

Principal Global Titans Fund

(formerly known as CIMB-Principal Global
Titans Fund)

Annual Report

For the Financial Year Ended 31 March 2021

PRINCIPAL GLOBAL TITANS FUND
(formerly known as CIMB-Principal Global Titans Fund)

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

CONTENTS	PAGE(S)
INVESTORS' LETTER	1
MANAGER'S REPORT	2 - 9
Fund Objective and Policy	
Performance Data	
Market Review	
Fund Performance	
Portfolio Structure	
Market Outlook	
Investment Strategy	
Unit Holdings Statistics	
Soft Commissions and Rebates	
STATEMENT BY MANAGER	10
TRUSTEE'S REPORT	11
INDEPENDENT AUDITORS' REPORT	12 - 15
STATEMENT OF COMPREHENSIVE INCOME	16
STATEMENT OF FINANCIAL POSITION	17
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	18
STATEMENT OF CASH FLOWS	19
NOTES TO THE FINANCIAL STATEMENTS	20 - 43
DIRECTORY	44

INVESTORS' LETTER

Dear Valued Investor,

The global economic trend has continued to strengthen since the start of 2021, mirrored by an increase in the global trade volume and commodity prices, among other factors. While there are concerns over the recent spike in the number of Coronavirus Disease 2019 ("COVID-19") cases both locally and globally, the progress in global vaccination especially in several developed countries continue to drive optimism over economic recovery.

We remain positive on Asian equities on a 12-month basis maintained on the broadening of recovery in corporate earnings including financials, industrials, and energy. We've also added more ASEAN names in anticipation of a broader economic recovery which would be strengthened by the greater availability of COVID-19 vaccines by mid-2021.

For our latest market commentaries and investment content, we encourage you to visit our website (www.principal.com.my) and Facebook account (@PrincipalAssetMY).

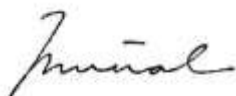
Because of the trust you placed in us, we continue to win accolades - the most recent recognition coming from Refinitiv Lipper Fund Awards 2021 for our Principal Asia Titans Fund in the Equity Asia Pacific ex Japan – Provident (10 years) category. We are also pleased to share that we also received the Fintech - Human Resource Technology award from the Malaysia Technology Excellence Awards 2021.

Please be informed that effective 1 April 2020, the Fund has changed its name from CIMB-Principal Global Titans Fund to Principal Global Titans Fund following the issuance of the Replacement Prospectus Issue No. M3 dated 1 April 2020.

We also wish to inform that Ernst & Young PLT ("EY") has been appointed as the auditor of the Fund in respect of the audit for the financial year ended 31 March 2021 onwards. The appointment of the Fund Auditor by the Trustee of the Fund, HSBC (Malaysia) Trustee Berhad, is in accordance with the provisions of the Deed in relation to the Fund.

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

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



Munirah Khairuddin
Chief Executive Officer

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

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

Has the Fund achieved its objective?

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

What are the Fund investment policy and principal investment strategy?

The Fund will invest at least 50% of its Net Asset Value ("NAV") in at least three (3) collective investment schemes, 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 collective investment schemes, each covering separate geographic regions thus providing diversification and allowing a greater spread of risk. The allocation between the collective investment schemes is done through a combination of macroeconomic data, liquidity trends and the outlook to overweight or underweight a particular collective investment schemes. This enables the Fund to exploit the investment opportunities provided by developed economies, which are not found in the emerging markets ("EM").

The asset allocation strategy for the Fund is as follows:

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

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

Fund category/type

Equity/Growth

When was the Fund launched?

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

What was the size of the Fund as at 31 March 2021?

RM386.16 million (483.70 million units)

What is the Fund's benchmark?

A composite comprising 42% Standard & Poor's 500 ("S&P 500") + 36% 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 2021?

The Fund distributed a total net income of RM10.52 million to unit holders for the financial year ended 31 March 2021.

The Fund's NAV per unit were as follows:

Date	NAV per unit (before distribution) RM	NAV per unit (after distribution) RM
27.10.2020		
Class MYR	0.7182	0.6962
Class USD	4.8596	4.7109

PERFORMANCE DATA

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

	31.03.2021	31.03.2020	31.03.2019
	%	%	%
Collective investment schemes	93.96	86.28	86.28
Cash and other assets	7.45	14.30	14.30
Liabilities	(1.41)	(0.58)	(0.58)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	31.03.2021	31.03.2020	31.03.2019
NAV (RM Million)			
- Class MYR	385.15	290.76	400.88
- Class USD	1.01	2.90	4.38
Units in circulation (Million)			
- Class MYR	483.51	484.33	626.73
- Class USD	0.19	0.72	1.01
NAV per unit (RM)			
- Class MYR	0.7965	0.6003	0.6396
- Class USD	5.3904	4.0620	4.3280
Highest NAV per unit (RM)			
- Class MYR	0.7972	0.7287	0.6829
- Class USD	5.3948	4.9311	4.6211
Lowest NAV per unit (RM)			
- Class MYR	0.5857	0.5479	0.5787
- Class USD	3.9635	3.7077	3.9158

PRINCIPAL GLOBAL TITANS FUND
(formerly known as *CIMB-Principal Global Titans Fund*)

PERFORMANCE DATA (CONTINUED)

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

	31.03.2021	31.03.2020	31.03.2019
Total return (%)			
- Class MYR	36.90	(3.35)	4.87
- Class USD	42.67	(8.64)	(0.77)
Capital growth (%)			
- Class MYR	32.94	(6.16)	4.87
- Class USD	38.56	(11.30)	(0.77)
Income distribution (%)			
- Class MYR	3.16	3.00	-
- Class USD	3.29	3.00	-
Management Expense Ratio ("MER") (%)	1.90	1.90	1.91
Portfolio Turnover Ratio ("PTR") (times) #	0.82	0.39	0.27

The Fund's PTR increased from 0.39 times to 0.82 times as there were more trading activities carried out within the reporting year.

Date of distribution	27.10.2020	29.10.2019	-
Gross/Net distribution per unit (RM'sen)			
- Class MYR	2.20	2.01	-
- Class USD	14.87	13.61	-

	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
	%	%	%	%	%
Annual total return					
- Class MYR	36.90	(3.35)	4.87	(1.01)	25.46

(Launch date: 18 July 2005)

	31.03.2021	31.03.2020	31.03.2019	31.03.2018	Since inception to 31.03.2017
	%	%	%	%	%
Annual total return					
- Class USD	42.67	(8.64)	(0.77)	6.87	6.93

(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 2020 TO 31 MARCH 2021)

The COVID-19 outbreak and worldwide lockdowns led to sharp contraction of global economies and equity markets. Developed markets bottomed in March 2020 and started to rebound from April 2020 when the number of new infections appeared to have peaked in some parts of developed countries and Central Banks provided unprecedented monetary easing measures through asset purchase and cutting rates to lower bounds. China has demonstrated that the pandemic could be contained with effective measures of lockdowns, better testing and contact tracing as well as increase hospital beds capacity and medical supplies. Developed countries followed with similar measures to contain the coronavirus from spreading further. However, the travel restrictions and lockdowns caused sharp falls in global demand, which led to historical high unemployment rate and sharp contraction in Purchasing Managers' Index ("PMI").

With unprecedented monetary and fiscal support, developed markets continued to rebound through the third quarter of 2020 and the fourth quarter of 2020 as markets look beyond the second waves of infections to eventual recoveries as countries slowly eased movement restrictions and return to normalcy. Governments were better equipped with resources and experiences to combat the second wave of infections. Labour, consumer data and corporate earnings were improving. Economic activities and global PMI were also expected to continue its rapid recovery. In addition, positive vaccination developments further lifted market concerns. The announcement of EUR 750 billion European Union ("EU") recovery fund added optimism for faster recovery for Europe, which was hit hard by the pandemic. Travel and leisure related stocks were hit the hardest whereas growth stocks such as technology companies related to working from home benefited the most.

Moving to the fourth quarter of 2020, markets turned risk-on mode after Joe Biden won the US presidential election and Pfizer, Moderna and AstraZeneca vaccines were proved to be effective against the COVID-19. Markets started to broaden out as vaccines were going to be approved for mass public use. Developed countries PMI recovered to expansionary zones. Corporate earnings were consistently revised higher. In addition, both monetary and fiscal policies remained accommodative to support economy recovery and provide ample liquidity to equity markets.

Moving to 2021, markets continued to broaden out with value stocks outperforming at the beginning of the year. Even though there were rising infections and more infectious United Kingdom ("UK") and South Africa variants discovered in some parts of developed countries, PMI and corporate earnings were very resilient as global demand had a strong recovery. Markets were watching closely on the vaccination speed of countries with developed countries leading the race. In particular, the fast vaccine rollout in United States ("US") and UK has shown its effectiveness as the number of infections continued to fall. Job markets also recovered strongly in US. The rising in 10-year US Treasury ("UST") yield has caused some market turbulence with inflationary concerns and worries over Central Banks tapering as economy continued to normalize. However, the US Federal Reserve (the "Fed") has reiterated its stance to keep monetary policy accommodative until the economy recovery trajectory is ensured, with full employment and inflation target achieved. This means that the soonest possible date for a tapering of balance sheet would be more than a year away. The 10-year UST yield has stabilized around 1.6% by the end of the first quarter of 2021.

PRINCIPAL GLOBAL TITANS FUND
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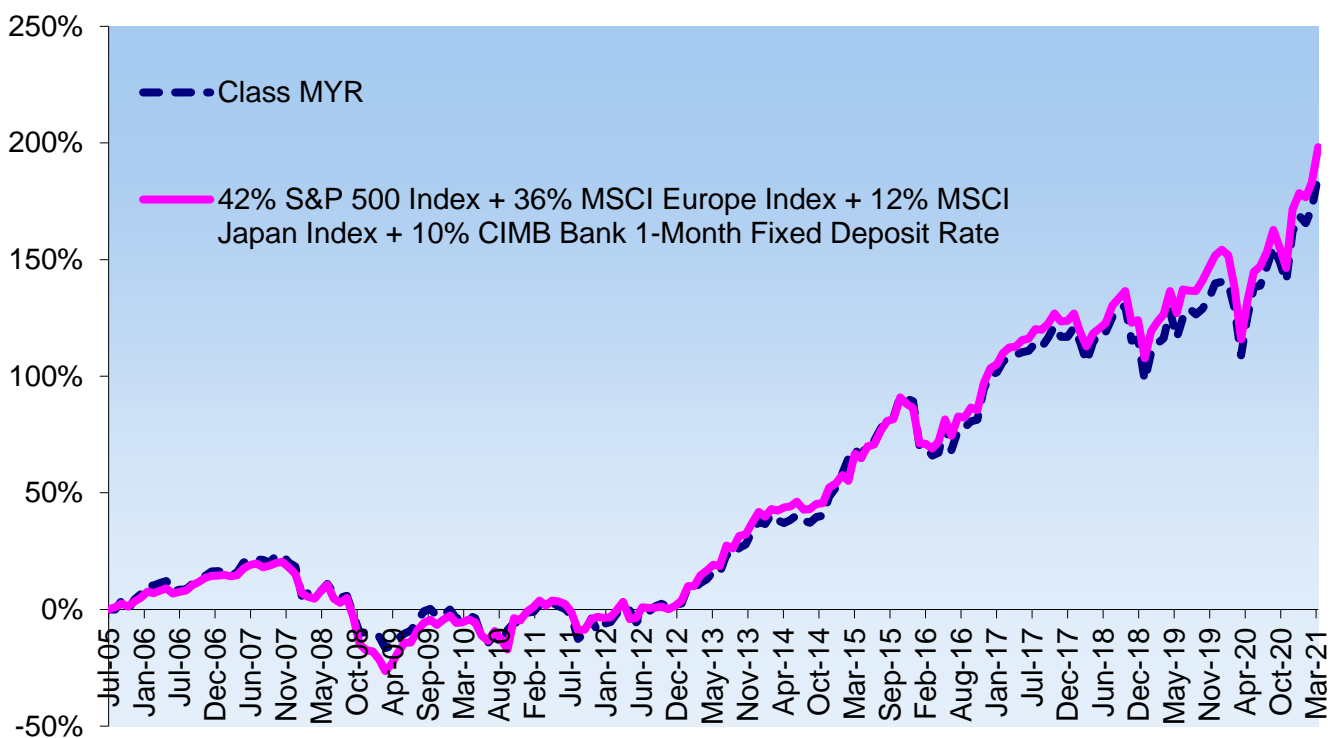
FUND PERFORMANCE

Class MYR	1 year	3 years	5 years	Since inception
	to 31.03.2021	to 31.03.2021	to 31.03.2021	to 31.03.2021
	%	%	%	%
Income Distribution	3.16	6.25	14.83	21.53
Capital Growth	32.94	30.82	50.29	135.58
Total Return	36.90	38.76	72.33	185.98
Benchmark	38.20	40.16	76.42	198.22
Average Total Return	36.90	11.54	11.50	6.91

Class USD	1 year	3 years	Since inception
	to 31.03.2021	to 31.03.2021	to 31.03.2021
	%	%	%
Income Distribution	3.29	6.38	6.38
Capital Growth	38.56	19.97	30.31
Total Return	42.67	29.34	38.23
Benchmark	43.98	30.74	40.71
Average Total Return	42.37	8.96	8.05

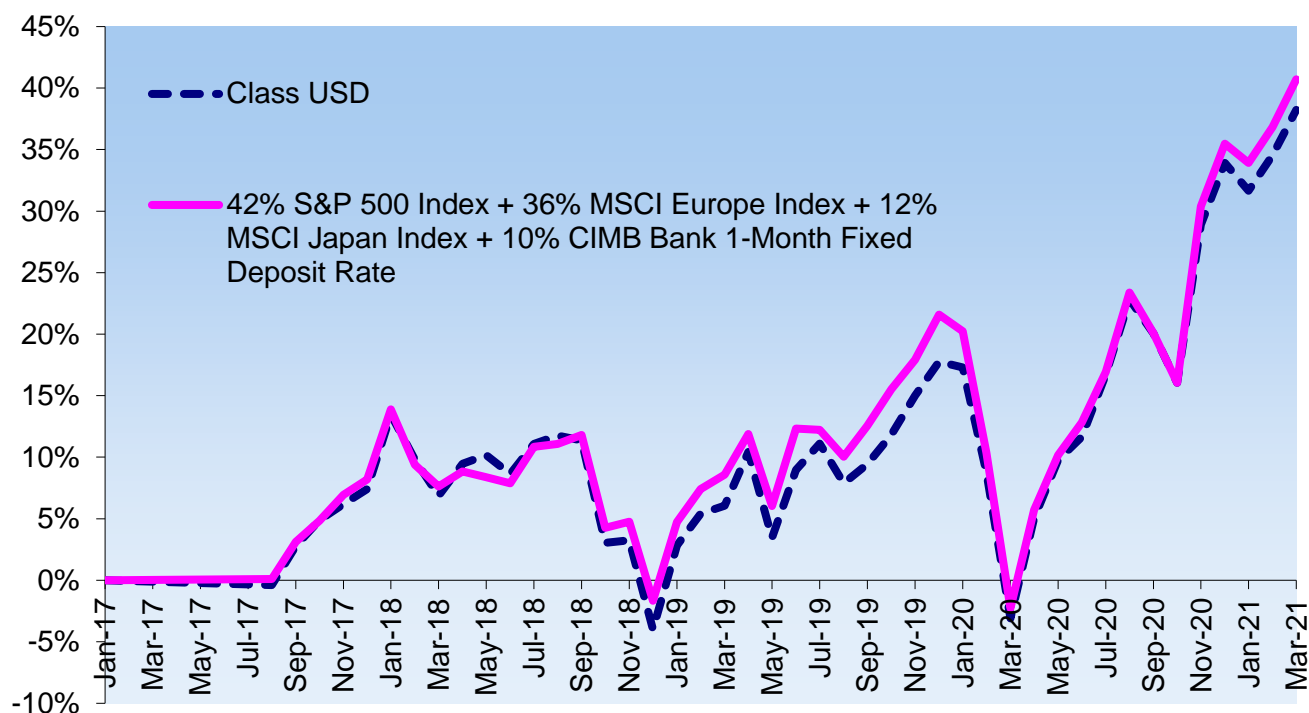
For 1 year period as at 31 March 2021, the total return for Class MYR increased by 36.90%, underperforming the benchmark which was up by 38.20%. For Class USD, the Fund increased by 42.37%, while the benchmark increased by 43.98%.

Class MYR



FUND PERFORMANCE (CONTINUED)

Class USD



Changes in NAV

CLASS MYR

	31.03.2021	31.03.2020	Changes
			%
NAV (RM Million)	385.15	290.76	32.46
NAV/Unit (RM)	0.7965	0.6003	32.68

CLASS USD

	31.03.2021	31.03.2020	Changes
			%
NAV (RM Million)	1.01	2.90	(65.17)
NAV/Unit (RM)	5.3904	4.0620	32.70

The increase in NAV (Class MYR) was because of the Fund's positive performance as well as inflows. NAV per unit (Class MYR) has increased by 32.68%, driven by the positive fund performance. The decrease in NAV (Class USD) was partially driven by the weak USD in the past 12 months. NAV per unit (Class USD) has increased 32.70%, driven by the overall positive fund performance.

As at end 31 March 2021, the total NAV of Class MYR stood at RM385.15 million. The total NAV of class USD stood at RM1.01 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)	31.03.2021	31.03.2020
Collective investment schemes	93.96	86.28
Cash and other assets	7.45	14.30
Liabilities	(1.41)	(0.58)
Total	100.00	100.00

The allocation into collective investment schemes increased to 93.96%, reflecting the overall overweight exposure in global equities at the end of the assessment period.

MARKET OUTLOOK*

S&P 500 Index, MSCI Europe Index and MSCI Japan Index rallied 6.9%, 6.1% and 3.5% in March in MYR term, as markets look ahead for the positive global outlook with continued rapid vaccine rollout in US and UK. Over 31% and 46% of population have received at least one dose of vaccine in US and UK, whereas Europe and Japan were lagging with only 12.5% and 1% of the population received at least one dose. On fiscal stimulus, Biden signed the USD1.9 trillion American Rescue Plan that will provide more direct payments to households and extends unemployment pay-outs. 10-year UST yield rose to 1.72%.

Developed markets manufacturing PMI reached new highs on stronger global demand as economic activities recover from COVID-19. The 12 months forward earnings are revised higher for US and Japan. Europe forward corporate earnings were revised slightly lower. The Fed has reiterated its stance to not to raise rates before 2024 until the full employment and inflation target is achieved. We expect developed markets Central Banks to maintain their extremely easy policy stance. The EUR672.5 billion EU Recovery and Resilience Facility, which is expected to be released this summer, will provide support for EU economies' continued recovery from the pandemic. Valuations are not stretched overall after the recent few rounds of market corrections.

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

INVESTMENT STRATEGY

We maintain overweight in US and Japan as we think the global economy should continue its recovery over the next 12 months with the rollout of vaccines. Despite the rising inflation expectations, we think Central Banks will stay accommodative until the economy recovery trajectory is ensured, full employment and inflation target is achieved. We are positive on US because the rapid vaccine rollout helps economic activities and employment to recover faster from the pandemic. Although Japan vaccine rate is low, the pandemic is well under control and Japan will benefit from strong global recovery. We downgrade Europe to slight underweight because of the rising "third wave" of infections across major EU countries caused by the UK variant. The lagging vaccine supply and movement restrictions will delay economic recovery.

PRINCIPAL GLOBAL TITANS FUND
(formerly known as CIMB-Principal Global Titans Fund)

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 31 March 2021 were as follows:

Class MYR

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1,197	3.25	0.67
5,001 - 10,000	1,014	7.41	1.53
10,001 - 50,000	2,387	55.52	11.48
50,001 - 500,000	691	74.06	15.32
500,001 and above	30	343.27	71.00
Total	5,319	483.51	100.00

Class USD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	2	0.01	5.26
5,001 - 10,000	-	-	-
10,001 - 50,000	-	-	-
50,001 - 500,000	1	0.18	94.74
500,001 and above	-	-	-
Total	3	0.19	100.00

SOFT COMMISSIONS AND REBATES

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

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL GLOBAL TITANS FUND**
(formerly known as CIMB-Principal Global Titans Fund)

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 16 to 43 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 2021 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN
Chief Executive Officer/Executive Director

JUAN IGNACIO EYZAGUIRRE BARAONA
Director

Kuala Lumpur
18 May 2021

**TRUSTEE'S REPORT TO THE UNITHOLDERS OF
PRINCIPAL GLOBAL TITANS FUND**
(formerly known as CIMB-Principal Global Titans Fund)

We have acted as Trustee of Principal Global Titans Fund *(formerly known as CIMB-Principal Global Titans Fund)* ("the Fund") for the financial year ended 31 March 2021. To the best of our knowledge, Principal Asset Management Berhad ("the Manager"), has operated and managed the Fund in accordance with the following:

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

During this financial year, a total distribution of 2.20 sen per unit (gross) for MYR Class and 14.87 sen per unit (gross) for USD Class have been distributed to the unitholders of the Fund respectively. We are of the view that the distributions are not inconsistent with the objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie
Senior Manager, Investment Compliance Monitoring

Kuala Lumpur
10 May 2021

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Principal Global Titans Fund (*formerly known as CIMB-Principal Global Titans Fund*) (the "Fund"), which comprise the statement of financial position as at 31 March 2021 of the Fund, and statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows of the Fund for the financial year ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 16 to 43.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 March 2021, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL GLOBAL TITANS FUND**
(formerly known as CIMB-Principal Global Titans Fund) (cont'd.)

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL GLOBAL TITANS FUND**
(formerly known as CIMB-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**
(formerly known as CIMB-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.

The financial statements of the Fund for the year ended 31 March 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 14 May 2020.

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

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

Kuala Lumpur, Malaysia
18 May 2021

PRINCIPAL GLOBAL TITANS FUND
(formerly known as CIMB-Principal Global Titans Fund)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	Note	2021 RM	2020 RM
INCOME			
Dividend income		4,111,761	63,178
Interest income from deposits with licensed financial institutions at amortised cost and current account		83,910	654,682
Net gain on financial assets at fair value through profit or loss		112,031,071	134,683
Net foreign exchange (loss)/gain	8	<u>(1,861,361)</u>	<u>707,416</u>
		<u>114,365,381</u>	<u>1,559,959</u>
EXPENSES			
Management fee	4	6,264,420	6,584,601
Trustee and custodian fees	5	243,616	278,675
Audit fee		9,400	14,600
Tax agent's fee		8,800	3,100
Transaction costs		95,320	23,010
Other expenses		<u>811,494</u>	<u>39,311</u>
		<u>7,433,050</u>	<u>6,943,297</u>
PROFIT/(LOSS) BEFORE FINANCE COST AND TAXATION		106,932,331	(5,383,338)
Finance cost:			
Income distribution			
- Class MYR		(10,471,613)	(10,140,725)
- Class USD		<u>(44,795)</u>	<u>(78,839)</u>
	6	<u>(10,516,408)</u>	<u>(10,219,564)</u>
PROFIT/(LOSS) BEFORE TAXATION		96,415,923	(15,602,902)
Taxation	7	<u>-</u>	<u>-</u>
PROFIT/(LOSS) AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		<u>96,415,923</u>	<u>(15,602,902)</u>
Profit/(Loss) after taxation is made up as follows:			
Realised amount		21,717,690	7,760,922
Unrealised amount		<u>74,698,233</u>	<u>(23,363,824)</u>
		<u>96,415,923</u>	<u>(15,602,902)</u>

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

PRINCIPAL GLOBAL TITANS FUND
(formerly known as CIMB-Principal Global Titans Fund)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 RM	2020 RM
ASSETS			
Cash and cash equivalents	9	24,474,577	39,447,371
Financial assets at fair value through profit or loss	8	362,827,007	253,382,234
Amount due from Manager		3,845,860	2,393,513
Amount due from the Manager of collective investment schemes			
- management fee rebate		117,475	89,620
Dividends receivable		342,697	62,099
TOTAL ASSETS		391,607,616	295,374,837
LIABILITIES			
Amount due to the Manager of collective investment schemes			
- purchase of collective investment schemes		3,791,563	-
Amount due to the Manager		1,041,479	1,352,903
Accrued management fee		576,321	329,042
Amount due to Trustee		22,412	17,594
Other payables and accruals		17,100	16,100
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		5,448,875	1,715,639
NET ASSET VALUE OF THE FUND		386,158,741	293,659,198
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		386,158,741	293,659,198
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- Class MYR		385,147,582	290,756,452
- Class USD		1,011,159	2,902,746
		386,158,741	293,659,198
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class MYR		483,510,048	484,333,288
- Class USD		187,583	714,608
	10	483,697,631	485,047,896
NET ASSET VALUE PER UNIT (RM)			
- Class MYR		0.7965	0.6003
- Class USD		5.3904	4.0620
		5.3904	4.0620
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- Class MYR		MYR0.7965	MYR0.6003
- Class USD		USD1.3011	USD0.9408
		USD1.3011	USD0.9408

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

PRINCIPAL GLOBAL TITANS FUND
(formerly known as CIMB-Principal Global Titans Fund)

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR FINANCIAL YEAR ENDED 31 MARCH 2021**

	2021	2020
	RM	RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>293,659,198</u>	<u>405,257,058</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class MYR	182,937,165	108,880,633
- Class USD	<u>241,132</u>	<u>1,410,534</u>
	<u>183,178,297</u>	<u>110,291,167</u>
Creation of units from distribution		
- Class MYR	10,460,357	10,131,215
- Class USD	<u>44,795</u>	<u>78,839</u>
	<u>10,505,152</u>	<u>10,210,054</u>
Cancellation of units		
- Class MYR	(194,696,345)	(213,740,863)
- Class USD	<u>(2,903,484)</u>	<u>(2,755,316)</u>
	<u>(197,599,829)</u>	<u>(216,496,179)</u>
Total comprehensive income/(loss) for the financial year	<u>96,415,923</u>	<u>(15,602,902)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	<u><u>386,158,741</u></u>	<u><u>293,659,198</u></u>

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

PRINCIPAL GLOBAL TITANS FUND
(formerly known as CIMB-Principal Global Titans Fund)

STATEMENT OF CASH FLOWS
FOR FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 RM	2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of collective investment schemes		286,943,889	206,277,332
Purchase of collective investment schemes		(281,424,243)	(80,597,033)
Interest income received from deposits with licensed financial institutions and current account		83,910	654,682
Dividend income received		3,116,647	-
Management fee paid		(6,017,141)	(6,753,630)
Management fee rebate received		712,320	3,606,946
Trustee fee paid		(238,798)	(285,248)
Payments for other fees and expenses		(103,841)	(62,218)
Net realized foreign exchange loss		(323,907)	(79,374)
Net cash generated from operating activities		<u>2,748,836</u>	<u>122,761,457</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		181,724,471	109,216,623
Payments for cancellation of units		(197,905,098)	(217,393,534)
Distribution paid		(11,256)	(9,510)
Net cash used in financing activities		<u>(16,191,883)</u>	<u>(108,186,421)</u>
Net (decrease)/increase in cash and cash equivalents		(13,443,047)	14,575,036
Effect of foreign exchange differences		(1,529,747)	640,210
Cash and cash equivalents at the beginning of the financial year		<u>39,447,371</u>	<u>24,232,125</u>
Cash and cash equivalents at the end of the financial year	9	<u>24,474,577</u>	<u>39,447,371</u>
<u>Cash and cash equivalents comprised:</u>			
Deposits with licensed financial institutions		4,875,238	622,043
Bank balances		<u>19,599,339</u>	<u>38,825,328</u>
Cash and cash equivalents at the end of financial year	9	<u>24,474,577</u>	<u>39,447,371</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

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

The Fund will invest at least 50% of its NAV in at least three (3) collective investment schemes, 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. The Fund will at all times be invested in the collective investment schemes, each covering separate geographic regions thus providing diversification and allowing a greater spread of risk. The allocation between the collective investment schemes is done through a combination of macroeconomic data, liquidity trends and the outlook to overweight or underweight a particular collective investment schemes. This enables, the Fund to exploit the investment opportunities provided by developed economies, which are not found in the EM.

The asset allocation strategy for the Fund is as follows:

- between 50% to 98% (both inclusive) of the Fund’s NAV in 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 Singapore, a company incorporated in Singapore, as the Sub-Manager of the Fund. The Sub-Manager will be responsible for investing and managing the Fund in accordance with the investment objective and within the investment restrictions.

All investments are subjected to the SC Guidelines on Unit Trust Funds, SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

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

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

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

There are no other standards, amendments to standards or interpretations effective for annual periods beginning on 1 April 2020 that have a material effect on the financial statements of the Fund.

None of the standards, amendments to standards or interpretations that are effective for the financial year beginning on/after 1 April 2021 are applicable to the Fund.

(b) Financial assets and financial liabilities

Classification

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Classification (continued)

The contractual cash flows of the Fund's debt securities are solely principal and interest ("SPPI"). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

Investment in collective investment schemes have debt instrument with contractual cash flow that do not represent SPPI and therefore are classified as fair value through profit or loss.

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.

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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Recognition and measurement (continued)

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest method over the period from the date of placement to the date of maturity of the respective deposits.

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

Impairment for assets carried at amortised 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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Income recognition

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

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

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

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

(d) Functional and presentation currency

Functional and presentation currency

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

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

- i) Significant portion of the units of the Fund are denominated in MYR.
- ii) All of the Fund’s expenses are denominated in MYR.

Transactions and balances

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

(e) Cash and cash equivalents

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Taxation

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

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

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

(g) Distribution

A distribution to the Fund's unit holders is accounted for as finance cost in the statement of comprehensive income. A proposed distribution is recognised as a liability in the financial year in which it is approved by the Trustee of the Fund.

(h) Management fee rebate

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.

(i) 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.

(j) Unit holders' contributions

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Amount due from/to Manager of collective investment schemes (purchase/sales)

Amount due from and amount due to Manager of collective investment schemes (purchase/sales) 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.

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

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

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

(l) Realised and unrealised portions of profit or loss after taxation

The analysis of realised and unrealised portions of profit or loss after taxation as presented on the statement of comprehensive income is prepared in accordance with SC Guidelines on Unit Trust Funds.

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

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

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

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the SC Guidelines on Unit Trust Funds.

However, the Manager is of the opinion that there are no accounting policies which require significant judgement to be exercised.

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
2021			
Cash and cash equivalents (Note 9)	-	24,474,577	24,474,577
Collective investment schemes (Note 8)	362,827,007	-	362,827,007
Amount due from Manager	-	3,845,860	3,845,860
Amount due from Manager of collective investment schemes			
- management fee rebate	-	117,475	117,475
Dividends receivable	-	342,697	342,697
	<u>362,827,007</u>	<u>28,780,609</u>	<u>391,607,616</u>
2020			
Cash and cash equivalents (Note 9)	-	39,447,371	39,447,371
Collective investment schemes (Note 8)	253,382,234	-	253,382,234
Amount due from Manager	-	2,393,513	2,393,513
Amount due from Manager of collective investment schemes			
- management fee rebate	-	89,620	89,620
Dividends receivable	-	62,099	62,099
	<u>253,382,234</u>	<u>41,992,603</u>	<u>295,374,837</u>

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

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.

The Fund is exposed to a variety of risks which include market risk (price risk, interest rate risk and currency risk), credit risk and liquidity risk.

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated in the Deeds and SC Guidelines on Unit Trust Funds.

(a) Market risk

(i) Price risk

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)

Such fluctuation may cause the Fund's NAV and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.

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

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

	2021	2020
	RM	RM
Financial assets at fair value through profit or loss:		
- Collective investment schemes	<u>362,827,007</u>	<u>253,382,234</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	Impact on profit or loss/NAV
	RM	RM
2021		
-5%	344,685,657	(18,141,350)
0%	362,827,007	-
5%	<u>380,968,357</u>	<u>18,141,350</u>
2020		
-5%	240,713,122	(12,669,112)
0%	253,382,234	-
5%	<u>266,051,346</u>	<u>12,669,112</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.

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

(a) Market risk (continued)

(ii) Interest rate risk (continued)

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

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

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

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

	2021	2020
	%	%
Deposits with licensed financial institutions	1.78	2.55

(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 equivalents RM	Financial assets at fair value through profit or loss RM	Amount due from Manager of collective investment schemes - management fee rebate RM	Dividends receivable RM	Net assets attributable to unit holders RM	Total RM
2021						
EUR	4,598,247	32,156,209	-	-	-	36,754,456
GBP	-	66,717,097	-	-	-	66,717,097
JPY	-	39,396,506	-	-	-	39,396,506
USD	14,980,338	224,557,195	117,475	342,697	1,011,159	241,008,864
	19,578,585	362,827,007	117,475	342,697	1,011,159	383,876,923

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 (continued):

Financial liabilities		Amount due to Manager of collective investment schemes - purchase of collective investment schemes		Total	
		RM		RM	
2021					
USD		3,791,563		3,791,563	

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	Net assets attributable to unit holders	Total
	RM	RM	RM	RM	RM	RM
2020						
GBP	-	11,817,456	-	-	-	11,817,456
JPY	-	17,772,720	-	-	-	17,772,720
USD	38,805,296	223,792,058	89,620	62,099	2,902,746	265,651,819
	<u>38,805,296</u>	<u>253,382,234</u>	<u>89,620</u>	<u>62,099</u>	<u>2,902,746</u>	<u>295,241,995</u>

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

	Change in foreign exchange rate	Impact on profit or loss/NAV	
		2021	2020
	%	RM	RM
EUR	+/-5	+/-1,837,723	-
GBP	+/-5	+/-3,335,855	+/-590,873
JPY	+/-5	+/-1,969,825	+/-888,636
USD	+/-5	+/-11,860,865	+/-13,282,591
		<u>+/-19,004,268</u>	<u>+/-14,762,100</u>

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

(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
2021					
- AAA	24,474,577	-	-	-	24,474,577
- Not rated	-	117,475	3,845,860	342,697	4,306,032
	<u>24,474,577</u>	<u>117,475</u>	<u>3,845,860</u>	<u>342,697</u>	<u>28,780,609</u>
2020					
- AAA	39,447,371	-	-	-	39,447,371
- Not rated	-	89,620	2,393,513	62,099	2,545,232
	<u>39,447,371</u>	<u>89,620</u>	<u>2,393,513</u>	<u>62,099</u>	<u>41,992,603</u>

Deposits with licensed financial institutions of the Fund have an average remaining maturity of 1 day (2020: 1 day).

(c) Liquidity risk

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

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 business days. The Fund's investments in collective investment schemes are realizable which are capable of being converted into cash within 10 business days.

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

(c) Liquidity risk

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
2021			
Amount due to Manager of collective investment schemes - purchase of collective investment schemes	3,791,563	-	3,791,563
Amount due to Manager	1,041,479	-	1,041,479
Accrued management fee	576,321	-	576,321
Amount due to Trustee	22,412	-	22,412
Other payables and accruals	-	17,100	17,100
Net assets attributable to unit holders*	<u>386,158,741</u>	<u>-</u>	<u>386,158,741</u>
Contractual undiscounted cash flows	<u><u>391,590,516</u></u>	<u><u>17,100</u></u>	<u><u>391,607,616</u></u>
2020			
Amount due to Manager	1,352,903	-	1,352,903
Accrued management fee	329,042	-	329,042
Amount due to Trustee	17,594	-	17,594
Other payables and accruals	-	16,100	16,100
Net assets attributable to unit holders*	<u>293,659,198</u>	<u>-</u>	<u>293,659,198</u>
Contractual undiscounted cash flows	<u><u>295,358,737</u></u>	<u><u>16,100</u></u>	<u><u>295,374,837</u></u>

* Outstanding units are redeemed on demand at the unit holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium for long term.

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

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders RM386,158,741 (2020: RM293,659,198). 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:

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

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

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

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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
2021				
Financial assets at fair value through profit or loss:				
- Collective investment schemes	<u>362,827,007</u>	<u>-</u>	<u>-</u>	<u>362,827,007</u>
2020				
Financial assets at fair value through profit or loss:				
- Collective investment schemes	<u>253,382,234</u>	<u>-</u>	<u>-</u>	<u>253,382,234</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, 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 2021, the management fee was recognised at a rate of 1.80% per annum (2020: 1.80% per annum) for each class.

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

5. TRUSTEE AND CUSTODIAN FEES

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

For the financial year ended 31 March 2021, the Trustee fee is recognised at a rate of 0.07% per annum (2020: 0.07% per annum), while the foreign sub-custodian fee is recognised at RM72,240 (2020: RM22,607).

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

6. FINANCE COST

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

	2021	2020
	RM	RM
Dividend income	189,366	-
Interest income	1,545	654,682
Management fee rebate	12,275	-
Net realised gain on disposal of investments	2,138,932	76,160
Prior financial years' realised income	8,410,503	16,432,019
	<u>10,752,621</u>	<u>17,162,861</u>
Less:		
Expenses	(236,213)	(6,943,297)
Net distribution amount	<u>10,516,408</u>	<u>10,219,564</u>

Gross/Net distribution per unit (sen)

Distribution on 27 October 2020

- Class MYR	2.20	-
- Class USD	14.87	-

Distribution on 29 October 2019

- Class MYR	-	2.01
- Class USD	-	13.61
	<u>17.07</u>	<u>15.62</u>

PRINCIPAL GLOBAL TITANS FUND
(formerly known as CIMB-Principal Global Titans Fund)

6. FINANCE COST (CONTINUED)

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 2020, the Fund incurred unrealised loss of RM23,363,824.

7. TAXATION

	2021	2020
	RM	RM
Tax charged for the financial year:		
- Current taxation	<u>-</u>	<u>-</u>

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

	2021	2020
	RM	RM
Profit/(Loss) before taxation	<u>96,415,923</u>	<u>(15,602,902)</u>
Taxation at Malaysian statutory rate of 24% (2020: 24%)	23,139,822	(3,744,816)
Tax effects of:		
- Income not subject to tax	(27,447,691)	(368,868)
- Expenses not deductible for tax purposes	2,799,677	2,525,449
- Restriction on tax deductible expenses for Unit Trust Funds	<u>1,508,192</u>	<u>1,588,235</u>
Taxation	<u>-</u>	<u>-</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021	2020
	RM	RM
At fair value through profit or loss:		
- Collective investment schemes	<u>362,827,007</u>	<u>253,382,234</u>
Net gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	35,082,896	20,474,124
- Unrealised fair value gain/(loss)	76,213,028	(23,995,080)
- Management fee rebate #	<u>735,147</u>	<u>3,655,639</u>
	<u>112,031,071</u>	<u>134,683</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.

PRINCIPAL GLOBAL TITANS FUND
(formerly known as CIMB-Principal Global Titans Fund)

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

For the financial year ended 31 March 2021 and 31 March 2020, 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.

	2021	2020
	RM	RM
JPMorgan Europe Strategic Growth Fund	0.75	-
JPMorgan Japan Yen Fund	1.50	-
Legg Mason ClearBridge US Large Cap Growth Fund	0.63	0.63
Principal Global Investors ("PGI") European Equity Fund	1.00	1.00
Schroder International Selection Fund ("ISF") US Large Cap - A Accumulation Share Class	-	1.25
Schroder ISF Euro Equity Fund - A Accumulation USD Hedged Share Class	-	1.50
Schroder ISF Japanese Opportunities Fund - A Accumulation USD Share Class	-	1.50

Name of counter	Quantity	Aggregate cost	Market value	Percentage of NAV
	Units	RM	RM	%
2021				
COLLECTIVE INVESTMENT SCHEMES				
iShares Core MSCI Europe UCITS ETF EUR (Dist)	517,406	49,796,761	66,717,097	17.28
JPMorgan Europe Strategic Growth Fund	159,631	25,147,259	32,156,209	8.33
JPMorgan Japan Yen Fund	83,230	9,354,071	10,813,592	2.80
Legg Mason ClearBridge US Large Cap Growth Fund	11,128	6,879,800	11,620,682	3.01
NEXT FUNDS TOPIX ETF	512,030	32,991,185	39,396,506	10.20
PGI European Equity Fund	255,693	26,275,287	42,511,136	11.01
SPDR S&P 500 ETF Trust	97,206	120,717,234	159,611,785	41.33
TOTAL COLLECTIVE INVESTMENT SCHEMES	<u>1,636,324</u>	<u>271,161,597</u>	<u>362,827,007</u>	<u>93.96</u>

ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

91,665,410

TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

362,827,007

PRINCIPAL GLOBAL TITANS FUND
(formerly known as CIMB-Principal Global Titans Fund)

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 %
2020				
COLLECTIVE				
INVESTMENT SCHEMES				
iShares Core MSCI Europe ETF	33,243	5,615,182	5,321,968	1.81
iShares Core MSCI Europe UCITS ETF EUR (Dist)	126,535	10,700,697	11,817,456	4.02
Legg Mason ClearBridge US Large Cap Growth Fund	140,778	84,920,077	99,212,969	33.79
NEXT FUNDS TOPIX ETF	301,800	16,799,355	17,772,720	6.05
PGI European Equity Fund	253,087	24,167,639	28,006,000	9.54
Schroder ISF Euro Equity - A Accumulation USD Hedged Share Class	274,859	53,869,091	48,937,946	16.66
Schroder ISF Japanese Opportunities - A Accumulation USD Share Class	273,896	17,287,793	15,950,750	5.43
Schroder ISF US Large Cap - A Accumulation Share Class	14,839	7,613,411	8,983,271	3.06
SPDR S&P 500 ETF Trust	15,617	16,956,607	17,379,154	5.92
TOTAL COLLECTIVE INVESTMENT SCHEMES	<u>1,434,654</u>	<u>237,929,852</u>	<u>253,382,234</u>	<u>86.28</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>15,452,382</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>253,382,234</u>		

PRINCIPAL GLOBAL TITANS FUND
(formerly known as CIMB-Principal Global Titans Fund)

9. CASH AND CASH EQUIVALENTS

	2021	2020
	RM	RM
Deposits with licensed financial institutions	4,875,238	622,043
Bank balances	19,599,339	38,825,328
	<u>24,474,577</u>	<u>39,447,371</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2021	2020
	No. of units	No. of units
Class MYR (i)	483,510,048	484,333,288
Class USD (ii)	187,583	714,608
	<u>483,697,631</u>	<u>485,047,896</u>

(i) Class MYR

	2021	2020
	No. of units	No. of units
At the beginning of the financial year	484,333,288	626,728,826
Add : Creation of units from applications	253,186,370	161,288,214
Add : Creation of units from distribution	15,024,931	15,096,431
Less : Cancellation of units	(269,034,541)	(318,780,183)
At the end of the financial year	<u>483,510,048</u>	<u>484,333,288</u>

(ii) Class USD

	2021	2020
	No. of units	No. of units
At the beginning of the financial year	714,608	1,012,293
Add : Creation of units from applications	50,003	303,396
Add : Creation of units from distribution	9,509	17,361
Less : Cancellation of units	(586,537)	(618,442)
At the end of the financial year	<u>187,583</u>	<u>714,608</u>

11. MANAGEMENT EXPENSE RATIO (“MER”)

	2021	2020
	%	%
MER	1.90	1.90

MER is derived based on the following calculation:

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

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

The average NAV of the Fund for the financial year calculated on a daily basis is RM348,347,746 (2020: RM364,938,059).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	2021	2020
PTR (times)	0.82	0.39

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 = RM285,076,241 (2020: RM80,661,916)
- total disposal for the financial year = RM286,927,392 (2020: RM206,038,320)

PRINCIPAL GLOBAL TITANS FUND
(formerly known as CIMB-Principal Global Titans Fund)

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

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

<u>Related parties</u>	<u>Relationship</u>
Principal Asset Management Berhad	The Manager
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the Manager
Principal International (Asia) Ltd	Shareholder of the Manager
Subsidiaries and associates of Principal Financial Group Inc., other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the Manager
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the Manager
CIMB Group Sdn Bhd	Shareholder of the Manager
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the shareholder of the Manager
CIMB Bank Bhd	Fellow related party to the Manager
CGS-CIMB Sec (SG) Pte Ltd	Fellow related party to the Manager
Principal Global Investors Funds	Manager of collective investment schemes

Units held by the Manager and parties related to the Manager

	<u>2021</u>		<u>2020</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
Manager				
Principal Asset Management Berhad				
- Class MYR	95,725	76,245	89,645	53,814
- Class USD	4,956	26,715	4,804	19,514

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.

PRINCIPAL GLOBAL TITANS FUND
(formerly known as CIMB-Principal Global Titans Fund)

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

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.

	2021	2020
	RM	RM
<u>Significant related party transactions</u>		
Interest income received from deposits with licensed financial institution:		
- CIMB Bank Bhd	4,104	86,118
Management fee rebate:		
- Principal Global Investors Funds	141,908	167,335
<u>Significant related party balances</u>		
Deposits with licensed financial institution:		
- CIMB Bank Bhd	-	4,082,258
Collective investment schemes:		
- PGI European Equity Fund	42,511,136	28,006,000

14. TRANSACTIONS WITH BROKERS

Details of transactions with the brokers for the financial year ended 31 March 2021 were as follows:

Brokers	Values of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
Citigroup Global Markets Ltd	186,732,913	32.65	56,020	59.14
Legg Masson Global Funds	103,810,935	18.15	-	-
JPMorgan Asset Management	82,725,493	14.47	-	-
Schroder Invest Management (HK) Ltd	76,568,419	13.39	-	-
J.P. Morgan Securities LLC	46,487,272	8.13	13,946	14.72
Macquarie Capital Securities (Malaysia) Sdn Bhd	37,346,962	6.53	11,204	11.83
Macquarie Securities Australia Ltd	25,257,024	4.42	10,792	11.39
Principal Global Investors Fund #	9,214,342	1.61	-	-
Instinet Pacific Limited	1,915,765	0.34	958	1.01
CGS-CIMB Sec (SG) Pte Ltd #	1,802,600	0.31	1,803	1.91
	571,861,725	100.00	94,723	100.00

PRINCIPAL GLOBAL TITANS FUND
(formerly known as CIMB-Principal Global Titans Fund)

14. TRANSACTIONS WITH BROKERS (CONTINUED)

Details of transactions with the brokers for the financial year ended 31 March 2020 were as follows (continued):

Brokers	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Schroder Investment Management Ltd	96,286,827	51.42	-	-
Macquarie Capital Securities (Malaysia) Sdn Bhd	33,272,486	17.77	17,970	78.10
Legg Mason Global Funds	31,508,047	16.83	-	-
J.P. Morgan Securities LLC	16,799,355	8.97	5,040	21.90
Principal Global Investors Funds #	9,400,251	5.01	-	-
	<u>187,266,966</u>	<u>100.00</u>	<u>23,010</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 RM9,214,342 (2020: RM9,400,251) and RM1,802,600 (2020: Nil). The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

15. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The COVID-19 pandemic and related lockdowns and movement restrictions have had, and will continue to have, a significant impact on global economic conditions and the environment in which the Fund operates.

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

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 18 May 2021.

DIRECTORY

Head Office of the Manager

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Trustee for the Principal Global Titans Fund

(formerly known as CIMB-Principal Global Titans Fund)

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Auditors of the Fund (for the financial year ended 31 March 2021) and of the Manager (for the financial year ended 31 December 2020)

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