

Principal Greater China Equity Fund

Interim Report

For the Six Months Financial Period Ended 31 October 2020

PRINCIPAL GREATER CHINA EQUITY FUND

INTERIM REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2020

| CONTENTS | PAGE(S) |
|--|----------------|
| INVESTORS' LETTER | 1 |
| MANAGER'S REPORT | 2 - 14 |
| Fund Objective and Policy | |
| Performance Data | |
| Market Review | |
| Fund Performance | |
| Portfolio Structure | |
| Market Outlook | |
| Investment Strategy | |
| Unit Holding Statistics | |
| Soft Commissions and Rebates | |
| STATEMENT BY MANAGER | 15 |
| TRUSTEE'S REPORT | 16 |
| UNAUDITED STATEMENT OF COMPREHENSIVE INCOME | 17 |
| UNAUDITED STATEMENT OF FINANCIAL POSITION | 18 - 19 |
| UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS | 20 |
| UNAUDITED STATEMENT OF CASH FLOWS | 21 |
| NOTES TO THE FINANCIAL STATEMENTS | 22 - 44 |
| DIRECTORY | 45 |

INVESTORS' LETTER

Dear Valued Investor,

The month of December is always a good time to re-evaluate where you stand financially and relook at how you can diversify and strategise your investment portfolio for the new year and years to come.

What's more, the recent Budget 2021 announcement that the tax relief for the Private Retirement Scheme ("PRS") has been extended till 2025 is something all of us should take advantage of - for your financial planning in the new year and beyond that for your retirement.

This year, we have seen unprecedented hits to our economic activities, major infusion of monetary and fiscal policymaking, and a vote for new leadership in the US. Going into 2021, I believe it will be a year of renewal where we will see the world trying to shift to pre-pandemic norms while at the same time, accelerate into the post-pandemic future.

Our commitment to responsible investing focuses on one key priority—your long-term best interest. We're able to deliver on this commitment to you by developing strong, stable, research-based investment solutions through our globally integrated asset class teams and shared information infrastructure.

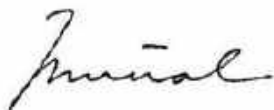
We continue to prefer equities over fixed income and remain positive on Asian equities favouring China and more developed Asian economies on a 12-month basis. For our:

- **Conservative investors, we recommend:** Malaysia focus bond funds and regional balanced funds that are income focussed.
- **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.

We are constantly sharing content on investing, retirement and latest market outlook in our website (www.principal.com.my). Do like out our Facebook page (@PrincipalAssetMY) in order not to miss these updates and promotions – and for those who already have, I take this opportunity to thank you.

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 achieve medium to long-term capital growth primarily through investment in a portfolio of equity securities with exposure to the Greater China region consisting of the People's Republic of China, Hong Kong Special Administrative Region (“SAR”) and Taiwan.

Has the Fund achieved its objective?

For the financial period under review, the Fund has 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 is a feeder fund that invests at least 95% of the Fund’s Net Asset Value (“NAV”) in the Schroder International Selection Fund (“ISF”) Greater China (the “Target Fund”), a fund of the Schroder ISF, an open-ended investment company registered in Luxembourg. Information on the Target Fund is detailed below.

The asset allocation strategy for this Fund is as follows:

- at least 95% of the Fund’s NAV will be invested in the Schroder ISF Greater China; and
- up to 5% of the Fund’s NAV will be invested in liquid assets for liquidity purposes.

Information on the Target Fund:

Management Company: Schroder Investment Management (Luxembourg) S.A.

Investment Manager: Schroder Investment Management (Hong Kong) Limited

Regulatory Authority: Luxembourg – Commission de Surveillance du Secteur Financier (“CSSF”)

Base Currency

US Dollar (“USD”)

Fund category/type

Feeder Fund/Growth

When was the Fund launched?

| Name of Class | Launch Date |
|----------------------------|--------------------|
| Class MYR | 12 June 2007 |
| Class AUD-Hedged (“AUD-H”) | 20 April 2020 |
| Class MYR-Hedged (“MYR-H”) | 20 April 2020 |
| Class RMB-Hedged (“RMB-H”) | 20 April 2020 |
| Class SGD-Hedged (“SGD-H”) | 20 April 2020 |
| Class USD | 20 April 2020 |

What was the size of the Fund as at 31 October 2020?

USD312.07 million (1,041.66 million units)

What is the Fund’s benchmark?

The Fund adheres to the benchmark of the Target Fund, i.e. MSCI Golden Dragon Index for performance comparison purpose only.

What is the Fund distribution policy?

Given its 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.

FUND OBJECTIVE AND POLICY (CONTINUED)

What was the net income distribution for the financial period from 1 May 2020 to 31 October 2020?

The Fund distributed a total net income of USD14.66 million to unit holders for the financial period from 1 May 2020 to 31 October 2020.

The Fund's NAV per unit are as follows:

| Date | NAV per unit (before distribution) USD | NAV per unit (after distribution) USD |
|-------------|---|--|
| 07.08.2020 | | |
| Class MYR | 0.3049 | 0.2812 |

PERFORMANCE DATA

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

| | 31.10.2020 | 31.10.2019 | 31.10.2018 |
|------------------------------|-------------------|-------------------|-------------------|
| | % | % | % |
| Collective investment scheme | 90.79 | 98.55 | 100.00 |
| Cash and other net assets | 9.21 | 1.45 | - |
| | <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:

| | 31.10.2020 | 31.10.2019 | 31.10.2018 |
|--------------------------------|-------------------|-------------------|-------------------|
| NAV (USD Million) | | | |
| - Class AUD-H | 5.97 | - | - |
| - Class MYR | 297.26 | 151.20 | 150.15 |
| - Class MYR-H | 1.87 | - | - |
| - Class RMB-H | 1.74 | - | - |
| - Class SGD-H | 1.18 | - | - |
| - Class USD | 4.05 | - | - |
| Units in circulation (Million) | | | |
| - Class AUD-H | 6.33 | - | - |
| - Class MYR | 1,016.70 | 152.07 | 173.42 |
| - Class MYR-H | 5.73 | - | - |
| - Class RMB-H | 8.67 | - | - |
| - Class SGD-H | 1.20 | - | - |
| - Class USD | 3.03 | - | - |
| NAV per unit (USD) | | | |
| - Class AUD-H | 0.9431 | - | - |
| - Class MYR | 0.2924 | 0.2385 | 0.2069 |
| - Class MYR-H | 0.3257 | - | - |
| - Class RMB-H | 0.2011 | - | - |
| - Class SGD-H | 0.9839 | - | - |
| - Class USD | 1.3402 | - | - |

PERFORMANCE DATA (CONTINUED)

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

| | 01.05.2020 to 31.10.2020 | 01.05.2019 to 31.10.2019 | 01.05.2018 to 31.10.2018 |
|----------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Highest NAV per unit (USD) | | | |
| - Class AUD-H | 0.9785 | - | - |
| - Class MYR | 0.3100 | 0.2427 | 0.2473 |
| - Class MYR-H | 0.3305 | - | - |
| - Class RMB-H | 0.2034 | - | - |
| - Class SGD-H | 1.0027 | - | - |
| - Class USD | 1.3564 | - | - |
| Lowest NAV per unit (USD) | | | |
| - Class AUD-H | 0.6382 | - | - |
| - Class MYR | 0.2322 | 0.2136 | 0.2011 |
| - Class MYR-H | 0.2282 | - | - |
| - Class RMB-H | 0.1381 | - | - |
| - Class SGD-H | 0.6964 | - | - |
| - Class USD | 0.9809 | - | - |
| Total return (%) | | | |
| - Class AUD-H | 29.97 | - | - |
| - Class MYR | 27.50 | (0.43) | (10.56) |
| - Class MYR-H | 32.58 | - | - |
| - Class RMB-H | 32.36 | - | - |
| - Class SGD-H | 31.43 | - | - |
| - Class USD | 32.05 | - | - |
| Capital growth (%) | | | |
| - Class AUD-H | 29.97 | - | - |
| - Class MYR | 19.73 | (0.43) | (10.56) |
| - Class MYR-H | 32.58 | - | - |
| - Class RMB-H | 32.36 | - | - |
| - Class SGD-H | 31.43 | - | - |
| - Class USD | 32.05 | - | - |
| Income distribution (%) | | | |
| - Class AUD-H | - | - | - |
| - Class MYR | 8.43 | - | - |
| - Class MYR-H | - | - | - |
| - Class RMB-H | - | - | - |
| - Class SGD-H | - | - | - |
| - Class USD | - | - | - |

PERFORMANCE DATA (CONTINUED)

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

| | | | |
|--|------|------|------|
| Management Expense Ratio ("MER") (%) | 0.95 | 0.95 | 0.91 |
| Portfolio Turnover Ratio ("PTR") (times) # | 0.39 | 0.11 | 0.14 |

For the financial period under review, the Fund's PTR increased from 0.11 times to 0.39 times. As a feeder fund, the turnover reflects investments and withdrawals in the Target Fund. The turnover increased because there higher trading activities during the financial period under review.

| | 01.05.2020 to 31.10.2020 | 01.05.2019 to 31.10.2019 | 01.05.2018 to 31.10.2018 | | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|---------------------------------|----------------------------|
| Gross/Net distribution per unit (cent) | | | | | |
| Distribution on 7 August 2020 | | | | | |
| - Class MYR | 2.37 | - | - | | |
| | | | | | Since inception |
| | 31.10.2020 | 31.10.2019 | 31.10.2018 | 31.10.2017 to 31.10.2016 | to 31.10.2016 |
| | % | % | % | % | % |
| Annual total return | | | | | |
| - Class MYR | 35.65 | 14.93 | (11.86) | 32.23 | 8.29 |

(Launch date: 12 June 2007)

| | | Since inception to 31.10.2020 |
|---------------------|--|--|
| | | % |
| Annual total return | | |
| - Class AUD-H | | 34.09 |
| - Class MYR-H | | 35.26 |
| - Class RMB-H | | 34.76 |
| - Class SGD-H | | 34.31 |
| - Class USD | | 34.02 |

(Launch date: 20 April 2020)

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 MAY 2020 TO 31 OCTOBER 2020)

Chinese, Taiwanese and, especially, Hong Kong equities underperformed world and most other Asian markets over the month of May 2020. Hong Kong, where a new national security law was proposed, was the worst-performing market in the region. The other Greater China markets of China and Taiwan also posted losses, as Beijing's relationship with the US become strained once again amid talk of delisting Chinese companies from US markets and compensatory tariffs Coronavirus 2019 ("COVID-19").

In June 2020, the Chinese market rose strongly, although it underperformed other Asian markets in aggregate. The market was buoyed by ongoing stimulus from the central bank and a return to normality after the COVID-19-related lockdown. Hong Kong was up but relatively weak owing to geopolitical tensions. China announced the imposition of a national security law in Hong Kong, which came into effect on 30 June 2020. Along with other export-oriented markets, Taiwan outperformed the regional index on hopes of a recovery in global demand in the second half of 2020. However, geopolitical concerns increased as the US-China confrontation expanded beyond trade and technology issues.

The Chinese market generated a robust return in July 2020, outperforming most other Asian and developed world markets. Despite further acceleration in new COVID-19 cases and an escalation in US-China tensions, the market benefited from an improvement in economic data. Hong Kong recorded a negative return as the recent tightening of national security laws and the loss of its favoured trading nation status from the US impacted sentiment towards the market. Taiwan was the best-performing index market, led higher by technology stocks.

In August 2020, both the China and Hong Kong markets performed well, aided by hopes of a COVID-19 vaccine, falling virus infection rates, ongoing economic recovery, and USD weakness. In China, upside surprises in second-quarter earnings' results boosted sentiment, and exports expanded strongly, though there were rising tensions with the US. Although China's commitment to phase one of the US-China trade deal was a positive, other tensions brewed, including US sanctions on Chinese technology giant Huawei Technologies Co., Ltd ("Huawei"). Conversely, the Taiwanese market finished in negative territory. Taiwanese equities fell due to lower returns from Information Technology ("IT") stocks. Apple Inc supply-chain stocks, in particular, were negatively impacted by the US-China tensions.

The Taiwanese market was the strongest performing Asian in September 2020, with IT sector stocks underpinning the gains. Chinese equities were also strong, as economic data signalled ongoing recovery and second-quarter corporate earnings results were positive. However, tensions with the US escalated, including new restrictions on Chinese telecommunications company Huawei. In addition, President Donald Trump signed an executive order to prevent US companies from doing business with Chinese-owned TikTok Inc and WeChat.

The China market delivered a positive return in October 2020, comfortably outperforming the MSCI World Index and regional indices. Recovering economic performance, hopes of a win by the Democrats' Joe Biden in the US election and potentially a smoother road forward for US-China relations supported Chinese equities. The performance of its internet companies and several positive third-quarter earnings surprises further aided sentiment. Taiwan finished in positive territory but underperformed the Index. Earnings forecasts for Taiwan's companies increased as the outlook for growth improved. Hong Kong equities fell but still outperformed global equities, in aggregate.

FUND PERFORMANCE

| | Class MYR | | | | |
|-------------------------|-----------------------------------|---------------------------------|----------------------------------|----------------------------------|--|
| | 6 months to 31.10.2020 | 1 year to 31.10.2020 | 3 years to 31.10.2020 | 5 years to 31.10.2020 | Since inception to 31.10.2020 |
| Income Distribution | 8.43 | 11.09 | 11.09 | 11.09 | 11.09 |
| Capital Growth | 19.73 | 24.30 | 26.19 | 80.72 | 160.84 |
| Total Return | 27.50 | 35.65 | 37.70 | 97.17 | 84.66 |
| Benchmark | 17.91 | 23.24 | 15.40 | 52.94 | 105.34 |
| Average Total Return | N/A | 35.65 | 11.25 | 14.54 | 5.52 |

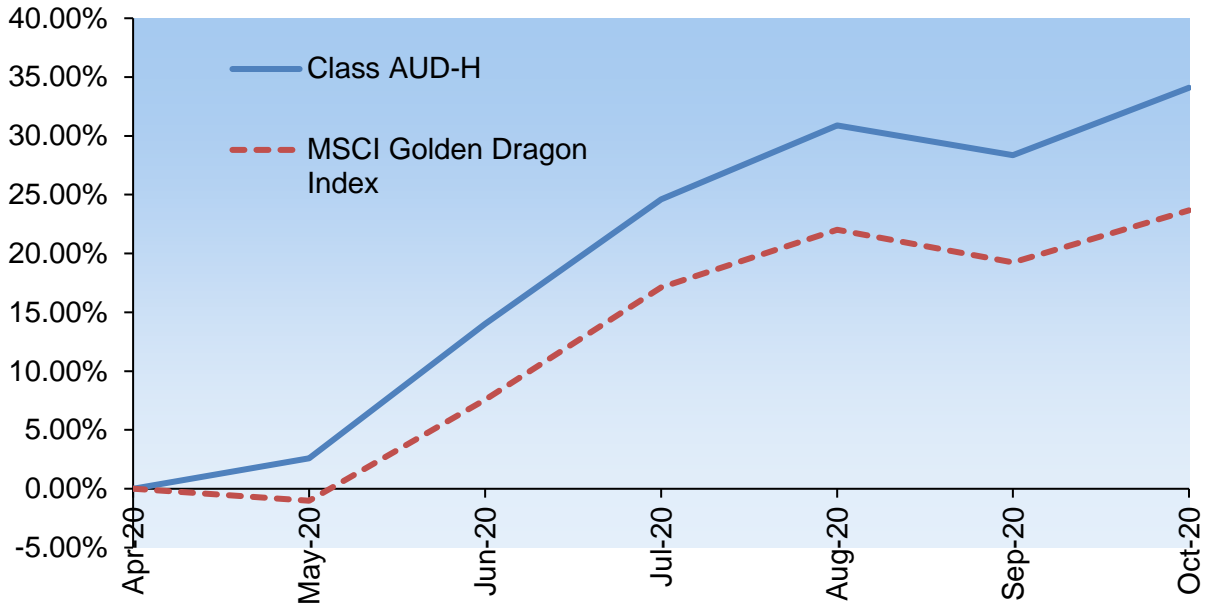
| | 6 months to 31.10.2020 | | | | |
|-------------------------|-------------------------------|--------------------|--------------------|--------------------|------------------|
| | Class AUD-H | Class MYR-H | Class RMB-H | Class SGD-H | Class USD |
| Income Distribution | - | - | - | - | - |
| Capital Growth | 29.97 | 32.58 | 32.36 | 31.43 | 32.05 |
| Total Return | 29.97 | 32.58 | 32.36 | 31.43 | 32.05 |
| Benchmark | 22.02 | 22.02 | 22.02 | 22.02 | 22.02 |
| Average Total Return | N/A | N/A | N/A | N/A | N/A |

| | Since inception to 31.10.2020 | | | | |
|-------------------------|--------------------------------------|--------------------|--------------------|--------------------|------------------|
| | Class AUD-H | Class MYR-H | Class RMB-H | Class SGD-H | Class USD |
| Income Distribution | - | - | - | - | - |
| Capital Growth | 34.09 | 35.26 | 34.76 | 34.31 | 34.02 |
| Total Return | 34.09 | 35.26 | 34.76 | 34.31 | 34.02 |
| Benchmark | 23.67 | 23.67 | 23.67 | 23.67 | 23.67 |
| Average Total Return | N/A | N/A | N/A | N/A | N/A |

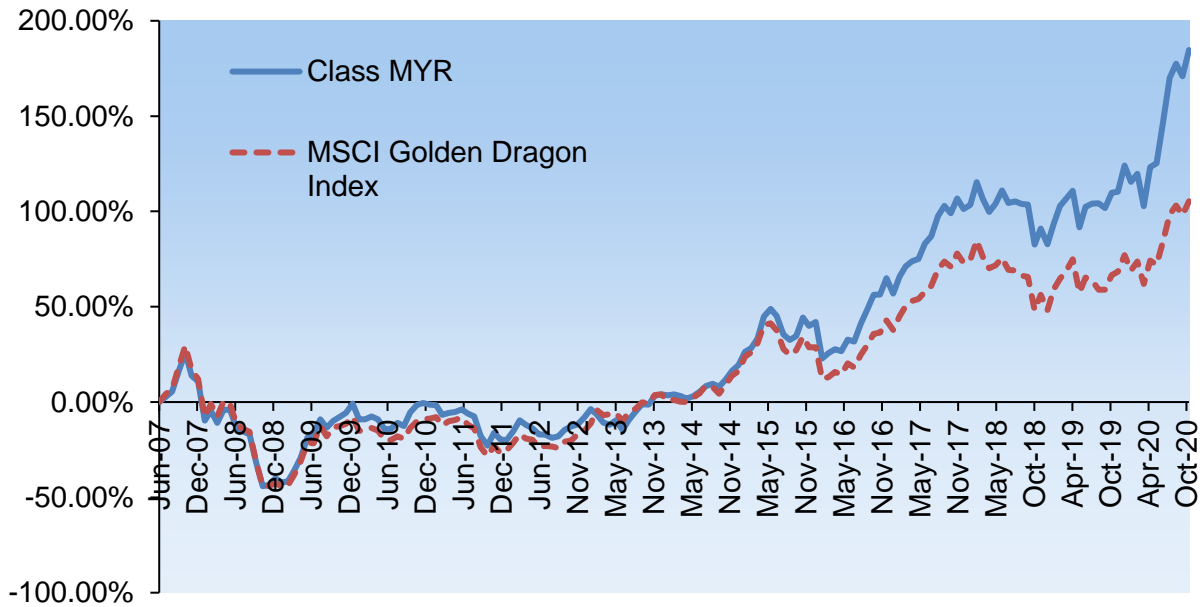
For the financial period under review, Class AUD-H, Class MYR-H, Class RMB-H, Class SGD-H, and Class USD increased by 29.97%, 32.58%, 32.36%, 31.43%, and 32.05%, respectively outperforming the benchmark at 22.02%. Meanwhile, Class MYR also increased by 27.50% against its benchmark at 17.91%. The outperformance was mainly driven by the stock selection of the Schroder International Selection Fund Greater China Fund.

FUND PERFORMANCE (CONTINUED)

CLASS AUD-H

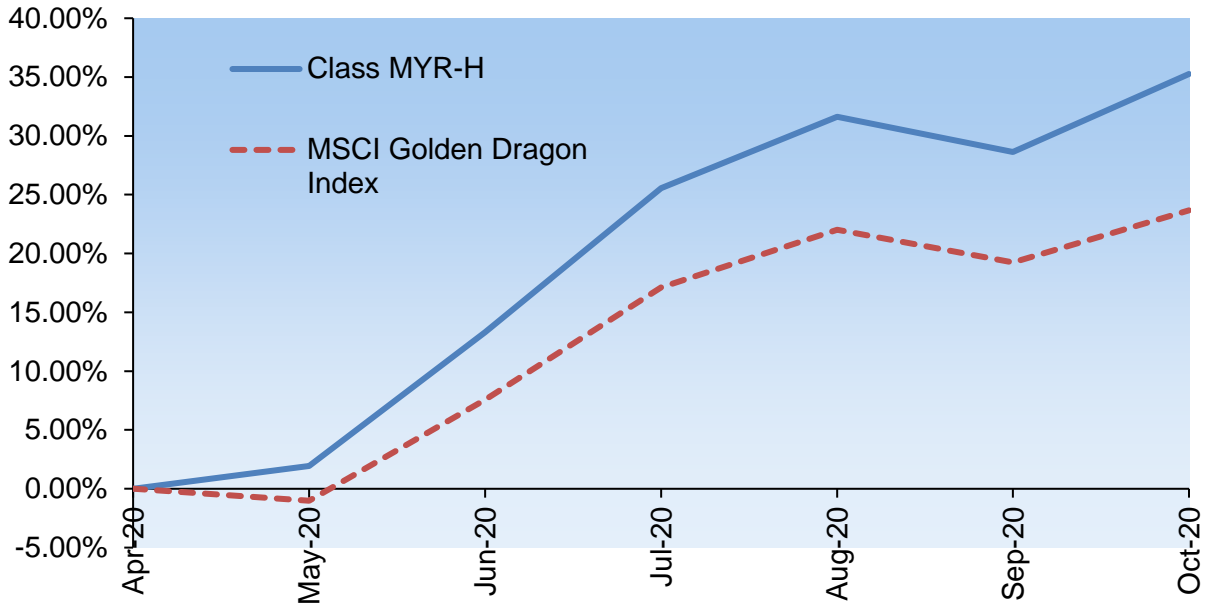


CLASS MYR

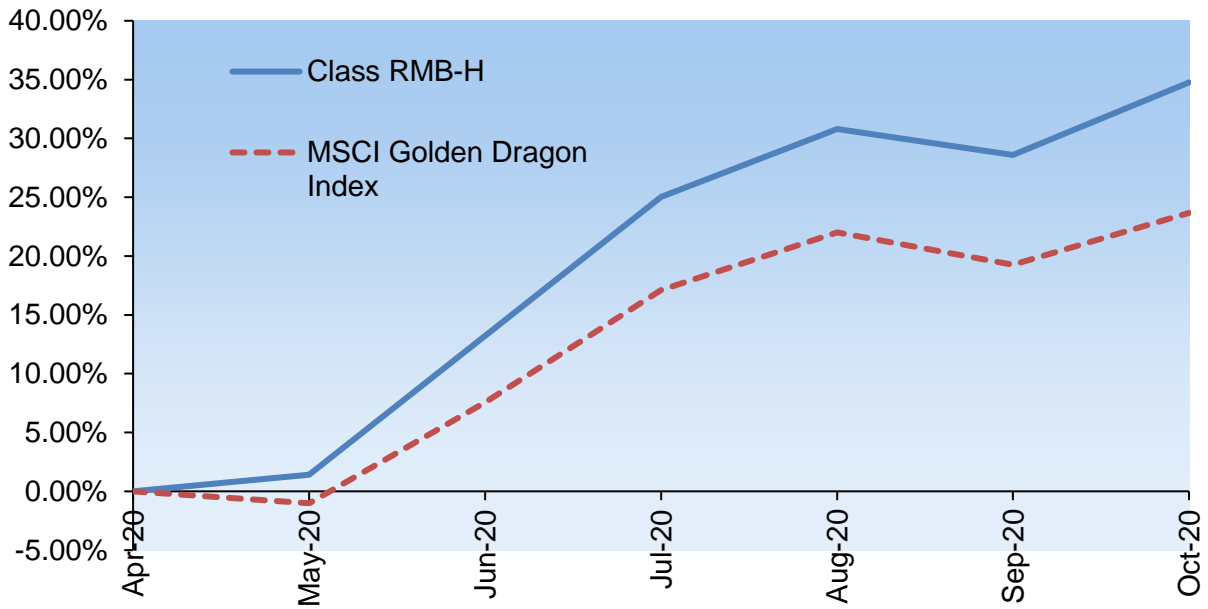


FUND PERFORMANCE (CONTINUED)

CLASS MYR-H

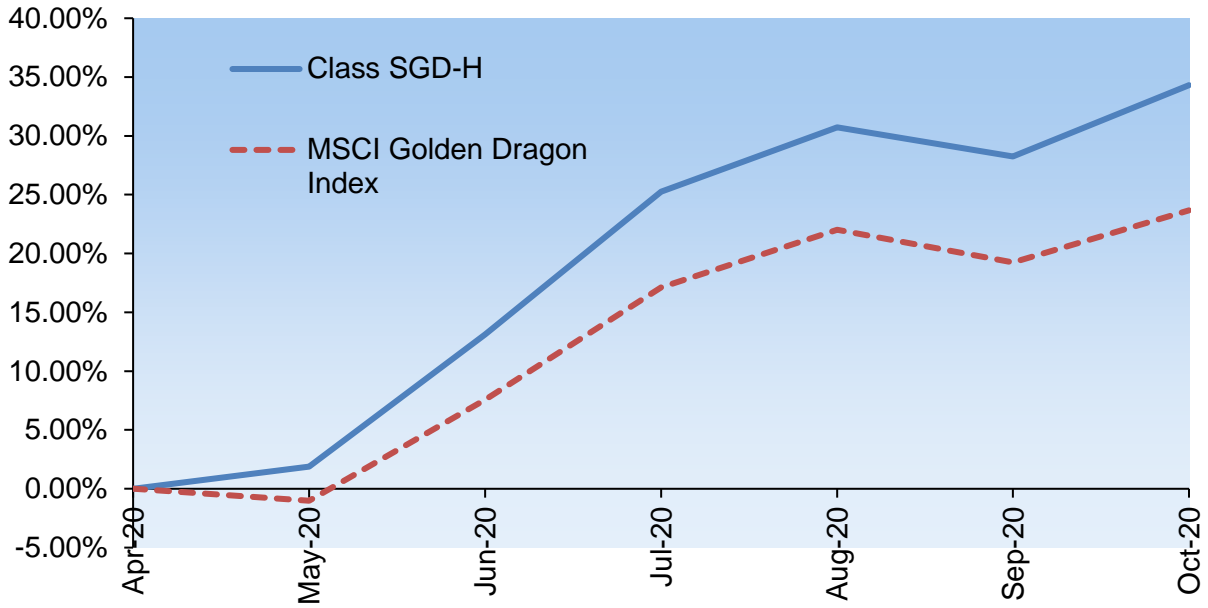


Class RMB-H

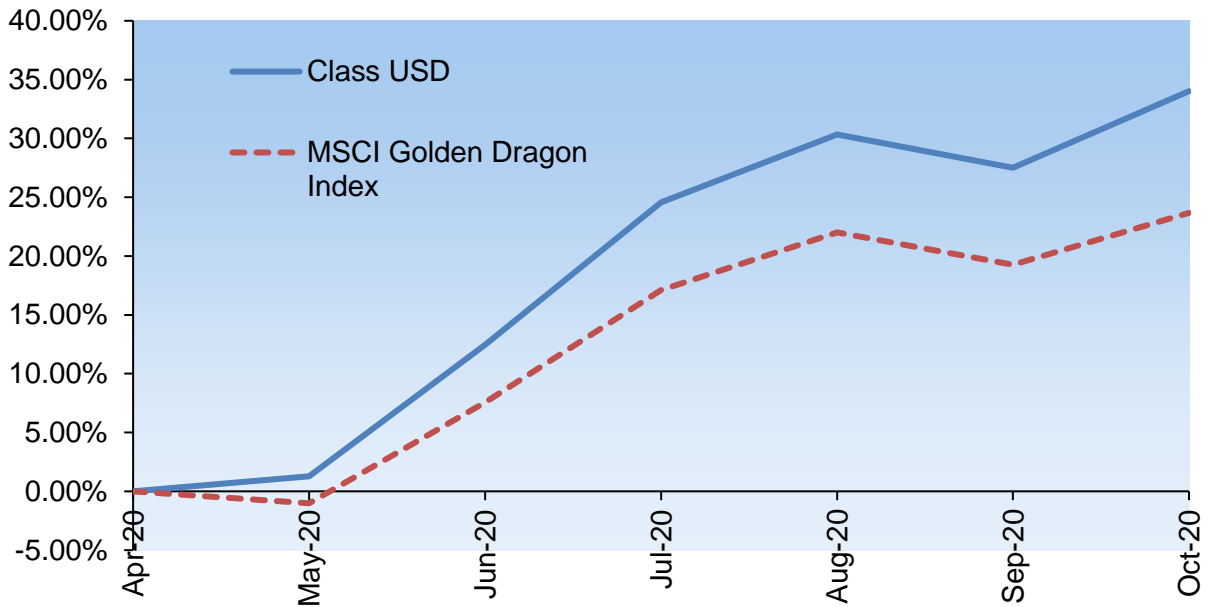


FUND PERFORMANCE (CONTINUED)

Class SGD-H



Class USD



FUND PERFORMANCE (CONTINUED)

Changes in NAV

CLASS AUD-H

| | 31.10.2020 | 30.04.2020 Audited | Changes % |
|-------------------|-------------------|-------------------------------------|----------------------------|
| NAV (USD Million) | 5.97 | 0.00* | >100.00 |
| NAV/Unit (USD) | 0.9431 | 0.6760 | 39.51 |

CLASS MYR

| | 31.10.2020 | 30.04.2020 Audited | Changes % |
|-------------------|-------------------|-------------------------------------|----------------------------|
| NAV (USD Million) | 297.26 | 135.55 | >100.00 |
| NAV/Unit (USD) | 0.2924 | 0.2402 | 21.73 |

CLASS MYR-H

| | 31.10.2020 | 30.04.2020 Audited | Changes % |
|-------------------|-------------------|-------------------------------------|----------------------------|
| NAV (USD Million) | 1.87 | 0.00* | >100.00 |
| NAV/Unit (USD) | 0.3257 | 0.2370 | 37.43 |

CLASS RMB-H

| | 31.10.2020 | 30.04.2020 Audited | Changes % |
|-------------------|-------------------|-------------------------------------|----------------------------|
| NAV (USD Million) | 1.74 | 0.00* | >100.00 |
| NAV/Unit (USD) | 0.2011 | 0.1440 | 39.65 |

CLASS SGD-H

| | 31.10.2020 | 30.04.2020 Audited | Changes % |
|-------------------|-------------------|-------------------------------------|----------------------------|
| NAV (USD Million) | 1.18 | 0.00* | >100.00 |
| NAV/Unit (USD) | 0.9839 | 0.7250 | 35.71 |

CLASS USD

| | 31.10.2020 | 30.04.2020 Audited | Changes % |
|-------------------|-------------------|-------------------------------------|----------------------------|
| NAV (USD Million) | 4.05 | 0.00* | >100.00 |
| NAV/Unit (USD) | 1.3402 | 1.0150 | 32.04 |

Note: 0.00* denotes fair value less than 0.01 million.

FUND PERFORMANCE (CONTINUED)

Changes in NAV (continued)

For the financial period under review, total NAV for Class AUD-H, Class MYR, Class MYR-H, Class RMB-H, Class SGD-H, and Class USD all increased over 100%.

Meanwhile the NAV per unit for Class AUD-H, Class MYR, Class MYR-H, Class RMB-H, Class SGD-H, and Class USD increased by 39.51%, 21.73%, 37.43%, 39.65%, 35.71%, and 32.04% respectively due to the positive investment performance during the 6-months period.

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) | 31.10.2020 | 30.04.2020 Audited |
|------------------------------|---------------|-----------------------|
| Collective investment scheme | 90.79 | 93.92 |
| Cash and other net assets | 9.21 | 6.08 |
| Total | 100.00 | 100.00 |

The Fund was fully invested during the period under review, with minimal cash kept for liquidity purposes.

MARKET OUTLOOK*

Looking ahead, the Biden administration is unlikely to reverse the tougher stance taken by the US towards China, given the core (bipartisan) view in Washington that Beijing is a strategic rival. Nevertheless, we may see a more coherent, consistent, and less disruptive foreign policy from the new US Government compared with that of Donald Trump. To that end, the US election result appears positive for Chinese equities.

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

INVESTMENT STRATEGY

The Fund will continue to remain fully invested in Target Fund (Schroder International Selection Fund Greater China) with minimal cash kept for liquidity purposes.

UNIT HOLDINGS STATISTICS

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

CLASS AUD-H

| Size of unit holdings (units) | No. of unit holders | No. of units held (million) | % of units held |
|-------------------------------|---------------------|-----------------------------|-----------------|
| 5,000 and below | 1 | 0.00* | 0.00* |
| 5,001 to 10,000 | - | - | - |
| 10,001 to 50,000 | - | - | - |
| 50,001 to 500,000 | 2 | 0.47 | 7.42 |
| 500,001 and above | 2 | 5.86 | 92.58 |
| Total | 5 | 6.33 | 100.00 |

CLASS MYR

| Size of unit holdings (units) | No. of unit holders | No. of units held (million) | % of units held |
|-------------------------------|---------------------|-----------------------------|-----------------|
| 5,000 and below | 3,149 | 7.76 | 0.76 |
| 5,001 to 10,000 | 1,856 | 13.47 | 1.32 |
| 10,001 to 50,000 | 3,578 | 82.93 | 8.16 |
| 50,001 to 500,000 | 1,164 | 133.80 | 13.16 |
| 500,001 and above | 42 | 778.74 | 76.60 |
| Total | 9,789 | 1,016.70 | 100.00 |

CLASS MYR-H

| Size of unit holdings (units) | No. of unit holders | No. of units held (million) | % of units held |
|-------------------------------|---------------------|-----------------------------|-----------------|
| 5,000 and below | 1 | 0.00* | 0.00* |
| 5,001 to 10,000 | - | - | - |
| 10,001 to 50,000 | - | - | - |
| 50,001 to 500,000 | - | - | - |
| 500,001 and above | 3 | 5.73 | 100.00 |
| Total | 4 | 5.73 | 100.00 |

CLASS RMB-H

| Size of unit holdings (units) | No. of unit holders | No. of units held (million) | % of units held |
|-------------------------------|---------------------|-----------------------------|-----------------|
| 5,000 and below | 1 | 0.00* | 0.00* |
| 5,001 to 10,000 | - | - | - |
| 10,001 to 50,000 | - | - | - |
| 50,001 to 500,000 | 1 | 0.18 | 2.08 |
| 500,001 and above | 3 | 8.49 | 97.92 |
| Total | 5 | 8.67 | 100.00 |

Note: 0.00* denotes fair value less than 0.01 million

UNIT HOLDINGS STATISTICS (CONTINUED)

Breakdown of unit holdings by size as at 31 October 2020 are as follows (continued):

CLASS SGD-H

| Size of unit holdings (units) | No. of unit holders | No. of units held (million) | % of units held |
|-------------------------------|---------------------|-----------------------------|-----------------|
| 5,000 and below | 1 | 0.00* | 0.00* |
| 5,001 to 10,000 | - | - | - |
| 10,001 to 50,000 | 1 | 0.02 | 1.67 |
| 50,001 to 500,000 | 2 | 0.56 | 46.67 |
| 500,001 and above | 1 | 0.62 | 51.66 |
| Total | 5 | 1.20 | 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 | 1 | 0.00* | 0.00* |
| 5,001 to 10,000 | 1 | 0.01 | 0.33 |
| 10,001 to 50,000 | - | - | - |
| 50,001 to 500,000 | 1 | 0.23 | 7.59 |
| 500,001 and above | 2 | 2.79 | 92.08 |
| Total | 5 | 3.03 | 100.00 |

Note: 0.00* denotes fair value less than 0.01 million

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 period under review, the Manager and the Trustee did not receive any rebates from the brokers or dealers but the Manager has retained soft commission in the form of goods and services 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 GREATER CHINA EQUITY 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 17 to 44 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 October 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 provisions of 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 KHAIRUDDIN
Chief Executive Officer/Executive Director

JUAN IGNACIO EYZAGUIRRE BARAONA
Director

Kuala Lumpur
14 December 2020

**TRUSTEE'S REPORT TO THE UNITHOLDERS OF
PRINCIPAL GREATER CHINA EQUITY FUND**

We have acted as Trustee of Principal Greater China Equity Fund (“the Fund”) for the financial period ended 31 October 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’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 period, a total distribution of 2.37 cent per unit (gross) for MYR 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
14 December 2020

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2020**

| | | 01.05.2020 to 31.10.2020 | 01.05.2019 to 31.10.2019 Restated USD |
|---|------|-----------------------------|--|
| | Note | USD | USD |
| INCOME | | | |
| Interest income from deposit placement with licensed financial institutions and current account | | 44,138 | 8,651 |
| Net gain on financial assets at fair value through profit or loss | 8 | 49,121,234 | 818,670 |
| Net loss on derivative assets at fair value through profit or loss | 9 | (65,911) | - |
| Net foreign exchange gain/(loss) | | 174,908 | (21,775) |
| | | <u>49,274,369</u> | <u>805,546</u> |
| EXPENSES | | | |
| Management fee | 4 | 1,806,147 | 1,406,986 |
| Trustee fee | 5 | 80,273 | 62,533 |
| Audit fee | | 1,569 | 1,332 |
| Tax agent's fee | | 603 | 360 |
| Other expenses | | 3,101 | 1,820 |
| | | <u>1,891,693</u> | <u>1,473,031</u> |
| PROFIT/(LOSS) BEFORE FINANCE COST AND TAXATION | | 47,382,676 | (667,485) |
| Finance cost (excluding increase in net assets attributable to unit holders): | | | |
| - Class MYR | 6 | <u>(14,661,896)</u> | - |
| PROFIT/(LOSS) BEFORE TAXATION | | 32,720,780 | (667,485) |
| Taxation | 7 | <u>-</u> | <u>-</u> |
| PROFIT/(LOSS) AFTER TAXATION | | 32,720,780 | (667,485) |
| OTHER COMPREHENSIVE LOSS | | | |
| Foreign currency translation | | <u>-</u> | <u>(50,317)</u> |
| INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS | | <u>32,720,780</u> | <u>(717,802)</u> |
| Profit/(Loss) after taxation and total comprehensive income/(loss) are made up as follows: | | | |
| Realised amount | | (10,367,922) | 2,546,767 |
| Unrealised amount | | 43,088,702 | (3,214,252) |
| | | <u>32,720,780</u> | <u>(667,485)</u> |

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2020**

| | | 31.10.2020 | 30.04.2020 |
|--|------|--------------------|--------------------|
| | Note | USD | Audited USD |
| ASSETS | | | |
| Cash and cash equivalents | 10 | 19,271,016 | 7,824,230 |
| Financial assets at fair value through profit or loss | 8 | 283,338,665 | 128,249,665 |
| Derivative assets | 9 | - | 41 |
| Amount due from dealer | | 2,710,493 | - |
| Amount due from Manager | | 14,443,292 | 3,391,160 |
| Amount due from Manager of collective investment scheme | | | |
| - Management fee rebate | | 478,967 | 134,974 |
| TOTAL ASSETS | | <u>320,242,433</u> | <u>139,600,070</u> |
| LIABILITIES | | | |
| Derivative liabilities at fair value through profit or loss | 9 | 61,365 | - |
| Amount due to Manager of collective investment scheme | | | |
| - Purchase of collective investment scheme | | 2,800,000 | 1,800,000 |
| Amount due to dealer | | 2,685,463 | - |
| Amount due to Manager | | 2,152,108 | 1,064,625 |
| Accrued management fee | | 450,212 | 173,211 |
| Amount due to Trustee | | 20,009 | 7,698 |
| Other payables and accruals | | 2,154 | 2,781 |
| TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS) | | <u>8,171,311</u> | <u>3,048,315</u> |
| NET ASSET VALUE OF THE FUND | | <u>312,071,122</u> | <u>136,551,755</u> |
| NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS | | <u>312,071,122</u> | <u>136,551,755</u> |
| REPRESENTED BY: | | | |
| FAIR VALUE OF OUTSTANDING UNITS (USD) | | | |
| - Class AUD-H | | 5,968,394 | 676 |
| - Class MYR | | 297,258,158 | 136,548,958 |
| - Class MYR-H | | 1,866,387 | 237 |
| - Class RMB-H | | 1,744,088 | 144 |
| - Class SGD-H | | 1,179,377 | 725 |
| - Class USD | | 4,054,718 | 1,015 |
| | | <u>312,071,122</u> | <u>136,551,755</u> |

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

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2020 (CONTINUED)

| | 31.10.2020 | 30.04.2020 |
|--|----------------------|--------------------|
| | USD | Audited USD |
| NUMBER OF UNITS IN CIRCULATION (UNITS) | | |
| - Class AUD-H | 6,328,591 | 1,000 |
| - Class MYR | 1,016,703,370 | 568,455,193 |
| - Class MYR-H | 5,730,023 | 1,000 |
| - Class RMB-H | 8,674,806 | 1,000 |
| - Class SGD-H | 1,198,666 | 1,000 |
| - Class USD | 3,025,478 | 1,000 |
| | 11 | |
| | <u>1,041,660,934</u> | <u>568,460,193</u> |
| NET ASSET VALUE PER UNIT (USD) (EX-DISTRIBUTION) | | |
| - Class AUD-H | 0.9431 | 0.6760 |
| - Class MYR | 0.2924 | 0.2402 |
| - Class MYR-H | 0.3257 | 0.2370 |
| - Class RMB-H | 0.2011 | 0.1440 |
| - Class SGD-H | 0.9839 | 0.7250 |
| - Class USD | 1.3402 | 1.0150 |
| NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES (EX-DISTRIBUTION) | | |
| - Class AUD-H | AUD1.3409 | AUD1.0317 |
| - Class MYR | RM1.2143 | RM1.0326 |
| - Class MYR-H | RM1.3526 | RM1.0202 |
| - Class RMB-H | CNH1.3460 | CNH1.0186 |
| - Class SGD-H | SGD1.3134 | SGD1.0219 |
| - Class USD | USD1.3402 | USD1.0149 |

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

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2020**

| | 01.05.2020 to 31.10.2020 | 01.05.2019 to 31.10.2019 |
|---|-------------------------------------|-------------------------------------|
| | USD | Restated USD |
| NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD | <u>136,551,755</u> | <u>167,479,562</u> |
| Movement due to units created and cancelled during the financial period: | | |
| Creation of units from applications | | |
| - Class AUD-H | 6,419,384 | - |
| - Class MYR | 246,345,683 | 38,214,049 |
| - Class MYR-H | 1,920,254 | - |
| - Class RMB-H | 2,293,352 | - |
| - Class SGD-H | 1,254,503 | - |
| - Class USD | 4,314,587 | - |
| | <u>262,547,763</u> | <u>38,214,049</u> |
| Creation of units from distribution | | |
| - Class MYR | <u>14,651,041</u> | - |
| Cancellation of units | | |
| - Class AUD-H | (503,592) | - |
| - Class MYR | (132,596,710) | (52,429,419) |
| - Class MYR-H | (89,677) | - |
| - Class RMB-H | (692,863) | - |
| - Class SGD-H | (110,451) | - |
| - Class USD | (406,924) | - |
| | <u>(134,400,217)</u> | <u>(52,429,419)</u> |
| Increase/(Decrease) in net assets attributable to unit holders during the financial period: | | |
| Profit/(Loss) after taxation | 32,720,780 | (667,485) |
| Foreign currency translation | - | (50,317) |
| NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD | <u>312,071,122</u> | <u>152,546,390</u> |

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

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2020**

| | 01.05.2020 to 31.10.2020 | 01.05.2019 to 31.10.2019 |
|---|-------------------------------------|-------------------------------------|
| | USD | Restated USD |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Proceeds from disposal of collective investment scheme | 23,160,000 | 25,642,401 |
| Purchase of collective investment scheme | (129,550,000) | (8,772,344) |
| Interest income received from deposits with licensed financial institutions | 44,138 | 8,681 |
| Management fee paid | (1,529,146) | (1,435,770) |
| Management fee rebate received | 1,078,241 | 1,192,698 |
| Trustee fee paid | (67,962) | (63,812) |
| Payment for other fees and expenses | (5,900) | (5,213) |
| Net realised loss on forward foreign currency contracts | (29,535) | - |
| Net realised foreign exchange loss | (240,905) | (54,677) |
| Net cash (used in)/generated from operating activities | <u>(107,141,069)</u> | <u>16,511,964</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Cash proceeds from units created | 251,495,631 | 39,062,608 |
| Payments for cancellation of units | (133,312,734) | (53,132,526) |
| Distribution paid | (10,855) | - |
| Net cash generated from/(used in) financing activities | <u>118,172,042</u> | <u>(14,069,918)</u> |
| Net increase in cash and cash equivalents | 11,030,973 | 2,442,046 |
| Effects of foreign exchange differences | 415,813 | 9,331 |
| Cash and cash equivalents at the beginning of the financial period | <u>7,824,230</u> | <u>399,368</u> |
| Cash and cash equivalents at the end of the financial period | <u>19,271,016</u> | <u>2,850,745</u> |
| <u>Cash and cash equivalents comprised of:</u> | | |
| Deposits with licensed financial institutions | 14,203,990 | - |
| Bank balances | <u>5,067,026</u> | <u>2,850,745</u> |
| Cash and cash equivalents at the end of the financial period | <u>19,271,016</u> | <u>2,850,745</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 31 OCTOBER 2020**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal Greater China Equity Fund (the “Fund”) 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, a Twentieth Supplemental Master Deed dated 21 October 2019 and a Twenty First Supplemental Master Deed dated 4 December 2019 (collectively referred to as the “Deeds”), made between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund is a feeder fund that invests at least 95% of the Fund’s NAV in the Target Fund, a fund of the Schroder ISF, an open-ended investment company registered in Luxembourg. Information on the Target Fund is detailed below.

The asset allocation strategy for this Fund is as follows:

- at least 95% of the Fund’s NAV will be invested in the Schroder ISF Greater China; and
- up to 5% of the Fund’s NAV will be invested in liquid assets for liquidity purposes.

Information on the Target Fund:

Management Company: Schroder Investment Management (Luxembourg) S.A.

Investment Manager: Schroder Investment Management (Hong Kong) Limited

Regulatory Authority: Luxembourg – CSSF

All investments are subject to the Securities Commission Malaysia (“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 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported 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(m). The Fund changed its presentation currency from Malaysian Ringgit ("MYR") to USD during the financial period are disclosed in Note 2(f).

There are no other standards, amendments to standards or interpretations that are effective for financial period beginning on 1 May 2020 that have a material effect on 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.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Classification (continued)

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

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 average of 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.

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 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**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

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

(d) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances and deposits with licensed financial institutions 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.

(e) 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 income from foreign collective investment scheme is based on the tax regime of the respective countries that the Fund invests in.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(f) Foreign currency**Functional and presentation currencies

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

The Fund changed its base currency (the currency in which the Fund is denominated) from MYR to USD on 17 April 2020 resulting in the change of its functional currency as the Manager has determined that the USD is the currency that most faithfully represent the economic effect of the underlying transactions, events and conditions.

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

- i) The Fund’s investments are denominated in USD; and
- ii) Significant portion of the Fund’s expenses are denominated in USD.

This has resulted in a change of the Fund’s functional currency from MYR to USD on 17 April 2020 prospectively.

In view of above, the Fund has also changed its presentation currency from MYR to USD. The change in presentation currency is applied retrospectively and the balances as at 30 April 2019 and 1 May 2018 have been restated. Translations were done in accordance with the accounting policy “Transaction and balances” below.

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.

(g) Amount due to Manager of collective investment scheme (purchase of collective investment scheme)/Amount due from/to dealer

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

Amounts due from and amount due to dealer represents receivables for Spot FX sold and payables for Spot FX purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(g) Amount due to Manager of collective investment scheme (purchase of collective investment scheme)/Amount due from/to dealer (continued)**

These amounts are measured at amortised cost. At each reporting date, the Fund measure 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 broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by 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.

(h) 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 period in which it is approved by the Trustee.

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(k) Derivative financial instruments**

A derivative financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavorable.

The Fund's derivative financial instruments comprise forward foreign exchange contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the date of statements of financial position, with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held-for-trading and accounted for in accordance with the accounting policy set out in Note 2(b).

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

The analysis of realised and unrealised portions of increase/decrease in net assets attributable to unit holders 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 Funds' results and financial position are tested for sensitivity to changes in the underlying parameters.

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

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund aims to achieve medium to long-term capital growth primarily through investment in a portfolio of equity securities with exposure to the Greater China region consisting of the People's Republic of China, Hong Kong SAR and Taiwan.

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

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

(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 the future cash flows of a financial instrument will fluctuate because of the 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 the financial period, the Fund is not exposed to a material level of interest rate risk.

The Fund's exposure to interest rate risk associated with deposits with licensed financial institutions is expected to be minimal as the deposits are held on short-term basis.

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 USD 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 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 scheme, the Fund will invest with an investment management company of the collective investment scheme which is authorised or approved by the relevant regulatory authority in its home jurisdiction.

In derivative activities, credit risk arises when counterparties to derivative contracts, are unable or unwilling to fulfil their obligation to pay the positive fair value or receivable resulting from the execution of contract terms.

(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 scheme are realisable which are capable of being converted into cash within 10 business days. 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 subject 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 holders 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 USD | Level 2 USD | Level 3 USD | Total USD |
|---|--------------------|----------------|----------------|--------------------|
| 31.10.2020 | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Collective investment scheme | <u>283,338,665</u> | <u>-</u> | <u>-</u> | <u>283,338,665</u> |
| Financial liabilities at fair value through profit or loss: | | | | |
| - Derivative liabilities | <u>-</u> | <u>61,365</u> | <u>-</u> | <u>61,365</u> |
| 30.04.2020 | | | | |
| Audited | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Collective investment scheme | 128,249,665 | - | - | 128,249,665 |
| - Derivative assets | 41 | - | - | 41 |
| | <u>128,249,706</u> | <u>-</u> | <u>-</u> | <u>128,249,706</u> |

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

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted fixed income securities, forward foreign currency contracts and interest rate swaps. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

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

4. MANAGEMENT FEE

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

For the six months financial period ended 31 October 2020 and 31 October 2019, the management fee for the respective classes is recognised at the following rates:

| Class AUD-H | Class MYR | Class MYR-H | Class RMB-H | Class SGD-H | Class USD |
|-------------|-----------|-------------|-------------|-------------|-----------|
| 1.80% | 1.80% | 1.80% | 1.80% | 1.80% | 1.80% |

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

5. TRUSTEE FEE

In accordance with the Deeds, the Trustee is entitled to a fee not exceeding 1.00% per annum calculated daily based on the NAV of the Fund. The Trustee fee includes the local custodian fee but excludes the foreign sub-custodian fee (if any). The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears.

For the six months financial period ended 31 October 2020, the Trustee fee is recognised at a rate of 0.08% per annum (31.10.2019: 0.08% per annum).

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

6. FINANCE COST

Distribution to unit holders is derived from the following sources:

| | 01.05.2020 to 31.10.2020 | 01.05.2019 to 31.10.2019 |
|---|-------------------------------------|-------------------------------------|
| | USD | Restated USD |
| Interest income | 8,146 | - |
| Net realised gain on disposal of collective investment scheme | 1,864,493 | - |
| Realised gain on foreign exchange | 3,165 | - |
| Prior financial period's realised income | 12,883,688 | - |
| | <u>14,759,492</u> | <u>-</u> |
| Less: | | |
| Expenses | (97,596) | - |
| Net distribution amount | <u>14,661,896</u> | <u>-</u> |
| Distribution on 7 August 2020 | | |
| Gross/Net distribution per unit (cent) | | |
| - Class MYR | <u>2.37</u> | <u>-</u> |

6. FINANCE COST (CONTINUED)

Gross distribution is derived using total income less total expenses. Net distribution above is sourced from current and prior financial period's realised income.

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

7. TAXATION

| | 01.05.2020 to 31.10.2020 | 01.05.2019 to 31.10.2019 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| | USD | Restated USD |
| Tax charged for the financial period: | | |
| - Current taxation | - | - |

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

| | 01.05.2020 to 31.10.2020 | 01.05.2019 to 31.10.2019 |
|---|-------------------------------------|-------------------------------------|
| | USD | Restated USD |
| Profit/(Loss) before taxation | 32,720,780 | (667,485) |
| Taxation at Malaysian statutory rate of 24% | 7,852,987 | (160,196) |
| Tax effects of: | | |
| Investment income not subject to tax | (11,825,849) | (193,331) |
| Expenses not deductible for tax purposes | 3,538,968 | 15,131 |
| Restriction on tax deductible expenses for Unit Trust Funds | 433,894 | 338,396 |
| Taxation | - | - |

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 31.10.2020 | 30.04.2020 |
|---------------------------------------|-------------------|------------------------|
| | USD | Audited USD |
| At fair value through profit or loss: | | |
| - Collective investment scheme | 283,338,665 | 128,249,665 |

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

| | 01.05.2020 to 31.10.2020 | 01.05.2019 to 31.10.2019 Restated |
|--|-----------------------------|---|
| | USD | USD |
| Net gain on financial assets at fair value through profit or loss: | | |
| - Realised gain on disposals | 4,964,706 | 2,883,058 |
| - Unrealised fair value gain | 42,734,294 | (3,223,550) |
| - Management fee rebate # | 1,422,234 | 1,159,162 |
| | <u>49,121,234</u> | <u>818,670</u> |

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

For the six months financial period ended 31 October 2020, the rebate is recognised at a rate of 1.50% per annum (31.10.2019: 1.50% per annum) calculated and accrued daily based on the NAV of the collective investment scheme.

| Name of counter | Quantity Units | Aggregate cost USD | Market value USD | Percentage of NAV % |
|---|-------------------------|---------------------------|---------------------------|---------------------------|
| 31.10.2020 | | | | |
| COLLECTIVE INVESTMENT SCHEME | | | | |
| LUXEMBOURG | | | | |
| Schroder ISF Greater China | <u>3,099,389</u> | <u>221,672,624</u> | <u>283,338,665</u> | <u>90.79</u> |
| TOTAL COLLECTIVE INVESTMENT SCHEME | <u>3,099,389</u> | <u>221,672,624</u> | <u>283,338,665</u> | <u>90.79</u> |
| ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>61,666,041</u> | | |
| TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>283,338,665</u> | | |

PRINCIPAL GREATER CHINA EQUITY FUND

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

| Name of counter | Quantity Units | Aggregate cost USD | Market value USD | Percentage of NAV % |
|---|-------------------------|---------------------------|---------------------------|---------------------------|
| 30.04.2020 | | | | |
| Audited | | | | |
| COLLECTIVE | | | | |
| INVESTMENT SCHEME | | | | |
| LUXEMBOURG | | | | |
| Schroder ISF Greater China | <u>1,880,808</u> | <u>109,317,918</u> | <u>128,249,665</u> | <u>93.92</u> |
| TOTAL COLLECTIVE INVESTMENT SCHEME | <u>1,880,808</u> | <u>109,317,918</u> | <u>128,249,665</u> | <u>93.92</u> |
| ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | | | |
| | | <u>18,931,747</u> | | |
| TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | | | |
| | | <u>128,249,665</u> | | |

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

| | 31.10.2020 USD | 30.04.2020 Audited USD |
|--|------------------------------------|--|
| Forward foreign currency contracts | <u>(61,365)</u> | <u>41</u> |
| | 01.05.2020 to 31.10.2020 USD | 01.05.2019 to 31.10.2019 Restated USD |
| Net loss on derivative assets/liabilities at fair value through profit or loss: | | |
| - Realised loss on forward foreign currency contracts | (4,505) | - |
| - Unrealised fair value loss on forward foreign currency contracts | <u>(61,406)</u> | <u>-</u> |
| | <u>(65,911)</u> | <u>-</u> |

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

As at 31 October 2020, there were 32 outstanding USD/Australian Dollar (“AUD”), USD/MYR, USD/Renminbi (“RMB”) and USD/Singapore Dollar (“SGD”) forward foreign currency contracts (30.04.2020: 7). The notional principal amount of the outstanding forward foreign currency contracts amounted to USD31,738,210 (30.04.2020: USD4,069).

The USD/AUD, USD/MYR, USD/RMB and USD/SGD forward foreign currency contracts were entered into during the financial period to minimise the risk of foreign exchange exposure between the USD and the foreign currencies exposure of the Fund.

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

10. CASH AND CASH EQUIVALENTS

| | 31.10.2020 | 30.04.2020 |
|---|-------------------|------------------------|
| | USD | Audited USD |
| Deposits with licensed financial institutions | 14,203,990 | 5,878,279 |
| Bank balances | 5,067,026 | 1,945,951 |
| | 19,271,016 | 7,824,230 |

11. NUMBER OF UNITS IN CIRCULATION (UNITS)

| | 01.05.2020 to 31.10.2020 | 01.05.2019 to 30.04.2020 |
|-------------------|-------------------------------------|-------------------------------------|
| | No. of units | Audited No. of units |
| Class AUD-H (i) | 6,328,591 | 1,000 |
| Class MYR (ii) | 1,016,703,370 | 568,455,193 |
| Class MYR-H (iii) | 5,730,023 | 1,000 |
| Class RMB-H (iv) | 8,674,806 | 1,000 |
| Class SGD-H (v) | 1,198,666 | 1,000 |
| Class USD (vi) | 3,025,478 | 1,000 |
| | 1,041,660,934 | 568,460,193 |

11. NUMBER OF UNITS IN CIRCULATION (UNITS) (CONTINUED)

(i) Class AUD-H

| | 01.05.2020 to 31.10.2020 | 01.05.2019 to 30.04.2020 Audited |
|---|-------------------------------------|---|
| | No. of units | No. of units |
| At the beginning of the financial period/year | 1,000 | - |
| Add: Creation of units from applications | 6,851,558 | 1,000 |
| Less: Cancellation of units | (523,967) | - |
| At the end of the financial period/year | <u>6,328,591</u> | <u>1,000</u> |

(ii) Class MYR

| | 01.05.2020 to 31.10.2020 | 01.05.2019 to 30.04.2020 Audited |
|---|-------------------------------------|---|
| | No. of units | No. of units |
| At the beginning of the financial period/year | 568,455,193 | 693,166,027 |
| Add: Creation of units from applications | 871,374,866 | 429,881,918 |
| Add: Creation of units from distribution | 52,087,891 | 15,402,049 |
| Less: Cancellation of units | (475,214,580) | (569,994,801) |
| At the end of the financial period/year | <u>1,016,703,370</u> | <u>568,455,193</u> |

(iii) Class MYR-H

| | 01.05.2020 to 31.10.2020 | 01.05.2019 to 30.04.2020 Audited |
|---|-------------------------------------|---|
| | No. of units | No. of units |
| At the beginning of the financial period/year | 1,000 | - |
| Add: Creation of units from applications | 6,003,415 | 1,000 |
| Less: Cancellation of units | (274,392) | - |
| At the end of the financial period/year | <u>5,730,023</u> | <u>1,000</u> |

(iv) Class RMB-H

| | 01.05.2020 to 31.10.2020 | 01.05.2019 to 30.04.2020 Audited |
|---|-------------------------------------|---|
| | No. of units | No. of units |
| At the beginning of the financial period/year | 1,000 | - |
| Add: Creation of units from applications | 12,151,935 | 1,000 |
| Less: Cancellation of units | (3,478,129) | - |
| At the end of the financial period/year | <u>8,674,806</u> | <u>1,000</u> |

11. NUMBER OF UNITS IN CIRCULATION (UNITS) (CONTINUED)

(v) Class SGD-H

| | 01.05.2020 to 31.10.2020 | 01.05.2019 to 30.04.2020 Audited |
|---|-----------------------------|--|
| | No. of units | No. of units |
| At the beginning of the financial period/year | 1,000 | - |
| Add: Creation of units from applications | 1,311,180 | 1,000 |
| Less: Cancellation of units | (113,514) | - |
| At the end of the financial period/year | <u>1,198,666</u> | <u>1,000</u> |

(vi) Class USD

| | 01.05.2020 to 31.10.2020 | 01.05.2019 to 30.04.2020 Audited |
|---|-----------------------------|--|
| | No. of units | No. of units |
| At the beginning of the financial period/year | 1,000 | - |
| Add: Creation of units from applications | 3,328,905 | 1,000 |
| Less: Cancellation of units | (304,427) | - |
| At the end of the financial period/year | <u>3,025,478</u> | <u>1,000</u> |

12. MANAGEMENT EXPENSE RATIO ("MER")

| | 01.05.2020 to 31.10.2020 | 01.05.2019 to 31.10.2019 Restated |
|-----|-----------------------------|---|
| | % | % |
| MER | <u>0.95</u> | <u>0.95</u> |

MER is derived based on the following calculation:

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

A = Management fee

B = Trustee fee

C = Audit fee

D = Tax agent's fee

E = Other expenses

F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on daily basis is USD198,511,761 (31.10.2019 (Restated): USD155,161,597).

13. PORTFOLIO TURNOVER RATIO (“PTR”)

| | 01.05.2020 to 31.10.2020 | 01.05.2019 to 31.10.2019 Restated |
|-------------|-------------------------------------|--|
| PTR (times) | 0.39 | 0.11 |

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 | = USD130,550,000 (31.10.2019 (Restated): USD8,749,228) |
| total disposal for the financial period | = USD23,160,000 (31.10.2019 (Restated): USD25,536,372) |

14. UNITS HELD BY THE MANAGER, 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 |
| PT Principal Asset Management | Subsidiary 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 |

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

Units held by the Manager and parties related to the Manager

| | 31.10.2020 | | 30.04.2020 | |
|-----------------------------------|--------------|--------|--------------|-------------|
| | No. of units | USD | No. of units | Audited USD |
| Manager | | | | |
| Principal Asset Management Berhad | | | | |
| - Class AUD-H | 1,000 | 943 | 1,000 | 676 |
| - Class MYR | 45,270 | 13,237 | 134,749 | 32,367 |
| - Class MYR-H | 28 | 9 | 1,000 | 237 |
| - Class RMB-H | 1,000 | 201 | 1,000 | 144 |
| - Class SGD-H | 1,000 | 984 | 1,000 | 725 |
| - Class USD | 1,000 | 1,340 | 1,000 | 1,015 |

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.

| | 31.10.2020 | 30.04.2020 |
|---|---------------|---------------|
| | USD | Audited USD |
| <u>Significant related party balances:</u> | | |
| Deposits with licensed financial institution | | |
| - CIMB Bank Bhd | - | 1,395,673 |
| | | |
| | 01.05.2020 | 01.05.2019 |
| | to 31.10.2020 | to 31.10.2019 |
| | USD | Restated USD |
| <u>Significant related party transactions</u> | | |
| Interest income from deposits with licensed financial institution | | |
| - CIMB Bank Bhd | 23,486 | 1,054 |
| | | |
| Deposits with licensed financial institution | | |
| - CIMB Bank Bhd | 322,279,000 | 9,888,908 |

15. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with the brokers/dealers for the six months financial period ended 31 October 2020 are as follows:

| Brokers/Dealers | Values of trades USD | Percentage of total trades % | Brokerage fees USD | Percentage of total brokerage fees % |
|--|---------------------------------|---|-------------------------------|---|
| Schroder Investment Management (S) Limited | <u>153,710,000</u> | <u>100.00</u> | <u>-</u> | <u>-</u> |

Details of transactions with the brokers/dealers for the six months financial period ended 31 October 2019 (restated) are as follows:

| Brokers/Dealers | Values of trades USD | Percentage of total trades % | Brokerage fees USD | Percentage of total brokerage fees % |
|--|---------------------------------|---|-------------------------------|---|
| Schroder Investment Management (S) Limited | <u>34,285,600</u> | <u>100.00</u> | <u>-</u> | <u>-</u> |

16. CHANGE IN COMPARATIVES

Change in presentation currency

The change in comparatives is related to the change in presentation currency of the Fund from MYR to USD. The change was made to align with the change of the functional currency as the Manager has determined that the USD is the currency that most faithfully represent the economic effect of the underlying transactions, events and conditions.

The effect of the change in comparatives is set out below:

16. CHANGE IN COMPARATIVES (CONTINUED)

Change in presentation currency (continued)

The effect of the change in comparatives is set out below (continued):

| | As previously stated RM | As Restated USD |
|--|-------------------------------|-------------------------|
| Impact on the statement of comprehensive income for the six months financial period ended 31 October 2019: | | |
| <u>INVESTMENT INCOME</u> | | |
| Interest income | 36,053 | 8,651 |
| Net gain on financial assets at fair value through profit or loss | 3,411,972 | 818,670 |
| Net foreign currency exchange loss | (90,753) | (21,775) |
| <u>EXPENSES</u> | | |
| Management fee | 5,863,894 | 1,406,986 |
| Trustee fee | 260,618 | 62,533 |
| Audit fee | 5,550 | 1,332 |
| Tax agent's fee | 1,500 | 360 |
| Other expenses | 7,585 | 1,820 |
| Loss before finance cost and taxation | <u>(2,781,875)</u> | <u>(667,485)</u> |
| Finance cost | - | - |
| Loss before taxation | <u>(2,781,875)</u> | <u>(667,485)</u> |
| Taxation | - | - |
| Loss after taxation | <u>(2,781,875)</u> | <u>(667,485)</u> |
| Other comprehensive loss | | |
| - Foreign currency translation | - | (50,317) |
| Decrease in net assets attributable to unit holders | <u><u>(2,781,875)</u></u> | <u><u>(717,802)</u></u> |
| Loss after taxation and total comprehensive income are made up as follow: | | |
| Realised amount | 10,614,161 | 2,546,767 |
| Unrealised amount | <u>(13,396,036)</u> | <u>(3,214,252)</u> |
| | <u><u>(2,781,875)</u></u> | <u><u>(667,485)</u></u> |

16. CHANGE IN COMPARATIVES (CONTINUED)

Change in presentation currency (continued)

The effect of the change in comparatives is set out below (continued):

| | As previously stated RM | As Restated USD |
|--|-------------------------------|-----------------------|
| Impact on the statement of cash flows for the six months financial period ended 31 October 2019: | | |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | |
| Proceeds from disposal of collective investment scheme | 106,492,890 | 25,642,401 |
| Purchase of collective investment scheme | (36,431,545) | (8,772,344) |
| Interest income received from deposit with licensed financial institutions | 36,053 | 8,681 |
| Management fee paid | (5,962,751) | (1,435,770) |
| Management fee rebate received | 4,953,273 | 1,192,698 |
| Trustee fee paid | (265,012) | (63,812) |
| Payment for other fees and expenses | (21,651) | (5,213) |
| Net realised foreign exchange loss | (227,072) | (54,677) |
| Net cash generated from operating activities | <u>68,574,185</u> | <u>16,511,964</u> |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | |
| Cash proceeds from unit created | 162,227,010 | 39,062,608 |
| Payments for cancellation of units | (220,659,379) | (53,132,526) |
| Net cash used in financing activities | <u>(58,432,369)</u> | <u>(14,069,918)</u> |
| Net increase in cash and cash equivalents | 10,141,816 | 2,442,046 |
| Effect of foreign exchange difference | 38,753 | 9,331 |
| Cash and cash equivalents at the beginning of financial period | <u>1,658,574</u> | <u>399,368</u> |
| Cash and cash equivalents at the end of financial period | <u>11,839,143</u> | <u>2,850,745</u> |

17. SIGNIFICANT EVENT DURING THE FINANCIAL 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.

DIRECTORY

Head Office of the Manager

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

Website

www.principal.com.my

E-mail address

service@principal.com.my

Customer Care Centre

(03) 7718 3000

Trustee for the Principal Greater China Equity Fund

HSBC (Malaysia) Trustee Berhad (Company No.: 193701000084 (1281-T))
13th Floor, Bangunan HSBC,
South Tower,
No 2, Lebuhr Ampang,
50100, Kuala Lumpur.
Tel: (03) 2075 7800
Fax: (03) 2179 6511

Principal Asset Management Berhad
199401018399 (304078-K)

Enquiries:

Customer Care Centre
(603)7718 3000

Email
service@principal.com.my

Website
www.principal.com.my