

PRINCIPAL GLOBAL DYNAMIC INCOME FUND

ANNUAL REPORT

**FOR THE FINANCIAL PERIOD FROM 27 MARCH 2024 (DATE OF LAUNCH) TO 30 SEPTEMBER
2024**

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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 Annual Fund Report of the Principal Global Dynamic Income Fund for the financial period from 27 March 2024 (date of launch) to 30 September 2024. 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 provide income and capital growth through investments in one (1) collective investment scheme (“CIS”) which invests in a diversified range of assets and markets worldwide including emerging markets.

Has the Fund achieved its objective?

The Fund is in line to achieve its long-term objective to provide income and potential capital growth as stated under the fund’s investment objective section.

What are the Fund investment policy and principal investment strategy?

The Fund is a feeder fund that invests at least 85% of the Fund’s Net Asset Value (“NAV”) in the Schroder International Selection Fund Dynamic Income, a fund of the Schroder International Selection Fund, an open-ended investment company registered in Luxembourg. Information on Schoder International Selection Fund Dynamic Income is detailed below. The Fund may also invest up to 15% of its NAV in liquid assets for liquidity purposes and derivative for the sole purpose of hedging arrangement.

The asset allocation strategy for this Fund is as follows:

- at least 85% of the Fund’s NAV will be invested in the Target Fund; and
- up to 15% of the Fund’s NAV will be invested in liquid assets for liquidity purposes

Information on the Target Fund:

Target Fund : Schroder International Selection Fund Dynamic Income
 Share class : USD I Class Accumulation Shares
 Currency Denomination : United States Dollar (“USD”)
 Target Fund Investment
 Manager : Schroder Investment Management Limited.
 Regulatory authority : Commission de Surveillance du Secteur Financier

Base Currency

USD

Fund category/type

Feeder fund/ Income.

When was the Fund launched?

Name of Class	Launch Date
Class AUD-Hedged	27 March 2024
Class JPY-Hedged	16 August 2024
Class MYR	27 March 2024
Class MYR-Hedged (“MYR-H”)	27 March 2024
Class SGD-Hedged	27 March 2024
Class USD	27 March 2024

What was the size of the Fund as at 30 September 2024?

USD51.71 million (276.35 million units)

What is the Fund’s benchmark?

The Fund adheres to the benchmark of the Target Fund for performance comparison. Currently, benchmark of the Target Fund is 60% Morgan Stanley Capital International All Country (“MSCI AC”) World Index (USD) & 40% Bloomberg Global Aggregate USD.

FUND OBJECTIVE AND POLICY (CONTINUED)

What is the Fund distribution policy?

Distributions, if any, will be at the discretion of the Manager and will vary from period to period depending on market conditions and performance of the Fund.

What was the net income distribution for the financial period from 27 March 2024 (date of launch) to 30 September 2024?

There was no distribution made for the financial period from 27 March 2024 (date of launch) to 30 September 2024.

PERFORMANCE DATA

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

	30.09.2024
	%
Collective investment scheme	96.14
Cash and other assets	9.70
Liabilities	(5.84)
	100.00

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

	30.09.2024
NAV (USD Million)	
- Class AUD-H	4.27
- Class JPY-H	0.97
- Class MYR	7.89
- Class MYR-H	20.17
- Class SGD-H	6.61
- Class USD	11.80
Units in circulation (Million)	
- Class AUD-H	5.87
- Class JPY-H	136.60
- Class MYR	35.37
- Class MYR-H	79.30
- Class SGD-H	8.04
- Class USD	11.17
NAV per unit (USD)	
- Class AUD-H	0.7283
- Class JPY-H	0.0071
- Class MYR	0.2229
- Class MYR-H	0.2544
- Class SGD-H	0.8219
- Class USD	1.0559
	27.03.2024
	(date of launch)
	to 30.09.2024
Highest NAV per unit (USD)	
- Class AUD-H	0.7283
- Class JPY-H	0.0072
- Class MYR	0.2232
- Class MYR-H	0.2546
- Class SGD-H	0.8244
- Class USD	1.0570

PERFORMANCE DATA (CONTINUED)

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

**27.03.2024
(date of launch)
to 30.09.2024**

Lowest NAV per unit (USD)	
- Class AUD-H	0.6442
- Class JPY-H	0.0068
- Class MYR	0.2086
- Class MYR-H	0.2086
- Class SGD-H	0.7328
- Class USD	0.9880
Total return (%)	
- Class AUD-H	5.04
- Class JPY-H	1.65
- Class MYR	(8.08)
- Class MYR-H	4.91
- Class SGD-H	5.47
- Class USD	5.59
Capital growth (%)	
- Class AUD-H	5.04
- Class JPY-H	1.65
- Class MYR	(8.08)
- Class MYR-H	4.91
- Class SGD-H	5.47
- Class USD	5.59
Income distribution (%)	
- Class AUD-H	-
- Class JPY-H	-
- Class MYR	-
- Class MYR-H	-
- Class SGD-H	-
- Class USD	-
Total Expense Ratio ("TER") (%)	0.46
Portfolio Turnover Ratio ("PTR") (times)	2.38

**Since inception to
30.09.2024
%**

Annual total return	
- Class AUD-H	5.04
- Class JPY-H	1.65
- Class MYR	(8.08)
- Class MYR-H	4.91
- Class SGD-H	5.47
- Class USD	5.59

(Launch date: 27 March 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 (27 MARCH 2024 (DATE OF LAUNCH) TO 30 SEPTEMBER 2024)

Global equities experienced mixed performances, with emerging markets showing higher volatility compared to developed markets. The Standard and Poor (“S&P”) 500 posted modest gains, supported by easing inflation and the Federal Reserve (the “Fed”) decision to pause rate hikes. Sectors such as information technology and consumer discretionary contributed to the gains, while energy stocks underperformed due to fluctuating oil prices.

In the Eurozone, equities remained resilient as the European Central Bank held rates steady, signaling caution amid persistent inflationary pressures. Financials and industrials led gains, while healthcare and utilities lagged behind.

Chinese equities showed mixed results despite stimulus efforts from policymakers, including monetary easing and fiscal support. Ongoing concerns in the property sector tempered the rally, though optimism grew later in the period with signs of recovery in exports and domestic demand.

In fixed income markets, corporate bonds outpaced government bonds as inflation expectations eased and interest rates remained stable. High-yield bonds outperformed investment-grade bonds, reflecting greater risk appetite among investors. Emerging market debt also performed well, particularly in local currencies, as favorable monetary policies and improved trade conditions provided a supportive environment.

Overall, global markets balanced between monetary policy developments, geopolitical uncertainties, and sector-specific trends, leading to a period of moderate growth with pockets of volatility.

FUND PERFORMANCE

	Since inception to 30.09.2024 %
Income Distribution	
- Class AUD-H	-
- Class JPY-H	-
- Class MYR	-
- Class MYR-H	-
- Class SGD-H	-
- Class USD	-
Capital Growth	
- Class AUD-H	5.04
- Class JPY-H	1.65
- Class MYR	(8.08)
- Class MYR-H	4.91
- Class SGD-H	5.47
- Class USD	5.59
Total Return	
- Class AUD-H	5.04
- Class JPY-H	1.65
- Class MYR	(8.08)
- Class MYR-H	4.91
- Class SGD-H	5.47
- Class USD	5.59
Benchmark	
- Class AUD-H	8.42
- Class JPY-H	3.45
- Class MYR	(5.54)
- Class MYR-H	8.42
- Class SGD-H	8.42
- Class USD	8.42

FUND PERFORMANCE (CONTINUED)

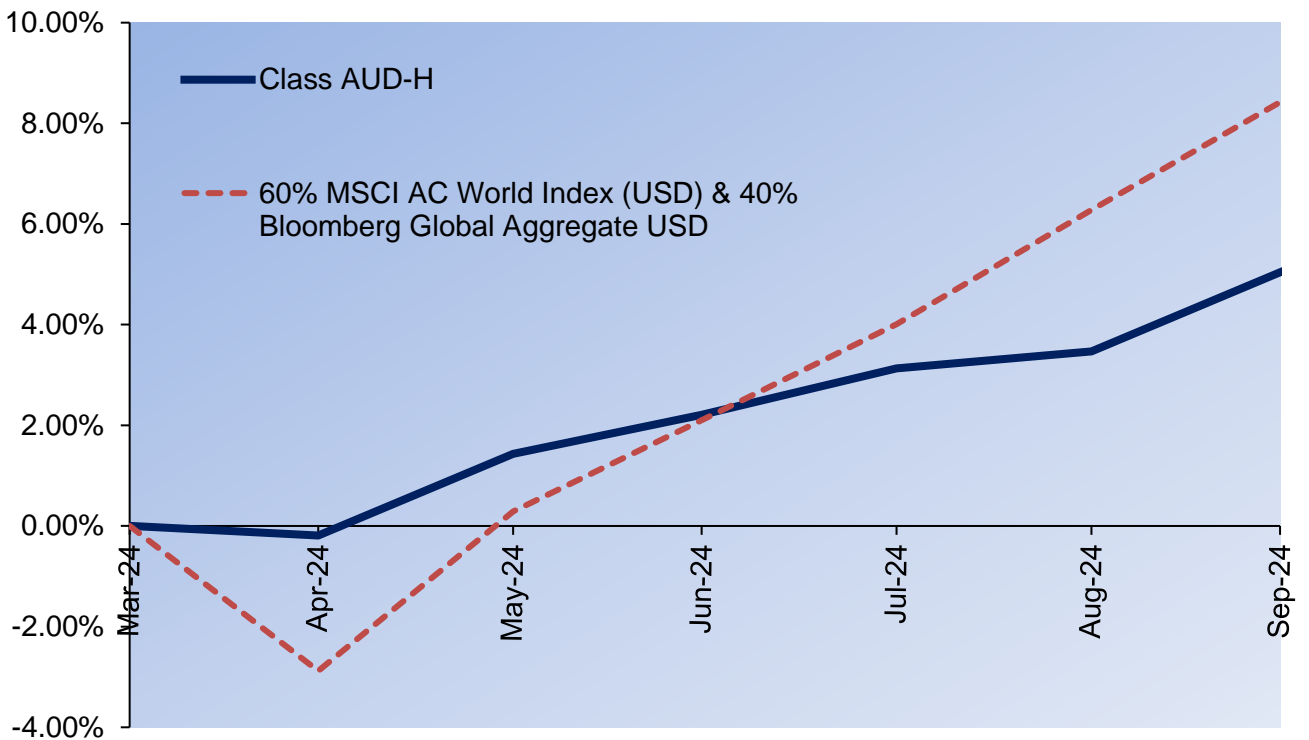
Since inception
to 30.09.2024
%

Average Total Return	
- Class AUD-H	10.07
- Class JPY-H	14.20
- Class MYR	(15.16)
- Class MYR-H	9.81
- Class SGD-H	10.95
- Class USD	11.20

The fund average total return during the financial period under review was mostly positive, with exception to Class MYR, mainly due to the currency movement.

Since Inception

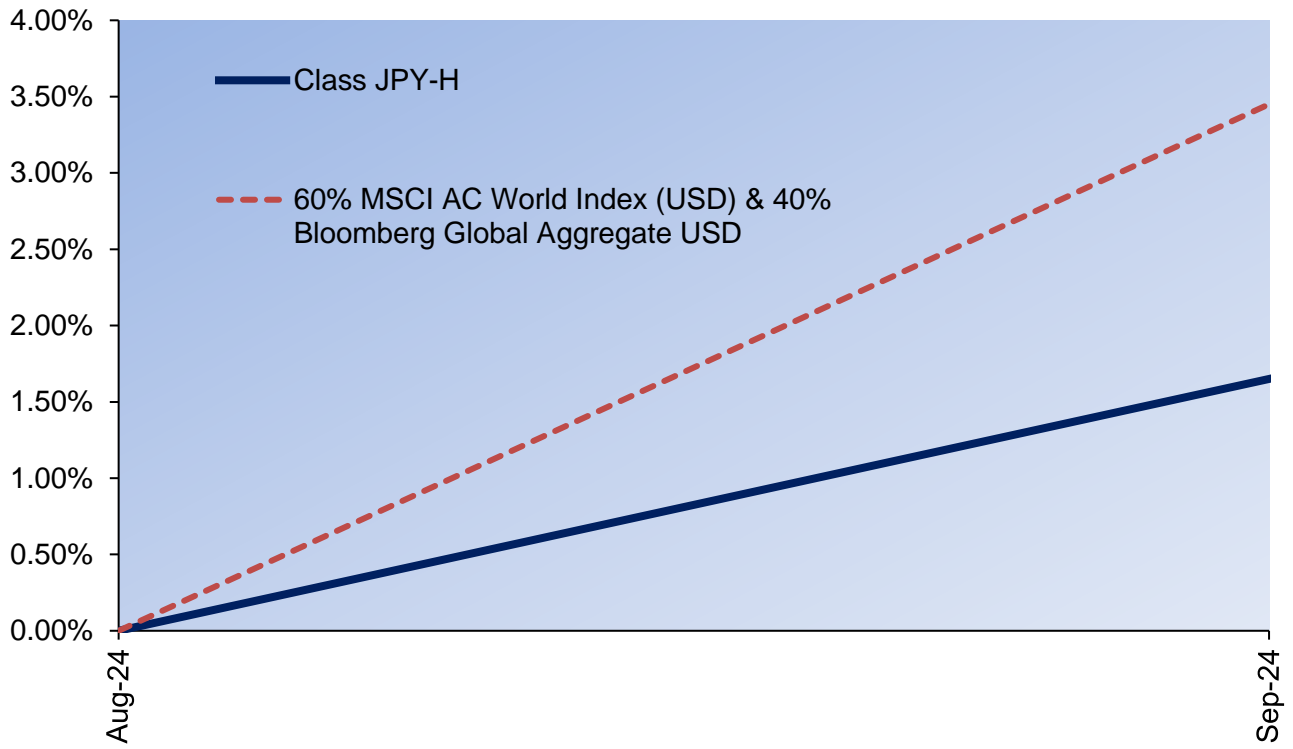
CLASS AUD-H



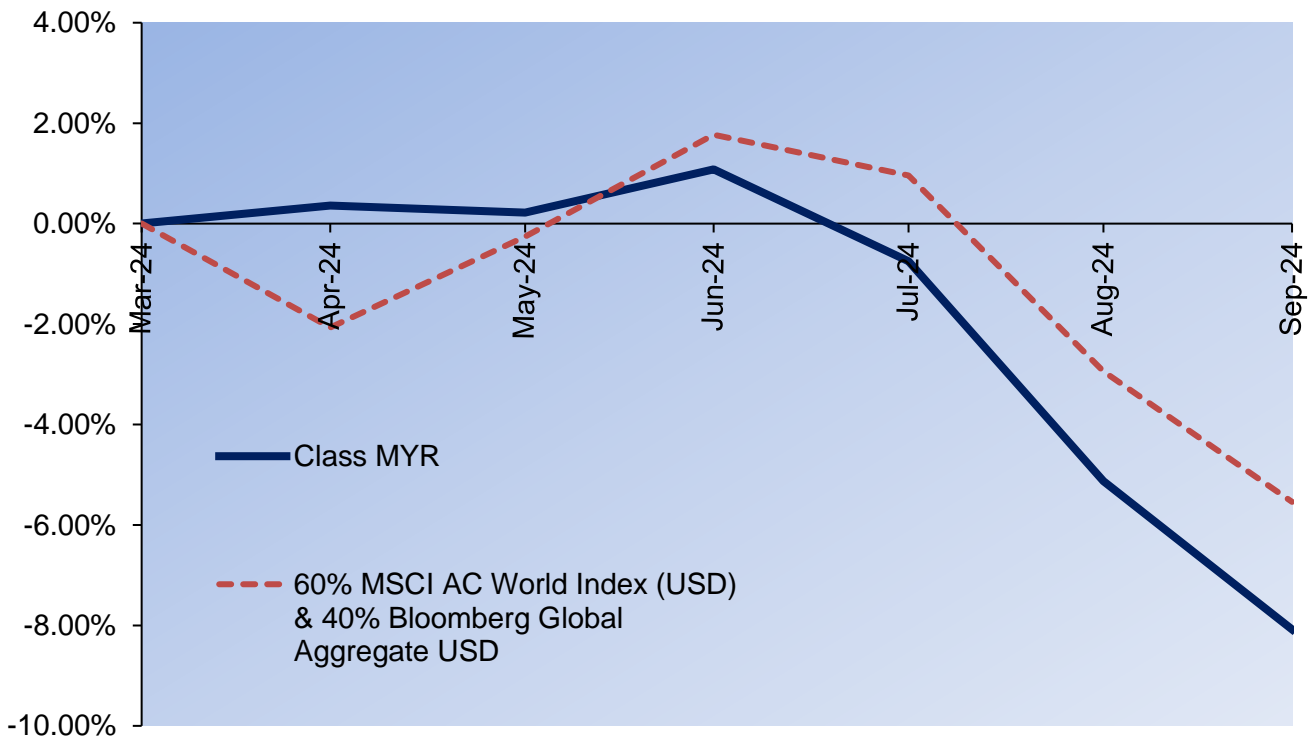
FUND PERFORMANCE (CONTINUED)

Since Inception

CLASS JPY-H



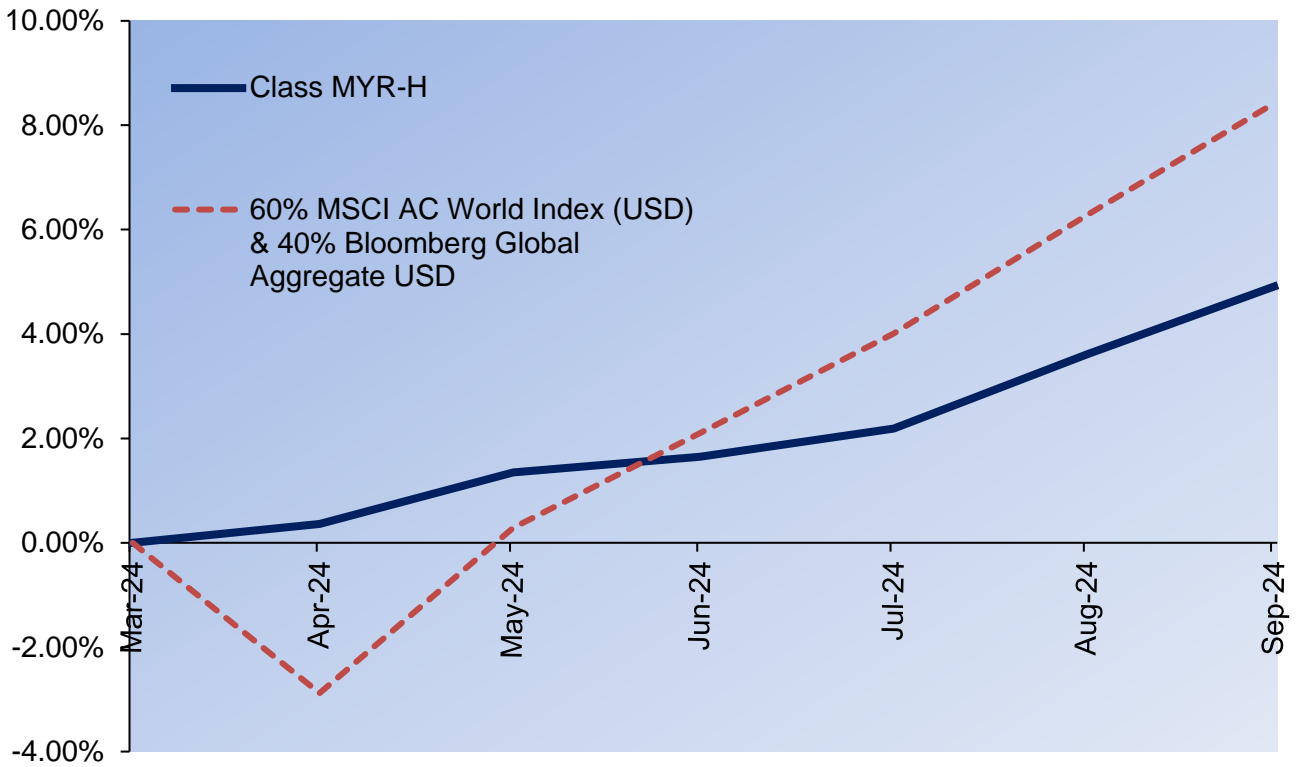
CLASS MYR



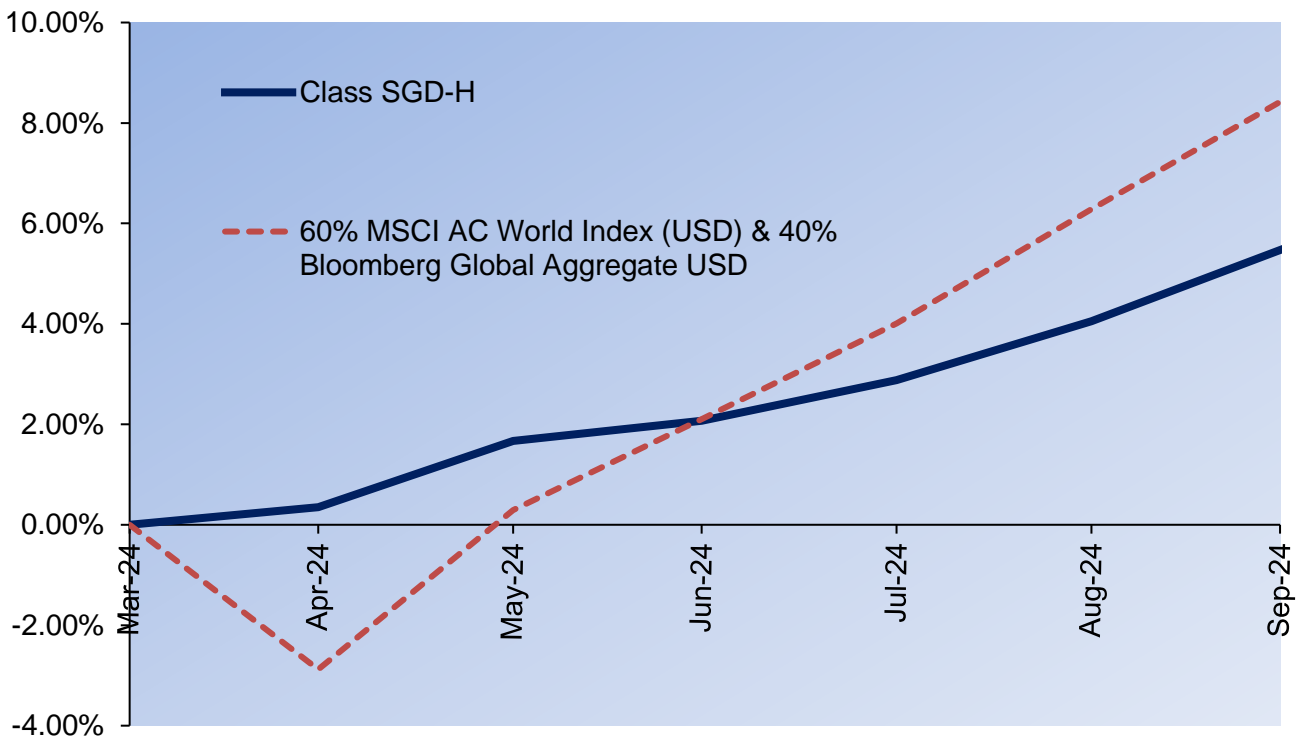
FUND PERFORMANCE (CONTINUED)

Since Inception

CLASS MYR-H



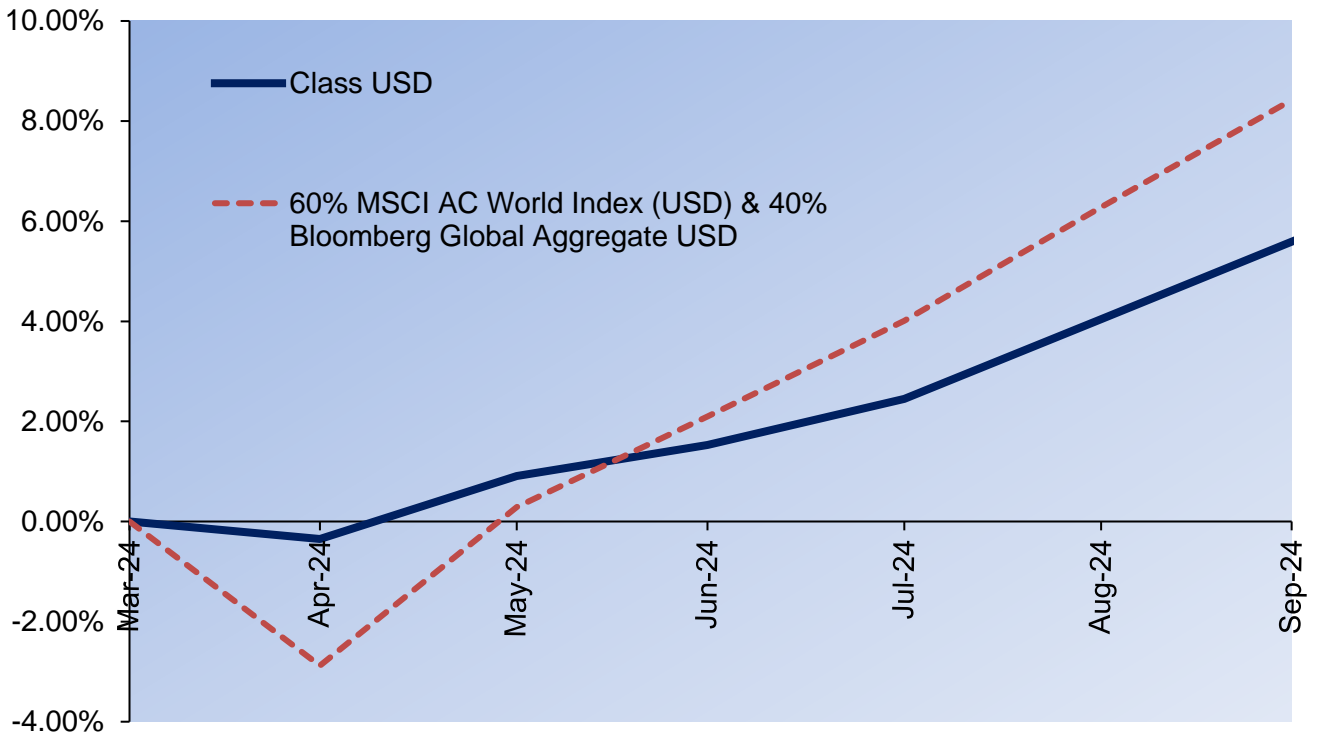
CLASS SGD-H



FUND PERFORMANCE (CONTINUED)

Since Inception

CLASS USD



Changes in NAV

30.09.2024

CLASS AUD-H

NAV (USD Million) 4.27
NAV/Unit (USD) 0.7283

CLASS JPY-H

NAV (USD Million) 0.97
NAV/Unit (USD) 0.0071

CLASS MYR

NAV (USD Million) 7.89
NAV/Unit (USD) 0.2229

CLASS MYR-H

NAV (USD Million) 20.17
NAV/Unit (USD) 0.2544

CLASS SGD-H

NAV (USD Million) 6.61
NAV/Unit (USD) 0.8219

CLASS USD

NAV (USD Million) 11.80
NAV/Unit (USD) 1.0559

FUND PERFORMANCE (CONTINUED)

Changes in NAV (continued)

During the financial period under review, the fund’s NAV for Class AUD-H, Class JPY-H, Class MYR, Class MYR-H, Class SGD-H, and Class USD stood at USD4.27 million, USD0.97 million, USD7.89 million, USD20.17 million, USD6.61 million, and USD11.80 million respectively.

At the time of reporting, Class MYR-H has the highest total NAV, stood at USD20.17 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)	30.09.2024
Collective investment scheme	96.14
Cash and other assets	9.70
Liabilities	(5.84)
TOTAL	100.00

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*

The global market outlook is driven by favourable economic conditions in the U.S. and anticipated rate cuts. These factors create a supportive environment for both global equities and credit markets, with a generally constructive positioning. However, Europe presents a more complex situation. With its heightened sensitivity to geopolitical factors and the upcoming U.S. election, market participants are largely adopting a wait-and-see approach, particularly through mid-November.

Japan’s market faces ongoing volatility due to uncertainty surrounding its policy direction. Although rate hikes are widely acknowledged as necessary, confusion about their timing has left investors wary of Japanese equities.

In the high-yield space, there is a noticeable shift toward higher-quality European assets. Despite sluggish growth in key economies like France and Germany, the prospect of continued rate cuts, expected to extend from October, offers some optimism for a gradual recovery by mid-2025. Europe’s rate sensitivity may provide incremental growth boosts as monetary policy loosens.

In the U.S., the first-rate cut is seen as pivotal. Whether this decision proves effective or not may hinge heavily on the outcome of the U.S. election, which could shape market sentiment in the near term.

* 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 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 be fully invested in the target fund with minimal cash kept for liquidity purposes. Our asset allocation decision will be subjected to market conditions.

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

In relation to this Fund, the Fund had issued the First Supplemental Information Memorandum dated 16 August 2024.

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.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL GLOBAL DYNAMIC INCOME FUND**

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 7 to 29 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the statement of financial position of the Fund as at 30 September 2024 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period from 27 March 2024 (date of launch) to 30 September 2024 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
15 November 2024

TRUSTEE'S REPORT

**TO THE UNIT HOLDERS OF
PRINCIPAL GLOBAL DYNAMIC INCOME FUND (“Fund”)**

We have acted as Trustee of the Fund for the financial period from 27 March 2024 (date of launch) to 30 September 2024 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 the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;
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
15 November 2024

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL GLOBAL DYNAMIC INCOME FUND**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Principal Global Dynamic Income Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 30 September 2024, 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 27 March 2024 (date of launch) to 30 September 2024, and notes to the financial statements, including material accounting policy information, as set out on pages 7 to 29.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 September 2024, and of its financial performance and cash flows for the financial period from 27 March 2024 (date of launch) to 30 September 2024 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 GLOBAL DYNAMIC INCOME 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.

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 GLOBAL DYNAMIC INCOME 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. However, future events or conditions may cause the Fund to cease to continue as 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 GLOBAL DYNAMIC INCOME 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 Unlisted Capital Market Products under the Lodge and Launch Framework 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
15 November 2024

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 27 MARCH 2024 (DATE OF LAUNCH) TO 30 SEPTEMBER
2024**

	Note	27.03.2024 (date of launch) to 30.09.2024 USD
INCOME		
Dividend income		527,698
Net gain on financial assets at fair value through profit or loss	7	1,557,664
Net gain on derivatives at fair value through profit or loss	8	2,401,955
Net foreign exchange gain		67,099
		<u>4,554,416</u>
EXPENSES		
Management fee	4	241,330
Trustee fee	5	4,010
Audit fee		1,961
Tax agent's fee		1,376
		<u>248,677</u>
PROFIT BEFORE TAXATION		4,305,739
Taxation	6	-
PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u><u>4,305,739</u></u>
Profit after taxation is made up as follows:		
Realised amount		3,055,287
Unrealised amount		1,250,452
		<u><u>4,305,739</u></u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024**

	Note	30.09.2024 USD
ASSETS		
Cash and cash equivalents	9	1,867,858
Financial assets at fair value through profit or loss	7	49,715,182
Derivative asset at fair value through profit or loss	8	314,297
Amount due from dealer		1,287,455
Amount due from Manager		1,198,759
Amount due from Manager of collective investment scheme		
- management fee rebate		68,989
Dividends receivable		282,572
TOTAL ASSETS		<u>54,735,112</u>
LIABILITIES		
Amount due to dealer		2,741,309
Amount due to Manager		205,351
Accrued management fee		71,013
Amount due to Trustee		1,184
Other payables and accruals		3,337
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>3,022,194</u>
NET ASSET VALUE OF THE FUND		<u>51,712,918</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>51,712,918</u>
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS (USD)		
- Class AUD-H		4,273,701
- Class JPY-H		975,036
- Class MYR		7,885,041
- Class MYR-H		20,171,311
- Class SGD-H		6,608,812
- Class USD		11,799,017
		<u>51,712,918</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)		
- Class AUD-H		5,867,676
- Class JPY-H		136,596,020
- Class MYR		35,367,835
- Class MYR-H		79,301,016
- Class SGD-H		8,041,379
- Class USD		11,173,997
	10	<u>276,347,923</u>

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

**STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 SEPTEMBER 2024 (CONTINUED)**

	30.09.2024
	USD
NET ASSET VALUE PER UNIT (USD)	
- Class AUD-H	0.7283
- Class JPY-H	0.0071
- Class MYR	0.2229
- Class MYR-H	0.2544
- Class SGD-H	0.8219
- Class USD	<u>1.0559</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES	
- Class AUD-H	AUD1.0503
- Class JPY-H	JPY1.0165
- Class MYR	MYR0.9192
- Class MYR-H	MYR1.0491
- Class SGD-H	SGD1.0548
- Class USD	<u>USD1.0559</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 27 MARCH 2024 (DATE OF LAUNCH) TO 30 SEPTEMBER
2024**

	27.03.2024 (date of launch) to 30.09.2024 USD
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>-</u>
Movement due to units created and cancelled during the financial period:	
Creation of units from applications	
- Class AUD-H	4,037,653
- Class JPY-H	952,637
- Class MYR	7,717,644
- Class MYR-H	17,707,083
- Class SGD-H	6,135,306
- Class USD	11,568,923
	<u>48,119,246</u>
Cancellation of units	
- Class AUD-H	(35,084)
- Class MYR	(159,339)
- Class MYR-H	(234,942)
- Class SGD-H	(57,425)
- Class USD	(225,277)
	<u>(712,067)</u>
Total comprehensive income for the financial period	<u>4,305,739</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	<u><u>51,712,918</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 27 MARCH 2024 (DATE OF LAUNCH) TO 30 SEPTEMBER
2024**

	Note	27.03.2024 (date of launch) to 30.09.2024 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of collective investment scheme		38,212,243
Purchase of collective investment scheme		(85,047,370)
Dividend income received		245,126
Management fee paid		(170,317)
Management fee rebates received		58,620
Trustee fees paid		(2,826)
Net realised gain on forward foreign currency contracts		2,087,658
Payment of other foreign exchange loss		(57,390)
Net cash used in operating activities		<u>(44,674,256)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created		46,920,487
Payments for cancellation of units		(506,716)
Net cash generated from financing activities		<u>46,413,771</u>
Net increase in cash and cash equivalents		1,739,515
Effects of foreign exchange differences		128,343
Cash and cash equivalents at the end of the financial period	9	<u>1,867,858</u>
<u>Cash and cash equivalents comprised:</u>		
Bank balances		1,867,858
Cash and cash equivalents at the end of the financial period	9	<u>1,867,858</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 27 MARCH 2024 (DATE OF LAUNCH) TO 30 SEPTEMBER
2024**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal Global Dynamic Income Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 5 March 2024, made between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Malaysia Berhad (the “Trustee”).

The Fund aims to provide income and capital growth through investments in one (1) collective investment scheme (“CIS”) which invests in a diversified range of assets and markets worldwide including emerging markets.

The Fund is a feeder fund that invests at least 85% of the Fund’s Net Asset Value (“NAV”) in the Schroder International Selection Fund Dynamic Income, a fund of the Schroder International Selection Fund, an open-ended investment company registered in Luxembourg. Information on Schoder International Selection Fund Dynamic Income is detailed below. The Fund may also invest up to 15% of its NAV in liquid assets for liquidity purposes and derivative for the sole purpose of hedging arrangement.

The asset allocation strategy for this Fund is as follows:

- at least 85% of the Fund’s NAV will be invested in the Target Fund; and
- up to 15% of the Fund’s NAV will be invested in liquid assets for liquidity purposes.

Information on the Target Fund:

Target Fund	:	Schroder International Selection Fund Dynamic Income
Share class	:	USD I Class Accumulation Shares
Currency Denomination	:	United States Dollar (“USD”)
Target Fund Investment Manager	:	Schroder Investment Management Limited.
Regulatory authority	:	Commission de Surveillance du Secteur Financier

All investments are subjected to the Securities Commission Malaysia’s (“SC”) Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

The Fund had issued the First Supplemental Information Memorandum dated 16 August 2024.

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. 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

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”).

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(a) Basis of preparation (continued)**

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(l).

None of the standards, amendments to standards or interpretations that are effective for the financial period beginning on/after 1 October 2024 are applicable to 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.

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").

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

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, amount due from dealer, amount due from Manager, amount due from Manager of collective investment scheme – management fee rebate and dividends receivable as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

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

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

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

Impairment for assets carried at amortised costs

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

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.

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

(c) Income recognition

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

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

(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 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.

(e) Cash and cash equivalents

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (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 collective investment scheme is 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.

(g) 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 GUTF¹.

(h) 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 six classes of units, known respectively as the Class AUD-H, Class JPY-H, Class MYR, Class MYR-H, Class SGD-H and Class USD, which are cancelled at the unit holder's option. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the reporting date if the member exercises the right to put back the unit to the Fund.

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

(i) Management fee rebate

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

(j) Amount due from/to dealer

Amounts due from and amount due to dealer represents 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 reporting date respectively.

¹ The presentation of the analysis of realised and unrealised portions of increase/decrease in net assets attributable to unit holders as presented on the statement of comprehensive income is provided as per the SC Guidelines on Unit Trust Funds. However, the Fund is not guided by the SC Guidelines on Unit Trust Funds.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(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 unfavorable.

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 SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework. However, the Manager is of the opinion that in applying these accounting policies, no significant judgement was required.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss USD	Financial assets at amortised cost USD	Total USD
30.09.2024			
Cash and cash equivalents (Note 9)	-	1,867,858	1,867,858
Collective investment scheme (Note 7)	49,715,182	-	49,715,182
Amount due from dealer	-	1,287,455	1,287,455
Derivative assets at fair value through profit or loss (Note 8)	314,297	-	314,297
Amount due from Manager	-	1,198,759	1,198,759
Amount due from Manager of collective investment scheme			
- management fee rebate	-	68,989	68,989
Dividends receivable	-	282,572	282,572
	<u>50,029,479</u>	<u>4,705,633</u>	<u>54,735,112</u>

The Fund aims to provide long term capital appreciation and income through investments that invests in the global markets within the target risk range of the Fund.

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 SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

(a) Market risk

(i) Price risk

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

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

	30.09.2024 USD
Financial assets at fair value through profit or loss:	
- Collective investment scheme	<u>49,715,182</u>

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

(a) Market risk (continued)

(i) Price risk (continued)

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

% Change in price of collective investment scheme	Market value USD	Impact on profit or loss/NAV USD
30.09.2024		
-5%	47,229,423	(2,485,759)
0%	49,715,182	-
+5%	52,200,941	2,485,759

(ii) Currency risk

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

Financial assets

	Derivative assets USD	Cash and cash equivalents USD	Amount due from Manager USD	Total USD
30.09.2024				
AUD	62,725	386,645	14,279	463,649
JPY	(8,122)	6,193	20,054	18,125
MYR	236,066	70,125	820,105	1,126,296
SGD	23,628	61,247	255,835	340,710
	<u>314,297</u>	<u>524,210</u>	<u>1,110,273</u>	<u>1,948,780</u>

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

(a) Market risk (continued)

(ii) Currency risk (continued)

Financial liabilities

	Amount due to dealer USD	Amount due to Manager USD	Net assets attributable to unit holders USD	Total USD
30.09.2024				
AUD	398,205	-	4,273,701	4,671,906
JPY	26,248	-	975,036	1,001,284
MYR	681,715	130,304	28,056,352	28,868,371
SGD	185,141	-	6,608,812	6,793,953
	<u>1,291,309</u>	<u>130,304</u>	<u>39,913,901</u>	<u>41,335,514</u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes in foreign exchange rate movements at the end of the reporting period. The analysis is based on the assumption that the foreign exchange rate fluctuated by 5%, with all other variables remain constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in foreign exchange rate %	Impact on profit or loss/NAV 30.09.2024 USD
AUD	+/-5	-/+210,413
JPY	+/-5	-/+49,158
MYR	+/-5	-/+1,387,104
SGD	+/-5	-/+322,662
		<u>-/+1,969,337</u>

(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 in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

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.

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

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

(b) Credit risk (continued)

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

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

	Cash and cash equivalents USD	Amount due from dealer USD	Amount due from Manager USD	Derivative asset at fair value through profit or loss USD	Amount due from Manager of collective investment scheme- fee rebate USD	Dividends receivable USD	Total USD
30.09.2024							
- AAA	1,867,858	-	-	-	-	-	1,867,858
- Not rated	-	1,287,455	1,198,759	314,297	68,989	282,572	3,152,072
	<u>1,867,858</u>	<u>1,287,455</u>	<u>1,198,759</u>	<u>314,297</u>	<u>68,989</u>	<u>282,572</u>	<u>5,019,930</u>

(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 deposits with licensed financial institutions, which are capable of being converted into cash within 7 business days. The Fund's investments in Shariah-compliant collective investment scheme are realisable which are capable of being converted into cash within 10 business days. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

	Less than 1 month USD	Between 1 month to 1 year USD	Total USD
30.09.2024			
Amount due to dealer	2,741,309	-	2,741,309
Amount due to Manager	205,351	-	205,351
Accrued management fee	71,013	-	71,013
Amount due to Trustee	1,184	-	1,184
Other payables and accruals	-	3,337	3,337
Net assets attributable to unit holders*	<u>51,712,918</u>	<u>-</u>	<u>51,712,918</u>
Contractual undiscounted cash flows	<u>54,731,775</u>	<u>3,337</u>	<u>54,735,112</u>

* Outstanding units are redeemed on demand at the holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

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

The capital of the Fund is represented by net assets attributable to unit holders of USD51,712,918. 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

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

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

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

(i) Fair value hierarchy

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

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. 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.

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
30.09.2024				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	49,715,182	-	-	49,715,182
Derivative asset at fair value through profit or loss				
- Forward foreign currency contracts	-	314,297	-	314,297

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

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted fixed income securities, forward foreign currency contracts and interest rate swaps. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

- (ii) The carrying values of cash and cash equivalents, amount due from dealer, amount due from Manager, amount due from Manager of collective investment scheme - management fee rebate, dividends receivable and all current liabilities are a reasonable approximation of their fair values due to their short-term nature.

4. MANAGEMENT FEE

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

For the financial period from 27 March 2024 (date of launch) to 30 September 2024, the management fee for the respective classes was recognised at the following rates:

Class AUD-H	Class JPY-H	Class MYR	Class MYR-H	Class SGD-H	Class USD
1.80%	1.80%	1.80%	1.80%	1.80%	1.80%

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

5. TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to a maximum fee of 0.03% per annum, calculated daily based on the NAV of the Fund. The Trustee fee includes local custodian fees and charges but excludes foreign sub-custodian fees and charges.

For the financial period from 27 March 2024 (date of launch) to 30 September 2024, the trustee fee is recognised at a rate of 0.03% per annum for each classes.

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

6. TAXATION

	27.03.2024 (date of launch) to 30.09.2024 USD
Tax charged for the financial period:	
- Current taxation	-

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

	27.03.2024 (date of launch) to 30.09.2024 USD
Profit before taxation	4,305,739
Taxation at Malaysian statutory rate of 24%	1,033,377
Tax effects of:	
- Investment income not subject to tax	(1,093,060)
- Expenses not deductible for tax purposes	1,293
- Restriction on tax deductible expenses for Wholesale Funds	58,390
Taxation	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.09.2024 USD
At fair value through profit or loss:	
- Collective investment scheme	49,715,182

	27.03.2024 (date of launch) to 30.09.2024 USD
Net gain on financial assets at fair value through profit or loss:	
- Realised gain on disposals	622,243
- Unrealised fair value gain	807,812
- Management fee rebate #	127,609
	1,557,664

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

Management fee rebate was derived from the Fund's investment in collective investment scheme on an accruals basis to ensure no double charging of management fee. It is accrued daily based on the fair value of the collective investment scheme held.

For the financial period from 27 March 2024 (date of launch) to 30 September 2024, the rebate is recognised at a rate of 1.25% per annum calculated and accrued daily based on the NAV of the collective investment scheme.

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
30.09.2024				
COLLECTIVE INVESTMENT SCHEME				
Schroder International Selection Fund Dynamic Income A Distribution USD	482,787	48,907,370	49,715,182	96.14
TOTAL COLLECTIVE INVESTMENT SCHEME	482,787	48,907,370	49,715,182	96.14
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		807,812		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		49,715,182		

8. DERIVATIVE ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.09.2024 USD
Forward foreign currency contracts	<u>314,297</u>
	27.03.2024 (date of launch) to 30.09.2024 USD
Net gain on derivatives at fair value through profit or loss:	
- Realised gain on forward foreign currency contracts	2,087,658
- Unrealised fair value gain on forward foreign currency contracts	<u>314,297</u>
	<u>2,401,955</u>

As at 30 September 2024, there were 11 outstanding Australian Dollar ("AUD")/USD, Japanese Yen("JPY")/USD, Malaysian Ringgit ("MYR")/USD and Singapore Dollar("SGD")/USD forward foreign currency contracts. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD31,510,001.

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

The AUD/USD, JPY/USD, MYR/USD and SGD/USD 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 currency 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

30.09.2024
USD

Bank balances	1,867,858
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10. NUMBER OF UNITS IN CIRCULATION (UNITS)

27.03.2024
(date of launch)
to 30.09.2024

	No. of units
Class AUD-H (i)	5,867,676
Class JPY-H (ii)	136,596,020
Class MYR (iii)	35,367,835
Class MYR-H (iv)	79,301,016
Class SGD-H (v)	8,041,379
Class USD (vi)	11,173,997
	276,347,923

(i) Class AUD-H	
At the beginning of the financial period	-
Add: Creation of units from applications	5,917,864
Less: Cancellation of units	(50,188)
At the end of the financial period	5,867,676

(ii) Class JPY-H	
At the beginning of the financial period	-
Add: Creation of units from applications	136,596,020
At the end of the financial period	136,596,020

(iii) Class MYR	
At the beginning of the financial period	-
Add: Creation of units from applications	36,086,383
Less: Cancellation of units	(718,548)
At the end of the financial period	35,367,835

(iv) Class MYR-H	
At the beginning of the financial period	-
Add: Creation of units from applications	80,323,890
Less: Cancellation of units	(1,022,874)
At the end of the financial period	79,301,016

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

		27.03.2024 (date of launch) to 30.09.2024
		No. of units
(v)	Class SGD-H	
	At the beginning of the financial period	-
	Add: Creation of units from applications	8,113,309
	Less: Cancellation of units	<u>(71,930)</u>
	At the end of the financial period	<u>8,041,379</u>
(vi)	Class USD	
	At the beginning of the financial period	-
	Add: Creation of units from applications	11,389,690
	Less: Cancellation of units	<u>(215,693)</u>
	At the end of the financial period	<u>11,173,997</u>

11. TOTAL EXPENSE RATIO (“TER”)

		27.03.2024 (date of launch) to 30.09.2024 %
TER		<u>0.46</u>

TER is derived from the following calculation:

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

- A = Management fee (exclude management fee rebate)
- B = Trustee fee
- C = Audit fee
- D = Tax agent's fee
- E = Other expenses
- 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 USD26,242,223.

12. PORTFOLIO TURNOVER RATIO (“PTR”)

		27.03.2024 (date of launch) to 30.09.2024
PTR (times)		<u>2.38</u>

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

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 = USD86,497,370
 total disposal for the financial period = USD38,212,243

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 were as follows:

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

Units held by the Manager and parties related to the Manager

	30.09.2024	
	No. of units	USD
Manager		
Principal Asset Management Berhad		
- Class AUD-H	49	36
- Class JPY-H	1,000	7
- Class MYR	0.00*	0.00*
- Class MYR-H	2,423	616
- Class SGD-H	0.00*	0.00*
- Class USD	0.00*	0.00*

Note: 0.00* denotes fair value less than 0.01 million.

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

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.

There were no significant related party transactions during the financial period, other than those already disclosed in the financial statements.

14. TRANSACTIONS WITH BROKERS

Details of transactions with the brokers for the financial period from 27 March 2024 (date of launch) to 30 September 2024 were as follows:

Broker	Value of trades USD	Percentage of total trades %
Schroder Investment Management (Singapore) Ltd	<u>124,709,613</u>	<u>100.00</u>

15. COMPARATIVES

This Fund was launched on 27 March 2024 thus there are no comparatives as this is the Fund's first set of financial statements.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 15 November 2024.

DIRECTORY

Head Office of the Manager

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Trustee for the Principal Global Dynamic Income Fund

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