PRINCIPAL CHINA QUALITY GROWTH FUND

QUARTERLY REPORT

FOR THE QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2025

CONTENTS **PAGE(S)**

INVESTORS' LETTER	i
MANAGER'S REPORT	ii - x
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	
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME	1
UNAUDITED STATEMENT OF FINANCIAL POSITION	2-3
UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	4
UNAUDITED STATEMENT OF CASH FLOWS	5
DIRECTORY	6

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 Quarterly Fund Report of the Principal China Quality Growth Fund for the financial period ended 31 March 2025. You may also download this report from our website at www.principal.com.my.

We are proud of our 2025 achievements, made possible by your trust. These include being recognised as Asset Management Company of the Year (Malaysia) by The Asset Triple A Sustainable Investing Awards, receiving EPF's Best International Equity Fund Manager award for our MSCI EM Latin America performance, and sweeping various categories at the LSEG Lipper Fund Awards 2025.

Adding to this impressive roster, we were honoured to receive three prestigious awards at Alpha Southeast Asia's 16th Fund Management Awards 2025 and clinched seven awards at the FSMOne Recommended Unit Trusts Awards Ceremony 2025/26, further cementing our commitment to delivering exceptional investment solutions.

Building on our recent achievements, Principal Malaysia was the recipient of over 30 prestigious awards throughout 2024, spanning categories from fund performance and asset management excellence to ESG leadership and digital innovation. For the complete list of awards, please visit: https://www.principal.com.my/en/awards-recognition/my

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

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

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

Munirah Khairuddin
Chief Executive Officer & Head of Principal Asset Management Berhad (Group of Companies),
and 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 through investments in one (1) collective investment scheme, which invests primarily in People's Republic of China equity securities including but not limited to China A-Shares listed on People's Republic of China stock exchanges.

Has the Fund achieved its objective?
During the financial period under review, the fund remains aligned with its long-term objective as outlined in the fund objective section.

What are the Fund investment policy and principal investment strategy?
The Fund will be actively rebalanced from time to time to meet sales and withdrawals transactions. This is to enable a proper and efficient management of the Fund. As this is a feeder fund that invests predominantly in the Target Fund, we do not intend to take temporary defensive position for the Fund during adverse market, economic and/or any other conditions. This is to allow the Fund to mirror the performance of the Target Fund in either bullish or bearish market conditions. However, the Target Fund Investment Manager may take temporary defensive position when deemed necessary. The Fund's investment in fixed income securities will generally be restricted to fixed income instruments 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 Securities"). Nonetheless, up to 20% of the Fund's NAV may be invested in non-investment grade and/or unrated fixed income securities.

Base Currency
United States Dollar ("USD")

Fund category/type
Feeder fund/ Growth

When was the Fund launched?

Name of Class	Launch Date
Class AUD-Hedged	26 August 2024
Class GBP-Hedged	26 August 2024
Class MYR-Hedged	26 August 2024
Class SGD-Hedged	26 August 2024
Class USD	26 August 2024

What was the size of the Fund as at 30 June 2025?
USD0.07 million (0.30 million units)

What is the Fund's benchmark?
The Target Fund's benchmark is the CSI 300 (Total Return Net).

What is the Fund distribution policy?
The distribution policy of each of the Class may differ. Please refer to the Annexure of the respective Class for more information.

What was the net income distribution for the financial period from 1 April 2025 to 30 June 2025?
There was no distribution made for the financial period from 1 April 2025 to 30 June 2025.

PERFORMANCE DATA

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

	30.06.2025
	%
Unquoted fixed income securities	96.56
Cash and other assets	3.59
Liabilities	(0.15)
	100.00

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

	30.06.2025
NAV (USD Million)	
- Class AUD-H	0.00*
- Class GBP-H	0.00*
- Class MYR-H	0.07
- Class SGD-H	0.00*
- Class USD	0.00*
Units in circulation (Million)	
- Class AUD-H	0.00*
- Class GBP-H	0.00*
- Class MYR-H	0.29
- Class SGD-H	0.00*
- Class USD	0.00*
NAV per unit (USD)	
- Class AUD-H	0.6514
- Class GBP-H	1.3741
- Class MYR-H	0.2339
- Class SGD-H	0.7820
- Class USD	1.0215

*0.00 denotes value/unit less than 0.01 million.

	01.04.2025 to 30.06.2024
Highest NAV per unit (USD)	
- Class AUD-H	0.6555
- Class GBP-H	1.3867
- Class MYR-H	0.2350
- Class SGD-H	0.7871
- Class USD	1.0325
Lowest NAV per unit (USD)	
- Class AUD-H	0.5376
- Class GBP-H	1.1545
- Class MYR-H	0.1986
- Class SGD-H	0.6677
- Class USD	0.9189

PERFORMANCE DATA (CONTINUED)

	01.04.2025 to 30.06.2025
Total return (%)	
- Class AUD-H	(1.56)
- Class GBP-H	(1.53)
- Class MYR-H	(1.81)
- Class SGD-H	(1.91)
- Class USD	(1.15)
Capital growth (%)	
- Class AUD-H	(1.56)
- Class GBP-H	(1.53)
- Class MYR-H	(1.81)
- Class SGD-H	(1.91)
- Class USD	(1.15)
Income distribution (%)	
- Class AUD-H	-
- Class GBP-H	-
- Class MYR-H	-
- Class SGD-H	-
- Class USD	-
Total Expense Ratio (“TER”) (%)	0.48
Portfolio Turnover Ratio (“PTR”) (times)	0.11

	Since Inception to 30.06.2025 %
Annual total return	
- Class AUD-H	(0.56)
- Class GBP-H	0.30
- Class MYR-H	(1.57)
- Class SGD-H	(0.39)
- Class USD	2.15

(Launch date: 26 August 2024)

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 APRIL 2025 TO 30 JUNE 2025)

The second quarter of 2025 began with heightened volatility in Chinese markets, largely driven by global trade tensions and geopolitical uncertainties. Early April 2025 saw a sharp reaction to tariff announcements, which triggered a broad selloff across risk assets. However, as trade negotiations progressed and reciprocal measures were paused, investor sentiment gradually stabilized. This shift helped Chinese equities recover from their initial losses, supported by improving liquidity conditions and a more accommodative stance from domestic policymakers.

Throughout May 2025 and June 2025, market momentum in China was buoyed by easing external pressures and a rebound in investor confidence. The weakening of the USD provided a tailwind for emerging markets, including China, enhancing the appeal of local assets to foreign investors. Equity markets in the region benefited from renewed interest in growth-oriented sectors, particularly those aligned with domestic consumption and innovation. Despite lingering concerns over global demand and supply chain disruptions, Chinese equities posted solid gains in local currency terms.

Bond markets in China remained relatively stable over the quarter, with yields showing modest movement amid cautious monetary policy adjustments. While commodity-linked sectors faced headwinds due to fluctuating global prices, broader market performance was supported by resilient corporate earnings and selective policy support.

FUND PERFORMANCE

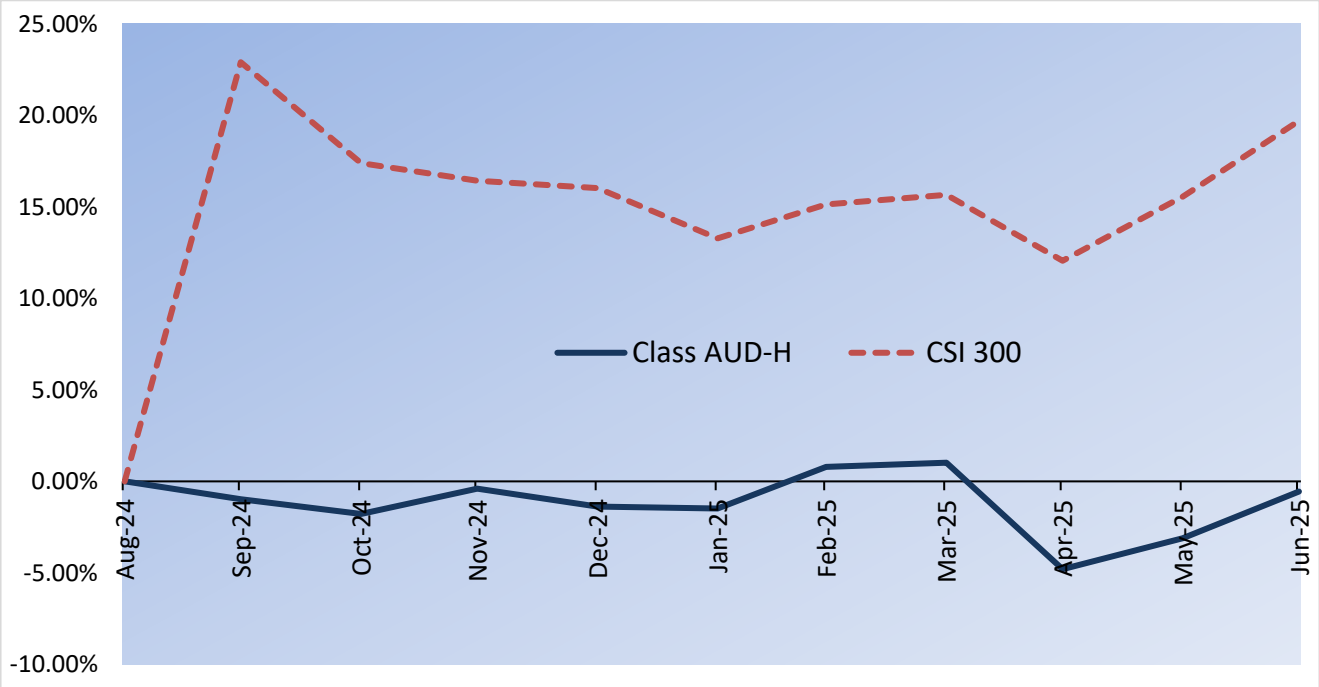
	3 months to 30.06.2025 %	6 months to 30.06.2025 %	Since inception to 30.06.2025 %
Income Distribution			
- Class AUD-H	-	-	-
- Class GBP-H	-	-	-
- Class MYR-H	-	-	-
- Class SGD-H	-	-	-
- Class USD	-	-	-
Capital Growth			
- Class AUD-H	(1.56)	0.82	(0.56)
- Class GBP-H	(1.53)	0.87	0.30
- Class MYR-H	(1.81)	0.36	(1.57)
- Class SGD-H	(1.91)	0.16	(0.39)
- Class USD	(1.15)	1.45	2.15
Total Return			
- Class AUD-H	(1.56)	0.82	(0.56)
- Class GBP-H	(1.53)	0.87	0.30
- Class MYR-H	(1.81)	0.36	(1.57)
- Class SGD-H	(1.91)	0.16	(0.39)
- Class USD	(1.15)	1.45	2.15
Benchmark			
- Class AUD-H	3.49	3.16	19.70
- Class GBP-H	3.49	3.16	19.70
- Class MYR-H	3.49	3.16	19.70
- Class SGD-H	3.49	3.16	19.70
- Class USD	3.49	3.16	19.70
Average Total Return			
- Class AUD-H	(6.13)	1.66	(0.66)
- Class GBP-H	(6.00)	1.77	0.36
- Class MYR-H	(7.05)	0.72	(1.86)
- Class SGD-H	(7.44)	0.32	(0.46)
- Class USD	(4.54)	2.95	2.55

FUND PERFORMANCE (CONTINUED)

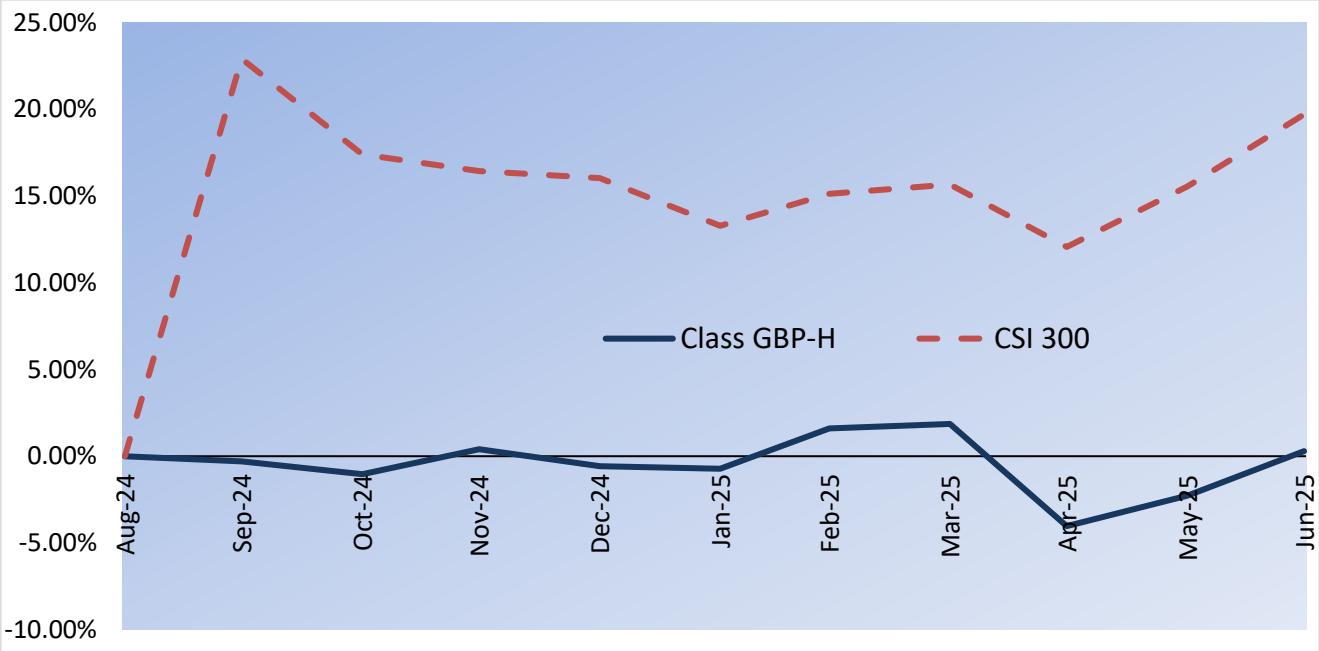
During the financial period under review, the fund underperformed against the benchmark, with Class AUD-H, Class GBP-H, Class MYR-H, Class SGD-H, and Class USD decreased by 1.56%, 1.53%, 1.81%, 1.91%, and 1.15% respectively, while the benchmark returned 3.49% during the same period.

Since inception

CLASS AUD-H



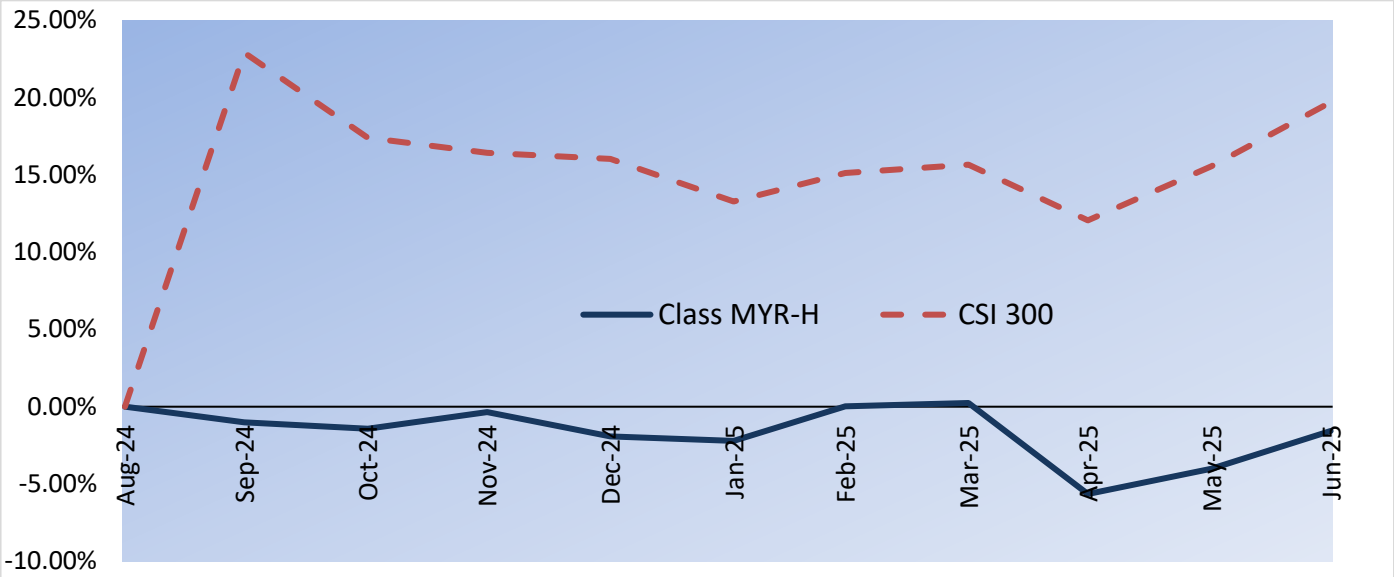
CLASS GBP-H



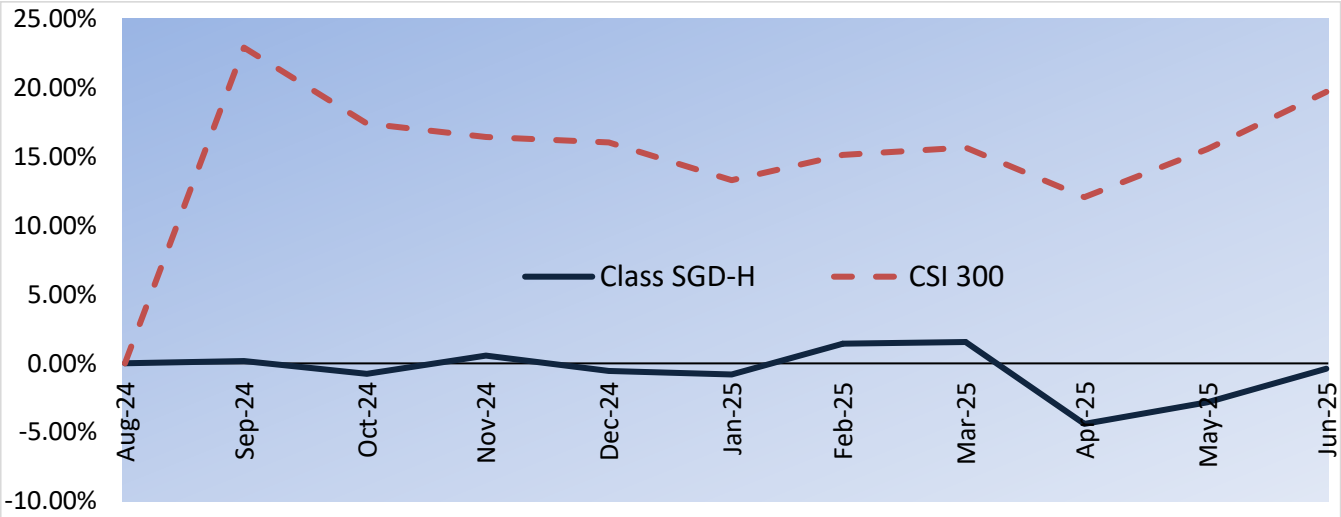
FUND PERFORMANCE (CONTINUED)

Since inception (continued)

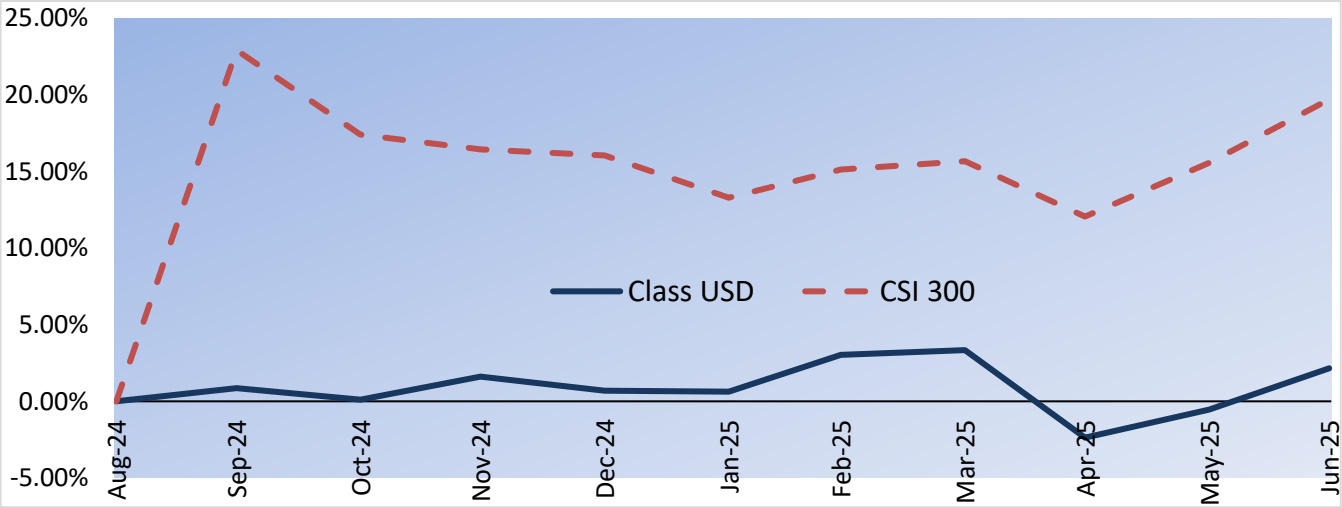
CLASS MYR-H



CLASS SGD-H



CLASS USD



Changes in NAV

	30.06.2025
CLASS AUD-H	
NAV (USD Million)	0.00*
NAV/Unit (USD)	0.6514
CLASS GBP-H	
NAV (USD Million)	0.00*
NAV/Unit (USD)	1.3741
CLASS MYR-H	
NAV (USD Million)	0.07
NAV/Unit (USD)	0.2339
CLASS SGD-H	
NAV (USD Million)	0.00*
NAV/Unit (USD)	0.7820
CLASS USD	
NAV (USD Million)	0.00*
NAV/Unit (USD)	1.0215

*0.00 denotes value less than 0.01 million.

At the time of reporting, the fund's NAV for Class MYR stood at USD 0.07 million, while Class AUD-H, Class GBP-H, Class MYR-H, Class SGD-H, and Class USD stays below USD 0.01 million.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	30.06.2025
Unquoted fixed income securities	96.56
Cash and other assets	3.59
Liabilities	(0.15)
Total	**100.00**

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

MARKET OUTLOOK*

The third quarter is expected to be shaped by the interplay between domestic policy support and external pressures. While recent stimulus measures have helped stabilize market sentiment, further interventions may be needed to sustain momentum, particularly in sectors facing structural challenges. The property market remains a key drag on household confidence and spending, and its recovery is likely to be gradual. Investors are watching for signs of deeper reforms that could address excess supply and local government debt burdens. Meanwhile, urbanization trends and targeted fiscal support may offer medium-term relief to consumption and infrastructure-linked sectors.

Global dynamics will continue to influence capital flows and investor positioning. Trade tensions and currency movements are likely to remain in focus, especially as policy shifts in major economies affect risk appetite. Within China, areas tied to domestic innovation and services are expected to attract interest, while export-oriented sectors may face headwinds. The market environment is likely to remain selective, with participants responding to evolving macro signals and policy clarity. Overall, the quarter may reflect a balancing act between cyclical recovery and structural recalibration

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

INVESTMENT STRATEGY

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

SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (the "Manager") and the Trustee will not retain any form of rebate or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Fund. Accordingly, any rebates 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 bring 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 Funds; and
(c) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and the Manager will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

During the financial period under review, the Manager and the Trustee did not receive any rebates from the brokers or dealers, but the Manager has retained soft commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. The Manager confirms that the goods and services received were for the benefit of the Fund, the trades were made on a best execution basis 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 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.

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2025 TO 30 JUNE 2025

	01.04.2025 to 30.06.2025 USD
INCOME/(LOSS)	
Net gain on financial assets at fair value through profit or loss	774
Net gain on derivative assets at fair value through profit	3,301
Net foreign exchange loss	(33)
	4,042
EXPENSES	
Management fee	313
Trustee fee	5
Other expenses	17
	335
PROFIT BEFORE TAXATION	3,707
Taxation	-
PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	3,707
Profit after taxation is made up as follows: :	
Realised amount	2,028
Unrealised amount	1,679
	3,707

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	30.06.2025 USD
ASSETS	
Cash and cash equivalents	1,274
Financial assets at fair value through profit or loss	69,625
Derivative asset at fair value through profit or loss	889
Amount due from the Manager of collective investment scheme	
- Management fee rebate	417
Dividend receivables	4
TOTAL ASSETS	72,209
LIABILITIES	
Accrued management fee	104
Amount due to Trustee	2
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)	106
NET ASSET VALUE OF THE FUND	72,103
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	72,103
REPRESENTED BY:	
FAIR VALUE OF OUTSTANDING UNITS	
- Class AUD-H	651
- Class GBP-H	1,374
- Class MYR-H	68,274
- Class SGD-H	782
- Class USD	1,022
	72,103
NUMBER OF UNITS IN CIRCULATION (UNITS)	
- Class AUD-H	1,000
- Class GBP-H	1,000
- Class MYR-H	291,929
- Class SGD-H	1,000
- Class USD	1,000
	295,929
NET ASSET VALUE PER UNIT (USD)	
- Class AUD-H	0.6514
- Class GBP-H	1.3741
- Class MYR-H	0.2339
- Class SGD-H	0.7820
- Class USD	1.0215

UNAUDITED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2025

	30.06.2025 USD
REPRESENTED BY (CONTINUED):	
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES	
- Class AUD-H	AUD0.9944
- Class GBP-H	GBP1.0030
- Class MYR-H	MYR0.9843
- Class SGD-H	SGD0.9961
- Class USD	USD1.0215

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2025 TO 30 JUNE 2025

	01.04.2025 to 30.06.2025 USD
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	64,561
Movement due to units created and cancelled during the financial period:	
Creation of units from applications	
- Class MYR-H	8,137
Cancellation of units	
- Class MYR-H	(4,302)
Total comprehensive income for the financial period	3,707
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	72,103

UNAUDITED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2025 TO 30 JUNE 2025

	01.04.2025 to 30.06.2025 USD
CASH FLOWS FROM OPERATING ACTIVITIES	
Purchase of unquoted fixed income securities	(13,000)
Proceeds from disposal of unquoted fixed income securities	4,001
Management fee rebate received	285
Management fee paid	(306)
Trustee fee paid	(5)
Payment for other fees and expenses	(8)
Net realised gain on forward foreign currency contracts	2,334
Receipt of other foreign exchange gain	83
Net cash used in operating activities	(6,616)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from units created	8,137
Payments for cancellation of units	(4,302)
Net cash generated from financing activities	3,835
Net decrease in cash and cash equivalents	(2,781)
Effects of foreign exchange differences	(116)
Cash and cash equivalents at the beginning of the financial period	4,171
Cash and cash equivalents at the end of the financial period	1,274
Cash and cash equivalents comprises of:	
Bank balances	1,274
Cash and cash equivalents at the end of financial period	1,274

DIRECTORY

Head Office of the Manager
Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))
Level 32, Exchange 106,
Lingkaran TRX,
55188 Tun Razak Exchange,
Kuala Lumpur, Malaysia
Tel: (03) 8680 8888

Website
www.principal.com.my

E-mail address
myservice@principal.com

Customer Care Centre
(03) 7723 7260

Chat with us via WhatsApp
(6016) 299 9792

Trustee for the Principal China Quality Growth Fund
HSBC (Malaysia) Trustee Berhad (Company No.: 193701000084 (1281-T))
19th Floor, Menara IQ, Lingkaran TRX,
55188 Tun Razak Exchange, Kuala Lumpur, MALAYSIA.
Tel: (03) 2075 7800
Fax: (03) 8894 2611