

# Principal Global Titans Fund

(formerly known as CIMB-Principal  
Global Titans Fund)

Interim Report

For the Six Months Financial Period Ended 30 September 2020

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

**INTERIM REPORT**

**FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

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## INVESTORS' LETTER

Dear Valued Investor,

Volatility has always been part of investing. Markets aren't more volatile than they've been in recent years. I would say the difference now is how quickly risks - may it be an announcement from the Government, a possible pandemic, or simply a tweet - can appear to affect the equity market. The roadmap to recovery will continue to be driven by supportive stimulus post US election, successful vaccine trials and the broadening recovery in China and other parts of Asia. Thus, focusing on your long-term investment plan can be one way to counteract the stresses of volatility. Eventually, markets will learn to separate noise from true information and adapt to the speed of information. It just takes time.

Our commitment to you remains steadfast. We are not advocating short-term, reactive investment decisions. A practical investment approach is generally based on a long-term view and your time horizon. Here are a few things to keep in mind:

### **1. Stay the course.**

Remember volatility, isn't just markets dropping. It's movement. Markets can move up or down and this can create opportunities for long-term growth.

### **2. Review your goals, risk tolerance, and time horizon.**

It's important to make sure your portfolio diversification continues to be in line with your long-term goals and matches your risk tolerance preferences.

### **3. Keep investing.**

There is always a good time to invest. Invest whenever you can.

We continue to prefer equities over fixed income and remain Positive on Asian equities favouring China and more developed Asian economies on a 12-month basis. For our:

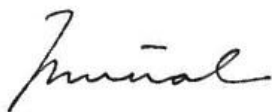
- **Conservative investors, we recommend:** Malaysia focus bond funds and regional balanced funds that are income focused.
- **More aggressive investors, we recommend:** Growth-oriented funds that offer exposure to growth areas in China, Asia-Pacific, ASEAN, Global Technology and Malaysian aggressive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

Please continue to check out our website (<http://www.principal.com.my>) and Facebook account (@PrincipalAssetMY) for our latest insights and investment articles.

Please be informed that effective 1 April 2020, the Fund has been renamed as Principal Global Titans Fund following the issuance of the Replacement Prospectus Issue No. M3.

We appreciate your continuous support and the trust you place in us. And, we're happy to share that we recently won four awards at the iFAST Awards Night 2020 and another eight awards from the Private Pension Administration ("PPA").

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 the Malaysian equities market to balance any short term volatilities.

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

For the financial period 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 this 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 investment management function of this Fund has been delegated to Principal Asset Management (Singapore) Pte Ltd ("Principal (S)") with the approval of the Securities Commission Malaysia ("SC"). Principal (S) 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 MYR	18 July 2005
Class USD	25 January 2017

#### **What was the size of the Fund as at 30 September 2020?**

RM346.92 million (481.33 million units)

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

A composite comprising 42% Standard & Poor's 500 ("S&P 500") Index + 36% MSCI Europe Index + 12% MSCI Japan Index + 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 six months financial period ended 30 September 2020?**

There was no distribution made for the six months financial period ended 30 September 2020.

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

**PERFORMANCE DATA**

Details of portfolio composition of the Fund for the last three unaudited financial periods are as follows:

	<b>30.09.2020</b>	<b>30.09.2019</b>	<b>30.09.2018</b>
	%	%	%
Collective investment schemes	90.60	90.33	90.31
Cash and other net assets	9.40	9.67	9.69
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Performance details of the Fund for the last three unaudited financial periods are as follows:

	<b>30.09.2020</b>	<b>30.09.2019</b>	<b>30.09.2018</b>
NAV (RM Million)			
- Class MYR	344.06	349.98	445.61
- Class USD	2.86	2.65	6.01
Units in circulation (Million)			
- Class MYR	480.74	516.79	654.40
- Class USD	0.59	0.58	1.30
NAV per unit (RM)			
- Class MYR	0.7156	0.6772	0.6809
- Class USD	4.8427	4.5823	4.6075
	<b>01.04.2020 to 30.09.2020</b>	<b>01.04.2019 to 30.09.2019</b>	<b>01.04.2018 to 30.09.2018</b>
Highest NAV per unit (RM)			
- Class MYR	0.7391	0.6852	0.6829
- Class USD	5.0011	4.6370	4.6211
Lowest NAV per unit (RM)			
- Class MYR	0.5857	0.6363	0.6055
- Class USD	3.9635	4.3061	4.0978
Total return (%)			
- Class MYR	19.23	5.86	11.64
- Class USD	23.90	3.20	4.21
Capital growth (%)			
- Class MYR	19.23	5.86	11.64
- Class USD	23.90	3.20	4.21
Income distribution (%)			
- Class MYR	-	-	8.07
- Class USD	-	-	-
Management Expense Ratio ("MER") (%)	0.95	0.95	0.96
Portfolio Turnover Ratio ("PTR") (times) #	0.71	0.19	0.23

# The Fund's PTR increased from 0.19 times to 0.71 times as there were more trading activities carried out within the reporting period.

**PRINCIPAL GLOBAL TITANS FUND**  
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**PERFORMANCE DATA (CONTINUED)**

	<b>30.09.2020</b>	<b>30.09.2019</b>	<b>30.09.2018</b>	<b>30.09.2017</b>	<b>30.09.2016</b>
	%	%	%	%	%
Annual total return	8.85	(0.56)	6.26	19.90	(0.91)
- Class MYR					

(Launch date: 18 July 2005)

	<b>30.09.2020</b>	<b>30.09.2019</b>	<b>30.09.2018</b>	<b>Since inception to 30.09.2017</b>
	%	%	%	%
Annual total return	9.69	(1.73)	8.35	11.37
- Class USD				

(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 period have been extracted from Lipper.

**MARKET REVIEW (1 APRIL 2020 TO 30 SEPTEMBER 2020)**

Developed markets were extremely volatile in the first quarter 2020. Moving into April 2020, daily new COVID-19 infections appeared to have peaked in many regions including US and Europe as governments' shutdown measures started taking effects. As countries slowly brought the pandemic under control and prepared to reopen economy, market rebounded from March 2020 lows and sentiment improved greatly. In addition, unprecedented fiscal and monetary stimulus with record low interest rates also helped to support economic recovery across US, Europe and Japan. Although the daily new COVID-19 cases in US came down a lot slower than Europe and Japan, business resumption has helped US labor market recovery and lower the unemployment rate from record high level. In addition, Purchasing Manager's Index ("PMIs") were improving steadily from record low levels and corporate earnings cuts were stabilized for US and Europe. Europe's economic recovery was further supported by the proposed recovery fund. However, Japan's recovery has been lagging US and Europe in terms of PMI and corporate earnings forecasts. In the meantime, tensions between US and China escalated over Huawei ban and the passing of Hong Kong's National Security Law.

Moving to the third quarter, markets continued to rebound and sentiment was helped by; 1) US daily new COVID-19 cases passed the second peak, 2) PMIs and corporate earnings forecasts continue to accelerate and 3) the positive development of COVID-19 vaccines globally. Valuation for US has become more expensive while staying cheap for Europe and Japan. As we move into the fall season, worries over a second wave of infections across US and Europe increased. In addition, markets volatility could rise with US presidential election coming in November 2020 and escalation of US-China tensions. There was also a delay of passing another fiscal stimulus package which could slowdown US economic recovery. However, on the positive note, the US Federal Reserve (the "Fed")'s shift in monetary policy strategy from flexible inflation targeting to average inflation targeting reaffirmed our belief that interest rates will stay low for longer. And we expect trade tensions to recede as headline risk as we move into the fourth quarter and 2021.

Our position has changed from underweight equity to overweight equity and recently we reduced the equity position to neutral because we expect short-term volatility to stay high ahead of US election and the re-surfing of COVID-19 infections in Europe and many states in US.



**PRINCIPAL GLOBAL TITANS FUND**  
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**FUND PERFORMANCE**

**Class MYR**

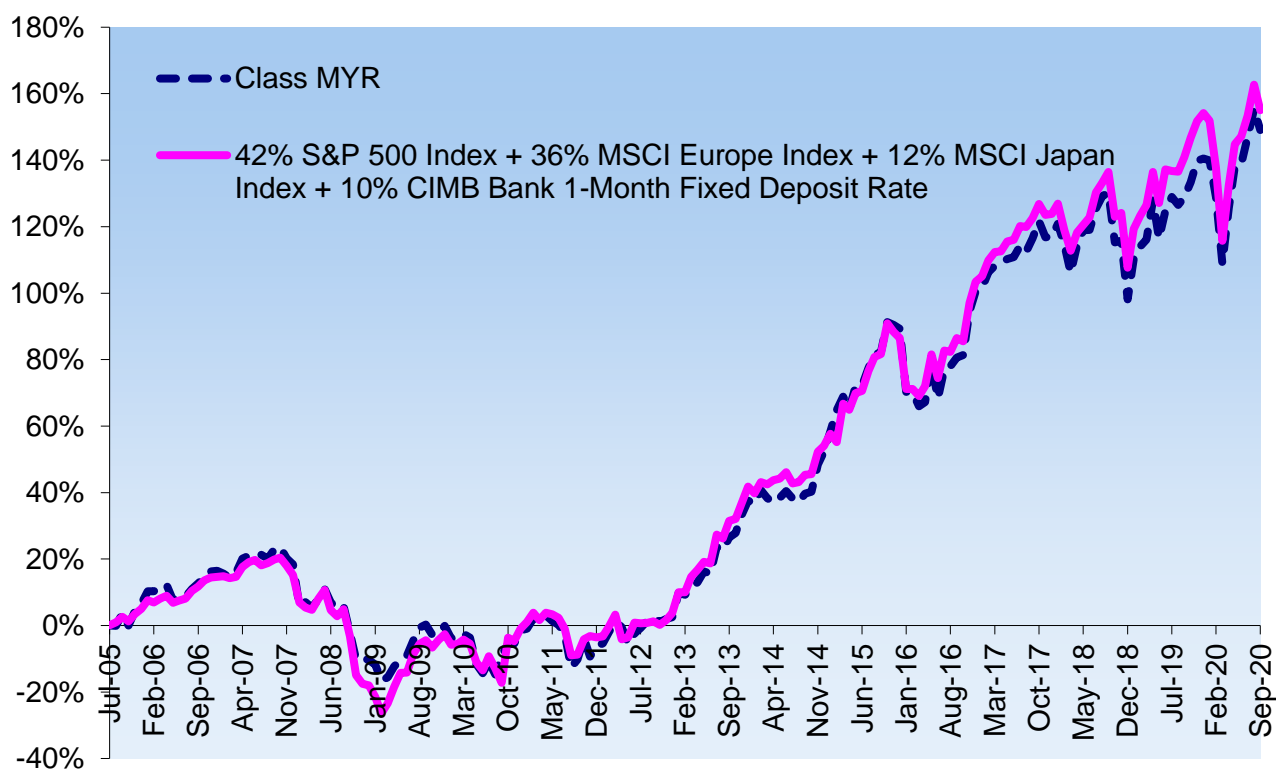
	<b>6 months to 30.09.2020</b>	<b>1 year to 30.09.2020</b>	<b>3 years to 30.09.2020</b>	<b>5 years to 30.09.2020</b>	<b>Since inception to 30.09.2020</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Income distribution	-	3.00	3.00	17.80	17.80
Capital growth	19.23	5.89	11.88	16.16	111.68
Total Return	19.23	8.85	15.02	36.66	149.6
Benchmark	18.20	5.90	14.60	40.40	155.07
Average Total Return	N/A	8.85	4.77	6.45	6.18

**Class USD**

	<b>6 months to 30.09.2020</b>	<b>1 year to 30.09.2020</b>	<b>3 year to 30.09.2020</b>	<b>Since inception to 30.09.2020</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Income distribution	-	3.00	3.00	3.00
Capital growth	23.90	6.69	8.70	16.74
Total Return	23.90	9.69	16.78	20.04
Benchmark	22.88	6.70	16.45	20.09
Average Total Return	N/A	9.69	1.34	(0.62)

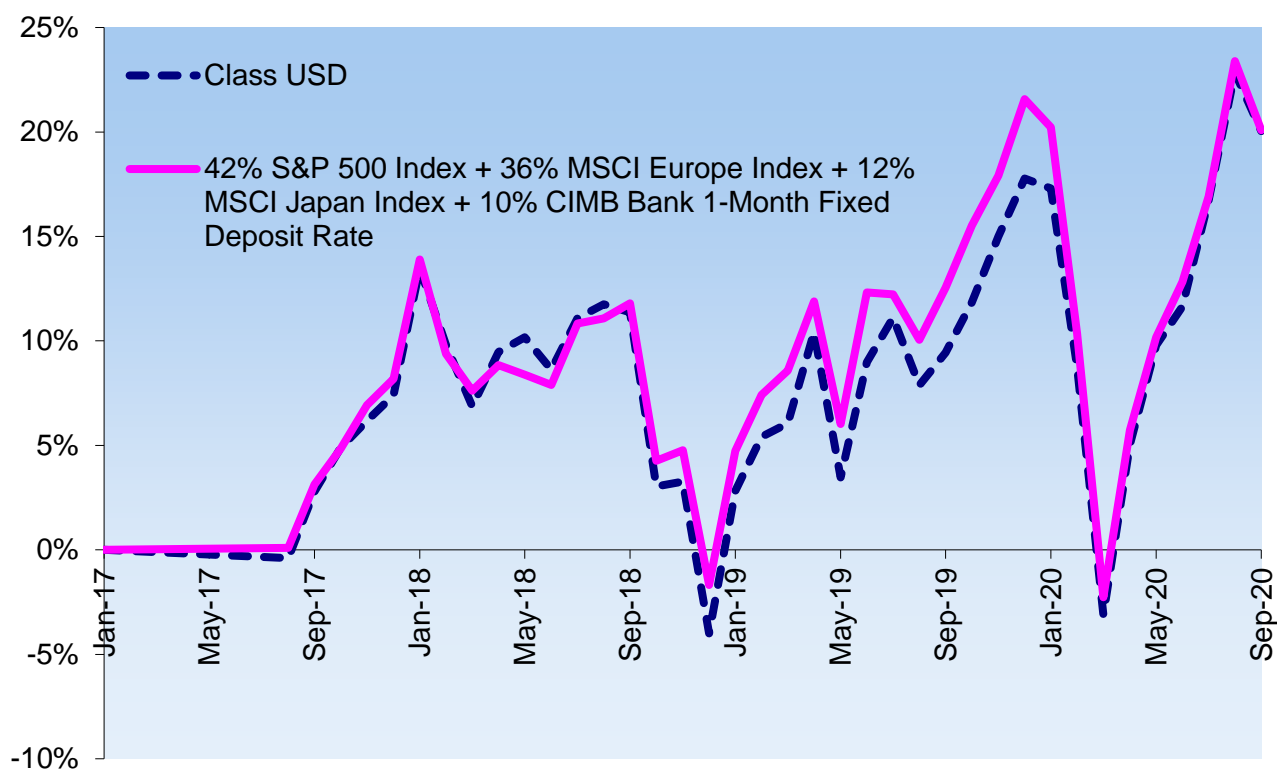
For 1 year period as at 30.09.2020, the Class MYR increased by 8.85%, outperforming the benchmark which was up by 5.9%. For Class USD, the Fund inclined by 9.69%, while the benchmark increased by 6.70%.

**Class MYR**



**FUND PERFORMANCE (CONTINUED)**

**Class USD**



**Changes in NAV**

**Class MYR**

	<b>30.09.2020</b>	<b>31.03.2020</b> <b>Audited</b>	<b>Changes</b> <b>%</b>
NAV (RM Million)	344.06	290.76	18.33
NAV/Unit (RM)	0.7156	0.6003	19.21

**Class USD**

	<b>30.09.2020</b>	<b>31.03.2020</b> <b>Audited</b>	<b>Changes</b> <b>%</b>
NAV (RM Million)	2.86	2.90	(1.38)
NAV/Unit (RM)	4.8427	4.0620	19.22

The slight decrease in NAV was due to unit redemptions. NAV per unit has increased by 19.21% for Class MYR and 19.22% for Class USD respectively.

As at end 30 September 2020, the total NAV of Class MYR stood at RM344.06 million while Class USD stood at RM2.86 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 period have been extracted from Lipper.

## PORTFOLIO STRUCTURE

### Asset allocation

(% of NAV)	30.09.2020	31.03.2020 Audited
Collective investment schemes	90.60	86.28
Cash and other net assets	9.40	13.72
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

The allocation into collective investment schemes increased to 90.60%, reflecting the overall neutral to overweight exposure in global equities at the end of the assessment period.

### MARKET OUTLOOK\*

We remain neutral on all developed markets as we expect short-term market volatility remains high ahead of the US presidential election, with virus cases resurging in Europe and US and tensions in US-China relationship. We maintain our view that the global economy should continue its recovery over the next 12 months, despite near term uncertainties. We think the resurgence of virus cases would be contained by better preparedness, expanded testing capabilities and targeted contact tracing. Positive vaccine news could further lift market concerns. While fiscal stimulus is fading in US and UK, we expect market will continue to be supported by low interest rates and ample liquidity. Within equity, we are neutral on all markets.

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

### INVESTMENT STRATEGY

We remain neutral on all developed markets as we expect short-term market volatility remains high ahead of the US presidential election, with virus cases resurging in Europe and US and tensions in US-China relationship. We maintain our view that the global economy should continue its recovery over the next 12 months, despite near term uncertainties. We think the resurgence of virus cases would be contained by better preparedness, expanded testing capabilities and targeted contact tracing. Positive vaccine news could further lift market concerns. While fiscal stimulus is fading in US and UK, we expect market will continue to be supported by low interest rates and ample liquidity. Within equity, we are neutral on all markets.

## UNIT HOLDINGS STATISTICS

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

### CLASS MYR

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1,079	2.95	0.61
5,001 - 10,000	912	6.77	1.41
10,001 - 50,000	2,127	50.46	10.50
50,001 - 500,000	647	73.57	15.30
500,001 and above	28	346.99	72.18
<b>Total</b>	<b>4,793</b>	<b>480.74</b>	<b>100.00</b>

### CLASS USD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001 - 10,000	-	-	-
10,001 - 50,000	1	0.03	5.08
50,001 - 500,000	2	0.56	94.92
500,001 and above	-	-	-
<b>Total</b>	<b>4</b>	<b>0.59</b>	<b>100.00</b>

## SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (the "Manager"), and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Principal Malaysia 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 period 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 unaudited financial statements set out on pages 12 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 30 September 2020 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period then ended in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting.

For and on behalf of the Manager  
**Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))**

**MUNIRAH KHAIKUDDIN**  
Chief Executive Officer/Executive Director

**JUAN IGNACIO EYZAGUIRRE BARAONA**  
Director

Kuala Lumpur  
12 November 2020

**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 period ended 30 September 2020. 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 Malaysia'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.

For HSBC (Malaysia) Trustee Berhad

Vicknesan Balakrishnan  
Chief Executive Officer

Kuala Lumpur  
12 November 2020

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

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	Note	01.04.2020 to 30.09.2020 RM	01.04.2019 to 30.09.2019 RM
<b>INCOME</b>			
Dividend income		2,699,559	-
Interest income from deposits with licensed financial institutions at amortised cost		29,774	306,792
Net gain on financial assets at fair value through profit or loss	7	58,967,221	26,063,298
Net foreign exchange (loss)/gain		<u>(1,757,896)</u>	<u>80,681</u>
		<u>59,938,658</u>	<u>26,450,771</u>
<b>EXPENSES</b>			
Management fee	4	3,003,563	3,464,624
Trustee and custodian fees	5	151,548	146,079
Audit fee		5,050	9,550
Tax agent's fee		2,300	6,500
Transaction costs		76,007	-
Other expenses		<u>259,090</u>	<u>19,015</u>
		<u>3,497,558</u>	<u>3,645,768</u>
<b>PROFIT BEFORE TAXATION</b>		56,441,100	22,805,003
Taxation	6	<u>-</u>	<u>-</u>
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>56,441,100</u>	<u>22,805,003</u>
Increase in net assets attributable to unit holders is made up as follows:			
Realised amount		23,856,208	15,773,002
Unrealised amount		<u>32,584,892</u>	<u>7,032,001</u>
		<u>56,441,100</u>	<u>22,805,003</u>

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

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2020**

	30.09.2020	31.03.2020
		Audited
Note	RM	RM
<b>ASSETS</b>		
Cash and cash equivalents	8 31,875,380	39,447,371
Financial assets at fair value through profit or loss	7 314,315,627	253,382,234
Amount due from Manager	2,518,460	2,393,513
Amount due from Manager of collective investment schemes		
- Management fee rebate	68,705	89,620
Dividend receivable	516,495	62,099
<b>TOTAL ASSETS</b>	<u>349,294,667</u>	<u>295,374,837</u>
<b>LIABILITIES</b>		
Amount due to Manager	1,889,742	1,352,903
Accrued management fee	457,838	329,042
Amount due to Trustee	19,816	17,594
Other payables and accruals	7,350	16,100
<b>TOTAL LIABILITIES</b>	<u>2,378,246</u>	<u>1,715,639</u>
<b>NET ASSET VALUE OF THE FUND</b>	<u>346,919,921</u>	<u>293,659,198</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	<u>346,919,921</u>	<u>293,659,198</u>
<b>REPRESENTED BY:</b>		
<b>FAIR VALUE OF OUTSTANDING UNITS (RM)</b>		
- Class MYR	344,060,973	290,756,452
- Class USD	2,858,948	2,902,746
	<u>346,919,921</u>	<u>293,659,198</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>		
- Class MYR	480,735,117	484,333,288
- Class USD	590,358	714,608
	9 <u>481,325,475</u>	<u>485,047,896</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		
- Class MYR	0.7156	0.6003
- Class USD	4.8427	4.0620
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>		
- Class MYR	RM0.7156	RM0.6003
- Class USD	<u>USD1.1655</u>	<u>USD0.9408</u>

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



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

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	<b>01.04.2020 to 30.09.2020</b>	<b>01.04.2019 to 30.09.2019</b>
	<b>RM</b>	<b>RM</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<u>293,659,198</u>	<u>405,257,058</u>
Movement due to units created and cancelled during the financial period:		
Creation of units from applications		
- Class MYR	90,797,973	29,432,736
- Class USD	<u>241,132</u>	<u>40,971</u>
	<u>91,039,105</u>	<u>29,473,707</u>
Cancellation of units from applications		
- Class MYR	(93,390,052)	(102,917,221)
- Class USD	<u>(829,430)</u>	<u>(1,988,724)</u>
	<u>(94,219,482)</u>	<u>(104,905,945)</u>
Increase in net assets attributable to unit holders during the financial period	<u>56,441,100</u>	<u>22,805,003</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD</b>	<u><u>346,919,921</u></u>	<u><u>352,629,823</u></u>

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

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

**UNAUDITED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	<b>01.04.2020 to 30.09.2020</b>	<b>01.04.2019 to 30.09.2019</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from disposal of collective investment schemes	236,478,563	117,466,195
Purchase of collective investment schemes	(239,009,011)	(30,352,417)
Dividend income received	1,982,406	-
Interest income received from deposits with licensed financial institutions	29,774	306,792
Management fee paid	(2,582,582)	(3,550,695)
Management fee rebate received	110,782	1,906,070
Trustee and custodian fees paid	(149,326)	(149,426)
Payments for other fees and expenses	(22,241)	(34,822)
Net realised foreign exchange loss	(397,032)	(171,393)
<b>Net cash (used in)/generated from operating activities</b>	<u>(3,558,669)</u>	<u>85,420,304</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from units created	90,912,679	29,899,064
Payments for cancellation of units	(93,677,029)	(103,721,377)
<b>Net cash used in financing activities</b>	<u>(2,764,350)</u>	<u>(73,822,313)</u>
Net (decrease)/increase in cash and cash equivalents	(6,323,019)	11,597,991
Effects of foreign exchange differences	(1,248,972)	183,044
Cash and cash equivalents at the beginning of the financial period	<u>39,447,371</u>	<u>24,232,125</u>
Cash and cash equivalents at the end of the financial period	<u>31,875,380</u>	<u>36,013,160</u>
<u>Cash and cash equivalent comprised of:</u>		
Deposits with licensed financial institutions	11,240,534	21,373,761
Bank balances	20,634,846	14,639,399
Cash and cash equivalents at the end of the financial period	<u>31,875,380</u>	<u>36,013,160</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

**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 Principal Master Deed dated 15 May 2008, a Fourth Supplemental Master Deed dated 18 March 2009, a Fifth Supplemental Master Deed dated 16 July 2009, a Thirteenth Supplemental Master Deed dated 26 June 2012, an Eighteenth Supplemental Master Deed dated 25 March 2015 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 (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 EM.

The asset allocation strategy for this 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 investment management function of this Fund has been delegated to Principal (S) with the approval of the SC. Principal (S) 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 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.

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### **(a) Basis of preparation**

The financial statements have been prepared in accordance with the provisions of the MFRS and International Financial Reporting Standards ("IFRS").

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

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

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

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

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

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

#### Classification

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

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

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

Investment in collective investment schemes are debt instrument with contractual cash flow that do not represent solely payment of principal and interest ("SPPI") and therefore are classified as fair value through profit or loss.

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

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

Classification (continued)

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

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

Recognition and measurement

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

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

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

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

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

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

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

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.

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

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

Impairment for assets carried at amortised costs

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

**(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 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 investments, determined on a weighted average cost basis.

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

**(d) Foreign currency**

Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in 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) Majority 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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

**(e) Cash and cash equivalents**

For the purpose of statement of cash flow, cash and cash equivalents comprise bank balances and deposits held in highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(f) Taxation**

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

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

**(g) Other income**

Other income represents the Fund’s entitlement to management fee rebate derived from the Manager of collective investment schemes 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.

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

**(h) 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 members of respective classes with the total number of outstanding units of respective classes.

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

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

**(j) 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 in applying this accounting policy, no significant judgement was required.



### **3. RISK MANAGEMENT OBJECTIVES AND POLICIES**

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 the Malaysian equities market to balance any short term volatilities.

The Fund is exposed to a variety of risks which include market risk (inclusive of 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**

Price risk 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. 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.

##### **(ii) Interest rate risk**

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

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

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

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund is not exposed to cash flow interest rate risk as the Fund does not hold any financial instruments at variable interest rate.

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

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

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

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

**(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.

For amount due from Manager of collective investment schemes, the Fund will invest with an investment management company of the collective investment schemes which is authorised or approved by the relevant regulatory authority in its home jurisdiction.

**(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. 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.

### 3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (d) Capital risk management

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

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

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

##### (i) Fair value hierarchy

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

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

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

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

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

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

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

(i) Fair value hierarchy (continued)

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
<b>30.09.2020</b>				
Financial asset at fair value through profit or loss:				
- Collective investment schemes	<u>314,315,627</u>	<u>-</u>	<u>-</u>	<u>314,315,627</u>
<b>31.03.2020</b>				
<b>Audited</b>				
Financial asset 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, dividends receivable, amount due from Manager of collective investment schemes 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 six months financial period ended 30 September 2020, the management fee is recognised at a rate of 1.80% per annum (30.09.2019: 1.80% per annum) for each class.

There is 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 not exceeding 0.07% per annum for each class, calculated daily based on the NAV of the Fund. The Trustee fee includes the local custodian fee but excludes the foreign sub-custodian fees and charges

For the six months financial period ended 30 September 2020, the Trustee fee is recognised at a rate of 0.07% per annum (30.09.2019: 0.07% per annum) for each class, while the foreign sub-custodian fee is recognised at RM34,743 (30.09.2019: RM11,344).

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

**6. TAXATION**

	<b>01.04.2020 to 30.09.2020 RM</b>	<b>01.04.2019 to 30.09.2019 RM</b>
Tax charged for the financial period:		
- Current taxation	-	-

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

	<b>01.04.2020 to 30.09.2020 RM</b>	<b>01.04.2019 to 30.09.2019 RM</b>
Profit before taxation	56,441,100	22,805,003
Taxation at Malaysian statutory rate of 24%	13,545,864	5,473,201
Tax effects of:		
- Income not subject to tax	(14,385,278)	(6,348,185)
- Expenses not deductible for tax purposes	115,981	39,201
- Restriction on tax deductible expenses for Unit Trust Funds	723,433	835,783
Taxation	-	-

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

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

	<b>30.09.2020</b>	<b>31.03.2020</b>
	<b>RM</b>	<b>Audited RM</b>
At fair value through profit or loss:		
- Collective investment schemes	<u>314,315,627</u>	<u>253,382,234</u>
	<b>01.04.2020</b>	<b>01.04.2019</b>
	<b>to 30.09.2020</b>	<b>to 30.09.2019</b>
	<b>RM</b>	<b>RM</b>
Net gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	24,767,784	17,248,575
- Unrealised fair value gain	33,822,412	6,862,759
- Management fee rebate #	<u>377,025</u>	<u>1,951,964</u>
	<u>58,967,221</u>	<u>26,063,298</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 six months financial period ended 30 September 2020 and 30 September 2019, 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.

	<b>30.09.2020</b>	<b>30.09.2019</b>
	<b>%</b>	<b>%</b>
Principal Global Investors ("PGI") European Equity Fund	1.00	1.00
PGI Japanese Equity Fund	-	1.00
PGI US Equity Fund	-	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
Legg Mason ClearBridge US Large Cap Growth Fund	0.63	0.63

**PRINCIPAL GLOBAL TITANS FUND**  
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**7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>30.09.2020</b>				
<b>COLLECTIVE INVESTMENT SCHEMES</b>				
IShares Core MSCI Europe ETF	4	676	743	0.00
IShares Core MSCI Europe UCITS ETF EUR (Dist)	547,345	52,631,158	58,629,361	16.90
Legg Mason ClearBridge US Large Cap Growth Fund	18,415	11,384,353	17,697,927	5.10
PGI European Equity Fund	272,136	24,791,963	35,410,862	10.21
JP Morgan Europe Strategic Growth Fund	179,966	28,252,045	31,853,203	9.18
JP Morgan Japan Yen Fund	1,636,645	10,657,557	12,442,520	3.59
Spider ("SPDR") Standard & Poor's 500 ("S&P 500") Exchange Traded Fund ("ETF") Trust	92,824	111,827,248	129,156,055	37.23
Tokyo Stock Price Index ("TOPIX") ETF	438,820	25,495,833	29,124,956	8.40
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES</b>	<b><u>3,186,155</u></b>	<b><u>265,040,833</u></b>	<b><u>314,315,627</u></b>	<b><u>90.60</u></b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>49,274,794</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>314,315,627</u></b>		

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

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.03.2020</b>				
<b>Audited</b>				
<b>COLLECTIVE INVESTMENT SCHEMES</b>				
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
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
Spider ("SPDR") Standard & Poor's 500 ("S&P 500") Exchange Traded Fund ("ETF") Trust	15,617	16,956,607	17,379,154	5.92
Tokyo Stock Price Index ("TOPIX") ETF	301,800	16,799,355	17,772,720	6.05
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES</b>	<b><u>1,434,654</u></b>	<b><u>237,929,852</u></b>	<b><u>253,382,234</u></b>	<b><u>86.28</u></b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>15,452,382</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>253,382,234</u></b>		



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

**8. CASH AND CASH EQUIVALENTS**

	<b>30.09.2020</b>	<b>31.03.2020</b>
	<b>RM</b>	<b>Audited RM</b>
Bank balances	20,634,846	622,043
Deposits with licensed financial institutions	11,240,534	38,825,328
	31,875,380	39,447,371

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

	<b>01.04.2020 to 30.09.2020</b>	<b>01.04.2019 to 31.03.2020</b>
	<b>No. of units</b>	<b>Audited No. of units</b>
Class MYR (i)	480,735,117	484,333,288
Class USD (ii)	590,358	714,608
	481,325,475	485,047,896

(i) Class MYR

	<b>01.04.2020 to 30.09.2020</b>	<b>01.04.2019 to 31.03.2020</b>
	<b>No. of units</b>	<b>Audited No. of units</b>
At the beginning of the financial period/year	484,333,288	626,728,826
Add: Creation of units from applications	130,631,599	161,288,214
Add: Creation of units from distribution	-	15,096,431
Less: Cancellation of units	(134,229,770)	(318,780,183)
At the end of the financial period/year	480,735,117	484,333,288

(ii) Class USD

	<b>01.04.2020 to 30.09.2020</b>	<b>01.04.2019 to 31.03.2020</b>
	<b>No. of units</b>	<b>Audited No. of units</b>
At the beginning of the financial period/year	714,608	1,012,293
Add: Creation of units from applications	50,003	303,396
Add: Creation of units from distribution	-	17,361
Less: Cancellation of units	(174,253)	(618,442)
At the end of the financial period/year	590,358	714,608

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

	<b>01.04.2020 to 30.09.2020</b>	<b>01.04.2019 to 30.09.2019</b>
	%	%
MER	0.95	0.95

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 fee
- 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 period calculated on a daily basis is RM333,204,943 (30.09.2019: RM383,599,062).

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

	<b>01.04.2020 to 30.09.2020</b>	<b>01.04.2019 to 30.09.2019</b>
PTR (times)	0.71	0.19

PTR is derived based on the following calculation:

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

where:

- total acquisition for the financial period = RM238,882,395 (30.09.2019: RM30,422,740)
- total disposal for the financial period = RM236,539,199 (30.09.2019: RM118,372,349)

**12. 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 Securities (Singapore) 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

	<b>30.09.2020</b>		<b>31.03.2020</b>	
	<b>No. of units</b>	<b>RM</b>	<b>No. of units</b>	<b>Audited RM</b>
<b>Manager</b>				
Principal Asset Management Berhad				
- Class MYR	55,778	39,915	89,645	53,814
- Class USD	4,804	23,264	4,804	19,514

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

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

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.

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

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

	<b>30.09.2020</b>	<b>31.03.2020</b>
	<b>RM</b>	<b>Audited RM</b>
<u>Significant related party transactions</u>		
Deposits with licensed financial institution:		
- CIMB Bank Bhd	<u>18,028,000</u>	<u>222,287,500</u>
Interest income from deposits with licensed financial institution:		
- CIMB Bank Bhd	<u>1,238</u>	<u>86,118</u>

There are no significant related party balances for the financial period/year ended 30 September 2020 and 31 March 2020, apart from those mentioned elsewhere in the financial statements.

**13. TRANSACTIONS WITH BROKERS**

Details of transactions with the brokers for the six months financial period ended 30 September 2020 are as follows:

<b>Brokers</b>	<b>Value of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
Citigroup Global Markets Ltd	182,748,627	38.44	54,825	72.51
Leg Mason Global Funds	96,465,145	20.29	-	-
Schroder Investment Management Ltd	76,557,135	16.10	-	-
JPMorgan Asset Management	51,085,573	10.75	-	-
Macquarie Capital Securities (M) Sdn Bhd	37,272,738	7.84	11,182	14.79
J.P. Morgan Securities LLC	25,998,555	5.47	7,800	10.32
Principal Global Investors Funds #	3,438,069	0.72	-	-
CGS-CIMB Securities (Singapore) Pte Ltd #	1,802,600	0.39	1,803	2.38
	<u>475,368,442</u>	<u>100.00</u>	<u>75,610</u>	<u>100.00</u>

**13. TRANSACTIONS WITH BROKERS (CONTINUED)**

Details of transactions with the brokers for the six months financial period ended 30 September 2019 are as follows:

<b>Brokers</b>	<b>Value of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
Legg Mason Global Funds	22,535,705	45.50	-	-
Schroder Investment Management Ltd	19,517,077	39.41	-	-
Principal Global Investors Funds #	7,476,371	15.09	-	-
	<u>49,529,153</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

# Included in the transactions are trades conducted with Principal Global Investors Funds, the Manager of the collective investment schemes amounting to RM3,438,069 (30.09.2019: RM7,476,371); and CGS-CIMB Securities (Singapore) Pte Ltd, fellow related party to the Manager amounting to RM1,802,600 (30.09.2019: 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.

**14. SIGNIFICANT EVENT DURING THE PERIOD**

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

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

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