

# Principal Titans Growth & Income Fund

(formerly known as CIMB-Principal Equity  
Growth & Income Fund)

Annual Report

For The Financial Year Ended 30 April 2020

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
*(formerly known as CIMB-Principal Equity Growth & Income Fund)*

**ANNUAL REPORT**

**FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020**

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
*(formerly known as CIMB-Principal Equity Growth & Income Fund)*

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## INVESTORS' LETTER

Dear Valued Investor,

When the Coronavirus Disease 2019 ("COVID-19") outbreak started last year, little did we know it would become a global pandemic that will cause repercussions to international markets, economies around the world and how we live our daily lives.

Over the last few weeks, we've started seeing economies around the world gradually reopen; Malaysia being one of them. Within Malaysia, it's refreshing to see opening of businesses – they all point to signs that our economy is moving forward. Within Principal, we've also started our return to the office under a variety of new operating procedures to ensure we're keeping our employees and guests safe.

Throughout these past several months, our team of fund managers, investment professionals, customer service staff and advisors have remained dedicated to helping our investors through this time and managing investments based on your long-term goals. We are always here for you.

When you look at the markets, we're seeing positive signs and we're on a path towards recovery. Capital markets moved up in May 2020 with global equities rising around 4%, while bonds rose by over 0.5% from the previous month. This is a continuous rebound from the declines reported in March. With record low interest rates and aggressive quantitative easing by central banks across the developed world and in many markets, the initial pace of reflation would likely to be strong, providing a positive backdrop for equities throughout the Asian region.

On a short-term tactical basis, we are maintaining asset allocation at an equal split between equities and fixed income. We favour large-cap, high quality defensive stocks and we are positive on Asian equities on a 12-month basis. For our:

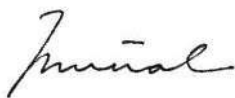
- **Conservative investors, we recommend:** Malaysia focus bond and balanced funds that are income focussed.
- **More aggressive investors, we recommend:** Growth-oriented funds that offer exposure to growth areas in China, Asia-Pacific, Global Technology, ASEAN and Malaysian aggressive funds.

During this difficult period, we have tried new ways to ensure our customers have the information they need to make informed decisions and we've made many of our business processes digital to help improve our customer experience. Please check our website ([www.principal.com.my](http://www.principal.com.my)) and Facebook account (@PrincipalAssetMY) for our latest updates and initiatives.

Please be informed that effective 17 April 2020, the Fund has been renamed as Principal Titans Growth & Income Fund following the issuance of the Replacement Master Prospectus.

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

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



**Munirah Khairuddin**  
Chief Executive Officer

## **MANAGER'S REPORT**

### **FUND OBJECTIVE AND POLICY**

#### **What is the investment objective of the Fund?**

The Fund aims to achieve capital appreciation over the medium to long-term through all types of investments that have the potential for above average growth over time.

#### **Has the Fund achieved its objective?**

Yes, the Fund has achieved its objective of capital appreciation over the long-term by investing in all types of investments that have the potential for above average growth over time.

#### **What are the Fund investment policy and principal investment strategy?**

The Fund may invest between 70% to 98% (both inclusive) of its Net Asset Value ("NAV") in equities and at least 2% of the Fund's NAV in liquid assets in order to gain long-term capital growth. The Fund may opt to invest in foreign equities up to a maximum of 30% of its NAV. Such foreign equities must be equity securities of companies domiciled in, listed in, and/or have significant operations in Asia ex Japan. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business/operations in Thailand but listed on the New York Stock Exchange ("NYSE"). The threshold for 'significant operations' would be if more than 25% of total group revenue derives from countries in Asia ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). In line with its objective, the investment policy and strategy of the Fund will be to invest primarily in equities, with a bias towards growth stocks that have the potential to deliver long-term capital appreciation and to a lesser extent focus on dividend yielding stocks that provides income. The Fund may opt to seek investment exposure via collective investment scheme that is in line with the Fund's objective, subject to the requirement of the Securities Commission Malaysia ("SC") Guidelines. To a lesser extent, the Fund invests in liquid assets primarily for the purpose of cash management.

The Manager has appointed Principal Asset Management (S) Pte Ltd ("Principal Singapore") as the Sub-Adviser of the Fund ("Sub-Adviser"). Principal Singapore will provide investment research and stock recommendation to us in accordance with the investment objective and within the investment restrictions of the Fund.

#### **Fund category/type**

Equity/Growth

#### **How long should you invest for?**

Recommended three (3) years and five (5) years or more

#### **When was the Fund launched?**

15 May 1991

#### **What was the size of the Fund as at 30 April 2020?**

RM140.03 million (128.34 million units)

#### **What is the Fund's benchmark?**

70% Financial Times Stock Exchange ("FTSE") Bursa Malaysia ("FBM") Top 100 Index + 30% MSCI All Country ("AC") Asia ex Japan

*Note: The benchmark is for performance comparison purpose only. The benchmark is customised as such to align it closer to the structure of the portfolio and to reflect the composition of the portfolio in line with the markets they operate in. Investors are cautioned that the risk profile of the Fund is higher than 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.

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
(formerly known as *CIMB-Principal Equity Growth & Income Fund*)

**FUND OBJECTIVE AND POLICY (CONTINUED)**

**What was the net income distribution for the financial year ended 30 April 2020?**

The Fund distributed a total net income of RM7.21 million to unit holders. As a result, the NAV per unit dropped from RM1.2919 to RM1.2374 on 18 July 2019 for the financial year ended 30 April 2020.

**PERFORMANCE DATA**

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

	<b>30.04.2020</b>	<b>30.04.2019</b>	<b>30.04.2018</b>
	%	%	%
Collective investment schemes	-	1.16	1.08
Quoted securities			
- Communication Services	9.67	6.35	7.06
- Consumer Discretionary	8.81	7.27	10.01
- Consumer Staples	7.50	8.99	5.37
- Energy	2.48	9.63	3.96
- Financials	14.82	20.96	27.82
- Health Care	2.76	1.05	3.40
- Industrials	11.94	15.56	11.06
- Information Technology	15.85	7.71	10.00
- Materials	3.28	3.99	4.65
- Real Estate	7.56	7.20	3.74
- Utilities	6.64	7.03	5.57
Cash and other net assets	8.69	3.10	6.28
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

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

	<b>30.04.2020</b>	<b>30.04.2019</b>	<b>30.04.2018</b>
NAV (RM Million)	140.03	168.63	165.64
Units in circulation (Million)	128.34	132.86	117.52
NAV per unit (RM)	1.0911	1.2692	1.4094
Highest NAV per unit (RM)	1.3104	1.4163	1.4697
Lowest NAV per unit (RM)	0.9183	1.1751	1.3063
Total return (%)	(10.24)	(4.60)	11.98
Capital growth (%)	(14.02)	(9.93)	6.14
Income distribution (%)	4.40	5.56	5.50
Management Expense Ratio (“MER”) (%) ^	1.62	1.61	1.72
Portfolio Turnover Ratio (“PTR”) (times) #	1.16	1.29	0.62

^ The Fund’s MER increased from 1.61% to 1.62% mainly due to decrease in average NAV during the financial year under review.

# The Fund’s PTR decreased slightly to 1.16 times from 1.29 times. This is relatively low for an equity fund and similar to the previous period. Although there was significant volatility in the stock markets in the past year, our view and outlook for the longer term was stable and hence the holdings were also largely stable.

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
(formerly known as *CIMB-Principal Equity Growth & Income Fund*)

**PERFORMANCE DATA (CONTINUED)**

	<b>30.04.2020</b>	<b>30.04.2019</b>	<b>30.04.2018</b>	<b>30.04.2017</b>	<b>30.04.2016</b>
Date of distribution	18.07.2019	26.07.2018	27.07.2017		
Gross/Net distribution per unit (sen)	5.45	7.75	7.25		
	<b>30.04.2020</b>	<b>30.04.2019</b>	<b>30.04.2018</b>	<b>30.04.2017</b>	<b>30.04.2016</b>
	%	%	%	%	%
Annual total return	(10.24)	(4.60)	11.98	15.24	(6.40)

(Launch date: 15 May 1991)

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

**MARKET REVIEW (1 MAY 2019 TO 30 APRIL 2020)**

**Malaysia**

It was in fact a volatile period for Malaysian markets after having gone through the US-China trade tension, political crisis in Malaysia, the Organisation of the Petroleum Exporting Countries (“OPEC”) fallout and the latest being the COVID-19 pandemic. A liquidity driven relief rally lifted the FBM Kuala Lumpur Composite Index (“FBMVKLCI”) by 4.2% by end April 2020, trimming year-to-date (“YTD”) loss to 11.4%. Small and mid-cap stocks, led mainly by technology stocks, staged a much stronger rebound as the FBM Small Cap Index surged 20.2% in April 2020. 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.

**Asia Pacific ex-Japan**

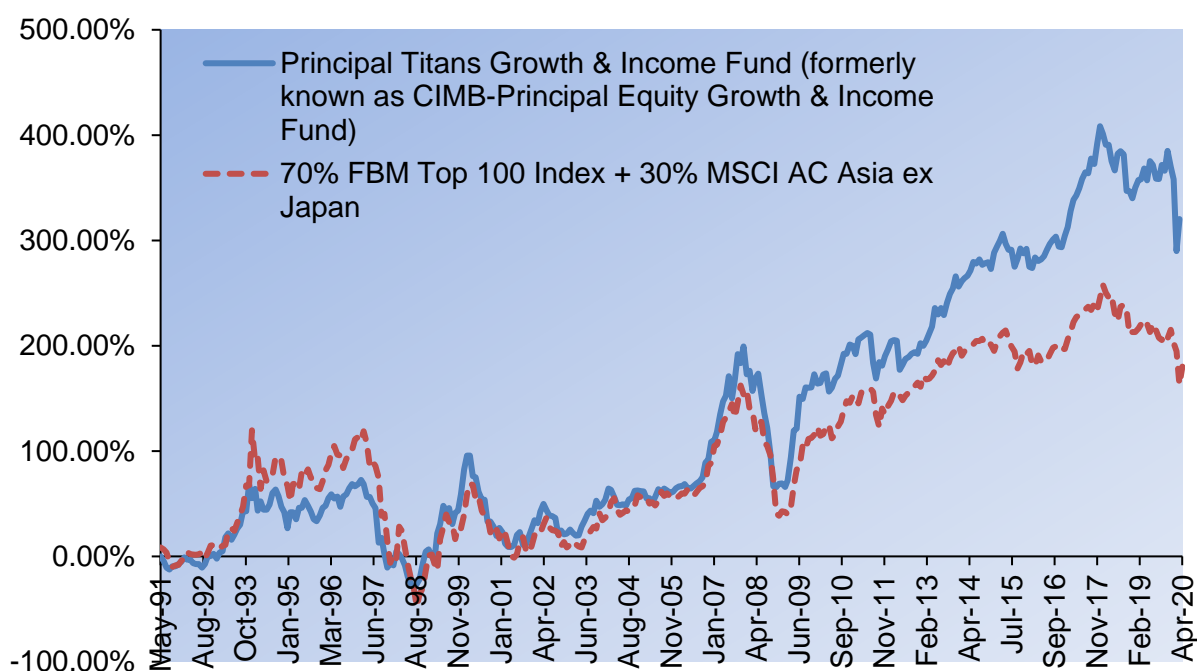
The Asia ex-Japan stock markets was volatile throughout. The MSCI Asia ex-Japan Index declined sharply, ultimately falling 9.8% in US Dollar (“USD”) terms. The stocks in Asia was initially negatively impacted by the trade war between the US and China but other mitigating factors helped stocks to post a stronger end to 2019. These factors include 1) As the Chinese economy stumbled, the authorities incrementally stepped up fiscal & monetary stimulus; 2) The developed economies’ central banks further eased policies including introducing new programs to purchase bonds; 3) improving manufacturing outlook led by the technology sector; and 4) finally, receding trade tensions with an interim deal reached between the US and China at the end of year. However, towards the end January 2020, China suffered a disease outbreak which crippled the economy as the country went into a lockdown to prevent the spread of the new disease, the COVID-19. It soon morphed into a global pandemic by the end of the first quarter of 2020. This caused a sharp drop in Asian equities as Governments around the globe took unprecedented steps to prevent a further spread just as China did. Many western European and the US ordered lockdowns. This caused economic activity to grind to a halt. Outlook for stocks suffered as a result.

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
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**FUND PERFORMANCE**

	<b>1 year to 30.04.2020</b>	<b>3 years to 30.04.2020</b>	<b>5 years to 30.04.2020</b>	<b>Since inception to 30.04.2020</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Income	4.40	16.27	30.27	229.39
Capital	(14.02)	(17.80)	(20.86)	14.91
Total Return	(10.24)	(4.11)	3.44	320.43
Benchmark	(12.75)	(14.44)	(10.34)	180.04
Average Total Return	(10.24)	(1.39)	0.68	5.08

For the financial year under review, the Fund declined by 10.24% in Ringgit Malaysia (“RM”) terms due primarily to the recent outbreak COVID-19 pandemic. However, it outperformed its comparable benchmark.



**Changes in NAV**

	<b>30.04.2020</b>	<b>30.04.2019</b>	<b>Changes %</b>
NAV (RM Million)	140.03	168.63	(16.96)
NAV/Unit (RM)	1.0911	1.2692	(14.03)

The NAV of the Fund declined by 16.96%. The Fund’s NAV per unit declined by 14.03%. The decline in NAV was due primarily to the decline in the underlying assets. The decline in the NAV per unit was the result of the broad market weakness. This was primarily caused by the sharp drop in economic activity globally due to lockdowns imposed to stem the tide of more COVID-19 infections.

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



## PORTFOLIO STRUCTURE

### Asset allocation

(% of NAV)	30.04.2020	30.04.2019
Collective investment schemes	-	1.16
Quoted securities	91.31	95.74
Cash and other net assets	8.69	3.10
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

As at 30 April 2020, the Fund held 91.31% in quoted securities with the rest in cash and other net assets. The cash level is slightly higher relative to the end of April 2019. The higher cash level reflects likely near term volatilities. This could present opportunities to further add quoted securities.

### MARKET OUTLOOK\*

#### Malaysia

In order to cushion the pandemic impact to the country, the Government has implemented RM250 billion fiscal stimulus package as well as cut its Overnight Policy Rate (“OPR”) by 100 basis points (“bps”) YTD to 2.0%. Despite the significant fiscal and monetary policy response, we still expect the domestic economy to be severely impacted by both supply disruption and demand destruction. This view was echoed by World Bank which recently cut its 2020 Gross Domestic Product (“GDP”) growth forecast for Malaysia from 4.5% to -0.1% while Bank Negara Malaysia (“BNM”) has also lowered its forecast range to between -2.0% to +0.5%. While we believe the Government may introduce further fiscal and monetary stimulus should the need arises, the headroom for fiscal spending is limited given its high indebtedness, limited source of fiscal revenue and dampening effect of lower crude oil price. FBMKLCI is currently trading at 2020 Price-to-Earnings (“P/E”) of 16.0 times and 12-month forward P/E ratio of 15.6 times, which are above historical mean level. We believe the positive from the massive stimulus package and imminent lifting of lockdown has been priced-in following the sharp rally from mid-March 2020 low.

#### Asia Pacific ex-Japan

In the near term, the stock markets in the Asia ex-Japan’s outlook are likely to be clouded by the uncertainty surrounding the COVID-19 outbreak which initially started out as a regional outbreak, which has since evolved into a global pandemic. This has caused a sharp drop in economic activities as many countries has since gone into lockdown of varying degrees to try to stem the spread of the outbreak. We expect the sharp drop in economic activities globally to continue for a few months which is likely to cause a recession. The stock market at the time of writing has corrected very quickly and sharply to reflect this scenario.

Beyond this, while the situation remains fluid, we expect this outbreak to be ultimately contained and to be transitory. The authorities have taken unprecedented measures such as strict travel restrictions, and other draconian measures in a bid to contain the spread of the disease. To cope with the economic downturn, many Governments and their respectively have acted decisively and aggressively by providing massive stimulus both fiscal and monetary to support the economy and financial markets. Financial markets have since stabilized and will be a supportive factor for the recovery of the economies and financial markets.

\* 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 TITANS GROWTH & INCOME FUND**  
*(formerly known as CIMB-Principal Equity Growth & Income Fund)*

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## **INVESTMENT STRATEGY**

### **Malaysia**

Given the current valuation and earnings risks which are tilted to the downside, we will be maintaining our capital preservation stance and position for accumulation when market corrects. We will continue to adopt a barbell approach of buying high yield and growth stocks but will be more selective on quality names with resilient earnings and track record.

### **Asia Pacific ex-Japan**

With the expected sell-off in the stock market in the near term, we expect an indiscriminate selling of stocks. This will present the fund an opportunity to accumulate quality companies with a fundamentally and structurally strong long-term growth profile at more reasonable prices. These companies include leading internet companies, leading technology companies and other companies with strong brands and franchises.

Over the longer term, we remain positive on the outlook for Asian equities due to the young and growing population, growing middle class and strong economic growth potential. Our strategy will be to uncover and be exposed to stocks in these growing sectors early.

## **UNIT HOLDINGS STATISTICS**

Breakdown of unit holdings by size as at 30 April 2020 are as follows:

<b>Size of unit holdings (units)</b>	<b>No. of unit holders</b>	<b>No. of units held (million)</b>	<b>% of units held</b>
5,000 and below	4,387	7.06	5.50
5,001-10,000	1,250	9.04	7.04
10,001-50,000	2,411	54.38	42.37
50,001-500,000	453	41.54	32.37
500,001 and above	11	16.32	12.72
<b>Total</b>	<b>8,512</b>	<b>128.34</b>	<b>100.00</b>

## **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 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 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 TITANS GROWTH & INCOME FUND**  
*(formerly known as CIMB-Principal Equity Growth & Income Fund)*

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**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF  
PRINCIPAL TITANS GROWTH & INCOME FUND**  
*(formerly known as CIMB-Principal Equity Growth & Income 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 14 to 53 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 April 2020 and of its financial performance, changes in equity and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

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

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

**JUAN IGNACIO EYZAGUIRRE BARAONA**  
Director

Kuala Lumpur  
17 June 2020

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
*(formerly known as CIMB-Principal Equity Growth & Income Fund)*

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**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL TITANS GROWTH & INCOME FUND**  
*(formerly known as CIMB-Principal Equity Growth & Income Fund)*

We, AMANAHRAYA TRUSTEES BERHAD, have acted as Trustee of PRINCIPAL TITANS GROWTH & INCOME FUND *(formerly known as CIMB-Principal Equity Growth & Income Fund)* for the financial year ended 30 April 2020. In our opinion, PRINCIPAL ASSET MANAGEMENT BERHAD, the Manager, has operated and managed PRINCIPAL TITANS GROWTH & INCOME FUND *(formerly known as CIMB-Principal Equity Growth & Income Fund)* in accordance with the limitations imposed on the investment powers of the management company under the Deeds, securities laws and the applicable Guidelines on Unit Trust Funds during the financial year ended.

We are also of the opinion that:

- b) valuation/pricing is carried out in accordance with the Deeds of the Fund and applicable regulatory requirements; and
- c) creation and cancellation of units have been carried out in accordance with the Deeds of the Fund and applicable regulatory requirements.

During this financial year, a total distribution of 5.45 sen per unit (gross) has been distributed to the unit holders of the Fund. We are of the view that the distribution is not inconsistent with the objective of the Fund.

Yours faithfully,  
**AMANAHRAYA TRUSTEES BERHAD**

**ZAINUDIN BIN SUHAIMI**  
Deputy Chief Executive Officer

Kuala Lumpur, Malaysia  
20 May 2020

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL TITANS GROWTH & INCOME FUND**  
*(Formerly known as CIMB-Principal Equity Growth & Income Fund)*

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Our opinion

In our opinion, the financial statements of Principal Titans Growth & Income Fund (the "Fund") *(formerly known as CIMB-Principal Equity Growth & Income Fund)* give a true and fair view of the financial position of the Fund as at 30 April 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 30 April 2020, and the statement of comprehensive income, statement of changes in equity 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 14 to 53.

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' Code of Ethics for Professional Accountants ("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 TITANS GROWTH & INCOME FUND (CONTINUED)**  
*(Formerly known as CIMB-Principal Equity Growth & Income Fund)*

**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 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 TITANS GROWTH & INCOME FUND (CONTINUED)**  
*(Formerly known as CIMB-Principal Equity Growth & Income Fund)*

**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 of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL TITANS GROWTH & INCOME FUND (CONTINUED)**  
*(Formerly known as CIMB-Principal Equity Growth & Income Fund)*

**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  
17 June 2020



**PRINCIPAL TITANS GROWTH & INCOME FUND**  
(formerly known as CIMB-Principal Equity Growth & Income Fund)

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020**

	Note	2020 RM	2019 RM
<b>LOSS</b>			
Dividend income		5,664,397	4,643,316
Interest income from deposits with licensed financial institutions at amortised cost		103,084	295,681
Net loss on financial assets at fair value through profit or loss	<b>8</b>	(18,618,627)	(8,714,133)
Net foreign exchange gain/(loss)		135,491	(5,452)
		<u>(12,715,655)</u>	<u>(3,780,588)</u>
<b>EXPENSES</b>			
Management fee	<b>4</b>	2,417,835	2,501,710
Trustee's and custodian fees	<b>5</b>	144,614	164,667
Audit fee		13,600	13,600
Tax agent's fee		31,302	31,392
Transaction costs		1,032,659	1,164,352
Other expenses		150,829	37,584
		<u>3,790,839</u>	<u>3,913,305</u>
<b>LOSS BEFORE TAXATION</b>		(16,506,494)	(7,693,893)
Taxation	<b>7</b>	<u>-</u>	<u>(79,708)</u>
<b>LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR</b>		<u>(16,506,494)</u>	<u>(7,773,601)</u>
Loss after taxation is made up as follows:			
Realised amount		(1,970,413)	509,689
Unrealised amount		(14,536,081)	(8,283,290)
		<u>(16,506,494)</u>	<u>(7,773,601)</u>

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

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
(formerly known as CIMB-Principal Equity Growth & Income Fund)

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 APRIL 2020**

	Note	2020 RM	2019 RM
<b>ASSETS</b>			
Cash and cash equivalents	9	10,400,777	6,002,317
Financial assets at fair value through profit or loss	8	127,861,904	163,402,633
Amount due from stockbrokers		1,326,491	684,702
Amount due from Manager		96,423	230,314
Amount due from Manager of collective investment schemes			
- Management fee rebate		50,457	17,658
Dividends receivable		344,093	98,764
Tax recoverable		214,108	214,108
<b>TOTAL ASSETS</b>		<u>140,294,253</u>	<u>170,650,496</u>
<b>LIABILITIES</b>			
Amount due to stockbrokers		18,917	1,696,983
Amount due to Manager		47,438	98,354
Accrued management fee		166,028	203,834
Amount due to Trustee		7,790	9,663
Other payables and accruals		19,301	14,946
<b>TOTAL LIABILITIES</b>		<u>259,474</u>	<u>2,023,780</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>140,034,779</u>	<u>168,626,716</u>
<b>EQUITY</b>			
Unit holders' capital		87,797,845	92,668,890
Retained earnings		52,236,934	75,957,826
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>140,034,779</u>	<u>168,626,716</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	10	<u>128,339,873</u>	<u>132,857,812</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>1.0911</u>	<u>1.2692</u>

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

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
(formerly known as CIMB-Principal Equity Growth & Income Fund)

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020**

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
<b>Balance as at 1 May 2019</b>		92,668,890	75,957,826	168,626,716
Movement in unit holders' contributions:				
- Creation of units from applications		7,363,912	-	7,363,912
- Creation of units from distribution		6,755,721	-	6,755,721
- Cancellation of units		(18,990,678)	-	(18,990,678)
Total comprehensive loss for the financial year		-	(16,506,494)	(16,506,494)
Distribution	6	-	(7,214,398)	(7,214,398)
<b>Balance as at 30 April 2020</b>		<u>87,797,845</u>	<u>52,236,934</u>	<u>140,034,779</u>
<b>Balance as at 1 May 2018</b>		72,307,779	93,332,017	165,639,796
Movement in unit holders' contributions:				
- Creation of units from applications		29,488,214	-	29,488,214
- Creation of units from distribution		9,221,663	-	9,221,663
- Cancellation of units		(18,348,766)	-	(18,348,766)
Total comprehensive loss for the financial year		-	(7,773,601)	(7,773,601)
Distribution	6	-	(9,600,590)	(9,600,590)
<b>Balance as at 30 April 2019</b>		<u>92,668,890</u>	<u>75,957,826</u>	<u>168,626,716</u>

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

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
(formerly known as *CIMB-Principal Equity Growth & Income Fund*)

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020**

	Note	2020 RM	2019 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from disposal of quoted securities		193,127,852	208,916,956
Proceeds from disposal of collective investment schemes		1,263,792	-
Purchase of quoted securities		(180,945,505)	(227,044,307)
Dividend income received		5,302,317	4,547,050
Interest income received from deposits with licensed financial institutions		103,084	295,681
Management fee paid		(2,457,966)	(2,464,614)
Management fee received		35,122	28,597
Trustee's and custodian fees paid		(146,487)	(164,514)
Payments for other fees and expenses		(77,950)	(102,854)
Net realised foreign exchange loss		(162,585)	(160,270)
Tax paid		-	(72)
<b>Net cash generated from/(used in) operating activities</b>		<u>16,041,674</u>	<u>(16,148,347)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from units created		7,497,803	30,217,310
Payments for cancellation of units		(19,041,594)	(18,283,013)
Distribution paid		(458,677)	(378,927)
<b>Net cash (used in)/generated from financing activities</b>		<u>(12,002,468)</u>	<u>11,555,370</u>
Net increase/(decrease) in cash and cash equivalents		4,039,206	(4,592,977)
Effects of foreign exchange differences		359,254	205,177
Cash and cash equivalents at the beginning of the financial year		<u>6,002,317</u>	<u>10,390,117</u>
Cash and cash equivalents at the end of the financial year	<b>9</b>	<u>10,400,777</u>	<u>6,002,317</u>
<u>Cash and cash equivalents comprised of:</u>			
Bank balances		5,251,424	5,064,232
Deposits with licensed financial institutions		<u>5,149,353</u>	<u>938,085</u>
Cash and cash equivalents at the end of financial year	<b>9</b>	<u>10,400,777</u>	<u>6,002,317</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020**

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

Principal Titans Growth & Income Fund (*formerly known as CIMB-Principal Equity Growth & Income Fund*) (the “Fund”) is governed by a Principal Master Deed dated 15 May 2008, a Third Supplemental Master Deed dated 14 July 2008, a Sixth Supplemental Master Deed dated 16 July 2009, a Seventh Supplemental Master Deed dated 11 February 2010, Thirteenth Supplemental Master Deed dated 26 June 2012, an Eighteenth Supplemental Master Deed dated 25 March 2015 and a Twentieth Supplemental Master Deed dated 21 October 2019 (collectively referred to as the “Deeds”), made between Principal Asset Management Berhad (the “Manager”) and AmanahRaya Trustees Bhd (the “Trustee”).

The Fund may invest between 70% to 98% (both inclusive) of its NAV in equities and at least 2% of the Fund’s NAV in liquid assets in order to gain long-term capital growth. The Fund may opt to invest in foreign equities up to a maximum of 30% of its NAV. Such foreign equities must be equity securities of companies domiciled in, listed in, and/or have significant operations in Asia ex Japan. ‘Significant operations’ means major businesses of the company. For example, the Fund can invest in a company with significant business/operations in Thailand but listed on the NYSE. The threshold for ‘significant operations’ would be if more than 25% of total group revenue derives from countries in Asia ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). In line with its objective, the investment policy and strategy of the Fund will be to invest primarily in equities, with a bias towards growth stocks that have the potential to deliver long-term capital appreciation and to a lesser extent focus on dividend yielding stocks that provides income. The Fund may opt to seek investment exposure via collective investment scheme that is in line with the Fund’s objective, subject to the requirement of the SC Guidelines. To a lesser extent, the Fund invests in liquid assets primarily for the purpose of cash management.

The Manager has appointed Principal Singapore as the Sub-Adviser of the Fund. Principal Singapore will provide investment research and stock recommendation to us in accordance with the investment objective and within the investment restrictions of the Fund.

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

The Fund has changed its name from CIMB-Principal Equity Growth & Income Fund to Principal Titans Growth & Income Fund following the issuance of the Replacement Master Prospectus dated 17 April 2020.

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.

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 judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the Manager's best knowledge of current events and actions, actual results may differ.

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

#### Standards, amendments to published standards or interpretations 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 May 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 May 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 May 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 debt securities 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.

Investment in collective investment schemes are debt instruments with contractual cash flow that do not represent solely payment of principal and interest ("SPPI") and therefore is classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from stockbrokers, amount due from Manager, amount due from Manager of collective investment schemes 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.

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

**(b) Financial assets and financial liabilities (continued)**

Recognition and measurement (continued)

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

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

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

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

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

If a valuation based on the market price does not represent the fair value of the 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 method.

Impairment for assets carried at amortised costs

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



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

**(b) Financial assets and financial liabilities (continued)**

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.

**(c) Income recognition**

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

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 collective investment schemes and quoted securities are accounted for as the difference between the net disposal proceeds and the carrying amount of collective investment schemes and quoted securities, determined on a weighted average cost basis.

**(d) Cash and cash equivalents**

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

**(e) Transaction costs**

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

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

**(f) Foreign 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 Ringgit Malaysia (“RM”), 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 RM primarily due to the following factors:

- i) The Fund’s units are denominated in RM; and
- ii) Significant portion of the Fund’s expenses are denominated in RM.

**(g) Taxation**

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

Tax on investment income from foreign investments are based on the tax regime of the respective countries the Fund invest in.

**(h) Distribution**

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

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

The analysis of realised and unrealised portions profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with SC Guidelines on Unit Trust Funds.

**(j) Amount due from/to stockbrokers**

Amounts due from/to stockbrokers represent receivables for quoted securities sold and payables for quoted securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are measured at amortised cost. At each reporting date, the Fund measure the loss allowance on amounts due from stockbrokers at an amount equal to the lifetime ECL if the credit risk has increased significantly since initial recognition.

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

**(j) Amount due from/to stockbrokers (continued)**

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.

**(k) Unit holders' contributions**

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

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

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

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

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

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

Estimates and judgment 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.

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
(formerly known as *CIMB-Principal Equity Growth & Income Fund*)

**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES**

Financial instruments of the Fund are as follows:

	<b>Financial assets at fair value through profit or loss RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Total RM</b>
<b>2020</b>			
Cash and cash equivalents (Note 9)	-	10,400,777	10,400,777
Quoted securities (Note 8)	127,861,904	-	127,861,904
Amount due from stockbrokers	-	1,326,491	1,326,491
Amount due from Manager	-	96,423	96,423
Amount due from Manager of collective investment schemes			
- Management fee rebates	-	50,457	50,457
Dividends receivable	-	344,093	344,093
	<u>127,861,904</u>	<u>12,218,241</u>	<u>140,080,145</u>
<b>2019</b>			
Cash and cash equivalents (Note 9)	-	6,002,317	6,002,317
Collective investment schemes (Note 8)	1,955,280	-	1,955,280
Quoted securities (Note 8)	161,447,353	-	161,447,353
Amount due from stockbrokers	-	684,702	684,702
Amount due from Manager	-	230,314	230,314
Amount due from Manager of collective investment schemes			
- Management fee rebates	-	17,658	17,658
Dividends receivable	-	98,764	98,764
	<u>163,402,633</u>	<u>7,033,755</u>	<u>170,436,388</u>

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

The investment objective of the Fund is to achieve capital appreciation over the medium to long-term through all types of investments that have the potential for above average growth over time.

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

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

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

**(a) Market risk**

**(i) Price risk**

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

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

	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
Financial assets at fair value through profit or loss:		
- Collective investment schemes	-	1,955,280
- Quoted securities	127,861,904	161,447,353
	127,861,904	163,402,633

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

<b>% Change in price of collective investment schemes and quoted securities</b>	<b>Market value</b>	<b>Impact on profit or loss/NAV</b>
	<b>RM</b>	<b>RM</b>
<b>2020</b>		
-5%	121,468,809	(6,393,095)
0%	127,861,904	-
5%	134,254,999	6,393,095
<b>2019</b>		
-5%	155,232,501	(8,170,132)
0%	163,402,633	-
5%	171,572,765	8,170,132

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

**(a) Market risk (continued)**

**(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.

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

	<b>2020</b>	<b>2019</b>
	%	%
Deposits with licensed financial institutions	<u>2.50</u>	<u>3.30</u>

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

**(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:

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
(formerly known as *CIMB-Principal Equity Growth & Income Fund*)

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

**(a) Market risk (continued)**

**(iii) Currency risk (continued)**

Financial assets	Cash and cash equivalents RM	Financial assets at fair value through profit or loss RM	Amount due from Manager of collective investment schemes RM	Dividends receivable RM	Total RM
<b>2020</b>					
CNY	6,117	2,073,367	-	-	2,079,484
HKD	21,184	14,538,344	-	-	14,559,528
IDR	-	1,044,019	50,457	-	1,094,476
INR	6,055	2,030,134	-	-	2,036,189
KRW	-	5,221,967	-	-	5,221,967
SGD	-	5,543,542	-	-	5,543,542
TWD	-	4,978,892	-	-	4,978,892
USD	5,167,683	5,307,851	-	6,211	10,481,745
	<u>5,201,039</u>	<u>40,738,116</u>	<u>50,457</u>	<u>6,211</u>	<u>45,995,823</u>
<b>2019</b>					
CNY	133	3,441,529	-	-	3,441,662
HKD	4,851	16,306,139	-	15,281	16,326,271
IDR	-	4,487,754	17,658	-	4,505,412
INR	6,288	6,797,083	-	-	6,803,371
KRW	-	3,135,886	-	-	3,135,886
PHP	-	416,434	-	-	416,434
SGD	-	6,279,743	-	45,019	6,324,762
THB	-	925,286	-	-	925,286
TWD	-	3,566,714	-	-	3,566,714
USD	5,011,762	3,640,150	-	-	8,651,912
	<u>5,023,034</u>	<u>48,996,718</u>	<u>17,658</u>	<u>60,300</u>	<u>54,097,710</u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes in foreign exchange movements at the end of the reporting year. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remaining 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	
		2020 RM	2019 RM
	%		
CNY	+/-5	+/-103,974	+/-172,083
HKD	+/-5	+/-727,976	+/-816,314
IDR	+/-5	+/-54,724	+/-225,271
INR	+/-5	+/-101,809	+/-340,169
KRW	+/-5	+/-261,098	+/-156,794
PHP	+/-5	-	+/-20,822
SGD	+/-5	+/-277,177	+/-316,238
THB	+/-5	-	+/-46,264
TWD	+/-5	+/-248,945	+/-178,336
USD	+/-5	+/-527,087	+/-432,596
		+/-2,299,790	+/-2,704,887

**(b) Credit risk**

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

For amount due from Manager, the settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

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 collective investment schemes and quoted securities are settled/paid upon delivery using approved stockbrokers.

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



**PRINCIPAL TITANS GROWTH & INCOME FUND**  
(formerly known as *CIMB-Principal Equity Growth & Income Fund*)

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

**(b) Credit risk (continued)**

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

	Cash and cash equivalents RM	Amount due from stockbrokers RM	Amount due from Manager RM	Amount due from Manager of collective investment schemes RM	Dividends receivable RM	Total RM
<b>2020</b>						
- AAA	5,199,738	-	-	-	-	5,199,738
- A1	5,201,039	-	-	-	-	5,201,039
- Not Rated	-	1,326,491	96,423	50,457	344,093	1,817,464
	<u>10,400,777</u>	<u>1,326,491</u>	<u>96,423</u>	<u>50,457</u>	<u>344,093</u>	<u>12,218,241</u>
<b>2019</b>						
- AAA	6,002,317	-	-	-	-	6,002,317
- Not Rated	-	684,702	230,314	17,658	98,764	1,031,438
	<u>6,002,317</u>	<u>684,702</u>	<u>230,314</u>	<u>17,658</u>	<u>98,764</u>	<u>7,033,755</u>

All deposits with licensed financial institutions of the Fund have an average maturity of 4 days (2019: 1 day).

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

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.

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

**(c) Liquidity risk (continued)**

	<b>Less than 1 month RM</b>	<b>Between 1 month to 1 year RM</b>	<b>Total RM</b>
<b>2020</b>			
Amount due to stockbrokers	18,917	-	18,917
Amount due to Manager	47,438	-	47,438
Accrued management fee	166,028	-	166,028
Amount due to Trustee	7,790	-	7,790
Other payables and accruals	-	19,301	19,301
<b>Contractual undiscounted cash flows</b>	<b>240,173</b>	<b>19,301</b>	<b>259,474</b>
<b>2019</b>			
Amount due to stockbrokers	1,696,983	-	1,696,983
Amount due to Manager	98,354	-	98,354
Accrued management fee	203,834	-	203,834
Amount due to Trustee	9,663	-	9,663
Other payables and accruals	-	14,946	14,946
<b>Contractual undiscounted cash flows</b>	<b>2,008,834</b>	<b>14,946</b>	<b>2,023,780</b>

**(d) Capital risk management**

The capital of the Fund is represented by equity consisting of unit holders capital of RM87,797,845 (2019: RM92,668,890) and retained earnings of RM52,236,934 (2019: RM75,957,826). 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 holder 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).

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 values 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 between the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

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

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

**(i) Fair value hierarchy**

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

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

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

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

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

The determination of what constitutes 'observable' requires significant judgment 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
<b>2020</b>				
Financial assets at fair value through profit or loss:				
- Quoted securities				
- local	87,123,788	-	-	87,123,788
- Quoted securities				
- foreign	40,738,116	-	-	40,738,116
	<u>127,861,904</u>	<u>-</u>	<u>-</u>	<u>127,861,904</u>

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2019</b>				
Financial assets at fair value through profit or loss:				
- Collective investment schemes	1,955,280	-	-	1,955,280
- Quoted securities - local	114,405,915			114,405,915
- Quoted securities - foreign	47,041,438	-	-	47,041,438
	<u>163,402,633</u>	<u>-</u>	<u>-</u>	<u>163,402,633</u>

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

- (ii) The carrying values of cash and cash equivalents, amount due from stockbrokers, amount due from Manager, amount due from Manager of collective investment schemes and 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 Deed, the Manager is entitled to a maximum management fee of 1.50% per annum, calculated daily based on the NAV of the Fund.

For the financial year ended 30 April 2020, the management fee is recognised at a rate of 1.50% per annum (2019: 1.50% per annum).

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

**5. TRUSTEE'S AND CUSTODIAN FEES**

In accordance with the Deed, the Trustee is entitled to a maximum fee of 0.07% per annum calculated daily based on the NAV of the Fund.

The foreign sub-custodian fee is dependent on the country invested and is charged monthly.

For the financial year ended 30 April 2020, the Trustee's fee is recognised at a rate of 0.07% per annum (2019: 0.07% per annum) while the foreign custodian fee is recognised at RM31,782 (2019: RM47,921).

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

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
*(formerly known as CIMB-Principal Equity Growth & Income Fund)*

**6. DISTRIBUTION**

Distribution to unit holders is derived from the following sources:

	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
Dividend income	509,413	1,018,039
Interest income from deposits with licensed financial institutions	36,309	41,367
Net realised loss on disposal of investments	(30,860)	-
Prior financial year's realised income	6,850,165	8,651,364
	<u>7,365,027</u>	<u>9,710,770</u>
Less:		
Expenses	(149,430)	(110,180)
Taxation	(1,199)	-
Net distribution amount	<u>7,214,398</u>	<u>9,600,590</u>
<b>Distribution on 18 July 2019</b>		
Gross/Net distribution per unit (sen)	<u>5.45</u>	<u>-</u>
<b>Distribution on 26 July 2018</b>		
Gross/Net distribution per unit (sen)	<u>-</u>	<u>7.75</u>

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

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

There are unrealised losses of RM14,536,081 arising for the financial year ended 30 April 2020 (2019: RM8,283,290).

**7. TAXATION**

	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
Tax charged for the financial year:		
- Withholding tax	-	79,636
- Capital gains tax	-	72
	<u>-</u>	<u>-79,708</u>

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
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**7. TAXATION (CONTINUED)**

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:

	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
Loss before taxation	(16,506,494)	(7,693,893)
Taxation at Malaysian statutory rate of 24%	(3,961,559)	(1,846,534)
Tax effects of:		
- Loss not deductible from tax purposes	3,051,758	907,341
- Expenses not deductible for tax purposes	322,580	329,722
- Restriction on tax deductible expenses for Unit Trust Funds	587,221	609,471
Income subject to withholding tax	-	79,636
Income subject to capital gains tax	-	72
Taxation	-	79,708

**8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
At fair value through profit or loss:		
- Collective investment schemes	-	1,955,280
- Quoted securities - local	87,123,788	114,405,915
- Quoted securities - foreign	40,738,116	47,041,438
	<u>127,861,904</u>	<u>163,402,633</u>
Net loss on financial assets at fair value through profit or loss:		
- Realised loss on disposals	(3,789,117)	(293,879)
- Unrealised fair value loss	(14,895,107)	(8,488,384)
- Management fee rebate #	65,597	68,130
	<u>(18,618,627)</u>	<u>(8,714,133)</u>

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

For the financial year ended 30 April 2020, the rebate is recognised at a rate of 2.00% per annum and 1.75% per annum (2019: 2.00% per annum and 1.75% per annum) for investment in Principal Indo Domestic Equity Fund (formerly known as *CIMB-Principal Indo Domestic Equity Fund*) and Principal SMART Equity Fund (formerly known as *CIMB-Principal Smart Equity Fund*) respectively, calculated and accrued daily based on the NAV of the collective investment schemes.

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
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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 %
<b>2020</b>				
<b>QUOTED SECURITIES - LOCAL</b>				
<b>Communication Services</b>				
Axiata Group Bhd	463,100	2,060,391	1,824,614	1.30
DiGi.Com Bhd	642,000	2,859,252	2,978,880	2.13
Media Chinese International Ltd	1,863,500	431,955	391,335	0.28
Telekom Malaysia Bhd	217,400	861,124	876,122	0.63
TIME dotCom Bhd	262,800	2,235,550	2,575,440	1.84
	<u>3,448,800</u>	<u>8,448,272</u>	<u>8,646,391</u>	<u>6.18</u>
<b>Consumer Discretionary</b>				
Genting Malaysia Bhd	1,829,900	5,198,784	4,336,863	3.10
<b>Consumer Staples</b>				
British American Tobacco Bhd	166,600	1,989,614	2,109,156	1.51
Carlsberg Brewery Malaysia Bhd	31,700	912,758	874,920	0.62
Fraser & Neave Holdings Bhd	30,900	979,870	980,766	0.70
Kuala Lumpur Kepong Bhd	66,900	1,416,973	1,404,900	1.00
Nestle Malaysia Bhd	12,700	1,796,399	1,779,270	1.27
QL Resources Bhd	218,000	1,774,882	1,776,700	1.27
Sime Darby Plantation Bhd	321,000	1,544,240	1,588,950	1.13
	<u>847,800</u>	<u>10,414,736</u>	<u>10,514,662</u>	<u>7.50</u>
<b>Energy</b>				
Dialog Group Bhd	381,900	989,832	1,271,727	0.91
Hibiscus Petroleum Bhd	354,700	360,261	173,803	0.12
	<u>736,600</u>	<u>1,350,093</u>	<u>1,445,530</u>	<u>1.03</u>
<b>Financials</b>				
CIMB Group Holdings Bhd	369,092	1,929,651	1,273,367	0.91
Hong Leong Bank Bhd	91,800	1,541,485	1,220,940	0.87
Malayan Banking Bhd	898,317	7,800,214	6,800,260	4.86
Public Bank Bhd	531,910	8,698,117	8,712,686	6.22
RHB Bank Bhd	574,700	3,210,448	2,729,825	1.96
	<u>2,465,819</u>	<u>23,179,915</u>	<u>20,737,078</u>	<u>14.82</u>
<b>Health Care</b>				
IHH Healthcare Bhd	736,400	4,244,898	3,866,100	2.76

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
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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 %
<b>2020 (CONTINUED)</b>				
<b>QUOTED SECURITIES -</b>				
<b>LOCAL (CONTINUED)</b>				
<b>Industrials</b>				
Econpile Holdings Bhd	4,965,300	3,187,519	2,581,956	1.84
Gamuda Bhd	952,108	2,809,008	3,065,788	2.19
Gamuda Bhd - Warrant	951,600	362,560	128,466	0.09
IJM Corporation Bhd	271,300	502,970	450,358	0.32
Lingkar Trans Kota Holdings Bhd	193,600	954,271	753,104	0.54
MISC Bhd	348,500	2,527,053	2,749,665	1.96
Pentamaster Corproation Bhd	655,700	3,126,469	2,734,269	1.95
	<u>8,338,108</u>	<u>13,469,850</u>	<u>12,463,606</u>	<u>8.89</u>
<b>Information Technology</b>				
Inari Amertron Bhd	1,312,200	1,691,862	1,863,324	1.33
Malaysian Pacific Industries Bhd	218,700	2,333,322	2,379,456	1.70
Revenue Group Bhd	3,665,000	1,485,523	1,905,800	1.36
Vitrox Corporation Bhd	351,600	2,447,964	2,914,764	2.08
	<u>5,547,500</u>	<u>7,958,671</u>	<u>9,063,344</u>	<u>6.47</u>
<b>Materials</b>				
Cahaya Mata Sarawak Bhd	132,800	254,596	183,264	0.13
Petronas Chemicals Group Bhd	73,700	578,831	412,720	0.29
Press Metal Aluminium Holdings Bhd	202,900	990,659	799,426	0.57
	<u>409,400</u>	<u>1,824,086</u>	<u>1,395,410</u>	<u>0.99</u>
<b>Real Estate</b>				
IGB REIT	524,300	891,027	907,039	0.65
Sime Darby Property Bhd	2,681,000	2,101,726	1,742,650	1.24
Sunway Bhd	1,242,400	2,104,998	1,950,568	1.41
Sunway REIT	480,300	867,086	754,071	0.54
	<u>4,928,000</u>	<u>5,964,837</u>	<u>5,354,328</u>	<u>3.84</u>
<b>Utilities</b>				
Taliworks Corporation Bhd	1,130,600	1,014,396	927,092	0.66
Tenaga Nasional Bhd	684,100	9,250,097	8,373,384	5.98
	<u>1,814,700</u>	<u>10,264,493</u>	<u>9,300,476</u>	<u>6.64</u>
<b>TOTAL QUOTED SECURITIES - LOCAL</b>	<b><u>31,103,027</u></b>	<b><u>92,318,635</u></b>	<b><u>87,123,788</u></b>	<b><u>62.22</u></b>



**PRINCIPAL TITANS GROWTH & INCOME FUND**  
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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 %
<b>2020 (CONTINUED)</b>				
<b>QUOTED SECURITIES - FOREIGN</b>				
<b>CAYMAN ISLANDS</b>				
<b>Consumer Discretionary</b>				
Alibaba Group Holding Ltd	3,176	2,174,950	2,767,180	1.98
<b>TOTAL CAYMAN ISLANDS</b>	<b>3,176</b>	<b>2,174,950</b>	<b>2,767,180</b>	<b>1.98</b>
<b>CHINA</b>				
<b>Information Technology</b>				
Hangzhou Hikvision Digital Technology Co Ltd	35,200	829,992	686,812	0.49
<b>Materials</b>				
Anhui Conch Cement Co Ltd	41,000	1,351,221	1,386,554	0.99
<b>TOTAL CHINA</b>	<b>76,200</b>	<b>2,181,213</b>	<b>2,073,366</b>	<b>1.48</b>
<b>HONG KONG, CHINA</b>				
<b>Communication Services</b>				
Tencent Holdings Ltd	13,500	1,901,912	3,120,995	2.23
<b>Consumer Discretionary</b>				
Brilliance China Automotive Holdings Ltd	272,000	1,014,691	1,087,245	0.78
Galaxy Entertainment Group Ltd	58,000	1,685,020	1,622,230	1.16
Li Ning Co Ltd	104,500	1,374,838	1,416,506	1.01
	434,500	4,074,549	4,125,981	2.95
<b>Industrials</b>				
China Conch Venture Holdings Ltd	67,000	1,259,921	1,381,787	0.99
Techtronic Industries Co Ltd	46,500	1,003,073	1,522,285	1.09
	113,500	2,262,994	2,904,072	2.08
<b>Information Technology</b>				
Kingboard Laminates Holdings Ltd	380,500	1,660,516	1,601,104	1.14

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
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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 %
<b>2020 (CONTINUED)</b>				
<b>QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>HONG KONG, CHINA (HONG KONG)</b>				
<b>Real Estate</b>				
China Resources Land Ltd	88,000	1,638,437	1,551,433	1.11
Link REIT	32,000	1,307,442	1,234,760	0.88
	<u>120,000</u>	<u>2,945,879</u>	<u>2,786,193</u>	<u>1.99</u>
<b>TOTAL HONG KONG, CHINA</b>	<b><u>1,062,000</u></b>	<b><u>12,845,850</u></b>	<b><u>14,538,345</u></b>	<b><u>10.39</u></b>
<b>INDIA</b>				
<b>Energy</b>				
Reliance Industries Ltd	24,210	1,501,539	2,030,134	1.45
<b>TOTAL INDIA</b>	<b><u>24,210</u></b>	<b><u>1,501,539</u></b>	<b><u>2,030,134</u></b>	<b><u>1.45</u></b>
<b>INDONESIA</b>				
<b>Materials</b>				
Semen Indonesia Persero TBK PT	456,300	1,613,476	1,044,019	0.75
<b>TOTAL INDONESIA</b>	<b><u>456,300</u></b>	<b><u>1,613,476</u></b>	<b><u>1,044,019</u></b>	<b><u>0.75</u></b>
<b>NETHERLANDS</b>				
<b>Information Technology</b>				
ASML Holding NV	1,166	1,184,986	1,445,794	1.03
<b>TOTAL NETHERLANDS</b>	<b><u>1,166</u></b>	<b><u>1,184,986</u></b>	<b><u>1,445,794</u></b>	<b><u>1.03</u></b>
<b>SINGAPORE</b>				
<b>Communication Services</b>				
NetLink NBN Trust	578,600	1,507,086	1,765,135	1.26
<b>Industrials</b>				
Singapore Technologies Engineering Ltd	130,300	1,386,153	1,363,446	0.97

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
(formerly known as *CIMB-Principal Equity Growth & Income 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 %
<b>2020 (CONTINUED)</b>				
<b>QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>SINGAPORE (CONTINUED)</b>				
<b>Real Estate</b>				
Capitaland Ltd	150,400	1,662,523	1,381,064	0.99
Lendlease Global Commercial REIT	589,400	1,575,518	1,033,897	0.74
	<u>739,800</u>	<u>3,238,041</u>	<u>2,414,961</u>	<u>1.73</u>
<b>TOTAL SINGAPORE</b>	<b><u>1,448,700</u></b>	<b><u>6,131,280</u></b>	<b><u>5,543,542</u></b>	<b><u>3.96</u></b>
<b>SOUTH KOREA</b>				
<b>Information Technology</b>				
Samsung Electronics Co Ltd	15,654	2,310,667	2,792,674	1.99
SK Hynix Inc	5,566	1,681,168	1,662,239	1.19
	<u>21,220</u>	<u>3,991,835</u>	<u>4,454,913</u>	<u>3.18</u>
<b>Materials</b>				
LG Chem Ltd	571	817,016	767,054	0.55
<b>TOTAL SOUTH KOREA</b>	<b><u>21,791</u></b>	<b><u>4,808,851</u></b>	<b><u>5,221,967</u></b>	<b><u>3.73</u></b>
<b>TAIWAN</b>				
<b>Information Technology</b>				
ASE Technology Holding Co Ltd	155,000	1,677,358	1,502,872	1.07
Taiwan Semiconductor Manufacturing Co Ltd	79,000	2,265,459	3,476,020	2.47
	<u>234,000</u>	<u>3,942,817</u>	<u>4,978,892</u>	<u>3.54</u>
<b>TOTAL TAIWAN</b>	<b><u>234,000</u></b>	<b><u>3,942,817</u></b>	<b><u>4,978,892</u></b>	<b><u>3.54</u></b>
<b>UNITED STATES</b>				
<b>Consumer Discretionary</b>				
New Oriental Education & Technology Group Inc	1,995	1,153,820	1,094,877	0.78
<b>TOTAL UNITED STATES</b>	<b><u>1,995</u></b>	<b><u>1,153,820</u></b>	<b><u>1,094,877</u></b>	<b><u>0.78</u></b>

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
(formerly known as *CIMB-Principal Equity Growth & Income 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 %
<b>2020 (CONTINUED)</b>				
<b>QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>TOTAL QUOTED SECURITIES - FOREIGN</b>	<u>3,329,538</u>	<u>37,538,782</u>	<u>40,738,116</u>	<u>29.09</u>
<b>TOTAL QUOTED SECURITIES</b>	<u>34,432,565</u>	<u>129,857,417</u>	<u>127,861,904</u>	<u>91.31</u>
<b>ACCUMULATED UNREALISED LOSS ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>(1,995,513)</u>		
<b>TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>127,861,904</u>		
<b>OTHER INVESTMENT</b>				
<b>HONG KONG, CHINA</b>				
<b>Information Technology</b>				
Riverhill Holdings Ltd #	<u>2,165,000</u>	<u>-</u>	<u>-</u>	<u>0.00</u>
<b>TOTAL</b>	<u>2,165,000</u>	<u>-</u>	<u>-</u>	<u>0.00</u>

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
*(formerly known as CIMB-Principal Equity Growth & Income 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 %
<b>2019</b>				
<b>COLLECTIVE</b>				
<b>INVESTMENT SCHEMES</b>				
Principal Indo Domestic Equity Fund <i>(formerly known as CIMB-Principal Indo Domestic Equity Fund)</i>	3,567,578	943,147	1,026,771	0.61
Principal SMART Equity Fund <i>(formerly known as CIMB-Principal SMART Equity Fund)</i>	<u>2,846,196</u>	<u>973,942</u>	<u>928,509</u>	<u>0.55</u>
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES</b>	<b><u>6,413,774</u></b>	<b><u>1,917,089</u></b>	<b><u>1,955,280</u></b>	<b><u>1.16</u></b>
<b>ACCUMULATED UNREALISED GAIN ON COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>38,191</u>		
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>1,955,280</u>		
<b>QUOTED SECURITIES - LOCAL</b>				
<b>Communication Services</b>				
Astro Malaysia Holdings Bhd	1,034,000	1,178,256	1,499,300	0.89
Axiata Group Bhd	571,500	2,314,251	2,268,855	1.35
DiGi.Com Bhd	528,600	2,424,830	2,431,560	1.44
TIME dotCom Bhd	<u>262,800</u>	<u>2,235,550</u>	<u>2,352,060</u>	<u>1.39</u>
	<u>2,396,900</u>	<u>8,152,887</u>	<u>8,551,775</u>	<u>5.07</u>
<b>Consumer Discretionary</b>				
Bermaz Auto Bhd	94,600	208,062	227,040	0.13
Genting Bhd	548,500	4,255,307	3,861,440	2.29
Genting Malaysia Bhd	870,100	2,685,340	2,766,918	1.64
UMW Holdings Bhd	<u>109,700</u>	<u>591,152</u>	<u>597,865</u>	<u>0.35</u>
	<u>1,622,900</u>	<u>7,739,861</u>	<u>7,453,263</u>	<u>4.41</u>

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
(formerly known as *CIMB-Principal Equity Growth & Income 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 %
<b>2019 (CONTINUED)</b>				
<b>QUOTED SECURITIES -</b>				
<b>LOCAL (CONTINUED)</b>				
<b>Consumer Staples</b>				
British American Tobacco Bhd	76,200	2,623,083	2,656,332	1.58
Fraser & Neave Holdings Bhd	49,500	1,738,381	1,727,550	1.02
IOI Corporation Bhd	509,000	2,315,950	2,295,590	1.36
Kuala Lumpur Kepong Bhd	96,700	2,385,724	2,392,358	1.42
Nestle Malaysia Bhd	8,400	1,209,402	1,227,240	0.73
Sime Darby Plantation Bhd	658,000	3,398,965	3,395,280	2.01
	<u>1,397,800</u>	<u>13,671,505</u>	<u>13,694,350</u>	<u>8.12</u>
<b>Energy</b>				
Dialog Group Bhd	1,279,700	3,316,807	4,120,634	2.44
Hibiscus Petroleum Bhd	1,480,000	1,574,774	1,687,200	1.00
Petronas Dagangan Bhd	45,100	1,232,153	1,090,518	0.65
Sapura Energy Bhd	9,600,000	3,216,210	3,120,000	1.85
Yinson Holdings Bhd	492,500	2,263,119	2,383,700	1.41
	<u>12,897,300</u>	<u>11,603,063</u>	<u>12,402,052</u>	<u>7.35</u>
<b>Financials</b>				
Alliance Bank Malaysia Bhd	272,100	1,134,267	1,104,726	0.66
AMMB Holdings Bhd	578,000	2,602,557	2,583,660	1.53
CIMB Group Holdings Bhd	347,792	2,028,221	1,832,864	1.09
Hong Leong Bank Bhd	65,500	1,170,507	1,308,690	0.78
Malayan Banking Bhd	986,749	9,100,112	9,127,428	5.41
Public Bank Bhd	136,010	2,842,784	3,060,225	1.81
RHB Bank Bhd	769,900	4,226,858	4,588,604	2.72
	<u>3,156,051</u>	<u>23,105,306</u>	<u>23,606,197</u>	<u>14.00</u>
<b>Health Care</b>				
IHH Healthcare Bhd	318,500	1,863,336	1,770,860	1.05
<b>Industrials</b>				
Econpile Holdings Bhd	1,661,000	727,396	1,071,345	0.64
Gamuda Bhd	685,300	1,583,301	2,398,550	1.42
HSS Engineers Bhd	1,109,300	1,200,444	1,231,323	0.73
IJM Corporation Bhd	1,298,000	2,331,987	3,037,320	1.80

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
(formerly known as *CIMB-Principal Equity Growth & Income 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 %
<b>2019 (CONTINUED)</b>				
<b>QUOTED SECURITIES - LOCAL (CONTINUED)</b>				
<b>Industrials (continued)</b>				
Malaysia Airports Holdings Bhd	137,100	1,064,076	1,046,073	0.62
MISC Bhd	332,900	2,124,045	2,297,010	1.36
Pentamaster Corporation Bhd	170,888	272,186	738,236	0.44
Sime Darby Bhd	1,367,200	3,158,561	3,171,904	1.88
TRC Synergy Bhd	3,900,000	2,463,580	2,866,500	1.70
Westports Holdings Bhd	620,400	2,324,542	2,357,520	1.40
	<u>11,282,088</u>	<u>17,250,118</u>	<u>20,215,781</u>	<u>11.99</u>
<b>Information Technology</b>				
Globetronics Technology Bhd	168,600	290,079	320,340	0.19
JHM Consolidation Bhd	1,888,200	2,474,142	2,398,014	1.42
Uchi Technologies Bhd	546,300	1,665,251	1,556,955	0.92
	<u>2,603,100</u>	<u>4,429,472</u>	<u>4,275,309</u>	<u>2.53</u>
<b>Materials</b>				
Petronas Chemicals Group Bhd	643,500	5,240,938	5,791,500	3.43
<b>Real Estate</b>				
IGB REIT	1,338,000	2,273,877	2,488,680	1.48
Sunway REIT	1,234,000	2,227,740	2,307,580	1.37
	<u>2,572,000</u>	<u>4,501,617</u>	<u>4,796,260</u>	<u>2.85</u>
<b>Utilities</b>				
Ranhill Holdings Bhd	256,800	274,576	300,456	0.18
Tenaga Nasional Bhd	940,400	12,715,672	11,548,112	6.85
	<u>1,197,200</u>	<u>12,990,248</u>	<u>11,848,568</u>	<u>7.03</u>
<b>TOTAL QUOTED SECURITIES - LOCAL</b>	<b><u>40,087,339</u></b>	<b><u>110,548,351</u></b>	<b><u>114,405,915</u></b>	<b><u>67.83</u></b>

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
(formerly known as *CIMB-Principal Equity Growth & Income 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 %
<b>2019 (CONTINUED)</b>				
<b>QUOTED SECURITIES - FOREIGN</b>				
<b>CAYMAN ISLANDS</b>				
<b>Consumer Discretionary</b>				
Alibaba Group Holdings Ltd	2,627	1,687,398	2,014,806	1.19
<b>TOTAL CAYMAN ISLANDS</b>	<b>2,627</b>	<b>1,687,398</b>	<b>2,014,806</b>	<b>1.19</b>
<b>CHINA</b>				
<b>Financials</b>				
Industrial & Commercial Bank of China Ltd	450,000	1,232,181	1,396,283	0.83
Ping An Insurance Group Co of China Ltd - H <sup>2</sup>	36,500	1,253,880	1,816,103	1.08
	486,500	2,486,061	3,212,386	1.91
<b>Industrials</b>				
Centre Testing International Group Co Ltd	306,800	1,726,104	1,877,183	1.11
<b>Information Technology</b>				
Hangzhou Hikvision Digital Technology Co Ltd	78,000	1,697,191	1,564,346	0.93
<b>TOTAL CHINA</b>	<b>871,300</b>	<b>5,909,356</b>	<b>6,653,915</b>	<b>3.95</b>
<b>HONG KONG</b>				
<b>Communication Services</b>				
Tencent Holdings Ltd	10,600	1,343,206	2,166,623	1.28
<b>Consumer Discretionary</b>				
Galaxy Entertainment Group Ltd	39,000	1,246,081	1,204,976	0.71
<b>Financials</b>				
AIA Group Ltd	56,700	1,185,009	2,388,071	1.42
<b>Industrials</b>				
Techtronic Industries Co Ltd	65,000	1,402,145	1,941,521	1.15



**PRINCIPAL TITANS GROWTH & INCOME FUND**  
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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 %
<b>2019 (CONTINUED)</b>				
<b>QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>HONG KONG (CONTINUED)</b>				
<b>Real Estate</b>				
China Resources Land Ltd	90,000	1,480,322	1,619,120	0.96
Henderson Land Development Co Ltd	64,000	1,677,509	1,628,444	0.97
Link REIT	44,500	1,773,795	2,144,998	1.27
	<u>198,500</u>	<u>4,931,626</u>	<u>5,392,562</u>	<u>3.20</u>
<b>TOTAL HONG KONG</b>	<b><u>369,800</u></b>	<b><u>10,108,067</u></b>	<b><u>13,093,753</u></b>	<b><u>7.76</u></b>
<b>INDIA</b>				
<b>Energy</b>				
Reliance Industries Ltd	46,402	2,877,918	3,838,945	2.28
<b>Financials</b>				
HDFC Bank Ltd	11,347	808,960	1,561,989	0.93
ICICI Bank Ltd	57,679	1,264,729	1,396,149	0.83
Bank Rakyat Indonesia	1,258,900	1,313,910	1,594,304	0.95
	<u>1,327,926</u>	<u>3,387,599</u>	<u>4,552,442</u>	<u>2.71</u>
<b>TOTAL INDIA</b>	<b><u>1,374,328</u></b>	<b><u>6,265,517</u></b>	<b><u>8,391,387</u></b>	<b><u>4.99</u></b>
<b>INDONESIA</b>				
<b>Materials</b>				
Semen Indonesia Persero TBK PT	239,800	851,476	938,170	0.56
<b>TOTAL INDONESIA</b>	<b><u>239,800</u></b>	<b><u>851,476</u></b>	<b><u>938,170</u></b>	<b><u>0.56</u></b>
<b>PHILIPPINES</b>				
<b>Industrials</b>				
Megawide Construction Corporation	234,600	327,335	416,434	0.25
<b>TOTAL PHILIPPINES</b>	<b><u>234,600</u></b>	<b><u>327,335</u></b>	<b><u>416,434</u></b>	<b><u>0.25</u></b>

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
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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 %
<b>2019 (CONTINUED)</b>				
<b>QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>SINGAPORE</b>				
<b>Financials</b>				
DBS Group Holdings Ltd	18,000	1,134,054	1,545,738	0.92
<b>Industrials</b>				
Singapore Technologies Engineering Ltd	148,100	1,575,512	1,782,770	1.06
<b>Information Technology</b>				
Venture Corporation Ltd	19,500	840,788	1,005,915	0.60
<b>Real Estate</b>				
CDL Hospitality Trusts	191,400	993,154	930,908	0.55
Keppel DC REIT	221,000	991,401	1,014,412	0.60
	412,400	1,984,555	1,945,320	1.15
<b>TOTAL SINGAPORE</b>	<b>598,000</b>	<b>5,534,909</b>	<b>6,279,743</b>	<b>3.73</b>
<b>SOUTH KOREA</b>				
<b>Consumer Staples</b>				
LG Household & Health Care Ltd	111	495,581	558,382	0.33
<b>Information Technology</b>				
Samsung Electronics Co Ltd	15,891	1,899,316	2,577,504	1.53
<b>TOTAL SOUTH KOREA</b>	<b>16,002</b>	<b>2,394,897</b>	<b>3,135,886</b>	<b>1.86</b>
<b>TAIWAN</b>				
<b>Information Technology</b>				
Taiwan Semiconductor Manufacturing Co Ltd	103,000	2,953,700	3,566,715	2.12
<b>TOTAL TAIWAN</b>	<b>103,000</b>	<b>2,953,700</b>	<b>3,566,715</b>	<b>2.12</b>

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
(formerly known as *CIMB-Principal Equity Growth & Income 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 %
<b>2019 (CONTINUED)</b>				
<b>QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>THAILAND</b>				
<b>Consumer Staples</b>				
CP All PCL - NVDR <sup>1</sup>	92,200	788,928	925,285	0.54
<b>TOTAL THAILAND</b>	<b>92,200</b>	<b>788,928</b>	<b>925,285</b>	<b>0.54</b>
<b>UNITED STATES</b>				
<b>Consumer Discretionary</b>				
Huazhu Group Ltd	9,275	1,216,016	1,625,344	0.96
<b>TOTAL UNITED STATES</b>	<b>9,275</b>	<b>1,216,016</b>	<b>1,625,344</b>	<b>0.96</b>
<b>TOTAL QUOTED SECURITIES - FOREIGN</b>	<b>3,910,932</b>	<b>38,037,599</b>	<b>47,041,438</b>	<b>27.91</b>
<b>TOTAL QUOTED SECURITIES</b>	<b>43,998,271</b>	<b>148,585,950</b>	<b>161,447,353</b>	<b>95.74</b>
<b>ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>12,861,403</b>		
<b>TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>161,447,353</b>		
<b>OTHER INVESTMENT</b>				
<b>HONG KONG, CHINA</b>				
<b>Information Technology</b>				
Riverhill Holdings Ltd #	2,165,000	-	-	0.00
<b>TOTAL</b>	<b>2,165,000</b>	<b>-</b>	<b>-</b>	<b>0.00</b>

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
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**8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**

- <sup>1</sup> NVDR, or non-voting depository receipt, is a trading instrument issued by Thai NVDR Company Limited, a subsidiary wholly owned by the Stock Exchange of Thailand (“SET”). It is a valid security as specified by the United States Securities and Exchange Commission (“SEC”) and is automatically regarded as a listed security by the SET. The underlying security is a listed security in the SET.
- <sup>2</sup> H shares refer to the shares of companies incorporated in the Chinese mainland that are listed on the Hong Kong Stock Exchange or other foreign exchange. H shares are still regulated by Chinese law, but they are denominated in Hong Kong dollars and trade the same as other equities on the Hong Kong Stock exchange.
- # Riverhill Holdings Ltd was delisted from Hong Kong Stock Exchange on 18 October 2005 in accordance with Rule 9.14 of the Growth Enterprise Market (“GEM”) listing rules as the Company failed to submit a valid redemption proposal.

**9. CASH AND CASH EQUIVALENTS**

	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
Deposits with licensed financial institutions	5,149,353	938,085
Bank balances	5,251,424	5,064,232
	<u>10,400,777</u>	<u>6,002,317</u>

**10. NUMBER OF UNITS IN CIRCULATION (UNITS)**

	<b>2020</b>	<b>2019</b>
	<b>No. of units</b>	<b>No. of units</b>
At the beginning of the financial year	132,857,812	117,518,163
Add : Creation of units from applications	6,012,374	22,724,799
Add : Creation of units from distribution	5,459,609	7,066,408
Less : Cancellation of units	<u>(15,989,922)</u>	<u>(14,451,558)</u>
At the end of the financial year	<u>128,339,873</u>	<u>132,857,812</u>

**11. MANAGEMENT EXPENSE RATIO (“MER”)**

	<b>2020</b>	<b>2019</b>
	%	%
MER	1.62	1.61

MER is derived from the following calculation:

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

- A = Management fee
- B = Trustee’s fee
- C = Audit fee
- D = Tax agent’s fee
- E = Other expenses excluding CDS transfer fee and withholding tax
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is RM161,099,119 (2019: RM166,875,062).

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

	<b>2020</b>	<b>2019</b>
PTR (times)	1.16	1.29

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 = RM178,744,537 (2019: RM224,545,407)
- total disposal for the financial year = RM195,601,043 (2019: RM207,498,495)

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
(formerly known as *CIMB-Principal Equity Growth & Income Fund*)

**13. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER, AND SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES**

<u>Related parties</u>	<u>Relationship</u>
Principal Asset Management Berhad	The Manager
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the Manager
Principal International (Asia) Ltd	Shareholder of the Manager
Subsidiaries and associates of Principal Financial Group Inc., other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the Manager
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the Manager
CIMB Group Sdn Bhd	Shareholder of the Manager
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the shareholder of the Manager
CGS-CIMB Securities Sdn Bhd	Fellow related party to the Manager
CGS-CIMB Securities (Singapore) Pte Ltd	Fellow related party to the Manager
CIMB Bank Bhd	Fellow related party to the Manager
PT Principal Asset Management	Fellow related party to the Manager

Units held by the Manager and parties related to the Manager

	<u>2020</u>		<u>2019</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
<b>Manager</b>				
Principal Asset Management Berhad	30,088	32,829	94,492	119,929

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

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
(formerly known as CIMB-Principal Equity Growth & Income Fund)

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

	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
<u>Significant related party transactions</u>		
Disposal of collective investment schemes:		
- Principal Asset Management Berhad	1,259,514	-
Dividend income received:		
- CIMB Group Holdings Bhd	159,467	75,608
Interest income from deposits with licensed financial institution:		
- CIMB Bank Bhd	10,352	1,918
Deposits with licensed financial institution:		
- CIMB Bank Bhd	52,968,000	4,652,000
Management fee rebates:		
- Principal Asset Management Berhad	32,798	34,224
- PT Principal Asset Management	32,798	33,906

**14. TRANSACTIONS WITH BROKERS/DEALERS**

Details of transactions with the top 10 brokers/dealers for the financial year ended 30 April 2020 are as follows:

<b>Brokers/Dealers</b>	<b>Value of trades</b>	<b>Percentage of total trades</b>	<b>Brokerage fees</b>	<b>Percentage of total brokerage fees</b>
	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>%</b>
Maybank Investment Bank Bhd	42,248,984	11.30	91,557	12.24
CLSA Securities (M) Sdn Bhd	40,071,725	10.72	76,342	10.20
Macquarie Capital Securities (M) Sdn Bhd	39,564,312	10.58	84,081	11.24
KAF Equities Sdn Bhd	37,639,220	10.07	82,392	11.01
Affin Hwang Investment Bank Bhd	27,297,788	7.30	60,171	8.04
Hong Leong Investment Bank Bhd	23,704,583	6.34	53,335	7.13
UBS Securities Malaysia Sdn Bhd	20,836,565	5.57	37,351	4.99
CGS-CIMB Securities Sdn Bhd #	19,831,157	5.30	37,439	5.00
RHB Investment Bank Bhd	17,426,073	4.66	38,731	5.18
Citigroup Global Markets Ltd	14,555,541	3.89	12,742	1.70
Others #	90,657,134	24.27	174,019	23.27
	<b>373,833,082</b>	<b>100.00</b>	<b>748,160</b>	<b>100.00</b>

**PRINCIPAL TITANS GROWTH & INCOME FUND**  
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**14. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)**

Details of transactions with the top 10 brokers/dealers for the financial year ended 30 April 2019 are as follows:

<b>Brokers/Dealers</b>	<b>Value of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
Macquarie Capital Securities (Malaysia) Sdn Bhd	71,603,611	16.68	157,958	17.38
CLSA Securities (M) Sdn Bhd	40,582,355	9.45	80,490	8.86
KAF-Seagroatt & Campbell Securities Sdn Bhd	39,999,361	9.32	88,913	9.78
RHB Investment Bank Bhd	36,827,135	8.58	81,731	8.99
JP Morgan Securities (Malaysia) Sdn Bhd	28,221,866	6.57	56,944	6.27
Affin Hwang Investment Bank Bhd	26,590,786	6.19	58,579	6.45
Maybank Investment Bank Bhd	25,306,563	5.89	55,045	6.06
CIMB Investment Bank Bhd #	19,352,632	4.51	39,541	4.35
Credit Suisse Securities (M) Sdn Bhd	13,576,094	3.16	28,217	3.10
UBS Securities Malaysia Sdn Bhd	12,865,157	3.00	19,789	2.18
Others	<u>114,431,851</u>	<u>26.65</u>	<u>241,576</u>	<u>26.58</u>
	<u>429,357,411</u>	<u>100.00</u>	<u>908,783</u>	<u>100.00</u>

# Included in the transactions are trades conducted with Principal Asset Management Berhad, the Manager, amounting to RM1,259,514 (2019: Nil), CGS-CIMB Securities Sdn Bhd, CGS-CIMB Securities (Singapore) Pte Ltd and CIMB Investment Bank Bhd, fellow related parties to the Manager amounting to RM19,831,157 (2019: Nil), RM460,675 (2019: Nil), and Nil (2019: RM19,352,632) respectively. The Manager is of the opinion that all transactions with the related company have been entered into in the normal course of business at agreed terms between the related parties.

**15. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

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

The Manager continues monitoring the situation closely and will be 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 17 June 2020.



**DIRECTORY**

**Head Office of the Manager**

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**Auditors of the Fund and of the Manager**

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**Principal Asset Management Berhad**  
**199401018399 (304078-K)**

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