

Principal Malaysia Titans Plus Fund

(formerly known as CIMB-Principal Malaysia
Equity Fund)

Annual Report

For the Financial Year Ended 31 October 2020

PRINCIPAL MALAYSIA TITANS PLUS FUND
(formerly known as CIMB-Principal Malaysia Equity Fund)

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2020

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INVESTORS' LETTER

Dear Valued Investor,

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

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

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

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

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

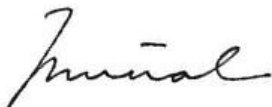
- **Conservative investors, we recommend:** Malaysia focus bond funds and regional balanced funds that are income focussed.
- **More aggressive investors, we recommend:** Growth-oriented funds that offer exposure to growth areas in China, Asia-Pacific, ASEAN, Global Technology and Malaysian aggressive funds.

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

Please be informed that effective 23 December 2019, the Fund has been renamed as Principal Malaysia Malaysia Titans Plus Fund following the issuance of the Replacement Master Prospectus Issue No.M4.

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 investment objective of the Fund is to achieve maximum capital appreciation over the long-term through all types of investments.

Has the Fund achieved its objective?

For the financial year under review, the Fund registered a loss of -5.04%, while the benchmark registered a loss of -6.15%. The Fund has not achieved its objective of capital growth during the financial year under review due to unfavourable macro environment. Nevertheless, the Fund's objective of providing capital over the medium to long-term is still in place.

What are the Fund investment policy and principal investment strategy?

The Fund may invest at least 70% of its Net Asset Value ("NAV") in equities and up to 28% of the Fund's NAV in other permissible investments. In line with its objective, the investment policy and strategy of the Fund will focus on investment in shares of companies with growth potential. Generally, the Fund will invest primarily in large capitalization companies listed on the main market of Bursa Malaysia. The Fund may also invest in 'Access, Certainty, Efficiency' ("ACE") market to provide better return.

The asset allocation strategy for this Fund is as follows:

- at least 70% of the Fund's NAV will be invested in equities;
- up to 28% of the Fund's NAV may be invested in other permissible investments; and
- at least 2% of the Fund's NAV in liquid assets.

Fund category/type

Equity/Aggressive Growth

When was the Fund launched?

Name of Class	Launch Date
Class MYR	28 September 1995
Class SGD	18 February 2016

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

RM182.45 million (222.43 million units)

What is the Fund's benchmark?

Financial Times Stock Exchange ("FTSE") Bursa Malaysia ("FBM") Top 100 ("FBM100") Index.

Note: Investors should note that the risk profile of the Fund is not the same as the risk profile of the benchmark.

What is the Fund distribution policy?

The Manager has the discretion to distribute part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.

What was the net income distribution for the financial year ended 31 October 2020?

The Fund distributed a total net income of RM9.49 million to unit holders for the financial year ended 31 October 2020.

Date	NAV per unit (Before distribution) RM	NAV per unit (After distribution) RM
21.10.2020		
Class MYR	0.8785	0.8337
Class SGD	2.7713	2.6299

PRINCIPAL MALAYSIA TITANS PLUS FUND
(formerly known as *CIMB-Principal Malaysia Equity Fund*)

PERFORMANCE DATA

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

	31.10.2020	31.10.2019	31.10.2018
	%	%	%
Quoted securities			
- Construction	1.62	1.21	0.69
- Consumer Products & Services	8.32	11.37	10.63
- Energy	6.22	7.75	5.71
- Financial Services	21.17	25.23	24.99
- Health Care	18.12	3.72	1.06
- Industrial Products & Services	7.94	3.35	9.03
- Plantation	9.35	9.27	7.89
- Property	-	0.98	0.24
- Real Estate Investment Trusts ("REITs")	2.79	5.59	-
- Technology	4.26	5.29	5.35
- Telecommunications & Media	4.87	7.62	3.59
- Transportation & Logistics	5.17	4.67	6.83
- Utilities	6.62	7.19	8.14
Cash and other net assets	3.55	6.76	15.85
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	31.10.2020	31.10.2019	31.10.2018
NAV (RM Million)			
- Class MYR	181.97	212.34	227.13
- Class SGD	0.48	5.23	3.32
Units in circulation (Million)			
- Class MYR	222.24	233.71	230.81
- Class SGD	0.19	1.82	1.07
NAV per unit (RM)			
- Class MYR	0.8187	0.9085	0.9840
- Class SGD	2.5828	2.8648	3.1021
Highest NAV per unit (RM)			
- Class MYR	0.9317	1.0048	1.2435
- Class SGD	2.9393	3.1685	3.5037
Lowest NAV per unit (RM)			
- Class MYR	0.6968	0.9009	0.9701
- Class SGD	2.1974	2.8409	3.0582
Total return (%)			
- Class MYR	(5.04)	(0.27)	(4.07)
- Class SGD	(4.21)	(0.20)	(4.10)
- Capital growth (%)			
- Class MYR	(5.03)	(7.67)	(20.83)
- Class SGD	(4.11)	(7.77)	(4.32)
- Income distribution (%)			
- Class MYR	5.37	8.03	21.19
- Class SGD	5.38	8.03	0.22

PRINCIPAL MALAYSIA TITANS PLUS FUND
(formerly known as CIMB-Principal Malaysia Equity Fund)

PERFORMANCE DATA (CONTINUED)

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

	31.10.2020	31.10.2019	31.10.2018
Management Expense Ratio ("MER") (%) ^	1.58	1.56	1.63
Portfolio Turnover Ratio ("PTR") (times) #	0.89	0.83	1.01

^ The Fund's MER increased from 1.58% to 1.60% due to lower average NAV during the financial year under review.

The Fund's PTR was increased from 0.83 times to 0.89 times for the financial year under review due to lower average NAV.

	31.10.2020	31.10.2019	31.10.2018
Gross/Net distribution per unit (sen)			
Distribution on 21 October 2020			
- Class MYR	4.48	-	-
- Class SGD	14.14	-	-
Distribution on 23 October 2019			
- Class MYR	-	7.25	-
- Class SGD	-	22.86	-
Distribution on 26 October 2018			
- Class MYR	-	-	10.50
- Class SGD	-	-	1.00

	31.10.2020	31.10.2019	31.10.2018	31.10.2017	31.10.2016
	%	%	%	%	%
Annual total return					
- Class MYR	(5.04)	(0.27)	(4.07)	7.41	2.60

(Launch date: 28 September 1995)

	31.10.2020	31.10.2019	31.10.2018	Since inception to 31.10.2017
	%	%	%	%
Annual total return				
- Class SGD	(4.21)	(0.20)	(4.10)	9.28

(Launch date: 18 February 2016)

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 NOVEMBER 2019 TO 31 OCTOBER 2020)

For the financial year under review, the FBM100 Index declined by 6.15% from 11,116.08 points to 10,432.63 points.

Risk appetite returned in the beginning of the financial year on the back of easing US-China trade war concern, and the Federal Reserve's (the "Fed") further monetary easing. In addition, financial results from companies related to 5G, Internet-of-Things and oil and gas are showing signs of recoveries.

However, the rally was short-lived towards the end of November due to persisting concerns on U.S.-China trade deal and ongoing civil unrest in Hong Kong. Furthermore, Malaysia along with other The Association of South East Asian Nations ("ASEAN") markets were facing fund outflows in November 2019 due to MSCI rebalancing as the weightage for ASEAN was reduced to accommodate higher weighting for China and Saudi Arabia.

In December 2019, FBM100 Index found a footing and gained 1.88% as the continued surge in crude palm oil ("CPO") prices led to a 9.4% surge in the plantation index. Besides this, market sentiment was also buoyed by the Phase 1 trade deal between US and China. The optimism in the market did not last as equities slumped and bonds rallied on heightened concerns that the spread of the coronavirus ("COVID-19") virus will slam global economic growth.

Subsequently, Bank Negara Malaysia ("BNM") has surprised the market in January by cutting the Overnight Policy Rate ("OPR") by 25 basis points ("bps") to 2.75% as the Central Bank took pre-emptive measure to support the economic growth trajectory amid benign inflationary pressure and still uncertain geopolitical tensions and policy uncertainties in a number of countries

Malaysian market along with FBM100 Index continued to descend amid concerns over uncertainty in domestic politics, COVID-19 outbreak and the poor set of lacklustre corporate results. Political uncertainty engulfed Malaysia again following the shocked resignation of Tun Dr Mahathir as Prime Minister after losing a majority support in the parliament. However, the uncertainty of not having a functioning Federal Government was short-lived as the King has appointed Tan Sri Muhyiddin Yasin as the 8th Prime Minister after determining that the latter is likely to get a majority support in the parliament. In his last act as interim prime minister, Tun Dr Mahathir unveiled a Malaysian Ringgit ("MYR") 20 billion stimulus package to mitigate the adverse economic impact from the COVID-19 outbreak. He furthered lower Malaysia Gross Domestic Product ("GDP") growth forecast in 2020 from 4.8% to 3.2% to 4.2% while raising the fiscal deficit target from 3.2% to 3.4%.

FBM100 Index declined 11.01% in March 2020 as concerns over the COVID-19 outbreak intensified which was further exacerbated by the sharp 47% fall in Brent crude oil price following the breakdown in talks between Saudi Arabia and Russia to extend the Organization of the Petroleum Exporting Countries ("OPEC") production cut agreement. The Malaysian Government has enforced an initial 2-week movement control order ("MCO") since 18 March 2020 which was extended until 14 April 2020 as the number of new COVID-19 infections spiked. To mitigate the economic impact of COVID-19 and MCO, a MYR250 billion stimulus package was announced with the primary focus of (i) sustaining private consumption and confidence, (ii) preserving the viability and continuity of domestic business entities; and (iii) strengthening the domestic economy. Furthermore, on the backdrop of a disappointing fourth quarter of 2019 GDP growth of 3.6% (versus 4.1% street expectation) and a weaker Purchasing Managers' Index ("PMI") reading of 48.5 in February 2020, BNM has followed through with its second interest rate cut this year as it lowers the OPR by 25 bps to 2.50% in its March's Monetary Policy Committee ("MPC") meeting. The central bank continues to take pre-emptive measure to support the economic growth trajectory amid slower growth outlook due to the COVID-19 outbreak and weak commodity markets.

Subsequently, a liquidity driven relief rally lifted the FBM100 Index by 5.57% in April 2020 led mainly by technology stocks. The sharp turnaround in investors' sentiment was driven by coordinated fiscal and monetary responses globally following the COVID-19 outbreak which led to a sharp recession as economic activities came to a halt.

MARKET REVIEW (1 NOVEMBER 2019 TO 31 OCTOBER 2020) (CONTINUED)

The rally continued in May 2020 driven mainly by glove and technology stocks. The former was due to rising average selling price amid tight global supply of medical gloves and the latter on the back of demand resiliency coming from 5G, Internet of Things and medical life-sciences. First quarter of 2020 GDP growth fell sharply to 0.7% as the impact of the global pandemic and the subsequent lockdown severely impacted macroeconomic conditions. Exports fell sharply by 7.1% due to global supply chain disruption following lockdowns. Gross fixed capital formation fell 4.6% as businesses and government curtailed investment spending given uncertain outlook. While second quarter of 2020 GDP is expected to slide further given the full impact of nationwide lockdown during the Movement Control Order (“MCO”), recovery is expected from third quarter 2020 onwards as the nation prepares to exit from lockdown. In line with other countries, expectations are rising that the government will end the MCO soon. This will set the stage for a much broader economic recovery as almost all business activities will resume although the pace of recovery will likely be gradual as social distancing practice will remain a norm for some time to come. To provide further boost to the domestic economy, the Government has announced an additional RM35 billion stimulus package on 5 June 2020 to aid the economy during its post-lockdown recovery phase. This is in addition to the RM260 billion Prihatin Rakyat Economic Stimulus Package which has been announced earlier. The central bank has also played its role in ensuring that its monetary stance remains accommodative and has cut the OPR by a further 50 bps to 2.0% in early May 2020.

Subsequently, FBM100 Index was facing some profit-taking activities after the strong surge since late March 2020 as there are concern of second wave of COVID-19 new infections after MCO is being lifted gradually. Over the course of June 2020, the government has announced further RM35 billion stimulus under National Economic Recovery Plan (“PENJANA”) which consists of RM10 billion in direct fiscal injections, RM8 billion in tax incentives and the rest via measures by public sector entities. The government also announced that it is offering up to 100% sales tax exemption for Completely Knocked Down (“CKD”) and Completely Built-Up (“CBU”) vehicles from 15 June 2020 till 31 December 2020 while property sector will be boosted by reintroduction of the Home Ownership Campaign (“HOC”), exemption of individuals’ Real Property Gain Tax (“RPGT”) and the lifting of the maximum loan-to-value ratio (“LTV”) to 70%.

In July 2020, Malaysia equity market continued to have a strong rally, outperforming its regional peers with FBM100 Index gained 8.1% month-on-month (m-o-m). The healthcare sector was again the star of the month as the continued rise in global COVID-19 new cases underpinned the spike in demand for personal protective equipment (“PPE”) including gloves. This led to a 68.0% m-o-m gain in Bursa Malaysia Healthcare Index. Besides healthcare, technology (+24.4% m-o-m) and plantation (+6.5% m-o-m) are the two other notable sectors which also contributed to the broad rally.

Nonetheless, the rally was not sustained into the month of August as market sentiment dented by subdued second quarter of 2020 corporate earnings results despite earlier expectation of severe earnings contraction due to the full impact of MCO. The earnings disappointment was further compounded by the absence of any interim dividends by the banks to preserve capital against potential losses as the end of loan moratorium loomed.

The market continued to slide in September 2020 affected by selling pressure on the Healthcare sector, due to the correction in glove stocks on vaccine development news flow, as well as the sell-down of some blue-chip stocks amid continued net outflow by foreign institutional investors. Politics was another dampener the equity market (especially for the foreign investors). Given slim majority of the current government, there was concern of snap general election may be called soon. Any potential change in government could lead to policy uncertainty, thus negatively impacting the markets in the short term.

MARKET REVIEW (1 NOVEMBER 2019 TO 31 OCTOBER 2020) (CONTINUED)

The equity market slipped for 3rd consecutive month in October 2020 since staging a strong rally in July 2020. The sharp rise in COVID-19 post Sabah state election resulted in the implementation of Conditional MCO (“CMCO”). Despite assurance that all economic sectors would be allowed to operate during the implementation of CMCO, productivity and consumer sentiment as well as spending would be affected. Politics also took the limelight in October when there was news that the Prime Minister had proposed to the King (“YDPA”) to call for a state of emergency for the country, which was later declined by the King. With threats to the economy were growing by the day, the market hoped that the Budget 2021 would provide enough economic stimulus to steer past the COVID-19 and providing enough safety net for the bottom 40% (“B40”). Warily, there would a threat that the Budget 2021 may not get enough support for approval.

FUND PERFORMANCE

Class MYR

	1 year	3 years	5 years	Since
	to 31.10.2020	to 31.10.2020	to 31.10.2020	inception
	%	%	%	to 31.10.2020
				%
Income Distribution	5.37	37.96	50.51	382.90
Capital Growth	(5.03)	(30.58)	(29.88)	(9.13)
Total Return	(5.04)	(9.15)	0.12	316.84
Benchmark	(6.15)	(14.72)	(7.32)	60.78
Average Total Return	(5.04)	(3.15)	0.02	5.85

For the financial year under review, the Fund’s Class MYR declined by 5.04%, while the benchmark declined by 6.15%. As such, the Fund outperformed its benchmark by 1.11%.

Class SGD

	1 year	3 years	Since
	to 31.10.2020	to 31.10.2020	inception
	%	%	to 31.10.2020
			%
Income Distribution	5.38	14.09	14.09
Capital Growth	(4.11)	(15.38)	(1.01)
Total Return	(4.21)	(7.22)	(3.04)
Benchmark	(5.30)	(12.91)	(10.28)
Average Total Return	(4.21)	(2.47)	(0.73)

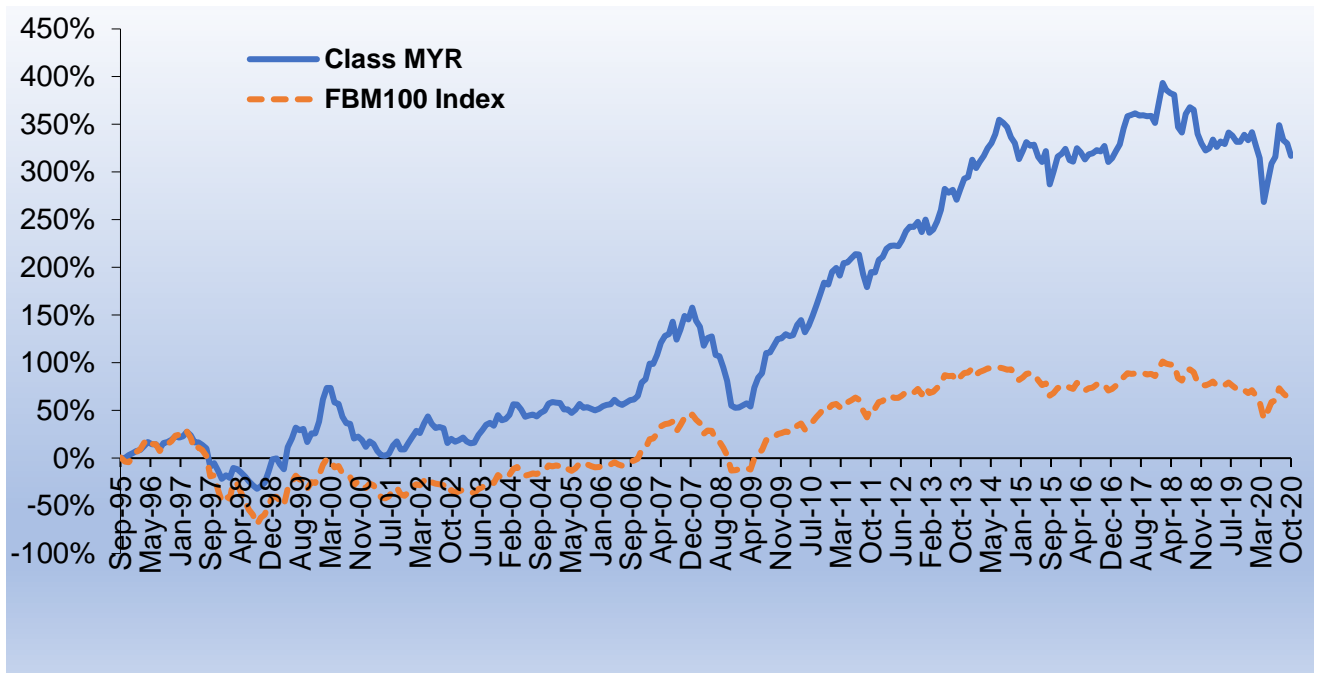
For the financial year under review, the Fund’s Class SGD declined by 4.21%, while the benchmark declined by 5.30%. As such, the Fund outperformed its benchmark by 1.09%.

* The performance of the Class SGD is computed on a single pricing basis (NAV-NAV) (taking into account the maximum Application Fee of up to 5% and Withdrawal Fee/Redemption Fee (if any)) and with dividends and distributions (if any) reinvested. Note that a lower Application Fee may be charged when subscribing for Units.

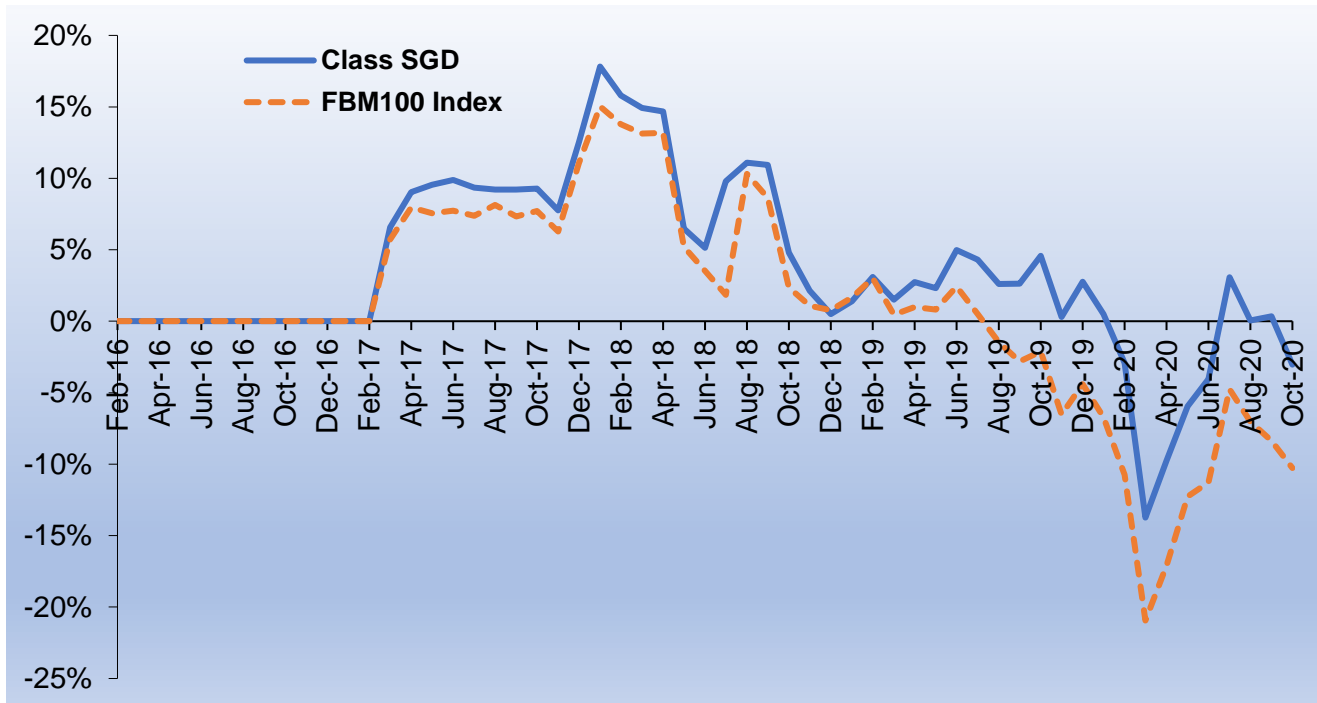
PRINCIPAL MALAYSIA TITANS PLUS FUND
 (formerly known as CIMB-Principal Malaysia Equity Fund)

FUND PERFORMANCE (CONTINUED)

CLASS MYR



CLASS SGD



PRINCIPAL MALAYSIA TITANS PLUS FUND
(formerly known as CIMB-Principal Malaysia Equity Fund)

Changes in NAV

Class MYR

	31.10.2020	31.10.2019	Changes %
NAV (RM Million)	181.97	212.34	(14.30)
NAV/Unit (RM)	0.8187	0.9085	(9.88)

Class SGD

	31.10.2020	31.10.2019	Changes %
NAV (RM Million)	0.48	5.23	(90.82)
NAV/Unit (RM)	2.5828	2.8648	(9.84)

NAV for the Class MYR declined by 14.30%, while the respective NAV per unit declined by 9.88%. For the Class SGD, NAV declined by 90.82%, while the respective NAV per unit declined by 9.84%. Changes in NAVs were largely due to negative investment performance and redemptions during the financial year under review.

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)	31.10.2020	31.10.2019
Quoted securities	96.45	93.24
Cash and other net assets	3.55	6.76
TOTAL	100.00	100.00

Asset allocation increased from 93.24% as at 31 October 2019 to 96.45% as at 31 October 2020 to reflect our more constructive view on the Malaysian equity market.

MARKET OUTLOOK*

Contraction in Malaysia's GDP moderated significantly to -2.7% year-on-year ("y-o-y") in third quarter of 2020 (-17.1% y-o-y in second quarter of 2020), as economic activity rebounded strongly on a sequential basis, which mainly attributable to higher goods exports and post-MCO recovery in domestic demand. The ongoing implementation of CMCO 2.0 since mid-October 2020 may keep Malaysia's economy in contraction in fourth quarter 2020. Looking forward, as per BNM policy statement, Malaysia economic growth is likely to recover significantly in 2021 on the back of supportive monetary settings as well fiscal measures implemented. The low interest rate environment is likely to be sustained until the economy is on a firmer footing. The equity market will move on to figuring out the pandemic and the impact on the economic recovery in 2021. Equity valuation is seemed fair in relative to the current low interest rate environment.

* 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.

PRINCIPAL MALAYSIA TITANS PLUS FUND
(formerly known as CIMB-Principal Malaysia Equity Fund)

INVESTMENT STRATEGY

Reopening themes and persistent strong earnings growth momentum of glove stocks will keep Bursa Malaysia elevated in the near term. On the other hand, the uncertainty of a potential snap election and the resurgence of COVID-19 cases could dampen the market sentiment. Having said that, we believe that any correction in the near term will unlikely to re-test March 2020 low level given the supportive monetary and fiscal stimulus in place. Earlier hope for rapid recovery in fourth quarter of 2020 may now be pushed further into first quarter or second quarter of 2021. Heighten volatility in the coming months present a good opportunity to position the fund for next year. Consider all factors, we reiterate our neutral stance on the Malaysia equity market, given the prevalent expectation of earnings rebound in 2021.

UNIT HOLDINGS STATISTICS

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

CLASS MYR

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	2,169	5.98	2.69
5,001 - 10,000	1,556	11.25	5.06
10,001 - 50,000	3,536	80.16	36.07
50,001 - 500,000	1,081	111.90	50.35
500,001 and above	15	12.95	5.83
Total	8,357	222.24	100.00

CLASS SGD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	2	0.00*	0.58
5,001 - 10,000	-	-	-
10,001 - 50,000	-	-	-
50,001 - 500,000	2	0.19	99.41
500,001 and above	-	-	-
Total	4	0.19	100.00

Note: 0.00* denotes value less than 0.01 million.

SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (the "Manager") and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Principal Malaysia Funds ("Funds") unless the soft commission received is retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. All dealings with brokers are executed on best available terms.

During the financial 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.

PRINCIPAL MALAYSIA TITANS PLUS FUND
(formerly known as CIMB-Principal Malaysia Equity Fund)

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL MALAYSIA TITANS PLUS FUND**
(formerly known as CIMB-Principal Malaysia 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 17 to 47 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 October 2020 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
16 December 2020

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF
PRINCIPAL MALAYSIA TITANS PLUS FUND**
(formerly known as CIMB-Principal Malaysia Equity Fund)

We have acted as Trustee of Principal Malaysia Titans Plus Fund *(formerly known as CIMB-Principal Malaysia Equity Fund)* ("the Fund") for the financial year ended 31 October 2020. To the best of our knowledge, Principal Asset Management Berhad ("the Manager"), has operated and managed the Fund in accordance with the following:-

- a) limitations imposed on the investment powers of the Manager and the Trustee under the Deeds, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- b) valuation/pricing is carried out in accordance with the Deeds and any regulatory requirements; and
- c) creation and cancellation of units have been carried out in accordance with the Deeds and applicable regulatory requirements.

During this financial year, a total distribution of 4.48 sen per unit (gross) for MYR class and 14.14 sen per unit (gross) for SGD class have been distributed to the unit holders of the Fund respectively. We are of the view that the distributions are not inconsistent with the objective of the Fund.

For **HSBC (Malaysia) Trustee Berhad**

Tan Bee Nie
Senior Manager, Investment Compliance Monitoring

Kuala Lumpur
16 December 2020

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL MALAYSIA TITANS PLUS FUND**
(formerly known as CIMB-Principal Malaysia Equity Fund)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Principal Malaysia Titans Plus Fund *(formerly known as CIMB-Principal Malaysia Equity Fund)* (the "Fund") give a true and fair view of the financial position of the Fund as at 31 October 2020, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 October 2020, and the statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 17 to 47.

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 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 Ethics Standards Board for Accountants' 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 MALAYSIA TITANS PLUS FUND**
(formerly known as CIMB-Principal Malaysia Equity Fund) (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises the Manager's Report, 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 of the Fund is responsible for the preparation of the 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 has no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL MALAYSIA TITANS PLUS FUND
(formerly known as CIMB-Principal Malaysia Equity Fund) (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) 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.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL MALAYSIA TITANS PLUS FUND**
(formerly known as CIMB-Principal Malaysia Equity Fund) (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

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.

OTHER MATTERS

This report is made solely to the unit holders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
16 December 2020

PRINCIPAL MALAYSIA TITANS PLUS FUND
(formerly known as CIMB-Principal Malaysia Equity Fund)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2020

	Note	2020 RM	2019 RM
(LOSS)/INCOME			
Dividend income		5,650,648	6,439,858
Interest income from deposits with licensed financial institutions at amortised cost		268,408	686,338
Net loss on financial assets at fair value through profit or loss	8	(12,786,513)	(3,854,581)
Net foreign exchange (loss)/gain		(30,525)	67,789
		<u>(6,897,982)</u>	<u>3,339,404</u>
EXPENSES			
Management fee	4	2,969,082	3,277,098
Trustee fee	5	98,969	109,237
Audit fee		16,200	16,200
Tax agent's fee		10,100	5,800
Transaction costs		883,411	761,391
Other expenses		73,341	43,881
		<u>4,051,103</u>	<u>4,213,607</u>
LOSS BEFORE FINANCE COST AND TAXATION		(10,949,085)	(874,203)
Finance costs (excluding decrease in net assets attributable to unit holders):			
- Class MYR		(9,469,710)	(15,673,690)
- Class SGD		(25,057)	(413,303)
	6	<u>(9,494,767)</u>	<u>(16,086,993)</u>
LOSS BEFORE TAXATION		(20,443,852)	(16,961,196)
Taxation	7	-	-
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>(20,443,852)</u>	<u>(16,961,196)</u>
Decrease in net assets attributable to unit holders are made up as follows:			
Realised amount		(11,749,054)	(14,942,659)
Unrealised amount		(8,694,798)	(2,018,537)
		<u>(20,443,852)</u>	<u>(16,961,196)</u>

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

PRINCIPAL MALAYSIA TITANS PLUS FUND
(formerly known as CIMB-Principal Malaysia Equity Fund)

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2020

	Note	2020 RM	2019 RM
ASSETS			
Cash and cash equivalents	9	6,902,503	16,787,755
Financial assets at fair value through profit or loss	8	175,969,177	202,869,373
Amount due from stockbrokers		-	2,362,896
Amount due from Manager		29,210	851,489
Dividends receivable		137,902	41,966
TOTAL ASSETS		183,038,792	222,913,479
LIABILITIES			
Amount due to stockbrokers			3,900,841
Amount due to Manager		107,564	448,472
Accrued management fee		238,965	273,738
Amount due to Trustee		7,966	9,125
Distribution payable		211,778	706,741
Other payables and accruals		20,897	5,428
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		587,170	5,344,345
NET ASSET VALUE OF THE FUND		182,451,622	217,569,134
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		182,451,622	217,569,134
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (RM)			
- Class MYR		181,968,846	212,343,495
- Class SGD		482,776	5,225,639
		182,451,622	217,569,134
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class MYR		222,239,515	233,709,835
- Class SGD		186,915	1,824,023
	10	222,426,430	235,533,858
NET ASSET VALUE PER UNIT (RM)			
- Class MYR		0.8187	0.9085
- Class SGD		2.5828	2.8648
		0.8187	0.9085
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- Class MYR		RM0.8187	RM0.9085
- Class SGD		SGD0.8490	SGD0.9339
		RM0.8187	RM0.9085

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

PRINCIPAL MALAYSIA TITANS PLUS FUND
(formerly known as CIMB-Principal Malaysia Equity Fund)

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2020**

	2020 RM	2019 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>217,569,134</u>	<u>230,450,161</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class MYR	5,938,476	9,200,244
- Class SGD	<u>1,447,261</u>	<u>2,862,858</u>
	<u>7,385,737</u>	<u>12,063,102</u>
Creation of units from distributions		
- Class MYR	9,275,563	15,352,994
- Class SGD	<u>7,427</u>	<u>27,259</u>
	<u>9,282,990</u>	<u>15,380,253</u>
Cancellation of units		
- Class MYR	(25,842,803)	(22,799,129)
- Class SGD	<u>(5,499,584)</u>	<u>(564,057)</u>
	<u>(31,342,387)</u>	<u>(23,363,186)</u>
Decrease in net assets attributable to unit holders during the financial year	<u>(20,443,852)</u>	<u>(16,961,196)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	<u><u>182,451,622</u></u>	<u><u>217,569,134</u></u>

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

PRINCIPAL MALAYSIA TITANS PLUS FUND
(formerly known as CIMB-Principal Malaysia Equity Fund)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2020

	Note	2020 RM	2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of quoted securities		186,045,521	171,537,108
Purchase of quoted securities		(174,345,292)	(183,180,927)
Dividend income received		5,515,061	6,552,879
Interest income received from deposits with licensed financial institutions		268,408	686,338
Management fee paid		(3,003,855)	(3,303,724)
Trustee fee paid		(100,128)	(110,124)
Payments for other fees and expenses		(52,424)	(66,221)
Net cash generated from/(used in) from operating activities		<u>14,327,291</u>	<u>(7,884,671)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		8,208,016	11,364,609
Payments for cancellation of units		(31,683,295)	(23,448,509)
Distribution paid		(706,740)	(408,128)
Net cash used in financing activities		<u>(24,182,019)</u>	<u>(12,492,028)</u>
Net decrease in cash and cash equivalents		(9,854,728)	(20,376,699)
Effects of foreign exchange differences		(30,524)	72,911
Cash and cash equivalents at the beginning of the financial year		<u>16,787,755</u>	<u>37,091,543</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>6,902,503</u></u>	<u><u>16,787,755</u></u>
<u>Cash and cash equivalent comprised of:</u>			
Deposits with licensed financial institutions		626,901	10,695,515
Bank balance		<u>6,275,602</u>	<u>6,092,240</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>6,902,503</u></u>	<u><u>16,787,755</u></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 31 OCTOBER 2020

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal Malaysia Titans Plus Fund (*formerly known as CIMB-Principal Malaysia Equity Fund*) (the "Fund") was constituted pursuant to a Deed dated 11 July 2005 and is now governed by a Principal Master Deed dated 15 May 2008, a Fourth Supplemental Master Deed dated 18 March 2009, a Fifth Supplemental Master Deed dated 16 July 2009, a Thirteenth Supplemental Master Deed dated 26 June 2012 and an Eighteenth Supplemental Master Deed dated 25 March 2015 all executed between the Manager and the Universal Trustee (Malaysia) Berhad (hereinafter known as the "Previous Trustee"), a Seventeenth Supplemental Master Deed dated 19 March 2015 entered into between the Manager, the previous Trustee and the Trustee, in respect of a change in trustee to the Fund (hereinafter collectively the "Initial Deed"), a Principal Master Deed dated 10 April 2015 and a First Supplemental Deed dated 28 August 2019 (collectively referred to as the "Deeds"), between Principal Asset Management Berhad (the "Manager") and HSBC (Malaysia) Trustee Berhad (the "Trustee").

The Fund may invest at least 70% of its NAV in equities and up to 28% of the Fund's NAV in other permissible investments and at least 2% of the Fund's NAV in liquid assets. In line with its objective, the investment policy and strategy of the Fund will focus on investment in shares of companies with growth potential.

The asset allocation strategy for this Fund is as follows:

- at least 70% of the Fund's NAV will be invested in equities;
- up to 28% of the Fund's NAV may be invested in other permissible investments; and
- at least 2% of the Fund's NAV in liquid assets.

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

The Fund has changed its name from CIMB-Principal Malaysia Equity Fund to Principal Malaysia Titans Plus Fund following the issuance of the Replacement Prospectus Issue No.M4 dated 23 December 2019.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements have been prepared in accordance with the provisions of the MFRS and IFRS.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

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

Standards, amendments to published standards or interpretation that are effective and relevant:

The Fund has applied the following amendments to published standards for the first time for the financial year beginning 1 November 2019:

- Amendments to MFRS 112 'Income Taxes' (effective from 1 January 2019) clarify that where income tax consequences of dividends on financial instruments classified as equity is recognised (either in profit or loss, other comprehensive income ("OCI") or equity) depends on where the past transactions that generated distributable profits were recognised.

Accordingly, the tax consequences are recognised in profit or loss when an entity determines payments on such instruments are distribution of profits (that is, dividends). Tax on dividend should not be recognised in equity merely on the basis that it is related to a distribution to owners.

There are no other standards, amendments to standards or interpretations that are effective for financial year beginning on 1 November 2019 that have a material effect on the financial statements of the Fund.

There are no applicable standards, amendments to standards or interpretations that are effective for financial year beginning on/after 1 November 2020 to the financial statements of the Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 OCI.

The contractual cash flows of the Fund's investments are solely principal and interest. 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.

The Fund classifies cash and cash equivalents, amount due from stockbrokers, amount due from Manager 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.

The Fund classifies amount due to stockbrokers, amount due to Manager, accrued management fee, amount due to Trustee, and other payables and accruals as other financial liabilities measured at amortised cost.

Recognition and measurement

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

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

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

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

Unrealised gains or losses arising from changes in 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Recognition and measurement (continued)

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.

Quoted securities in Malaysia are valued at the last traded market price quoted on Bursa Malaysia Securities Bhd ("Bursa Securities") at the date of the statement of financial position.

If a valuation based on the market price does not represent the fair value of the 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 quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the 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.

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest method over the period from the date of placement to the date of maturity of the respective deposits.

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

Impairment for assets carried at amortised cost

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. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) 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) Significant portion of the Fund’s units are denominated in MYR ;
- ii) Significant portion of the Fund’s expenses are denominated in MYR ; and
- iii) The Fund’s investments are 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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

(d) Income recognition

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

Interest income from deposits with licensed financial institutions is recognised on a time proportionate basis using the effective interest rate method on an accrual basis.

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

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

(e) Cash and cash equivalents

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Taxation

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

Withholding taxes on investment income from investment is based on tax regime of the respective countries that the Fund invests in. Such withholding taxes are not "income tax" in nature and are recognised and measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

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

Income not distributed is included in net assets attributable to members.

(h) Distribution

A distribution to the Fund's unit holders is accounted for as finance cost in the statement of comprehensive income. A proposed distribution is recognised as a liability in the financial period in which it is approved by the Trustee.

(i) Transactions 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.

(j) Amount due from/to stockbrokers

Amounts due from and amount due to stockbrokers represent receivables for investments sold and payables for investments 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.

These amounts are measured at amortised cost. At each reporting date, the Fund measure the loss allowance on amounts due from broker at an amount equal to the lifetime ECL if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month ECL. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by the Manager as any contractual payment which is more than 30 days past due.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) 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 two classes of units, known respectively as the Class MYR and Class SGD, 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 members of respective classes with the total number of outstanding units of respective classes.

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

The analysis of realised and unrealised portions of increase/decrease in net assets attributable to unit holders as presented on the statement of comprehensive income is guided by SC Guidelines on Unit Trust Funds.

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

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the 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 are as follows:

	Financial assets at fair value through profit or loss RM	Financial assets at amortised cost RM	Total RM
2020			
Cash and cash equivalents (Note 9)	-	6,902,503	6,902,503
Quoted securities (Note 8)	175,969,177	-	175,969,177
Amount due from Manager	-	29,210	29,210
Dividends receivable	-	137,902	137,902
	175,969,177	7,069,615	183,038,792
2019			
Cash and cash equivalents (Note 9)	-	16,787,755	16,787,755
Quoted securities (Note 8)	202,869,373	-	202,869,373
Amount due from stockbrokers	-	2,362,896	2,362,896
Amount due from Manager	-	851,489	851,489
Dividends receivable	-	41,966	41,966
	202,869,373	20,044,106	222,913,479

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

The investment objective of the Fund is to achieve maximum capital appreciation over the long-term through all types of investments.

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

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated in the Deeds and SC Guidelines on Unit Trust Funds.

(a) Market risk

(i) Price risk

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

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

(a) Market risk (continued)

(i) Price risk (continued)

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

	2020	2019
	RM	RM
Financial assets at fair value through profit or loss:		
- Quoted securities	<u>175,969,177</u>	<u>202,869,373</u>

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

% Change in price of quoted securities	Market value RM	Impact on profit or loss/NAV RM
2020		
-5%	167,170,718	(8,798,459)
0%	175,969,177	-
5%	<u>184,767,636</u>	<u>8,798,459</u>
2019		
-5%	192,725,904	(10,143,469)
0%	202,869,373	-
5%	<u>213,012,842</u>	<u>10,143,469</u>

(ii) Interest rate risk

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

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

The Fund's exposure to fair value interest rate risk arises from investment in money market instruments. The interest rate risk is expected to be minimal as the Fund's investments comprise mainly short term deposits with approved licensed financial institutions.

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

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

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

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

(a) Market risk (continued)

(ii) Interest rate risk (continued)

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

	2020	2019
	%	%
Deposits with licensed financial institutions	1.75	3.05

(iii) Currency risk

Currency risk is associated with investments that are quoted and/or priced in foreign currency denomination. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Manager will evaluate the likely directions of a foreign currency versus RM based on considerations of economic fundamentals such as interest 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

	Cash and cash equivalents RM	Total RM
2020		
SGD	425,567	453,581
2019		
SGD	5,958,122	5,958,122

Financial liabilities

	Net assets attributable to unit holders RM	Total RM
2020		
SGD	482,776	482,776
2019		
SGD	5,225,639	5,225,639

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 period. 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.

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 31.08.2020 USD
SGD	%	
	+5	(2,860)
SGD	-5	2,860

(b) Credit risk

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

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

For amount due from Manager, the settlement terms of the proceeds from the creation of units' receivable from the Manager are governed by the SC Guidelines on Unit Trust Funds.

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

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

	Cash and cash equivalents RM	Amount due from Manager RM	Dividends receivable RM	Total RM	
2020					
- AAA	6,902,503	-	-	6,902,503	
- Not Rated	-	29,210	137,902	167,112	
	6,902,503	29,210	137,902	7,069,615	
	Cash and cash equivalents RM	Amount due from stockbrokers RM	Amount due from Manager RM	Dividends receivable RM	Total RM
2019					
- AAA	9,011,984	-	-	9,011,984	
- A3	7,775,771	-	-	7,775,771	
- Not Rated	-	2,362,896	851,489	41,966	
	16,787,755	2,362,896	851,489	41,966	20,044,106

Deposits with licensed financial institutions of the Fund have an average maturity of 2 days (2019: 2 days).

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

(c) Liquidity risk

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

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 business days. 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 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
2020			
Amount due to Manager	107,564	-	107,564
Accrued management fees	238,965	-	238,965
Amount due to Trustee and custodian	7,966	-	7,966
Distribution payable	211,778	-	211,778
Other payables and accruals	-	20,897	20,897
Net assets attributable to unit holders*	182,451,622	-	182,451,622
Contractual undiscounted cash flows	183,017,895	20,897	183,038,792
2019			
Amount due to stockbrokers	3,900,841	-	3,900,841
Amount due to Manager	448,472	-	448,472
Accrued management fees	273,738	-	273,738
Amount due to Trustee and custodian	9,125	-	9,125
Distribution payable	706,741	-	706,741
Other payables and accruals	-	5,428	5,428
Net assets attributable to unit holders*	217,569,134	-	217,569,134
Contractual undiscounted cash flows	222,908,051	5,428	222,913,479

* Outstanding units are redeemed on demand at the unit 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.

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

(d) Capital risk management

The capital of the Fund is represented by net asset attributable to unit holders of RM182,451,622 (2019: RM217,569,134). The amount of capital can change significantly on a daily basis as the Fund is subjected 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 market price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

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

(i) Fair value hierarchy

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

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

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

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

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

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2020				
Financial asset at fair value through profit or loss:				
- Quoted securities	<u>175,969,177</u>	<u>-</u>	<u>-</u>	<u>175,969,177</u>
2019				
Financial asset at fair value through profit or loss:				
- Quoted securities	<u>202,869,373</u>	<u>-</u>	<u>-</u>	<u>202,869,373</u>

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

- (ii) The carrying values of cash and cash equivalents, amount due from stockbrokers, amount due from Manager, 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 1.50% per annum calculated and accrued daily based on the NAV of the Fund.

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

Class MYR	Class SGD
1.50%	1.50%

There is 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 maximum trustee fee of 0.05% per annum, calculated daily based on the NAV of the Fund. The Trustee fee includes the local custodian fee but excludes the foreign sub-custodian fees and charges.

For the financial year ended 31 October 2020 and 31 October 2019, the Trustee fee for the respective classes is recognised at the following rates (including local custodian fee but excluding foreign sub-custodian fee):

Class MYR	Class SGD
0.05%	0.05%

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

6. FINANCE COST

Distribution to unit holders is derived from the following sources:

	2020 RM	2019 RM
Dividend income	5,650,648	6,397,894
Interest income	268,408	679,935
Net realised loss from disposal of financial assets at fair value through profit or loss	-	(275,332)
Prior financial years' realised income	3,860,965	13,373,994
	9,780,021	20,176,491
Less:		
Expenses	(285,254)	(4,089,498)
Net distribution amount	9,494,767	16,086,993
Distribution on 21 October 2020		
Gross/Net distribution per unit (sen)		
- Class MYR	4.48	-
- Class SGD	14.14	-
Distribution on 23 October 2019		
Gross/Net distribution per unit (sen)		
- Class MYR	-	7.25
- Class SGD	-	22.86

6. FINANCE COST (CONTINUED)

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

There are unrealised losses of RM8,683,790 during the financial year (2019: RM2,018,537).

7. TAXATION

	2020	2019
	RM	RM
Tax charged for the financial year:		
- Current taxation	<u>-</u>	<u>-</u>

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

	2020	2019
	RM	RM
Loss before taxation	<u>(10,949,085)</u>	<u>(874,203)</u>
Taxation at Malaysian statutory rate of 24%	(2,627,781)	(209,809)
Tax effects of:		
- Loss not deductible for tax purposes/ (Income not subject to tax)	1,655,516	(801,457)
- Expenses not deductible for tax purposes	247,159	214,528
- Restriction on tax deductible expenses for Unit Trust Funds	<u>725,106</u>	<u>796,738</u>
Taxation	<u>-</u>	<u>-</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020	2019
	RM	RM
At fair value through profit or loss:		
- Quoted securities	<u>175,969,177</u>	<u>202,869,373</u>
Net loss on financial assets at fair value through profit or loss:		
- Realised loss on disposals	(4,119,709)	(1,763,134)
- Unrealised fair value loss	<u>(8,666,804)</u>	<u>(2,091,447)</u>
	<u>(12,786,513)</u>	<u>(3,854,581)</u>

PRINCIPAL MALAYSIA TITANS PLUS FUND
(formerly known as CIMB-Principal Malaysia Equity Fund)

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2020				
QUOTED SECURITIES				
Construction				
IJM Corporation Bhd	1,872,000	3,170,435	2,508,480	1.37
Sunway Construction Group Bhd	253,800	549,325	459,378	0.25
	2,125,800	3,719,760	2,967,858	1.62
Consumer Products & Services				
DRB-Hicom Bhd	1,746,800	3,702,566	3,318,920	1.82
Genting Malaysia Bhd	3,085,400	9,706,097	6,170,800	3.38
Petronas Dagangan Bhd	52,800	1,156,500	910,272	0.50
Sime Darby Bhd	1,985,700	4,446,354	4,785,537	2.62
	6,870,700	19,011,517	15,185,529	8.32
Energy				
Dialog Group Bhd	1,574,400	5,219,215	5,825,280	3.19
Hibiscus Petroleum Bhd	2,458,900	1,963,139	1,131,094	0.62
Yinson Holdings Bhd	961,700	5,603,770	4,404,586	2.41
	4,995,000	12,786,124	11,360,960	6.22
Financial Services				
CIMB Group Holdings Bhd	471,474	2,483,652	1,390,848	0.76
Hong Leong Bank Bhd	444,200	7,040,388	6,574,160	3.60
Hong Leong Financial Group	108,100	1,872,513	1,524,210	0.84
Malayan Banking Bhd	1,441,190	12,897,117	10,088,330	5.53
Public Bank Bhd	1,058,993	19,260,386	15,969,614	8.75
RHB Bank Bhd	730,977	3,999,190	3,092,033	1.69
	4,254,934	47,553,246	38,639,195	21.17
Health Care				
Hartalega Holding Bhd	759,900	8,511,851	13,678,200	7.50
IHH Healthcare Bhd	522,800	2,774,201	2,598,316	1.42
Kossan Rubber Industries	506,000	3,379,994	3,795,000	2.08
Top Glove Corporation Bhd	1,516,000	6,222,063	12,992,120	7.12
	3,304,700	20,888,109	33,063,636	18.12
Industrial Products				
Tat Sang Holdings Bhd - delisted ¹	31,000	1	-	-

PRINCIPAL MALAYSIA TITANS PLUS FUND
(formerly known as CIMB-Principal Malaysia Equity Fund)

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2020 (CONTINUED)				
QUOTED SECURITIES				
(CONTINUED)				
Industrial Products & Services				
ATA IMS Bhd	411,000	955,708	858,990	0.47
Mr Diy Group (M) Bhd - IPO	28,300	45,280	49,525	0.03
Petronas Chemicals Group Bhd	728,500	4,828,974	4,261,725	2.34
Press Metal Aluminium Holding Bhd	663,800	3,513,618	3,644,262	2.00
SKP Resources Bhd	303,000	557,702	533,280	0.29
Solarvest Holdings	1,516,100	1,817,981	1,788,998	0.98
V.S. Industry Bhd	1,425,100	1,969,655	3,334,734	1.83
	<u>5,075,800</u>	<u>13,688,918</u>	<u>14,471,514</u>	<u>7.94</u>
Plantation				
FGV Holdings Bhd	2,497,600	3,038,347	2,647,456	1.45
Genting Plantations Bhd	259,300	2,795,801	2,546,326	1.40
IOI Corporation Bhd	924,000	4,179,612	3,973,200	2.18
Kuala Lumpur Kepong Bhd	154,169	3,536,901	3,271,466	1.79
Sime Darby Plantation Bhd	952,051	5,571,032	4,607,927	2.53
	<u>4,787,120</u>	<u>19,121,693</u>	<u>17,046,375</u>	<u>9.35</u>
Real Estate Investment Trusts ("REITs")				
Axis REIT	920,278	1,706,699	1,932,584	1.06
IGB REIT	1,393,000	2,626,571	2,326,310	1.28
Sunway REIT	570,000	1,075,758	815,100	0.45
	<u>2,883,278</u>	<u>5,409,028</u>	<u>5,073,994</u>	<u>2.79</u>
Technology				
D&O Green Technologies Bhd	2,998,100	2,314,666	3,327,891	1.82
Globetronics Technology Bhd	313,800	777,438	894,330	0.49
Greatech Technology Bhd	112,400	431,465	860,984	0.47
Inari Amertron Bhd	340,400	619,976	864,616	0.47
JHM Consolidation	680,600	1,310,567	1,184,244	0.65
Malaysian Pacific Industries Bhd	12,000	136,204	264,000	0.14
MI Technovation Bhd	100,000	424,161	400,000	0.22
	<u>4,557,300</u>	<u>6,014,477</u>	<u>7,796,065</u>	<u>4.26</u>

PRINCIPAL MALAYSIA TITANS PLUS FUND
(formerly known as CIMB-Principal Malaysia Equity Fund)

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2020 (CONTINUED)				
QUOTED SECURITIES				
(CONTINUED)				
Telecommunications & Media				
Axiata Group Bhd	931,603	4,575,666	2,729,597	1.50
Digi.com Bhd	965,800	4,319,072	3,641,066	2.00
Maxis Bhd	181,200	994,208	869,760	0.48
Telekom Malaysia Bhd	165,000	694,584	691,350	0.38
Time Dotcom Bhd	71,700	590,436	923,495	0.51
	<u>2,315,303</u>	<u>11,173,966</u>	<u>8,855,268</u>	<u>4.87</u>
Transportation & Logistics				
Malaysia Airports Holding Bhd	777,500	4,157,327	3,249,950	1.78
MISC Bhd	767,000	6,054,037	5,054,530	2.77
Westports Holdings Bhd	290,600	1,046,993	1,133,340	0.62
	<u>1,835,100</u>	<u>11,258,357</u>	<u>9,437,820</u>	<u>5.17</u>
Utilities				
Tenaga Nasional Bhd	1,265,300	16,534,137	12,070,963	6.62
	<u>1,265,300</u>	<u>16,534,137</u>	<u>12,070,963</u>	<u>6.62</u>
TOTAL QUOTED SECURITIES	<u>44,301,335</u>	<u>187,159,333</u>	<u>175,969,177</u>	<u>96.45</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(11,190,156)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>175,969,177</u>		

PRINCIPAL MALAYSIA TITANS PLUS FUND
(formerly known as CIMB-Principal Malaysia Equity Fund)

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019				
QUOTED SECURITIES				
Construction				
IJM Corporation Bhd	994,500	2,026,396	2,138,175	0.98
Sunway Construction Group Bhd	253,800	549,325	494,910	0.23
	<u>1,248,300</u>	<u>2,575,721</u>	<u>2,633,085</u>	<u>1.21</u>
Consumer Products & Services				
Aeon Co. (M) Bhd	1,266,800	2,041,701	2,102,888	0.97
Bermaz Auto Bhd	1,120,000	2,734,504	2,553,600	1.17
Carlsberg Brewery Malaysia Bhd	84,300	2,116,846	2,338,482	1.07
DRB-Hicom Bhd	2,463,900	6,192,836	6,233,667	2.87
Genting Bhd	645,600	5,814,994	3,750,936	1.72
Genting Malaysia Bhd	852,400	2,662,264	2,736,204	1.26
Petronas Dagangan Bhd	98,200	2,629,970	2,313,592	1.06
Sime Darby Bhd	1,200,500	2,816,283	2,725,135	1.25
	<u>7,731,700</u>	<u>27,009,398</u>	<u>24,754,504</u>	<u>11.37</u>
Energy				
Dayang Enterprise Holdings Bhd	444,200	607,163	866,190	0.40
Dialog Group Bhd	1,571,600	4,627,148	5,469,168	2.51
Sapura Energy Bhd	6,639,100	2,289,634	1,759,362	0.81
Wah Seong Corporation Bhd	838,500	898,040	930,735	0.43
Yinson Holdings Bhd	1,134,200	5,637,659	7,837,322	3.60
	<u>10,627,600</u>	<u>14,059,644</u>	<u>16,862,777</u>	<u>7.75</u>
Financial Services				
Aeon Credit Service (M) Bhd - ICULS	124,800	124,800	175,968	0.08
Bursa Malaysia Bhd	166,500	1,412,546	1,007,325	0.46
CIMB Group Holdings Bhd	3,065,674	16,177,412	16,094,789	7.40
Hong Leong Bank Bhd	485,800	7,864,833	8,365,476	3.84
Hong Leong Financial Group Bhd	95,100	1,648,672	1,656,642	0.76
Malayan Banking Bhd	2,048,290	18,365,334	17,615,294	8.10
Public Bank Bhd	310,293	6,711,749	6,298,948	2.90
RHB Bank Bhd	640,877	3,592,830	3,685,043	1.69
	<u>6,937,334</u>	<u>55,898,176</u>	<u>54,899,485</u>	<u>25.23</u>
Health Care				
Hartalega Holdings Bhd	466,800	2,419,151	2,455,368	1.13
IHH Healthcare Bhd	988,600	5,583,802	5,635,020	2.59
	<u>1,455,400</u>	<u>8,002,953</u>	<u>8,090,388</u>	<u>3.72</u>

PRINCIPAL MALAYSIA TITANS PLUS FUND
(formerly known as CIMB-Principal Malaysia Equity Fund)

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 (CONTINUED)				
QUOTED SECURITIES				
(CONTINUED)				
Industrial Products				
Tat Sang Holdings Bhd - delisted ¹	31,000	1	-	-
Industrial Products & Services				
Petronas Chemicals Group Bhd	364,300	2,890,433	2,721,321	1.25
Press Metal Aluminium Holdings Bhd	545,900	2,644,972	2,598,484	1.19
Sunway Bhd - Warrant	374,970	-	136,864	0.06
Uchi Technologies Bhd	382,600	1,200,304	1,055,976	0.49
V.S. Industry Bhd	559,600	953,608	783,440	0.36
	<u>2,227,370</u>	<u>7,689,317</u>	<u>7,296,085</u>	<u>3.35</u>
Plantation				
FGV Holdings Bhd	1,662,768	2,054,967	1,829,045	0.84
Genting Plantations Bhd	260,400	2,807,661	2,588,376	1.19
IOI Corporation Bhd	1,502,500	6,813,863	6,565,925	3.02
Kuala Lumpur Kepong Bhd	226,400	5,308,438	4,903,824	2.25
Sime Darby Plantation Bhd	873,010	5,277,201	4,286,479	1.97
	<u>4,525,078</u>	<u>22,262,130</u>	<u>20,173,649</u>	<u>9.27</u>
Property				
Malaysian Resources Corporation Bhd	1,378,200	1,236,846	1,019,868	0.47
Sime Darby Property Bhd	1,529,700	1,602,533	1,109,032	0.51
	<u>2,907,900</u>	<u>2,839,379</u>	<u>2,128,900</u>	<u>0.98</u>
REITs				
Axis REIT	2,591,900	4,838,925	4,458,068	2.05
IGB REIT	2,087,900	3,936,840	3,987,889	1.83
Sunway REIT	2,059,000	3,885,941	3,726,790	1.71
	<u>6,738,800</u>	<u>12,661,706</u>	<u>12,172,747</u>	<u>5.59</u>
Technology				
D&O Green Technologies Bhd	1,139,700	862,120	854,775	0.39
Globetronics Technology Bhd	400,100	991,246	828,207	0.38
Inari Amertron Bhd	1,058,100	1,721,518	2,084,457	0.96
Malaysian Pacific Industries Bhd	400,200	4,542,409	4,282,140	1.97
Pentamaster Corporation Bhd	553,950	1,113,085	2,553,710	1.17
Revenue Group Bhd	542,000	662,010	910,560	0.42
	<u>4,094,050</u>	<u>9,892,388</u>	<u>11,513,849</u>	<u>5.29</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 (CONTINUED)				
QUOTED SECURITIES				
(CONTINUED)				
Telecommunications & Media				
Astro Malaysia Holdings Bhd	720,600	1,013,329	972,810	0.45
Axiata Group Bhd	1,553,303	7,629,211	6,679,203	3.07
DiGi.Com Bhd	657,000	3,167,135	3,087,900	1.42
Telekom Malaysia Bhd	1,378,600	5,067,698	5,183,536	2.38
TIME dotCom Bhd	71,700	590,435	654,621	0.30
	<u>4,381,203</u>	<u>17,467,808</u>	<u>16,578,070</u>	<u>7.62</u>
Transportation & Logistics				
Malaysia Airports Holdings Bhd	513,500	4,306,867	4,066,920	1.87
MISC Bhd	179,100	1,238,795	1,491,903	0.69
Westports Holdings Bhd	1,073,600	3,868,038	4,595,008	2.11
	<u>1,766,200</u>	<u>9,413,700</u>	<u>10,153,831</u>	<u>4.67</u>
Utilities				
Petronas Gas Bhd	220,400	3,962,600	3,667,456	1.69
Tenaga Nasional Bhd	861,800	11,657,804	11,944,547	5.50
	<u>1,082,200</u>	<u>15,620,404</u>	<u>15,612,003</u>	<u>7.19</u>
TOTAL QUOTED SECURITIES	<u>55,754,135</u>	<u>205,392,725</u>	<u>202,869,373</u>	<u>93.24</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>(2,523,352)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>202,869,373</u>		

¹ The counter has been de-listed on 27 October 2003 as the counter does not have an adequate level of financial condition to warrant continued listing. The counter will continue to remain deposited with the Malaysian Central Depository Sdn Bhd as it is not mandatory for the securities to be withdrawn.

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9. CASH AND CASH EQUIVALENTS

	2020	2019
	RM	RM
Deposits with licensed financial institutions	6,275,602	10,695,515
Bank balances	626,901	6,092,240
	<u>6,902,503</u>	<u>16,787,755</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2020	2019
	No. of units	No. of units
Class MYR (i)	222,239,515	233,709,835
Class SGD (ii)	186,915	1,824,023
	<u>222,426,430</u>	<u>235,533,858</u>

(i) Class MYR

	2020	2019
	No. of units	No. of units
At the beginning of the financial year	233,709,835	230,809,830
Add : Creation of units from applications	6,792,143	9,598,904
Add : Creation of units from distribution	11,125,780	17,005,974
Less: Cancellation of units	(29,388,243)	(23,704,873)
At the end of the financial year	<u>222,239,515</u>	<u>233,709,835</u>

(ii) Class SGD

	2020	2019
	No. of units	No. of units
At the beginning of the financial year	1,824,023	1,071,679
Add : Creation of units from applications	514,760	928,541
Add : Creation of units from distribution	2,824	9,576
Less: Cancellation of units	(2,154,692)	(185,773)
At the end of the financial year	<u>186,915</u>	<u>1,824,023</u>

11. MANAGEMENT EXPENSE RATIO ("MER")

	2020	2019
	%	%
MER	<u>1.58</u>	<u>1.56</u>

MER is derived from the following calculation:

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

A = Management fee

B = Trustee fee

C = Audit fee

D = Tax agent's fee

E = Other expenses excluding CDS 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 is RM197,929,992 (2019: RM218,532,515).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

Under SC Guidelines

	2020	2019
PTR (times)	0.89	0.83

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 = RM170,070,909 (2019: RM186,693,306)
total disposal for the financial year = RM184,184,590 (2019: RM173,896,736)

Under Monetary Authority of Singapore (“MAS”) Guidelines

	2020	2019
PTR (times)	1.57	0.80

PTR is derived from the following calculation:

$$\frac{\text{Lesser of total acquisition or total disposal for the financial year}}{\text{Average NAV of the Fund for the financial year calculated on a daily basis}}$$

where:

total acquisition for the financial year = RM170,070,909 (2019: RM186,693,306)
total disposal for the financial year = RM184,184,590 (2019: RM173,896,879)

13. 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

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

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

Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the shareholder of the Manager
CIMB Bank Bhd	Fellow related party to the Manager
CGS-CIMB Securities Sdn Bhd	Fellow related party to the Manager

Units held by the Manager and parties related to the Manager

	2020		2019	
	No. of units	RM	No. of units	RM
Manager				
Principal Asset Management Berhad				
- Class MYR	49,194	40,275	105,605	95,942
- Class SGD	6	15	6	17

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.

	2020	2019
	RM	RM
<u>Significant related party transactions</u>		
Interest income from deposits with licensed financial institution:		
- CIMB Bank Bhd	-	55,469
Cash placements with licensed financial institution:		
- CIMB Bank Bhd	-	118,617,000

There was no significant related party balance as at the end of both financial years.

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14. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for financial year ended 31 October 2020 are as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage Fees RM	Percentage of total brokerage fees %
Macquarie Capital Securities (Malaysia) Sdn Bhd	53,534,478	15.12	97,504	15.55
KAF Equities Sdn Bhd	52,808,794	14.91	116,157	18.53
Maybank Investment Bank Bhd	43,081,348	12.17	71,294	11.37
UBS Securities (M) Sdn Bhd	37,720,612	10.65	61,386	9.79
CLSA Securities M Sdn Bhd	34,028,721	9.61	48,418	7.72
Hong Leong Investment Bank Bhd	26,263,728	7.42	57,921	9.24
J.P. Morgan Securities (M) Sdn Bhd	26,013,279	7.35	21,412	3.41
RHB Investment Bank Bhd	24,326,850	6.87	53,584	8.55
CGS-CIMB Securities Sdn Bhd #	19,752,943	5.58	26,752	4.27
Affin Hwang Investment Bank Bhd	18,666,818	5.27	42,042	6.70
Others	17,930,612	5.05	30,559	4.87
	<u>354,128,183</u>	<u>100.00</u>	<u>627,029</u>	<u>100.00</u>

Details of transactions with the top 10 brokers for financial year ended 31 October 2019 are as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage Fees RM	Percentage of total brokerage fees %
Macquarie Capital Securities (Malaysia) Sdn Bhd	54,239,292	15.12	68,477	12.48
UBS Securities Malaysia Sdn Bhd	42,308,886	11.81	40,265	7.34
CGS-CIMB Securities Sdn Bhd #	42,226,044	11.78	48,400	8.82
KAF-Seagroatt & Campbell Bhd	41,450,685	11.57	92,740	16.92
JP Morgan Securities (M) Sdn Bhd	36,509,483	10.19	32,990	6.01
CLSA Securities Malaysia Sdn Bhd	36,318,698	10.13	44,882	8.18
Affin Hwang Investment Bank Bhd	32,600,942	9.10	72,352	13.19
Maybank Investment Bank Bhd	22,457,867	6.27	47,570	8.67
RHB Investment Bank Bhd	20,845,087	5.82	45,496	8.29
Hong Leong Investment Bank Bhd	13,392,335	3.74	26,493	4.83
Others	16,026,438	4.47	28,912	5.27
	<u>358,375,757</u>	<u>100.00</u>	<u>548,577</u>	<u>100.00</u>

14. TRANSACTIONS WITH BROKERS (CONTINUED)

Included in the transactions are trades conducted with CGS-CIMB Securities Sdn Bhd, fellow related parties to the Manager amounting to RM19,752,943 (2019: RM42,226,044). 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.

15. SIGNIFICANT EVENT DURING THE YEAR

The worsening macro-economic outlook as a result of COVID-19, both domestically and globally, has impacted the fund performance during the financial year.

The Manager is monitoring the situation closely and will be actively managing the portfolio to achieve the Fund's objective.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 16 December 2020.

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