

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC INCOME AND GROWTH FUND
ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

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INVESTORS' LETTER

Dear Valued Investor,

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

We are pleased to bring you a copy of the Annual Fund Report of the Principal Islamic Asia Pacific Dynamic Income and Growth Fund for the financial year ended 30 November 2024. You may also download this report from our website at www.principal.com.my.

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

At the Alpha Southeast Asia Fund Management Awards 2024, we won three awards: Best Absolute Return Strategy, Best Online & Mobile Platform (Asset Manager), and Best Asset Manager (Income-Oriented, Money Market & Alternative Investment Funds). The International Finance Awards honored us with 'Best Asset Management Company – Malaysia 2024' and 'Best Asset Management CEO – Munirah Khairuddin – Malaysia 2024'. At the Triple A Sustainable Investing Awards 2024, we secured the Asset Management Company of the Year (Malaysia) award. The World Business Outlook magazine recognized us with the titles of Best Investment Management and Solutions Provider Malaysia, Best Institutional House Malaysia, and Asset Management CEO (Munirah Khairuddin) of the Year Malaysia. Additionally, we received three awards at the iFast Awards 2024, seven at the LSEG Lipper Fund Awards 2024, ten at the FSMOne Recommended Funds 2023/2024, and two at the Edge Awards 2024.

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

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

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

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

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to provide capital growth over the medium to long term and to provide regular income through investment in one Islamic collective investment scheme, which invests primarily in the Asia Pacific ex Japan region.

Has the Fund achieved its objective?

The Fund is in line to achieve its long-term objective to provide capital growth and regular income as stated in the Fund Objective section.

What are the Fund investment policy and principal investment strategy?

The Fund is a feeder fund that invests into a single Islamic collective investment scheme, i.e. Islamic Asia Pacific Dynamic Income and Growth Fund ("Target Fund"). The Fund may also invest in Islamic Deposits for liquidity purposes.

In order to achieve its objective, the Fund will invest at least 95% of its NAV in the Target Fund; a fund established on 19 October 2020 under Principal Islamic Asset Management (Ireland) plc. The Fund may also maintain up to 5% of its NAV in Islamic Deposits for liquidity purposes.

Information on the Target Fund

Company : Principal Islamic Asset Management (Ireland) PLC
Investment Manager : Principal Islamic Asset Management Sdn Bhd
Sub-Investment Adviser: Principal Asset Management (S) Pte Ltd
Regulatory authority : Central Bank of Ireland

Base Currency

United States Dollar ("USD")

Fund category/type

Feeder fund (Islamic) / Income & Growth

When was the Fund launched?

Name of Class	Launch Date
Class MYR	2 February 2021
Class SGD	2 February 2021
Class USD	2 February 2021

What was the size of the Fund as at 30 November 2024?

USD10.02 million (205.92 million units)

What is the Fund's benchmark?

As this is a feeder fund, the Fund adheres to the performance comparator of the Target Fund for performance comparison. Currently, the Target Fund is managed without reference to a benchmark. Despite, the Target Fund aims to provide a positive return over a rolling 3-year period.

What is the Fund distribution policy?

Depending on the level of income (if any) the Fund aims to distribute part or all of its distributable income on a quarterly basis.

What was the net income distribution for the financial year ended 30 November 2024?

There was no distribution made during the financial year ended 30 November 2024.

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC INCOME AND GROWTH FUND

PERFORMANCE DATA

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

	30.11.2024	30.11.2023	30.11.2022
	%	%	%
Shariah-compliant collective investment scheme	95.65	97.22	98.34
Cash and other assets	5.30	3.41	2.25
Liabilities	(0.95)	(0.63)	(0.59)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	30.11.2024	30.11.2023	30.11.2022
NAV (USD Million)			
- Class MYR	9.52	14.34	18.89
- Class SGD	0.19	0.16	0.16
- Class USD	0.31	0.21	0.16
Units in circulation (Million)			
- Class MYR	202.98	299.73	386.31
- Class SGD	1.31	1.09	1.07
- Class USD	1.63	1.08	0.81
NAV per unit (USD)			
- Class MYR	0.0469	0.0479	0.0489
- Class SGD	0.1432	0.1461	0.1493
- Class USD	0.1897	0.1935	0.1977
Highest NAV per unit (USD)			
- Class MYR	0.0549	0.0514	0.0620
- Class SGD	0.1676	0.1568	0.1892
- Class USD	0.2220	0.2077	0.2506
Lowest NAV per unit (USD)			
- Class MYR	0.0468	0.0443	0.0434
- Class SGD	0.1430	0.1354	0.1326
- Class USD	0.1893	0.1793	0.1756
Total return (%)			
- Class MYR	(6.51)	2.53	(14.52)
- Class SGD	(1.90)	(4.46)	(18.92)
- Class USD	(2.17)	(2.12)	(19.07)
Capital growth (%)			
- Class MYR	(6.51)	2.53	(14.99)
- Class SGD	(1.90)	(4.46)	(19.35)
- Class USD	(2.17)	(2.12)	(19.50)
Income distribution (%)			
- Class MYR	-	-	0.55
- Class SGD	-	-	0.54
- Class USD	-	-	0.54
Total Expense Ratio ("TER") (%) ^	1.40	0.90	0.89
Portfolio Turnover Ratio ("PTR") (times) #	1.25	0.14	0.18

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC INCOME AND GROWTH FUND

PERFORMANCE DATA (CONTINUED)

^ The Fund's TER increased from 0.90% to 1.40% during the financial year under review due to decreased in average NAV.

During the financial year under review, the Fund's PTR increased from 0.14 times to 1.25 times. The turnover reflects the Fund's investments trading activities in the target fund.

	01.12.2023 to 30.11.2024	01.12.2022 to 30.11.2023	01.12.2021 to 30.11.2022
Gross/Net distribution per unit (sen)			
Distribution on 12 April 2022			
- Class MYR	-	-	0.03
- Class SGD	-	-	0.09
- Class USD	-	-	0.12
	30.11.2024	30.11.2023	30.11.2022
	%	%	%
Annual total return			Since inception to 30.11.2021
- Class MYR	(6.51)	2.53	(14.52)
- Class SGD	(1.90)	(4.46)	(18.92)
- Class USD	(2.17)	(2.12)	(19.07)
			(1.76)

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 DECEMBER 2023 TO 30 NOVEMBER 2024)

The MSCI AC Asia ex Japan Islamic Index delivered a mixed performance during the period, reflecting the interplay of global and regional dynamics. Early 2024 saw the index rise, driven by robust gains in Taiwan, South Korea, and India. Meanwhile, China's economy showed tentative signs of recovery as the government rolled out a series of incremental stimulus measures. However, the effectiveness of these policies was questioned, as investor sentiment remained subdued due to persistent challenges in the property sector and weaker-than-expected economic data.

In the U.S the Federal Reserve (the "Fed") shifted gears from its aggressive monetary tightening in 2023 to a more data-dependent approach, with rate cuts gradually entering the picture. While this supported equities through improved sentiment and multiple expansion, earnings season proved pivotal, as mixed corporate results weighed on broader market gains. Despite the U.S. economy showing resilience earlier in the year, concerns mounted toward the latter half, with slowing consumer spending, particularly among middle and lower-income groups, and weaker corporate outlooks signalling a potential moderation in growth.

Throughout the year, Asian markets exhibited divergent trends. By mid-year, India and Taiwan maintained positive momentum, buoyed by strong technology exports and domestic consumption, while markets like South Korea and Thailand faced headwinds from weaker industrial output and capital outflows. China's property relief measures and easing credit conditions lent support to its equities, though the scale of interventions fell short of market expectations. As the year progressed, bond yields eased, aiding sentiment in risk assets, but investors remained cautious amid macroeconomic uncertainties and uneven growth trajectories across regions.

PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC INCOME AND GROWTH FUND

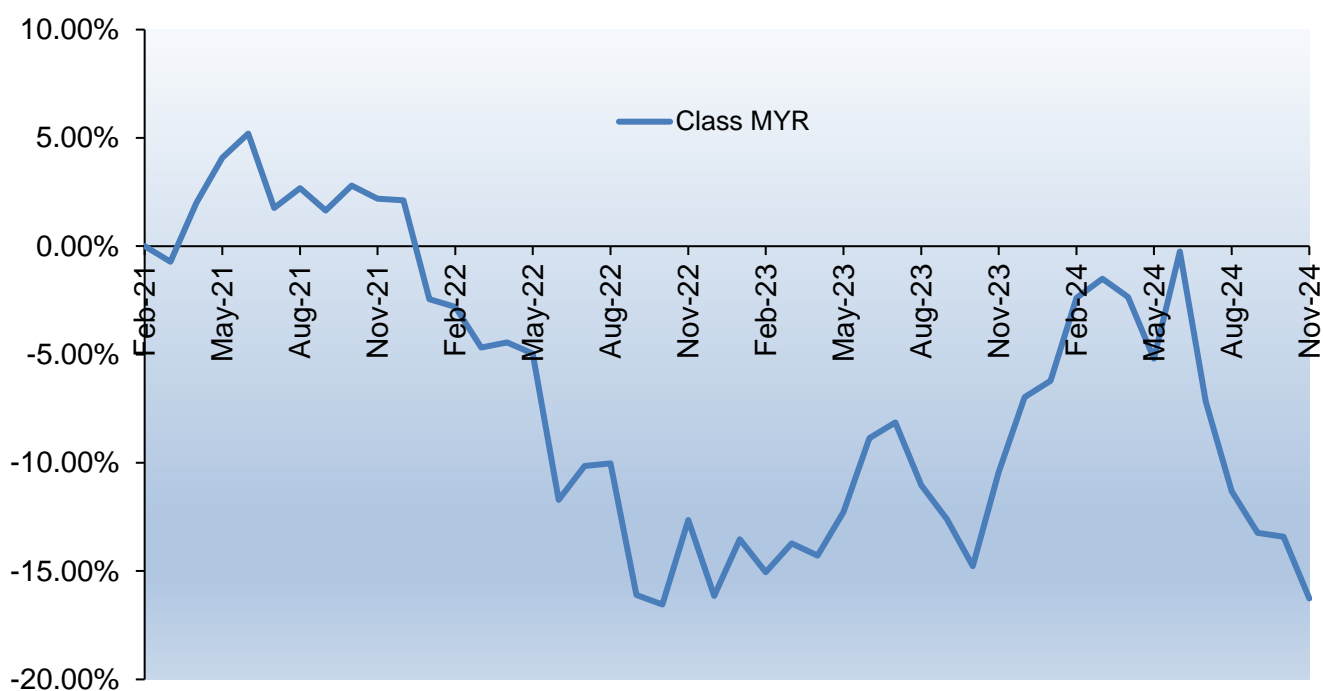
FUND PERFORMANCE

	1 year to 30.11.2024 %	3 years to 30.11.2024 %	Since inception 30.11.2024 %
Income Distribution			
- Class MYR	-	0.55	0.55
- Class SGD	-	0.54	0.54
- Class USD	-	0.54	0.54
Capital Growth			
- Class MYR	(6.51)	(18.51)	(16.72)
- Class SGD	(1.90)	(24.41)	(23.44)
- Class USD	(2.17)	(22.92)	(24.28)
Total Return			
- Class MYR	(6.51)	(18.06)	(16.26)
- Class SGD	(1.90)	(24.00)	(23.03)
- Class USD	(2.17)	(22.50)	(23.87)
Benchmark			
- Class MYR	-	-	-
- Class SGD	-	-	-
- Class USD	-	-	-
Average Total Return			
- Class MYR	(6.51)	(6.42)	(4.53)
- Class SGD	(1.90)	(8.73)	(6.61)
- Class USD	(2.17)	(8.14)	(6.88)

During the financial year under review, the Fund performance for Class MYR, Class SGD, and Class USD decreased by 6.51%, 1.90%, and 2.17% respectively. There is no benchmark for the Fund as comparison.

Since Inception

CLASS MYR

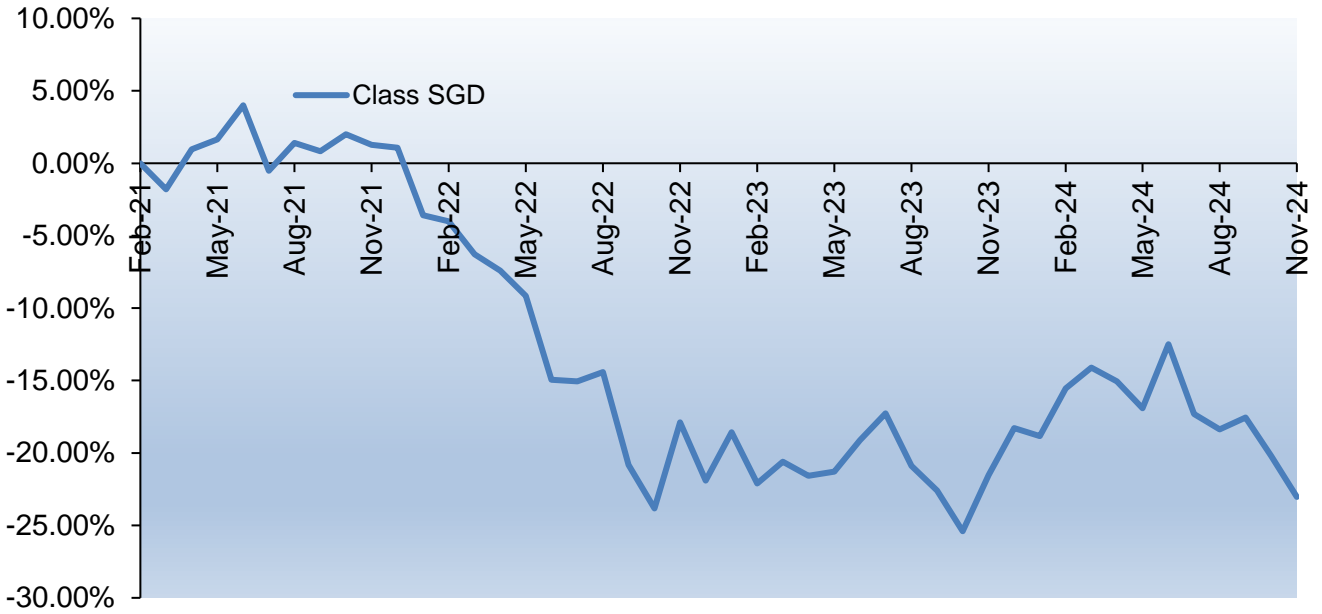


PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC INCOME AND GROWTH FUND

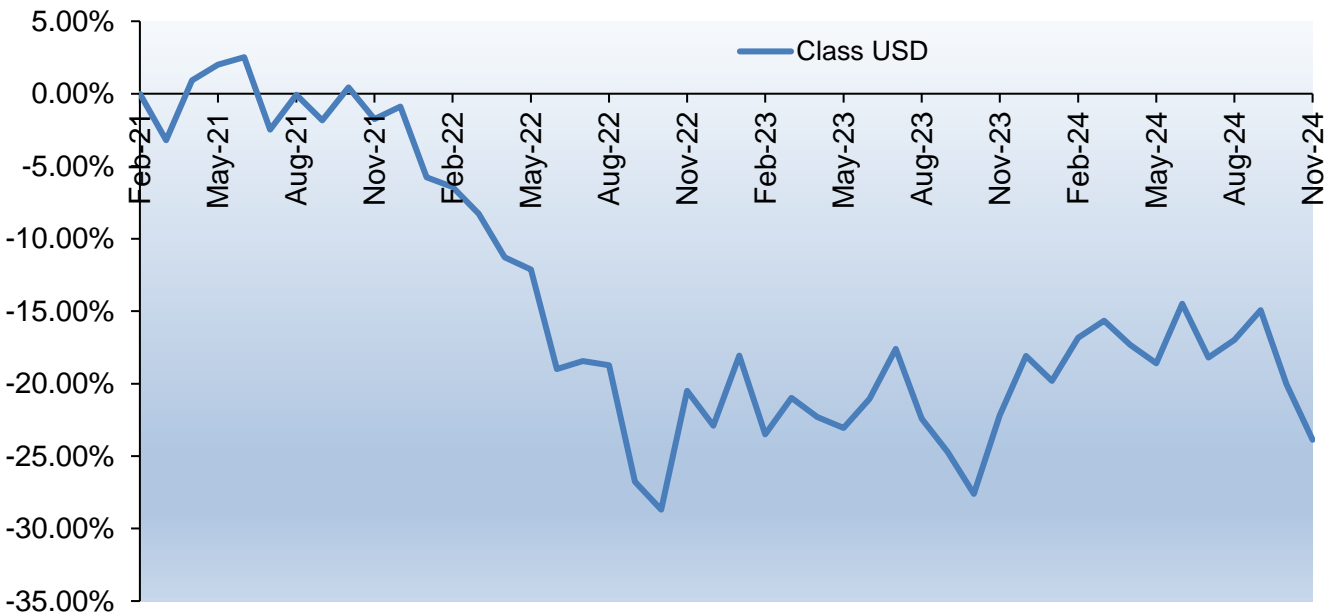
FUND PERFORMANCE (CONTINUED)

Since Inception (continued)

CLASS SGD



CLASS USD



PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC INCOME AND GROWTH FUND

FUND PERFORMANCE (CONTINUED)

Changes in NAV

	30.11.2024	30.11.2023	Changes
CLASS MYR			
			%
NAV (USD Million)	9.52	14.34	(33.61)
NAV/Unit (USD)	0.0469	0.0479	(2.09)
CLASS SGD			
NAV (USD Million)	0.19	0.16	18.75
NAV/Unit (USD)	0.1432	0.1461	(1.98)
CLASS USD			
NAV (USD Million)	0.31	0.21	47.62
NAV/Unit (USD)	0.1897	0.1935	(1.96)

During the financial year under review, the Fund's NAV for Class MYR decreased by 33.61%, while Class SGD and Class USD increased by 18.75% and 47.62%.

In addition, the NAV per unit for Class MYR, Class SGD, and Class USD decreased by 2.09%, 1.98%, and 1.96% respectively.

At the time of reporting, Class MYR has the highest total NAV, which stood at USD 9.52 million.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	30.11.2024	30.11.2023
Shariah-compliant collective investment scheme	95.65	97.22
Cash and other assets	5.30	3.41
Liabilities	(0.95)	(0.63)
Total	100.00	100.00

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

PORTFOLIO STRUCTURE (CONTINUED)

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

	% of NAV
Top 10 holdings*	30.11.2024
Samsung Electronics Co Ltd	8.40
Reliance Industries Ltd	8.10
Taiwan Semiconductor Manufacturing	5.40
BHP Group Ltd	4.60
Tenaga Nasional Berhad	3.90
SK Hynix Inc	3.50
Goodman Group	3.50
Singapore Telecommunications	3.30
Hongkong Land Holdings Ltd	3.10
Alibaba Group Holding Ltd	3.00

	% of NAV
Top 10 holdings*	30.11.2023
Samsung Electronics Co Ltd	9.20
Taiwan Semiconductor Manufacturing	8.30
BHP Group Ltd	5.80
SK Hynix Inc	5.70
Reliance Industries Ltd	5.20
Tencent Holdings Ltd	2.80
L'Oreal	2.70
UltraTech Cement Ltd	2.50
Titan Co Ltd	2.40
Advanced Info Service PCL - NVDR	2.40

* As per disclosed in Fund Fact Sheet.

MARKET OUTLOOK*

China's economic recovery will remain a critical driver, with the effectiveness of ongoing policy support and stimulus measures under close scrutiny. While targeted interventions in the property sector and infrastructure spending are expected to provide some stability, challenges such as subdued consumer confidence and external trade pressures could limit the pace of recovery. Meanwhile, export-oriented markets, may face headwinds from softening global demand, though the technology sector's cyclical.

The broader region is set to benefit from a more stable interest rate environment as global central banks, including the Fed, pivot towards monetary easing. This could enhance liquidity and drive portfolio inflows, particularly into markets with compelling growth stories and attractive valuations. However, geopolitical tensions, commodity price volatility, and inflationary risks remain key challenges that could disrupt market sentiment.

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

INVESTMENT STRATEGY

The Fund will continue to remain fully invested in the Target Fund with minimal cash kept for liquidity purposes.

SOFT COMMISSIONS AND REBATES

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

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

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

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIR OF THE FUND

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

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

There were no circumstances that had materially affected the 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.

UNIT SPLIT

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC INCOME AND GROWTH FUND**

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 8 to 31 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 November 2024 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”) Accounting Standards and International Financial Reporting Standards (“IFRS”) Accounting Standards.

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN

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

UDAY JAYARAM

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

Kuala Lumpur
16 January 2025

TRUSTEE'S REPORT

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

We have acted as Trustee of the Fund for the financial year ended 30 November 2024 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.

For HSBC (Malaysia) Trustee Berhad

Lee Cincee
Senior Manager, Trustee and Fiduciary Services

Kuala Lumpur
16 January 2025

SHARIAH ADVISER'S REPORT

**To the Unit Holders of Principal Islamic Asia Pacific Dynamic Income and Growth Fund
(the "Fund")**

For the Financial Year ended 30 November 2024

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 year 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 pertaining to Shariah matters; and
2. The assets of the Fund comprise instruments that have been classified as Shariah-compliant.

For **Amanie Advisors Sdn Bhd**

Tan Sri Dr Mohd Daud Bakar
Executive Chairman

Kuala Lumpur
16 January 2025

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Principal Islamic Asia Pacific Dynamic Income and Growth Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 30 November 2024, 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 material accounting policy information, as set out on pages 8 to 31.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 November 2024, and of its financial performance and cash flows for the financial year then ended in accordance with MFRS Accounting Standards and IFRS Accounting 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 INCOME AND GROWTH FUND (CONT'D.)**

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager and the Trustee for the financial statements

The Manager is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with MFRS Accounting Standards and IFRS Accounting 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 INCOME AND GROWTH 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 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.
- 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 INCOME AND GROWTH FUND (CONT'D.)**

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

Other matters

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

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

Yeo Beng Yean
No. 03013/10/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
16 January 2025

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024**

	Note	2024 USD	2023 USD
INCOME/(LOSS)			
Dividend Income		37,241	145,591
Net gain/(loss) on financial assets at fair value through profit or loss	7	278,237	(155,092)
Net (loss)/gain on foreign exchange		<u>(3,642)</u>	<u>6,860</u>
		<u>311,836</u>	<u>(2,641)</u>
EXPENSES			
Management fee	4	231,116	305,051
Trustee fee	5	3,852	6,281
Audit fee		2,074	2,271
Tax agent's fee		1,026	1,499
Other expenses		<u>3,677</u>	<u>2,532</u>
		<u>241,745</u>	<u>317,634</u>
PROFIT/(LOSS) BEFORE TAXATION		70,091	(320,275)
Taxation	6	<u>8,572</u>	<u>(34,685)</u>
PROFIT/(LOSS) AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		<u><u>78,663</u></u>	<u><u>(354,960)</u></u>
Profit/(Loss) after taxation is made up as follows:			
Realised amount		(2,942,381)	(1,223,630)
Unrealised amount		<u>3,021,044</u>	<u>868,670</u>
		<u><u>78,663</u></u>	<u><u>(354,960)</u></u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2024**

	Note	2024 USD	2023 USD
ASSETS			
Cash and cash equivalents	8	87,478	157,600
Financial assets at fair value through profit or loss (Shariah-compliant)	7	9,589,803	14,304,155
Amount due from dealer		37,877	-
Amount due from Manager		2,578	4,527
Amount due from the Manager of Shariah-compliant collective investment scheme			
- Management fee rebate		322,688	299,882
- Sales of Shariah-compliant collective investment		55,000	40,000
Tax recoverable		23,551	-
TOTAL ASSETS		<u>10,118,975</u>	<u>14,806,164</u>
LIABILITIES			
Amount due to dealer		38,000	-
Amount due to Manager		37,464	63,238
Accrued management fee		15,178	21,595
Amount due to Trustee		253	360
Tax payable		-	3,357
Other payables and accruals		4,824	4,706
TOTAL LIABILITIES		<u>95,719</u>	<u>93,256</u>
NET ASSET VALUE OF THE FUND		<u>10,023,256</u>	<u>14,712,908</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>10,023,256</u>	<u>14,712,908</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- Class MYR		9,527,304	14,344,433
- Class SGD		187,587	158,539
- Class USD		308,365	209,936
		<u>10,023,256</u>	<u>14,712,908</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class MYR		202,985,315	299,731,206
- Class SGD		1,309,386	1,085,102
- Class USD		1,625,196	1,084,949
	9	<u>205,919,897</u>	<u>301,901,257</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2024 (CONTINUED)**

	Note	2024 USD	2023 USD
NET ASSET VALUE PER UNIT (USD)			
- Class MYR		0.0469	0.0479
- Class SGD		0.1432	0.1461
- Class USD		<u>0.1897</u>	<u>0.1935</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- Class MYR		MYR0.2084	MYR0.2230
- Class SGD		SGD0.1918	SGD0.1951
- Class USD		<u>USD0.1897</u>	<u>USD0.1935</u>

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024**

	2024	2023
	USD	USD
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>14,712,908</u>	<u>19,214,006</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class MYR	1,716,442	1,805,251
- Class SGD	102,830	2,828
- Class USD	<u>379,404</u>	<u>53,563</u>
	<u>2,198,676</u>	<u>1,861,642</u>
Cancellation of units		
- Class MYR	(6,619,180)	(6,006,223)
- Class SGD	(69,363)	(935)
- Class USD	<u>(278,448)</u>	<u>(622)</u>
	<u>(6,966,991)</u>	<u>(6,007,780)</u>
Total comprehensive income/(loss) for the financial year	<u>78,663</u>	<u>(354,960)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	<u><u>10,023,256</u></u>	<u><u>14,712,908</u></u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024**

	Note	2024 USD	2023 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of Shariah-compliant collective investment scheme		18,475,509	4,535,000
Purchase of Shariah-compliant collective investment scheme		(13,560,509)	(305,000)
Dividends income received		37,241	145,591
Management fee paid		(237,533)	(310,975)
Management fee rebate received		39,782	81,008
Trustee fee paid		(3,959)	(6,532)
Tax paid		(18,336)	(40,442)
Payments for other fees and expenses		(6,659)	(6,644)
Net realised gain on forward foreign currency contracts		123	-
Payments of other foreign exchange loss		(5,011)	(974)
Net cash generated from operating activities		<u>4,720,648</u>	<u>4,091,032</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from units created		2,200,626	1,864,960
Payments for cancellation of units		(6,992,765)	(6,014,522)
Net cash used in from financing activities		<u>(4,792,139)</u>	<u>(4,149,562)</u>
Net decrease in cash and cash equivalents		(71,491)	(58,530)
Effects of foreign exchange differences		1,369	7,834
Cash and cash equivalents at the beginning of the financial year		157,600	208,296
Cash and cash equivalents at the end of the financial year	8	<u>87,478</u>	<u>157,600</u>
<u>Cash and cash equivalents comprised:</u>			
Bank balances		87,478	157,600
Cash and cash equivalents at the end of the financial year	8	<u>87,478</u>	<u>157,600</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 NOVEMBER 2024**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal Islamic Asia Pacific Dynamic Income and Growth Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 21 August 2020 and a First Supplemental Deed dated 23 December 2022 between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund is a feeder fund that invests into a single Islamic collective investment scheme, i.e. Islamic Asia Pacific Dynamic Income and Growth Fund (“Target Fund”). The Fund may also invest in Islamic Deposits for liquidity purposes.

In order to achieve its objective, the Fund will invest at least 95% of its NAV in the Target Fund; a fund established on 19 October 2020 under Principal Islamic Asset Management (Ireland) plc. The Fund may also maintain up to 5% of its NAV in Islamic Deposits for liquidity purposes.

Information on the Target Fund

Company : Principal Islamic Asset Management (Ireland) PLC
Investment Manager : Principal Islamic Asset Management Sdn Bhd
Sub-Investment Adviser : Principal Asset Management (S) Pte Ltd
Regulatory authority : Central Bank of Ireland

All investments are subjected to the Guidelines on Unit Trust Funds (“GUTF”), 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. MATERIAL ACCOUNTING POLICY INFORMATION

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 Accounting Standards as issued by the Malaysian Accounting Standards Board (“MASB”) and IFRS Accounting Standards 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 Accounting Standards and IFRS Accounting Standards 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 assumptions are based on the Manager’s best knowledge of current events and actions, actual results may differ.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Basis of preparation (continued)

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

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

There are no new applicable standards, amendments to standards or interpretations that are effective for financial year beginning on/after 1 December 2024 that are applicable to the financial statements of the Fund.

(b) Financial assets and financial liabilities

Classification

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

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

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

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

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

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

All of the Fund's financial liabilities 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. Investments are initially recognised at fair value.

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Recognition and measurement (continued)

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

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.

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

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

Impairment for assets carried at amortised costs

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Write-off (continued)

The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial year.

(c) Income recognition

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

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

(d) Cash and cash equivalents

For the purpose of statement of cash flow, cash and cash equivalent comprise bank balances which are subject to an insignificant risk of changes in value.

(e) Distribution

Distributions to unit holders are recognised in the statement of comprehensive income as the unit holders' contribution are classified as financial liability. Distribution is reinvested into the Fund on the ex-date. Reinvestment of units is based on the NAV per unit on the ex-date, which is also the time of creation. Proposed distributions are recognised as a liability in the financial year in which it is approved by the Trustee.

(f) 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 income from foreign Shariah-compliant quoted securities are based on the tax regime of the respective countries that the Fund invests in.

Pursuant to Finance Act 2021, foreign-sourced income received in Malaysia will be taxed at prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met. Following the announcement by the Honorable Finance Minister II, tax on foreign-sourced income will be exempted for the period from 1 January 2024 until 31 December 2026.

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

(g) Management fee rebate

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(h) 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 United States Dollar (“USD”), which is the Fund’s functional and presentation currency.

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

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

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

Transactions and balances

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

(i) Unit holders’ contributions

The unit holders’ contributions to the Fund meet the definition of puttable instruments classified as financial liability under MFRS 132 “Financial Instruments: Presentation”.

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(j) Derivative financial instruments

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

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

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

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

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

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

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

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

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

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

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

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

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund were as follows:

	Financial assets at fair value through profit or loss USD	Financial assets at amortised cost USD	Total USD
2024			
Cash and cash equivalents (Note 8)	-	87,478	87,478
Shariah-compliant collective investment scheme (Note 7)	9,589,803	-	9,589,803
Amount due from Dealer	-	37,877	37,877
Amount due from Manager	-	2,578	2,578
Amount due from Manager of Shariah-compliant collective investment scheme			
- Management fee rebate	-	322,688	322,688
- Sales of Shariah-compliant collective investment scheme	-	55,000	55,000
	<u>9,589,803</u>	<u>505,621</u>	<u>10,095,424</u>
2023			
Cash and cash equivalents (Note 8)	-	157,600	157,600
Shariah-compliant collective investment scheme (Note 7)	14,304,155	-	14,304,155
Amount due from Manager	-	4,527	4,527
Amount due from Manager of Shariah-compliant collective investment scheme			
- Management fee rebate	-	299,882	299,882
- Sales of Shariah-compliant collective investment scheme	-	40,000	40,000
	<u>14,304,155</u>	<u>502,009</u>	<u>14,806,164</u>

All current liabilities are financial liabilities which are carried at amortised cost.

The Fund aims to provide capital growth over the medium to long term and to provide regular income through investment in one Islamic collective investment scheme, which invests primarily in the Asia Pacific ex Japan region.

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

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

(a) Market risk

(i) Price risk

Price risk is the risk that the fair value of an investment in collective investment scheme will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk). The value of collective investment scheme may fluctuate according to the activities of individual companies, sector and overall political and economic conditions.

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

(a) Market risk (continued)

(i) Price risk (continued)

Such fluctuation may cause the Fund's NAV and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.

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

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

	2024	2023
	USD	USD
Financial assets at fair value through profit or loss:		
- Shariah-compliant collective investment scheme	<u>9,589,803</u>	<u>14,304,155</u>

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

% Change in price of Shariah-compliant collective investment scheme	Market value USD	Impact on profit or loss/NAV USD
2024		
-5%	9,110,313	(479,490)
0%	9,589,803	-
5%	<u>10,069,293</u>	<u>479,490</u>
2023		
-5%	13,588,947	(715,208)
0%	14,304,155	-
5%	<u>15,019,363</u>	<u>715,208</u>

(ii) Currency risk

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

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

(a) Market risk (continued)

(ii) Currency risk (continued)

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

Financial assets	Cash and cash equivalents USD	Amount due from Dealer USD	Amount due from Manager USD	Total USD
2024				
MYR	5,865	37,877	2,578	46,320
SGD	909	-	-	909
	<u>6,774</u>	<u>37,877</u>	<u>2,578</u>	<u>47,229</u>
2023				
MYR	25,126	4,527	-	29,653
SGD	2,606	-	-	2,606
	<u>27,732</u>	<u>4,527</u>	<u>-</u>	<u>32,259</u>

Financial liabilities	Amount due to Manager USD	Net assets attributable to unit holders USD	Total USD
2024			
MYR	37,464	9,529,833	9,567,297
SGD	-	187,637	187,637
	<u>37,464</u>	<u>9,717,470</u>	<u>9,754,934</u>
2023			
MYR	63,238	14,344,433	14,407,671
SGD	-	158,539	158,539
	<u>63,238</u>	<u>14,502,972</u>	<u>14,566,210</u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes in foreign exchange rate movements at the end of the reporting year. The analysis is based on the assumption that the foreign exchange rate fluctuated 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.

	Change in foreign exchange rate	Impact on profit or loss/NAV	
		2024 USD	2023 USD
	%		
MYR	+/-5	-/+480,681	-/+718,901
SGD	+/-5	-/+9,427	-/+7,797
		<u>490,108</u>	<u>726,698</u>

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

(b) Credit risk

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

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

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

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

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

	Cash and cash equivalents USD	Amount due from Dealer USD	Amount due from Manager USD	Amount due from Manager of Shariah-compliant collective investment scheme - Management fee rebate USD	Amount due from Manager of Shariah-compliant collective investment scheme - Sales of Shariah-compliant collective investment scheme USD	Total USD
2024						
- AAA	87,478	-	-	-	-	87,478
- Not rated	-	37,877	2,578	322,688	55,000	418,143
	<u>87,478</u>	<u>37,877</u>	<u>2,578</u>	<u>322,688</u>	<u>55,000</u>	<u>505,621</u>
2023						
- AAA	157,600	-	-	-	-	157,600
- Not rated	-	-	4,527	299,882	40,000	344,409
	<u>157,600</u>	<u>-</u>	<u>4,527</u>	<u>299,882</u>	<u>40,000</u>	<u>502,009</u>

(c) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations.

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

(c) Liquidity risk (continued)

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances and other instruments, which are capable of being converted into cash within 7 business days. The Fund's investments in Shariah-compliant collective investment scheme are realisable which are capable of being converted into cash within 10 business days. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining year on 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 USD	Between 1 month to 1 year USD	Total USD
2024			
Amount due to dealer	38,000	-	38,000
Amount due to Manager	37,464	-	37,464
Accrued management fee	15,178	-	15,178
Amount due to Trustee	253	-	253
Other payables and accruals	-	4,824	4,824
Net assets attributable to unit holders*	<u>10,023,256</u>	<u>-</u>	<u>10,023,256</u>
Contractual undiscounted cash flows	<u>10,114,151</u>	<u>4,824</u>	<u>10,118,975</u>
2023			
Amount due to Manager	63,238	-	63,238
Accrued management fee	21,595	-	21,595
Amount due to Trustee	360	-	360
Other payables and accruals	-	4,706	4,706
Net assets attributable to unit holders*	<u>14,712,908</u>	<u>-</u>	<u>14,712,908</u>
Contractual undiscounted cash flows	<u>14,798,101</u>	<u>4,706</u>	<u>14,802,807</u>

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

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders of USD10,023,256 (2023: USD14,712,908). 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.

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

(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.

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

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

(i) Fair value hierarchy

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

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

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

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

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

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
2024				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	<u>9,589,803</u>	<u>-</u>	<u>-</u>	<u>9,589,803</u>
2023				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	<u>14,304,155</u>	<u>-</u>	<u>-</u>	<u>14,304,155</u>

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

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

- (ii) The carrying values of cash and cash equivalents, amount due from dealer, amount due from Manager, amount due from Manager of Shariah-compliant collective investment scheme - management fee rebate and amount due from Manager of Shariah-compliant collective investment scheme - sales of Shariah-compliant collective investment scheme and all other 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 3.00% per annum for each class, calculated daily based on the NAV of the Fund.

For the financial year ended 30 November 2024, the management fee is recognised at the following rates (2023: 1.80% per annum).

Class MYR	Class SGD	Class USD
1.80%	1.80%	1.80%

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

5. TRUSTEE FEE

In accordance with the Deeds, the Trustee is entitled to a fee up to 0.08% per annum, calculated daily based on the NAV of the Fund. The Trustee fee includes local custodian fees and charges but excludes foreign sub-custodian fees and charges.

For the financial year ended 30 November 2024, the Trustee fee is recognised at a rate of 0.03% per annum, calculated daily on the NAV of the Fund for each class (2023: 1 December 2022 until 31 July 2023, 0.04% per annum. Effective 1 August 2023, 0.03% per annum for each class).

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

6. TAXATION

	2024	2023
	USD	USD
Tax charged for the financial year:		
-Tax on foreign source income	-	34,942
-Over provision of tax in the prior year	<u>(8,572)</u>	<u>(257)</u>
	<u><u>(8,572)</u></u>	<u><u>34,685</u></u>

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

	2024	2023
	USD	USD
Profit/(Loss) before taxation	<u>70,091</u>	<u>(320,275)</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	16,822	(76,866)
Tax effects of:		
- Investment income not subject to tax/(loss not deductible for tax purposes)	(74,841)	634
- Expenses not deductible for tax purposes	2,053	2,475
- Restriction on tax deductible expenses for Unit Trust Funds	55,966	73,757
Tax on foreign source income	-	34,942
Over provision of tax in the prior year	<u>(8,572)</u>	<u>(257)</u>
	<u><u>(8,572)</u></u>	<u><u>34,685</u></u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	USD	USD
At fair value through profit or loss:		
- Shariah-compliant collective investment scheme	<u>9,589,803</u>	<u>14,304,155</u>
	2024	2023
	USD	USD
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised loss on disposal	(2,804,023)	(1,181,341)
- Unrealised fair value gain	3,019,672	860,836
- Management fee rebate #	<u>62,588</u>	<u>165,413</u>
	<u>278,237</u>	<u>(155,092)</u>

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

For the financial year ended 30 November 2024, management fee rebate is recognised at a rate of 1.00% per annum (2023: 1.00% per annum) calculated and accrued daily based on the NAV of the Shariah-compliant collective investment scheme.

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2024				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME				
Islamic Asia Pacific Dynamic and Income Growth Fund	<u>1,245,429</u>	<u>10,370,581</u>	<u>9,589,803</u>	<u>95.65</u>
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEME	<u>1,245,429</u>	<u>10,370,581</u>	<u>9,589,803</u>	<u>95.65</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(780,778)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>9,589,803</u>		

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2023				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME				
Islamic Asia Pacific Dynamic and Income Growth Fund	1,838,580	18,104,605	14,304,155	97.22
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEME	1,838,580	18,104,605	14,304,155	97.22
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		(3,800,450)		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		14,304,155		

8. CASH AND CASH EQUIVALENTS

	2024	2023
	USD	USD
Bank balances	87,478	157,600

9. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2024	2023
	No. of units	No. of units
Class MYR (i)	202,985,315	299,731,206
Class SGD (ii)	1,309,386	1,085,102
Class USD (iii)	1,625,196	1,084,949
	<u>205,919,897</u>	<u>301,901,257</u>

(i) Class MYR

At the beginning of the financial year	299,731,206	386,309,445
Add : Creation of units from applications	34,147,589	37,760,531
Less : Cancellation of units	<u>(130,893,480)</u>	<u>(124,338,770)</u>
At the end of the financial year	<u>202,985,315</u>	<u>299,731,206</u>

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

(ii) Class SGD

	2024	2023
	No. of units	No. of units
At the beginning of the financial year	1,085,102	1,072,391
Add : Creation of units from applications	663,767	19,126
Less : Cancellation of units	(439,483)	(6,415)
At the end of the financial year	<u>1,309,386</u>	<u>1,085,102</u>

(iii) Class USD

At the beginning of the financial year	1,084,949	810,967
Add : Creation of units from applications	1,875,990	277,197
Less : Cancellation of units	(1,335,743)	(3,215)
At the end of the financial year	<u>1,625,196</u>	<u>1,084,949</u>

10. TOTAL EXPENSE RATIO (“TER”)

	2024	2023
	%	%
TER	<u>1.40</u>	<u>0.90</u>

TER is derived from the following calculation:

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

A	=	Management fee (exclude management fee rebate)
B	=	Trustee fee
C	=	Audit fee
D	=	Tax agent’s fee
E	=	Other expenses
F	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year ended 30 November 2024 calculated on a daily basis is USD12,835,700 (2023: USD16,955,098).

11. PORTFOLIO TURNOVER RATIO (“PTR”)

	2024	2023
PTR (times)	<u>1.25</u>	<u>0.14</u>

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 = USD13,560,509 (2023: USD305,000)
 total disposal for the financial year = USD18,490,509 (2023: USD4,575,000)

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

The related parties and their relationship with the Fund were 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
Principal Islamic Asset Management (Ireland) Plc	Manager of Target Fund
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the Manager

Units held by the Manager and parties related to the Manager

	<u>2024</u>		<u>2023</u>
	<u>No. of units</u>	<u>USD</u>	<u>No. of units</u>
Manager			<u>USD</u>
Principal Asset Management Berhad			
- Class MYR	11,721	549	6,098
- Class SGD	0 *	0 *	0 *
- Class USD	56	11	56

* Denotes amount less than USD 1

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.

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

	2024 USD	2023 USD
<u>Significant related party transaction</u>		
Principal Islamic Asset Management (Ireland) Plc - Management fee rebate	<u>62,588</u>	<u>165,413</u>
<u>Significant related party balance</u>		
Principal Islamic Asset Management (Ireland) Plc Amount due from Manager of Shariah-compliant collective investment scheme:		
- Management fee rebate	<u>322,688</u>	<u>299,882</u>
- Sales of Shariah-compliant collective investment scheme	<u>55,000</u>	<u>40,000</u>
Shariah-compliant collective investment scheme managed by Principal Islamic Asset Management (Ireland) Plc:		
- Islamic Asia Pacific Dynamic Income and Growth Fund	<u>9,589,803</u>	<u>14,304,155</u>

Other than those disclosed elsewhere in the financial statements, there were no significant related party transactions and balances during the financial year.

13. TRANSACTIONS WITH BROKER/DEALER

Details of transactions with the broker for the financial year ended 30 November 2024 were as follows:

Broker/Dealer	Value of trades USD	Percentage of total trades %
BNY Mellon Fund Services (Ireland) Ltd	<u>32,051,018</u>	<u>100.00</u>
	<u>32,051,018</u>	<u>100.00</u>

Details of transactions with the broker for the financial year ended 30 November 2023 were as follows:

Broker/Dealer	Value of trades USD	Percentage of total trades %
BNY Mellon Fund Services (Ireland) Ltd	<u>4,880,000</u>	<u>100.00</u>
	<u>4,880,000</u>	<u>100.00</u>

14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 16 January 2025.

DIRECTORY

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