

PRINCIPAL GLOBAL TITANS FUND
ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

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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 2025. You may also download this report from our website at www.principal.com.my.

We are thankful to share that investors like you have helped make our recent recognition at the LSEG Lipper Fund Awards 2025 possible, where Principal Malaysia received nine awards. These acknowledgements reflect the collaborative effort of our entire team to deliver investment solutions that meet your needs. We have recently been awarded 'Asset Management Company of the Year (Malaysia)' by The Asset Triple A Sustainable Investing Awards for Institutional Investors, ETFs, and Asset Servicing Providers 2025.

Building on our recent success, Principal Malaysia also garnered numerous accolades throughout 2024. At the Asia Asset Management 2024 Best of the Best Awards, we were honored with the Best of the Best Performance Award for China A-Share Equity (3 years) and recognized as the Best Institutional House – Malaysia. At the 2024 Global Banking & Finance Awards, our CEO, Munirah Khairuddin, was named Asset Management CEO of the Year Malaysia, and our company was recognized as Asset Management Company of the Year Malaysia. Additionally, we received the Best International Equity Fund Manager for MSCI EM Latin America 2023 at the EPF External Fund Managers Awards 2023.

At the Alpha Southeast Asia Fund Management Awards 2024, we won three awards: Best Absolute Return Strategy, Best Online & Mobile Platform (Asset Manager), and Best Asset Manager (Income-Oriented, Money Market & Alternative Investment Funds). The International Finance Awards honored us with 'Best Asset Management Company – Malaysia 2024' and 'Best Asset Management CEO – Munirah Khairuddin – Malaysia 2024'. At the Triple A Sustainable Investing Awards 2024, we secured the Asset Management Company of the Year (Malaysia) award. The World Business Outlook magazine recognized us with the titles of Best Investment Management and Solutions Provider Malaysia, Best Institutional House Malaysia, and Asset Management CEO (Munirah Khairuddin) of the Year Malaysia. Additionally, we received three awards at the iFast Awards 2024, seven at the LSEG Lipper Fund Awards 2024, ten at the FSMOne Recommended Funds 2023/2024, and two at the Edge ESG Awards 2024.

Digital innovation is central to our strategy, as we use data and technology to develop the right solutions for you. We will continue to advance our digital capabilities to provide easy access to your investment portfolio and enable you to carry out transactions seamlessly. Please continue to check out our website, like our Facebook page (@PrincipalMalaysia), follow us on our Instagram account (@principalmalaysia), and LinkedIn page (Principal Malaysia) 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 Principal Asset Management Berhad (Group of Companies),
and Managing Director Strategic Distribution & Institutional Client Relations
(Southeast Asia & Global Shariah)
Non-Independent Executive Director

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 slightly underperformed its benchmark.

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"). With effect from 28 February 2023, the Fund may also invest in companies that are listed in any Eligible Market globally with some operations or businesses in Malaysia, US, Europe, or Japan to capture growth opportunities.

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 D	28 April 2023
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 2025?

RM787.76 million (850.64 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.

FUND OBJECTIVE AND POLICY (CONTINUED)**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.

What was the net income distribution for the financial year ended 31 March 2025?

The Fund distributed a total net income of RM33.52 million to unit holders for the financial year ended 31 March 2025.

The Fund's NAV per unit were as follows:

Date	NAV per unit (before distribution) RM	NAV per unit (after distribution) RM
Distribution on 24 October 2024		
Class MYR	0.9362	0.8966
Class USD	1.4581	1.3964

Breakdown of distribution were as follows:

	RM	2025 %	RM	2024 %
Source of distribution				
Distribution out of current year's income	33,521,057	100.00	13,251,325	100.00
Distribution out of prior year's income/capital	-	-	-	-
Total	33,521,057	100.00	13,251,325	100.00

PERFORMANCE DATA

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

	31.03.2025 %	31.03.2024 %	31.03.2023 %
Collective investment schemes	90.04	95.56	95.55
Quoted securities:			
- Communication Services	1.39	-	-
- Consumer Staples	0.95	-	-
- Financials	0.87	-	-
- Industrial	1.03	-	-
- Information Technology	1.14	-	-
Cash and other assets	5.28	6.18	4.83
Liabilities	(0.70)	(1.74)	(0.38)
	100.00	100.00	100.00

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

	31.03.2025	31.03.2024	31.03.2023
NAV (RM Million)			
- Class D	22.94	9.93	-
- Class MYR	758.75	768.44	640.29
- Class USD	6.07	9.52	5.51

PERFORMANCE DATA (CONTINUED)

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

	31.03.2025	31.03.2024	31.03.2023
Units in circulation (Million)			
- Class D	18.78	7.99	-
- Class MYR	830.88	792.32	825.52
- Class USD	0.98	1.45	1.05
NAV per unit (RM)			
- Class D	1.2222	1.2428	-
- Class MYR	0.9131	0.9698	0.7756
- Class USD	6.1800	6.5635	5.2484
Highest NAV per unit (RM)			
- Class D	1.2916	1.2472	-
- Class MYR	1.0078	0.9733	0.8155
- Class USD	6.8206	6.5869	5.5184
Lowest NAV per unit (RM)			
- Class D	1.1106	0.9917	-
- Class MYR	0.8665	0.7721	0.7025
- Class USD	5.8643	5.2247	4.7537
Total return (%)			
- Class D	(1.23)	24.19*	-
- Class MYR	(1.26)	27.59	(1.25)
- Class USD	5.18	19.23	(5.96)
Capital growth (%)			
- Class D	(1.23)	24.19*	-
- Class MYR	5.44	24.99	(4.25)
- Class USD	0.73	16.81	(8.81)
Income distribution (%)			
- Class D	-	-	-
- Class MYR	4.42	2.07	3.13
- Class USD	4.42	2.07	3.13
Total Expense Ratio ("TER") (%) ^	1.68	1.81	1.79
Portfolio Turnover Ratio ("PTR") (times) #	1.05	0.72	0.32

* Since inception.

^ The Fund's TER decreased from 1.81% to 1.68% due to increased in average NAV during the financial year under review.

The Fund's PTR increased from 0.72 times to 1.05 times due to higher trading activities.

PERFORMANCE DATA (CONTINUED)

	31.03.2025	31.03.2024	31.03.2023
Gross/Net distribution per unit (sen)			
Distribution on 24 October 2024			
- Class MYR	3.96	-	-
- Class USD	26.80	-	-
Distribution on 18 October 2023			
- Class MYR	-	1.70	-
- Class USD	-	11.50	-
Distribution on 18 October 2022			
- Class MYR	-	-	2.24
- Class USD	-	-	3.21

	31.03.2025 %	Since inception to 31.03.2024 %
Annual total return		
- Class D	(1.23)	24.19

(Launch date: 28 April 2023)

	31.03.2025 %	31.03.2024 %	31.03.2023 %	31.03.2022 %	31.03.2021 %
Annual total return					
- Class MYR	(1.26)	27.59	(1.25)	4.92	36.90

(Launch date: 18 July 2005)

	31.03.2025 %	31.03.2024 %	31.03.2023 %	31.03.2022 %	31.03.2021 %
Annual total return					
- Class USD	5.18	19.23	(5.96)	3.42	42.67

(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 2024 TO 31 MARCH 2025)

The US economy experienced a period of heightened uncertainty during this financial year, primarily due to the reintroduction of tariffs by former President Trump. These trade policies led to increased costs for businesses and consumers, contributing to a contraction in Gross Domestic Product ("GDP") by 0.3% in first quarter of 2025. Despite these challenges, the labor market remained resilient, with unemployment holding steady at 4.2% and job growth continuing, albeit at a slower pace. Inflation showed signs of moderation, with the Federal Reserve (the "Fed") maintaining interest rates at 4.25% to 4.50% through March 2025, indicating a cautious approach to monetary policy amid economic uncertainties. In the Eurozone, economic performance varied across countries. Germany and France faced challenges with negative growth in late 2023, but by mid-2024, the region began to recover, driven by easing inflation and stabilizing external demand. The European Central Bank initiated interest rate cuts starting in June 2024, aiming to support economic activity. Real GDP growth in the euro area was projected at 1.4% for 2025, reflecting a gradual recovery. Japan's economy showed signs of resilience, with real GDP growth projected at 1.5% for 2025. Domestic demand played a significant role, bolstered by robust private consumption and business investment. Wage growth, supported by the highest minimum wage increase in four decades, contributed to rising disposable incomes. The Bank of Japan, having raised interest rates in early 2025, signaled a shift towards monetary tightening in response to sustained inflation pressures.

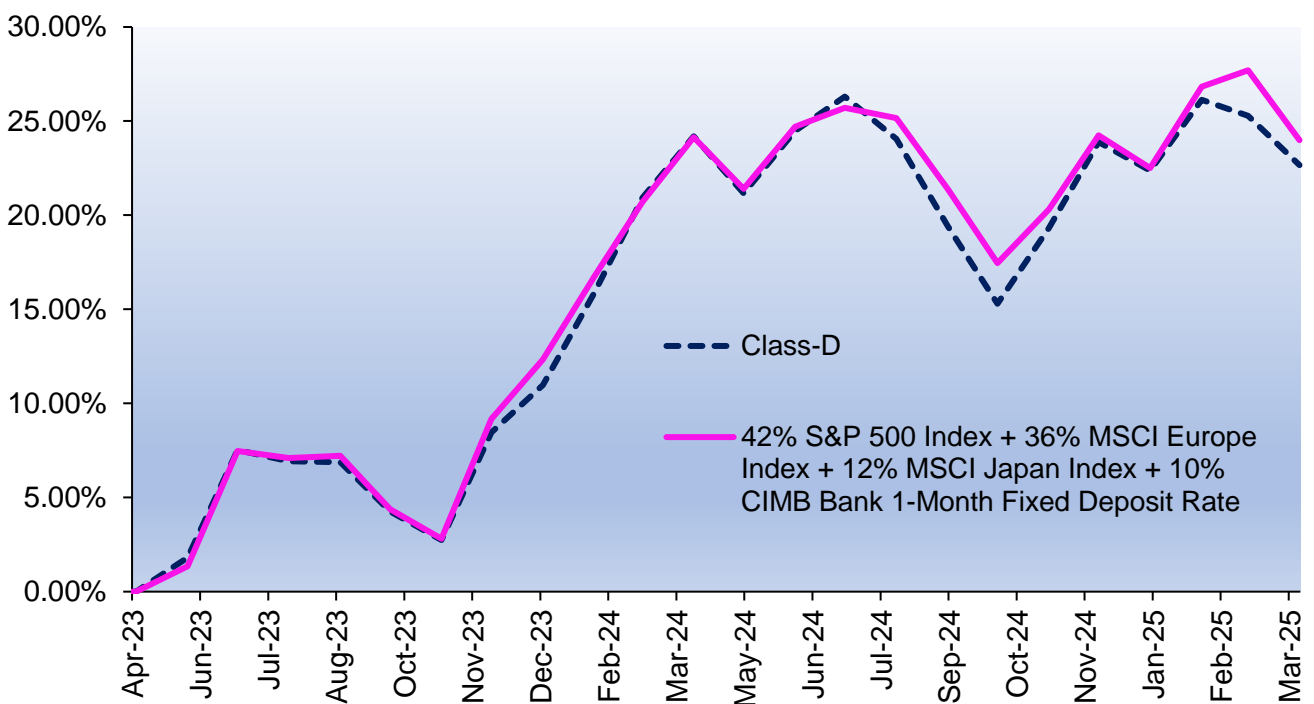
FUND PERFORMANCE

	1 year to 31.03.2025 %	3 years to 31.03.2025 %	5 years to 31.03.2025 %	Since inception to 31.03.2025 %
Income Distribution				
- Class D	-	-	-	22.66
- Class MYR	4.42	9.92	17.01	37.86
- Class USD	4.42	9.92	17.01	20.51
Capital Growth				
- Class D	(1.23)	-	-	-
- Class MYR	(5.44)	13.18	52.70	156.62
- Class USD	0.73	7.30	48.73	39.91
Total Return				
- Class D	(1.23)	-	-	22.66
- Class MYR	(1.26)	24.40	78.68	253.77
- Class USD	5.18	17.94	74.02	68.61
Benchmark				
- Class D	(0.12)	-	-	23.99
- Class MYR	(0.12)	29.12	93.05	316.59
- Class USD	6.54	22.35	87.94	101.44
Average Total Return				
- Class D	(1.23)	-	-	11.19
- Class MYR	(1.26)	7.54	12.30	6.62
- Class USD	5.18	5.65	11.71	6.59

For 1 year period as at 31.03.2025, the Class MYR decreased by 1.26%, underperforming the benchmark which decreased by 0.12%. For Class USD, the Fund increased by 5.18%, underperforming the benchmark which increased by 6.54%.

Since inception

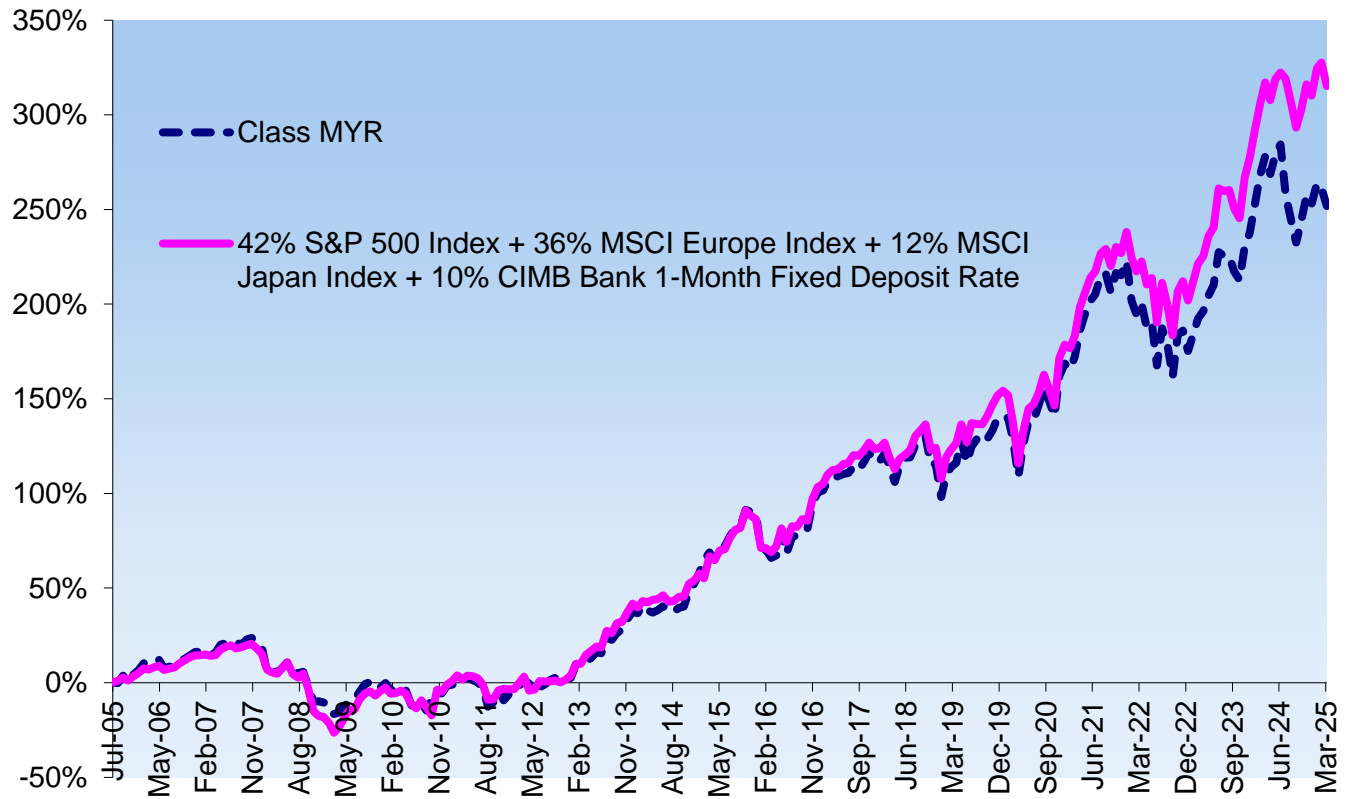
Class D



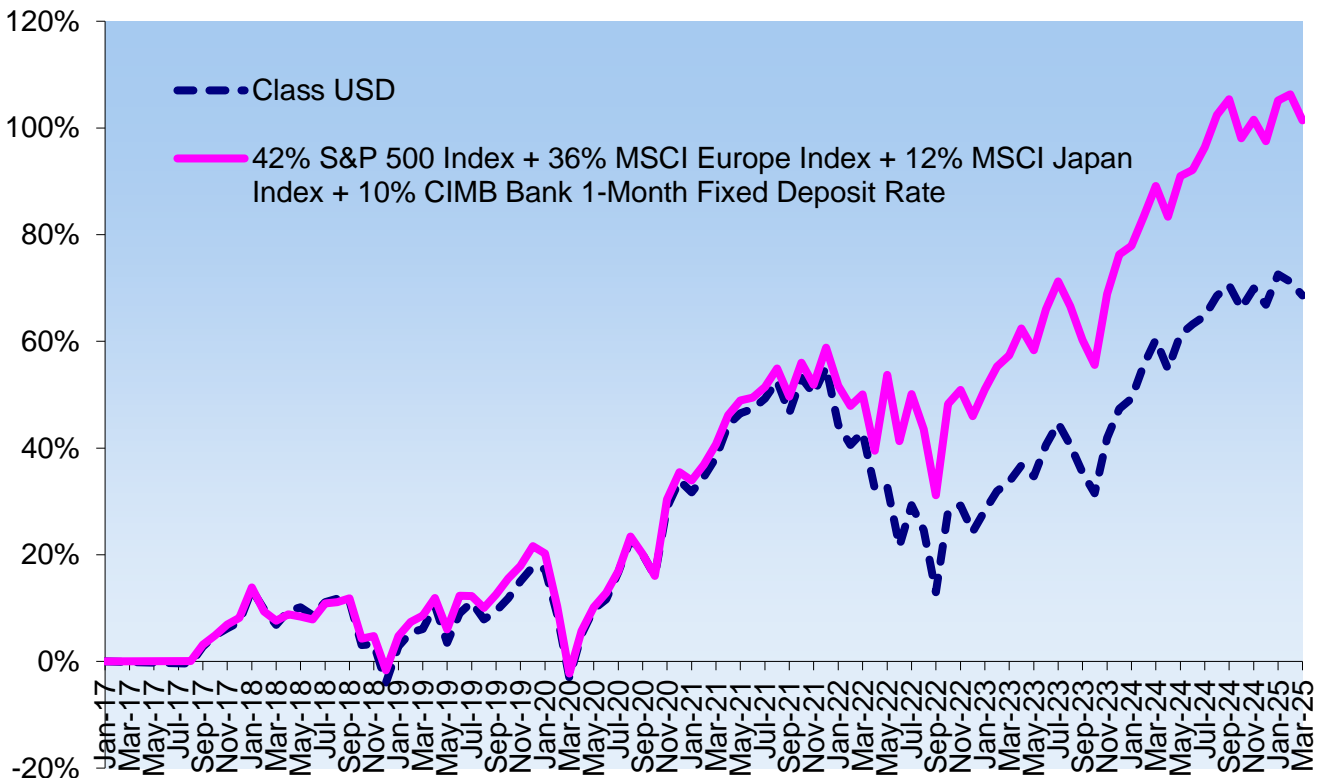
FUND PERFORMANCE (CONTINUED)

Since inception

Class MYR



Class USD



FUND PERFORMANCE (CONTINUED)**Changes in NAV**

	31.03.2025	31.03.2024	Changes %
CLASS D			
NAV (RM Million)	22.94	9.93	>100.00
NAV/Unit (RM)	1.2222	1.2428	(1.66)
CLASS MYR			
NAV (RM Million)	758.75	768.44	(1.26)
NAV/Unit (RM)	0.9131	0.9698	(5.85)
CLASS USD			
NAV (RM Million)	6.07	9.52	(36.24)
NAV/Unit (RM)	6.1800	6.5635	(5.84)

The decrease in NAV (class MYR) was because of the fund's negative performance. NAV per Unit (class MYR and USD) has decreased by 5.85%.

As at end 31 March 2025, the total NAV of Class MYR stood at RM758.75 million. The total NAV of class USD stood at RM6.07 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)	31.03.2025	31.03.2024
Collective investment schemes	90.04	95.56
Quoted securities	5.38	-
Cash and other assets	5.28	6.18
Liabilities	(0.70)	(1.74)
Total	100.00	100.00

The allocation into collective investment schemes remained stable at 90.04%, reflecting the overall neutral allocation in global equities at the end of the assessment year.

MARKET OUTLOOK*

US headline inflation in February 2025 moderated to 2.8% Year on Year ("YoY"), slightly below consensus estimate, while core inflation, excluding food and energy, moderated to 3.1% YoY. Retail sales rose 0.2% in February 2025, pointing to a slower-than-expected consumer spending. The Michigan consumer sentiment dipped, reinforcing growing uncertainty about the economy amid the backdrop of tariffs. The Institute for Supply Management ("ISM") Manufacturing Price Manager Index ("PMI") unexpectedly dropped into contraction zone while services PMI also deteriorated. The focus is on US labor market. The latest non-farm payroll post Liberation Day still points to resilient hiring. However, the data is backward looking. The US unemployment rate increased to 4.2% in March 2025.

MARKET OUTLOOK* (CONTINUED)

Europe's economic data presents a mixed picture, with manufacturing PMI remaining in contraction territory for major economies, while services PMI continued to weaken. Germany's exports rose by 1.8% Month on Month ("MoM") in February 2025, although industrial production declined by 1.3% MoM. Euro Area headline inflation moderated further to 2.3%, slightly below expectations. Japan's Manufacturing PMI dropped to 48.4, reflecting declines in both production and new orders due to subdued demand in both domestic and foreign markets. Services PMI also weakened to 50. However, household spending increased by 3.5% MoM in February 2025, surpassing expectations, while nominal wage growth rose by 3.1% YoY. Core-core inflation (excluding food and energy) was recorded at 2.6%.

* 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

Strategy: Neutral Equity vs Cash. Neutral across all markets while keeping a slight below benchmark weight for Japan. Reduce off-benchmark exposure while keeping Gold and Treasury ETF as a hedge against tariff and recession risks. Equities are likely to remain in a risk-off environment until a catalyst for changes emerges. While markets had priced in tariff risks, the announced reciprocal tariffs are more severe than anticipated, and future actions remain uncertain. Until a credible resolution emerges, the market is expected to adopt a defensive stance. The reform of Germany's debt brake and the introduction of an additional infrastructure fund are expected to benefit the defense sector and provide cyclical support to the economy. However, successful implementation will be crucial. Europe must also address other structural challenges, including the regulatory burden and labor market flexibility, to enhance its long-term growth prospects. In the near term, the market faces the added risk of reciprocal tariffs and global economy slowdown.

SOFT COMMISSIONS AND REBATES

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

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

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

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIR OF THE FUND

In relation to this Fund, the Fund had issued First Supplemental Prospectus dated 27 February 2025. We are of view that the changes above do not affect the existing unit holder to stay invested in the Fund and it is not a significant change.

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

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

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

CROSS TRADE

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

UNIT SPLIT

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

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

I, being the Director of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 7 to 34 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 March 2025 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the provisions of the MFRS Accounting Standards and IFRS Accounting Standards.

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN

Chief Executive Officer Principal Asset Management Berhad (Group of Companies),
and Managing Director Strategic Distribution & Institutional Client Relations
(Southeast Asia & Global Shariah)
Non-Independent Executive Director

Kuala Lumpur
16 May 2025

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 2025 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

Lee Cincee
Senior Manager, Trustee and Fiduciary Services

Kuala Lumpur
16 May 2025

**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 2025 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 material accounting policy information, as set out on pages 7 to 34.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 March 2025, and of its financial performance and cash flows for the year then ended in accordance with MFRS Accounting Standards and IFRS Accounting 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 and the Trustee for the financial statements

The Manager is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with MFRS Accounting Standards and IFRS Accounting 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. 03013/10/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
16 May 2025

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

	Note	2025 RM	2024 RM
INCOME/(LOSS)			
Dividend income		9,242,710	10,468,968
Interest income from deposits with licensed financial institutions at amortised cost and current account		483,889	939,756
Net (loss)/gain on financial assets at fair value through profit or loss	8	(3,895,762)	171,672,424
Net foreign exchange (loss)/gain		<u>(2,216,306)</u>	<u>1,477,341</u>
		<u>3,614,531</u>	<u>184,558,489</u>
EXPENSES			
Management fee	4	14,612,277	12,290,618
Trustee and custodian fees	5	365,307	362,548
Audit fee		9,500	9,400
Tax agent's fee		6,900	14,000
Transaction costs		934,763	422,690
Other expenses		<u>1,206,414</u>	<u>1,234,171</u>
		<u>17,135,161</u>	<u>14,333,427</u>
(LOSS)/PROFIT BEFORE DISTRIBUTION AND TAXATION		(13,520,630)	170,225,062
Distribution:			
- Class MYR		33,213,751	13,094,308
- Class USD		<u>307,306</u>	<u>157,017</u>
	6	<u>33,521,057</u>	<u>13,251,325</u>
(LOSS)/PROFIT BEFORE TAXATION		(47,041,687)	156,973,737
Taxation	7	<u>415,679</u>	<u>(800,464)</u>
(LOSS)/PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR		<u>(46,626,008)</u>	<u>156,173,273</u>
(Loss)/Profit after taxation is made up as follows:			
Realised amount		50,557,989	43,718,610
Unrealised amount		<u>(97,183,997)</u>	<u>112,454,663</u>
		<u>(46,626,008)</u>	<u>156,173,273</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025**

		2025 RM	2024 RM
	Note		
ASSETS			
Cash and cash equivalents	9	35,481,455	21,436,671
Financial assets at fair value through profit or loss	8	751,650,776	752,909,607
Amount due from Manager		2,926,214	18,297,140
Amount due from the Manager of collective investment schemes			
- management fee rebate		216,329	85,390
- disposal of collective investment schemes		-	6,984,578
Dividends receivable		492,995	723,148
Tax recoverable		2,528,687	1,200,678
TOTAL ASSETS		<u>793,296,456</u>	<u>801,637,212</u>
LIABILITIES			
Amount due to the Manager of collective investment schemes			
- purchase of collective investment schemes		-	3,872,450
Amount due to the Manager		4,242,253	8,642,419
Accrued management fee		1,230,223	1,170,229
Amount due to Trustee		30,756	29,256
Other payables and accruals		29,202	28,600
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>5,532,434</u>	<u>13,742,954</u>
NET ASSET VALUE OF THE FUND		<u>787,764,022</u>	<u>787,894,258</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>787,764,022</u>	<u>787,894,258</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- Class D		22,946,767	9,934,982
- Class MYR		758,745,575	768,440,453
- Class USD		6,071,680	9,518,823
		<u>787,764,022</u>	<u>787,894,258</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class D		18,774,395	7,993,809
- Class MYR		830,882,787	792,317,520
- Class USD		982,458	1,450,245
	10	<u>850,639,640</u>	<u>801,761,574</u>

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2025 (CONTINUED)

	2025	2024
	RM	RM
NET ASSET VALUE PER UNIT (RM)		
- Class D	1.2222	1.2428
- Class MYR	0.9131	0.9698
- Class USD	<u>6.1800</u>	<u>6.5635</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- Class D	MYR1.2222	MYR1.2428
- Class MYR	MYR0.9132	MYR0.9699
- Class USD	<u>USD1.3941</u>	<u>USD1.3898</u>

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR FINANCIAL YEAR ENDED 31 MARCH 2025**

	2025 RM	2024 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>787,894,258</u>	<u>645,798,702</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class D	34,083,081	12,720,843
- Class MYR	310,182,880	278,842,929
- Class USD	<u>4,603,256</u>	<u>5,022,806</u>
	<u>348,869,217</u>	<u>296,586,578</u>
Creation of units from distribution		
- Class MYR	33,105,146	13,067,081
- Class USD	<u>307,306</u>	<u>107,156</u>
	<u>33,412,452</u>	<u>13,174,237</u>
Cancellation of units		
- Class D	(20,603,235)	(3,659,307)
- Class MYR	(307,335,813)	(317,416,555)
- Class USD	<u>(7,846,849)</u>	<u>(2,762,670)</u>
	<u>(335,785,897)</u>	<u>(323,838,532)</u>
Total comprehensive (loss)/income for the financial year	<u>(46,626,008)</u>	<u>156,173,273</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	<u>787,764,022</u>	<u>787,894,258</u>

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 2025**

	Note	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of collective investment schemes		851,243,659	502,196,063
Purchase of collective investment schemes		(853,290,386)	(470,317,938)
Interest income received from deposits with licensed financial institutions and current account		483,889	939,756
Dividend income received		8,356,403	9,278,258
Management fee paid		(14,552,283)	(12,093,890)
Management fee rebate received		1,265,629	663,601
Trustee fee paid		(363,807)	(371,150)
Payments for other fees and expenses		(115,892)	(196,296)
Payment on foreign exchange loss		(420,774)	(1,246,631)
Tax paid		(912,329)	(2,542,663)
Net cash (used in)/generated from operating activities		(8,305,891)	26,309,110
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		364,215,415	279,370,225
Payments for cancellation of units		(340,164,774)	(316,234,298)
Distribution paid		(108,605)	(77,088)
Net cash generated from/(used in) financing activities		23,942,036	(36,941,161)
Net increase/(decrease) in cash and cash equivalents		15,636,145	(10,632,051)
Effect of foreign exchange differences		(1,591,361)	2,918,044
Cash and cash equivalents at the beginning of the financial year		21,436,671	29,150,678
Cash and cash equivalents at the end of the financial year		35,481,455	21,436,671
<u>Cash and cash equivalents comprised:</u>			
Deposits with licensed financial institutions		35,345,393	12,837,410
Bank balances		136,062	8,599,261
Cash and cash equivalents at the end of financial year	9	35,481,455	21,436,671

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 2025

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 and a Third Supplemental Master Deed dated 23 August 2022 (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. With effect from 28 February 2023, the Fund may also invest in companies that are listed in any Eligible Market globally with some operations or businesses in Malaysia, US, Europe, or Japan to capture growth opportunities.

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.

The Fund had issued the First Supplemental Prospectus dated 27 February 2025.

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. MATERIAL ACCOUNTING POLICY INFORMATION

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 Accounting Standards as issued by the Malaysian Accounting Standards Board (“MASB”) and IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Basis of preparation (continued)

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(k).

There are no other standards, amendments to standards or interpretations effective for financial year beginning on 1 April 2024 that have a material effect on the financial statements of the Fund.

Other than MFRS 18: Presentation and Disclosure in Financial Statements (which will first become applicable for annual periods beginning on or after 1 January 2027), none of the standards, amendments to standards or interpretations that are effective for the financial year beginning on or after 1 March 2025 are applicable to the financial statements of the Fund. The Fund is still currently in the process of assessing the impact, if any, of MFRS 18: Presentation and Disclosure in Financial Statements.

(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.

All of the Fund's financial liabilities are measured at amortised cost.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Recognition and measurement

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

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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Impairment for assets carried at amortised cost

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.

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(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.

(f) Unit holders’ contributions

The unit holders’ contributions to the Fund meets the criteria to be classified as liability 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(i) Distribution**

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

(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.

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

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the 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
2025			
Cash and cash equivalents (Note 9)	-	35,481,455	35,481,455
Collective investment schemes (Note 8)	751,650,776	-	751,650,776
Amount due from Manager	-	2,926,214	2,926,214
Amount due from Manager of collective investment schemes			
- management fee rebate	-	216,329	216,329
Dividends receivable	-	492,995	492,995
	<u>751,650,776</u>	<u>39,116,993</u>	<u>790,767,769</u>
2024			
Cash and cash equivalents (Note 9)	-	21,436,671	21,436,671
Collective investment schemes (Note 8)	752,909,607	-	752,909,607
Amount due from Manager	-	18,297,140	18,297,140
Amount due from Manager of collective investment schemes			
- disposal of collective investment schemes	6,984,578	-	6,984,578
- management fee rebate	-	85,390	85,390
Dividends receivable	-	723,148	723,148
	<u>759,894,185</u>	<u>40,542,349</u>	<u>800,436,534</u>

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.

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.

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

(a) Market risk (continued)

(i) Price risk (continued)

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

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

	2025 RM	2024 RM
Financial assets at fair value through profit or loss:		
- Collective investment schemes	709,181,337	752,909,607
- Quoted securities	42,469,439	-
	<u>751,650,776</u>	<u>752,909,607</u>

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
2025		
-5%	673,722,270	(35,459,067)
0%	709,181,337	-
5%	<u>744,640,404</u>	<u>35,459,067</u>
2024		
-5%	715,264,127	(37,645,480)
0%	752,909,607	-
5%	<u>790,555,087</u>	<u>37,645,480</u>

(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.

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

(a) Market risk (continued)

(ii) Interest rate risk (continued)

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:

	2025	2024
	%	%
Deposits with licensed financial institutions	<u>3.30</u>	<u>3.20</u>

(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.

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	Financial assets at fair value through profit or loss	Amount due from Manager of collective investment schemes - management fee rebate	Dividends receivable	Total
	RM	RM	RM	RM	RM
2025					
EUR	-	10,135,910	-	-	10,135,910
GBP	-	179,706,672	-	-	179,706,672
HKD	-	19,402,291	-	-	19,402,291
JPY	-	88,383,375	-	32,137	88,415,512
SGD	-	7,022,794	-	-	7,022,794
TWD	-	-	-	26,533	26,533
USD	34,253,846	446,999,734	216,329	434,325	481,904,234
	<u>34,253,846</u>	<u>751,650,776</u>	<u>216,329</u>	<u>492,995</u>	<u>786,613,946</u>

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-disposal of collective investment schemes RM	Amount due from Manager of collective investment schemes - management fee rebate RM	Dividends receivable RM	Total RM
2024						
CHF	-	3,993,214	-	-	-	3,993,214
EUR	879	93,560,387	-	-	-	93,561,266
GBP	-	132,788,165	-	-	-	132,788,165
JPY	-	122,651,944	-	-	68,642	122,720,586
USD	12,697,592	399,915,896	6,984,578	85,390	654,507	420,337,963
	12,698,471	752,909,606	6,984,578	85,390	723,149	773,401,194

Financial liabilities	Amount due to Manager RM	Amount due to Manager of collective investment schemes - purchase of collective investment schemes RM	Total RM
2024			
USD	65,122	3,872,450	3,937,572
	65,122	3,872,450	3,937,572

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.

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

(a) Market risk (continued)

(iii) Currency risk (continued)

	Change in foreign exchange rate	Impact on profit or loss/NAV	
		2025 RM	2024 RM
	%		
CHF	+/-5	-	+/-199,661
EUR	+/-5	+/-506,796	+/-4,678,063
GBP	+/-5	+/-8,985,334	+/-6,639,408
HKD	+/-5	+/-970,115	-
JPY	+/-5	+/-4,420,776	+/-6,136,029
SGD	+/-5	+/-351,140	-
TWD	+/-5	+/-1,327	-
USD	+/-5	+/-24,095,212	+/-20,820,020
		<u>+/-39,330,700</u>	<u>+/-38,473,181</u>

(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
2025					
- AAA	35,481,455	-	-	-	35,481,455
- Not rated	-	216,329	2,926,214	492,995	3,635,538
	<u>35,481,455</u>	<u>216,329</u>	<u>2,926,214</u>	<u>492,995</u>	<u>39,116,993</u>
2024					
- AAA	21,436,671	-	-	-	21,436,671
- Not rated	-	85,390	18,297,140	723,148	19,105,678
	<u>21,436,671</u>	<u>85,390</u>	<u>18,297,140</u>	<u>723,148</u>	<u>40,542,349</u>

Deposits with licensed financial institutions of the Fund have an average remaining maturity of 1 day (2024: 1 day).

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

(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
2025			
Amount due to Manager	4,242,253	-	4,242,253
Accrued management fee	1,230,223	-	1,230,223
Amount due to Trustee	30,756	-	30,756
Other payables and accruals	-	29,202	29,202
Net assets attributable to unit holders*	<u>787,764,022</u>	<u>-</u>	<u>787,764,022</u>
Contractual undiscounted cash flows	<u>793,267,254</u>	<u>29,202</u>	<u>793,296,456</u>
2024			
Amount due to Manager of collective investment schemes - purchase of collective investment schemes	3,872,450	-	3,872,450
Amount due to Manager	8,642,419	-	8,642,419
Accrued management fee	1,170,229	-	1,170,229
Amount due to Trustee	29,256	-	29,256
Other payables and accruals	-	28,600	28,600
Net assets attributable to unit holders*	<u>787,894,258</u>	<u>-</u>	<u>787,894,258</u>
Contractual undiscounted cash flows	<u>801,608,612</u>	<u>28,600</u>	<u>801,637,212</u>

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

(c) Liquidity risk (continued)

* 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 RM787,764,022 (2024:RM787,894,258). 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.

(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.

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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
2025				
Financial assets at fair value through profit or loss:				
- Collective investment schemes	709,181,337	-	-	709,181,337
- Unquoted Sukuk	-	42,469,439	-	42,469,439
	<u>709,181,337</u>	<u>42,469,439</u>		<u>751,650,776</u>
2024				
Financial assets at fair value through profit or loss:				
- Collective investment schemes	<u>752,909,607</u>	<u>-</u>	<u>-</u>	<u>752,909,607</u>

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, and disposal of collective investment scheme, 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 2024, the management fee was recognised at a rate of 1.80% per annum (2024: 1.80% per annum) for each class.

4. MANAGEMENT FEE (CONTINUED)

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.

Effective 1 August 2023, Trustee fee is recognised at the rate of 0.045% per annum (2024: 0.07% per annum) for each class, while the foreign sub-custodian fee is recognised at RM68,802 (2024: RM174,489).

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):

	2025		2024	
	RM	%	RM	%
Source of distribution				
Distribution out of current year's income	33,521,057	100.00	13,251,325	100.00
Distribution out of prior year's income/capital	-	-	-	-
Total	33,521,057	100.00	13,251,325	100.00

Gross/Net distribution per unit (sen)

Distribution on 24 October 2024

- Class MYR	3.96	-
- Class USD	6.17	-

Distribution on 18 October 2023

- Class MYR	-	1.70
- Class USD	-	2.42
	10.13	4.12

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 2025, the Fund incurred unrealised loss of RM97,183,997 (2024: Nil).

7. TAXATION

	2025 RM	2024 RM
Tax charged for the financial year:		
- Tax on foreign source income	-	1,954,321
- Overprovision in prior year	(415,679)	(1,153,857)
	<u>(415,679)</u>	<u>800,464</u>

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

	2025 RM	2024 RM
(Loss)/Profit before taxation	(47,041,687)	156,973,737
Taxation at Malaysian statutory rate of 24% (2024: 24%)	(11,290,005)	37,673,697
Tax effects of:		
- Income not subject to tax	(867,487)	(44,294,037)
- Expenses not deductible for tax purposes	8,645,535	3,665,956
- Restriction on tax deductible expenses for Unit Trust Funds	3,511,957	2,954,384
Tax on foreign source income	-	1,954,321
Overprovision in prior year	(415,679)	(1,153,857)
Taxation	<u>(415,679)</u>	<u>800,464</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RM	2024 RM
At fair value through profit or loss:		
- Collective investment schemes	709,181,337	752,909,607
- Quoted securities	42,469,439	-
	<u>751,650,776</u>	<u>752,909,607</u>
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	90,291,184	61,558,347
- Unrealised fair value (loss)/gain	(95,583,514)	109,543,754
- Management fee rebate #	1,396,568	570,323
	<u>(3,895,762)</u>	<u>171,672,424</u>

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 2025 and 31 March 2024, 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.

	2025 RM	2024 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	0.60
Legg Mason ClearBridge US Large Cap Growth Fund	-	-
Principal Global Investors ("PGI") European Equity Fund	1.00	1.00

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 %
2025 COLLECTIVE INVESTMENT SCHEMES				
FTGF ClearBridge -US Large Cap	17,095	24,584,656	26,157,312	3.32
Hong Kong Exchanges & Clearing	43,100	8,347,817	8,469,216	1.08
IShares 20+ Year Treasury Bond ETF	22,192	8,954,923	8,955,271	1.14
IShares Asia 50 ETF	12,354	4,204,780	3,962,268	0.50
IShares Core S&P Small- Cap ETF	48,848	25,617,138	22,643,921	2.87
IShares Core MSCI Europe ETF EUR Dist	1,121,903	157,646,310	179,706,672	22.81
IShares US Equity Factor Rotation Active ETF	284,933	61,325,627	61,589,146	7.82
JP Morgan US REI Equity ESG UCITS ETF	1,209,204	21,213,118	21,323,994	2.71
JPMorgan Europe Strategic Growth Fund	10,257	2,635,767	2,668,966	0.34
JPMorgan Funds-US Growth Fd-USD	77,153	24,300,669	24,512,536	3.11
JPMorgan Japan Yen Fund AC JPY	5,399,141	18,431,350	19,411,756	2.46
NEXT FUNDS TOPIX Banks ETF	2,732,500	24,128,694	33,384,177	4.24
NEXT FUNDS TOPIX ETF	154,876	11,877,249	12,969,765	1.65
NEXT FUNDS TOPIX-17 COMM & WHOLESALE TRADE ETF	3,085,115	11,575,852	5,571,052	0.71
Principal GLB - EUR EQ- INS ACC	442,760	82,734,401	89,612,400	11.38
SPDR Gold Shares	6,508	6,416,964	8,312,828	1.06
SPDRS&P 500 ETF	447,394	133,939,844	179,930,057	22.84
TOTAL COLLECTIVE INVESTMENT SCHEMES	15,115,333	627,935,159	709,181,337	90.04
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		81,246,178		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		709,181,337		

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 %
2025 (CONTINUED)				
QUOTED SECURITIES				
– FOREIGN				
FRANCE				
Consumer Staples				
Hermes International	645	6,590,951	7,466,944	0.95
TOTAL FRANCE	645	6,590,951	7,466,944	0.95
HONG KONG SAR CHINA				
Communication Services				
Tencent Holding Ltd	38,600	11,251,403	10,933,076	1.39
TOTAL HONG KONG SAR CHINA	38,600	11,251,403	10,933,076	1.39
JAPAN				
Industrials				
Mitsubishi Heavy Industries Ltd	108,200	5,803,212	8,104,830	1.03
Information Technology				
Hitachi Ltd	87,200	8,301,919	8,941,796	1.14
TOTAL JAPAN	195,400	14,105,131	17,046,626	2.17
SINGAPORE				
Financials				
DBS Group Holding Ltd	45,700	6,638,477	7,022,793	0.87
TOTAL SINGAPORE	45,700	6,638,477	7,022,793	0.87
TOTAL QUOTED SECURITIES	280,345	38,585,962	42,469,439	5.38
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		3,883,477		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		42,469,439		

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 %
2024				
COLLECTIVE INVESTMENT SCHEMES				
Airbus SE	9,992	6,703,927	8,682,867	1.10
ASML Holding N.V.	1,421	5,821,547	6,512,506	0.83
Fast Retailing Co Ltd	8,900	10,008,205	13,098,646	1.66
FTGF ClearBridge - US Large Cap	19,872	25,222,195	31,310,595	3.98
Global X Copper Miners ETF	19,870	3,834,835	3,981,465	0.51
iShares Core MSCI Europe UCITS ETF EUR (Dist)	815,100	102,905,989	132,788,165	16.87
ITOCHU Corporation	29,400	5,451,260	5,935,124	0.75
JP Morgan Europe REI ESG UCITS	213,218	44,672,105	45,710,162	5.81
JPMorgan Europe Strategic Growth Fund	114,274	28,776,102	30,874,841	3.92
JPMorgan Funds-US Growth Fd-USD	113,452	34,643,978	41,377,903	5.26
JPMorgan Japan Yen Fund	4,501	583,975	858,760	0.11
Linde PLC	4,388	8,253,412	9,621,792	1.22
Lonza Group AG	1,412	3,885,778	3,993,214	0.51
L'Oreal	3,714	8,026,503	8,292,517	1.05
NEXT FUNDS TOPIX Banks ETF	1,673,500	12,370,681	17,388,249	2.21
NEXT FUNDS TOPIX ETF	944,085	68,740,649	86,229,925	10.95
Nvidia Corporation	2,308	6,577,675	9,848,379	1.25
Principal GLB - EUR EQ-INS ACc Europeon	103,919	18,408,459	21,529,501	2.73
SPDR Gold Shares	4,259	4,037,801	4,137,673	0.53
SPDRS&P 500 ETF	100,995	155,423,195	249,477,655	31.69
Synopsys Inc	4,197	10,971,838	11,327,320	1.44
Taiwan Semiconductor Manuf ADR	15,459	6,876,326	9,932,348	1.26
TOTAL COLLECTIVE INVESTMENT SCHEMES	4,208,236	572,196,435	752,909,607	95.64
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		180,713,172		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		752,909,607		

9. CASH AND CASH EQUIVALENTS

	2025	2024
	RM	RM
Deposits with licensed financial institutions	136,062	8,599,261
Bank balances	35,345,393	12,837,410
	<u>35,481,455</u>	<u>21,436,671</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2025	2024
	No. of units	No. of units
Class D (i)	18,774,395	7,993,809
Class MYR (ii)	830,882,787	792,317,520
Class USD (iii)	982,458	1,450,245
	<u>850,639,640</u>	<u>801,761,574</u>
(i) Class D		
At the beginning of the financial year	7,993,809	-
Add : Creation of units from applications	27,579,893	11,279,078
Less : Cancellation of units	(16,799,307)	(3,285,269)
At the end of the financial year	<u>18,774,395</u>	<u>7,993,809</u>
(ii) Class MYR		
At the beginning of the financial year	792,317,520	825,524,339
Add : Creation of units from applications	324,398,099	314,348,385
Add : Creation of units from distribution	36,922,983	15,943,242
Less : Cancellation of units	(322,755,815)	(363,498,446)
At the end of the financial year	<u>830,882,787</u>	<u>792,317,520</u>
(iii) Class USD		
At the beginning of the financial year	1,450,245	1,049,697
Add : Creation of units from applications	707,783	847,554
Add : Creation of units from distribution	50,642	19,320
Less : Cancellation of units	(1,226,212)	(466,326)
At the end of the financial year	<u>982,458</u>	<u>1,450,245</u>

11. TOTAL EXPENSE RATIO ("TER")

	2025	2024
	%	%
TER	<u>1.68</u>	<u>1.81</u>

TER is derived based on the following calculation:

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

A	=	Management fee (excludes management fee rebates)
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 RM813,403,825 (2024: RM680,892,172).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	2025	2024
PTR (times)	<u>1.05</u>	<u>0.72</u>

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial year = RM856,592,246 (2024: RM474,105,227)

total disposal for the financial year = RM852,558,746 (2024: RM509,370,131)

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

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

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

	2025		2024	
	No. of units	RM	No. of units	RM
Manager				
Principal Asset Management Berhad				
- Class MYR	26,382	24,089	23,068	22,355
- Class USD	5	31	4	27

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

Units held by the Manager and parties related to the Manager (continued)

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.

	2025 RM	2024 RM
<u>Significant related party transactions</u>		
Interest income received from deposits with licensed financial institution:		
- CIMB Bank Bhd	<u>2,485</u>	<u>5,759</u>
Management fee rebate:		
- Principal Global Investors Funds	<u>68,454</u>	<u>173,105</u>
<u>Significant related party balances</u>		
Collective investment schemes:		
- PGI European Equity Fund	<u>89,612,400</u>	<u>21,529,501</u>

14. TRANSACTIONS WITH BROKERS

Details of transactions with the brokers for the financial year ended 31 March 2025 were as follows:

Brokers	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Macquarie Securities Australia Ltd	734,823,323	43.00	220,447	26.09
JPMorgan Asset Management	337,005,054	19.72	-	-
Citigroup Global Markets Ltd	202,960,885	11.88	60,888	7.21
Instinet Pacific Limited	123,995,282	7.26	309,988	36.69
Principal Global Investors Fund #	80,359,052	4.70	-	-
Sanford C Bernstein Hong Kong Ltd	72,868,644	4.26	109,303	12.94
Leg Masson Global Funds The Hongkong and Shanghai Bank	27,977,203	1.64	21,347	2.53
Jefferies International Ltd	18,173,092	1.06	36,346	4.30
J.P. Morgan Securities LLC	16,090,486	0.94	4,827	0.57
Others #	50,433,970	2.95	81,789	9.67
	<u>1,709,034,862</u>	<u>100.00</u>	<u>844,935</u>	<u>100.00</u>

14. TRANSACTIONS WITH BROKERS (CONTINUED)

Details of transactions with the brokers for the financial year ended 31 March 2024 were as follows:

Brokers	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Macquarie Securities Australia Ltd	377,155,473	38.35	113,147	34.57
JPMorgan Asset Management	198,062,051	20.14	-	-
Citigroup Global Markets Ltd	171,497,572	17.44	51,449	15.72
Leg Masson Global Funds	88,982,747	9.05	-	-
J.P. Morgan Securities LLC	50,605,092	5.15	15,182	4.64
Instinet Pacific Ltd	31,420,903	3.20	78,552	24.00
Principal Global Investors Fund #	29,152,484	2.96	-	-
UBS Securities Asia Ltd	17,203,145	1.75	34,406	10.51
Jefferies International Ltd	15,218,118	1.55	30,436	9.30
CGS-CIMB Sec (SG) Pte Ltd #	4,124,220	0.41	4,124	1.26
	<u>983,421,805</u>	<u>100.00</u>	<u>327,296</u>	<u>100.00</u>

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 RM80,359,052 (2024: RM29,152,484) and RM5,235,929 (2024: RM4,124,220). 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. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 16 May 2025.

DIRECTORY

Head Office of the Manager

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

Website

www.principal.com

E-mail address

myservice@principal.com

Customer Care Centre

(03) 7723 7260

Chat with us via WhatsApp:

(6016) 299 9792

Trustee for the Principal Global Titans Fund

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

Auditors of the Fund and of the Manager

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

List of Amendment
First Supplemental Prospectus for Principal Global Titans Fund (“Fund”)

Appendix 1

Prospectus for Principal Global Titans Fund dated 28 February 2023 (“Prospectus 1”)		First Supplemental Prospectus for Principal Global Titans Fund dated 27 February 2025 (“Prospectus 2”)
Section / Page	Description	Description
	All references to “service@principal.com.my” in the Prospectus shall be amended to “myservice@principal.com”.	
Definitions/ii	Nil	Definitions Bloomberg - Bloomberg LP. g ICE - ICE Data Services, Inc. IHS - IHS Markit Ltd. Markit
Corporate Directory / page iv	The Manager Principal Asset Management Berhad Business address 10th Floor Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur MALAYSIA Tel : (603) 2084 8888 Registered address 8th Floor Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur MALAYSIA Tel : (603) 2084 8888 Customer Care Centre Ground Floor Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur MALAYSIA Tel : (03) 7723 7260 Fax : (03) 7718 3003 Whatsapp : (6016) 299 9792 Website www.principal.com.my	The Manager Principal Asset Management Berhad Business/Registered address Level 32, Exchange 106, Lingkaran TRX 55188 Tun Razak Exchange Kuala Lumpur MALAYSIA Tel : (603) 8680 8000 Customer Care Centre Level 31, Exchange 106, Lingkaran TRX 55188 Tun Razak Exchange Kuala Lumpur MALAYSIA Tel : (603) 7723 7260 WhatsApp : (6016) 299 9792 Website www.principal.com.my E-mail myservice@principal.com mygoinvest@principal.com (for Class D only)

List of Amendment
First Supplemental Prospectus for Principal Global Titans Fund (“Fund”)

Prospectus for Principal Global Titans Fund dated 28 February 2023 (“Prospectus 1”)		First Supplemental Prospectus for Principal Global Titans Fund dated 27 February 2025 (“Prospectus 2”)
Section / Page	Description	Description
	E-mail service@principal.com.my goinvest@principal.com.my (for Class D only)	
Section 3.1/ 12	<p>Second bullet point</p> <ul style="list-style-type: none"> ▪ Unlisted securities The value of any unlisted RM-denominated bonds shall be calculated on a daily basis using prices quoted by a bond pricing agency (“BPA”) registered with the SC. Where such prices are not available or where we are of the view that the price quoted by the BPA for a specific bond differs from the market price by more than 20 basis points, we may use the market price by reference to the last available quote provided such quote was obtained within the previous thirty (30) days and we record its basis for using a non-BPA price, obtained necessary internal approvals to use the non-BPA price and keeps an audit trail of all decisions and basis for adopting the market yield. <p>The value of any unlisted non RM-denominated bonds shall be calculated at least weekly by reference to the average of bid and offer prices quoted by three (3) independent and reputable financial institutions or any alternative valuation basis as may be permitted by the SC from time to time.</p>	<p>Second bullet point</p> <ul style="list-style-type: none"> ▪ Unlisted equities The valuation of equities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Fund by the issuer shall be valued daily at the issue price of such equities. The value will be determined by the issuer that issued the instrument. ▪ Unlisted debt securities The value of any unlisted MYR-denominated debt securities shall be calculated on a daily basis using prices quoted by a bond pricing agency (BPA) registered with the SC. Where we are of the view that the price quoted by the BPA for a specific unquoted debt securities differs from the market price by more than 20 basis points, we may propose a fair value price, provided that we obtain necessary internal approvals to use the non-BPA price and keep an audit trail of the basis for determining the fair value of the investment. The basis for determining the fair value of the investment should be approved by the Trustee (after appropriate technical consultation) and is documented. <p>The value of any unlisted non MYR-denominated debt securities shall be calculated daily using prices quoted by ICE, Refinitiv, IHS Markit or Bloomberg, dependent on asset class and market using their proprietary methodology. The debt securities prices are calculated using prices contributed by financial institutions and other market inputs, including benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data (e.g. corporate action announcements and ratings). Where the prices are not available on any Business Day, these debt securities will be valued by reference to the average indicative yield quoted by three (3) independent and reputable financial institutions. However, where quotations are still not available, such unlisted non-MYR-denominated debt securities will be valued daily at a fair price determined in good faith by us, based on the methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.</p>

List of Amendment
First Supplemental Prospectus for Principal Global Titans Fund (“Fund”)

Prospectus for Principal Global Titans Fund dated 28 February 2023 (“Prospectus 1”)		First Supplemental Prospectus for Principal Global Titans Fund dated 27 February 2025 (“Prospectus 2”)
Section / Page	Description	Description
3.4.2/ 16	Second paragraph, first bullet point You may make a payment: <ul style="list-style-type: none"> by crossed cheque, banker’s draft, or cashier’s order (made payable as advised by us or our Distributors as the case may be). You will have to bear the applicable bank fees and charges, if any; or 	Second paragraph, first bullet point You may make a payment: <ul style="list-style-type: none"> by crossed cheque (made payable as advised by us or our Distributors as the case may be). You will have to bear the applicable bank fees and charges, if any; or
3.4.5/ 17	<div style="border: 1px solid black; padding: 5px; text-align: center;"> <p>You are advised not to make payment in cash to any individual agent or issue a cheque in the name of any individual agent or employee of Principal Malaysia when purchasing units of a fund.</p> </div>	<div style="border: 1px solid black; padding: 5px; text-align: center;"> <p>You should not make any payment directly or indirectly to any individual agent or employee of the Manager or issue a cheque in the name of an individual agent or employee of the Manager when purchasing this Fund.</p> </div>
3.13/ 20	Unclaimed Moneys First paragraph Any moneys payable to you which remain unclaimed after twelve (12) months as prescribed by Unclaimed Moneys Act 1965 (“UMA”), will be surrendered to the Registrar of Unclaimed Moneys by us in accordance with the requirements of the UMA. Thereafter, all claims need to be made by you with the Registrar of Unclaimed Moneys.	Unclaimed Moneys First paragraph Any moneys payable to you which remain unclaimed after two (2) years as prescribed by the Unclaimed Moneys Act 1965 (“UMA”), will be surrendered to the Registrar of Unclaimed Moneys by us in accordance with the requirements of the UMA. Thereafter, all claims need to be made by you with the Registrar of Unclaimed Moneys.
4.2/ 21	<div style="border: 1px solid black; padding: 5px; text-align: center;"> <p>The Fund’s printed annual report is available upon request.</p> </div>	<div style="border: 1px solid black; padding: 5px; text-align: center;"> <p>The Fund’s annual report is available upon request.</p> </div>
4.2/ 21	Last paragraph If you wish to write-in, please address your letter to: Principal Asset Management Berhad Customer Care Centre Ground Floor Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur, MALAYSIA	Last paragraph If you wish to write-in, please address your letter to: Principal Asset Management Berhad Customer Care Centre Level 31, Exchange 106, Lingkaran TRX 55188 Tun Razak Exchange Kuala Lumpur MALAYSIA

List of Amendment
First Supplemental Prospectus for Principal Global Titans Fund (“Fund”)

Prospectus for Principal Global Titans Fund dated 28 February 2023 (“Prospectus 1”)		First Supplemental Prospectus for Principal Global Titans Fund dated 27 February 2025 (“Prospectus 2”)																	
Section / Page	Description	Description																	
5.1.2 / 21	Designated Person Responsible for Fund Management Function	Designated Person Responsible for Fund Management Function																	
	<table><tr><td>Name:</td><td>Patrick Chang Chian Ping</td></tr><tr><td>Designation:</td><td>Chief Investment Officer, Malaysia & Chief Investment Officer, Equities, ASEAN Region</td></tr><tr><td>Experience:</td><td><p>He was appointed as the Chief Investment Officer on 22 February 2016. He comes with an extensive 20 years of experience in asset management and is backed by numerous ASEAN awards from Malaysian pension funds in 2013 and 2015.</p><p>He was previously the Head of ASEAN equities at BNP Paribas Investment Partners, Malaysia where he was overseeing ASEAN equities for both Malaysian and offshore clients from 2012. Prior to that, he served as Senior Vice President for CIMB-Principal Asset Management Berhad where he specialised in Malaysia, ASEAN and Asia specialist funds. He also worked as a portfolio manager at Riggs and Co International Private Banking in London specialising in managing global ETF portfolios.</p></td></tr><tr><td>Qualifications:</td><td>MSc Finance from City University Business School and BSc Accounting and Financial Analysis from University of Warwick, UK.</td></tr></table>	Name:	Patrick Chang Chian Ping	Designation:	Chief Investment Officer, Malaysia & Chief Investment Officer, Equities, ASEAN Region	Experience:	<p>He was appointed as the Chief Investment Officer on 22 February 2016. He comes with an extensive 20 years of experience in asset management and is backed by numerous ASEAN awards from Malaysian pension funds in 2013 and 2015.</p> <p>He was previously the Head of ASEAN equities at BNP Paribas Investment Partners, Malaysia where he was overseeing ASEAN equities for both Malaysian and offshore clients from 2012. Prior to that, he served as Senior Vice President for CIMB-Principal Asset Management Berhad where he specialised in Malaysia, ASEAN and Asia specialist funds. He also worked as a portfolio manager at Riggs and Co International Private Banking in London specialising in managing global ETF portfolios.</p>	Qualifications:	MSc Finance from City University Business School and BSc Accounting and Financial Analysis from University of Warwick, UK.	<table><tr><td>Name:</td><td>Lee Chun Hong</td></tr><tr><td>Designation:</td><td>Chief Investment Officer, Equities – Malaysia</td></tr><tr><td>Experience:</td><td><p>Chun Hong has more than 19 years of experience in fund management and equity research. He joined Principal Malaysia in 2017 to manage unit trust funds and institutional mandates covering Malaysian and ASEAN markets.</p><p>Prior to that, he was attached to Libra Invest Berhad, managing and supervising Unit Trust and Research divisions that covered ASEAN and China-Hong Kong markets. He commenced his career in fund management industry at Public Mutual Berhad. He had research responsibilities for regional plantation and consumer sectors, as well as research country coverage of ASEAN markets. Subsequently, he moved on to portfolio management, specialising in ASEAN markets. He started covering ASEAN markets since 2010. He was also previously with PricewaterhouseCoopers as an auditor.</p></td></tr><tr><td>Qualifications:</td><td><ul style="list-style-type: none">▪ Bachelor of Commerce (Accounting & Finance) - Monash University, Clayton Campus.▪ A CFA Charterholder.▪ Ex-member of CPA Australia.</td></tr></table>		Name:	Lee Chun Hong	Designation:	Chief Investment Officer, Equities – Malaysia	Experience:	<p>Chun Hong has more than 19 years of experience in fund management and equity research. He joined Principal Malaysia in 2017 to manage unit trust funds and institutional mandates covering Malaysian and ASEAN markets.</p> <p>Prior to that, he was attached to Libra Invest Berhad, managing and supervising Unit Trust and Research divisions that covered ASEAN and China-Hong Kong markets. He commenced his career in fund management industry at Public Mutual Berhad. He had research responsibilities for regional plantation and consumer sectors, as well as research country coverage of ASEAN markets. Subsequently, he moved on to portfolio management, specialising in ASEAN markets. He started covering ASEAN markets since 2010. He was also previously with PricewaterhouseCoopers as an auditor.</p>	Qualifications:	<ul style="list-style-type: none">▪ Bachelor of Commerce (Accounting & Finance) - Monash University, Clayton Campus.▪ A CFA Charterholder.▪ Ex-member of CPA Australia.
	Name:	Patrick Chang Chian Ping																	
	Designation:	Chief Investment Officer, Malaysia & Chief Investment Officer, Equities, ASEAN Region																	
	Experience:	<p>He was appointed as the Chief Investment Officer on 22 February 2016. He comes with an extensive 20 years of experience in asset management and is backed by numerous ASEAN awards from Malaysian pension funds in 2013 and 2015.</p> <p>He was previously the Head of ASEAN equities at BNP Paribas Investment Partners, Malaysia where he was overseeing ASEAN equities for both Malaysian and offshore clients from 2012. Prior to that, he served as Senior Vice President for CIMB-Principal Asset Management Berhad where he specialised in Malaysia, ASEAN and Asia specialist funds. He also worked as a portfolio manager at Riggs and Co International Private Banking in London specialising in managing global ETF portfolios.</p>																	
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Name:	Lee Chun Hong																		
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Qualifications:	<ul style="list-style-type: none">▪ Bachelor of Commerce (Accounting & Finance) - Monash University, Clayton Campus.▪ A CFA Charterholder.▪ Ex-member of CPA Australia.																		
	<i>Note: For more and/or updated information, please refer to our website at www.principal.com.my.</i>	<i>Note: For more information and/or updated information, please refer to our website at www.principal.com.my</i>																	

List of Amendment
First Supplemental Prospectus for Principal Global Titans Fund (“Fund”)

Prospectus for Principal Global Titans Fund dated 28 February 2023 (“Prospectus 1”)		First Supplemental Prospectus for Principal Global Titans Fund dated 27 February 2025 (“Prospectus 2”)
Section / Page	Description	Description
9/ 31 to 34	<p>Taxation report</p> <p>Ernst & Young Tax Consultants Sdn Bhd Level 23A Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur</p> <p>The Board of Directors Principal Asset Management Berhad 10th Floor, Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur</p> <p>27 September 2022</p> <p>Dear Sirs</p> <p>Taxation of the unit trust fund and unit holders</p> <p>This letter has been prepared for inclusion in this Replacement Prospectus Issue No. M4 in connection with the offer of units in the unit trust known as Principal Global Titans Fund (hereinafter referred to as “the Fund”).</p> <p>The purpose of this letter is to provide prospective unit holders with an overview of the impact of taxation on the Fund and the unit holders.</p> <p>Taxation of the Fund</p> <p>The taxation of the Fund is subject to the provisions of the Malaysian Income Tax Act 1967 (MITA), particularly Sections 61 and 63B.</p>	<p>Taxation report</p> <p>Ernst & Young Tax Consultants Sdn Bhd Level 23A Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur</p> <p>The Board of Directors Principal Asset Management Berhad Level 32, Exchange 106, Lingkaran TRX, 55188 Tun Razak Exchange Kuala Lumpur, Malaysia</p> <p>9 December 2024</p> <p>Dear Sirs</p> <p>Taxation of the unit trust fund and unit holders</p> <p>This letter has been prepared for inclusion in this First Supplemental Prospectus in connection with the offer of units in the unit trust known as Principal Global Titans Fund (hereinafter referred to as “the Fund”).</p> <p>The purpose of this letter is to provide prospective unit holders with an overview of the impact of taxation on the Fund and the unit holders.</p> <p>Taxation of the Fund</p> <p>The taxation of the Fund is subject to the provisions of the Malaysian Income Tax Act 1967 (MITA), particularly Sections 61 and 63B.</p> <p>Subject to certain exemptions, the income of the Fund comprising profits and other investment income derived from or accruing in Malaysia after deducting tax allowable expenses, is subject to Malaysian income tax at the rate of 24% with effect from the year of assessment 2016.</p>

List of Amendment
First Supplemental Prospectus for Principal Global Titans Fund (“Fund”)

Prospectus for Principal Global Titans Fund dated 28 February 2023 (“Prospectus 1”)		First Supplemental Prospectus for Principal Global Titans Fund dated 27 February 2025 (“Prospectus 2”)
Section / Page	Description	Description
	<p>Subject to certain exemptions, the income of the Fund comprising profits and other investment income derived from or accruing in Malaysia after deducting tax allowable expenses, is subject to Malaysian income tax at the rate of 24% with effect from the year of assessment 2016.</p> <p>Tax allowable expenses would comprise expenses falling under Section 33(1) and Section 63B of the MITA. Section 33(1) permits a deduction for expenses that are wholly and exclusively incurred in the production of gross income. In addition, Section 63B allows unit trusts a deduction for a portion of other expenses (referred to as ‘permitted expenses’) not directly related to the production of income, as explained below.</p> <p>“Permitted expenses” refer to the following expenses incurred by the Fund which are not deductible under Section 33(1) of the MITA:</p> <ul style="list-style-type: none"> the manager’s remuneration, maintenance of the register of unit holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage. <p>These expenses are given a partial deduction under Section 63B of the MITA, based on the following formula:</p> $A \times \frac{B}{4C}$ <p>where A is the total of the permitted expenses incurred for that basis period;</p> <p>B is gross income consisting of dividend¹, interest and rent chargeable to tax for that basis period; and</p>	<p>Tax allowable expenses would comprise expenses falling under Section 33(1) and Section 63B of the MITA. Section 33(1) permits a deduction for expenses that are wholly and exclusively incurred in the production of gross income. In addition, Section 63B allows unit trusts a deduction for a portion of other expenses (referred to as “permitted expenses”) not directly related to the production of income, as explained below.</p> <p>“Permitted expenses” refer to the following expenses incurred by the Fund which are not deductible under Section 33(1) of the MITA:</p> <ul style="list-style-type: none"> the manager’s remuneration, maintenance of the register of unit holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage. <p>These expenses are given a partial deduction under Section 63B of the MITA, based on the following formula:</p> $A \times \frac{B}{4C}$ <p>where A is the total of the permitted expenses incurred for that basis period;</p> <p>B is gross income consisting of dividend¹, interest and rent chargeable to tax for that basis period; and</p> <p>C is the aggregate of the gross income consisting of dividend¹ and interest (whether such dividend or interest is exempt or not) and rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period,</p> <p>provided that the amount of deduction to be made shall not be less than 10% of the total permitted expenses incurred for that basis period.</p>

¹ Pursuant to Section 15 of the Finance Act 2011, with effect from the year of assessment 2011, dividend income is deemed to include income distributed by a unit trust which includes distributions from Real Estate Investment Trusts.

List of Amendment

First Supplemental Prospectus for Principal Global Titans Fund (“Fund”)

Prospectus for Principal Global Titans Fund dated 28 February 2023 (“Prospectus 1”)		First Supplemental Prospectus for Principal Global Titans Fund dated 27 February 2025 (“Prospectus 2”)
Section / Page	Description	Description
	<p>C is the aggregate of the gross income consisting of dividend¹ and interest (whether such dividend or interest is exempt or not) and rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period,</p> <p>provided that the amount of deduction to be made shall not be less than 10% of the total permitted expenses incurred for that basis period.</p> <p>Exempt income</p> <p>The following income of the Fund is exempt from income tax:</p> <ul style="list-style-type: none"> • Malaysian sourced dividends <p>All Malaysian-sourced dividends should be exempt from income tax.</p> <ul style="list-style-type: none"> • Malaysian sourced interest <ul style="list-style-type: none"> (i) interest from securities or bonds issued or guaranteed by the Government of Malaysia; (ii) interest from debentures or <i>sukuk</i>, other than convertible loan stock, approved or authorized by, or lodged with, the Securities Commission; (iii) interest from Bon Simpanan Malaysia issued by Bank Negara Malaysia; (iv) interest derived from Malaysia and paid or credited by banks licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013²; (v) interest derived from Malaysia and paid or credited by any development financial institution prescribed under the Development Financial Institutions Act 2002²Error! Bookmark not defined.; 	<p>Exempt income</p> <p>The following income of the Fund is exempt from income tax:</p> <ul style="list-style-type: none"> • Malaysian sourced dividends <p>All Malaysian-sourced dividends should be exempt from income tax.</p> <ul style="list-style-type: none"> • Malaysian sourced interest <ul style="list-style-type: none"> (viii) interest from securities or bonds issued or guaranteed by the Government of Malaysia; (ix) interest from debentures or <i>sukuk</i>, other than convertible loan stock, approved or authorized by, or lodged with, the Securities Commission; (x) interest from Bon Simpanan Malaysia issued by Bank Negara Malaysia; (xi) interest derived from Malaysia and paid or credited by banks licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013²; (xii) interest derived from Malaysia and paid or credited by any development financial institution prescribed under the Development Financial Institutions Act 2002²Error! Bookmark not defined.; (xiii) interest from <i>sukuk</i> originating from Malaysia, other than convertible loan stock, issued in any currency other than Ringgit and approved or authorized by, or lodged with, the Securities Commission or approved by the Labuan Financial Services Authority (LFSA)³; and (xiv) interest which is specifically exempted by way of statutory orders or any other specific exemption provided by the Minister. <ul style="list-style-type: none"> • Discount <p>Tax exemption is given on discount paid or credited to any unit trust in respect of investments as specified in items (i), (ii) and (iii) above.</p> <p>Foreign-sourced income (FSI)</p> <p>Pursuant to the Finance Act 2021, income derived by a resident person from sources outside Malaysia and received in Malaysia from 1 January 2022 will no longer be exempt from tax.</p>

² Effective from 1 January 2019, the income tax exemption for a unit trust fund, pursuant to Paragraph 35A, Schedule 6 of the MITA shall not apply to a wholesale fund which is a money market fund.

List of Amendment

First Supplemental Prospectus for Principal Global Titans Fund (“Fund”)

Prospectus for Principal Global Titans Fund dated 28 February 2023 (“Prospectus 1”)		First Supplemental Prospectus for Principal Global Titans Fund dated 27 February 2025 (“Prospectus 2”)
Section / Page	Description	Description
	<p>(vi) interest from <i>sukuk</i> originating from Malaysia, other than convertible loan stock, issued in any currency other than Ringgit and approved or authorized by, or lodged with, the Securities Commission or approved by the Labuan Financial Services Authority (LFSA)³; and</p> <p>(vii) interest which is specifically exempted by way of statutory orders or any other specific exemption provided by the Minister.</p> <ul style="list-style-type: none"> Discount <p>Tax exemption is given on discount paid or credited to any unit trust in respect of investments as specified in items (i), (ii) and (iii) above.</p> <p>Foreign-sourced income</p> <p>Pursuant to the Finance Act 2021, income derived by a resident person from sources outside Malaysia and received in Malaysia from 1 January 2022 will no longer be exempt from tax.</p> <p>The Guidelines issued by the Malaysian Inland Revenue Board on 29 September 2022 define the term “received in Malaysia” to mean transferred or brought into Malaysia, either by way of cash⁴ or electronic funds transfer⁵.</p>	<p>Based on the Malaysian Inland Revenue Board’s “Guidelines on Tax Treatment in Relation to Income Received from Abroad (Amendment)” updated on 20 June 2024, the term “received in Malaysia” means transferred or brought into Malaysia, either by way of cash⁴ or electronic funds transfer⁵.</p> <p>FSI received in Malaysia during the transitional period from 1 January 2022 to 30 June 2022 will be taxed at 3% of gross. From 1 July 2022 onwards, FSI received in Malaysia will be taxed at the prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax⁶, and where relevant conditions are met.</p> <p>The Income Tax (Unit Trust in relation to Income Received In Malaysia from Outside Malaysia) (Exemption) Order 2024 [P.U.(A) 250] has been issued to exempt a “qualifying unit trust”⁷ from the payment of income tax in respect of gross income from all sources of income under Section 4 of the MITA (including capital gains classified under Section 4(aa)), which is received in Malaysia from outside Malaysia.</p> <p>This exemption applies to FSI received in Malaysia from 1 January 2024 to 31 December 2026, subject to the following conditions being complied with by the qualifying unit trust or the management company³ of the qualifying unit trust:</p> <ul style="list-style-type: none"> The income received in Malaysia has been subject to tax of a similar character to income tax under the laws of territory from which the income arose; and The highest rate of tax of a similar character to income tax under the law of that territory at that time is not less than 15%. <p>OR</p> <p>The management company of the qualifying unit trust shall employ an adequate number of employees in Malaysia and incur an adequate amount of operating expenditure in Malaysia.</p> <p>The exemption will not apply to a unit trust carrying on the business of banking, insurance or sea or air transport.</p> <p>Gains from the realisation of investments</p>

³ Effective from the year of assessment 2017, the exemption shall not apply to interest paid or credited to a company in the same group or interest paid or credited to a bank licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013; or a development financial institution prescribed under the Development Financial Institutions Act 2002.

⁴ “Cash” in this context is defined as banknotes, coins and cheques.

⁵ “Electronic funds transfer” means bank transfers (e.g., credit or debit transfers), payment cards (debit card, credit card and charge card), electronic money, privately-issued digital assets (e.g., crypto-assets, stablecoins) and central bank digital currency.

List of Amendment

First Supplemental Prospectus for Principal Global Titans Fund (“Fund”)

Prospectus for Principal Global Titans Fund dated 28 February 2023 (“Prospectus 1”)		First Supplemental Prospectus for Principal Global Titans Fund dated 27 February 2025 (“Prospectus 2”)
Section / Page	Description	Description
	<p>Foreign-sourced income (FSI) received in Malaysia during the transitional period from 1 January 2022 to 30 June 2022 will be taxed at 3% of gross. From 1 July 2022 onwards, FSI received in Malaysia will be taxed at the prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met.</p> <p>Income Tax (Exemption) (No. 6) Order 2022 has been issued to exempt a “qualifying person”⁶ from the payment of income tax in respect of dividend income which is received in Malaysia from outside Malaysia, effective from 1 January 2022 to 31 December 2026. The exemption will however not apply to a person carrying on the business of banking, insurance or sea or air transport. As the definition of “qualifying person” does not include unit trust funds, it would mean that resident unit trust funds would technically not qualify for the exemption, unless there are further updates thereto.</p> <p>Gains from the realisation of investments</p> <p>Pursuant to Section 61(1) (b) of the MITA, gains from the realisation of investments will not be treated as income of the Fund and hence, are not subject to income tax. Such gains may be subject to real property gains tax (RPGT) under the Real Property Gains Tax Act 1976 (RPGT Act), if the gains are derived from the disposal of chargeable assets, as defined in the RPGT Act.</p>	<p>Pursuant to the Finance (No. 2) Act 2023 (“Finance Act”), gains from the realisation of investments by a unit trust would no longer be exempt from tax. Pursuant to Section 61(1)(b) of the MITA, gains arising from the realisation of investments shall be treated as income of a unit trust under Section 4(aa) of MITA, provided that such gains are not related to real property as defined in the Real Property Gains Tax Act 1976. Section 4(aa) provides that gains or profits from the disposal of a capital asset are to be treated as a class of income. The tax imposed on such income under the MITA is commonly referred to as “capital gains tax” (CGT).</p> <p>Based on the MITA, the following will be subject to Malaysian CGT:</p> <p><u>Capital assets situated in Malaysia</u></p> <ul style="list-style-type: none"> a) Gains or profits from the disposal of shares of a company incorporated in Malaysia not listed on the stock exchange (including any rights or interests thereof) owned by a company, limited liability partnership, trust body or co-operative society b) Gains or profits, accruing to a company, limited liability partnership, trust body or co-operative society, on the disposal of shares in foreign incorporated controlled companies deriving value from real property in Malaysia, as determined based on the relevant provisions of the MITA. <p><u>Capital assets situated outside Malaysia</u></p> <ul style="list-style-type: none"> c) Gains or profits from the disposal of movable or immovable property situated outside Malaysia including any rights or interests thereof. Such gains will only be subject to tax when the gains are received in Malaysia. <p><u>Note:</u></p> <p>Pursuant to the Income Tax (Exemption) (No.3) Order 2024 [P.U.(A) 75], a trust body is exempted from payment of income tax in respect of gains or profits from the disposal of capital asset arising from outside Malaysia which is received in Malaysia. This exemption applies for such disposals from 1 January 2024 to 31 December 2026 subject to the following conditions being complied with by the trust body:</p>

⁶ Foreign tax” includes withholding tax

⁷ “Qualifying person” in this context means a person resident in Malaysia who is:

(a) An individual who has dividend income received in Malaysia from outside Malaysia in relation to a partnership business in Malaysia;

(b) A limited liability partnership which is registered under the Limited Liability Partnerships Act 2012; or

(c) A company which is incorporated or registered under the Companies Act 2016.

List of Amendment
First Supplemental Prospectus for Principal Global Titans Fund (“Fund”)

Prospectus for Principal Global Titans Fund dated 28 February 2023 (“Prospectus 1”)		First Supplemental Prospectus for Principal Global Titans Fund dated 27 February 2025 (“Prospectus 2”)							
Section / Page	Description	Description							
	<p>Implementation of Sales and Service Tax (“SST”)</p> <p>Sales and Service Tax (“SST”) was re-introduced effective 1 September 2018. Sales Tax of 10% (most common rate) or 5% is charged by Malaysian manufacturers of taxable goods or upon importation into Malaysia of such taxable goods, unless specifically exempted under the Sales Tax (Goods Exempted From Tax) Order 2018. Service Tax at the rate of 6% is charged on certain prescribed taxable services performed by taxable persons as stipulated under Service Tax Regulations 2018. The input tax recovery mechanism under the previous GST regime does not apply to SST. Therefore, any SST incurred is not recoverable and will form a cost element for businesses.</p> <p>Based on the Service Tax Regulations 2018, a unit trust fund is neither regarded as a taxable person nor as providing taxable services and is therefore not liable for SST registration. Where the Fund incurs expenses such as management fees, the management services provided by asset and fund managers who are licensed or registered with Securities Commission Malaysia for carrying out the regulated activity of fund management under the Capital Markets and Services Act 2007, are specifically excluded from the scope of Service Tax. As for other fees, such as trustee fees and other administrative charges, these may be subject to 6% service tax provided they fall within the scope of service tax (i.e. are provided by a “taxable person”, who exceeds the required annual threshold (in most cases RM 500,000 per annum) and the services qualify as “taxable services”).</p> <p>Taxation of unit holders</p> <p>For Malaysian income tax purposes, unit holders will be taxed on their share of the distributions received from the Fund.</p> <p>The income of unit holders from their investment in the Fund broadly falls under the following categories:</p> <ol style="list-style-type: none">taxable distributions; andnon-taxable and exempt distributions.	<ul style="list-style-type: none">employ an adequate number of employees in Malaysia with necessary qualifications to carry out the specified economic activities in Malaysia; andincur an adequate amount of operating expenditure for carrying out the specified economic activities in Malaysia. <p>Note that this exemption order applies to companies, limited liability partnerships, co-operative societies and trust bodies, whilst the (Income Tax (Unit Trust in relation to Income Received in Malaysia from Outside Malaysia) (Exemption) Order 2024 [P.U.(A) 250] (as referred above) applies specifically to qualifying unit trusts.</p> <p>The Finance Act provides an effective date of 1 January 2024 for the above changes to the MITA. However, pursuant to the Income Tax (Exemption) (No. 7) Order 2023 [P.U.(A) 410] and the Income Tax (Exemption) (No. 2) Order 2024 [P.U.(A) 57], taxpayers, including a trust body, are exempted from the payment of income tax in respect of any gains or profits received from the disposal of capital assets situated in Malaysia (see Item (a) and (b) above) where such disposals occur between 1 January and 29 February 2024.</p> <p>In addition to the above, the Income Tax (Unit Trust) (Exemption) Order 2024 [P.U.(A) 249] exempts a qualifying unit trust⁹ resident in Malaysia from the payment of income tax in respect of any gains or profit received from the disposal of shares of a company incorporated in Malaysia which is not listed on the stock exchange and from the disposal of shares under section 15C of the MITA where such disposals occur between 1 January 2024 to 31 December 2028.</p> <p>The exemption will not apply to gains or profits from the disposals of capital asset that fall under Section 4(a) of the MITA, as business income.</p> <p><u>CGT rates</u></p> <p>As noted above, various tax exemptions are available to a qualifying unit trust. For completeness, if exemptions did not apply, the relevant tax rates of the gains of the disposal of capital assets are as below:</p> <table><tr><th></th><th>Tax rates</th></tr><tr><td>A. Disposal of capital assets situated in Malaysia which was acquired before 1 January 2024</td><td></td></tr><tr><td><ul style="list-style-type: none">On chargeable income of the disposalOn gross disposal price</td><td>10% 2%</td></tr></table>			Tax rates	A. Disposal of capital assets situated in Malaysia which was acquired before 1 January 2024		<ul style="list-style-type: none">On chargeable income of the disposalOn gross disposal price	10% 2%
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Section / Page	Description	Description					
	<p>In addition, unit holders may also realise a gain from the sale of units.</p> <p>The tax implications of each of the above categories are explained below:</p> <p>1. Taxable distributions</p> <p>Distributions received from the Fund will have to be grossed up to take into account the underlying tax paid by the Fund and the unit holder will be taxed on the grossed up amount.</p> <p>Such distributions carry a tax credit, which will be available for set-off against any Malaysian income tax payable by the unit holder. Should the tax deducted at source exceed the tax liability of the unit holder, the excess is refundable to the unit holder.</p> <p>Please refer to the paragraph below for the income tax rates applicable to the grossed up distributions.</p> <p>2. Non-taxable and exempt distributions</p> <p>Tax exempt distributions made out of gains from the realisation of investments and exempt income earned by the Fund will not be subject to Malaysian income tax in the hands of the unit holders.</p> <p>A retail money market fund is exempted from tax on its interest income derived from Malaysia, pursuant to Paragraph 35A of Schedule 6 of the ITA. Pursuant to the Finance Act 2021, with effect from 1 January 2022, distributions by a retail money market fund from such tax exempt interest income, to a unit holder other than an individual, will no longer be exempt from tax. The distribution to unit holders other than individuals will be subject to withholding tax at 24%. This would be a final tax for non-residents. Malaysian residents are required to include the distributions in their tax returns and claim a credit in respect of the withholding tax suffered.</p>	<table><tr><td>B. Disposal of capital assets situated in Malaysia which was acquired after 1 January 2024</td><td>10%</td></tr><tr><td>C. Disposal of capital assets situated outside Malaysia</td><td>24% (prevailing tax rate of a unit trust)</td></tr></table>	B. Disposal of capital assets situated in Malaysia which was acquired after 1 January 2024	10%	C. Disposal of capital assets situated outside Malaysia	24% (prevailing tax rate of a unit trust)	
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		<p>Implementation of Sales and Service Tax (“SST”)</p> <p>Sales and Service Tax (“SST”) was re-introduced effective 1 September 2018. Sales Tax of 10% (most common rate) or 5% is charged by Malaysian manufacturers of taxable goods or upon importation into Malaysia of such taxable goods, unless specifically exempted under the Sales Tax (Goods Exempted From Tax) Order 2018. Service Tax is charged on certain prescribed taxable services performed by taxable persons as stipulated under Service Tax Regulations 2018. The input tax recovery mechanism under the previous GST regime does not apply to SST. Therefore, any SST incurred is not recoverable and will form a cost element for businesses.</p> <p>Based on the Service Tax Regulations 2018, a unit trust fund is neither regarded as a taxable person nor as providing taxable services and is therefore not liable for SST registration.</p> <p>Where the Fund incurs expenses such as management fees, the management services provided by asset and fund managers who are licensed or registered with Securities Commission Malaysia for carrying out the regulated activity of fund management under the Capital Markets and Services Act 2007, are specifically excluded from the scope of Service Tax. As for other fees, such as trustee fees and other administrative charges, these may be subject to service tax¹⁰ provided they fall within the scope of service tax (i.e. are provided by a “taxable person”, who exceeds the required annual threshold (in most cases RM 500,000 per annum) and the services qualify as “taxable services”).</p> <p>Taxation of unit holders</p> <p>For Malaysian income tax purposes, unit holders will be taxed on their share of the distributions received from the Fund.</p>					

List of Amendment
First Supplemental Prospectus for Principal Global Titans Fund (“Fund”)

Prospectus for Principal Global Titans Fund dated 28 February 2023 (“Prospectus 1”)		First Supplemental Prospectus for Principal Global Titans Fund dated 27 February 2025 (“Prospectus 2”)
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	<p>Individuals will continue to be exempt from tax on such distributions.</p> <p>Rates of tax</p> <p>The Malaysian income tax chargeable on the unit holders would depend on their tax residence status and whether they are individuals, corporations or trust bodies. The relevant income tax rates are as follows:</p>	<p>The income of unit holders from their investment in the Fund broadly falls under the following categories:</p> <ol style="list-style-type: none"> 1. taxable distributions; and 2. non-taxable and exempt distributions. <p>In addition, unit holders may also realise a gain from the sale of units.</p> <p>The tax implications of each of the above categories are explained below:</p> <p>1. Taxable distributions</p> <p>Distributions received from the Fund will have to be grossed up to take into account the underlying tax paid by the Fund and the unit holder will be taxed on the grossed up amount. See however item 2 below on certain distributions which are not taxable to unit holders.</p> <p>Such taxable distributions carry a tax credit, which will be available for set-off against any Malaysian income tax payable by the unit holder. Should the tax deducted at source exceed the tax liability of the unit holder, the excess is refundable to the unit holders.</p> <p>Please refer to the paragraph below for the income tax rates applicable to the grossed up distributions.</p> <p>2. Non-taxable and exempt distributions</p> <p>Tax exempt distributions made out of gains from the realisation of investments and exempt income earned by the Fund will not be subject to Malaysian income tax in the hands of the unit holders.</p> <p>A retail money market fund is exempted from tax on its interest income derived from Malaysia, pursuant to Paragraph 35A of Schedule 6 of the MITA. Pursuant to the Finance Act 2021, with effect from 1 January 2022, distributions by a retail money market fund from such tax exempt interest income, to a unit holder other than an individual, will no longer be exempt from tax. The distribution to unit holders other than individuals will be subject to withholding tax at 24%. This would be a final tax for non-residents. Malaysian residents are required to include the distributions in their tax returns and claim a credit in respect of the withholding tax suffered. Individuals will continue to be exempt from tax on such distributions.</p>

List of Amendment
First Supplemental Prospectus for Principal Global Titans Fund (“Fund”)

	<table><tr><th>Unit holders</th><th>Malaysian income tax rates</th></tr><tr><td>Malaysian tax resident:</td><td></td></tr><tr><td><ul style="list-style-type: none">Individual and non-corporate unit holders (such as associations and societies)Co-operatives⁷Trust bodies</td><td><ul style="list-style-type: none">Progressive tax rates ranging from 0% to 30%Progressive tax rates ranging from 0% to 24%24%</td></tr><tr><td><ul style="list-style-type: none">Corporate unit holders<ul style="list-style-type: none">(i) A company with paid up capital in respect of ordinary shares of not more than RM2.5 million (at the beginning of the basis period for the year of assessment) and gross income from a source or sources consisting of a business not exceeding RM50 million for the basis period for the year of assessment^{8 9}(ii) Companies other than (i) above</td><td><ul style="list-style-type: none">First RM600,000 of chargeable income @ 17%Chargeable income in excess of RM600,000 @ 24%24%</td></tr><tr><td>Non-Malaysian tax resident (Note 1):</td><td></td></tr><tr><td><ul style="list-style-type: none">Individual and non-corporate unit holdersCorporate unit holders and trust bodies</td><td><ul style="list-style-type: none">30%24%</td></tr></table>	Unit holders	Malaysian income tax rates	Malaysian tax resident:		<ul style="list-style-type: none">Individual and non-corporate unit holders (such as associations and societies)Co-operatives⁷Trust bodies	<ul style="list-style-type: none">Progressive tax rates ranging from 0% to 30%Progressive tax rates ranging from 0% to 24%24%	<ul style="list-style-type: none">Corporate unit holders<ul style="list-style-type: none">(i) A company with paid up capital in respect of ordinary shares of not more than RM2.5 million (at the beginning of the basis period for the year of assessment) and gross income from a source or sources consisting of a business not exceeding RM50 million for the basis period for the year of assessment^{8 9}(ii) Companies other than (i) above	<ul style="list-style-type: none">First RM600,000 of chargeable income @ 17%Chargeable income in excess of RM600,000 @ 24%24%	Non-Malaysian tax resident (Note 1):		<ul style="list-style-type: none">Individual and non-corporate unit holdersCorporate unit holders and trust bodies	<ul style="list-style-type: none">30%24%	<p>As stated above, with effect from 1 January 2024 (1 March 2024 for disposals of shares of a company incorporated in Malaysia not listed on the stock exchange), gains arising from the realisation of investments shall be treated as income of the Fund under Section 4(aa), pursuant to the proviso of Section 61(1)(b) of MITA.¹² However, pursuant to Section 61(1A) of MITA, unit holders will still not be charged to tax on the gains referred to in the proviso to Section 61(1)(b).</p> <p>Rates of tax</p> <p>The Malaysian income tax chargeable on the unit holders would depend on their tax residence status and whether they are individuals, corporations or trust bodies. The relevant income tax rates are as follows:</p> <table><tr><th>Unit holders</th><th>Malaysian income tax rates</th></tr><tr><td>Malaysian tax resident:</td><td></td></tr><tr><td><ul style="list-style-type: none">Individual and non-corporate unit holders (such as associations and societies)Co-operatives¹⁰Trust bodies</td><td><ul style="list-style-type: none">Progressive tax rates ranging from 0% to 30%Progressive tax rates ranging from 0% to 24%24%</td></tr><tr><td><ul style="list-style-type: none">Corporate unit holders<ul style="list-style-type: none">(i) A company with paid up capital in respect of ordinary shares of not more than RM2.5 million (at the beginning of the basis period for the year of assessment) and</td><td><ul style="list-style-type: none">First RM150,000 of chargeable income @ 15%¹³Next RM450,000 of chargeable income @17%Chargeable income in excess of RM600,000 @ 24%24%</td></tr></table>	Unit holders	Malaysian income tax rates	Malaysian tax resident:		<ul style="list-style-type: none">Individual and non-corporate unit holders (such as associations and societies)Co-operatives¹⁰Trust bodies	<ul style="list-style-type: none">Progressive tax rates ranging from 0% to 30%Progressive tax rates ranging from 0% to 24%24%	<ul style="list-style-type: none">Corporate unit holders<ul style="list-style-type: none">(i) A company with paid up capital in respect of ordinary shares of not more than RM2.5 million (at the beginning of the basis period for the year of assessment) and	<ul style="list-style-type: none">First RM150,000 of chargeable income @ 15%¹³Next RM450,000 of chargeable income @17%Chargeable income in excess of RM600,000 @ 24%24%
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Section / Page	Description	Description						
	<p><u>Note 1:</u> Non-resident unit holders may be subject to tax in their respective countries depending on the provisions of the tax legislation in the respective countries and any existing double taxation arrangements with Malaysia.</p> <p>Gains from sale of units</p> <p>Gains arising from the realisation of investments will generally not be subject to income tax in the hands of unit holders unless they are insurance companies, financial institutions or traders / dealers in securities.</p> <p>Unit splits and reinvestment of distributions</p> <p>Unit holders may also receive new units as a result of unit splits or may choose to reinvest their distributions. The income tax implications of these are as follows:</p>	<table><tr><td>gross income from a source or sources consisting of a business not exceeding RM50 million for the basis period for the year of assessment^{11 12}</td><td></td></tr><tr><td>(ii) Companies other than (i) above</td><td></td></tr></table>			gross income from a source or sources consisting of a business not exceeding RM50 million for the basis period for the year of assessment ^{11 12}		(ii) Companies other than (i) above	
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⁷ Pursuant to Paragraph 12(1), Schedule 6 of the MITA, the income of any co-operative society—

- (a) in respect of a period of five years commencing from the date of registration of such co-operative society; and
(b) thereafter where the members’ funds [as defined in Paragraph 12(2)] of such co-operative society as at the first day of the basis period for the year of assessment is less than seven hundred and fifty thousand ringgit, is exempt from tax.

⁸ A company would not be eligible for the 17% tax rate on the first RM600,000 of chargeable income if:-

- (a) more than 50% of the paid up capital in respect of the ordinary shares of the company is directly or indirectly owned by a related company which has paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
(b) the company owns directly or indirectly more than 50% of the paid up capital in respect of the ordinary shares of a related company which has paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
(c) more than 50% of the paid up capital in respect of the ordinary shares of the company and a related company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment is directly or indirectly owned by another company.

⁹ The above excludes a business trust and a company which is established for the issuance of asset-backed securities in a securitization transaction approved by the Securities Commission.

¹⁰ Pursuant to Paragraph 12(1), Schedule 6 of the MITA, the income of any co-operative society—

- (c) in respect of a period of five years commencing from the date of registration of such co-operative society; and
(d) thereafter where the members’ funds [as defined in Paragraph 12(2)] of such co-operative society as at the first day of the basis period for the year of assessment is less than seven hundred and fifty thousand ringgit, is exempt from tax.

¹³ Pursuant to the Finance Act 2023, effective from the year of assessment 2023, the concessionary tax rate is reduced from 17% to 15% for the first RM150,000 of chargeable income.

¹¹ A company would not be eligible for the concessionary tax rate on the first RM600,000 of chargeable income if:-

- (d) more than 50% of the paid-up capital in respect of the ordinary shares of the company is directly or indirectly owned by a related company which has paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
(e) the company owns directly or indirectly more than 50% of the paid-up capital in respect of the ordinary shares of a related company which has paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
(f) more than 50% of the paid-up capital in respect of the ordinary shares of the company and a related company which has a paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment is directly or indirectly owned by another company.
(g) Pursuant to the Finance Act 2023, effective from the year of assessment 2024, in order for a company to qualify for the concessionary tax rates not more than 20% of the paid-up capital in respect of the ordinary shares of the company at the beginning of a basis period for a year of assessment can be directly or indirectly owned by one or more companies incorporated outside Malaysia or by individuals who are not citizens of Malaysia.

¹² The above excludes a business trust and a company which is established for the issuance of asset-backed securities in a securitization transaction approved by the Securities Commission.

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