

PRINCIPAL ISLAMIC ASEAN EQUITY FUND

FINANCIAL STATEMENTS

**FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2023 TO 18 JUNE 2024
(DATE OF TERMINATION)**

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INVESTORS' LETTER

Dear Valued Investor,

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

We are pleased to bring you a copy of the Annual Fund Report of the Principal Islamic ASEAN Equity Fund for the financial period 1 November 2023 to 18 June 2024 (date of termination). You may also download this report from our website at www.principal.com.my.

We are proud to announce that Principal Malaysia has received numerous accolades across various prestigious platforms in 2024. At the Asia Asset Management 2024 Best of the Best Awards, we were honoured with the Best of the Best Performance Award: China A-Share Equity (3 years) for the Principal China Direct Opportunities Fund (Class MYR) and the Best Institutional House – Malaysia award. At the 2024 Global Banking & Finance Awards®, our CEO Munirah Khairuddin was named Asset Management CEO of the Year Malaysia 2024, and we were recognized as Asset Management Company of the Year Malaysia 2024. Additionally, we received the Best International Equity Fund Manager for MSCI EM Latin America 2023 at the EPF External Fund Managers Awards 2023.

At the Alpha Southeast Asia Fund Management Awards 2024, we triumphed with three distinguished awards for Best Absolute Return Strategy, Best Online & Mobile Platform (Asset Manager), and Best Asset Manager (Income Oriented, Money Market & Alternative Investment Funds). The World Business Outlook magazine awarded us Best Investment Management and Solutions Provider Malaysia 2024, Best Institutional House Malaysia 2024, and Asset Management CEO (Munirah Khairuddin) of the Year Malaysia 2024. Furthermore, we secured three awards at the iFast Awards 2024 and another seven awards at the LSEG Lipper Fund Awards 2024.

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

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

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

Munirah Khairuddin
Chief Executive Officer
Malaysia & Global Shariah & Managing Director,
Strategic Distribution & Institutional Client Relations
(Southeast Asia & Global Shariah)
Non-Independent Executive Director

MANAGER'S REPORT**FUND OBJECTIVE AND POLICY****What is the investment objective of the Fund?**

The Fund seeks capital growth over the medium to long term through investment in one Islamic collective investment scheme, which invests primarily in the Association of South East Asian Nations ("ASEAN") region.

Has the Fund achieved its objective?

The fund is in line to achieve its long-term objective as stated under the fund objective policy

What are the Fund investment policy and principal investment strategy?

The Fund is a feeder fund and it invests in a single Islamic collective investment scheme, i.e. Islamic ASEAN Equity Fund managed by Principal Islamic Asset Management (Ireland) PLC. The Fund may also invest in Islamic liquid asset for liquidity purpose.

In order to achieve its investment objective, the Fund will invest at least 95% of its Net Asset Values ("NAV") in the Target Fund; a portfolio established on 13 April 2012 under Principal Islamic Asset Management (Ireland) PLC. The Fund will also maintain up to 5% of its NAV in Islamic liquid assets for liquidity purposes.

Information on the Target Fund

Company : Principal Islamic Asset Management (Ireland) Plc
 Investment Manager : Principal Islamic Asset Management Sdn Bhd
 Regulatory authority : Central Bank of Ireland

Base Currency

United States Dollar ("USD")

Fund category/type

Feeder fund (Islamic)/ Growth

When was the Fund launched?

Name of Class	Date of Launch
Class MYR	15 January 2020
Class SGD	15 January 2020
Class USD	15 January 2020

What was the size of the Fund as at 18 June 2024 (date of termination)?

Nil

What is the Fund's benchmark?

The Fund adheres to the performance comparator of the Target Fund for performance comparison. Currently, the benchmark is Dow Jones Islamic Market ("DJIM") Index.

What is the Fund distribution policy?

Given the Fund's investment objective, the Class of the Fund is not expected to pay any distribution. Distributions, if any, are at the discretion of Manager and will vary from period to period depending on the availability of realised income for distribution and performance of the Fund.

What was the net income distribution for the financial period 1 November 2023 to 18 June 2024 (date of termination)?

There was no distribution made during the financial period 1 November 2023 to 18 June 2024 (date of termination).

PERFORMANCE DATA

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

	18.06.2024 (date of termination)	31.10.2023	31.10.2022
	%	%	%
Shariah-compliant collective investment scheme	-	98.17	101.82
Cash and other assets	-	2.77	1.98
Liabilities	-	(0.94)	(3.80)
	-	<u>100.00</u>	<u>100.00</u>

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

	18.06.2024 (date of termination)	31.10.2023	31.10.2022
NAV (USD Million)			
- Class MYR	-	1.23	1.59
- Class SGD	-	0.00*	0.00*
- Class USD	-	0.00*	0.00*
Units in circulation (Million)			
- Class MYR	-	23.67	29.74
- Class SGD	-	0.00*	0.00*
- Class USD	-	0.00*	0.00*
NAV per unit (USD)			
- Class MYR	-	0.0519	0.0533
- Class SGD	-	0.1530	0.1580
- Class USD	-	0.2190	0.2229
	01.11.2023 to 18.06.2024 (date of termination)	01.11.2022 to 31.10.2023	01.11.2021 to 31.10.2022
Highest NAV per unit (USD)			
- Class MYR	0.0533	0.0607	0.0620
- Class SGD	0.1571	0.1797	0.1845
- Class USD	0.2249	0.2542	0.2574
Lowest NAV per unit (USD)			
- Class MYR	0.0501	0.0517	0.0518
- Class SGD	0.1473	0.1524	0.1536
- Class USD	0.2117	0.2176	0.2166
Total return (%)			
- Class MYR	(4.05)**	(1.91)	(1.22)
- Class SGD	(4.31)**	(6.49)	(9.33)
- Class USD	(2.38)**	(1.88)	(12.76)
Capital growth (%)			
- Class MYR	(4.05)**	(1.91)	(1.22)
- Class SGD	(4.31)**	(6.49)	(9.33)
- Class USD	(2.38)**	(1.88)	(12.76)
Income distribution (%)			
- Class MYR	-	-	-
- Class SGD	-	-	-
- Class USD	-	-	-

Note: 0.00* denotes value less than 0.01 million.

** The last period verified was on 21 May 2024

PERFORMANCE DATA (CONTINUED)

	01.11.2023 to 18.06.2024 (date of termination)	01.11.2022 to 31.10.2023	01.11.2021 to 31.10.2022
Total Expense Ratio ("TER") (%) ^	1.16	1.35	1.23
Portfolio Turnover Ratio ("PTR") (times) #	0.83	0.21	0.12

^ The Fund's TER decreased from 1.35% to 1.16% due to the decrease in expenses during the financial period under review.

The Fund's PTR increased from 0.21 times to 0.83 times as there were more trading activities during the financial period under review.

	21.05.2024** %	31.10.2023 %	31.10.2022 %	31.10.2021 %
Annual total return				
- Class MYR	(6.76)	(1.91)	(1.22)	7.91
- Class SGD	(11.23)	(6.49)	(9.33)	8.82
- Class USD	(10.71)	(1.88)	(12.76)	6.20

(Launch date: 15 January 2020)

** The last NAV published was on 21 May 2024.

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/year have been extracted from Lipper.

MARKET REVIEW (1 NOVEMBER 2023 TO 18 JUNE 2024) (DATE OF TERMINATION)

The Dow Jones Islamic ASEAN Index demonstrated resilience amidst a dynamic economic landscape. Key influences included the US Federal Reserve (the "Fed") interest rate decisions, which affected global markets. China's economic stabilization measures, particularly in the property sector, also played a crucial role due to the ASEAN region's close trade ties with China.

Geopolitical tensions, notably renewed US-China trade conflicts and ongoing Middle East issues, introduced market volatility and uncertainties. Despite these global challenges, ASEAN's local economic indicators remained strong. Robust domestic demand and infrastructure investment supported steady economic growth, with significant contributions from the technology and consumer sectors.

FUND PERFORMANCE

	1 year to 21.05.2024** %	3 years to 21.05.2024** %	Since inception to 21.05.2024** %
Income Distribution			
- Class MYR	-	-	-
- Class SGD	-	-	-
- Class USD	-	-	-
Capital Growth			
- Class MYR	(6.76)	(4.55)	(5.16)
- Class SGD	(11.23)	(16.84)	(20.00)
- Class USD	(10.71)	(15.11)	(14.60)

FUND PERFORMANCE (CONTINUED)

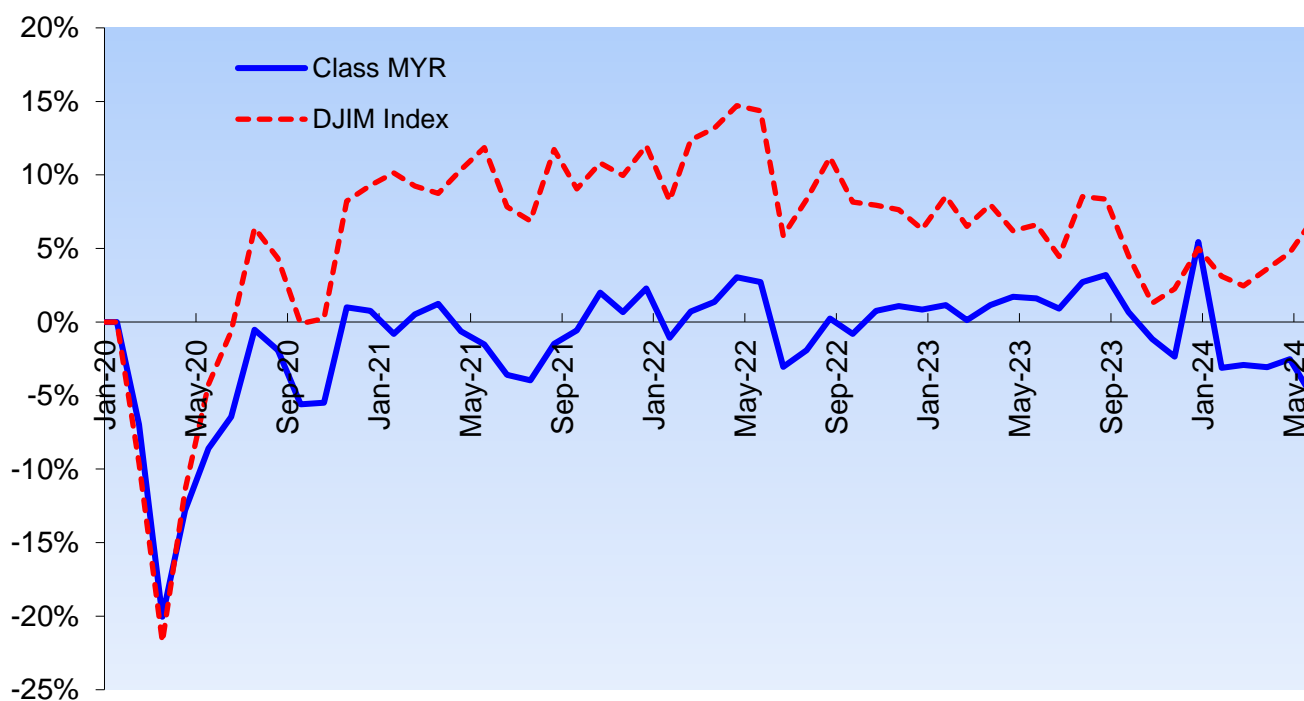
	1 year to 21.05.2024** %	3 years to 21.05.2024** %	Since inception to 21.05.2024** %
Total Return			
- Class MYR	(6.76)	(4.55)	(5.16)
- Class SGD	(11.23)	(16.84)	(20.00)
- Class USD	(10.71)	(15.11)	(14.60)
Benchmark			
- Class MYR	0.76	(3.03)	7.01
- Class SGD	(3.33)	(14.32)	(7.03)
- Class USD	(4.22)	(15.35)	(7.06)
Average Total Return			
- Class MYR	(6.39)	(1.51)	(1.21)
- Class SGD	(10.63)	(5.85)	(5.00)
- Class USD	(10.13)	(5.21)	(3.56)

** The last NAV published was on 21 May 2024.

During the financial period under review, Class MYR, Class SGD, and Class USD recorded negative return, decreased by 6.76%, 11.23%, and 10.71% underperforming their respective benchmark.

Since inception

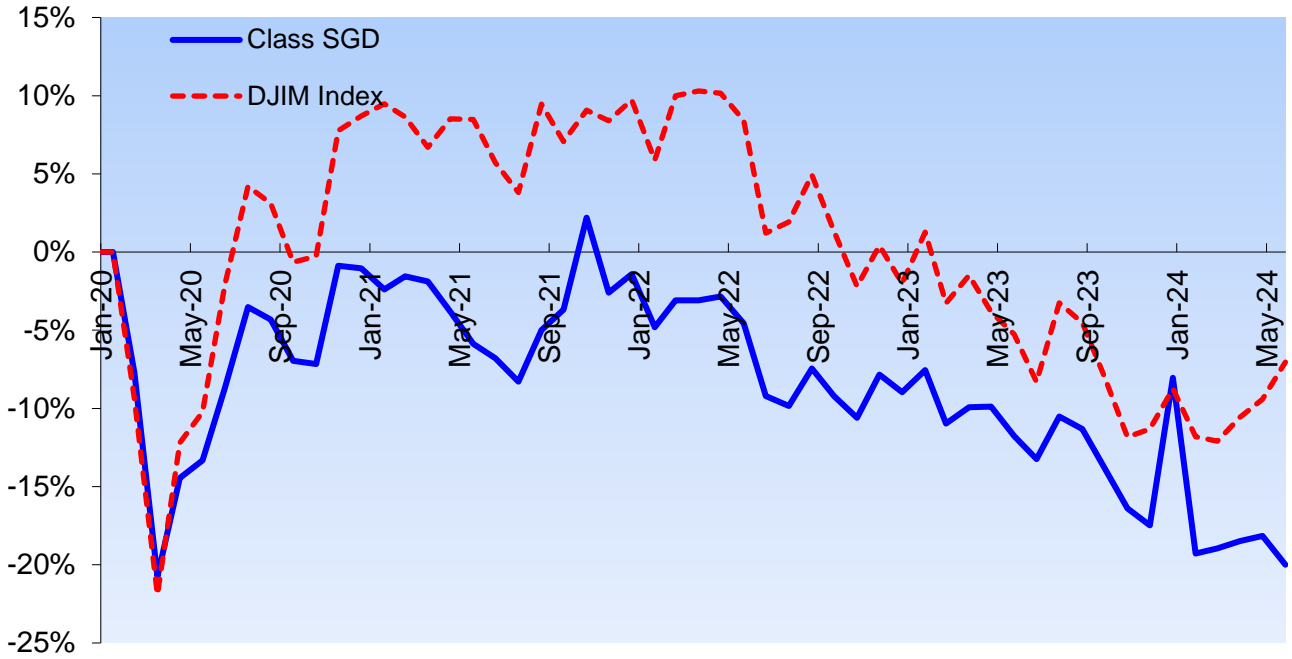
Class MYR



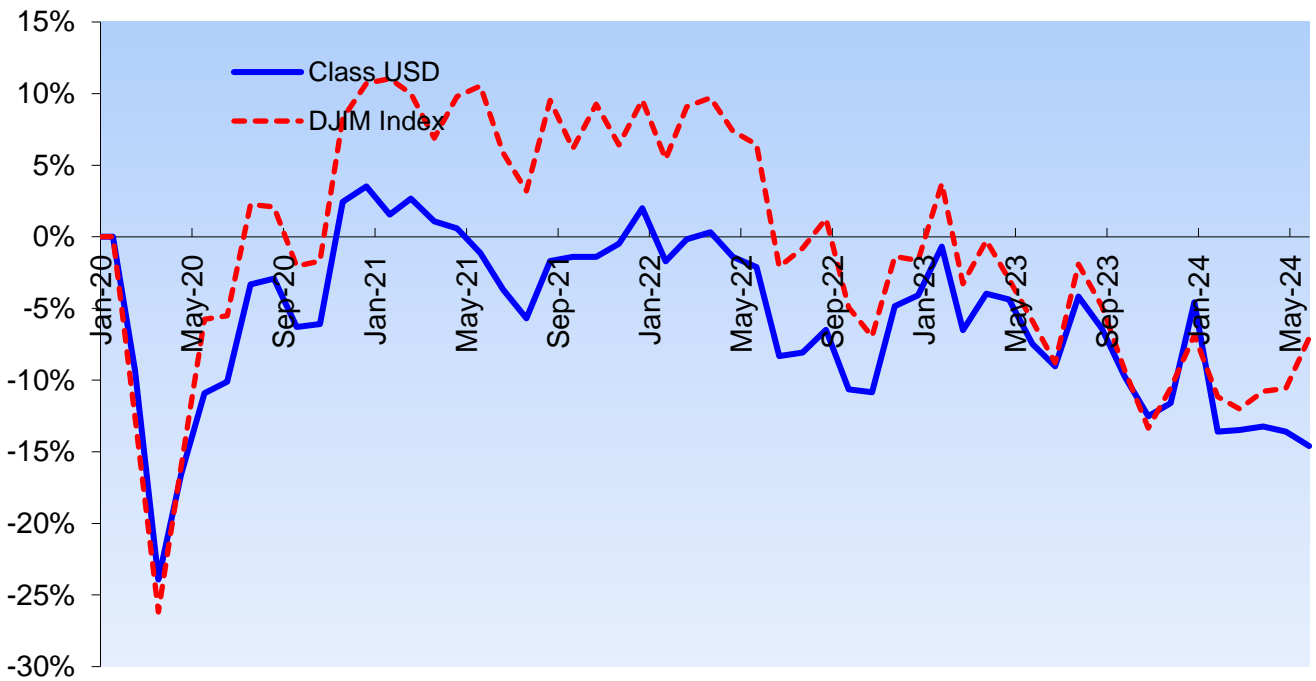
FUND PERFORMANCE (CONTINUED)

Since inception (continued)

Class SGD



Class USD



Changes in NAV

	18.06.2024 (date of termination)	31.10.2023	Changes %
CLASS MYR			
NAV (USD Million)	-	1.23	-
NAV/Unit (USD)	-	0.0519	-

FUND PERFORMANCE (CONTINUED)

Changes in NAV (continued)

	18.06.2024 (date of termination)	31.10.2023	Changes %
CLASS SGD			
NAV (USD Million)	-	0.00*	-
NAV/Unit (USD)	-	0.1530	-
CLASS USD			
NAV (USD Million)	-	0.00*	-
NAV/Unit (USD)	-	0.2190	-

The total NAV for all classes has been reduced to zero due to fund closure.

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

Performance data represents the combined income and capital return as a result of holding units in the Fund for the specified length of time, based on NAV to NAV price. The performance data assumes that all earnings from the Fund are reinvested and are net of management and trustee fees. Past performance is not reflective of future performance and income distributions are not guaranteed. Unit prices and income distributions, if any, may fall and rise. All performance figures for the financial period/year have been extracted from Lipper.

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	18.06.2024 (date of termination)	31.10.2023
Shariah-compliant collective investment scheme	-	98.17
Cash and other assets	-	2.77
Liabilities	-	(0.94)
TOTAL	-	100.00

The fund was fully invested during the financial period under review where a minimal level of liquid assets was kept for redemption purpose prior to the fund closure.

Top 10 holdings of the Target Fund for the financial year ended:

	% of NAV
Top 10 holdings*	31.10.2023
Advanced Info Service PCL NVDR	3.30
Singapore Telecommunications Ltd	3.00
Airports of Thailand PCL	2.90
Telkom Indonesia (Persero) Tbk PT	2.70
Vale Indonesia Tbk	2.30
PTT Exploration & Production PCL	2.00
Siam Global House PCL	2.00
Bangkok Dusit Medical Services PCL	1.90
Delta Electronics Thai PCL	1.70
Sime Darby Bhd	1.50

* As disclosed in the Fund Fact Sheet.

MARKET OUTLOOK

This section is no longer applicable as the Fund has been terminated.

INVESTMENT STRATEGY

This section is no longer applicable as the Fund has been terminated.

SOFT COMMISSIONS AND REBATES

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

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

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

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIR OF THE FUND

The Manager had issued a Notification of Commencement of Termination of the Fund to the SC on 6 May 2024 and completed the termination on 18 June 2024.

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

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

There were no circumstances that materially affect any interest of unit holders during the financial period/year under review.

CROSS TRADE

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

UNIT SPLIT

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC ASEAN 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 audited financial statements set out on pages 8 to 29 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 18 June 2024 (date of termination) and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period from 1 November 2023 to 18 June 2024 (date of termination) then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN

Chief Executive Officer
Malaysia & Global Shariah & Managing Director,
Strategic Distribution & Institutional Client Relations
(Southeast Asia & Global Shariah)
Non-Independent Executive Director

UDAY JAYARAM

Executive Managing Director,
Head of Southeast Asia
Non-Independent Executive Director

Kuala Lumpur
16 August 2024

TRUSTEE'S REPORT

**TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC ASEAN EQUITY FUND ("Fund")**

We have acted as Trustee of the Fund for the financial period from 1 November 2023 to 18 June 2024 (date of termination) and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management Company under the Deeds, securities laws and the Guidelines on the Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
16 August 2024

Shariah Adviser's Report

To the Unit Holders of Principal Islamic ASEAN Equity Fund ("Fund")

For the Financial Period from 1 November 2023 to 18 June 2024 (date of termination)

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia ("SC") pertaining to Shariah matters; and
2. The assets of the Fund comprise instruments that have been classified as Shariah-compliant.

For Amanie Advisors Sdn Bhd

Tan Sri Dr Mohd Daud Bakar
Executive Chairman

Kuala Lumpur
16 August 2024

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC ASEAN EQUITY FUND**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Principal Islamic ASEAN Equity Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 18 June 2024 (date of termination), and statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows of the Fund for the financial period from 1 November 2023 to 18 June 2024 (date of termination), and notes to the financial statements, including material accounting policy information, as set out on pages 8 to 29.

In our opinion, the accompanying financial statements, which have been prepared on a basis other than that of a going concern as disclosed in Note 2(a) to the financial statements, give a true and fair view of the financial position of the Fund as at 18 June 2024 (date of termination) and of its financial performance and cash flows for the financial period from 1 November 2023 to 18 June 2024 (date of termination) in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC ASEAN EQUITY FUND (CONT'D.)**

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager and the Trustee for the financial statements

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

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so. As disclosed in Note 2(a) to the financial statements, the financial statements have been prepared on a basis other than that of a going concern.

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC ASEAN EQUITY FUND (CONT'D.)**

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern. As disclosed in Note 2(a) to the financial statements, the financial statements have been prepared on a basis other than that of a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC ASEAN EQUITY FUND (CONT'D.)**

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

Other matters

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

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

Kuala Lumpur, Malaysia
16 August 2024

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2023 TO 18 JUNE 2024 (DATE OF
TERMINATION)**

	Note	01.11.2023 to 18.06.2024 (date of termination) USD	01.11.2022 to 31.10.2023 USD
INCOME/(LOSS)			
Net (loss)/gain on financial assets at fair value through profit or loss	7	(7,697)	11,995
Net foreign exchange (loss)/gain		(4,880)	865
		<u>(12,577)</u>	<u>12,860</u>
EXPENSES			
Management fee	4	10,131	28,023
Trustee fee	5	169	577
Audit fee		857	2,833
Tax agent's fee		1,968	2,077
Other expenses		3,995	2,005
		<u>17,120</u>	<u>35,515</u>
LOSS BEFORE TAXATION		(29,697)	(22,655)
Taxation	6	-	-
LOSS AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD/YEAR		<u>(29,697)</u>	<u>(22,655)</u>
Loss after taxation is made up as follows:			
Realised amount		(154,352)	(43,187)
Unrealised amount		124,655	20,532
		<u>(29,697)</u>	<u>(22,655)</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 18 JUNE 2024 (DATE OF TERMINATION)**

	Note	18.06.2024 (date of termination) USD	31.10.2023 USD
ASSETS			
Cash and cash equivalents	8	10,223	10,109
Financial assets at fair value through profit or loss	7	-	1,207,346
Amount due from Manager		-	4,712
Amount due from Manager of Shariah-compliant collective investment scheme			
- Management fee rebate		240	12,248
- Sale of Shariah-compliant collective investment scheme		-	7,000
TOTAL ASSETS		<u>10,463</u>	<u>1,241,415</u>
LIABILITIES			
Amount due to Manager		-	3,575
Accrued management fee		622	1,909
Amount due to Trustee		-	32
Other payables and accruals		9,841	6,056
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>10,463</u>	<u>11,572</u>
NET ASSET VALUE OF THE FUND		<u>-</u>	<u>1,229,843</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>-</u>	<u>1,229,843</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (USD)			
- Class MYR		-	1,229,471
- Class SGD		-	153
- Class USD		-	219
		<u>-</u>	<u>1,229,843</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class MYR		-	23,673,518
- Class SGD		-	1,000
- Class USD		-	1,000
	9	<u>-</u>	<u>23,675,518</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 18 JUNE 2024 (DATE OF TERMINATION) (CONTINUED)**

	Note	18.06.2024 (date of termination) USD	31.10.2023 USD
NET ASSET VALUE PER UNIT (USD)			
- Class MYR		-	0.0519
- Class SGD		-	0.1530
- Class USD		-	0.2190
		<hr/>	<hr/>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- Class MYR		-	RM0.2471
- Class SGD		-	SGD0.2088
- Class USD		-	USD0.2190
		<hr/>	<hr/>

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2023 TO 18 JUNE 2024 (DATE OF
TERMINATION)**

	01.11.2023 to 18.06.2024 (date of termination) USD	01.11.2022 to 31.10.2023 USD
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD/YEAR	<u>1,229,843</u>	<u>1,586,458</u>
Movement due to units created and cancelled during the financial period/year:		
Creation of units from applications		
- Class MYR	<u>332,731</u>	<u>222,877</u>
Cancellation of units		
- Class MYR	<u>(1,532,877)</u>	<u>(556,837)</u>
Total comprehensive loss for the financial period/year	<u>(29,697)</u>	<u>(22,655)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD/YEAR	<u><u>-</u></u>	<u><u>1,229,843</u></u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2023 TO 18 JUNE 2024 (DATE OF
TERMINATION)**

	Note	01.11.2023 to 18.06.2024 (date of termination) USD	01.11.2022 to 31.10.2023 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of Shariah-compliant collective investment scheme		1,451,277	516,000
Purchase of Shariah-compliant collective investment scheme		(250,000)	(118,000)
Management fee paid		(11,418)	(28,625)
Management fee rebate received		17,380	15,233
Trustee fee paid		(201)	(601)
Payments for other fees and expenses		(3,035)	(6,307)
Payment of other foreign exchange loss		(2,250)	(349)
Net cash generated from operating activities		1,201,753	377,351
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		337,443	219,229
Payments for cancellation of units		(1,536,452)	(605,532)
Net cash used in from financing activities		(1,199,009)	(386,303)
Net increase/(decrease) in cash and cash equivalents		2,744	(8,952)
Effect of foreign exchange differences		(2,630)	1,214
Cash and cash equivalents at the beginning of the financial period/year		10,109	17,847
Cash and cash equivalents at the end of the financial period/year	8	10,223	10,109
<u>Cash and cash equivalents comprised:</u>			
Bank balances		10,223	10,109
Cash and cash equivalents at the end of the financial period/year	8	10,223	10,109

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2023 TO 18 JUNE 2024 (DATE OF TERMINATION)

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal Islamic ASEAN Equity Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 25 October 2019 and a First Supplemental Deed dated 23 December 2022 between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund is a feeder fund and it invests in a single Islamic collective investment scheme, i.e. Islamic ASEAN Equity Fund managed by Principal Islamic Asset Management (Ireland) PLC. The Fund may also invest in Islamic liquid asset for liquidity purpose.

In order to achieve its investment objective, the Fund will invest at least 95% of its NAV in the Target Fund; a portfolio established on 13 April 2012 under Principal Islamic Asset Management (Ireland) PLC. The Fund will also maintain up to 5% of its NAV in Islamic liquid assets for liquidity purposes.

Information on the Target Fund

Company : Principal Islamic Asset Management (Ireland) PLC
Investment Manager : Principal Islamic Asset Management Sdn Bhd
Regulatory authority : Central Bank of Ireland

All investments are subjected to the Securities Commission Malaysia (“SC”) Guidelines on Unit Trust Funds (“GUTF”), SC requirements, the Deed, 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.

The Manager had issued a Notification of Commencement of Termination of the Fund to the SC on 6 May 2024 and completed the termination on 18 June 2024.

2. MATERIAL ACCOUNTING POLICIES

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

(a) Basis of preparation

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

As disclosed in Note 1, the Manager had issued a Notification of Commencement of Termination of the Fund to the SC on 6 May 2024 and completed the termination on 18 June 2024. Accordingly, the financial statements of the Fund have been prepared on a basis other than that of a going concern. The carrying values of the assets are written down to their recoverable amounts and liabilities are recorded to the extent that such costs were committed at the end of the reporting period. All assets and liabilities have been classified as current.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**(a) Basis of preparation (continued)**

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

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

It also requires the Manager to exercise their judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement 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(i).

There are no other standards, amendments to standards or interpretations effective for financial period beginning on 1 November 2023 that have a material effect on the financial statements of the Fund.

(b) Financial assets and financial liabilitiesClassification

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.

Investment in Shariah-compliant collective investment scheme are debt instruments with contractual cash flows that do not represent solely payment of principal and interest¹ ("SPPI"), and therefore are classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from Manager, amount due from Manager of Shariah-compliant collective investment scheme - management fee rebate and amount due from Manager of Shariah-compliant collective investment scheme - sale of Shariah-compliant 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.

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

¹ For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Recognition and measurement

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

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/year which they arise.

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

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

Impairment for assets carried at amortised costs

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor’s sources of income or assets to generate sufficient future cash flows to repay the amount.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Write-off (continued)

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/year.

(c) Income recognition

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

(d) Foreign currencyFunctional 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 United States Dollar ("USD"), 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 USD primarily due to the following factors:

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

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/year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

(e) 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 three classes of units, known respectively as the Class MYR, Class SGD 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 unit holder exercises the right to put back the unit to the Fund.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**(e) Unit holders' contributions (continued)**

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.

(f) Cash and cash equivalents

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

(g) Taxation

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

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

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

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

(i) 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 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 GUTF.

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss USD	Financial assets at amortised cost USD	Total USD
18.06.2024 (date of termination)			
Cash and cash equivalents (Note 8)	-	10,223	10,223
Amount due from Manager of the Shariah-compliant collective investment scheme			
- management fee rebate	-	240	240
	<u>-</u>	<u>10,463</u>	<u>10,463</u>
31.10.2023			
Cash and cash equivalents (Note 8)	-	10,109	10,109
Shariah-compliant collective investment scheme (Note 7)	1,207,346	-	1,207,346
Amount due from Manager	-	4,712	4,712
Amount due from Manager of the Shariah-compliant collective investment scheme			
- management fee rebate	-	12,248	12,248
- sale of Shariah-compliant collective investment scheme	-	7,000	7,000
	<u>1,207,346</u>	<u>34,069</u>	<u>1,241,415</u>

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

The objective of the Fund is to seeks capital growth over the medium to long term through investment in one Islamic collective investment scheme, which invests primarily in the ASEAN region.

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

(a) Market risk

(i) Price risk

Price risk is the risk that the fair value of an investment in Shariah-compliant collective investment scheme will fluctuate because of changes in market prices (other than those arising from currency risk). The value of Shariah-compliant 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.

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

(a) Market risk (continued)

(i) Price risk (continued)

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

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

	18.06.2024 (date of termination) USD	31.10.2023 USD
Financial assets at fair value through profit or loss:		
- Shariah-compliant collective investment scheme	-	1,207,346

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

% Change in price of Shariah-compliant collective investment scheme	Market value USD	Impact on profit or loss/NAV USD
31.10.2023		
-5%	1,146,979	(60,367)
0%	1,207,346	-
+5%	1,267,713	60,367

(ii) 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.

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

(a) Market risk (continued)

(ii) Currency risk (continued)

The following table sets out the foreign currency risk concentrations arising from the denomination of the Fund's financial instruments in foreign currencies of the Fund:

Financial assets	Cash and cash equivalents USD	Amount due from Manager USD	Total USD
18.06.2024 (date of termination)			
MYR	10,116	-	10,116
SGD	107	-	107
	<u>10,223</u>	<u>-</u>	<u>10,223</u>
31.10.2023			
MYR	4,673	4,712	9,385
SGD	180	-	180
	<u>4,853</u>	<u>4,712</u>	<u>9,565</u>
Financial liabilities	Net assets attributable to unit holders USD	Amount due to Manager USD	Total USD
31.10.2023			
MYR	1,229,471	3,575	1,233,046
SGD	153	-	153
	<u>1,229,624</u>	<u>3,575</u>	<u>1,233,199</u>

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

	Change in foreign exchange rate	Impact on profit or loss/NAV	
		18.06.2024 (date of termination) USD	31.10.2023 USD
MYR	+/- 5	+/-506	-/+61,183
SGD	+/- 5	+/-5	+/-1
		<u>+/-511</u>	<u>-/+61,182</u>

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

(b) Credit risk

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

For amount due from Manager, the settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the GUTF.

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

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

	Cash and cash equivalents USD	Amount due from Manager USD	Amount due from Manager of Shariah-compliant collective investment scheme - management fee rebate USD	Amount due from Manager of Shariah-compliant collective investment scheme – sale of Shariah-compliant collective investment scheme USD	Total USD
18.06.2024 (date of termination)					
- AAA	10,223	-	-	-	10,223
- Not Rated	-	-	240	-	240
	<u>10,223</u>	<u>-</u>	<u>240</u>	<u>-</u>	<u>10,463</u>
31.10.2023					
- AAA	10,109	-	-	-	10,109
- Not Rated	-	4,712	12,248	7,000	23,960
	<u>10,109</u>	<u>4,712</u>	<u>12,248</u>	<u>7,000</u>	<u>34,069</u>

(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, and other instruments which are capable of being converted into cash within 7 business days. The Fund's investments in Shariah-compliant 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. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

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

	Less than 1 month USD	Between 1 month to 1 year USD	Total USD
18.06.2024 (date of termination)			
Accrued management fee	622	-	622
Other payables and accruals	-	9,841	9,841
Contractual undiscounted cash flows	<u>622</u>	<u>9,841</u>	<u>10,463</u>
31.10.2023			
Amount due to Manager	3,575	-	3,575
Accrued management fee	1,909	-	1,909
Amount due to Trustee	32	-	32
Other payables and accruals	-	6,056	6,056
Net assets attributable to unit holders*	<u>1,229,843</u>	<u>-</u>	<u>1,229,843</u>
Contractual undiscounted cash flows	<u>1,235,359</u>	<u>6,056</u>	<u>1,241,415</u>

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

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders of nil (31.10.2023: USD1,229,843). 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.

The Manager had issued a Notification of Commencement of Termination of the Fund to the SC on 6 May 2024 and completed the termination on 18 June 2024.

(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 value 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/year-end date.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(e) Fair value estimation (continued)**

The Fund utilises the last traded market price for financial assets where the last traded market falls within the bid-ask spread. In circumstances where the last traded market 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.

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.

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
31.10.2023				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	<u>1,207,346</u>	<u>-</u>	<u>-</u>	<u>1,207,346</u>

Investments whose values are based on quoted market prices in active markets and are therefore classified within Level 1, include Shariah-compliant 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).

- (ii) The carrying values of cash and cash equivalents, amount due from Manager, amount due from Manager of Shariah-compliant collective investment scheme - sale of Shariah-compliant investment scheme, amount due from Manager of Shariah-compliant collective investment scheme - management fee rebate 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 Deed, the Manager is entitled to a maximum fee of up to 3.00% per annum, calculated daily based on the NAV of the Fund.

For the financial period from 1 November 2023 to 18 June 2024 (date of termination), the management fee is recognised at a rate of 1.80% per annum (31.10.2023: 1.80% per annum) for each class.

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

5. TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to a maximum fee of up to 0.04% per annum, calculated daily based on the NAV of the Fund. The Trustee fee includes local custodian fees and charges but excludes foreign sub-custodian fees and charges.

For the financial period from 1 November 2023 to 18 June 2024 (date of termination), the Trustee fee is recognised at a rate of 0.03% per annum for each class (31.10.2023: 0.03% per annum for each class).

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

6. TAXATION

	01.11.2023 to 18.06.2024 (date of termination) USD	01.11.2022 to 31.10.2023 USD
Tax charged for the financial period/year:		
- Current taxation	-	-

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

	01.11.2023 to 18.06.2024 (date of termination) USD	01.11.2022 to 31.10.2023 USD
Loss before taxation	(29,697)	(22,655)
Taxation at Malaysian statutory rate of 24% (31.10.2023: 24%)	(7,127)	(5,437)
Tax effects of:		
- Investment loss not deductible for tax purposes/(Investment income not subject to tax)	3,018	(3,086)
- Expenses not deductible for tax purposes	1,108	1,118
- Restriction on tax deductible expenses for Unit Trust Funds	3,001	7,405
Taxation	-	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	18.06.2024 (date of termination) USD	31.10.2023 USD
At fair value through profit or loss:		
- Shariah-compliant collective investment scheme	-	1,207,346

	01.11.2023 to 18.06.2024 (date of termination) USD	01.11.2022 to 31.10.2023 USD
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised loss on disposals	(140,354)	(22,303)
- Unrealised fair value gain	127,285	19,318
- Management fee rebate #	5,372	14,980
	(7,697)	11,995

Management fee rebate is derived from the Shariah-compliant collective investment scheme 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 Shariah-compliant collective investment scheme held.

For the financial period from 1 November 2023 to 18 June 2024 (date of termination), management fee rebate is recognised at an effective rate of 1.00% per annum (31.10.2023: 1.00% per annum) calculated daily based on the NAV of the Shariah-compliant collective investment scheme.

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
31.10.2023				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME				
Islamic ASEAN Equity Fund – I Class Accumulation USD	121,463	1,334,631	1,207,346	98.17
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEME	121,463	1,334,631	1,207,346	98.17
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		(127,285)		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		1,207,346		

8. CASH AND CASH EQUIVALENTS

	18.06.2024 (date of termination) USD	31.10.2023 USD
Bank balances	10,223	10,109

9. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.11.2023 to 18.06.2024 (date of termination) No. of units	01.11.2022 to 31.10.2023 No. of units
Class MYR (i)	-	23,673,518
Class SGD (ii)	-	1,000
Class USD (iii)	-	1,000
	-	23,675,518

(i) Class MYR

At the beginning of the financial period/year	23,673,518	29,737,325
Add: Creation of units from applications	6,428,204	3,921,939
Less: Cancellation of units	(30,101,722)	(9,985,746)
At the end of the financial period/year	-	23,673,518

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

	01.11.2023 to 18.06.2024 (date of termination) No. of units	01.11.2022 to 31.10.2023 No. of units
(ii) Class SGD		
At the beginning of the financial period/year	1,000	1,000
Less: Cancellation of units	(1,000)	-
At the end of the financial period/year	<u>-</u>	<u>1,000</u>
(iii) Class USD		
At the beginning of the financial period/year	1,000	1,000
Less: Cancellation of units	(1,000)	-
At the end of the financial period/year	<u>-</u>	<u>1,000</u>

10. TOTAL EXPENSE RATIO (“TER”)

	01.11.2023 to 18.06.2024 (date of termination) %	01.11.2022 to 31.10.2023 %
TER	<u>1.16</u>	<u>1.35</u>

TER is derived from the following calculation:

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

A	=	Management fee (exclude rebates)
B	=	Trustee fee
C	=	Audit fee
D	=	Tax agent’s fee
E	=	Other expenses
F	=	Average NAV of the Fund for the financial period/year calculated on a daily basis

The average NAV of the Fund for the financial period from 1 November 2023 to 18 June 2024 (date of termination) calculated on a daily basis is USD1,015,326 (31.10.2023: USD1,525,561).

11. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.11.2023 to 18.06.2024 (date of termination)	01.11.2022 to 31.10.2023
PTR (times)	<u>0.83</u>	<u>0.21</u>

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial period/year = USD250,000 (31.10.2023: USD118,000)

total disposal for the financial period/year = USD1,444,277 (31.10.2023: USD523,000)

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
Principal Islamic Asset Management (Ireland) PLC	Manager of Shariah-compliant collective investment scheme
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

Units held by the Manager and parties related to the Manager

	18.06.2024 (date of termination)		31.10.2023	
	No. of units	USD	No. of units	USD
Manager				
Principal Asset Management Berhad				
- Class MYR	-	-	19,455	1,010
- Class SGD	-	-	1,000	153
- Class USD	-	-	1,000	219

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. 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.

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

	01.11.2023 to 18.06.2024 (date of termination) USD	01.11.2022 to 31.10.2023 USD
<u>Significant related party transactions</u>		
Principal Islamic Asset Management (Ireland) PLC - Management fee rebate	5,372	14,980
	18.06.2024 (date of termination) USD	31.10.2023 USD
<u>Significant related party balances</u>		
Principal Islamic Asset Management (Ireland) PLC Amount due from Manager of Shariah-compliant collective investment scheme:		
- Management fee rebate	240	12,248
- Sale of Shariah-compliant collective investment scheme	-	7,000
	<u>240</u>	<u>19,248</u>
Shariah-compliant collective investment scheme managed by Principal Islamic Asset Management (Ireland) PLC - Islamic ASEAN Equity Fund – I Class Accumulation PLC	-	1,207,346

13. TRANSACTIONS WITH BROKERS

Details of transactions with the brokers for the financial period from 1 November 2023 to 18 June 2024 (date of termination) are as follows:

Brokers	Value of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
BNY Mellon Fund Services (Ireland) Ltd	<u>1,694,277</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

Details of transactions with the brokers for the financial year ended 31 October 2023 are as follows:

Brokers	Value of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
BNY Mellon Fund Services (Ireland) Ltd	<u>641,000</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 16 August 2024.

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