Principal®

Principal Global Titans Fund

Annual Report

For The Financial Year Ended 31 March 2023

In alliance with CIMB

PRINCIPAL GLOBAL TITANS FUND

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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INVESTORS' LETTER

Dear Valued Investor,

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

We are pleased to bring you a copy of the Annual Fund Report of the Principal Global Titans Fund for the financial year ended 31 March 2023. You may also download this report from our website at www.principal.com.my.

We are pleased to share that we continue to win accolades – the most recent recognition coming from the Refinitiv Lipper Fund Awards 2023 with five awards where Principal Asia Titans Fund won Best Equity Asia Pacific ex-Japan (Provident) in the 10-year category, while Principal Islamic Asia Pacific Dynamic Equity won the same award in the Islamic universe in the three-, five- and 10-year categories. Principal Global Titans MYR won the Best Equity Global (Malaysia) award in the five-year category.

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

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

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

Munirah Khairuddin
Chief Executive Officer

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?
The Fund aims to grow the value of Unit holders' investments over the medium to long term in an equity fund that invests in the global titans market of the US, Europe and Japan with an exposure to Malaysian equities market to balance any short term volatilities.

Has the Fund achieved its objective?
For the financial year under review, the Fund performed in line with its objective as stated under the Fund Performance section.

What are the Fund investment policy and principal investment strategy?
The Fund will invest at least 50% of its Net Asset Value ("NAV") in at least three (3) collective investment schemes ("CIS"), subject to a maximum of 98% of its NAV. The Fund may invest in Malaysian securities but only up to 50% of its NAV. The Fund seeks to give investors a broad exposure to three (3) major global developed markets. This will be achieved by investing in collective investment schemes which invest into these three (3) markets (US, Europe and Japan). The Fund will at all times be invested in the CIS, each covering separate geographic regions thus providing diversification and allowing a greater spread of risk. The allocation between the CIS is done through a combination of macroeconomic data, liquidity trends and the outlook to overweight or underweight a particular CIS. This enables the Fund to exploit the investment opportunities provided by developed economies, which are not found in the emerging markets ("EM").

The asset allocation strategy for the Fund is as follows:

- between 50% to 98% (both inclusive) of the Fund's NAV in collective investment schemes with exposure in US, Europe and Japan; and
- investments in Malaysian securities: up to 50% of the Fund's NAV.

The Manager has appointed Principal Asset Management (S) Pte Ltd ("Principal Singapore"), a company incorporated in Singapore, as the Sub-Manager of the Fund. The Sub-Manager will be responsible for investing and managing the Fund in accordance with the investment objective and within the investment restrictions.

Fund category/type
Equity/Growth

When was the Fund launched?

Name of Class	Launch Date
Class Malaysian Ringgit ("MYR")	18 July 2005
Class US Dollar ("USD")	25 January 2017

What was the size of the Fund as at 31 March 2023?
RM645.80 million (826.57 million units)

What is the Fund's benchmark?
A composite comprising 42% Standard & Poor's 500 ("S&P 500") + 36% Morgan Stanley Capital International ("MSCI") Europe + 12% MSCI Japan + 10% CIMB Bank 1-Month Fixed Deposit Rate

Note: The benchmark is customized as such to align it closer to the structure of the portfolio and the objective of the Fund. Thus, investors are cautioned that the risk profile of the Fund is higher than investing in fixed deposits.

What is the Fund distribution policy?
Given the Fund's investment objective, the Fund is not expected to pay any distribution. However, 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.

FUND OBJECTIVE AND POLICY (CONTINUED)

What was the net income distribution for the financial year ended 31 March 2023?
The Fund distributed a total net income of RM18.89 million to unit holders for the financial year ended 31 March 2023.

The Fund's NAV per unit were as follows:

Date	NAV per unit (before distribution) RM	NAV per unit (after distribution) RM
Distribution on 18 October 2022		
Class MYR	0.7381	0.7157
Class USD	1.0594	1.0273

Breakdown of distribution were as follows:

	RM	%
Income	18,888,448	100.00
Capital	-	-
Total	18,888,448	100.00

PERFORMANCE DATA

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

	31.03.2023 %	31.03.2022 %	31.03.2021 %
Collective investment schemes	95.55	90.44	93.96
Cash and other assets	4.83	11.76	7.45
Liabilities	(0.38)	(2.20)	(1.41)
	100.00	100.00	100.00

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

	31.03.2023	31.03.2022	31.03.2021
NAV (RM Million)			
- Class MYR	640.29	730.08	385.15
- Class USD	5.51	7.91	1.01
Units in circulation (Million)			
- Class MYR	825.52	901.42	483.51
- Class USD	1.05	1.44	0.19
NAV per unit (RM)			
- Class MYR	0.7756	0.8099	0.7965
- Class USD	5.2484	5.4805	5.3904
Highest NAV per unit (RM)			
- Class MYR	0.8155	0.8918	0.7972
- Class USD	5.5184	6.0351	5.3948
Lowest NAV per unit (RM)			
- Class MYR	0.7025	0.7394	0.5857
- Class USD	4.7537	5.0038	3.9635

PERFORMANCE DATA (CONTINUED)

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

	31.03.2023	31.03.2022	31.03.2021
Total return (%)			
- Class MYR	(1.25)	4.92	36.90
- Class USD	(5.96)	3.42	42.67
Capital growth (%)			
- Class MYR	(4.25)	1.67	32.94
- Class USD	(8.81)	0.22	38.56
Income distribution (%)			
- Class MYR	3.13	3.19	3.16
- Class USD	3.13	3.19	3.29
Total Expense Ratio ("TER") (%) ^	1.79	1.70	1.69
Portfolio Turnover Ratio ("PTR") (times) #	0.32	0.48	0.82

^ The Fund's TER increased from 1.70% to 1.79% due to increased in average NAV during the financial year under review.

The Fund's PTR decreased from 0.48 times to 0.32 times during the financial year under review.

Date of distribution			
Gross/Net distribution per unit (sen)			
Distribution on 18 October 2022			
- Class MYR	2.24	-	-
- Class USD	3.21	-	-
Distribution on 07 October 2021			
- Class MYR	-	2.64	
- Class USD	-	17.87	
Distribution on 27 October 2020			
- Class MYR	-	-	2.20
- Class USD	-	-	14.87

	31.03.2023	31.03.2022	31.03.2021	31.03.2020	31.03.2019
	%	%	%	%	%
Annual total return					
- Class MYR	(1.25)	4.92	36.90	(3.35)	4.87

(Launch date: 18 July 2005)

	31.03.2023	31.03.2022	31.03.2021	31.03.2020	31.03.2019
	%	%	%	%	%
Annual total return					
- Class USD	(5.96)	3.42	42.67	(8.64)	(0.77)

(Launch date: 25 January 2017)

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 APRIL 2022 TO 31 MARCH 2023)

Developed markets ended slightly higher after US and Europe banking turmoil stabilized. Standard & Poor's ("S&P500"), MSCI Europe and MSCI Japan increased by 3.5%, 2% and 0.6% respectively, in local currency terms. The European Central Bank ("ECB") increased interest rate by 50 basis points ("bps") as expected but dropped guidance on future rate hikes. US Federal Reserve (the "Fed") hiked interest rate by 25 bps with moderating inflation and banking turmoil. The USD weakened by 2.3% with Euro and Japanese Yen appreciated by 3.2% and 2.6% respectively.

FUND PERFORMANCE

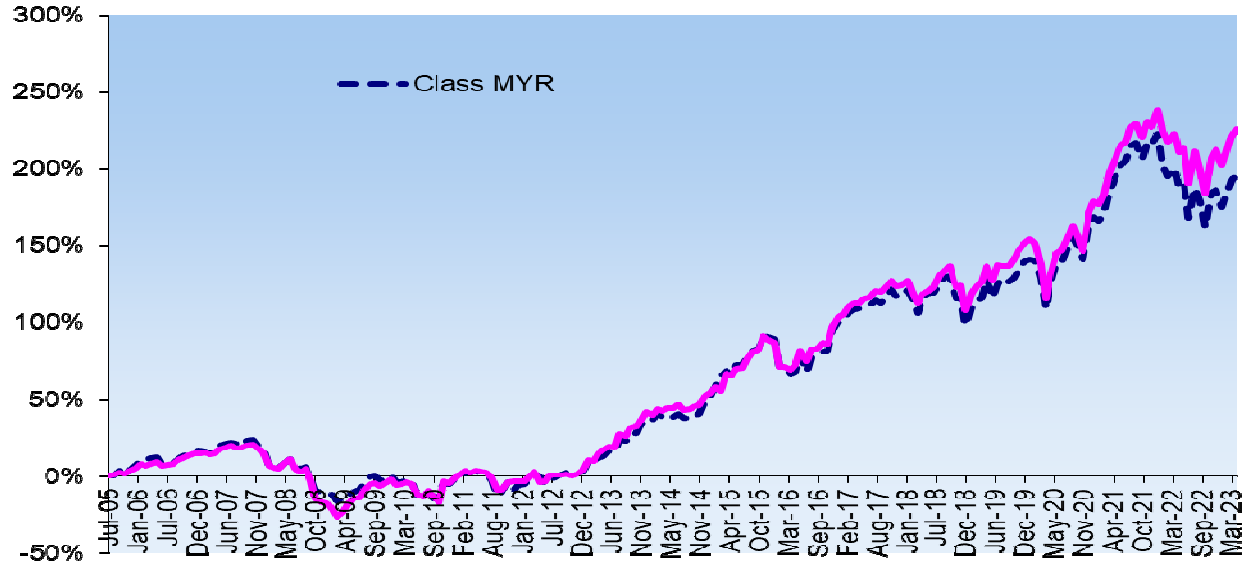
Class MYR	1 year to 31.03.2023 %	3 years to 31.03.2023 %	5 years to 31.03.2023 %	Since inception to 31.03.2023 %
Income Distribution	3.13	9.78	13.07	29.34
Capital Growth	(4.25)	29.19	27.14	129.07
Total Return	(1.25)	41.83	43.76	196.28
Benchmark	0.88	50.83	52.97	225.47
Average Total Return	(1.25)	12.35	7.53	6.32

Class USD	1 year to 31.03.2023 %	3 years to 31.03.2023 %	5 years to 31.03.2023 %	Since inception to 31.03.2023 %
Income Distribution	3.13	9.78	13.07	13.07
Capital Growth	(8.81)	26.40	11.26	18.90
Total Return	(5.96)	38.76	25.80	34.44
Benchmark	0.88	50.83	52.97	57.35
Average Total Return	6.65	11.39	9.83	6.79

For the financial year end as at 31.03.2023, the Class MYR declined by 1.25%, underperforming the benchmark which increased by 0.88%. For Class USD, the Fund declined by 5.96%, underperforming the benchmark which increased by 0.88%.

Since inception

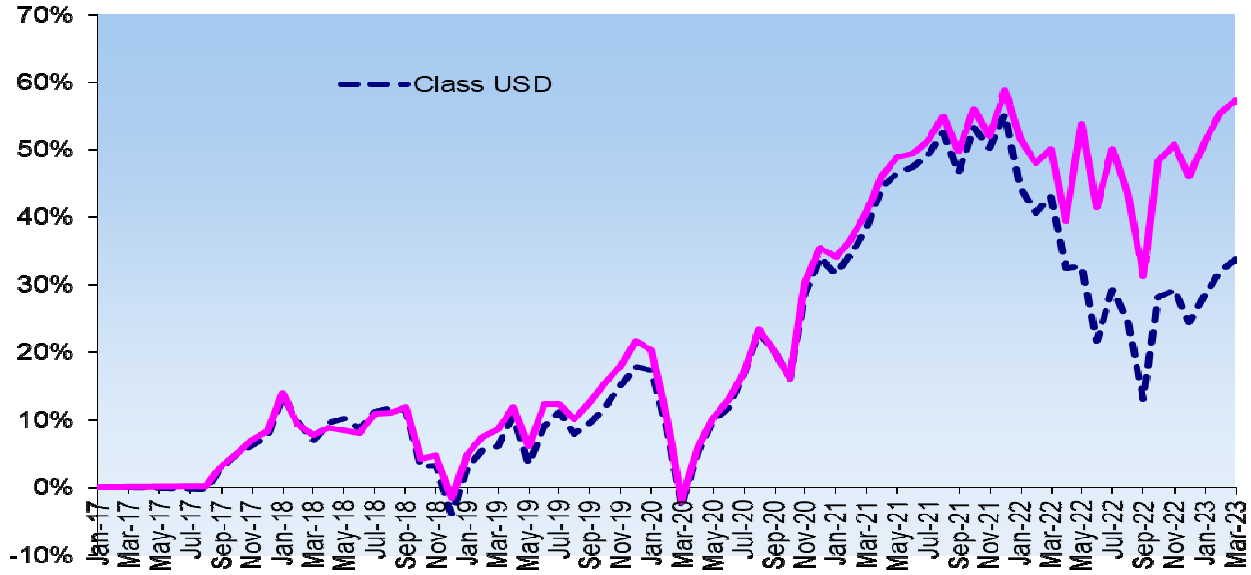
Class MYR



FUND PERFORMANCE (CONTINUED)

Since inception

Class USD



Changes in NAV

	31.03.2023	31.03.2022	Changes %
CLASS MYR			
NAV (RM Million)	640.29	730.08	(12.30)
NAV/Unit (RM)	0.7756	0.8099	(4.24)
CLASS USD			
NAV (RM Million)	5.51	7.91	(30.34)
NAV/Unit (RM)	5.2484	5.4805	(4.24)

The decrease in NAV per unit for class MYR and class USD by 4.24% was because of the fund's negative performance as well as outflows.

As at end 31 March 2023, the total NAV of Class MYR stood at RM640.29 million. The total NAV of class USD stood at RM5.51 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)	31.03.2023	31.03.2022
Collective investment schemes	95.55	90.44
Cash and other assets	4.83	11.76
Liabilities	(0.38)	(2.20)
Total	**100.00**	**100.00**

The allocation into collective investment schemes increased to 95.55%, reflecting the overall overweight exposure in global equities at the end of the assessment period.

MARKET OUTLOOK*

Bulk of the Fed heavy lifting is done. By the end of the year, the Fed would have raised interest rates by 425 bps in 2022. There is probably about 75 bps to 125 bps of rate hikes left to be done in 2023. Inflation would start to ease in earnest in first half of 2023 ("1H2023"), as global economy slows in response to aggressive monetary tightening. Fed's credibility would be restored as inflation comes under control.

* 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") are 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

We reduce Europe to Slight OW because of its higher exposure to financial sector and remain Neutral on US and Japan. We maintain our view that inflation should continue to moderate in 2023 and we are moving closer to a pause in central bank interest rate hiking. Lending conditions may continue to tighten due to the stress in the banking sector. This may weigh on economic growth and corporate earnings would come under pressure. Our underlying funds have focused on high quality companies with sustainable earnings growth, which would outperform under a softer global economy. We also keep the commodity ETFs which we expect to benefit from China's economic recovery (categorized under US).

SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (the "Manager") and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Principal Malaysia Funds ("Funds") unless the soft commission received is retained in the form of goods and services such as research and advisory services that assists in the decision making process relating to the Fund's investments. All dealings with brokers are executed on best available terms.

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

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIR OF THE FUND

Latest changes to the Statement by Manager's signatory as follows:

Mr. Juan Ignacio Eyzaguirre Baraona (retired on 30 June 2022)
Mr. Uday Jayaram (appointed on 30 June 2022)

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

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

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

CROSS TRADE

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

UNIT SPLIT

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

STATEMENT BY MANAGER TO THE UNIT HOLDERS OF PRINCIPAL GLOBAL TITANS FUND

We, being the Directors of Principal Asset Management Berhad (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 7 to 32 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 March 2023 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 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

UDAY JAYARAM
Director

Kuala Lumpur
17 May 2023

TRUSTEE'S REPORT

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

We have acted as Trustee of the Fund for the financial year ended 31 March 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquires, Principal Asset Management Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management Company under the Deeds, securities laws and the Guidelines on Unit Trust Funds;

2. Valuation and pricing is carried out in accordance with the Deeds; and

3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

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

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
17 May 2023

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Principal Global Titans Fund (the "Fund"), which comprise the statement of financial position as at 31 March 2023 of the Fund, and statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows of the Fund for the financial year ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 7 to 32.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 March 2023, 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 TITANS FUND (cont'd.)

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager 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 TITANS FUND (cont'd.)

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

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF PRINCIPAL GLOBAL TITANS FUND (cont'd.)

Other matters

This report is made solely to the Unit Holders of the Fund, as a body, in accordance with the Guidelines on 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.

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

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

Kuala Lumpur, Malaysia
17 May 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	2023 RM	2022 RM
INCOME/(LOSS)			
Dividend income		11,406,287	6,215,652
Interest income from deposits with licensed financial institutions at amortised cost and current account		464,265	677,571
Net (loss)/gain on financial assets at fair value through profit or loss		(9,444,712)	14,379,995
Net foreign exchange gain/(loss)	8	2,192,604	(149,828)
		4,618,444	21,123,390
EXPENSES			
Management fee	4	11,647,752	11,029,052
Trustee and custodian fees	5	452,968	428,908
Audit fee		9,400	12,000
Tax agent's fee		4,700	4,100
Transaction costs		192,801	262,152
Other expenses		1,408,724	1,097,373
		13,716,345	12,833,585
(LOSS)/PROFIT BEFORE DISTRIBUTION AND TAXATION		(9,097,901)	8,289,805
Distribution:			
- Class MYR		18,730,348	20,566,646
- Class USD		158,100	274,970
	6	18,888,448	20,841,616
LOSS BEFORE TAXATION		(27,986,349)	(12,551,811)
Taxation	7	(2,316,000)	-
LOSS AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR		(30,302,349)	(12,551,811)
Loss after taxation is made up as follows:			
Realised amount		(18,113,253)	(6,985,890)
Unrealised amount		(12,189,096)	(5,565,921)
		(30,302,349)	(12,551,811)

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 RM	2022 RM
ASSETS			
Cash and cash equivalents	**9**	29,150,678	76,795,766
Financial assets at fair value through profit or loss	**8**	617,072,409	667,411,432
Amount due from Manager		1,077,186	9,103,290
Amount due from the Manager of collective investment schemes			
- management fee rebate		178,668	138,926
Dividends receivable		786,317	785,153
TOTAL ASSETS		648,265,258	754,234,567
LIABILITIES			
Amount due to the Manager of collective investment schemes			
- purchase of collective investment schemes		-	12,528,179
Amount due to the Manager		896,076	2,587,007
Accrued management fee		973,501	1,067,633
Amount due to Trustee		37,858	41,519
Other payables and accruals		17,600	17,600
Tax payable		541,521	-
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		2,466,556	16,241,938
NET ASSET VALUE OF THE FUND		645,798,702	737,992,629
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		645,798,702	737,992,629
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- Class MYR		640,289,378	730,081,327
- Class USD		5,509,324	7,911,302
		645,798,702	737,992,629
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class MYR		825,524,338	901,422,978
- Class USD		1,049,697	1,443,526
	10	826,574,036	902,866,504
NET ASSET VALUE PER UNIT (RM)			
- Class MYR		0.7756	0.8099
- Class USD		5.2484	5.4805
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- Class MYR		MYR0.7756	MYR0.8099
- Class USD		USD1.1893	USD1.3041

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

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS FOR FINANCIAL YEAR ENDED 31 MARCH 2023

	2023 RM	2022 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	737,992,629	386,158,741
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class MYR	94,778,287	564,212,172
- Class USD	170,227	9,681,997
	94,948,514	573,894,169
Creation of units from distribution		
- Class MYR	18,720,534	20,558,801
- Class USD	158,100	274,970
	18,878,634	20,833,771
Cancellation of units		
- Class MYR	(173,494,019)	(227,684,516)
- Class USD	(2,224,707)	(2,657,725)
	(175,718,726)	(230,342,241)
Total comprehensive loss for the financial year	(30,302,349)	(12,551,811)
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	645,798,702	737,992,629

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

STATEMENT OF CASH FLOWS
FOR FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of collective investment schemes		228,304,719	148,671,909
Purchase of collective investment schemes		(200,716,499)	(430,990,276)
Interest income received from deposits with licensed financial institutions and current account		464,265	677,571
Dividend income received		10,015,038	4,887,003
Management fee paid		(11,741,884)	(10,537,740)
Management fee rebate received		681,414	1,141,233
Trustee fee paid		(456,629)	(409,801)
Payments for other fees and expenses		(177,357)	(166,800)
Net realized foreign exchange loss		(315,379)	(1,097,947)
Tax paid		(1,774,479)	-
Net cash generated from/(used in) operating activities		24,283,209	(287,824,848)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		102,975,768	568,619,244
Payments for cancellation of units		(177,291,945)	(228,802,487)
Distribution paid		(9,814)	(7,845)
Net cash (used in)/generated from financing activities		(74,325,991)	339,808,912
Net (decrease)/increase in cash and cash equivalents		(50,042,782)	51,984,064
Effect of foreign exchange differences		2,397,694	337,125
Cash and cash equivalents at the beginning of the financial year		76,795,766	24,474,577
Cash and cash equivalents at the end of the financial year		29,150,678	76,795,766
Cash and cash equivalents comprised:			
Deposits with licensed financial institutions		28,943,662	27,425,264
Bank balances		207,016	49,370,502
Cash and cash equivalents at the end of financial year	**9**	29,150,678	76,795,766

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal Global Titans Fund (the "Fund") was constituted pursuant to a Deed dated 11 July 2005 and is now governed by a Master Deed dated 15 May 2008, a Thirteenth Supplemental Master Deed dated 26 June 2012, and a Eighteenth Supplemental Master Deed dated 25 March 2015 (collectively referred to as the "Initial Deeds"), a Principal Master Deed dated 11 May 2016, a First Supplemental Master Deed dated 14 November 2016 and a Second Supplemental Master Deed dated 4 December 2019 (collectively referred to as the "Deeds") between Principal Asset Management Berhad (the "Manager") and HSBC (Malaysia) Trustee Berhad (the "Trustee").

The Fund will invest at least 50% of its NAV in at least three (3) CIS, subject to a maximum of 98% of its NAV. The Fund may invest in Malaysian securities but only up to 50% of its NAV. The Fund seeks to give investors a broad exposure to three (3) major global developed markets. This will be achieved by investing in collective investment schemes which invest into these (3) markets (US, Europe and Japan). The Fund will at all times be invested in the CIS, each covering separate geographic regions thus providing diversification and allowing a greater spread of risk. The allocation between the CIS is done through a combination of macroeconomic data, liquidity trends and the outlook to overweight or underweight a particular CIS. This enables, the Fund to exploit the investment opportunities provided by developed economies, which are not found in the EM.

The asset allocation strategy for the Fund is as follows:

- between 50% to 98% (both inclusive) of the Fund's NAV in CIS with exposure in US, Europe and Japan; and
- investments in Malaysian securities: up to 50% of the Fund's NAV.

The Manager has appointed Principal Singapore, a company incorporated in Singapore, as the Sub-Manager of the Fund. The Sub-Manager will be responsible for investing and managing the Fund in accordance with the investment objective and within the investment restrictions.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported 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).

There are no other standards, amendments to standards or interpretations effective for annual periods beginning on 1 April 2022 that have a material effect on the financial statements of the Fund.

None of the standards, amendments to standards or interpretations that are effective for the financial year beginning on/after 1 April 2023 are applicable to the Fund.

(b) Financial assets and financial liabilities

Classification

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

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

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

The Fund classifies cash and cash equivalents, amount due from Manager, amount due from Manager of collective investment schemes - management fee rebate 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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

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

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

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

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income when the Fund's right to receive payments is established.

Shariah-compliant quoted securities in Malaysia are valued at the last done market price quoted on Bursa Malaysia Securities Berhad ("Bursa Securities") at the date of the statement of financial position.

If a valuation based on the market price does not represent the fair value of the Shariah-compliant 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 Shariah-compliant quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the Shariah-compliant quoted securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

Shariah-compliant deposits with licensed Islamic financial institutions are stated at cost plus accrued profit calculated on the effective profit method over the period from the date of placement to the date of maturity of the respective Shariah-compliant deposits.

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

<u>Impairment for assets carried at amortised cost</u>

The Fund measures credit risk and expected credit losses ("ECL") using probability of default, exposure at default and loss given default. The Manager consider both historical analysis and forward-looking information in determining any ECL. The Manager consider 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.

<u>Significant increase in credit risk</u>

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

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 year

(c) Income recognition

Dividend income is recognised on the ex-dividend date when the right to receive payment is established.

Interest income from deposits with licensed financial institutions is recognised on a time proportionate basis using the effective interest rate method on an accrual basis.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

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

(d) Functional and presentation currency

Functional and presentation currency

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

(e) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balance and deposits held in highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Unit holders' contributions

The unit holders' contributions to the Fund meets the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the holder to a proportionate share of the Fund's NAV;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

(g) Taxation

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

Withholding taxes on investment income from investment is based on tax regime of the respective countries that the Fund invests in. They are presented within other expenses line in the statement of comprehensive income.

(h) Transactions 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, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

(i) Distribution

A distribution to the Fund's unit holders is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the financial year in which it is approved by the Trustee.

(j) Amount due from/to Manager of collective investment schemes

Amounts due from/to Manager of collective investment schemes represent receivables for collective investment schemes sold and payables for collective investment schemes purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

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

The analysis of realised and unrealised profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with GUTF.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) 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 Fund's 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 Shariah-compliant 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 GUTF.

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss RM	Financial assets at amortised cost RM	Total RM
2023			
Cash and cash equivalents (Note 9)	-	29,150,678	29,150,678
Collective investment schemes (Note 8)	617,072,409	-	617,072,409
Amount due from Manager	-	1,077,186	1,077,186
Amount due from Manager of collective investment schemes - management fee rebate	-	178,668	178,668
Dividends receivable	-	786,317	786,317
	617,072,409	31,192,948	648,265,258
2022			
Cash and cash equivalents (Note 9)	-	76,795,766	76,795,766
Collective investment schemes (Note 8)	667,411,432	-	667,411,432
Amount due from Manager	-	9,103,290	9,103,290
Amount due from Manager of collective investment schemes - management fee rebate	-	138,926	138,926
Dividends receivable	-	785,153	785,153
	667,411,432	86,823,135	754,234,567

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

The Fund aims to achieve consistent capital growth over the medium to long-term.

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

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk and interest rate 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 GUTF.

(a) Market risk

(i) Price risk

This is the risk that the fair value of investment in collective investment schemes will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk). The value of collective investment schemes may fluctuate according to the activities of individual companies, sector and overall political and economic conditions.

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

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

	2023 RM	2022 RM
Financial assets at fair value through profit or loss:		
- Collective investment schemes	617,072,409	667,411,432

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

% Change in price of Collective investment schemes	Market value RM	Impact on profit or loss/NAV RM
2023		
-5%	586,218,789	(30,853,620)
0%	617,072,409	-
5%	647,926,029	30,853,620
2022		
-5%	634,040,860	(33,370,572)
0%	667,411,432	-
5%	700,782,004	33,370,572

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

(a) Market risk (continued)

(ii) Interest rate risk

Interest rate is a general economic indicator that will have an impact on the management of the Fund.

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Fund's exposure to fair value interest rate risk arises from investment in money market instruments. The interest rate risk is expected to be minimal as the Fund's investments comprise mainly short-term deposits with approved licensed financial institutions.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund is not exposed to cash flow interest rate risk as the Fund does not hold any financial instruments at variable interest rate.

As at the end of each financial year, the Fund is not exposed to a material level of interest rate risk.

The weighted average effective interest rate per annum is as follows:

	2023	2022
	%	%
Deposits with licensed financial institutions	2.85	1.85

(iii) 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 MYR based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

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

(a) Market risk (continued)

(iii) 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 RM	Financial assets at fair value through profit or loss RM	Amount due from Manager of collective investment schemes - management fee rebate RM	Dividends receivable RM	Total RM
2023					
EUR	-	22,231,053	-	-	22,231,053
GBP	-	199,063,278	-	-	199,063,278
JPY	-	50,184,325	-	-	50,184,325
USD	27,188,920	345,593,753	786,317	9,865	373,578,855
	27,188,920	617,072,409	786,317	9,865	645,057,511

Financial assets	Cash and cash equivalents RM	Financial assets at fair value through profit or loss RM	Amount due from Manager of collective investment schemes - management fee rebate RM	Dividends receivable RM	Total RM
2022					
EUR	-	31,624,897	-	-	31,624,897
GBP	-	200,101,381	-	-	200,101,381
JPY	-	70,545,958	-	-	70,545,958
USD	27,405,066	365,139,196	138,926	785,153	393,468,341
	27,405,066	667,411,432	138,926	785,153	695,740,577

Financial liabilities	Amount due to Manager of collective investment schemes - purchase of collective investment schemes RM	Total RM
2022		
GBP	11,077,371	11,077,371
JPY	1,450,808	1,450,808
	12,528,179	12,528,179

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

(a) Market risk (continued)

(iii) Currency risk (continued)

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	
		2023	2022
	%	RM	RM
EUR	+/-5	+/-1,111,553	+/- 1,581,245
GBP	+/-5	+/-9,953,164	+/- 9,451,201
JPY	+/-5	+/-2,509,216	+/- 3,454,758
USD	+/-5	+/-18,639,627	+/- 19,673,417
		+/-32,213,560	+/- 34,160,620

(b) Credit risk

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

The credit risk arising from placements of deposits 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.

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

	Cash and cash equivalents RM	Amount due from Manager of collective investment schemes – management fee rebate RM	Amount due from Manager RM	Dividends receivable RM	Total RM
2023					
- AAA	29,150,678	-	-	-	29,150,678
- Not rated	-	178,668	1,077,186	786,317	2,042,171
	29,150,678	178,668	1,077,186	786,317	31,192,849

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

(b) Credit risk (continued)

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

2022					
- AAA	76,795,766	-	-	-	76,795,766
- Not rated	-	138,926	9,103,290	785,153	10,027,369
	76,795,766	138,926	9,103,290	785,153	86,823,135

Deposits with licensed financial institutions of the Fund have an average remaining maturity of 1 day (2022: 1 day).

(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, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 business days. The Fund's investments in collective investment schemes are realizable which are capable of being converted into cash within 10 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 fund 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.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining year as at the end of the reporting year to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month RM	**Between 1 month to 1 year RM**	**Total RM**
2023			
Amount due to Manager of collective investment schemes	-		-
- purchase of collective investment schemes	-	-	-
Amount due to Manager	896,076	-	896,076
Accrued management fee	973,501	-	973,501
Amount due to Trustee	37,858	-	37,858
Other payables and accruals	-	17,600	17,600
Tax payable		541,521	541,521
Net assets attributable to unit holders*	645,798,702	-	645,798,702
Contractual undiscounted cash flows	647,706,137	559,121	648,265,258

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

(c) Liquidity risk (continued)

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
2022			
Amount due to Manager of collective investment schemes			
- purchase of collective investment schemes	12,528,179	-	12,528,179
Amount due to Manager	2,587,007	-	2,587,007
Accrued management fee	1,067,633	-	1,067,633
Amount due to Trustee	41,519	-	41,519
Other payables and accruals	-	17,600	17,600
Net assets attributable to unit holders*	737,992,629	-	737,992,629
Contractual undiscounted cash flows	754,216,967	17,600	754,234,567

* 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 RM645,798,702 (2022: RM737,992,629). 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 price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

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

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy

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

(i) Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1)
(ii) 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)
(iii) Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2023				
Financial assets at fair value through profit or loss:				
- Collective investment schemes	617,072,409	-	-	617,072,409

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2022				
Financial assets at fair value through profit or loss:				
- Collective investment schemes	667,411,432	-	-	667,411,432

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include collective investment schemes. 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).

(ii) The carrying values of cash and cash equivalents, amount due from Manager, amount due from Manager of collective investment schemes - management fee rebate, dividends receivable 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 management fee of up to 1.85% per annum for each class, calculated daily based on the NAV of the Fund.

For the financial year ended 31 March 2023, the management fee was recognised at a rate of 1.80% per annum (2022: 1.80% per annum) for each class.

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

5. TRUSTEE AND CUSTODIAN FEES

In accordance with the Deeds, the Trustee is entitled to a fee of 0.07% per annum, calculated daily based on the NAV of the Fund. The Trustee fee includes the local sub-custodian fees and charges but excludes the foreign sub-custodian fees and charges.

For the financial year ended 31 March 2023, the Trustee fee is recognised at a rate of 0.07% per annum (2022: 0.07% per annum), while the foreign sub-custodian fee is recognised at RM117,121 (2022: RM72,240).

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

6. DISTRIBUTION

Distribution to unit holders were derived from the following sources (assessed up to distribution declaration date):

	2023 RM	2022 RM
Dividend income	1,079,642	436,612
Interest income	38,513	27,527
Management fee rebate	19,593	28,024
Net realised gain on disposal of investments	109,859	1,270,737
Prior financial years' realised income	18,702,643	19,705,623
	19,950,250	21,468,523

6. DISTRIBUTION

Distribution to unit holders were derived from the following sources (assessed up to distribution declaration date) (continued):

	2022 RM	2022 RM
Less:		
Expenses	(1,061,802)	(626,907)
Net distribution amount	18,888,448	20,841,616
Gross/Net distribution per unit (sen)		
Distribution on 18 October 2022		
- Class MYR	2.24	-
- Class USD	15.15	-
Distribution on 7 October 2021		
- Class MYR	-	2.64
- Class USD	-	17.87
	17.39	20.51

Gross distribution was derived using total income less total expenses. Net distribution above was sourced from current and prior financial years' realised income.

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

During the financial year ended 31 March 2023, the Fund incurred unrealised loss of RM12,189,096 (2022: RM 5,565,921).

7. TAXATION

	2023 RM	2022 RM
Tax charged for the financial year:		
- Current taxation	2,316,000	-

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

	2023 RM	2022 RM
Loss before taxation	(27,986,349)	(12,551,811)
Taxation at Malaysian statutory rate of 24% (2022: 24%)	(6,716,724)	(3,012,435)
Tax effects of:		
- Income not subject to tax	(1,108,427)	(5,069,614)
- Expenses not deductible for tax purposes	5,024,565	5,429,807
- Restriction on tax deductible expenses for Unit Trust Funds	2,800,586	2,652,242
Tax on foreign source income	2,316,000	-
Taxation	2,316,000	-

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 RM	2022 RM
At fair value through profit or loss:		
- Collective investment schemes	617,072,409	667,411,432
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	4,342,479	19,204,957
- Unrealised fair value loss	(14,508,347)	(5,987,645)
- Management fee rebate #	721,156	1,162,683
	(9,444,712)	14,379,995

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

For the financial year ended 31 March 2023 and 31 March 2022, the management fee rebates are recognised at a rate as per table below, calculated and accrued daily based on the NAV of the collective investment schemes.

	2023 RM	2022 RM
JPMorgan Europe Strategic Growth Fund	0.75	0.75
JPMorgan Japan Yen Fund	1.50	1.50
JP Morgan Funds US Growth Fd USD	0.60	-
Legg Mason ClearBridge US Large Cap Growth Fund	-	0.63
Principal Global Investors ("PGI") European Equity Fund	1.00	1.00

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2023				
COLLECTIVE INVESTMENT SCHEMES				
Energy Select Sector SPDR	11,605	4,433,217	4,241,962	0.66
FTGF ClearBridge- US Large Cap	29,562	4,421,281	4,570,824	0.72
Global X Copper Miners ETF	26,757	29,789,794	31,158,892	4.82
iShares Core MSCI Europe UCITS ETF EUR (Dist)	1,447,189	7,524,128	7,365,816	1.14
JPMorgan Europe Strategic Growth Fund	103,042	20,859,744	22,231,053	3.44
JPMorgan-US Growth Fund	9,377	2,468,086	2,219,554	0.34
JPMorgan Japan Yen Fund	224,327	202,035,421	245,045,161	37.94
NEXT FUNDS TOPIX ETF	714,183	17,858,398	22,451,156	3.48
PGI European Equity Fund	132,487	28,149,790	28,540,387	4.42
SPDR S&P Metals & Mining ETF	31,398	178,325,647	199,063,278	30.82

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2023 (CONTINUED)				
COLLECTIVE INVESTMENT SCHEMES (CONTINUED)				
SPDR S&P 500 ETF Trust	135,636	50,037,486	50,184,325	7.77
TOTAL COLLECTIVE INVESTMENT SCHEMES	**2,865,563**	**545,902,991**	**617,072,409**	**95.55**
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		**71,169,418**		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		**617,072,409**		

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2022				
COLLECTIVE INVESTMENT SCHEMES				
iShares Core MSCI Europe UCITS ETF EUR (Dist)	1,511,947	186,627,071	200,101,381	27.11
JPMorgan Europe Strategic Growth Fund	148,545	30,302,869	31,624,897	4.29
JPMorgan-US Growth Fund	69,793	18,370,886	17,742,068	2.40
JPMorgan Japan Yen Fund	139,204	18,387,366	17,123,106	2.32
Legg Mason ClearBridge US Large Cap Growth Fund	10,210	10,959,565	11,597,173	1.57
NEXT FUNDS TOPIX ETF	994,410	70,724,800	70,545,958	9.56
PGI European Equity Fund	218,388	28,557,434	37,151,565	5.04
SPDR S&P 500 ETF Trust	148,326	217,803,676	281,525,284	38.15
TOTAL COLLECTIVE INVESTMENT SCHEMES	**3,240,823**	**581,733,667**	**667,411,432**	**90.44**

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		**85,677,765**		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		**667,411,432**		

9. CASH AND CASH EQUIVALENTS

	2023 RM	2022 RM
Deposits with licensed financial institutions	28,943,662	27,425,264
Bank balances	207,016	49,370,502
	29,150,678	76,795,766

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2023 No. of units	2022 No. of units
Class MYR (i)	825,524,339	901,422,978
Class USD (ii)	1,049,697	1,443,526
	826,574,036	902,866,504

(i) Class MYR		
At the beginning of the financial year	901,422,978	483,510,048
Add : Creation of units from applications	127,907,523	661,526,066
Add : Creation of units from distribution	26,156,957	24,859,493
Less : Cancellation of units	(229,963,119)	(268,472,629)
At the end of the financial year	825,524,339	901,422,978
(ii) Class USD		
At the beginning of the financial year	1,443,525	187,583
Add : Creation of units from applications	31,982	1,665,763
Add : Creation of units from distribution	32,644	49,134
Less : Cancellation of units	(458,454)	(458,954)
At the end of the financial year	1,049,697	1,443,526

11. TOTAL EXPENSE RATIO ("TER")

	2023 %	2022 %
TER	1.79	1.70

11. TOTAL EXPENSE RATIO ("TER") (CONTINUED)

TER is derived based on the following calculation:

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

A = Management fee
B = Trustee 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 calculated on a daily basis is RM646,658,775 (2022: RM613,713,767).

12. PORTFOLIO TURNOVER RATIO ("PTR")

	2023	2022
PTR (times)	0.32	0.48

PTR is derived based on the following calculation:

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

where:
total acquisition for the financial year = RM188,224,060 (2022: RM440,183,708)
total disposal for the financial year = RM228,397,215 (2022: RM148,816,595)

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:

Related parties	Relationship
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

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

Related parties (continued)	Relationship (continued)
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
CIMB Bank Bhd	Fellow related party to the Manager
CGS-CIMB Sec (SG) Pte Ltd	Fellow related party to the Manager
Principal Global Investors Funds	Manager of collective investment schemes

Units held by the Manager and parties related to the Manager

	2023		2022	
	No. of units	**RM**	**No. of units**	**RM**
Manager				
Principal Asset Management Berhad				
- Class MYR	10,452	8,106	281,538	228,018
- Class USD	1,274	6,687	5,114	28,027

In the opinion of the Manager, the above units were transacted at the prevailing market price which is at arm's length basis.

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.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

	2023	2022
	RM	**RM**
Significant related party transactions		
Interest income received from deposits with licensed financial institution:		
- CIMB Bank Bhd	-	4,167
Management fee rebate:		
- Principal Global Investors Funds	141,908	24,507
Significant related party balances		
Collective investment schemes:		
- PGI European Equity Fund	28,540,387	37,151,565

14. TRANSACTIONS WITH BROKERS

Details of transactions with the brokers for the financial year ended 31 March 2023 were as follows:

Brokers	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Macquarie Securities Australia Ltd	139,125,074	33.40	41,738	21.85
JPMorgan Asset Management	89,265,177	21.43	-	-
Citigroup Global Markets Ltd	59,545,255	14.30	17,863	9.35
Instinet Pacific Limited	50,998,105	12.24	127,495	66.76
Legg Masson Global Funds	48,221,128	11.58	-	-
Principal Global Investors Fund #	20,228,819	4.86	-	-
UBS Securities Asia Ltd	5,798,691	1.39	580	0.30
CGS-CIMB Sec (SG) Pte Ltd #	3,332,094	0.80	3,332	1.74
	416,514,343	100.00	191,008	100.00

Details of transactions with the brokers for the financial year ended 31 March 2022 were as follows:

Brokers	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
JPMorgan Asset Management	168,389,397	28.60	-	-
Macquarie Securities Australia Ltd	168,318,928	28.59	50,496	19.27
Citigroup Global Markets Ltd	83,593,860	14.20	25,078	9.57
Instinet Pacific Limited	72,033,553	12.23	180,083	68.71
Principal Global Investors Fund #	51,619,901	8.77	-	-
Legg Masson Global Funds	25,323,908	4.30	-	-
J.P. Morgan Securities LLC	18,638,344	3.17	5,591	2.13
CGS-CIMB Sec (SG) Pte Ltd #	835,552	0.14	836	0.32
	588,753,443	100.00	262,084	100.00

Included in the transactions are trades conducted with Principal Global Investors Fund and CGS-CIMB Sec (SG) Pte Ltd, fellow related parties to the Manager amounting to RM20,228,819 (2022: RM51,619,901) and RM3,332,094 (2022: RM835,552). The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

15. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The COVID-19 pandemic and related lockdowns and movement restrictions, together with geopolitical tensions and heightened inflationary environment globally have had, and will continue to have, a significant impact on global economic conditions and the environment which the Fund operates.

The Manager continues to closely monitor the macro-economic outlook as a result of COVID-19 pandemic and its impact to the Fund's performance and will be managing the risks to achieve the Fund's objective.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 17 May 2023.

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