

**PRINCIPAL ISLAMIC ASEAN EQUITY FUND**

**UNAUDITED SEMI-ANNUAL REPORT**

**FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 APRIL 2023**

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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 Unaudited Semi-Annual Fund Report of the Principal Islamic ASEAN Equity Fund for the financial period ended 30 April 2023. You may also download this report from our website at [www.principal.com.my](http://www.principal.com.my).

We are pleased to share that we received the Top Fund House award at the recent 2023 iFAST Awards Night, managing the highest Assets under management ("AUM") among 29 funds houses on the iFAST platform. Principal also won awards in the Best Selling Unit Trust 2022 and the Best Selling Private Retirement Scheme ("PRS") 2022 categories.

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](http://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

## 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 Southeast Asian Nations ("ASEAN") region.

#### Has the Fund achieved its objective?

The Fund is in line to achieve its long-term objective to achieve capital growth 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 30 April 2023?

USD1.63 million (28.52 million units)

#### 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's 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 from 1 November 2022 to 30 April 2023?

There was no distribution made during the financial period from 1 November 2022 to 30 April 2023.

**PERFORMANCE DATA**

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

	<b>30.04.2023</b>	<b>30.04.2022</b>	<b>30.04.2021</b>
	%	%	%
Shariah-compliant collective investment scheme	98.36	98.25	97.74
Cash and other assets	2.14	7.36	2.51
Liabilities	(0.50)	(5.61)	(0.25)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	<b>30.04.2023</b>	<b>30.04.2022</b>	<b>30.04.2021</b>
NAV (USD Million)			
- Class MYR	1.63	1.99	2.47
- Class SGD	0.00*	0.00*	0.00*
- Class USD	0.00*	0.00*	0.00*
Units in circulation (Million)			
- Class MYR	28.51	33.61	40.65
- Class SGD	0.00*	0.00*	0.00*
- Class USD	0.00*	0.00*	0.00*
NAV per unit (USD)			
- Class MYR	0.0570	0.0592	0.0608
- Class SGD	0.1684	0.1758	0.1815
- Class USD	0.2391	0.2465	0.2515

Note: 0.00\* denotes value/unit count less than 0.01 million.

	<b>01.11.2022 to 30.04.2023</b>	<b>01.11.2021 to 30.04.2022</b>	<b>01.11.2020 to 30.04.2021</b>
Highest NAV per unit (USD)			
- Class MYR	0.0607	0.0620	0.0643
- Class SGD	0.1797	0.1845	0.1920
- Class USD	0.2542	0.2574	0.2654
Lowest NAV per unit (USD)			
- Class MYR	0.0534	0.0588	0.0565
- Class SGD	0.1566	0.1746	0.1689
- Class USD	0.2210	0.2446	0.2333
Total return (%)			
- Class MYR	0.95	1.02	5.12
- Class SGD	0.81	(1.46)	3.62
- Class USD	7.27	(3.52)	7.11
Capital growth (%)			
- Class MYR	0.95	1.02	5.12
- Class SGD	0.81	(1.46)	3.62
- Class USD	7.27	(3.52)	7.11
Income distribution (%)			
- Class MYR	-	-	-
- Class SGD	-	-	-
- Class USD	-	-	-

**PERFORMANCE DATA (CONTINUED)**

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

	<b>01.11.2022 to 30.04.2023</b>	<b>01.11.2021 to 30.04.2022</b>	<b>01.11.2020 to 30.04.2021</b>
Total Expense Ratio (“TER”) (%) ^	0.59	0.67	0.50
Portfolio Turnover Ratio (“PTR”) (times) #	0.09	0.05	0.34

^ The Fund’s TER decreased from 0.67% to 0.59% due to the decrease in average NAV during the financial period under review.

# For the financial period under review, the Fund’s PTR increased to 0.05 from 0.09 times as there were more trading activities during the financial period.

	<b>1 year to 30.04.2023 %</b>	<b>1 year to 30.04.2022 %</b>	<b>1 year to 30.04.2021 %</b>	<b>Since inception to 30.04.2021 %</b>
Annual total return				
- Class MYR	(1.28)	3.70	13.94	(0.61)
- Class SGD	(7.25)	1.00	12.44	(3.80)
- Class USD	(3.00)	(1.99)	20.62	0.60

(Launch date: 15 January 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 NOVEMBER 2022 TO 30 APRIL 2023)**

Despite domestic consumptions account for more of the 50% ASEAN Gross Domestic Product (“GDP”), economy activities especially trading nations softened towards the end of 2022, due to rising global uncertainty. Signs of inflation peaking in ASEAN, however, interest rate trajectory is still on the uptrend because the pace of rate hike is still behind developed markets.

Coming into 2023, export numbers continued to see contraction, hence, affecting export-oriented nations such as Singapore, Malaysia, Thailand and Vietnam. However, China's re-opening progressed faster than expected in January 2023, with robust lunar new year data and no resurgence in infections helped to improve the sentiment. Signs of inflation peaking in ASEAN along with the pace of rate hikes trajectory.

In ASEAN, it was not surprising that export continued to soften towards the end of the review financial period. However, the export to China is weaker than expected, whilst tourist arrival from China is also weaker than expected largely due to difficulty obtaining the visa to travel. Meanwhile, headline inflation continued to trend lower than expected for April 2023 in ASEAN.

**FUND PERFORMANCE**

	6 months to 30.04.2023			1 year to 30.04.2023		
	Class MYR	Class SGD	Class USD	Class MYR	Class SGD	Class USD
	%	%	%	%	%	%
Income Distribution	-	-	-	-	-	-
Capital Growth	0.95	0.81	7.27	(1.28)	(7.25)	(3.00)
Total Return	0.95	0.81	7.27	(1.28)	(7.25)	(3.00)
Benchmark	(1.61)	(1.68)	4.29	(7.42)	(12.70)	(9.64)
Average Total Return	1.91	1.62	15.07	(1.28)	(7.25)	(3.00)

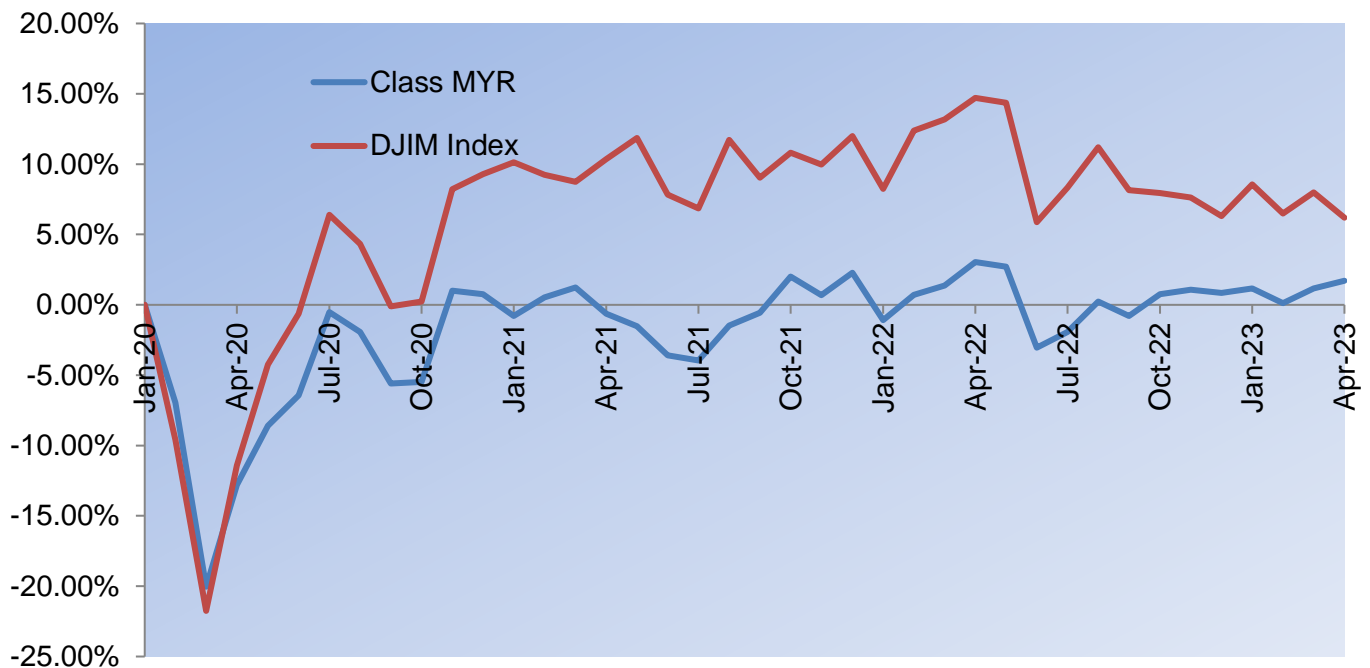
	3 years to 30.04.2023			Since inception to 30.04.2023		
	Class MYR	Class SGD	Class USD	Class MYR	Class SGD	Class USD
	%	%	%	%	%	%
Income Distribution	-	-	-	-	-	-
Capital Growth	16.65	5.33	14.68	1.72	(9.88)	(4.36)
Total Return	16.65	5.33	14.68	1.72	(9.88)	(4.36)
Benchmark	19.88	9.53	15.57	6.20	(3.84)	(2.97)
Average Total Return	5.27	1.75	4.67	0.52	(3.11)	(1.34)

For the financial period under review, the Fund performance for Class MYR, Class SGD, and Class USD increased by 0.95%, 0.81%, and 7.27% respectively outperforming their benchmark that recorded a negative return of 1.61%, 1.68%, and a positive return of 4.29% respectively.

**FUND PERFORMANCE (CONTINUED)**

**Since inception**

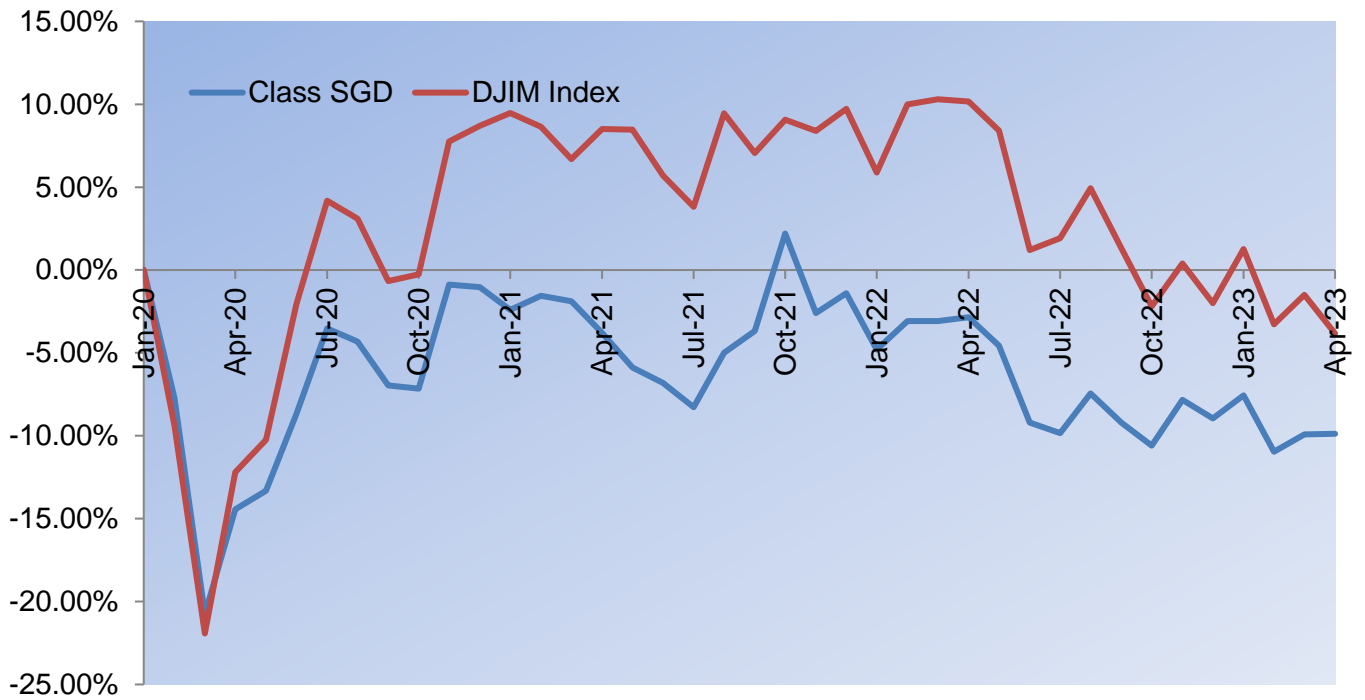
**Class MYR**



FUND PERFORMANCE (CONTINUED)

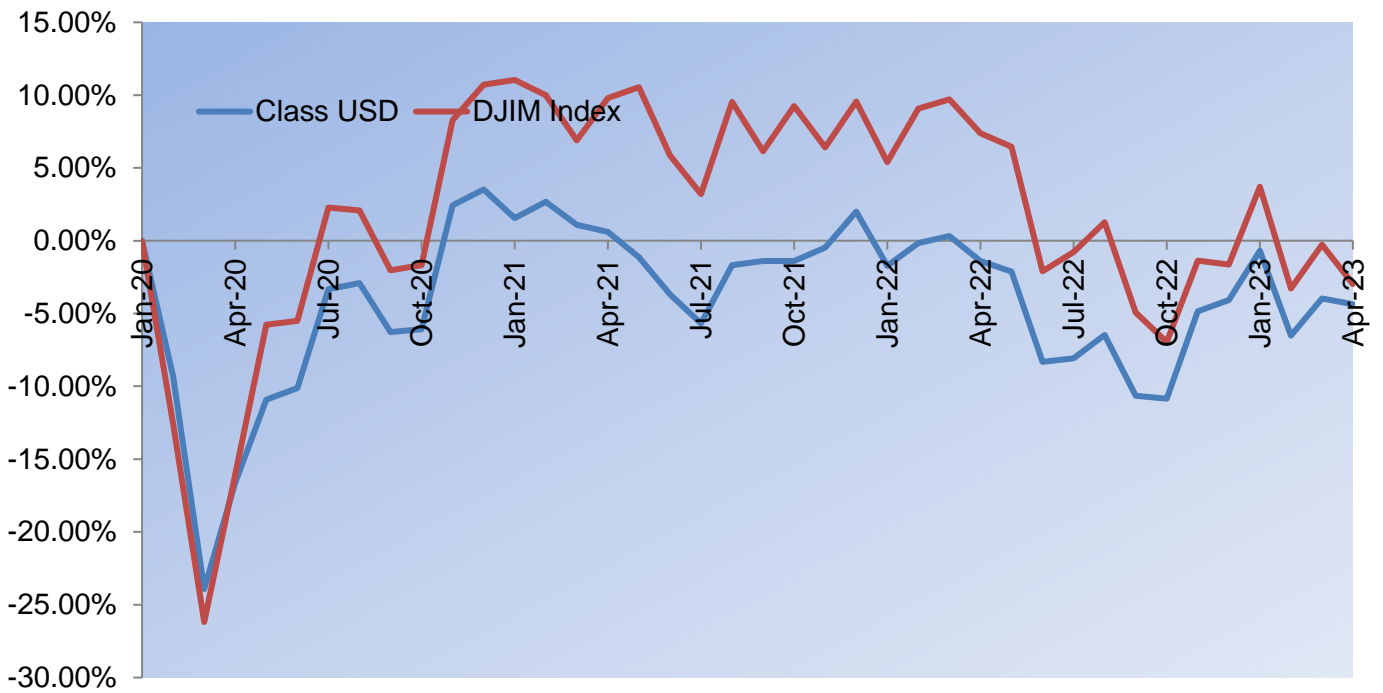
Since inception

Class SGD



Since inception

Class USD





**Changes in NAV**

	30.04.2023	31.10.2022 Audited	Changes %
<b>CLASS MYR</b>			
NAV (USD Million)	1.63	1.59	2.25
NAV/Unit (USD)	0.0570	0.0533	6.94
<b>CLASS SGD</b>			
NAV (USD Million)	0.00*	0.00*	-
NAV/Unit (USD)	0.1684	0.1580	6.58
<b>CLASS USD</b>			
NAV (USD Million)	0.00*	0.00*	-
NAV/Unit (USD)	0.2391	0.2229	7.27

During the financial period under review, the fund's NAV for Class MYR increased by 2.25%. Meanwhile, Class SGD and Class USD remained unchanged.

In addition, the NAV per unit for Class MYR, Class SGD, and Class USD increased by 6.94%, 6.58%, and 7.27% respectively during the financial period under review mainly due to the positive investment performance recorded.

Note: 0.00\* denotes 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 have been extracted from Lipper.

**PORTFOLIO STRUCTURE**

**Asset allocation**

(% of NAV)	30.04.2023	31.10.2022 Audited
Shariah-compliant collective investment scheme	98.36	101.82
Cash and other assets	2.14	1.98
Liabilities	(0.50)	(3.80)
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

The Fund was fully invested during the financial period under review. A minimal level of liquid assets was maintained primarily for redemption purposes.

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

	% of NAV
<b>Top 10 holdings*</b>	<b>30.04.2023</b>
Telkom Indonesia (Persero) Tbk PT	7.80
Singapore Telecommunications Ltd	6.40
Vale Indonesia Tbk	6.00
Airports of Thailand PCL	5.80
Advanced Info Service PCL NVDR	5.20
Bangkok Dusit Medical Services PCL T	4.10
Press Metal Aluminium Holdings Bhd	3.90
PTT Exploration & Production PCL	3.60
Delta Electronics Thai PCL	3.60
Malaysia Airports Holdings Bhd	3.30

\* As disclosed in the Fund Fact Sheet.

## **MARKET OUTLOOK\***

Key issues for the market remain to be (1) inflation and corporate earnings outlook in US; (2) can China's growth sustain beyond 2023. Job growth and the unemployment rate in the US was stronger than expected in April 2023, which shows the resilience of the economy. It suggests the Fed has little reason to cut in the near term (3 months). While inflation has moderated, and we expect this to continue, core personal consumption expenditures index in March at +4.6% year-on-year ("y-o-y") (+4.7% y-o-y in Feb 2023) is still high. Markets are now discounting another 75bps of rate cuts to 4.31% on the Fed Funds by December 2022, down from 5.28% on 28 February 2023. Given economic data has been strong, the exact timing of rate cuts is difficult to ascertain. China's economic recovery is on track with first quarter of 2023 GDP growth at +2% seasonally adjusted. The government is in a pro-growth mode for policies and regulation even though significant stimulus is unlikely. Economic resilience is in domestic driven sectors and services, rather than exports and manufacturing.

\* 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 the Target Fund with minimal cash kept for liquidity purposes.

## **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 research and advisory services that assist in the decision making process relating to the Fund's investments. All dealings with brokers are executed on most favourable terms available for the Fund. Any rebates will be directed to the account of the Fund.

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. The Manager confirms that the goods and services received were for the benefit of the Fund, the trades were made on a best execution basis 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 under review.

## **STATE OF AFFAIR OF THE FUND**

There is neither any significant change to the state affairs of the Fund nor any circumstances that materially affect any interest of the unit holders during the financial period under review.

## **CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS**

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

**CROSS TRADE**

No cross-trade transactions have been carried out during the financial period under review.

**UNIT SPLIT**

No unit split exercise have been carried out during the financial period under review.

**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 unaudited financial statements set out on pages 4 to 23 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 April 2023 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period then ended in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting.

For and on behalf of the Manager

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

**MUNIRAH KHAIRUDDIN**  
Chief Executive Officer/Executive Director

**UDAY JAYARAM**  
Director

Kuala Lumpur  
16 June 2023

**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 ended 30 April 2023 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 Deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deed; and
3. Any creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirement.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat  
Manager, Investment Compliance Monitoring

Kuala Lumpur  
16 June 2023

**Shariah Adviser's Report**

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

**For the Financial Period from 1 November 2022 to 30 April 2023**

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 asset of the Fund comprises of instruments that have been classified as Shariah compliant.

**For Amanie Advisors Sdn Bhd**

**Tan Sri Dr Mohd Daud Bakar**  
Executive Chairman

Kuala Lumpur  
16 June 2023

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 APRIL 2023**

	Note	01.11.2022 to 30.04.2023 USD	01.11.2021 to 30.04.2022 USD
<b>INCOME/(LOSS)</b>			
Net gain on financial assets at fair value through profit or loss	7	122,192	(54,856)
Net foreign exchange gain/(loss)		796	(1,212)
		<u>122,988</u>	<u>(56,068)</u>
<b>EXPENSES</b>			
Management fee	4	14,746	17,915
Trustee fee	5	328	398
Audit fee		1,143	2,567
Tax agent's fee		691	595
Other expenses		945	1,710
		<u>17,853</u>	<u>23,185</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		105,135	(79,253)
Taxation	6	-	-
<b>PROFIT/(LOSS) AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD</b>		<u>105,135</u>	<u>(79,253)</u>
Profit/(Loss) after taxation is made up as follows:			
Realised amount		(18,499)	(9,692)
Unrealised amount		123,634	(69,561)
		<u>105,135</u>	<u>(79,253)</u>

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

UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 30 APRIL 2023

		30.04.2023	31.10.2022
	Note	USD	Audited USD
<b>ASSETS</b>			
Cash and cash equivalents	8	22,241	17,847
Financial assets at fair value through profit or loss	7	1,599,475	1,615,331
Amount due from Manager			1,064
Amount due from Manager of Shariah-compliant collective investment scheme			
- management fee rebate		12,537	12,501
<b>TOTAL ASSETS</b>		<u>1,634,253</u>	<u>1,646,743</u>
<b>LIABILITIES</b>			
Amount due to Manager		-	52,270
Accrued management fee		2,429	2,511
Amount due to Trustee		54	56
Other payables and accruals		5,565	5,448
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>		<u>8,048</u>	<u>60,285</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>1,626,205</u>	<u>1,586,458</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>1,626,205</u>	<u>1,586,458</u>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS (USD)</b>			
- Class MYR		1,625,798	1,586,077
- Class SGD		168	158
- Class USD		239	223
		<u>1,626,205</u>	<u>1,586,458</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
- Class MYR		28,513,858	29,737,325
- Class SGD		1,000	1,000
- Class USD		1,000	1,000
	9	<u>28,515,858</u>	<u>29,739,325</u>

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



UNAUDITED STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT 30 APRIL 2023 (CONTINUED)

	30.04.2023	31.10.2022
	USD	Audited USD
REPRESENTED BY:	Note	
<b>NET ASSET VALUE PER UNIT (USD)</b>		
- Class MYR	0.0570	0.0533
- Class SGD	0.1684	0.1580
- Class USD	<u>0.2391</u>	<u>0.2229</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>		
- Class MYR	RM0.2542	RM0.2519
- Class SGD	SGD0.2252	SGD0.2235
- Class USD	<u>USD0.2391</u>	<u>USD0.2229</u>

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 30 APRIL 2023**

	<b>01.11.2022 to 30.04.2023</b>	<b>01.11.2021 to 30.04.2022</b>
	<b>USD</b>	<b>USD</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<u>1,586,458</u>	<u>2,112,125</u>
Movement due to units created and cancelled during the financial period:		
Creation of units from applications		
- Class MYR	<u>121,358</u>	<u>156,156</u>
Cancellation of units		
- Class MYR	<u>(186,746)</u>	<u>(199,615)</u>
Total comprehensive income/(loss) for the financial period	<u>105,135</u>	<u>(79,253)</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD</b>	<u>1,626,205</u>	<u>1,989,413</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 30 APRIL 2023**

	Note	01.11.2022 to 30.04.2023 USD	01.11.2021 to 30.04.2022 USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from disposal of Shariah-compliant collective investment scheme		208,000	92,000
Purchase of Shariah-compliant collective investment scheme		(78,000)	(20,000)
Management fee paid		(14,828)	(18,226)
Management fee rebate received		8,012	9,970
Trustee fee paid		(330)	(405)
Payments for other fees and expenses		(2,662)	(5,330)
Net realised foreign exchange gain/(loss)		(306)	44,863
<b>Net cash generated from operating activities</b>		<u>119,886</u>	<u>102,872</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		122,422	158,242
Payments for cancellation of units		(239,016)	(203,410)
<b>Net cash used in financing activities</b>		<u>(116,594)</u>	<u>(45,168)</u>
Net increase/(decrease) in cash and cash equivalents		3,292	57,704
Effect of foreign exchange differences		1,102	(999)
Cash and cash equivalents at the beginning of financial period		<u>17,847</u>	<u>30,642</u>
Cash and cash equivalents at the end of financial period	<b>8</b>	<u><u>22,241</u></u>	<u><u>87,347</u></u>
<u>Cash and cash equivalents comprises:</u>			
Bank balances		<u>22,241</u>	<u>87,347</u>
Cash and cash equivalents at the end of the financial period	<b>8</b>	<u><u>22,241</u></u>	<u><u>87,347</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 APRIL 2023**

**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 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of preparation**

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

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

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

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.

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

### (a) Basis of preparation (continued)

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

There are no other standards, amendments to standards or interpretations that are effective for interim periods beginning on 1 November 2022 that have a material effect on the financial statements of the Fund.

None of the standards, amendments to standards or interpretations that are effective for the financial period beginning on/after 1 May 2023 are applicable to the Fund.

### (b) Financial assets and financial liabilities

#### Classification

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

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

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Investment in Shariah-compliant collective investment scheme are debt instruments with contractual cash flows that do not represent solely payment of principal and interest<sup>1</sup> ("SPPI"), and therefore are classified as fair value through profit or loss.

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

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

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

<sup>1</sup> For the purpose of this Fund, interest refers to profits earned from Shariah-compliant investments

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

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.

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

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

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

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

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

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 currency**Functional and presentation currency

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

**(e) Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balance that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

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

Tax on dividend income from foreign Shariah-compliant collective investment scheme is based on the tax regime of the respective countries that the Fund invests in.

**(g) Amount due from/to Manager of collective investment scheme (sales and purchase of collective investment scheme)**

Amount due from and amount due to Manager of collective investment scheme represent receivables and 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.

**(h) Management fee rebate**

Management fee rebate is derived from the Manager and Manager of the Shariah-compliant collective investment scheme 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.

**(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 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.

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.

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

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



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

**(k) 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. RISK MANAGEMENT OBJECTIVES AND POLICIES**

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 SC 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.

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.

**(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. 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.

**(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.

**(d) Capital risk management**

The capital of the fund is represented by net asset 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 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-end date. 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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

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.

	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>30.04.2023</b>				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	<u>1,599,475</u>	<u>-</u>	<u>-</u>	<u>1,599,475</u>

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

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

**(i) Fair value hierarchy (continued)**

	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>31.10.2022</b>				
<b>Audited</b>				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	1,615,331	-	-	1,615,331

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 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 six months financial period ended 30 April 2023 and 30 April 2022, the management fee for the respective classes is recognised at the following rates:

<b>Class MYR</b>	<b>Class USD</b>	<b>Class SGD</b>
1.80%	1.80%	1.80%

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 six months financial period ended 30 April 2023, the Trustee fee is recognised at a rate of 0.04% (30 April 2022 : 0.04%) per annum.

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

6. TAXATION

	01.11.2022 to 30.04.2023 USD	01.11.2021 to 30.04.2022 USD
Tax charged for the financial period:		
- Current taxation	-	-

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

	01.11.2022 to 30.04.2023 USD	01.11.2021 to 30.04.2022 USD
Profit/(loss) before taxation	105,135	(79,253)
Taxation at Malaysian statutory rate of 24%	25,232	(19,021)
Tax effects of:		
- Income not subject to tax/(Loss not deductible for tax purposes)	(29,517)	13,456
- Expenses not deductible for tax purposes	471	649
- Restriction on tax deductible expenses for Unit Trust Funds	3,814	4,916
Taxation	-	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.04.2023 USD	31.10.2022 Audited USD
At fair value through profit or loss:		
- Shariah-compliant collective investment scheme	1,599,475	1,615,331

	01.11.2022 to 30.04.2023 USD	01.11.2021 to 30.04.2022 USD
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised (loss)/gain on disposals	(9,489)	3,923
- Unrealised fair value gain/(loss)	123,634	(68,563)
- Management fee rebate #	8,048	9,784
	122,192	(54,856)

# 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 ended 30 April 2023, management fee rebate is recognised at an effective rate of 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 %
<b>30.04.2023</b>				
<b>SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME</b>				
Islamic ASEAN Equity Fund – I Class Accumulation USD	<u>147,417</u>	<u>1,622,444</u>	<u>1,599,475</u>	<u>98.36</u>
<b>TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEME</b>	<b><u>147,417</u></b>	<b><u>1,622,444</u></b>	<b><u>1,599,475</u></b>	<b><u>98.36</u></b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>(22,969)</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>1,599,475</u></b>		
<b>31.10.2022</b>				
<b>AUDITED SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME</b>				
Islamic ASEAN Equity Fund – I Class Accumulation USD	<u>160,251</u>	<u>1,761,933</u>	<u>1,615,331</u>	<u>101.82</u>
<b>TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEME</b>	<b><u>160,251</u></b>	<b><u>1,761,933</u></b>	<b><u>1,615,331</u></b>	<b><u>101.82</u></b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>(146,602)</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>1,615,331</u></b>		

8. CASH AND CASH EQUIVALENTS

	30.04.2023	31.10.2022
	USD	Audited USD
Bank balances	<u>22,241</u>	<u>17,847</u>

9. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.11.2022 to 30.04.2023	31.10.2022
	No. of units	Audited No. of units
Class MYR (i)	28,513,858	29,737,325
Class SGD (ii)	1,000	1,000
Class USD (iii)	1,000	1,000
	<u>28,515,858</u>	<u>29,739,325</u>

(i) Class MYR

At the beginning of the financial period	29,737,325	34,315,919
Add: Creation of units from applications	2,096,738	4,317,024
Less: Cancellation of units	(3,320,205)	(8,895,618)
At the end of the financial period	<u>28,513,858</u>	<u>29,737,325</u>

(ii) Class SGD

At the beginning of the financial period	1,000	1,000
Add: Creation of units from applications	-	-
At the end of the financial period	<u>1,000</u>	<u>1,000</u>

(iii) Class USD

At the beginning of the financial period	1,000	1,000
Add: Creation of units from applications	-	-
At the end of the financial period	<u>1,000</u>	<u>1,000</u>

10. TOTAL EXPENSE RATIO ("TER")

	01.11.2022 to 30.04.2023	01.11.2021 to 30.04.2022
	%	%
TER	<u>0.59</u>	<u>0.67</u>

TER is derived from the following calculation:

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

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

**10. TOTAL EXPENSE RATIO (“TER”) (CONTINUED)**

The average NAV of the Fund for the financial period calculated on a daily basis is USD1,652,383 (30.04.2022: USD2,008,971).

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

	<b>01.11.2022 to 30.04.2023</b>	<b>01.11.2021 to 30.04.2022</b>
PTR (times)	<u>0.09</u>	<u>0.05</u>

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 = USD78,000 (30.04.2022: USD80,000)

total disposal for the financial period = USD208,000 (30.04.2022 : USD137,000)

**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
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
Principal Islamic Asset Management (Ireland) PLC	Fellow related party to the Manager



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

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

Units held by the Manager and parties related to the Manager

	30.04.2023		31.10.2022 Audited	
	No. of units	USD	No. of units	USD
<b>Manager</b>				
Principal Asset Management Berhad				
- Class MYR	2,778	158	46,153	2,462
- Class SGD	1,000	168	1,000	158
- Class USD	1,000	239	1,000	223

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.

	30.04.2023	31.10.2022 Audited
<u>Significant related party transactions</u>	USD	USD
Management fee rebate:		
- Principal Islamic Asset Management (Ireland) PLC	8,048	18,890

There were no related party balances as at end of financial period, apart from those mentioned elsewhere in the financial statements.

**13. TRANSACTIONS WITH BROKERS**

Details of transactions with the top 10 brokers for the six months financial period ended 30 April 2023 were 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	286,000	100.00	-	-

13. TRANSACTIONS WITH BROKERS (CONTINUED)

Details of transactions with the top 10 brokers for the six months financial period ended 30 April 2022 were as follows:

<b>Brokers</b>	<b>Value of trades USD</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees USD</b>	<b>Percentage of total brokerage fees %</b>
BNY Mellon Fund Services (Ireland) Ltd	<u>217,000</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

## DIRECTORY

### Head Office of the Manager

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

### Website

[www.principal.com.my](http://www.principal.com.my)

### E-mail address

[service@principal.com.my](mailto:service@principal.com.my)

### Customer Care Centre

(03) 7723 7260

### Chat with us via WhatsApp

(6016) 299 9792

### Trustee for the Principal Islamic ASEAN Equity Fund

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

### Shariah Adviser of the Principal Islamic ASEAN Equity Fund

Amanie Advisors Sdn. Bhd. (Company No.: 200501007003 (684050-H))  
Level 13A-2, Menara Tokio Marine Life,  
No 189, Jalan Tun Razak,  
50400 Kuala Lumpur, MALAYSIA.  
Tel: (03) 2161 0260  
Fax: (03) 2161 0262