

Principal Islamic Asia Pacific Dynamic Equity Fund

Annual Report

For The Financial Year Ended 30 April 2022

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND
ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

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INVESTORS' LETTER

Dear Valued Investor,

Greetings from Principal Asset Management Berhad and thank you for investing with us!

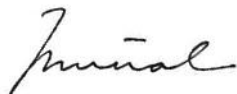
We are pleased to bring you a copy of the Annual Fund Report of the Principal Islamic Asia Pacific Dynamic Equity Fund for the financial year ended 30 April 2022. You may also download this report from our website at www.principal.com.my.

We are happy to share that Principal Asset Management Berhad was recognised with three awards at the World Business Outlook Awards 2022. The awards were Best Online & Mobile Platform (Asset Manager) Malaysia 2022, Most Innovative Real Life Solutions Provider Malaysia 2022 (Corporate Cash Management Unit CCMU) and CEO of the Year in Financial Investment Management Malaysia 2022.

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

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to achieve long-term capital appreciation and income while complying with Shariah investment criteria, through investments in the emerging and developed markets of Asia Pacific ex Japan region.

Has the Fund achieved its objective?

Yes, the Fund has achieved its objective.

What are the Fund investment policy and principal investment strategy?

The Fund is predominantly an equity fund which invests through equity securities of companies domiciled in, listed in, and/or have significant operations in the emerging and developed markets of Asia Pacific ex Japan. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business and/or operations in Thailand but listed on the New York Stock Exchange ("NYSE"). The threshold for 'significant operations' would be if more than 25% of total group revenue derives from countries in the emerging and developed markets of Asia Pacific ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). With effect from 16 August 2021, The Fund may also invest up to 20% of its NAV in companies that are listed globally with some operations and/or businesses within the Asia Pacific ex Japan region to capture growth opportunities. The Fund will only invest in markets where the regulatory authority is an ordinary or associate member of The International Organization of Securities Commissions ("IOSCO"). Between 70% to 98% (both inclusive) of the Fund's Net Asset Value ("NAV") can be invested in Shariah-compliant equities, Shariah-compliant warrants, Islamic options, participation in Islamic collective investment schemes which are permitted under the Guidelines on Unit Trust Funds ("GUTF") issued by the Securities Commission Malaysia. Up to 30% of the Fund may also invest into Sukuk and Islamic deposits. For this Fund, the investments in Sukuk must satisfy a minimum rating requirement of at least a "BBB3" or "P2" rating by RAM Ratings ("RAM") or equivalent rating by Malaysian Rating Corporation Berhad ("MARC") or by local rating agency(ies) of the country of issuance; or "BB" by Standard & Poor's ("S&P") or equivalent rating by any other international rating agencies. The Fund will also invest at least 2% of the Fund's NAV in Islamic liquid assets.

The asset allocation strategy for this Fund is as follows:

- at least 70% of the Fund's NAV will be invested in Shariah-compliant equities;
- up to 30% of the Fund's NAV in Sukuk and Islamic deposits; and
- at least 2% of the Fund's NAV in Islamic liquid assets.

Fund category/ type

Equity (Shariah-compliant)/ Growth

When was the Fund launched?

2 June 2006

What was the size of the Fund as at 30 April 2022?

RM3,347.68 million (5,221.20 million units)

What is the Fund's benchmark?

Morgan Stanley Capital International ("MSCI") All Country ("AC") Asia ex Japan Islamic Index

Note: The Fund's benchmark is for performance comparison purpose only. Investors are cautioned that the risk profile of the Fund is higher than the benchmark.

What is the Fund distribution policy?

Regular distributions are not the focus of this Fund. Distributions, if any, are at the discretion of the Manager.

FUND OBJECTIVE AND POLICY (CONTINUED)

What was the net income distribution for the financial year ended 30 April 2022?

The Fund distributed a total net income of RM51.79 million to unit holders for the financial year ended 30 April 2022.

The Fund's NAV per unit before and after distributions were as follows:

Date	NAV per unit (before distribution) RM	NAV per unit (after distribution) RM
22.03.2022	0.6620	0.6518

PERFORMANCE DATA

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

	30.04.2022	30.04.2021	30.04.2020
	%	%	%
Shariah-compliant collective investment schemes	0.75	0.59	0.19
Shariah-compliant quoted securities			
- Communication Services	10.56	5.62	13.09
- Consumer Discretionary	9.64	15.88	20.40
- Consumer Staples	3.66	0.53	4.04
- Energy	9.08	5.25	7.29
- Financials	-	-	0.04
- Health Care	8.68	3.79	0.95
- Industrials	7.91	11.32	4.01
- Information Technology	30.73	38.05	24.42
- Materials	8.12	9.43	5.96
- Real Estate	2.63	1.77	8.25
- Utilities	-	-	1.74
Cash and other assets	9.06	8.28	10.23
Liabilities	(0.82)	(0.51)	(0.61)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Note: The Fund had applied the Global Industry Classification Standard ("GICS") sectors classification

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

PERFORMANCE DATA (CONTINUED)

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

	30.04.2022	30.04.2021	30.04.2020
NAV (RM Million)	3,347.68	3,315.50	1,497.86
Units in circulation (Million)	5,221.20	4,583.60	1,874.37
NAV per unit (RM)	0.6411	0.7233	0.7991
Highest NAV per unit (RM)	0.7469	1.2006	0.8649
Lowest NAV per unit (RM)	0.6149	0.6996	0.6714
Total return (%)	(10.11)	47.85	1.50
- Capital growth (%)	(11.49)	43.48	034
- Income distribution (%)	1.56	3.06	1.14
Total Expense Ratio ("TER") (%)	1.92	1.92	1.93
Portfolio Turnover Ratio ("PTR") (times) #	0.88	1.20	0.73

The Fund's PTR has declined to 0.88 times from 1.20 times due to higher in average NAV during the financial year under review.

	30.04.2022	30.04.2021	30.04.2020
Gross/ Net distribution per unit (sen)			
Distribution on 22 March 2022	1.02	-	-
Distribution on 23 September 2020	-	1.18	-
Distribution on 11 March 2021	-	1.28	-
Distribution on 13 March 2020	-	-	0.86

	30.04.2022	30.04.2021	30.04.2020	30.04.2019	30.04.2018
	%	%	%	%	%
Annual total return	(10.11)	47.85	1.50	(3.22)	11.37

(Launch date: 2 June 2006)

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up. All performance figures for the financial year have been extracted from Lipper.

MARKET REVIEW (1 MAY 2021 TO 30 APRIL 2022)

During the period under review, Asian equities as measured by the MSCI Asia ex Japan Islamic declined by 14.1% in USD terms and 8.9% in MYR terms. Topical issues were: a) Regulatory clampdowns on various sectors in China b) Tightening monetary policy environment c) Coronavirus Disease 2019 (“COVID-19”) – Delta during mid-2021, Omicron discovery in later 2021 and subsequent situation in China in 2022 d) Russia-Ukraine tensions complicating the inflation situation.

During the start of the period, India saw a surge in COVID-19 cases which subsequently peaked in June 2021. However, ASEAN countries started seeing higher COVID-19 cases across Indonesia, Malaysia, and Thailand. In order to tame inflation in commodities, China also attempted to clamp down on rising industrial metal prices with a barrage of measures including releasing its reserves.

In July 2021, most Asian markets posted losses particularly China where the regulatory clampdown on the education sector sparked fears of more widespread actions across other sectors. We saw initial signs of the Chinese government paying a bit more attention to the effects of the various tightening measures as observed with the Reserve Requirement Ratio (RRR). The vaccination pace has improved in ASEAN with most countries expected to achieve herd immunity from a few months up to a maximum of a year.

Asian markets rebounded in August with India and Southeast Asia being top performers while developed markets such as Singapore, Korea and China were detractors. Several developments such as the US Federal Reserve’s (the “Fed”) signaling of the potential tapering of its bond buying program this year and Bank of Korea raising interest rates indicate that monetary policy normalisation path is starting to happen globally. However, the gradual manner of monetary policy normalisation and separation of tapering versus interest rate hikes was comforting.

In China, we expect more regulatory intervention in areas such as residential property in tandem with the country’s Common Prosperity drive. We saw further regulations on technology companies with data privacy and curbing gaming time for minors, but the pace of new regulations seemed to have abated versus the previous month.

In September 2021, most Asian markets fell as we approach the beginning of the US bond tapering program towards year-end with performance stabilizing in October 2021. Asian equities declined in November with the discovery of the Omicron variant which was first identified in South Africa. The Omicron variant has been classified as a “variant of concern” and has prompted many countries to tighten border restrictions. Markets rebounded in December after more information on Omicron was discovered. Initial data showed that while highly transmissible, the cases were less severe than the Delta variant. Meanwhile, more countries in Asia herd immunity towards end 2022.

Simultaneously, the US Fed started its tapering in November 2021, but narrative turned more hawkish with accelerating pace of tapering give the high inflation print. After much self-inflicted slowdown in the economy in 2021, China has started to show signs of easing with the reduction in the reserve requirement ratio and loan prime rate.

Markets corrected again from January onwards with a broad-based selloff in Asia with concerns of tightening monetary policy and Russia-Ukraine tensions. This led to a spike in global energy prices and complicated the near-term inflation print globally. The US 10-year bond yield also rose significantly from March onwards together with the USD strength.

In China, the government attempted to keep the stock market stable amidst the rout with efforts to support overseas share listing as well as easing regulatory actions on internet platform companies. However, sentiment deteriorated with the COVID-19 situation leading to various lockdowns such as that observed in Shanghai, impacting economic activity.

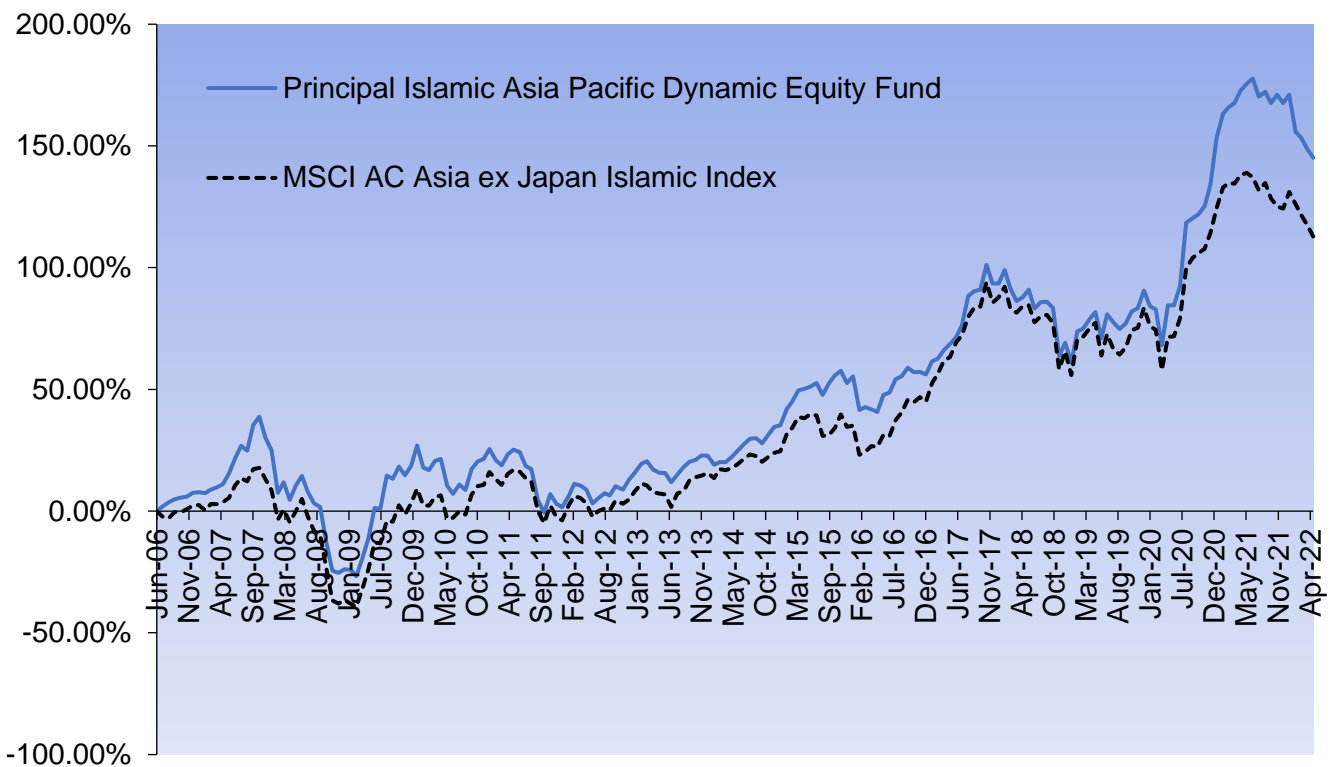
PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

FUND PERFORMANCE

	1 year to 30.04.2022	3 years to 30.04. 2022	5 years to 30.04. 2022	Since inception to 30.04. 2022
	%	%	%	%
Income Distribution	1.56	5.88	8.42	14.81
Capital Growth	(11.49)	27.41	34.10	113.27
Total Return	(10.11)	34.89	45.40	144.85
Benchmark	(10.61)	20.01	30.34	112.77
Average Total Return	(10.11)	10.49	7.77	5.79

During the period under review, the Fund declined 10.11% in MYR terms, outperforming the Benchmark by 50 basis points (bps). In the last 3 years and 5 years, the Fund has outperformed the Benchmark by 14.9% and 15.1% respectively.

Since Inception



Changes in NAV

	30.04.2022	30.04.2021	Changes %
NAV (RM Million)	3,347.68	3,315.50	0.97
NAV/Unit (RM)	0.6411	0.7233	(11.36)

The Fund's NAV has increased by 0.97% due to unit subscriptions while the NAV per unit has declined 11.36% due to challenging market conditions.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	30.04.2022	30.04.2021
Shariah-compliant collective investment schemes	0.75	0.59
Shariah-compliant quoted securities	91.01	91.64
Cash and other assets	9.06	8.28
Liabilities	(0.82)	(0.51)
TOTAL	100.00	100.00

Asset allocation was broadly similar compared to the previous year at 91.01% allocation towards Shariah-compliant quoted securities.

MARKET OUTLOOK*

Key issues for the market are (1) how long will high inflation persist; (2) will tightening monetary policy result in a soft or hard landing; and (3) when will China recover.

The US economy is seeing high inflation and conditions appear favourable enough to warrant further hikes. Fed delivered a 50bp hike in May 2022 to bring the federal funds rate to a target range of 0.75%-1% and additional 50bp hikes are “on the table” for the next couple of meetings.

In China, policy response has been too conservative, and the key is a loosening in its zero-COVID-19 policy. The strict COVID-19 lockdowns have depressed business activity in major hubs and overwhelmed the pro-cyclical thrust of any policy stimulus. There are currently no clear signs of any shift to more pragmatic solutions (e.g., to fully vaccinate the over-80’s and administer booster jabs for the rest). Beijing is ramping up infrastructure investment to offset growth weakness. China is likely past the peak in internet regulation with the People’s Bank Of China (“PBOC”) recently talking about a quick resolution of the ongoing crackdown on tech firms.

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

INVESTMENT STRATEGY

We are looking at a combination of quality companies, defensive and high dividend yielding firms. Characteristics like earnings resilience, growth visibility, quality and reasonable valuations are favored. The risk of stagflation is difficult to quantify but it means we need to be mindful of high growth estimates, elevated valuations of fast-growing companies, profit margins, and the composition of total returns from capital gains and dividends. In short, we are open minded about where new opportunities may lie.

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 30 April 2022 were as follows:

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	12,172	33.44	0.64
5,001 to 10,000	10,678	78.41	1.50
10,001 to 50,000	29,753	725.43	13.89
50,001 to 500,000	17,051	2,135.74	40.91
500,001 and above	563	2,248.18	43.06
Total	70,217	5,221.20	100.00

SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (the “Manager”) and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Principal Malaysia Funds (“Funds”) unless the soft commission received is retained in the form of goods and services such as 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 year 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.

SECURITIES FINANCING TRANSACTIONS

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

CROSS TRADE

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC 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 16 to 59 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 2022 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the 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/Executive Director

JUAN IGNACIO EYZAGUIRRE BARAONA
Director

Kuala Lumpur
17 June 2022

TRUSTEE'S REPORT

**TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 30 April 2022 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 year 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 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.

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
17 June 2022

SHARIAH ADVISER'S REPORT

To the Unit Holders of Principal Islamic Asia Pacific Dynamic Equity Fund ("Fund")

For the Financial Year Ended 30 April 2022

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 except for Brilliance China Automotive Holdings Ltd which has been reclassified as Shariah non-compliant by Shariah Advisory Council of SC ("SAC SC"). This reclassified Shariah non-compliant instrument shall be disposed in accordance with the Fund's Shariah investment guidelines as provided in the Fund's deed and disclosed in the Fund's prospectus.

For **Amanie Advisors Sdn Bhd**

Tan Sri Dr Mohd Daud Bakar
Executive Chairman

Kuala Lumpur
17 June 2022

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Principal Islamic Asia Pacific Dynamic Equity Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 30 April 2022, and statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 16 to 59.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 April 2022, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC 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 for the financial statements

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC 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 skepticism throughout the audit. We are 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; and
- 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 ASIA PACIFIC DYNAMIC EQUITY FUND (cont'd.)**

Other matters

This report is made solely to the Manager 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. 03013/10/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
17 June 2022

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022**

	Note	2022 RM	2021 RM
(LOSS)/INCOME			
Dividend income		51,983,457	46,865,456
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions		688,244	345,596
Net (loss)/gain on financial assets at fair value through profit or loss	9	(317,488,618)	735,000,229
Net foreign exchange gain/(loss)		2,125,822	(10,777,733)
		<u>(262,691,095)</u>	<u>771,433,548</u>
EXPENSES			
Management fee	4	62,537,892	37,737,633
Trustee and custodian fee	5	4,199,002	2,514,957
Transaction costs		9,101,006	9,244,350
Audit fee		12,000	9,400
Tax agent's fee		35,606	66,821
Other expenses		8,324,477	5,677,938
		<u>84,209,983</u>	<u>55,251,099</u>
(LOSS)/PROFIT BEFORE TAXATION		(346,901,078)	716,182,449
Taxation	7	(12,915,184)	(5,897,375)
(LOSS)/PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR		<u>(359,816,262)</u>	<u>710,285,074</u>
(Loss)/Profit after taxation is made up as follows:			
Realised amount		95,889,502	297,205,807
Unrealised amount		(455,705,764)	413,079,267
		<u>(359,816,262)</u>	<u>710,285,074</u>

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

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

**STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2022**

	Note	2022 RM	2021 RM
ASSETS			
Cash and cash equivalents	10	291,553,172	212,934,870
Financial assets at fair value through profit or loss	9	3,071,723,356	3,057,873,988
Amount due from stockbrokers		-	16,608,939
Amount due from Manager		11,319,930	46,949,880
Amount due from Manager of Shariah-compliant collective investment schemes			
- management fee rebate		160,283	78,391
Dividends receivable		496,608	846,805
Tax recoverable		3,533	-
TOTAL ASSETS		<u>3,375,256,882</u>	<u>3,335,292,873</u>
LIABILITIES			
Deferred tax liabilities	8	1,362,345	3,603,662
Amount due to stockbrokers		12,250,713	-
Amount due to Manager		8,841,871	8,151,010
Accrued management fee		4,909,915	4,818,725
Amount due to Trustee		190,941	187,395
Other payables and accruals		17,673	17,173
Tax payable		-	3,009,976
TOTAL LIABILITIES		<u>27,573,458</u>	<u>19,787,941</u>
NET ASSET VALUE OF THE FUND		<u>3,347,683,424</u>	<u>3,315,504,932</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	11	<u>3,347,683,424</u>	<u>3,315,504,932</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	12	<u>5,221,200,067</u>	<u>4,583,597,756</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.6411</u>	<u>0.7233</u>

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

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022**

	Note	2022 RM	2021 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>3,315,504,932</u>	<u>1,497,856,421</u>
Movement due to units created and cancelled during the financial year:			
- Creation of units from applications		987,333,666	2,054,593,325
- Creation of units from distributions		51,659,481	74,642,264
- Cancellation of units		<u>(595,203,788)</u>	<u>(947,004,640)</u>
		<u>443,789,359</u>	<u>1,182,230,949</u>
Total comprehensive (loss)/income for the financial year		(359,816,262)	710,285,074
Distributions	6	<u>(51,794,605)</u>	<u>(74,867,512)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	11	<u>3,347,683,424</u>	<u>3,315,504,932</u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022**

	Note	2022 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Purchase of Shariah-compliant collective investment schemes		(6,498,030)	(14,363,395)
Proceeds from disposal of Shariah-compliant quoted securities		2,647,785,369	2,033,483,231
Purchase of Shariah-compliant quoted securities		(3,053,818,450)	(3,007,850,844)
Dividend income received		44,066,867	40,998,000
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah earned		688,244	345,596
Management fee paid		(62,446,702)	(35,022,985)
Management fee rebates received		162,818	172,757
Trustee fee paid		(4,195,456)	(2,409,387)
Payment of other fees and expenses		(75,853)	(97,814)
Net realised foreign exchange gain/(loss)		90,150,732	(6,951,145)
Tax paid		(18,170,010)	(1,391,648)
Net cash used in operating activities		<u>(362,350,471)</u>	<u>(993,087,634)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		1,022,963,615	2,016,403,459
Payments for cancellation of units		(594,512,928)	(942,285,436)
Distributions paid		(135,123)	(225,248)
Net cash generated from financing activities		<u>428,315,564</u>	<u>1,073,892,775</u>
Net increase in cash and cash equivalents		65,965,093	80,805,141
Effect of foreign exchange differences		12,653,209	(2,739,351)
Cash and cash equivalents at the beginning of financial year		<u>212,934,870</u>	<u>134,869,080</u>
Cash and cash equivalents at the end of financial year	10	<u>291,553,172</u>	<u>212,934,870</u>
<u>Cash and cash equivalents comprised of:</u>			
Bank balances		241,995,013	207,188,597
Shariah-compliant deposits with licensed Islamic financial institutions		<u>49,558,159</u>	<u>5,746,273</u>
Cash and cash equivalents at the end of the financial year	10	<u>291,553,172</u>	<u>212,934,870</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022**

1. THE FUND, THE MANAGER, AND ITS PRINCIPAL ACTIVITIES

Principal Islamic Asia Pacific Dynamic Equity Fund (the “Fund”) is governed by a Principal Master Deed dated 15 May 2008, a Third Supplemental Master Deed dated 25 June 2008, a Sixth Supplemental Master Deed dated 14 July 2008, a Seventh Supplemental Master Deed dated 19 November 2008, an Eighth Supplemental Master Deed dated 26 December 2008, a Fourteenth Supplemental Master Deed dated 26 June 2012, a Seventeenth Supplemental Master Deed dated 25 March 2015, a Eighteenth Supplemental Master Deed dated 29 April 2015 and a Nineteenth Supplemental Master Deed dated 18 June 2019 (collectively referred to as the “Deeds”), made between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund is predominantly an equity fund which invests through equity securities of companies domiciled in, listed in, and/or have significant operations in the emerging and developed markets of Asia Pacific ex Japan. ‘Significant operations’ means major businesses of the company. For example, the Fund can invest in a company with significant business and/or operations in Thailand but listed on the New York Stock Exchange (“NYSE”). The threshold for ‘significant operations’ would be if more than 25% of total group revenue derives from countries in the emerging and developed markets of Asia Pacific ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). With effect from 16 August 2021, The Fund may also invest up to 20% of its NAV in companies that are listed globally with some operations and/or businesses within the Asia Pacific ex Japan region to capture growth opportunities. The Fund will only invest in markets where the regulatory authority is an ordinary or associate member of IOSCO. Between 70% to 98% (both inclusive) of the Fund’s Net Asset Value (“NAV”) can be invested in Shariah-compliant equities, Shariah-compliant warrants, Islamic options, participation in Islamic collective investment schemes which are permitted under the GUTF issued by the SC. Up to 30% of the Fund may also invest into Sukuk and Islamic deposits. For this Fund, the investments in Sukuk must satisfy a minimum rating requirement of at least a “BBB3” or “P2” rating by RAM Ratings (“RAM”) or equivalent rating by Malaysian Rating Corporation Berhad (“MARC”) or by local rating agency(ies) of the country of issuance; “BB” by Standard & Poor’s (“S&P”) or equivalent rating by any other international rating agencies.

The asset allocation strategy for this Fund is as follows:

- at least 70% of the Fund’s NAV will be invested in Shariah-compliant equities;
- up to 30% of the Fund’s NAV in Sukuk and Islamic deposits; and
- at least 2% of the Fund’s NAV in Islamic liquid assets.

Currently, we have appointed Principal Singapore, as the Sub-Manager for the foreign investments of the Fund. The Sub-Manager will be investing and managing these foreign investments in accordance with the investment objective and within the investment restrictions. Nevertheless, we are equally responsible for the investments of the Fund. All costs of this appointment will be borne by us to ensure no additional fee is levied on you.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

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

It also requires the Manager to exercise their judgement in the process of applying the Fund’s accounting policies. Although these estimates and 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 estimates and assumptions are significant to the financial statements are disclosed in Note 2(m).

There are no other standards, amendments to standards or interpretations effective for financial year beginning on 1 May 2021 that have a material effect on the financial statements of the Fund.

None of the standards, amendments to standards or interpretations that are effective for the financial year beginning on/after 1 May 2022 are applicable to the Fund.

(b) Financial assets and financial liabilities

Classification

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Classification (continued)

The contractual cash flows of the Fund's debt securities are solely principal and interest¹ ("SPPI"). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

Investments in Shariah-compliant collective investment schemes are debt instrument with contractual cash flows that do not represent SPPI and therefore are classified as fair value through profit or loss.

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

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

Recognition and measurement

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

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

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

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

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

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

¹ For the purposes 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)

Shariah-compliant quoted securities in Malaysia are valued at the last done market price quoted on Bursa Malaysia Securities Bhd (“Bursa Securities”) at the date of the statement of financial position.

Foreign Shariah-compliant quoted securities are valued at the last traded market price quoted on the respective stock exchanges at the close of the business day of the respective foreign stock exchanges.

If a valuation based on the market price does not represent the fair value of the Shariah-compliant quoted securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the Shariah-compliant quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the Shariah-compliant quoted securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

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

Shariah-compliant deposits with licensed Islamic financial institutions are stated at cost plus accrued profit calculated on the effective profit method over the period from the date of placement to the date of maturity of the respective deposits.

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

(c) Income recognition

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

Profit income from Shariah-compliant deposits with licensed Islamic financial institutions is recognised on a time proportionate basis using the effective profit method on an accrual basis.

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

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

(d) Cash and cash equivalents

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) 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 MYR, which is the Fund’s functional and presentation currency.

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

- i) The Fund’s units are denominated in MYR; and
- ii) Significant portion of the Fund’s expenses are denominated in MYR; and
- iii) Significant portion of the Fund’s NAV is invested in investment denominated in MYR.

Transactions and balances

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

(f) Taxation

(i) Current taxation

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

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

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

(ii) Deferred taxation

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amount attributable to assets and liabilities for tax purposes and their carrying amount in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Taxation (continued)

(ii) Deferred taxation (continued)

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences or unused tax losses can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

(g) Distribution

A distribution to the Fund's unit holders is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the financial year in which it is approved by the Trustee.

(h) Transaction costs

Transaction costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisors, brokers, and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

(i) Amount due from/to stockbrokers

Amounts due from/to stockbrokers represent receivables for Shariah-compliant quoted securities sold and payables for Shariah-compliant quoted securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The amount due from stockbrokers balance is held for collection.

(j) Management fee rebate

Management fee rebate is derived from the Manager and the Manager of the Shariah-compliant collective investment schemes held by the Fund on an accrual basis to ensure no double charging of management fee. It is accrued daily based on the fair value of Shariah-compliant collective investment schemes held.

(k) 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)

(l) Unit holders' contributions

The unit holders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "*Financial Instruments: Presentation*". Those criteria include:

- the units entitle the holder to a proportionate share of the Fund's NAV;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

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

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

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

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

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund were as follows:

	Financial assets at fair value through profit or loss RM	Financial assets at amortised cost RM	Total RM
2022			
Cash and cash equivalents (Note 10)	-	291,553,172	291,553,172
Shariah-compliant collective investment schemes (Note 9)	25,444,688	-	25,444,688
Shariah-compliant quoted securities (Note 9)	3,046,278,668	-	3,046,278,668
Amount due from Manager	-	11,319,930	11,319,930
Amount due from Manager of Shariah-compliant collective investment schemes			
- management fee rebates	-	160,283	160,283
Dividends receivable	-	496,608	496,608
	<u>3,071,723,356</u>	<u>303,529,993</u>	<u>3,375,253,349</u>
2021			
Cash and cash equivalents (Note 10)	-	212,934,870	212,934,870
Shariah-compliant collective investment schemes (Note 9)	19,622,330	-	19,622,330
Shariah-compliant quoted securities (Note 9)	3,038,251,658	-	3,038,251,658
Amount due from stockbrokers	-	16,608,939	16,608,939
Amount due from Manager	-	46,949,880	46,949,880
Amount due from Manager of Shariah-compliant collective investment schemes			
- management fee rebates	-	78,391	78,391
Dividends receivable	-	846,805	846,805
	<u>3,057,873,988</u>	<u>277,418,885</u>	<u>3,335,292,873</u>

All current liabilities, except deferred tax liabilities, are financial liabilities which are carried at amortised cost.

The Fund aims to achieve long-term capital appreciation and income while complying with Shariah investment criteria, through investments in the emerging and developed markets of Asia Pacific ex Japan region.

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

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated in the Deeds and GUTF.

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

(a) Market risk

(i) Price risk

This is the risk that the fair value of an investment in Shariah-compliant collective investment schemes and Shariah-compliant quoted securities will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk). The value of Shariah-compliant collective investment schemes and Shariah-compliant quoted securities 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 schemes, Shariah-compliant quoted securities and other financial instruments within specified limits according to the Deeds.

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

	2022	2021
	RM	RM
Financial assets at fair value through profit or loss:		
- Shariah-compliant collective investment schemes	25,444,688	19,622,330
- Shariah-compliant quoted securities	<u>3,046,278,668</u>	<u>3,038,251,658</u>
	<u><u>3,071,723,356</u></u>	<u><u>3,057,873,988</u></u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to movements in prices of Shariah-compliant collective investment schemes and Shariah-compliant quoted securities at the end of each financial year. The analysis is based on the assumptions that the price of the Shariah-compliant collective investment schemes and Shariah-compliant quoted securities fluctuate 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 schemes and Shariah-compliant quoted securities, having regard to the historical volatility of the prices.

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

(a) Market risk (continued)

(i) Price risk (continued)

% Change in price of Shariah-compliant quoted securities and Shariah-compliant collective investment schemes	Market value RM	Impact on profit or loss/NAV RM
2022		
-5%	2,918,137,188	(153,586,168)
0%	3,071,723,356	-
+5%	<u>3,225,309,524</u>	<u>153,586,168</u>
2021		
-5%	2,904,980,289	(152,893,699)
0%	3,057,873,988	-
+5%	<u>3,210,767,687</u>	<u>152,893,699</u>

(ii) Interest rate risk

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

It does not in any way suggest that this Fund will invest in conventional financial instruments. All investment carried out for the Fund including placements and deposits are in accordance with Shariah requirements.

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

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

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

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

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

(a) Market risk (continued)

(ii) Interest rate risk (continued)

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

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

	2022 %	2021 %
Shariah-compliant deposits with licensed Islamic financial institutions	1.90	1.73

(iii) Currency risk

Currency risk of the Fund is associated with investments that are quoted and/or priced in foreign currency denomination. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Manager will evaluate the likely directions of a foreign currency versus MYR based on considerations of economic fundamentals such as profit rate differentials, balance of payments position, debt levels, and technical chart considerations.

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

Financial assets	Financial assets at fair value through profit or loss RM	Cash and cash equivalents RM	Amount due from Manager of Shariah-compliant collective investment schemes - management fee rebate RM	Dividends receivable RM	Total RM
2022					
AUD	273,209,186	-	-	-	273,209,186
CNY	85,961,071	1,881,272	-	-	87,842,343
EUR	31,454,650	-	-	-	31,454,650
HKD	613,347,783	-	-	-	613,347,783
IDR	60,051,487	-	23,711	-	60,075,198
INR	524,567,144	125,879	-	-	524,693,023
KRW	605,912,916	-	-	-	605,912,916
THB	150,917,310	-	-	496,608	151,413,918
TWD	143,286,916	12,250,714	-	-	155,537,630
USD	387,368,695	227,718,516	-	-	615,087,211
	2,876,077,158	241,976,381	23,711	496,608	3,118,573,858

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

(a) Market risk (continued)

(iii) Currency risk (continued)

Financial assets	Financial assets at fair value through profit or loss RM	Cash and cash equivalents RM	Amount due from stockbrokers RM	Amount due from Manager of Shariah-compliant collective investment schemes - management fee rebate RM	Dividends receivable RM	Total RM
2021						
AUD	172,283,004	-	-	-	-	172,283,004
CNY	352,004,303	1,817,223	-	-	-	353,821,526
HKD	764,612,438	-	16,608,939	-	-	781,221,377
IDR	31,712,909	-	-	25,852	509,632	32,248,393
INR	391,113,050	59,466,161	-	-	-	450,579,211
JPY	57,368,931	-	-	-	337,173	57,706,104
KRW	552,139,255	-	-	-	-	552,139,255
THB	38,026,451	-	-	-	-	38,026,451
TWD	458,193,204	2	-	-	-	458,193,206
USD	197,070,773	145,884,784	-	-	-	342,955,557
	<u>3,014,524,318</u>	<u>207,168,170</u>	<u>16,608,939</u>	<u>25,852</u>	<u>846,805</u>	<u>3,239,174,084</u>

Financial liabilities	Amount due to stockbrokers RM	Total RM
2022		
TWD	<u>12,250,713</u>	<u>12,250,713</u>
2021	<u>Nil</u>	<u>Nil</u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes foreign exchange movements at the end of each financial year. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5% with all other variables remain constant. 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.

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

(a) Market risk (continued)

(iii) Currency risk (continued)

	Change in foreign exchange rate %	Impact on profit or loss/NAV	
		2022 RM	2021 RM
AUD	+/- 5	+/-13,660,459	+/-8,614,150
CNY	+/- 5	+/-4,392,117	+/-17,691,076
EUR	+/- 5	+/-1,572,733	-
HKD	+/- 5	+/-30,667,389	+/-39,061,069
IDR	+/- 5	+/-3,003,760	+/-1,612,420
INR	+/- 5	+/-26,234,651	+/-22,528,961
JPY	+/- 5	-	+/-2,885,305
KRW	+/- 5	+/-30,295,646	+/-27,606,963
THB	+/- 5	+/-7,570,696	+/-1,901,323
TWD	+/- 5	+/-7,164,346	+/-22,909,660
USD	+/- 5	+/-30,754,361	+/-17,147,778
		<u>+/-155,316,158</u>	<u>+/-161,958,705</u>

(b) Credit risk

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

The credit risk arising from placements of Shariah-compliant deposits in licensed Islamic financial institutions is managed by ensuring that the Fund will only place Shariah-compliant deposits in reputable licensed Islamic financial institutions.

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

For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective stock exchange. The credit risk is minimal as all transactions in Shariah-compliant collective investment schemes and Shariah-compliant quoted securities are settled/paid upon delivery using approved stockbrokers.

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

(b) Credit risk (continued)

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

	Cash and cash equivalents RM	Amount due from stockbrokers RM	Amount due from Manager RM	Amount due from Manager of Shariah-compliant collective investment schemes - management fee rebate RM	Dividends receivable RM	Total RM
2022						
- AAA	291,553,172	-	-	-	-	291,553,172
- Not Rated	-	-	11,319,930	160,283	496,608	11,976,821
	<u>291,553,172</u>	<u>-</u>	<u>11,319,930</u>	<u>160,283</u>	<u>496,608</u>	<u>303,529,993</u>
2021						
- AAA	212,934,870	-	-	-	-	212,934,870
- Not Rated	-	16,608,939	46,949,880	78,391	846,805	64,484,015
	<u>212,934,870</u>	<u>16,608,939</u>	<u>46,949,880</u>	<u>78,391</u>	<u>846,805</u>	<u>277,418,885</u>

Shariah-compliant deposits with licensed Islamic financial institutions of the Fund have an average remaining maturity of 3 days (2021: 3 days).

(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, Shariah-compliant deposits with licensed Islamic financial institutions and other instruments, which are capable of being converted into cash within 7 business days. The Fund's investments in Shariah-compliant collective investment schemes are realisable which are capable of being converted into cash within 10 business days. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector, and other factors. For the purpose of the Fund, the Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

3. 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 as at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
2022			
Amount due to stockbrokers	12,250,713	-	12,250,713
Amount due to Manager	8,841,871	-	8,841,871
Accrued management fee	4,909,915	-	4,909,915
Amount due to Trustee	190,941	-	190,941
Deferred tax liabilities	1,362,345	-	1,362,345
Other payables and accruals	-	17,673	17,673
Contractual undiscounted cash flows	<u>27,555,785</u>	<u>17,673</u>	<u>27,573,458</u>
2021			
Amount due to Manager	8,151,010	-	8,151,010
Accrued management fee	4,818,725	-	4,818,725
Amount due to Trustee	187,395	-	187,395
Deferred tax liabilities	3,603,662	-	3,603,662
Other payables and accruals	-	17,173	17,173
Contractual undiscounted cash flows	<u>16,760,792</u>	<u>17,173</u>	<u>16,777,965</u>

(d) Capital risk management

The capital of the Fund is represented by equity consisting of net assets attributable to unit holders of RM3,347,683,424 (2021: RM3,315,504,932). 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 year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

(e) Fair value estimation (continued)

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 judgment, 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	Level 2	Level 3	Total
	RM	RM	RM	RM
2022				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment schemes	25,444,688	-	-	25,444,688
- Shariah-compliant quoted securities	<u>3,046,278,668</u>	<u>-</u>	<u>-</u>	<u>3,046,278,668</u>
	<u>3,071,723,356</u>	<u>-</u>	<u>-</u>	<u>3,071,723,356</u>
2021				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment schemes	19,622,330	-	-	19,622,330
- Shariah-compliant quoted securities	<u>3,038,251,658</u>	<u>-</u>	<u>-</u>	<u>3,038,251,658</u>
	<u>3,057,873,988</u>	<u>-</u>	<u>-</u>	<u>3,057,873,988</u>

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

- (ii) The carrying values of cash and cash equivalents, amount due from stockbrokers, amount due from Manager, amount due from Manager of Shariah-compliant collective investment schemes - management fee rebate, dividends receivable and all current liabilities are a reasonable approximation of their fair values due to their short-term nature.

4. MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to a maximum management fee of 1.85% per annum, calculated daily based on the NAV of the Fund.

For the financial year ended 30 April 2022, the management fee was recognised at a rate of 1.80% per annum (2021: 1.80% per annum).

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

5. TRUSTEE AND CUSTODIAN FEES

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

For the financial year ended 30 April 2022, the Trustee fee was recognised at a rate of 0.07% per annum (2021: 0.07% per annum) while the foreign sub-custodian fee was recognised at RM1,766,973 (2021: RM1,407,382).

There was no further liability to the Trustee and custodian in respect of Trustee's and custodian fees other than amounts recognised above.

6. DISTRIBUTION

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

	2022	2021
	RM	RM
Dividend income	6,947,885	21,424,960
Profit income	95,190	175,204
Net realised gain on disposal of Shariah-compliant investment	59,409,246	79,258,735
	<u>66,452,321</u>	<u>100,858,899</u>
Less:		
Expenses	(14,657,716)	(25,991,387)
Net distribution amount	<u>51,794,605</u>	<u>74,867,512</u>
Gross/ Net distribution per unit (sen)		
Distribution on 22 March 2022	1.02	-
Distribution on 23 September 2020	-	1.18
Distribution on 11 March 2021	-	1.28
	<u>1.02</u>	<u>2.46</u>

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

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

During the financial year ended 30 April 2022, the Fund recorded unrealised loss of RM455,705,764.

7. TAXATION

	2022	2021
	RM	RM
Tax charged for the financial year:		
- Capital gains tax	(15,156,501)	4,405,157
- Deferred tax expense	2,241,317	1,492,218
	(12,915,184)	5,897,375

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

	2022	2021
	RM	RM
(Loss)/Profit before taxation	(346,901,078)	716,182,449
Taxation at Malaysian statutory rate of 24% (2021: 24%)	(83,256,259)	171,883,788
Tax effects of:		
- Loss not deductible for tax purpose/(Income not subject to tax)	63,045,863	(185,144,052)
- Expenses not deductible for tax purposes	5,193,800	4,198,792
- Restriction on tax deductible expenses for Unit Trust Funds	15,016,596	9,061,472
Income subject to Capital Gains Tax	(15,156,501)	4,405,157
Deferred tax expense	2,241,317	1,492,218
Taxation	(12,915,184)	5,897,375

8. DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, was shown in the statement of financial position.

	2022	2021
	RM	RM
Deferred tax liabilities to be settled within 12 months after the reporting period	(1,362,345)	(3,603,662)

The amount during the financial year relating to deferred taxation is as follows:

	Unrealised capital gain - Shariah-compliant quoted securities in India	
	2022	2021
	RM	RM
At the beginning of the financial year	(3,603,662)	(2,111,444)
Charged to profit or loss (Note 7)	2,241,317	(1,492,218)
At the end of the financial year	(1,362,345)	(3,603,662)

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022	2021
	RM	RM
At fair value through profit or loss:		
- Shariah-compliant collective investment schemes	25,444,688	19,622,330
- Shariah-compliant quoted securities	<u>3,046,278,668</u>	<u>3,038,251,658</u>
	<u><u>3,071,723,356</u></u>	<u><u>3,057,873,988</u></u>
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	150,634,284	319,154,115
- Unrealised fair value (loss)/gain	(468,367,612)	415,682,276
- Management fee rebate #	<u>244,710</u>	<u>163,838</u>
	<u><u>(317,488,618)</u></u>	<u><u>735,000,229</u></u>

Management fee rebate is derived from the Shariah-compliant collective investment schemes held by the Fund on an accrual basis to ensure no double charging of management fee. It is accrued daily based on the fair value of Shariah-compliant collective investment schemes held.

For the financial year ended 30 April 2022 and 30 April 2021, the rebate is recognised at a rate as per table below, calculated and accrued daily based on the NAV of the collective investment schemes.

	%
Principal Islamic Equity Growth Syariah Fund	3.00
Principal Islamic Asia Pacific Dynamic Income & Growth Fund - USD	1.00
Principal Islamic Global Responsible Equity Fund - USD	0.80

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2022				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME				
INDONESIA				
Principal Islamic Equity Growth Syariah Fund	<u>9,239,261</u>	<u>4,057,664</u>	<u>3,479,104</u>	<u>0.10</u>
TOTAL INDONESIA	<u>9,239,261</u>	<u>4,057,664</u>	<u>3,479,104</u>	<u>0.10</u>
IRELAND				
Principal Islamic Asia Pacific Dynamic Income and Growth Fund - USD I Accumulation	346,900	14,363,395	15,565,098	0.46
Principal Islamic Global Responsible Equity Fund - USD I Accumulation	<u>154,000</u>	<u>6,498,030</u>	<u>6,400,486</u>	<u>0.19</u>
TOTAL IRELAND	<u>500,900</u>	<u>20,861,425</u>	<u>21,965,584</u>	<u>0.65</u>

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2022 (CONTINUED)				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME (CONTINUED)				
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEMES	9,740,161	24,919,089	25,444,688	0.75
ACCUMULATED UNREALISED GAIN ON SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		525,599		
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		25,444,688		
Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2021				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME				
INDONESIA				
Principal Islamic Equity Growth Syariah Fund	9,239,261	4,057,664	3,194,277	0.10
TOTAL INDONESIA	9,239,261	4,057,664	3,194,277	0.10

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2021 (CONTINUED)				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME (CONTINUED)				
IRELAND				
Principal Islamic Asia Pacific Dynamic Income and Growth Fund - USD I Accumulation	346,900	14,363,395	16,428,053	0.49
TOTAL IRELAND	346,900	14,363,395	16,428,053	0.49
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEMES	9,586,161	18,421,059	19,622,330	0.59
ACCUMULATED UNREALISED GAIN ON SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS		1,201,271		
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS		19,622,330		

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2022				
SHARIAH-COMPLIANT QUOTED SECURITIES				
AUSTRALIA				
Energy				
Santos Ltd	3,244,333	69,472,389	80,877,328	2.42
Health Care				
CSL Ltd	85,238	74,628,174	72,591,249	2.17
Ramsay Health Care Ltd	339,228	72,367,479	85,738,816	2.56
	<u>424,466</u>	<u>146,995,653</u>	<u>158,330,065</u>	<u>4.73</u>
Materials				
OZ Minerals Ltd	436,466	33,322,732	34,001,793	1.02
TOTAL AUSTRALIA	<u>4,105,265</u>	<u>249,790,774</u>	<u>273,209,186</u>	<u>8.17</u>
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	1,557,000	153,877,932	88,180,493	2.64
TOTAL CAYMAN ISLANDS	<u>1,557,000</u>	<u>153,877,932</u>	<u>88,180,493</u>	<u>2.64</u>
CHINA				
Consumer Discretionary				
BYD Co Ltd	562,500	78,906,380	73,574,021	2.20
Health Care				
WuXi AppTec Co Ltd	498,900	33,410,996	30,164,642	0.90
Industrials				
Shenzhen Inovance Technology Co	1,179,127	45,578,823	44,802,141	1.34
Materials				
Yunnan Energy New Material Co	307,973	53,170,833	41,158,930	1.23

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2022 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
CHINA (CONTINUED)				
TOTAL CHINA	<u>2,548,500</u>	<u>211,067,032</u>	<u>189,699,734</u>	<u>5.67</u>
FRANCE				
Consumer Staples				
L'Oreal	<u>19,588</u>	<u>33,081,970</u>	<u>31,454,650</u>	<u>0.94</u>
TOTAL FRANCE	<u>19,588</u>	<u>33,081,970</u>	<u>31,454,650</u>	<u>0.94</u>
HONG KONG, CHINA				
Communication Services				
Tencent Holding Ltd	<u>423,300</u>	<u>143,712,148</u>	<u>88,615,222</u>	<u>2.65</u>
Consumer Discretionary				
Brilliance China Automotive Holdings Ltd #	<u>3,788,000</u>	<u>14,376,147</u>	<u>13,825,920</u>	<u>0.41</u>
Shenzhou International Group	<u>1,065,700</u>	<u>88,711,345</u>	<u>64,375,559</u>	<u>1.92</u>
Xinyi Glass Holding Co. Ltd	<u>2,980,000</u>	<u>34,819,725</u>	<u>29,192,086</u>	<u>0.87</u>
	<u>7,833,700</u>	<u>137,907,217</u>	<u>107,393,565</u>	<u>3.20</u>
Consumer Staples				
China Mengniu Dairy Co. Ltd	<u>2,446,000</u>	<u>56,183,963</u>	<u>57,799,518</u>	<u>1.73</u>
Industrials				
Techtronic Industries Co	<u>832,000</u>	<u>52,205,337</u>	<u>49,104,707</u>	<u>1.47</u>
Information Technology				
Kingboard Laminates Holding Ltd	<u>4,493,500</u>	<u>24,140,931</u>	<u>30,409,042</u>	<u>0.91</u>
Real Estate				
Link REIT	<u>2,332,400</u>	<u>83,491,471</u>	<u>88,106,573</u>	<u>2.63</u>
TOTAL HONG KONG, CHINA	<u>18,360,900</u>	<u>497,641,067</u>	<u>421,428,627</u>	<u>12.59</u>

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2022 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
INDIA				
Consumer Discretionary				
Titan Co Ltd	383,428	30,186,117	53,630,680	1.60
Consumer Staples				
Dabur India Ltd	1,051,332	32,660,870	33,302,234	0.99
Energy				
Reliance Industries Ltd	1,404,650	136,826,807	223,009,573	6.66
Health Care				
Apollo Hospitals Enterprise Ltd	123,469	15,546,145	31,293,529	0.93
Industrials				
Container Corporation of India Ltd	2,005,638	67,252,254	73,767,687	2.20
Information Technology				
Tata Consultancy Services Ltd	185,593	25,746,393	37,454,009	1.12
Materials				
Asian Paints Ltd	198,779	29,756,686	36,614,432	1.10
Ultra Tech Cement Ltd	94,086	39,186,340	35,495,000	1.06
	292,865	68,943,026	72,109,432	2.16
TOTAL INDIA	5,446,975	377,161,612	524,567,144	15.66
INDONESIA				
Communication Services				
Telekomunikasi TBK PT	40,749,100	46,420,773	56,572,383	1.69
TOTAL INDONESIA	40,749,100	46,420,773	56,572,383	1.69

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2022 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
SINGAPORE				
Communication Services				
NetLink NBN Trust Singapore Telecommunications	11,921,300	36,024,914	37,547,326	1.12
	<u>12,994,600</u>	<u>101,857,883</u>	<u>113,369,984</u>	<u>3.39</u>
	<u>24,915,900</u>	<u>137,882,797</u>	<u>150,917,310</u>	<u>4.51</u>
TOTAL SINGAPORE	<u>24,915,900</u>	<u>137,882,797</u>	<u>150,917,310</u>	<u>4.51</u>
SOUTH KOREA				
Information Technology				
Samsung Electronics Co. Ltd	1,196,806	307,669,548	278,978,949	8.33
Samsung Electronics- PFD	783,469	191,443,034	160,680,913	4.80
SK Hynix Inc	<u>298,829</u>	<u>129,827,090</u>	<u>116,268,761</u>	<u>3.47</u>
	<u>2,279,104</u>	<u>628,939,672</u>	<u>555,928,623</u>	<u>16.60</u>
Materials				
LG Chem Ltd	<u>27,847</u>	<u>76,584,394</u>	<u>49,984,293</u>	<u>1.49</u>
TOTAL SOUTH KOREA	<u>2,306,951</u>	<u>705,524,066</u>	<u>605,912,916</u>	<u>18.09</u>
TAIWAN				
Industrials				
AirTac International Group	<u>206,150</u>	<u>24,641,115</u>	<u>24,740,804</u>	<u>0.74</u>
Information Technology				
MediaTek Inc.	384,000	43,006,652	47,106,816	1.41
Taiwan Semiconductor Manufacturing	<u>3,968,000</u>	<u>224,224,973</u>	<u>315,521,075</u>	<u>9.43</u>
	<u>4,352,000</u>	<u>267,231,625</u>	<u>362,627,891</u>	<u>10.84</u>
TOTAL TAIWAN	<u>4,558,150</u>	<u>291,872,740</u>	<u>387,368,695</u>	<u>11.58</u>

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2022 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
THAILAND				
Health Care				
Bangkok Dusit Medical Service -NVDR	<u>21,700,300</u>	<u>67,126,953</u>	<u>71,042,518</u>	<u>2.12</u>
Industrials				
Airports Of Thailand - NVDR	<u>8,512,900</u>	<u>72,605,188</u>	<u>72,244,398</u>	<u>2.16</u>
TOTAL THAILAND	<u>30,213,200</u>	<u>139,732,141</u>	<u>143,286,916</u>	<u>4.28</u>
UNITED STATES				
Communication Services				
Alphabet Inc-CI A	<u>5,748</u>	<u>67,533,708</u>	<u>57,089,658</u>	<u>1.71</u>
Information Technology				
Nvidia Corp	<u>52,364</u>	<u>50,848,795</u>	<u>42,266,411</u>	<u>1.26</u>
Materials				
LINDE PLC	<u>54,745</u>	<u>71,142,992</u>	<u>74,324,545</u>	<u>2.22</u>
TOTAL UNITED STATES	<u>112,857</u>	<u>189,525,495</u>	<u>173,680,614</u>	<u>5.19</u>

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2022 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	<u>134,894,386</u>	<u>3,033,578,399</u>	<u>3,046,278,668</u>	<u>91.01</u>
ACCUMULATED UNREALISED GAIN ON SHARIAH- COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>12,700,269</u>		
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>3,046,278,668</u>		

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2021 SHARIAH-COMPLIANT QUOTED SECURITIES				
AUSTRALIA				
Energy				
Beach Energy Ltd	<u>7,562,447</u>	<u>38,983,209</u>	<u>30,673,512</u>	<u>0.93</u>
Industrials				
ALS Ltd	<u>610,506</u>	<u>13,479,387</u>	<u>20,470,173</u>	<u>0.62</u>
Materials				
BHP Group Ltd	389,555	48,153,389	59,112,338	1.78
BlueScope Steel Ltd	418,547	29,621,289	28,786,635	0.87
OZ Minerals Ltd	<u>436,466</u>	<u>33,322,732</u>	<u>33,240,346</u>	<u>1.00</u>
	<u>1,244,568</u>	<u>111,097,410</u>	<u>121,139,319</u>	<u>3.65</u>
TOTAL AUSTRALIA	<u>9,417,521</u>	<u>163,560,006</u>	<u>172,283,004</u>	<u>5.20</u>
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	<u>2,364,100</u>	<u>290,133,526</u>	<u>279,791,235</u>	<u>8.44</u>
TOTAL CAYMAN ISLANDS	<u>2,364,100</u>	<u>290,133,526</u>	<u>279,791,235</u>	<u>8.44</u>
CHINA				
Consumer Discretionary				
China Tourism Group Duty Free Corp Ltd - A ¹	328,115	16,244,501	64,798,299	1.95
Midea Group Co Ltd - A ¹	<u>634,945</u>	<u>21,403,954</u>	<u>32,221,432</u>	<u>0.97</u>
	<u>963,060</u>	<u>37,648,455</u>	<u>97,019,731</u>	<u>2.92</u>
Health Care				
WuXi AppTec Co Ltd	<u>780,100</u>	<u>71,378,511</u>	<u>75,378,099</u>	<u>2.27</u>
Industrials				
Shenzhen Airport Co Ltd	11,784,732	59,310,608	63,630,537	1.92
Shenzhen Inovance Technology Co Ltd	<u>634,383</u>	<u>35,343,163</u>	<u>35,919,372</u>	<u>1.08</u>
	<u>12,419,115</u>	<u>94,653,771</u>	<u>99,549,909</u>	<u>3.00</u>

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2021 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
CHINA (CONTINUED)				
Materials				
Anhui Conch Cement Co Ltd	1,704,000	42,500,786	41,633,321	1.26
Skshu Paint Co Ltd	256,188	24,745,036	38,423,243	1.17
	<u>1,960,188</u>	<u>67,245,822</u>	<u>80,056,564</u>	<u>2.43</u>
TOTAL CHINA	<u>16,122,463</u>	<u>270,926,559</u>	<u>352,004,303</u>	<u>10.62</u>
HONG KONG, CHINA				
Communication Services				
Tencent Holdings Ltd	316,100	121,016,852	103,585,338	3.12
Consumer Discretionary				
Brilliance China Automotive Holdings Ltd #	3,788,000	14,376,147	14,545,162	0.44
Li Ning Co Ltd	1,373,500	34,848,946	45,804,027	1.38
Shenzhou International Group Holdings Ltd	327,300	28,286,593	29,404,894	0.88
	<u>5,488,800</u>	<u>77,511,686</u>	<u>89,754,083</u>	<u>2.70</u>
Industrials				
Techtronic Industries Co Ltd	1,325,500	83,170,883	98,725,361	2.98
Information Technology				
Kingboard Laminates Holdings Ltd	7,296,000	37,687,977	74,528,056	2.25
Xinyi Solar Holdings Ltd	8,686,000	64,199,445	59,394,868	1.79
	<u>15,982,000</u>	<u>101,887,422</u>	<u>133,922,924</u>	<u>4.04</u>
Real Estate				
China Resources Land Ltd	824,000	13,219,725	15,798,305	0.47
Link REIT	1,113,900	42,768,336	43,035,192	1.30
	<u>1,937,900</u>	<u>55,988,061</u>	<u>58,833,497</u>	<u>1.77</u>
TOTAL HONG KONG, CHINA	<u>25,050,300</u>	<u>439,574,904</u>	<u>484,821,203</u>	<u>14.61</u>

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2021 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
INDIA				
Consumer Discretionary				
Titan Co Ltd	734,832	46,615,593	60,505,391	1.82
Consumer Staples				
Dabur India Ltd	593,697	14,809,766	17,633,015	0.53
Energy				
Reliance Industries Ltd	1,007,681	79,529,152	110,942,050	3.35
Reliance Industries Ltd - Partly Paid	61,458	1,108,576	3,643,695	0.11
	<u>1,069,139</u>	<u>80,637,728</u>	<u>114,585,745</u>	<u>3.46</u>
Health Care				
Apollo Hospitals Enterprise Ltd	286,425	27,059,463	50,554,586	1.52
Industrials				
Container Corporation of India Ltd	1,369,920	45,744,401	44,607,993	1.35
Information Technology				
Tata Consultancy Services Ltd	341,013	47,307,036	57,142,826	1.72
Materials				
Asian Paints Ltd	329,146	44,539,433	46,083,494	1.39
TOTAL INDIA	<u>4,724,172</u>	<u>306,713,420</u>	<u>391,113,050</u>	<u>11.79</u>
INDONESIA				
Energy				
PT United Tractors Tbk	4,762,400	25,476,714	28,518,632	0.86
TOTAL INDONESIA	<u>4,762,400</u>	<u>25,476,714</u>	<u>28,518,632</u>	<u>0.86</u>

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2021 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
JAPAN				
Information Technology Murata Manufacturing Co Ltd	176,300	60,571,094	57,368,931	1.73
TOTAL JAPAN	176,300	60,571,094	57,368,931	1.73
MALAYSIA				
Information Technology My E.G. Services Bhd	22,230,600	42,364,262	43,349,670	1.31
TOTAL MALAYSIA	22,230,600	42,364,262	43,349,670	1.31
NETHERLANDS				
Information Technology ASML Holding N.V.	36,954	70,338,228	97,859,240	2.95
TOTAL NETHERLANDS	36,954	70,338,228	97,859,240	2.95
SOUTH KOREA				
Information Technology Samsung Electronics Co Ltd	918,108	236,577,868	274,820,206	8.29
Samsung Electronics Co Ltd - Preference share	463,282	124,287,714	124,723,038	3.77
SK Hynix Inc	186,458	73,117,476	87,657,337	2.64
	1,567,848	433,983,058	487,200,581	14.70
Materials LG Chem Ltd	18,971	48,559,842	64,938,674	1.96
TOTAL SOUTH KOREA	1,586,819	482,542,900	552,139,255	16.66

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2021 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
TAIWAN				
Industrials				
AirTac International Group	426,000	51,153,863	73,592,352	2.22
Information Technology				
MediaTek Inc.	463,000	44,239,144	80,323,092	2.42
Taiwan Semiconductor Manufacturing Co Ltd	3,464,000	180,387,609	304,277,760	9.18
	3,927,000	224,626,753	384,600,852	11.60
TOTAL TAIWAN	4,353,000	275,780,616	458,193,204	13.82
THAILAND				
Industrials				
Airports of Thailand PCL - NVDR ²	4,678,800	39,963,336	38,026,451	1.15
TOTAL THAILAND	4,678,800	39,963,336	38,026,451	1.15
UNITED STATES				
Communication Services				
SEA Ltd	80,226	89,913,884	82,783,480	2.50
TOTAL UNITED STATES	80,226	89,913,884	82,783,480	2.50

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2021 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	<u>95,583,655</u>	<u>2,557,859,449</u>	<u>3,038,251,658</u>	<u>91.64</u>
ACCUMULATED UNREALISED GAIN ON SHARIAH- COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>480,392,209</u>		
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>3,038,251,658</u>		

¹ A-shares trade on the two Chinese stock exchanges, the Shanghai Stock Exchange and the Shenzhen Stock Exchange. A-shares are shares of mainland China-based companies and are available for purchase to selected foreign institutions through the Qualified Foreign Institutional Investor (“QFII”) system.

² NVDR, or non-voting depository receipt, is a trading instrument issued by Thai NVDR Company Limited, a subsidiary wholly owned by the Stock Exchange of Thailand (“SET”). It is a valid security as specified by the United States Securities and Exchange Commission (“SEC”) and is automatically regarded as a listed security by the SET. The underlying security is a listed security in the SET.

The stock has been reclassified as Shariah non-compliant by SAC SC effective on 25 March 2022.

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

10. CASH AND CASH EQUIVALENTS

	2022	2021
	RM	RM
Shariah-compliant deposits with licensed Islamic financial institutions	49,558,159	5,746,273
Bank balances	241,995,013	207,188,597
	<u>291,553,172</u>	<u>212,934,870</u>

11. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

Net assets attributable to unit holders as at the reporting date comprised:

	2022	2021
	RM	RM
Unit holders' contributions	3,140,552,391	2,696,763,032
Retained earnings	207,131,033	618,741,900
	<u>3,347,683,424</u>	<u>3,315,504,932</u>

The movement in the components of net assets attributable to unit holders for the financial year were as follows:

	Unit holders' contributions	Retained earnings/ (Accumulated losses)	Total
	RM	RM	RM
Balance as at 1 May 2021			
Movement in unit holders' contributions:			
- Creation of units from applications	2,696,763,032	618,741,900	3,315,504,932
- Creation of units from distributions	987,333,666	-	987,333,666
- Cancellation of units	51,659,481	-	51,659,481
	(595,203,788)	-	(595,203,788)
Total comprehensive loss for the financial year	-	(359,816,262)	(359,816,262)
Distribution	-	(51,794,605)	(51,794,605)
Balance as at 30 April 2022	<u>3,140,552,391</u>	<u>207,131,033</u>	<u>3,347,683,424</u>
Balance as at 1 May 2020	1,514,532,083	(16,675,662)	1,497,856,421
Movement in unit holders' contributions:			
- Creation of units from applications	2,054,593,325	-	2,054,593,325
- Creation of units from distributions	74,642,264	-	74,642,264
- Cancellation of units	(947,004,640)	-	(947,004,640)
Total comprehensive income for the financial year	-	710,285,074	710,285,074
Distribution	-	(74,867,512)	(74,867,512)
Balance as at 30 April 2021	<u>2,696,763,032</u>	<u>618,741,900</u>	<u>3,315,504,932</u>

12. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2022	2021
	No. of units	No. of units
At the beginning of the financial year	4,583,597,756	1,874,367,880
Add: Creation of units from applications	1,397,585,221	2,383,860,304
Add: Creation of units from distributions	79,256,646	96,942,630
Add: Creation of units from unit split (Note 17(b))	-	1,276,063,797
Less: Cancellation of units	(839,239,556)	(1,047,636,855)
At the end of the financial year	5,221,200,067	4,583,597,756

13. TOTAL EXPENSE RATIO (“TER”)

	2022	2021
	%	%
TER	1.92	1.92

TER is derived from the following calculation:

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

A	=	Management fee
B	=	Trustee and custodian fees
C	=	Audit fee
D	=	Tax agent’s fee
E	=	Other expenses excluding Central Depository System (“CDS”) transfer fee and withholding tax
F	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis was RM3,478,108,172 (2021: RM2,102,747,303).

14. PORTFOLIO TURNOVER RATIO (“PTR”)

	2022	2021
PTR (times)	0.88	1.20

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial year	=	RM3,214,373,383 (2021: RM3,013,927,097)
total disposal for the financial year	=	RM2,882,790,687 (2021: RM2,044,762,066)

15. 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 Berhad, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the Manager
Principal Islamic Asset Management (Ireland) PLC	Fellow related party to Manager
CGS-CIMB Securities (SG) Pte Ltd	Fellow related party to Manager
PT Principal Asset Management	Fellow related party to Manager
CIMB Islamic Bank Bhd	Fellow related party to Manager

Units held by the Manager and parties related to the Manager

	2022		2021	
	No. of units	RM	No. of units	RM
Manager				
Principal Asset Management Berhad	871,092	558,457	909,607	657,919

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

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

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

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

	2022	2021
	RM	RM
<u>Significant related party transactions</u>		
Profit income received from Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	67,256	95,220
<u>Management fee rebate</u>		
- Principal Islamic Asset Management (Ireland) PLC	10,737	41,818
- PT Principal Asset Management	22,131	32,293
	<u>32,868</u>	<u>74,111</u>
<u>Significant related party balances</u>		
Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	-	1,000,047
<u>Shariah-compliant collective investment schemes</u>		
- Principal Islamic Equity Growth Syariah Fund	3,479,104	3,194,277
- Principal Islamic Asia Pacific Dynamic Income and Growth Fund - USD I Accumulation	15,565,098	16,428,053
Principal Islamic Global Responsible Equity Fund - USD I Accumulation	6,400,486	-
	<u>25,444,688</u>	<u>19,622,330</u>

16. TRANSACTIONS WITH BROKERS

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

Brokers	Values of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
J.P. Morgan Securities LLC	1,662,663,289	27.95	549,713	11.30
Citigroup Global Markets Ltd	1,327,376,094	22.31	906,875	18.65
Credit Suisse (HK) Ltd	547,385,753	9.20	662,630	13.63
Macquarie Securities (Australia) Ltd	526,666,442	8.85	553,483	11.38
CLSA Securities (M) Sdn Bhd	413,510,216	6.95	144,209	2.97
DBS Vickers Securities (SG) Pte Ltd	328,697,416	5.53	493,046	10.14
UBS Securities Asia Ltd	254,225,980	4.27	305,066	6.27
Instinet Pacific Ltd	192,964,240	3.24	238,784	4.91
CLSA Ltd	158,225,291	2.66	309,560	6.37
Jefferies International Ltd	101,920,048	1.71	97,468	2.00
Others #	435,464,208	7.33	602,198	12.38
	<u>5,949,098,977</u>	<u>100.00</u>	<u>4,863,032</u>	<u>100.00</u>

16. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for the financial year ended 30 April 2021 were as follows:

Brokers	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Citigroup Global Markets Ltd	1,419,927,981	28.08	943,851	17.96
J.P. Morgan Securities LLC	905,881,366	17.91	294,568	5.60
Credit Suisse (HK) Ltd	708,091,885	14.00	868,726	16.53
DBS Vickers Securities (SG) Pte Ltd	377,385,401	7.46	569,067	10.83
CLSA Securities (M) Sdn Bhd	318,257,534	6.29	99,380	1.89
Sanford C Bernstein & Co LLC	288,845,549	5.71	554,822	10.55
Macquarie Securities (Australia) Ltd	242,187,682	4.79	298,413	5.68
Instinet Pacific Ltd	151,982,021	3.01	206,947	3.94
CLSA Ltd	145,672,603	2.88	280,679	5.34
JP Morgan Securities (Asia Pacific) Ltd	141,654,002	2.80	316,703	6.02
Others #	<u>357,694,563</u>	<u>7.07</u>	<u>823,540</u>	<u>15.66</u>
	<u>5,057,580,587</u>	<u>100.00</u>	<u>5,256,696</u>	<u>100.00</u>

Included in the transactions are trades conducted with Principal Islamic Asset Management (Ireland) PLC and CGS-CIMB Securities (SG) Pte Ltd, fellow related parties to the Manager amounting to Nil (2021: RM14,363,395), and RM5,903,010(2021: RM115,806) respectively. The Manager is of the opinion that all transactions with the related parties have been entered into in the normal course of business at agreed terms between the related parties.

17. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

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

18. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 17 June 2022.

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