

# Principal US High Conviction Equity Fund

Semi-Annual Report

For The Six Months Financial Period Ended 31 March 2023

**PRINCIPAL US HIGH CONVICTION EQUITY FUND**

**UNAUDITED SEMI-ANNUAL REPORT**

**FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2023**

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**INVESTORS' LETTER**

Dear Valued Investor,

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

We are pleased to bring you a copy of the Unaudited Semi-Annual Fund Report of the Principal US High Conviction Equity Fund for the financial period ended 31 March 2023. You may also download this report from our website at [www.principal.com.my](http://www.principal.com.my).

We are pleased to share that we continue to win accolades – the most recent recognition coming from the Refinitiv Lipper Fund Awards 2023 with five awards where Principal Asia Titans Fund won Best Equity Asia Pacific ex-Japan (Provident) in the 10-year category, while Principal Islamic Asia Pacific Dynamic Equity won the same award in the Islamic universe in the three-, five- and 10-year categories. Principal Global Titans MYR won the Best Equity Global (Malaysia) award in the five-year category.

Digital innovation is central to our strategy, as we use data and technology to develop the right solutions for you. We will continue to advance our digital capabilities to provide easy access to your investment portfolio and enable you to carry out transactions seamlessly. Please continue to check out our website ([www.principal.com.my](http://www.principal.com.my)), like our Facebook page (@PrincipalAssetMY), follow us on our Instagram account (@principalassetmanagement\_my), and LinkedIn page (Principal Asset Management Berhad) for the latest updates, market insights and investment articles.

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

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

**Munirah Khairuddin**  
Chief Executive Officer

**MANAGER’S REPORT**

**FUND OBJECTIVE AND POLICY**

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

The Fund aims to achieve capital appreciation over the medium to long term through investments in United States of America equities.

**Has the Fund achieved its objective?**

The Fund is in line to achieve its long-term objectives as stated under the Fund investment objective policy.

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

The Fund seeks to achieve its objective by investing in United States of America (“USA”) equities and other equity related securities by focusing its investment primarily in companies with market capitalization of not more than USD 30 billion and a part of the Fund’s NAV in companies with market capitalization of more than USD 30 billion. The investment universe includes listed securities as well as initial public offerings. The Fund is expected to have a growth bias overall, including both growth and value-oriented companies over time. The Fund may also opt to seek investment exposure via collective investment scheme (“CIS”) that is in line with the Fund’s objective, subject to the requirements of the Securities Commission (“SC”) Guidelines. The Fund will also invest in liquid assets such as money market instruments and/or Deposits for liquidity purpose.

The asset allocation for the Fund is as follows:

- Minimum 70% of the Fund’s net asset value (“NAV”) will be invested into equities and other equity related securities; and
- The balance of the Fund’s NAV will be invested in money market instruments and/ or Deposits.

**Base Currency**

United States Dollar (“USD”)

**Fund category/type**

Equity/Growth

**When was the Fund launched?**

<b>Name of Class</b>	<b>Launch Date</b>
Class MYR (“MYR”)	12 January 2022
Class MYR-Hedged (“MYR-H”)	12 January 2022
Class SGD (“SGD”)	12 January 2022
Class USD	12 January 2022

**What was the size of the Fund as at 31 March 2023?**

USD1.15 million (5.31 million units)

**What is the Fund’s benchmark?**

Morgan Stanley Capital International (“MSCI”) U.S Small Cap Index

*Note: The benchmark is for performance comparison purpose only. You are cautioned that the risk profile of the Fund is different from the benchmark. Information on the benchmark can be obtained from <https://www.msci.com/indexes>.*

**What is the Fund distribution policy?**

Given the Fund’s objective, the class(es) of the Fund is not expected to pay any distribution. Distributions, if any, are at the Manager’s discretion and will vary from period to period depending on the performance of the Fund.

**What was the net income distribution for the six months financial period ended 31 March 2023?**

There was no distribution made for the six months financial period ended 31 March 2023.

**PERFORMANCE DATA**

Details of portfolio composition of the Fund for the financial period were as follows:

	<b>31.03.2023</b>
	%
Collective Investment Schemes	88.15
Cash and other assets	12.91
Liabilities	(1.06)
	<u>100.00</u>

Performance details of the Fund for the financial period were as follows:

	<b>31.03.2023</b>
NAV (USD Million)	
- Class MYR	0.68
- Class MYR-H	0.47
- Class SGD	0.00*
- Class USD	0.00*
Units in circulation (Million)	
- Class MYR	3.04
- Class MYR-H	2.27
- Class SGD	0.00*
- Class USD	0.00*
NAV per unit (USD)	
- Class MYR	0.2227
- Class MYR-H	0.2096
- Class SGD	0.6880
- Class USD	0.9320

Note 0.00\* denotes allocation less than USD0.01 million.

**01.10.2022  
to 31.03.2023**

Highest NAV per unit (USD)	
- Class MYR	0.2431
- Class MYR-H	0.2379
- Class SGD	0.7514
- Class USD	1.0172
Lowest NAV per unit (USD)	
- Class MYR	0.2047
- Class MYR-H	0.1830
- Class SGD	0.6325
- Class USD	0.8566
Total return (%)	
- Class MYR	3.56
- Class MYR-H	8.20
- Class SGD	1.09
- Class USD	8.79

**PERFORMANCE DATA (CONTINUED)**

Performance details of the Fund for the financial period were as follows (continued):

	<b>01.10.2022 to 31.03.2023</b>
Capital growth (%)	
- Class MYR	3.56
- Class MYR-H	8.20
- Class SGD	1.09
- Class USD	8.79
Income distribution (%)	
- Class MYR	-
- Class MYR-H	-
- Class SGD	-
- Class USD	-
Total Expense Ratio ("TER") (%)	1.17
Portfolio Turnover Ratio ("PTR") (times)	0.32

	<b>Since inception 31.03.2023 to 31.03.2022</b>	
	%	%
Annual total return		
- Class MYR	(5.13)	3.59
- Class MYR-H	(10.49)	3.34
- Class SGD	(11.18)	3.06
- Class USD	(9.66)	3.15

(Launch date: 12 January 2022)

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

**MARKET REVIEW (1 OCTOBER 2022 TO 31 MARCH 2023)**

US markets towards the end of 2022 were volatile on the back of recession fears. Coming into 2023, equity markets were mostly mixed as a fresh wave of volatility gripped capital markets. The initial tremors emanated from the crypto focused Silvergate Capital, which voluntarily liquidated after several months of client outflows. Soon after, Silicon Valley bank ("SVB") Financial and Signature Bank met the same fate. These events rattled financial institutions across the globe, especially long beleaguered Credit Suisse where a long string of client withdrawals and votes of no confidence by its major shareholders rapidly led it to the brink of collapsed. This led to a massive emergency intervention by the Swiss National Bank and Union Bank of Switzerland ("UBS"), culminating in the arranged merger of the country's two largest banking and wealth management institutions. Volatility subsided considerably later in the month amid relative stability in credit markets. The financial sector was certainly a laggard during the month, pulled down by regional banks which make up a significant portion of the US small cap financial universe.

FUND PERFORMANCE

	6 months to 31.03.2023			
	Class MYR %	Class MYR-H %	Class SGD %	Class USD %
Income Distribution	-	-	-	-
Capital Growth	3.56	8.20	1.09	8.79
Total Return	3.56	8.20	1.09	8.79
Benchmark	6.80	12.24	4.00	12.24
Average Total Return	7.27	17.12	2.20	18.41

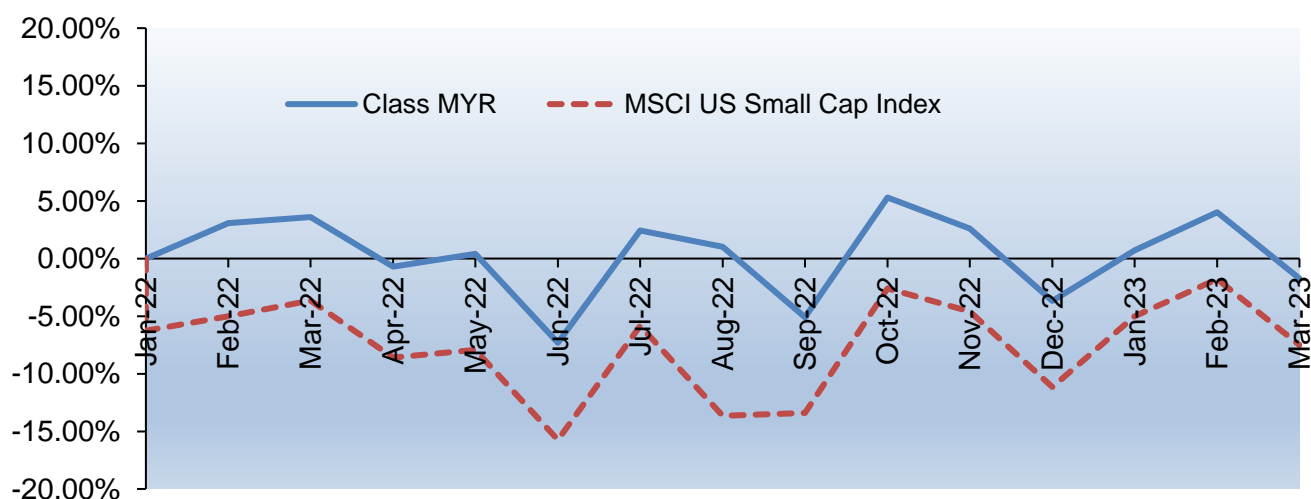
	1 year to 31.03.2023			
	Class MYR %	Class MYR-H %	Class SGD %	Class USD %
Income Distribution	-	-	-	-
Capital Growth	(5.13)	(10.49)	(11.18)	(9.66)
Total Return	(5.13)	(10.49)	(11.18)	(9.66)
Benchmark	(4.01)	(8.53)	(10.13)	(8.53)
Average Total Return	(5.13)	(10.49)	(11.18)	(9.66)

	Since inception to 31.03.2023			
	Class MYR %	Class MYR-H %	Class SGD %	Class USD %
Income Distribution	-	-	-	-
Capital Growth	(1.72)	(7.50)	(8.46)	(6.81)
Total Return	(1.72)	(7.50)	(8.46)	(6.81)
Benchmark	(7.52)	(12.27)	(13.42)	(12.27)
Average Total Return	(1.42)	(6.22)	(7.02)	(5.65)

During the financial period under review, the total return for Class MYR, Class MYR-H, Class SGD, and Class USD increased by 3.56%, 8.20%, 1.09%, and 8.79% respectively. Meanwhile, the benchmark increased by 6.80%, 12.24%, 4.00%, and 12.24% respectively within the same reporting period.

Since Inception

Class MYR

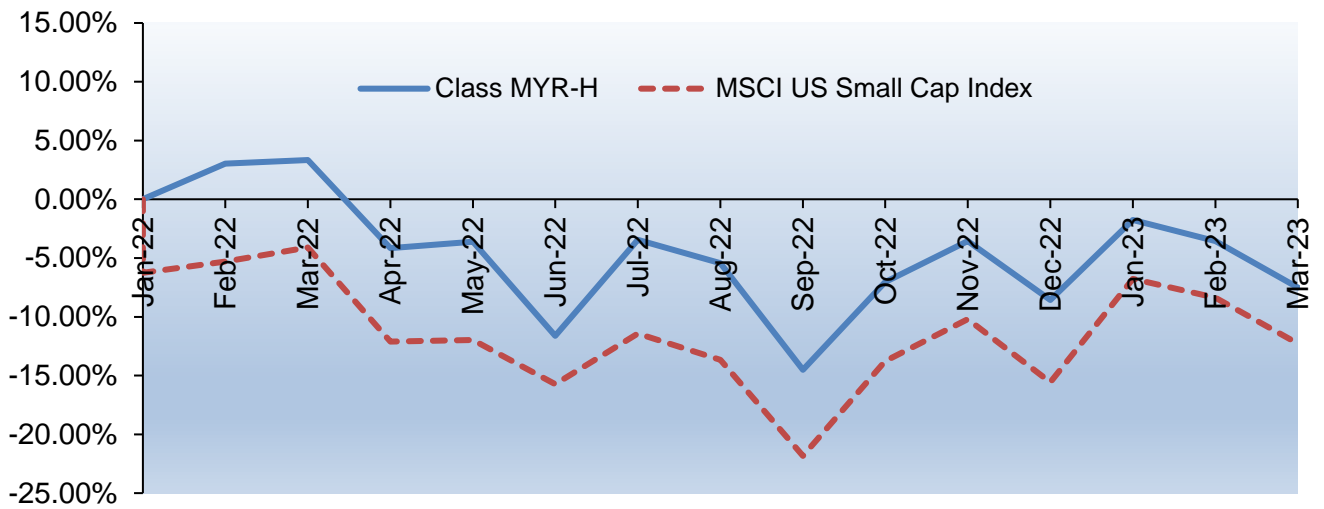




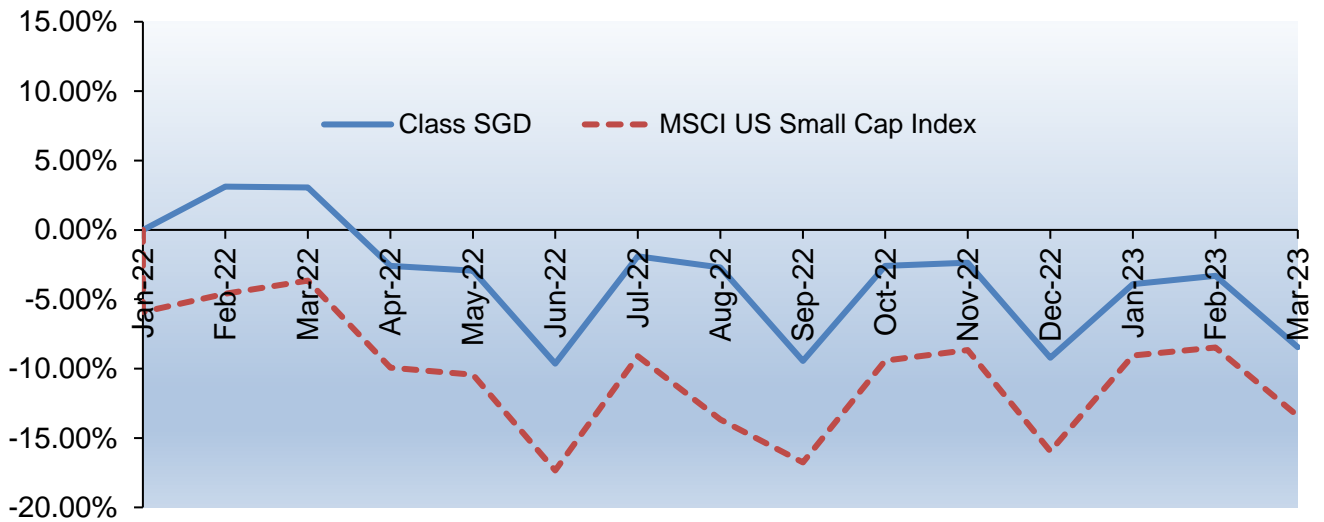
FUND PERFORMANCE (CONTINUED)

Since Inception

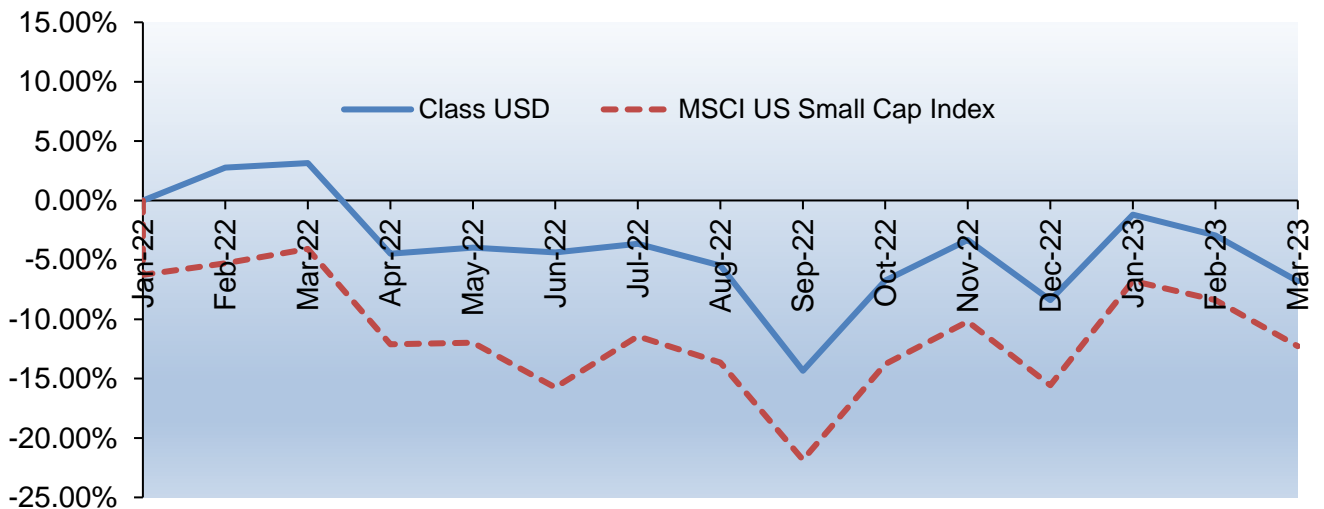
Class MYR-H



Class SGD



Class USD



**FUND PERFORMANCE (CONTINUED)**

**Changes in NAV**

**CLASS MYR**

	<b>31.03.2023</b>	<b>30.09.2022 Audited</b>	<b>Changes %</b>
NAV (USD Million)	0.68	0.49	38.78
NAV/Unit (USD)	0.2227	0.2046	8.85

**CLASS MYR-H**

NAV (USD Million)	0.47	0.20	>100.00
NAV/Unit (USD)	0.2096	0.1843	13.73

**CLASS SGD**

NAV (USD Million)	0.00*	0.00*	-
NAV/Unit (USD)	0.6880	0.6320	8.86

**CLASS USD**

NAV (USD Million)	0.00*	0.00*	-
NAV/Unit (USD)	0.9320	0.8570	8.75

Note 0.00\* denotes allocation less than USD0.01 million.

For the period under review, the Fund's NAV for Class MYR, and Class MYR-H increased by 38.78%, and >100.00% respectively. Meanwhile Class SGD and Class USD remained flat during the same period under review.

In addition, the Fund's NAV per unit during the financial period under review for Class MYR, Class MYR-H, Class SGD, and Class USD increased by 8.85%, 13.73%, 8.86%, and 8.75% respectively.

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

**PORTFOLIO STRUCTURE**

**Asset allocation**

<b>(% of NAV)</b>	<b>31.03.2023</b>	<b>30.09.2022 Audited</b>
Collective investment schemes	88.15	89.99
Cash and other assets	12.91	12.58
Liabilities	(1.06)	(2.57)
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

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

## **MARKET OUTLOOK\***

This has been a challenging period for companies experiencing positive changes. Inflation should continue to moderate in 2023 and we are moving closer to a pause in central bank interest rate hiking. Lending conditions may continue to tighten due to the stress in the banking sector. This may weigh on economic growth and corporate earnings would come under pressure.

\* 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") are based on data obtained from sources believed to be reliable by Principal Malaysia. Whilst every care has been taken in preparing this, Principal Malaysia makes no guarantee, representation or warranty and is under no circumstances liable for any loss or damage caused by reliance on, any opinion, advice or statement made in this market outlook.

## **INVESTMENT STRATEGY**

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

## **SOFT COMMISSIONS AND REBATES**

Principal Asset Management Berhad (the "Manager"), sub-manager and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Principal Malaysia Funds ("Funds") unless the soft commission received is retained in the form of goods and services such as research and advisory services that assist in the decision making process relating to the Fund's investments. All dealings with brokers are executed on most favourable terms available for the Fund. Any rebates will be directed to the account of the Fund.

During the financial period under review, the Manager, the sub-manager and the Trustee did not receive any rebates from the brokers or dealers but the Manager and the sub-manager has retained soft commission in the form of goods and services for the benefit of the Fund such financial wire services and stock quotations systems incidental to investments management of the Funds and there was no churning of trades.

## **SECURITIES FINANCING TRANSACTIONS**

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

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

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

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

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

## **CROSS TRADE**

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

## **Unit Split**

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF  
PRINCIPAL US HIGH CONVICTION EQUITY FUND**

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 3 to 24 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 March 2023 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period then ended in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting.

For and on behalf of the Manager

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

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

**UDAY JAYARAM**  
Director

Kuala Lumpur  
16 May 2023

**TRUSTEE'S REPORT**

**TO THE UNIT HOLDERS OF  
PRINCIPAL US HIGH CONVICTION EQUITY FUND ("Fund")**

We have acted as Trustee of the Fund for the financial period ended 31 March 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management Company under the Deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deed; and
3. Any creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirement.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat  
Manager, Investment Compliance Monitoring

Kuala Lumpur  
16 May 2023

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2023**

		<b>01.10.2022 to 31.03.2023</b>
	<b>Note</b>	<b>USD</b>
<b>INCOME/(LOSS)</b>		
Dividend income		6,882
Interest income		279
Net gain on financial assets at fair value through profit or loss	<b>7</b>	58,130
Net gain on derivatives at fair value through profit or loss	<b>8</b>	3,814
Net loss on foreign exchange		<u>(1,407)</u>
		<u>67,698</u>
<b>EXPENSES</b>		
Management fee	<b>4</b>	8,307
Trustee and custodian fees	<b>5</b>	277
Transaction costs		330
Other expenses		<u>2,214</u>
		<u>11,128</u>
<b>PROFIT BEFORE TAXATION</b>		56,570
Taxation	<b>6</b>	<u>(987)</u>
<b>PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<u>55,583</u>
Profit after taxation is made up as follows:		
Realised amount		(16,400)
Unrealised amount		<u>71,983</u>
		<u>55,583</u>

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2023**

		31.03.2023	30.09.2022
	Note	USD	Audited USD
<b>ASSETS</b>			
Cash and cash equivalents	9	105,656	71,837
Financial assets at fair value through profit or loss	7	1,017,952	623,122
Derivative assets at fair value through profit or loss		1,353	-
Interest receivable		30	-
Amount due from dealers		8,422	2,503
Amount due from the Manager		33,621	12,765
<b>TOTAL ASSETS</b>		<u>1,167,034</u>	<u>710,227</u>
<b>LIABILITIES</b>			
Derivative liabilities at fair value through profit or loss	8	-	3,638
Amount due to dealers		8,428	2,491
Amount due to Manager		1,345	9,907
Accrued management fee		1,678	1,037
Amount due to Trustee		56	35
Tax Payable		677	707
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>		<u>12,184</u>	<u>17,815</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>1,154,850</u>	<u>692,412</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>1,154,850</u>	<u>692,412</u>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS</b>			
- Class MYR		677,435	486,175
- Class MYR-H		475,795	204,748
- Class SGD		688	632
- Class USD		932	857
		<u>1,154,850</u>	<u>692,412</u>

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

UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2023 (CONTINUED)

		31.03.2023	30.09.2022
	Note	USD	Audited USD
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
- Class MYR		3,042,001	2,375,244
- Class MYR-H		2,270,019	1,110,620
- Class SGD		1,000	1,000
- Class USD		1,000	1,000
	<b>10</b>	<u>5,314,020</u>	<u>3,487,864</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>			
- Class MYR		0.2227	0.2046
- Class MYR-H		0.2096	0.1843
- Class SGD		0.6880	0.6320
- Class USD		<u>0.9320</u>	<u>0.8570</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- Class MYR		MYR0.9828	MYR0.9490
- Class MYR-H		MYR0.9250	MYR0.8549
- Class SGD		SGD0.9150	SGD0.9057
- Class USD		<u>USD0.9320</u>	<u>USD0.8566</u>

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



**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2023**

	01.10.2022 to 31.03.2023 USD
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	692,412
Movement due to units created and cancelled during the financial period:	
Creation of units from applications	
- Class MYR	223,655
- Class MYR-H	580,581
	804,236
Cancellation of units	
- Class MYR	(73,032)
- Class MYR-H	(324,349)
	(397,381)
Total comprehensive income for the financial period	55,583
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD</b>	1,154,850

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

**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2023**

	Note	01.10.2022 to 31.03.2023 USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from disposal of quoted securities		(468,523)
Purchase of quoted securities		131,824
Dividend income received		6,882
Interest received		249
Management fee paid		(7,666)
Trustee and custodian fees paid		(256)
Tax paid		(1,017)
Payments for other fees and expenses		(2,214)
Net realised loss on forward foreign currency contracts		(1,160)
Net realised foreign exchange loss		(1,344)
<b>Net cash used in operating activities</b>		<u>(343,225)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from units created		783,379
Payments for cancellation of units		(405,944)
<b>Net cash generated from financing activities</b>		<u>377,435</u>
Net increase in cash and cash equivalents		34,210
Effects of foreign exchange differences		(391)
Cash at beginning of the financial period		71,837
Cash and cash equivalents at the end of the financial period	<b>9</b>	<u>105,656</u>
<u>Cash and cash equivalents comprised of:</u>		
Bank balances		105,656
Cash and cash equivalents at the end of financial period	<b>9</b>	<u>105,656</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2023**

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

Principal US High Conviction Equity Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 20 August 2021 (referred to as the “Deed”) between Principal Asset Management Berhad and HSBC (Malaysia) Trustees Berhad (the “Trustee”).

The Fund seeks to achieve its objective by investing in USA equities and other equity related securities by focusing its investment primarily in companies with market capitalization of not more than USD 30 billion and a part of the Fund’s NAV in companies with market capitalization of more than USD 30 billion. The investment universe includes listed securities as well as initial public offerings. The Fund is expected to have a growth bias overall, including both growth and value-oriented companies over time. The Fund may also opt to seek investment exposure via CIS that is in line with the Fund’s objective, subject to the requirements of the SC Guidelines. The Fund will also invest in liquid assets such as money market instruments and/or Deposits for liquidity purpose.

The asset allocation for the Fund is as follows:

- Minimum 70% of the Fund’s NAV will be invested into equities and other equity related securities; and
- The balance of the Fund’s NAV will be invested in money market instruments and/ or Deposits.

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of preparation**

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(a) Basis of preparation (continued)**

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

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

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

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

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

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

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

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

The Fund classifies cash and cash equivalents, interest receivable, amount due from dealers, amount due from Manager as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

Recognition and measurement

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

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

Financial assets are derecognised when the rights to receive cash flows from the 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 period 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.

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 bases approved by the Trustee after appropriate technical consultation.

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

Impairment for assets carried at amortised costs

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial period

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(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 quoted securities are accounted for as the difference between the net disposal proceeds and the carrying amount of quoted securities, determined on a weighted average cost basis.

**(d) Cash and cash equivalents**

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

**(e) Foreign currency****Functional and presentation currency**

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

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

- i) The Fund’s investments are denominated in USD;
- ii) Significant portion of the cash is denominated in USD for the purpose of making settlement of the foreign trades; and
- iii) Significant portion of the Fund’s expenses are denominated in USD.

**Transactions and balances**

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

**(f) 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) Taxation**

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

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

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

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

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

**(i) Unit holders' contributions**

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

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

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

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

Amounts due from and amount due to dealers represent receivables for Spot foreign exchange ("FX") sold and payables for Spot FX purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

**(k) Derivative financial instruments**

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

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

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

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

**(k) Derivative financial instruments (continued)**

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

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

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

**(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 Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

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

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

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

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

The Fund aims to achieve capital appreciation over the medium to long term through investments in United States of America equities.

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

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

**(a) Market risk**

**(i) Price risk**

Price risk is the risk that the fair value of an investment in quoted securities will fluctuate because of changes in market prices (other than those arising from currency risk). The value of quoted securities may fluctuate according to the activities of individual companies, sector and overall political and economic conditions. Such fluctuation may cause the Fund's NAV and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.



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

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

**(i) Price risk (continued)**

Price risk is the risk that the fair value of investment in collective investment schemes 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 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 and other financial instruments within specified limits according to the Deeds.

**(ii) Currency risk**

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

**(b) Credit risk**

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

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

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

**(c) Liquidity risk**

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

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances and other instruments, which are capable of being converted into cash within 7 business days. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****(d) Capital risk management**

The capital of the Fund is represented by net assets attributable to unit holders. 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).

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial period end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

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

**(i) Fair value hierarchy**

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

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

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

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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

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

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

	USD	USD	USD	USD
<b>31.03.2023</b>				
Financial assets at fair value through profit or loss:				
- Collective investment schemes	<u>1,017,952</u>	<u>-</u>	<u>-</u>	<u>1,017,952</u>
- Derivative assets at fair value through profit or loss:				
- Forward foreign currency contracts	<u>-</u>	<u>1,353</u>	<u>-</u>	<u>1,353</u>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>30.09.2022</b>				
<b>Audited</b>				
Financial assets at fair value through profit or loss:				
- Collective investment schemes	<u>623,122</u>	<u>-</u>	<u>-</u>	<u>623,122</u>
Financial liabilities at fair value through profit or loss:				
- Derivative liabilities at fair value through profit or loss:				
- Forward foreign currency contracts	<u>-</u>	<u>(3,638)</u>	<u>-</u>	<u>(3,638)</u>

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

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

(i) Fair value hierarchy (continued)

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

(ii) The carrying values of cash and cash equivalents, interest receivable, amount due from dealers, amount due from Manager 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 fee of up to 3.00% per annum, calculated and accrued daily based on the NAV of the Fund.

For the six months financial period ended 31 March 2023, the management fee for the respective classes was recognised at the following rates:

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

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

**5. TRUSTEE AND CUSTODIAN FEES**

In accordance with the Deed, the Trustee is entitled to a maximum fee up to 0.06% per annum, calculated and accrued daily based on the NAV of the Fund and paid monthly. The Trustee fee includes local custodian fee and charges but excludes foreign sub-custodian fees and charges.

For the six months financial period ended 31 March 2023, the Trustee fee was recognised at a rate of 0.06% per annum for each unit class.

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

**6. TAXATION**

**01.10.2022  
to 31.03.2023  
USD**

Tax charged for the financial period:  
- Tax on foreign source income

987

**6. TAXATION**

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

	<b>01.10.2022 to 31.03.2023</b>
	<b>USD</b>
Profit before taxation	<u>56,570</u>
Taxation at Malaysian statutory rate of 24%	13,577
Tax effects of:	
- Investment income not subject for tax purposes	(16,247)
- Expenses not deductible for tax purposes	677
- Restriction on tax deductible expenses for Unit Trust Funds	1,993
- Tax on foreign source income	<u>987</u>
Taxation	<u><u>987</u></u>

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

	<b>31.03.2023</b>	<b>30.09.2022</b>
	<b>USD</b>	<b>Audited USD</b>
At fair value through profit or loss:		
- Collective investment schemes	<u>1,017,952</u>	<u>623,122</u>
Net gain on financial assets at fair value through profit or loss:		<b>01.10.2022 to 31.03.2023</b>
- Realised loss on disposals		<b>USD</b>
- Unrealised fair value gain		(8,925)
		<u>67,055</u>
		<u><u>58,130</u></u>

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>31.03.2023</b>				
<b>Collective investment schemes</b>				
Blackrock Fund Advisors- Ishares Core S&P Smallcap ETF	2,038	196,182	197,075	17.06
Blackrock Fund Advisors- Ishares Russell 2500 ETF	3,770	212,999	206,671	17.90

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>31.03.2023 (Continued)</b>				
<b>Collective investment schemes (Continued)</b>				
Blackrock Fund Advisors- Ishares Russell Mid-Cap ETF	3,008	213,514	210,319	18.21
Charles Schwab Investment Management Inc-US Small Cap ETF	4,890	211,359	205,038	17.75
The Vanguard Group – Vanguard Small-Cap ETF	1,049	204,102	198,849	17.23
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES</b>	<b>14,755</b>	<b>1,038,156</b>	<b>1,017,952</b>	<b>88.15</b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>(20,204)</b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>1,017,952</b>		
<b>30.09.2022</b>				
<b>Audited</b>				
<b>Collective investment schemes</b>				
Blackrock Fund Advisors- Ishares Russell 2500 ETF	2,509	142,187	124,823	18.03
Blackrock Fund Advisors- Ishares Russell Mid-Cap ETF	2,001	142,376	124,362	17.96
Charles Schwab Investment Management Inc- US Small Cap ETF	3,298	143,012	124,664	18.00
Ishares Russell -2000 ETF	756	140,748	124,680	18.01
The Vanguard Group - Vanguard Small-Cap ETF	729	142,058	124,593	17.99

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>30.09.2022</b>				
<b>Audited (Continued)</b>				
<b>Collective investment schemes (Continued)</b>				
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES</b>	<u>9,293</u>	<u>710,381</u>	<u>623,122</u>	<u>89.99</u>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>(87,259)</u>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>623,122</u>		

8. DERIVATIVE ASSETS/(LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.03.2023 USD	30.09.2022 (Audited) USD
Derivative assets/(liabilities)	<u>8,428</u>	<u>(3,638)</u>
		01.10.2022 to 31.03.2023 USD
Net gain on derivatives at fair value through profit or loss:		
- Realised loss on forward foreign currency contracts		(1,177)
- Unrealised fair value gain on forward foreign currency contracts		4,991
		<u>3,814</u>

As at 31 March 2023, there were total of 3 outstanding (30.09.2022: 5 outstanding) forward foreign currency contracts. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD489,406.

The forward foreign currency contracts were entered into during the financial period to minimise the risk of foreign exchange exposure between the USD and the foreign currencies exposure of the Fund.

As the Fund has not adopted hedge accounting during the financial period, any changes in the fair value of the forward foreign currency contract is recognised immediately in the statement of comprehensive income during the financial period.

9. CASH AND CASH EQUIVALENTS

	31.03.2023	30.09.2022
	USD	Audited USD
Bank balances	<u>105,656</u>	<u>71,837</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.10.2022 to 31.03.2023	12.01.2022 (date of launch) to 30.09.2022
	No. of units	Audited No. of units
Class MYR (i)	3,042,001	2,375,244
Class MYR-H (ii)	2,270,019	1,110,620
Class SGD (iii)	1,000	1,000
Class USD (iv)	1,000	1,000
	<u>5,314,020</u>	<u>3,487,864</u>
(i) Class MYR		
At the beginning of the financial period	2,375,244	-
Add : Creation of units from applications	990,454	2,525,269
Less : Cancellation of units	<u>(323,697)</u>	<u>(150,025)</u>
At the end of the financial period	<u>3,042,001</u>	<u>2,375,244</u>
(ii) Class MYR-H		
At the beginning of the financial period	1,110,620	-
Add : Creation of units from applications	2,608,740	1,508,479
Less : Cancellation of units	<u>(1,449,341)</u>	<u>(397,859)</u>
At the end of the financial period	<u>2,270,019</u>	<u>1,110,620</u>
(iii) Class SGD		
At the beginning of the financial period	1,000	-
Add : Creation of units from applications	-	1,000
At the end of the financial period	<u>1,000</u>	<u>1,000</u>
(iv) Class USD		
At the beginning of the financial period	1,000	-
Add : Creation of units from applications	-	1,000
At the end of the financial period	<u>1,000</u>	<u>1,000</u>



**11. TOTAL EXPENSE RATIO (“TER”)**

**01.10.2022  
to 31.03.2023**  
%  
1.17

TER

TER is derived based on the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on a daily basis is USD925,507.

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

**01.10.2022  
to 31.03.2023**

PTR (times)

0.32

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial period = USD468,523

total disposal for the financial period = USD131,824

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

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

<u>Related parties</u>	<u>Relationship</u>
Principal Asset Management Berhad	The Manager
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the Manager
Principal International (Asia) Ltd	Shareholder of the Manager
Subsidiaries and associates of Principal Financial Group Inc., other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the Manager

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

<u>Related parties</u>	<u>Relationship</u>
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 Manager

Units held by the Manager and parties related to the Manager

	<b>31.03.2023</b>		<b>30.09.2022</b>	
	<b>No. of units</b>	<b>USD</b>	<b>No. of units</b>	<b>USD</b>
<b>Manager</b>				
Principal Asset Management Berhad				
- Class MYR	378	84	666	136
- Class MYR-H	95	20	94	17
- Class SGD	1,000	688	1,000	632
- Class USD	1,000	932	1,000	857

In the opinion of the Manager, the above units were transacted at the prevailing market price which is at arm's length basis.

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.

Other than those disclosed elsewhere in the financial statements, there are no significant related party transactions and balances for the financial period ended 31 March 2023.

**14. TRANSACTIONS WITH BROKERS**

Details of transactions with the top 10 brokers for the six months financial period ended 31 March 2023 were as follows:

<b>Broker</b>	<b>Value of trades</b>	<b>Percentage of total trades</b>	<b>Brokerage Fees</b>	<b>Percentage of total brokerage fees</b>
	<b>USD</b>	<b>%</b>	<b>USD</b>	<b>%</b>
Depository Trust Company	336,145	55.99	48	69.09
Merrill Lynch Pierce				
Fenner & Smith Inc	264,253	44.01	22	30.91
	<u>600,398</u>	<u>100.00</u>	<u>70</u>	<u>100.00</u>

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

The COVID-19 pandemic, with its related lockdowns and movement restrictions, together with geopolitical tensions and heightened inflationary environment globally have had, and will continue to have, a significant impact on global economic conditions and the environment which the Fund operates.

The Manager continues to closely monitor the macroeconomic outlook affected by these factors and their impact to the Fund's performance and will be managing the risks to achieve the Fund's objective.

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