

PRINCIPAL ASIA DYNAMIC BOND FUND

TERMINATION REPORT

**FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 10 OCTOBER 2024
(TERMINATION DATE)**

CONTENTS	PAGE(S)
INVESTORS' LETTER	i
MANAGER'S REPORT	ii - viii
Fund Objective and Policy	
Performance Data	
Market Review	
Fund Performance	
Portfolio Structure	
Market Outlook	
Investment Strategy	
Soft Commissions and Rebates	
Securities Financing Transactions	
State of Affair of the Fund	
Circumstances That Materially Affect Any Interest of Unit Holders	
Cross Trade	
Unit Split	
STATEMENT BY MANAGER	1
TRUSTEE'S REPORT	2
INDEPENDENT AUDITORS' REPORT	3 - 6
STATEMENT OF COMPREHENSIVE INCOME	7
STATEMENT OF FINANCIAL POSITION	8
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	9
STATEMENT OF CASH FLOWS	10
NOTES TO THE FINANCIAL STATEMENTS	11 - 24
DIRECTORY	25

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 Termination Report of the Principal Asia Dynamic Bond Fund for the financial period from 1 April 2024 to 10 October 2024 (termination date). You may also download this report from our website at www.principal.com.my.

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

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

Digital innovation is central to our strategy, as we use data and technology to develop the right solutions for you. We will continue to advance our digital capabilities to provide easy access to your investment portfolio and enable you to carry out transactions seamlessly. Please continue to check out our website (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,
Malaysia & Global Shariah & Managing Director,
Strategic Distribution & Institutional Client Relations
(Southeast Asia & Global Shariah)
Non-Independent Executive Director

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to achieve capital appreciation and income through investments in a portfolio of primarily debt instruments in the Asian region.

Has the Fund achieved its objective?

The Fund is in line with its stated objectives to achieve capital appreciation and income through investments in a portfolio of primarily debt instruments in the Asian region.

What are the Fund investment policy and principal investment strategy?

The Fund will be managed with the aim of achieving capital appreciation and income through investments in a portfolio of primarily debt instruments in the Asian region. The Fund will invest between 70% to 98% of its Net Asset Value ("NAV") in debt instruments. The Fund's investment in debt instruments will generally be restricted to securities rated at least a minimum credit rating of "BBB-" by Standard & Poor's ("S&P") or its equivalent rating by other international rating agencies and/or at least "A3" by RAM Rating Services Bhd ("RAM") or equivalent rating by Malaysian Rating Corporation Bhd ("MARC") or by local rating agency(ies) of the country ("Investment Grade debt instruments"). Nonetheless, up to 40% of the Fund's NAV may be invested in non-investment grade and/or unrated debt instruments. In addition, the Fund may invest up to 28% of its NAV in money market instruments and/or Deposits to provide stability to the Fund.

The Fund may also invest up to 20% of its NAV in convertible bonds and/or structured products such as negotiable instruments of deposit and credit-linked notes ("CLN") for added return. Similar to debt instruments investments, CLNs are income focused investments that carry credit risk, which is based on both the issuer and its reference entity(ies). As such, the Manager will invest in a CLN based on the ability of the referenced entity's ability to meet its financial obligation throughout the life of the CLN. The Manager are also mindful that CLNs are less liquid compared to debt instruments investments. In the event of a credit downgrade on the issuer of structured product, the Manager reserve the right to deal with the structured product in the best interest of the Unit holders, subject to prevailing Guidelines on Unit Trust Funds ("GUTF") issued by the Securities Commission Malaysia. Investors should also note that convertible bonds have expiry date and hence, its' erosion of value may accelerate as it advances to its expiry date. The Fund may also opt to seek investment exposure via collective investment scheme that is in line with the Fund's objective, subject to the requirements of the GUTF. The Fund will also invest in liquid assets for liquidity purposes.

The asset allocation strategy for the Fund is as follows:

- Between 70% to 98% (both inclusive) of the Fund's NAV will be invested in debt instruments, out of which:
 - up to 98% of the Fund's NAV may be invested in Investment Grade debt instruments;
 - up to 40% of the Fund's NAV may be invested in unrated and/or non-investment grade debt instruments;
 - up to 20% of the Fund's NAV may be invested in convertible bonds and/or structured products;
- Up to 28% of the Fund's NAV may be invested in money market instruments and/or Deposits; and
- At least 2% of the Fund's NAV will be invested in liquid assets for liquidity purpose.

The Fund will focus its investment in the Asian region, i.e. issuers that are domiciled in, listed in, and/or have operations or businesses that focus in the Asian region. The Fund may invest up to 10% of its NAV outside of the Asian region. The Fund's investments will also be limited to Eligible Markets. Where necessary, we will obtain the license or permits for investments in countries that require license or permits. In the event that we are unable to obtain the necessary licenses or permits, or the licenses or permits are revoked or not renewed (as the case may be), we will seek to invest in other accessible markets.

FUND OBJECTIVE AND POLICY (CONTINUED)

Base Currency

United States Dollar (“USD”)

Fund category/ type

Debt Securities/ Income & Growth

When was the Fund launched?

Name of Class	Launch Date
Class MYR	15 March 2019

Termination Date

10 October 2024

What was the size of the Fund as at 10 October 2024 (termination date)?

NIL

What is the Fund’s benchmark?

Secured Overnight Financing Rate (“SOFR”) + 2.50% per annum.

Note: The Fund’s benchmark is for performance comparison purpose only.

What is the Fund distribution policy?

Distribution (if any) is expected to be distributed once a year at the Manager’s discretion. Such distributions will depend on the availability of realised income and/or realised gains.

What was the net income distribution for the financial period from 1 April 2024 to 10 October 2024 (termination date)?

There was no distribution made for the financial period from 1 April 2024 to 10 October 2024 (termination date).

PERFORMANCE DATA

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

	10.10.2024 (termination date)	31.03.2024	31.03.2023
	%	%	%
Collective investment schemes	-	-	5.50
Unquoted fixed income	-	-	83.99
Cash and other assets	-	152.88	11.04
Liabilities	-	(52.88)	(0.53)
	-	<u>100.00</u>	<u>100.00</u>

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

	10.10.2024 (termination date)	31.03.2024	31.03.2023
NAV (USD Million)			
- Class MYR	-	0.03	1.67
Units in circulation (Million)			
- Class MYR	-	0.13	7.97
NAV per unit (USD)			
- Class MYR	-	0.2005	0.2092

PERFORMANCE DATA (CONTINUED)

Performance details of the Fund for the last three audited financial period/years were as follows (continued):

	01.04.2024 to 10.10.2024 (termination date)	01.04.2023 to 31.03.2024	01.04.2022 to 31.03.2023
Highest NAV per unit (USD)			
- Class MYR	0.2395	0.2103	0.2279
Lowest NAV per unit (USD)			
- Class MYR	-	0.1984	0.2006
Total return (%)			
- Class MYR	3.20**	2.39	(3.56)
Capital growth (%)			
- Class MYR	3.20**	2.39	(3.56)
Income distribution (%)			
- Class MYR	-	-	-
Total Expense Ratio ("TER") (%) ^	1.58	1.29	1.85
Portfolio Turnover Ratio ("PTR") (times) #	-	0.57	1.03

^ The Fund's TER increased from 1.29% to 1.58% was mainly due to a decrease in average NAV during the financial period under review.

The Fund's PTR was NIL as compared with 0.57 times during the financial period under review.

	03.10.2024**	31.03.2024	31.03.2023	31.03.2022	31.03.2021
	%	%	%	%	%
Annual total return	3.19	2.39	(3.56)	(2.87)	4.04

** The last period verified was on 3 October 2024.

(Launch date: 15 March 2019)

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/year have been extracted from Lipper.

MARKET REVIEW (1 APRIL 2024 TO 10 OCTOBER 2024 (TERMINATION DATE))

Globally, Federal Open Market Committee ("FOMC") kept policy rates unchanged at 5.25% to 5.50% in April 2024 and May 2024. In April 2024, the Federal Reserve (the "Fed") announced it will slow the pace of quantitative tightening ("QT") from USD 60billion of balance sheet runoff per month to USD25billion per month (vs market expectations of USD30billion) in June 2024. Overall, Powell maintained a measured tone, acknowledging the need for greater confidence on inflation and ruling out the potential need for rate hikes. In May 2024, The fed Chair Jerome Powell said that the FOMC's confidence on inflation has not improved, as inflation surprised on the upside for the last three months. The minutes from the 30 April 2024 to 1 May 2024 FOMC meeting unsurprisingly acknowledge upside surprises to inflation in the first three months of 2024 and indicated that more progress on reducing inflation would likely be needed in order for the Committee to support a possible rate cut. The Malaysian Government Securities ("MGS") yield curve bull steepened in June 2024 as yields for the 7year and below fell between 4 basis points ("bps") to 6bps whilst the 10year and longer end fell between 1 basis points ("bps") to 3 bps moving in tandem with US Treasuries ("UST") as it moved lower fueled by signs of inflation moderating, thereby prompting market expectations of the Fed rate cuts.

MARKET REVIEW (1 APRIL 2024 TO 10 OCTOBER 2024 (TERMINATION DATE)) (CONTINUED)

Meanwhile, in June 2024, the blanket diesel subsidy in Malaysia ended with diesel prices increasing by 56% to RM3.35/litre. Diesel prices will thus be 'free float' and updated every Wednesday, 5pm. However, data released in July 2024 showed that headline inflation rate and core inflation remained unchanged in June at 2% and 1.9%, respectively.

The MGS yield curve bull steepened in August with the mid to long end of the curve rising by 2bps to 4bps in view the heavy long duration supply until September 2024 and busy issuance calendar in October 2024. In addition, there was some profit taking activities during the month following Malaysia printing a higher-than-expected second quarter of 2024 Gross Domestic Product ("GDP") and the civil service wages review announcement during the month.

The 3-year, 5-year, 7-year, 10-year, 15-year, 20-year and 30-year benchmarks closed at 3.37% (-1bps), 3.52% (unchanged), 3.72% (+4bps), 3.77% (+3bps), 3.91% (+3bps), 4.06% (+3bps) and 4.21% (+4bps) respectively in August 2024. Meanwhile, Malaysia second quarter of 2024 GDP grew 5.9% year-on-year ("y-o-y") (First quarter of 2024: +4.2% y-o-y higher than the advance estimates of 5.8%). The growth was mainly due to stronger domestic demand and further expansion in exports. Inflation held steady at 2% in July 2024 for the third consecutive month.

Globally, the Fed left policy unchanged at 5.25% to 5.50% at its June 2024 meeting. But the median dot plot projection for the Fed funds rate for 2024 rose to 5.125% from 4.625% in March 2024, consistent with just one cut this year (vs three in March 2024), the distribution of the dots "lean" towards two cuts, with eight participants expecting two cuts, seven expecting one cut and four expecting none. However, the Fed began its rates-cutting cycle with a 50bps cut at Sept 2024 FOMC, bringing the new Fed Funds target to 4.75% to 5%, the first cut in more than 4 years. Of the twelve voting members on the FOMC, 11 voted for the 50bps reduction while Michelle Bowman dissented in favor of a smaller 25bps cut. Powell noted that this 50bps cut is a "commitment" to not get behind the curve. The median dot plot shows the Fed Funds rate projection at 4.4% for 2024, 3.4% for 2025, and 2.9% in 2026. Unemployment rate also ticked up to 4.4% for 2024 higher than previous forecast of 4%. In the post-meeting press conference, Chair Powell was emphatic in stressing that the upside risks to inflation have diminished and the downside risks to employment have increased.

FUND PERFORMANCE

Class MYR

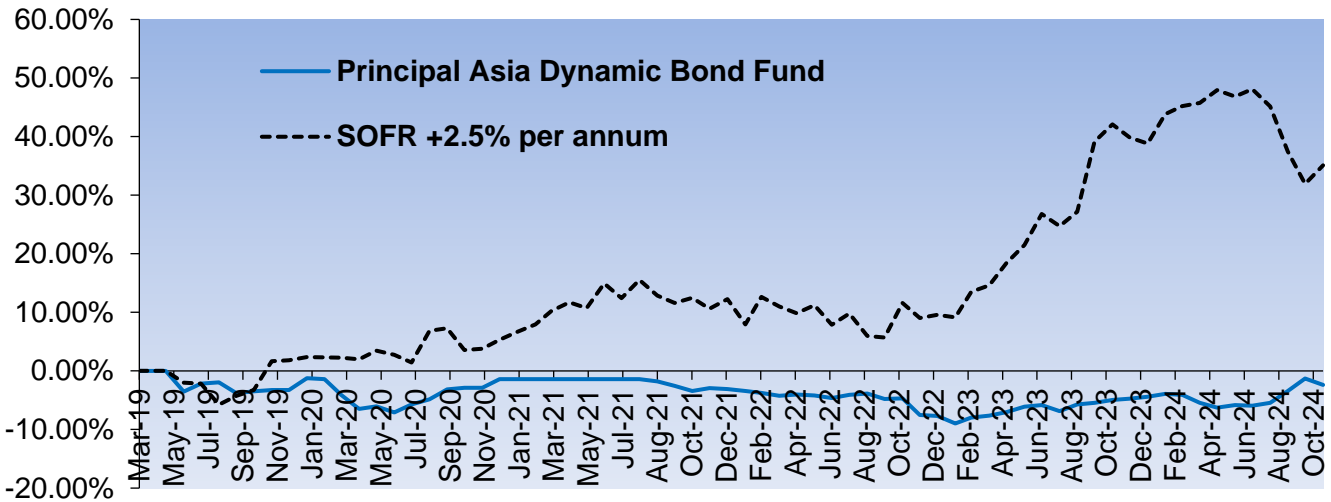
	1 year to 03.10.2024**	3 years to 03.10.2024**	5 years to 03.10.2024**	Since inception to 03.10.2024**
	%	%	%	%
Income Distribution	-	-	-	-
Capital Growth	3.19	0.17	(1.19)	(2.40)
Total Return	3.19	0.17	(1.19)	(2.40)
Benchmark	(2.93)	21.04	39.63	35.07
Average Total Return	3.16	0.06	(0.24)	(0.44)

** The last NAV published was on 3 October 2024.

For the one year financial period under review ended 3 October 2024, the Fund delivered a total return of 3.19% while the benchmark decreased by 2.93%.

FUND PERFORMANCE (CONTINUED)

Since inception



Changes in NAV

	10.10.2024 (termination date)	31.03.2024	Changes %
NAV (USD Million)	-	0.03	-
NAV/Unit (USD)	-	0.2005	-

The NAV has been reduced to zero due to Fund closure.

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

(% of NAV)	10.10.2024 (termination date)	31.03.2024
Cash and other assets	-	152.88
Liabilities	-	(52.88)
Total	-	100.00

As at 10 October 2024 (termination date), there were no longer assets within the Fund as the portfolio has been liquidated due to termination of the Fund.

MARKET OUTLOOK*

We continue to expect the domestic policy rate to remain at 3.00% based on the current landscape, with no significant domestic catalysts expected for now. We are watchful over the inflation numbers which are higher but are cognizant that it continues to be within the central bank’s expected range. Focus will also be on the upcoming Budget in October 2024. For now, the current domestic market environment continues to be favorable due to positive supply-demand dynamics and stable interest rate outlook.

MARKET OUTLOOK* (CONTINUED)

The return of foreign funds driven by an anticipated reduction in the Fed's fund rate and narrowing interest differentials will continue to support the bond market. Meanwhile, for the global bond markets, the start of rate cuts by the Fed, European Central Bank ("ECB") and Bank Of England ("BOE") should continue to see positive sentiment for bonds.

* 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

As the Fund will be terminated, cash will be preserved for impending payout.

SOFT COMMISSIONS AND REBATES

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

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

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

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIR OF THE FUND

The Fund was terminated on 10 October 2024. The Manager issued a notification to inform the Securities Commission Malaysia ("SC") to commence the termination process on 3 October 2024 and the termination was subsequently completed on 10 October 2024.

There were no significant changes in the state of affairs of the Fund during the financial 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 ASIA DYNAMIC BOND 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 7 to 24 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 10 October 2024 (termination date) and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period from 1 April 2024 to 10 October 2024 (termination date) 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
Malaysia & Global Shariah & Managing Director,
Strategic Distribution & Institutional Client Relations
(Southeast Asia & Global Shariah)
Non-Independent Executive Director

UDAY JAYARAM

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

Kuala Lumpur
25 November 2024

TRUSTEE'S REPORT

**TO THE UNIT HOLDERS OF
PRINCIPAL ASIA DYNAMIC BOND FUND ("Fund")**

We have acted as Trustee of the Fund for the financial period from 1 April 2024 to 10 October 2024 (termination date) 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 Deeds, securities laws and Guideline on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
25 November 2024

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ASIA DYNAMIC BOND FUND**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Principal Asia Dynamic Bond Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 10 October 2024 (termination date) of the Fund, and statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows of the Fund for the financial period from 1 April 2024 to 10 October 2024 (termination date), and notes to the financial statements, including material accounting policy information, as set out on pages 7 to 24.

In our opinion, the accompanying financial statements, which have been prepared on a basis other than that of a going concern as disclosed in Note 2(a) to the financial statements, give a true and fair view of the financial position of the Fund as at 10 October 2024 (termination date) and of its financial performance and cash flows for the financial period from 1 April 2024 to 10 October 2024 (termination date) in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ASIA DYNAMIC BOND FUND (CONT'D.)**

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager and the Trustee for the financial statements

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

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so. As described in Note 2(a) to the financial statements, the financial statements have been prepared on a basis other than that of a going concern.

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ASIA DYNAMIC BOND FUND (CONT'D.)**

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. As described in Note 2(a) to the financial statements, the financial statements have been prepared on a basis other than that of a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ASIA DYNAMIC BOND FUND (CONT'D.)**

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

Other matters

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

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

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

Kuala Lumpur, Malaysia
25 November 2024

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 10 OCTOBER 2024 (TERMINATION DATE)**

	Note	01.04.2024 to 10.10.2024 (termination date) USD	01.04.2023 to 31.03.2024 USD
INCOME/(LOSS)			
Dividend income		-	3,451
Interest income from deposits with licensed financial institutions and current account		8	62,396
Net loss on financial assets at fair value through profit or loss	7	-	(32,281)
Net foreign exchange gain/(loss)		1,817	(41,766)
		<u>1,825</u>	<u>(8,200)</u>
EXPENSES			
Management fee	4	81	14,132
Trustee and custodian fees	5	52	966
Audit fee	4	-	1,722
Tax agent fee	4	-	750
Transaction cost		-	272
Other expenses		109	490
		<u>242</u>	<u>18,332</u>
PROFIT/(LOSS) BEFORE TAXATION		1,583	(26,532)
Taxation	6	-	(6,997)
PROFIT/(LOSS) AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD/YEAR		<u>1,583</u>	<u>(33,529)</u>
Profit/(Loss) after taxation is made up as follows:			
Realised amount		(5)	(10,634)
Unrealised amount		1,588	(22,895)
		<u>1,583</u>	<u>(33,529)</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 10 OCTOBER 2024 (TERMINATION DATE)**

	Note	10.10.2024 (termination date) USD	31.03.2024 USD
ASSETS			
Cash and cash equivalents	8	4,685	41,014
Financial assets at fair value through profit or loss	7	-	-
Amount due from Manager		1,316	-
TOTAL ASSETS		<u>6,001</u>	<u>41,014</u>
LIABILITIES			
Amount due to Manager		-	4,008
Accrued management fees		6	43
Amount due to Trustee		-	1
Tax payable		2,554	4,550
Other payables and accruals		3,441	5,584
TOTAL LIABILITIES		<u>6,001</u>	<u>14,186</u>
NET ASSET VALUE OF THE FUND		<u>-</u>	<u>26,828</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	9	<u>-</u>	<u>26,828</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	10	<u>-</u>	<u>133,799</u>
NET ASSET VALUE PER UNIT (USD)			
- Class MYR		<u>-</u>	<u>0.2005</u>
NET ASSET VALUE PER UNIT IN MYR CURRENCY			
- Class MYR		<u>-</u>	<u>RM0.9468</u>

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 10 OCTOBER 2024 (TERMINATION DATE)**

	01.04.2024 to 10.10.2024 (termination date) USD	01.04.2023 to 31.03.2024 USD
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD/YEAR	<u>26,828</u>	<u>1,668,029</u>
Movement due to units created and cancelled during the financial period/year:		
Creation of units from applications		
- Class MYR	320	464,567
Cancellation of units		
- Class MYR	(28,731)	(2,072,239)
Total comprehensive income/(loss) for the financial period/year	<u>1,583</u>	<u>(33,529)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD/YEAR	<u><u>-</u></u>	<u><u>26,828</u></u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 10 OCTOBER 2024 (TERMINATION DATE)**

	01.04.2024 to 10.10.2024 (termination date)	01.04.2023 to 31.03.2024
Note	USD	USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of collective investment schemes	-	93,669
Purchase of unquoted fixed income securities	-	(167,008)
Proceeds from disposal of unquoted fixed income securities	-	1,346,248
Redemption of unquoted fixed income securities	-	200,000
Dividend income received	-	3,451
Interest income received from deposits with licensed financial institutions and current account	8	5,447
Interest income received from unquoted fixed income securities	-	55,975
Management fees paid	(118)	(15,478)
Trustee and custodian fees paid	(53)	(1,035)
Payments for other fees and expenses	(3,565)	(2,363)
Payment of other foreign exchange loss	-	(56,293)
Tax paid	(1,937)	(4,451)
Net cash (used in)/generated from operating activities	(5,665)	1,458,162
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	320	476,846
Payments for cancellation of units	(32,739)	(2,056,613)
Net cash used in financing activities	(32,419)	(1,579,767)
Net decrease in cash and cash equivalents	(38,084)	(121,605)
Effect of foreign exchange differences	1,755	(522)
Cash and cash equivalents at the beginning of the financial period/year	41,014	163,141
Cash and cash equivalents at the end of the financial period/year	8 4,685	41,014
<u>Cash and cash equivalents comprised:</u>		
Bank balances	4,685	41,014
Cash and cash equivalents at the end of the financial period/year	8 4,685	41,014

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 10 OCTOBER 2024 (TERMINATION DATE)**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal Asia Dynamic Bond Fund (the “Fund”) was constituted pursuant to a Deed dated 29 May 2017, a First Supplemental Deed dated 7 November 2019 and a Second Supplemental Deed dated 10 January 2023 (collectively referred to as the “Deeds”) between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund will be managed with the aim of achieving capital appreciation and income through investments in a portfolio of primarily debt instruments in the Asian region. The Fund will invest between 70% to 98% of its NAV in debt instruments. The Fund’s investment in debt instruments will generally be restricted to securities rated at least a minimum credit rating of “BBB-” by S&P or its equivalent rating by other international rating agencies and/or at least “A3” by RAM or equivalent rating by MARC or by local rating agency(ies) of the country (“Investment Grade debt instruments”). Nonetheless, up to 40% of the Fund’s NAV may be invested in non-investment grade and/or unrated debt instruments. In addition, the Fund may invest up to 28% of its NAV in money market instruments and/or Deposits to provide stability to the Fund.

The Fund may also invest up to 20% of its NAV in convertible bonds and/or structured products such as negotiable instruments of deposit and CLN for added return. Similar to debt instruments investments, CLNs are income focused investments that carry credit risk, which is based on both the issuer and its reference entity(ies). As such, the Manager will invest in a CLN based on the ability of the referenced entity’s ability to meet its financial obligation throughout the life of the CLN. The Manager are also mindful that CLNs are less liquid compared to debt instruments investments. In the event of a credit downgrade on the issuer of structured product, the Manager reserve the right to deal with the structured product in the best interest of the Unit holders, subject to prevailing Guidelines of Unit Trust Funds (“GUTF”). Investors should also note that convertible bonds have expiry date and hence, its’ erosion of value may accelerate as it advances to its expiry date. The Fund may also opt to seek investment exposure via collective investment scheme that is in line with the Fund’s objective, subject to the requirements of the GUTF. The Fund will also invest in liquid assets for liquidity purposes.

The asset allocation strategy for the Fund is as follows:

- Between 70% to 98% (both inclusive) of the Fund’s NAV will be invested in debt instruments, out of which:
 - up to 98% of the Fund’s NAV may be invested in Investment Grade debt instruments;
 - up to 40% of the Fund’s NAV may be invested in unrated and/or non-investment grade debt instruments;
 - up to 20% of the Fund’s NAV may be invested in convertible bonds and/or structured products;
- Up to 28% of the Fund’s NAV may be invested in money market instruments and/or Deposits; and
- At least 2% of the Fund’s NAV will be invested in liquid assets for liquidity purpose.

The Fund will focus its investment in the Asian region, i.e. issuers that are domiciled in, listed in, and/or have operations or businesses that focus in the Asian region. The Fund may invest up to 10% of its NAV outside of the Asian region. The Fund’s investments will also be limited to Eligible Markets. Where necessary, we will obtain the license or permits for investments in countries that require license or permits. In the event that we are unable to obtain the necessary licenses or permits, or the licenses or permits are revoked or not renewed (as the case may be), we will seek to invest in other accessible markets.

All investments are subject to the GUTF, Securities Commission Malaysia (“SC”) requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES (CONTINUED)

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.

The Fund was terminated on 10 October 2024. The Manager issued a notification to inform the SC to commence the termination process on 3 October 2024 and the termination was subsequently completed on 10 October 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

(a) Basis of preparation

As disclosed in Note 1, the Fund was terminated on 10 October 2024. The Manager issued a notification to inform the SC to commence the termination process on 3 October 2024 and the termination was subsequently completed on 10 October 2024. The financial statements of the Fund have been prepared on a basis other than that of a going concern. Accordingly, where appropriate, the carrying values of the assets are written down to their recoverable amounts and liabilities are recorded to the extent that such costs were committed at the end of the reporting period. All assets and liabilities have been classified as current.

The financial statements have been prepared in accordance with the provisions of the MFRS as issued by the Malaysian Accounting Standards Board ("MASB") and IFRS as issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared under the historical cost convention, as modified by financial assets at fair value through profit or loss. The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period.

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

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

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

(b) Financial assets and financial liabilitiesClassification

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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Classification (continued)

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

The Fund classifies cash and cash equivalents and 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.

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.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (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 period/year.

(c) Income recognition

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

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

(d) Foreign currencyFunctional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in United States Dollar ("USD"), which is the Fund's functional and presentation currency.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(e) Unit holder's contribution**

The Fund is established with a multi-class structure where the Deed allows for establishment of more than one Class with similar interests in the assets of the Fund. However, during the financial period and as the end of the financial period, only one class (Class MYR) is offered for sale.

Hence, 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 period 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.

(f) Cash and cash equivalents

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

(g) Taxation

Current tax expense is determined according to Malaysian tax laws at the current rate based on taxable profit earned during the financial period/year. Tax on income from foreign collective investment schemes are based on the tax regime of the respective countries that the Fund invests in. Pursuant to Finance Act 2021, foreign-sourced income received in Malaysia will be taxed at prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met.

Following the announcement by the Honorable Finance Minister II, tax on foreign-sourced income will be exempted for the period from 1 January 2024 until 31 December 2026.

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

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

(i) 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(i) Critical accounting estimates and judgements in applying accounting policies (continued)

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

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

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial assets at amortised cost USD	Total USD
10.10.2024 (termination date)		
Cash and cash equivalents (Note 8)	4,685	4,685
Amount due from Manager	1,316	1,316
	<u>6,001</u>	<u>6,001</u>
31.03.2024		
Cash and cash equivalents (Note 8)	<u>41,014</u>	<u>41,014</u>

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

The Fund aims to achieve capital appreciation and income through investments in a portfolio of primarily debt instruments in the Asian region.

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

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

(a) Market risk

(i) Price risk

This is the risk that the fair value of 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.

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

(a) Market risk (continued)

(ii) Currency risk

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 profit rate differentials, balance of payments position, debt levels, and technical chart considerations.

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

Financial assets	Cash and cash equivalents USD	Amount due from Manager USD	Total USD
10.10.2024 (termination date)			
EUR	4	-	4
MYR	2,884	1,316	4,200
	<u>2,888</u>	<u>1,316</u>	<u>4,204</u>
31.03.2024			
MYR	<u>39,049</u>	<u>-</u>	<u>39,049</u>
Financial liabilities		Amount due to Manager USD	Total USD
31.03.2024			
MYR		<u>4,008</u>	<u>4,008</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 period. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in foreign exchange rate	Impact on profit or loss/NAV 10.10.2024 (termination date)	31.03.2024
	%	USD	USD
EUR	+/-5	0.00*	-
MYR	+/-5	+/-210	+/-1,752
		<u>+/-210</u>	<u>+/-1,752</u>

0.00* denotes value less than USD1.

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

(b) Credit risk

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

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

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

	Cash and cash equivalents USD	Amount due from Manager USD	Total USD
10.10.2024 (termination date)			
- AAA	4,685	1,316	6,001
31.03.2024			
- AAA	41,014	-	41,014

(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.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month USD	Between 1 month to 1 year USD	Total USD
10.10.2024 (termination date)			
Accrued management fees	6	-	6
Other payables and accruals	-	3,441	3,441
Contractual undiscounted cash flows	6	3,441	3,447

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

(c) Liquidity risk (continued)

	Less than 1 month USD	Between 1 month to 1 year USD	Total USD
31.03.2024			
Amount due to Manager	4,008	-	4,008
Accrued management fees	43	-	43
Amount due to Trustee	1	-	1
Other payables and accruals	-	5,584	5,584
Contractual undiscounted cash flows	<u>4,052</u>	<u>5,584</u>	<u>9,636</u>

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders of nil (31.03.2024: USD26,828). The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

The carrying values of cash and cash equivalents, amount due from Manager, and all liabilities are a reasonable approximation of their fair values due to their short term nature.

4. MANAGEMENT FEE, AUDIT FEE AND TAX AGENT'S FEE

In accordance with the Deeds, the Manager is entitled to a maximum management fee of 3.00% per annum for Class MYR, calculated daily based on the NAV of the Fund.

For the financial period from 1 April 2024 to 10 October 2024 (termination date), the management fee is recognised at a rate of 1.00% per annum (31.03.2024: 1.00% per annum).

The audit fee and tax agent's fee for the financial period are borne by the Manager (31.03.2024: audit fee and tax agent's fee are borne by the Fund).

There was no further liability to the Manager in respect of management fee, audit fee and tax agent's fee other than the amount recognised above.

5. TRUSTEE AND CUSTODIAN FEES

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.05% per annum, calculated daily based on the NAV of the Fund. The Trustee fee includes local custodian fee but excludes the foreign sub-custodian fee and charges (if any). The foreign sub-custodian fee and charges is dependent on the country invested and is charged monthly in arrears.

5. TRUSTEE AND CUSTODIAN FEES (CONTINUED)

For the financial period from 1 April 2024 to 10 October 2024 (termination date), the Trustee Fee is recognised at a rate of 0.03% per annum (31.03.2024: 0.03% per annum).

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

6. TAXATION

	01.04.2024 to 10.10.2024 (termination date) USD	01.04.2023 to 31.03.2024 USD
Tax charged for the financial period/year:		
- Tax on foreign source income	-	6,200
- Under provision of tax in prior period/year	-	797
	<u>-</u>	<u>6,997</u>

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

	01.04.2024 to 10.10.2024 (termination date) USD	01.04.2023 to 31.03.2024 USD
Profit/(Loss) before taxation	<u>1,583</u>	<u>(26,532)</u>
Taxation at Malaysian statutory rate of 24% (31.03.2024: 24%)	380	(6,368)
Tax effects of:		
- (Income not subject to tax)/loss not deductible for tax purpose	(438)	1,968
- Expenses not deductible for tax purposes	25	524
- Restriction on tax deductible expenses for Unit Trust Funds	33	3,876
- Tax on foreign source income	-	6,200
- Under provision of tax in prior period/year	-	797
	<u>-</u>	<u>6,997</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	10.10.2024 (termination date) USD	31.03.2024 USD
Net loss on financial assets at fair value through profit or loss:		
- Realised loss on disposals	-	(17,257)
- Unrealised fair value loss	-	(15,024)
	<u>-</u>	<u>(32,281)</u>

8. CASH AND CASH EQUIVALENTS

	10.10.2024 (termination date) USD	31.03.2024 USD
Bank balances	<u>4,685</u>	<u>41,014</u>

9. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

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

	10.10.2024 (termination date) USD	31.03.2024 USD
Unit holders' contributions	34,654	63,065
Accumulated losses	<u>(34,654)</u>	<u>(36,237)</u>
	<u>-</u>	<u>26,828</u>

	Unit holders' contributions USD	Accumulated losses USD	Total USD
Balance as at 1 April 2024	63,065	(36,237)	26,828
Movement in unit holders' contributions:			
- Creation of units from applications	320	-	320
- Cancellation of units	(28,731)	-	(28,731)
Total comprehensive income for the financial period	<u>-</u>	<u>1,583</u>	<u>1,583</u>
Balance as at 10 October 2024 (termination date)	<u>34,654</u>	<u>(34,654)</u>	<u>-</u>
Balance as at 1 April 2023	1,670,737	(2,708)	1,668,029
Movement in unit holders' contributions:			
- Creation of units from applications	464,567	-	464,567
- Cancellation of units	(2,072,239)	-	(2,072,239)
Total comprehensive loss for the financial year	<u>-</u>	<u>(33,529)</u>	<u>(33,529)</u>
Balance as at 31 March 2024	<u>63,065</u>	<u>(36,237)</u>	<u>26,828</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.04.2024 to 10.10.2024 (termination date) No. of units	01.04.2023 to 31.03.2024 No. of units
At the beginning of the financial period/year	133,799	7,969,775
Add: Creation of units from applications	1,590	2,274,416
Less: Cancellation of units	<u>(135,389)</u>	<u>(10,110,392)</u>
At the end of the financial period/year	<u>-</u>	<u>133,799</u>

11. TOTAL EXPENSE RATIO (“TER”)

	01.04.2024 to 10.10.2024 (termination date) %	01.04.2023 to 31.03.2024 %
TER	<u>1.58</u>	<u>1.29</u>

TER is derived based on the following calculation:

TER	=	$\frac{(A + B + C) \times 100}{D}$
A	=	Management fee
B	=	Trustee and custodian fees
C	=	Other expenses
D	=	Average NAV of the Fund calculation on a daily basis

The average NAV of the Fund for the financial period/year calculated on a daily basis is USD15,283 (31.03.2024: USD1,405,267).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.04.2024 to 10.10.2024 (termination date)	01.04.2023 to 31.03.2024
PTR (times)	<u>-</u>	<u>0.57</u>

PTR is derived from the following calculation:

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

where:

total acquisition for the financial period/year = nil (31.03.2024: USD166,926)

total disposal for the financial period/year = nil (31.03.2024: USD1,433,944)

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

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

<u>Related parties</u>	<u>Relationship</u>
Principal Asset Management Berhad	The Manager
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the Manager

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

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

<u>Related parties</u>	<u>Relationship</u>
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
CGS-CIMB Securities (Singapore) Pte Ltd	Fellow related party to 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

	10.10.2024 (termination date)		31.03.2024	
	No. of units	USD	No. of units	USD
Manager				
Principal Asset Management Berhad - Class MYR	-	-	1	0.00*

* 0.00* denotes value less than 0.01

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.

Other than those mentioned elsewhere in the financial statements, there is no other significant related party transactions and balance held as at the end of the financial period end.

14. TRANSACTIONS WITH BROKERS

There is no transaction with brokers for the financial period from 1 April 2024 to 10 October 2024 (termination date).

Details of transactions with the brokers for the financial year ended 31 March 2024 were as follows:

Brokers	Values of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
RHB Bank Bhd	295,940	18.49	-	-
Standard Chartered PLC	199,600	12.47	-	-
Citigroup Global Markets Ltd	196,620	12.28	-	-
J.P. Morgan Sec (M) Sdn Bhd	191,700	11.97	-	-
Wells Fargo Securities, LLC	189,360	11.83	-	-
CIMB Bank Bhd #	123,808	7.73	-	-
RHB Investment BK Bhd	120,481	7.53	-	-
Hong Leong Investment Bank Bhd	74,896	4.68	-	-
CGS-CIMB Sec (SG) Pte Ltd #	55,155	3.45	138	58.72
Merrill Lynch International	48,175	3.01	-	-
Others #	105,135	6.56	97	41.28
	<u>1,600,870</u>	<u>100.00</u>	<u>235</u>	<u>100.00</u>

Included in the transactions are trades conducted with CGS-CIMB Sec (SG) Pte Ltd, CIMB Bank Bhd and CIMB Islamic Bank Bhd fellow related parties to the Manager amounting to nil (31.03.2024: USD55,155), nil (31.03.2024: USD123,808) and nil (31.03.2024: USD23,230). The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

15. COMPARATIVE FINANCIAL INFORMATION

The financial statements for the current financial period were prepared as at 10 October 2024 (termination date) and for the period from 1 April 2024 to 10 October 2024 (termination date). The financial statements for the comparative financial year were prepared as at 31 March 2024 and for the year from 1 April 2023 to 31 March 2024, and are therefore not comparable to the current period's financial statements.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 25 November 2024.

DIRECTORY

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