2.33</b>	<b>100.00</b>

**PRINCIPAL GLOBAL TECHNOLOGY FUND**  
(formerly known as CIMB-Principal Global Technology Fund)

**UNIT HOLDINGS STATISTICS (CONTINUED)**

**CLASS MYR-H**

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	-	-	-
5,001 to 10,000	142	1.14	0.31
10,001 to 50,000	343	7.80	2.10
50,001 to 500,000	210	25.37	6.85
500,001 and above	20	336.08	90.74
<b>Total</b>	<b>715</b>	<b>370.39</b>	<b>100.00</b>

**CLASS SGD-H**

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	-	-	-
5,001 to 10,000	1	0.01	0.14
10,001 to 50,000	1	0.04	0.56
50,001 to 500,000	4	0.66	9.33
500,001 and above	4	6.36	89.97
<b>Total</b>	<b>10</b>	<b>7.07</b>	<b>100.00</b>

**CLASS USD**

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	2	0.01	0.11
5,001 to 10,000	-	-	-
10,001 to 50,000	1	0.02	0.21
50,001 to 500,000	3	0.67	7.14
500,001 and above	4	8.68	92.54
<b>Total</b>	<b>10</b>	<b>9.38</b>	<b>100.00</b>

**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 review, the Manager and the Trustee did not receive any rebates from the brokers or dealers but the Manager has retained soft commissions 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 TECHNOLOGY FUND**  
*(formerly known as CIMB-Principal Global Technology 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 20 to 48 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 July 2020 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 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  
18 September 2020

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL GLOBAL TECHNOLOGY FUND**  
*(formerly known as CIMB-Principal Global Technology Fund)*

We have acted as Trustee for Principal Global Technology Fund *(formerly known as CIMB-Principal Global Technology Fund)* (the "Fund") for the financial year ended 31 July 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) limitations imposed on the investment powers of the Manager under the Deed(s), the Securities Commission's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation and 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  
14 September 2020

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL GLOBAL TECHNOLOGY FUND**  
*(formerly known as CIMB-Principal Global Technology Fund)*

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Our opinion

In our opinion, the financial statements of Principal Global Technology Fund *(formerly known as CIMB-Principal Global Technology Fund)* (the "Fund") give a true and fair view of the financial position of the Fund as at 31 July 2020, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 July 2020, and the statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the financial year then ended and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 20 to 48.

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 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 Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("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 TECHNOLOGY FUND (CONTINUED)**  
*(formerly known as CIMB-Principal Global Technology Fund)*

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises Manager's Report 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 of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards in Malaysia. The Manager is also responsible for such internal control as the Manager determine 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 intend to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL GLOBAL TECHNOLOGY FUND (CONTINUED)**  
*(formerly known as CIMB-Principal Global Technology Fund)*

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

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 scepticism throughout the audit. We also:

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL GLOBAL TECHNOLOGY FUND (CONTINUED)**  
*(formerly known as CIMB-Principal Global Technology Fund)*

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements (continued)

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.

**OTHER MATTERS**

This report is made solely to the unit holders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**PRICEWATERHOUSECOOPERS PLT**  
LLP0014401-LCA & AF 1146  
Chartered Accountants

Kuala Lumpur  
18 September 2020

**PRINCIPAL GLOBAL TECHNOLOGY FUND**  
(formerly known as *CIMB-Principal Global Technology Fund*)

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 31 JULY 2020**

	Note	01.08.2019 to 31.07.2020 USD	17.05.2018 (date of launch) to 31.07.2019 USD
<b>INCOME</b>			
Net gain on financial assets at fair value through profit or loss	7	39,641,318	8,798,247
Net loss on derivative assets at fair value through profit or loss	9	(878,207)	(2,179,814)
Net foreign exchange loss		<u>(156,540)</u>	<u>(55,890)</u>
		<u>38,606,571</u>	<u>6,562,543</u>
<b>EXPENSES</b>			
Management fee	4	1,812,519	1,073,226
Trustee's and custodian fees	5	52,003	35,774
Audit fee		2,300	2,646
Tax agent's fee		1,094	1,260
Other expenses		<u>12,413</u>	<u>8,016</u>
		<u>1,880,329</u>	<u>1,120,922</u>
<b>PROFIT BEFORE TAXATION</b>		36,726,242	5,441,621
Taxation	6	<u>-</u>	<u>-</u>
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>36,726,242</u>	<u>5,441,621</u>
Increase in net assets attributable to unit holders are made up as follows:			
Realised amount		6,170,721	(1,409,058)
Unrealised amount		<u>30,555,521</u>	<u>6,850,679</u>
		<u>36,726,242</u>	<u>5,441,621</u>

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

**PRINCIPAL GLOBAL TECHNOLOGY FUND**  
*(formerly known as CIMB-Principal Global Technology Fund)*

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JULY 2020**

	Note	2020 USD	2019 USD
<b>ASSETS</b>			
Cash and cash equivalents	8	17,888,427	2,568,925
Financial assets at fair value through profit or loss	7	159,119,628	58,857,755
Amount due from Manager of collective investment scheme			
- Management fee rebates		90,674	64,585
Derivative assets at fair value through profit or loss	9	1,058,226	-
Amount due from Manager		12,995,771	7,381,382
<b>TOTAL ASSETS</b>		<b>191,152,726</b>	<b>68,872,647</b>
<b>LIABILITIES</b>			
Derivative liabilities at fair value through profit or loss	9	-	417,513
Amount due to Manager of collective investment scheme			
- Purchase of collective investment scheme		10,500,000	1,000,000
Amount due to Manager		3,187,823	2,100,047
Accrued management fee		228,032	65,182
Amount due to Trustee		1,126	3,156
Other payables and accruals		4,286	3,905
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>		<b>13,921,267</b>	<b>3,589,803</b>
<b>NET ASSET VALUE OF THE FUND</b>		<b>177,231,459</b>	<b>65,282,844</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<b>177,231,459</b>	<b>65,282,844</b>

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



**PRINCIPAL GLOBAL TECHNOLOGY FUND**  
*(formerly known as CIMB-Principal Global Technology Fund)*

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 JULY 2020 (CONTINUED)**

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>USD</b>	<b>USD</b>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS (USD)</b>			
- Class AUD-H		16,899,942	8,589,746
- Class GBP-H		4,460,544	3,041,233
- Class MYR-H		133,587,792	42,815,228
- Class SGD-H		7,722,341	4,941,217
- Class USD		14,560,840	5,895,420
		<u>177,231,459</u>	<u>65,282,844</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
	<b>10</b>		
- Class AUD-H		15,919,902	11,223,090
- Class GBP-H		2,326,228	2,278,040
- Class MYR-H		370,386,761	157,924,371
- Class SGD-H		7,075,159	6,121,679
- Class USD		9,385,235	5,244,025
		<u>405,093,285</u>	<u>182,791,205</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>			
- Class AUD-H		1.0616	0.7654
- Class GBP-H		1.9175	1.3350
- Class MYR-H		0.3607	0.2711
- Class SGD-H		1.0915	0.8072
- Class USD		<u>1.5515</u>	<u>1.1242</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- Class AUD-H		1.4889	1.1102
- Class GBP-H		1.4703	1.0903
- Class MYR-H		1.5282	1.1183
- Class SGD-H		1.5023	1.1044
- Class USD		<u>1.5515</u>	<u>1.1242</u>

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

**PRINCIPAL GLOBAL TECHNOLOGY FUND**  
(formerly known as CIMB-Principal Global Technology Fund)

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2020**

	<b>01.08.2019 to 31.07.2020 USD</b>	<b>17.05.2018 (date of launch) to 31.07.2019 USD</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR/PERIOD</b>	65,282,844	-
Movement due to units created and cancelled during the financial year/period:		
Creation of units from applications		
- Class AUD-H	21,892,217	12,587,923
- Class GBP-H	7,663,626	6,967,018
- Class MYR-H	229,796,742	63,287,513
- Class SGD-H	10,113,275	6,690,131
- Class USD	<u>23,935,842</u>	<u>8,885,687</u>
	<u>293,401,702</u>	<u>98,418,272</u>
Cancellation of units		
- Class AUD-H	(18,722,715)	(4,340,544)
- Class GBP-H	(7,910,995)	(4,121,205)
- Class MYR-H	(163,439,251)	(24,139,805)
- Class SGD-H	(9,272,197)	(2,222,044)
- Class USD	<u>(18,834,171)</u>	<u>(3,753,451)</u>
	<u>(218,179,329)</u>	<u>(38,577,049)</u>
Increase in net assets attributable to unit holders during the financial year/period	<u>36,726,242</u>	<u>5,441,621</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR/PERIOD</b>	<u>177,231,459</u>	<u>65,282,844</u>

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

**PRINCIPAL GLOBAL TECHNOLOGY FUND**  
(formerly known as *CIMB-Principal Global Technology Fund*)

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 JULY 2020**

	<b>01.08.2019</b>	<b>17.05.2018</b>
	<b>to 31.07.2020</b>	<b>(date of launch)</b>
<b>Note</b>	<b>USD</b>	<b>to 31.07.2019</b>
	<b>USD</b>	<b>USD</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from disposal of collective investment scheme	59,410,000	12,260,000
Purchase of collective investment scheme	(111,200,000)	(61,725,000)
Management fee paid	(1,649,669)	(1,008,044)
Management fee rebates received	643,357	340,907
Trustee's and custodian fees paid	(54,033)	(32,618)
Payments for other fees and expenses	(15,426)	(8,017)
Net realised foreign exchange loss	(176,715)	(48,064)
Net realised loss on forward foreign currency contracts	(2,353,947)	(1,762,301)
<b>Net cash used in operating activities</b>	<b>(55,396,433)</b>	<b>(51,983,137)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from units created	287,815,899	91,026,070
Payments for cancellation of units	(217,100,640)	(36,473,334)
<b>Net cash generated from financing activities</b>	<b>70,715,259</b>	<b>54,552,736</b>
Net increase in cash and cash equivalents	15,318,826	2,569,599
Effects of foreign exchange differences	676	(674)
Cash and cash equivalents at the beginning of the financial year/period	2,568,925	-
Cash and cash equivalents at the end of the financial year/period	<b>8 17,888,427</b>	<b>2,568,925</b>
<u>Cash and cash equivalents comprised of:</u>		
Bank balances	17,888,427	2,568,925
Cash and cash equivalents at the end of the financial year/period	<b>8 17,888,427</b>	<b>2,568,925</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL 31 JULY 2020**

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

Principal Global Technology Fund (*formerly known as CIMB-Principal Global Technology Fund*) (the “Fund”) was constituted pursuant to the execution of a Deed dated 8 May 2018 and a First Supplemental Deed dated 31 December 2019 (collectively referred to as the “Deeds”) between Principal Asset Management Berhad and Deutsche Trustees Malaysia Berhad (the “Trustee”).

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

In order to achieve its investment objective, the Fund will invest at least 95% of its NAV in the Target Fund; a portfolio established on 4 March 2000 under the Franklin Templeton Investment Funds. The Fund will also maintain up to 5% of its NAV in liquid assets for liquidity purposes.

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

The Fund has changed its name from CIMB-Principal Global Technology Fund to Principal Global Technology Fund following the issuance of the Information Memorandum Issue No. 2 dated 31 December 2019.

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 and IFRS.

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 year.

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

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

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

**(a) Basis of preparation (continued)**

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 August 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 August 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 August 2020 to the financial statements of the Fund.

**(b) Financial assets and financial liabilities**

Classification

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

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

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

Investments in collective investment scheme are debt instruments with contractual cash flows that do not represent solely payment of principal and interest ("SPPI"), and therefore are classified as fair value through profit or loss.

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

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

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

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

Classification (continued)

The Fund classifies amount due to Manager of collective investment scheme, 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.

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 the fair value of the financial assets at fair value through profit or loss are presented in the statement of comprehensive income within net gain or loss on financial assets at fair value through profit or loss in the financial year which they arise.

Collective investment scheme is valued based on the most recent published NAV per unit or share of such collective investment scheme or, if unavailable, the last published price of such unit or share (excluding any sales charge included in such selling price).

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

Impairment for assets carried at amortised costs

The Fund measures credit risk and expected credit losses (“ECL”) using probability of default, exposure at default and loss given default. The Manager considers both historical analysis and forward looking information in determining any ECL. The Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month ECL as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by the Manager as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

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

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

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

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial year.

**(c) Income recognition**

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

**(d) Other income**

Management fee rebate is derived from the Manager and the Manager of the collective investment scheme on an accrual basis to ensure no double charging of management fee. It is accrued daily based on the fair value of collective investment scheme held.

**(e) Foreign currency**

Functional and presentation currency

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

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

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

Transactions and balances

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

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

**(f) 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.

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

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

**(h) Taxation**

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

Tax on income from foreign quoted securities and collective investment schemes are based on the tax regime of the respective countries that the Fund invests in.

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

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

**(j) Realised and unrealised portions of increase/decrease in net assets attributable to unit holders**

The analysis of realised and unrealised portions profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.



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

**(k) Amount due to Manager of collective investment scheme (purchase of investment)**

Amount due to Manager of collective investment scheme represent payables for collective investment scheme 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 Manager of collective investment scheme 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 Manager of collective investment scheme 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 the Manager 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.

**(l) 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).

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

**(m) Critical accounting estimates and judgements in applying accounting policies**

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

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

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

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

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

Financial instruments of the Fund are as follows:

	<b>Financial assets at fair value through profit or loss USD</b>	<b>Financial assets at amortised cost USD</b>	<b>Total USD</b>
<b>2020</b>			
Cash and cash equivalents (Note 8)	-	17,888,427	17,888,427
Collective investment scheme (Note 7)	159,119,628	-	159,119,628
Amount due from Manager of collective investment scheme			
- Management fee rebates	-	90,674	90,674
Derivative assets at fair value through profit or loss (Note 9)	1,058,226	-	1,058,226
Amount due from Manager	-	12,995,771	12,995,771
	<u>160,177,854</u>	<u>30,974,872</u>	<u>191,152,726</u>
<b>2019</b>			
Cash and cash equivalents (Note 8)	-	2,568,925	2,568,925
Collective investment scheme (Note 7)	58,857,755	-	58,857,755
Amount due from Manager of collective investment scheme			
- Management fee rebates	-	64,585	64,585
Amount due from Manager	-	7,381,382	7,381,382
	<u>58,857,755</u>	<u>10,014,892</u>	<u>68,872,647</u>

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

The Fund aims to provide capital appreciation through investments in one collective investment scheme, which invests primarily in a diversified portfolio of technology related companies.

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

**(a) Market risk**

**(i) Price risk**

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

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

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

**(a) Market risk (continued)**

**(i) Price risk (continued)**

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

	<b>2020</b>	<b>2019</b>
	<b>USD</b>	<b>USD</b>
Financial assets at fair value through profit or loss:		
- Collective investment scheme	159,119,628	58,857,755

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

<b>% Change in price of collective investment scheme</b>	<b>Market value USD</b>	<b>Impact on profit or loss/NAV USD</b>
<b>2020</b>		
-5%	151,163,647	(7,955,981)
0%	159,119,628	-
5%	167,075,609	7,955,981
<b>2019</b>		
-5%	55,914,867	(2,942,888)
0%	58,857,755	-
5%	61,800,643	2,942,888

**(ii) Currency risk**

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 TECHNOLOGY FUND**  
(formerly known as CIMB-Principal Global Technology 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	Amount due from Manager USD	Derivative assets at fair value through profit or loss USD	Total USD
<b>2020</b>				
AUD	11,946	1,463,405	172,869	1,648,220
GBP	2,172	73,582	121,148	196,902
MYR	5,541,675	9,349,358	690,809	15,581,842
SGD	310,793	485,971	73,400	870,164
	<u>5,866,586</u>	<u>11,372,316</u>	<u>1,058,226</u>	<u>18,297,128</u>

	Cash and cash equivalents USD	Amount due from Manager USD	Total USD
<b>2019</b>			
AUD	146,757	583,323	730,080
GBP	1,753	37,868	39,621
MYR	182,365	6,146,521	6,328,886
SGD	17,634	358,208	375,842
	<u>348,509</u>	<u>7,125,920</u>	<u>7,474,429</u>

**Financial liabilities**

	Amount due to Manager USD	Other payables and accruals USD	Net assets attributable to unit holders USD	Total USD
<b>2020</b>				
AUD	910,971	-	16,899,942	17,810,913
GBP	79,783	-	4,460,544	4,540,327
MYR	1,641,691	4,286	133,587,792	135,233,769
SGD	478,546	-	7,722,341	8,200,887
	<u>3,110,991</u>	<u>4,286</u>	<u>162,670,619</u>	<u>165,785,896</u>

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

**(a) Market risk (continued)**

**(i) Currency risk (continued)**

**Financial liabilities**

	Derivative liabilities at fair value through profit or loss USD	Amount due to Manager USD	Other payables and accruals USD	Net assets attributable to unit holders USD	Total USD
<b>2019</b>					
AUD	179,503	61,603	-	8,589,746	8,830,852
GBP	63,796	25,147	-	3,041,233	3,130,176
MYR	143,412	1,638,809	3,905	42,815,228	44,601,354
SGD	30,802	236,086	-	4,941,217	5,208,105
	<u>417,513</u>	<u>1,961,645</u>	<u>3,905</u>	<u>59,387,424</u>	<u>61,770,487</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 year. 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 or loss/ NAV USD
<b>2020</b>		
AUD	-/+ 5	-/+ 808,135
GBP	-/+ 5	-/+ 217,171
MYR	-/+ 5	-/+ 5,982,382
SGD	-/+ 5	-/+ 366,536
		<u>-/+7,374,224</u>
<b>2019</b>		
AUD	-/+ 5	-/+ 405,039
GBP	-/+ 5	-/+ 154,528
MYR	-/+ 5	-/+ 1,913,623
SGD	-/+ 5	-/+ 241,613
		<u>-/+ 2,714,803</u>

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

**(b) Credit risk**

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

For amount due from Manager, the settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

The following table sets out the credit risk concentration of the Fund:

	<b>Cash and cash equivalents USD</b>	<b>Amount due from Manager of collective investment scheme USD</b>	<b>Amount due from Manager USD</b>	<b>Total USD</b>
<b>2020</b>				
- AA1	17,888,427	-	-	17,888,427
- Not Rated	-	90,674	12,995,771	13,086,445
	<u>17,888,427</u>	<u>90,674</u>	<u>12,995,771</u>	<u>30,974,872</u>
<b>2019</b>				
- AA1	2,568,925	-	-	2,568,925
- Not Rated	-	64,585	7,381,382	7,445,967
	<u>2,568,925</u>	<u>64,585</u>	<u>7,381,382</u>	<u>10,014,892</u>

**(c) Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations.

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances and other instruments, which are capable of being converted into cash within 7 business days.

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.

**PRINCIPAL GLOBAL TECHNOLOGY FUND**  
(formerly known as CIMB-Principal Global Technology Fund)

**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 year as at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	<b>Less than 1 month USD</b>	<b>Between 1 month to 1 year USD</b>	<b>Total USD</b>
<b>2020</b>			
Amount due to Manager of collective investment scheme	10,500,000	-	10,500,000
Amount due to Manager	3,187,823	-	3,187,823
Accrued management fee	228,032	-	228,032
Amount due to Trustee	1,126	-	1,126
Other payables and accruals	-	4,286	4,286
Net assets attributable to unit holders*	<u>177,231,459</u>	<u>-</u>	<u>177,231,459</u>
<b>Contractual undiscounted cash flows</b>	<u>191,148,440</u>	<u>4,286</u>	<u>191,152,726</u>
<b>2019</b>			
Amount due to Manager of collective investment scheme	1,000,000	-	1,000,000
Amount due to Manager	2,100,047	-	2,100,047
Accrued management fee	65,182	-	65,182
Amount due to Trustee	3,156	-	3,156
Derivative liabilities at fair value through profit or loss	417,513	-	417,513
Other payables and accruals	-	3,905	3,905
Net assets attributable to unit holders*	<u>65,282,844</u>	<u>-</u>	<u>65,282,844</u>
<b>Contractual undiscounted cash flows</b>	<u>68,868,742</u>	<u>3,905</u>	<u>68,872,647</u>

\* 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.



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

**(d) Capital risk management**

The capital of the Fund is represented by net asset attributable to unit holders of USD177,231,459 (2019: USD65,282,844). The amount of capital can change significantly on a daily basis as the Fund is subjected 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 holder and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

**(e) Fair value estimation**

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

The fair 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 year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded market 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 and liabilities that are not traded in an active market is determined by using valuation techniques.

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

**(e) Fair value estimation (continued)**

**(i) Fair value hierarchy**

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

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

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

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

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

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

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

**(e) Fair value estimation (continued)**

**(i) Fair value hierarchy (continued)**

	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>2020</b>				
Financial asset at fair value through profit or loss:				
- Collective investment scheme	159,119,628	-	-	159,119,628
- Derivative assets	-	1,058,226	-	1,058,226
	<u>159,119,628</u>	<u>1,058,226</u>	<u>-</u>	<u>160,177,854</u>
<b>2019</b>				
Financial asset at fair value through profit or loss:				
- Collective investment scheme	<u>58,857,755</u>	<u>-</u>	<u>-</u>	<u>58,857,755</u>
Financial liability at fair value through profit or loss:				
- Derivative liabilities	<u>-</u>	<u>(417,513)</u>	<u>-</u>	<u>(417,513)</u>

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

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted fixed income securities and 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.

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

**4. MANAGEMENT FEE**

In accordance with the Deeds, the Manager is entitled to a fee of up to 3.00% per annum, calculated and accrued daily based on the NAV of the Fund.

For the financial year ended 31 July 2020 and 31 July 2019, the management fee for the respective classes is recognised at the following rates:

<b>Class AUD-H</b>	<b>CLASS GBP-H</b>	<b>Class MYR-H</b>	<b>Class SGD-H</b>	<b>Class USD</b>
1.80%	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 FEE**

In accordance with the Deed, the Trustee is entitled to a fee up to 0.20% per annum, calculated and accrued daily based on the NAV of the Fund. The Trustee's fee includes local custodian fees and charges but excludes foreign sub-custodian fees and charges.

For the financial year ended 31 July 2020, the Trustee's fee is recognised at a rate of 0.06% per annum (2019: 0.06% per annum) for each unit class.

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

**6. TAXATION**

	<b>01.08.2019 to 31.07.2020</b>	<b>17.05.2018 (date of launch) to 31.07.2019</b>
	<b>USD</b>	<b>USD</b>
Tax charged for the financial year/period:		
- Current taxation	-	-

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

	<b>01.08.2019 to 31.07.2020</b>	<b>17.05.2018 (date of launch) to 31.07.2019</b>
	<b>USD</b>	<b>USD</b>
Profit before taxation	36,726,242	5,441,621
Taxation at Malaysian statutory rate of 24%	8,814,298	1,305,989
Tax effects of:		
- Income not subject to tax	(9,104,910)	(1,575,010)
- Expenses not deductible for tax purposes	15,353	10,355
- Restriction on tax deductible expenses for Wholesale Funds	275,259	258,666
Taxation	-	-

**PRINCIPAL GLOBAL TECHNOLOGY FUND**  
(formerly known as CIMB-Principal Global Technology Fund)

**7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>2020</b>	<b>2019</b>
	<b>USD</b>	<b>USD</b>
At fair value through profit or loss:		
- Collective investment scheme	<u>159,119,628</u>	<u>58,857,755</u>
	<b>01.08.2019</b>	<b>17.05.2018</b>
	<b>to 31.07.2020</b>	<b>(date of launch)</b>
	<b>USD</b>	<b>to 31.07.2019</b>
		<b>USD</b>
Net gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	9,912,266	1,116,737
- Unrealised fair value gain	29,059,606	7,276,018
- Management fee rebate #	<u>669,446</u>	<u>405,492</u>
	<u><u>39,641,318</u></u>	<u><u>8,798,247</u></u>

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

For the financial year ended 31 July 2020, other income is recognised at a rate of 0.70% per annum (2019: 0.70% per annum) calculated and accrued daily based on the NAV of the collective investment scheme.

<b>Name of counter</b>	<b>Quantity</b>	<b>Aggregate cost</b>	<b>Market value</b>	<b>Percentage of NAV</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>%</b>
<b>2020</b>				
<b>COLLECTIVE INVESTMENT SCHEME</b>				
Franklin Technology I ACC USD	<u>3,565,306</u>	<u>122,784,004</u>	<u>159,119,628</u>	<u>89.78%</u>
<b>TOTAL COLLECTIVE INVESTMENT SCHEME</b>	<u><u>3,565,306</u></u>	<u><u>122,784,004</u></u>	<u><u>159,119,628</u></u>	<u><u>89.78%</u></u>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u><u>36,335,624</u></u>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u><u>159,119,628</u></u>		

**PRINCIPAL GLOBAL TECHNOLOGY FUND**  
*(formerly known as CIMB-Principal Global Technology Fund)*

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

Name of counter	Quantity USD	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2019 COLLECTIVE INVESTMENT SCHEME</b>				
Franklin Technology I ACC USD	<u>1,859,645</u>	<u>51,581,737</u>	<u>58,857,755</u>	<u>90.16</u>
<b>TOTAL COLLECTIVE INVESTMENT SCHEME</b>	<b><u>1,859,645</u></b>	<b><u>51,581,737</u></b>	<b><u>58,857,755</u></b>	<b><u>90.16</u></b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>7,276,018</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>58,857,755</u></b>		

**8. CASH AND CASH EQUIVALENTS**

	<b>2020 USD</b>	<b>2019 USD</b>
Bank balances	<u>17,888,427</u>	<u>2,568,925</u>

**PRINCIPAL GLOBAL TECHNOLOGY FUND**  
*(formerly known as CIMB-Principal Global Technology Fund)*

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

	<b>2020</b>	<b>2019</b>
	<b>USD</b>	<b>USD</b>
Forward foreign currency contracts	<u>1,058,226</u>	<u>(417,513)</u>

As at 31 July 2020, there are total of 20 outstanding USD/Australian Dollar (“AUD”), USD/Great Britain Pound (“GBP”), USD/Malaysian Ringgit (“MYR”) and USD/Singapore Dollar (“SGD”) forward foreign currency contracts. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD161,019,036.

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

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

Net fair value loss on derivative liabilities at fair value through profit or loss:

	<b>01.08.2019 to 31.07.2020</b>	<b>17.05.2018 (date of launch) to 31.07.2019</b>
	<b>USD</b>	<b>USD</b>
Net realised loss on forward foreign currency contracts	(2,353,947)	(1,762,301)
Net unrealised gain/(loss) on forward foreign currency contracts	<u>1,475,740</u>	<u>(417,513)</u>
	<u>(878,207)</u>	<u>(2,179,814)</u>

**10. NUMBER OF UNITS IN CIRCULATION (UNITS)**

	<b>01.08.2019 to 31.07.2020</b>	<b>17.05.2018 (date of launch) to 31.07.2019</b>
	<b>No. of units</b>	<b>No. of units</b>
Class AUD-H (i)	15,919,902	11,223,090
Class GBP-H (ii)	2,326,228	2,278,040
Class MYR-H (iii)	370,386,761	157,924,371
Class SGD-H (iv)	7,075,159	6,121,679
Class USD (v)	<u>9,385,235</u>	<u>5,244,025</u>
	<u>405,093,285</u>	<u>182,791,205</u>

**PRINCIPAL GLOBAL TECHNOLOGY FUND**  
(formerly known as *CIMB-Principal Global Technology Fund*)

**10. NUMBER OF UNITS IN CIRCULATION (UNITS) (CONTINUED)**

(i)	Class AUD-H	<b>01.08.2019 to 31.07.2020</b>	<b>17.05.2018 (date of launch) to 31.07.2019</b>
		<b>No. of units</b>	<b>No. of units</b>
	At the beginning of the financial year/period	11,223,090	-
	Add : Creation of units from applications	26,430,731	16,942,784
	Less: Cancellation of units	<u>(21,733,919)</u>	<u>(5,719,694)</u>
	At the end of the financial year/period	<u>15,919,902</u>	<u>11,223,090</u>
(ii)	Class GBP-H	<b>01.08.2019 to 31.07.2020</b>	<b>17.05.2018 (date of launch) to 31.07.2019</b>
		<b>No. of units</b>	<b>No. of units</b>
	At the beginning of the financial year/period	2,278,040	-
	Add : Creation of units from applications	5,003,242	5,250,883
	Less: Cancellation of units	<u>(4,955,054)</u>	<u>(2,972,843)</u>
	At the end of the financial year/period	<u>2,326,228</u>	<u>2,278,040</u>
(iii)	Class MYR-H	<b>01.08.2019 to 31.07.2020</b>	<b>17.05.2018 (date of launch) to 31.07.2019</b>
		<b>No. of units</b>	<b>No. of units</b>
	At the beginning of the financial year/period	157,924,371	-
	Add : Creation of units from applications	750,122,754	251,503,384
	Less: Cancellation of units	<u>(537,660,364)</u>	<u>(93,579,013)</u>
	At the end of the financial year/period	<u>370,386,761</u>	<u>157,924,371</u>
(iv)	Class SGD-H	<b>01.08.2019 to 31.07.2020</b>	<b>17.05.2018 (date of launch) to 31.07.2019</b>
		<b>No. of units</b>	<b>No. of units</b>
	At the beginning of the financial year/period	6,121,679	-
	Add : Creation of units from applications	11,212,287	8,905,034
	Less: Cancellation of units	<u>(10,258,807)</u>	<u>(2,783,355)</u>
	At the end of the financial year/period	<u>7,075,159</u>	<u>6,121,679</u>



**10. NUMBER OF UNITS IN CIRCULATION (UNITS) (CONTINUED)**

(v) Class USD

	<b>01.08.2019 to 31.07.2020</b>	<b>17.05.2018 (date of launch) to 31.07.2019</b>
	<b>No. of units</b>	<b>No. of units</b>
At the beginning of the financial year/period	5,244,025	-
Add : Creation of units from applications	19,192,715	8,701,992
Less: Cancellation of units	(15,051,505)	(3,457,967)
At the end of the financial year/period	9,385,235	5,244,025

**11. MANAGEMENT EXPENSE RATIO (“MER”)**

	<b>01.08.2019 to 31.07.2020</b>	<b>17.05.2018 (date of launch) to 31.07.2019</b>
	<b>%</b>	<b>%</b>
MER	1.20	1.38

MER is derived based on the following calculation:

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

- A = Management fee (excluding management fee rebate)
- B = Trustee’s fee
- C = Audit fee
- D = Tax agent’s fee
- E = Other expenses
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year/period calculated on a daily basis is USD100,688,961(2019: USD51,807,347).

**12. PORTFOLIO TURNOVER RATIO (“PTR”)**

	<b>01.08.2019 to 31.07.2020</b>	<b>17.05.2018 (date of launch) to 31.07.2019</b>
PTR (times)	0.89	0.72

PTR is derived based on the following calculation:

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

where:

- total acquisition for the financial year/period =USD120,700,000 (2019: USD62,725,000)
- total disposal for the financial year/period =USD59,410,000 (2019: USD12,260,000)

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

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

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

Units held by the Manager and parties related to the Manager

	<u>2020</u>		<u>2019</u>	
	<u>No. of units</u>	<u>USD</u>	<u>No. of units</u>	<u>USD</u>
<b>Manager</b>				
Principal Asset Management Berhad				
- Class AUD-H	4,129	4,383	1,519	1,162
- Class GBP-H	159	306	1	1
- Class MYR-H	92,844	33,489	82,663	22,410
- Class SGD-H	5,694	6,215	1,899	1,533
- Class USD	3,327	5,163	4,192	4,713

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

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

Other than those disclosed elsewhere in the financial statements, there are no significant related party transactions and balances for the financial year/period.

**14. TRANSACTIONS WITH BROKER/DEALER**

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

<b>Broker/Dealer</b>	<b>Value of trades USD</b>	<b>Percentage of total trades %</b>	<b>Brokerage Fees USD</b>	<b>Percentage of total brokerage fees %</b>
Franklin Templeton Investments	<u>180,110,000</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

Details of transactions with the broker/dealer for the financial period from 17 May 2018 (date of launch) to 31 July 2019 are as follows:

<b>Broker/Dealer</b>	<b>Value of trades USD</b>	<b>Percentage of total trades %</b>	<b>Brokerage Fees USD</b>	<b>Percentage of total brokerage fees %</b>
Franklin Templeton Investments	<u>74,985,000</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

**15. SIGNIFICANT EVENT DURING THE YEAR**

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

The Manager is 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 18 September 2020.

## DIRECTORY

### Head Office of the Manager

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

### Website

[www.principal.com.my](http://www.principal.com.my)

### E-mail address

[service@principal.com.my](mailto:service@principal.com.my)

### Customer Care Centre

(03) 7718 3000

### Trustee for the Principal Global Technology Fund (formerly known as CIMB-Principal Global Technology 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 and of the Manager

PricewaterhouseCoopers PLT (Company No.: 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

**Principal Asset Management Berhad**  
**199401018399 (304078-K)**

Enquiries:

Customer Care Centre  
(603)7718 3000

Email  
[service@principal.com.my](mailto:service@principal.com.my)

Website  
[www.principal.com.my](http://www.principal.com.my)