

# Principal Global Dynamic Innovation Fund

Annual Report

For The Financial Year Ended 30 June 2025

**PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND**  
**(Formerly known as Principal Global Millennial Equity Fund)**

**ANNUAL REPORT**

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

**PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND**  
**(Formerly known as Principal Global Millennial Equity Fund)**

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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 Innovation Fund (formerly known as Principal Global Millennial Equity Fund) for the financial year ended 30 June 2025. You may also download this report from our website at [www.principal.com.my](http://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 and 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 over the medium to long term through investments primarily in a portfolio of global equities.

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

For the financial year under review, the Fund is in line to achieve its long-term objectives as stated under the Fund investment policy.

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

The Fund seeks to achieve its objective by investing in global equity of companies that are impacted by the spending and lifestyle activities of the Millennial generation, which refers to people born from 1980 to the mid-2000s. The investment universe includes listed securities as well as Initial Public Offering ("IPO"). The universe is broadly defined as global all-country and all-cap, across the full market capitalisation spectrum (small, medium, and large). The Fund is expected to have a growth bias overall, including both growth and value oriented companies over time. Market segments with the greatest Millennial exposure are likely to include, without limitation, consumer goods (including fashion and apparel), social media and e-commerce, and digital media and technology.

Under normal circumstances, the Fund invests a maximum of 98% of its Net Asset Value ("NAV") in equities. The Fund may opt to access into equities via the investment in units of other collective investment scheme. The Fund currently does not intend to invest in warrants. The Fund may also invest in derivative instruments for hedging purpose, subject to the prevailing Guidelines on Unit Trust Funds ("GUTF") issued by the Securities Commission Malaysia ("SC").

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in equities; and
- at least 2% of the Fund's NAV in liquid assets.

#### **Base Currency**

US Dollar ("USD")

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

Equity / Growth

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

<b>Name of Class</b>	<b>Launch Date</b>
Class MYR	31 May 2018
Class MYR-Hedged ("MYR-H")	31 May 2018
Class SGD-Hedged ("SGD-H")	31 May 2018
Class USD	31 May 2018

#### **What was the size of the Fund as at 30 June 2025?**

USD18.50 million (103.95 million units)

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

MSCI ACWI Index.

**Note:** The Fund's benchmark is for performance comparison purpose only. Investors are cautioned that the risk profile of the Fund is different from the benchmark.

#### **What is the Fund distribution policy?**

The Manager has the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of its realised income and/or realised gains, as well as the performance of the Fund. The Manager also have the right to make provisions for reserves in respect of distribution of the Class.

**PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND**  
(Formerly known as Principal Global Millennial Equity Fund)

**FUND OBJECTIVE AND POLICY (CONTINUED)**

**What was the net income distribution for the financial year ended 30 June 2025?**

There was no distribution made for the financial year ended 30 June 2025.

**PERFORMANCE DATA**

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

	<b>30.06.2025</b>	<b>30.06.2024</b>	<b>30.06.2023</b>
	%	%	%
Quoted securities			
- Construction	2.23	-	-
- Consumer Discretionary	-	27.93	32.94
- Consumer Staples	-	7.20	5.45
- Electronics	16.51	-	-
- Financials	-	1.77	3.68
- Health Care	22.43	14.27	11.84
- Industrials	10.83	-	-
- Information Technology	33.22	28.47	33.81
- Telecommunication Services	11.72	16.00	9.64
Cash and other assets	3.92	5.71	5.46
Liabilities	(0.86)	(1.35)	(2.82)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	<b>30.06.2025</b>	<b>30.06.2024</b>	<b>30.06.2023</b>
NAV (USD Million)			
- Class MYR	9.95	15.83	13.94
- Class MYR-H	7.52	10.90	8.58
- Class SGD-H	0.31	0.34	0.09
- Class USD	0.71	1.02	0.77
Units in circulation (Million)			
- Class MYR	52.52	81.00	89.65
- Class MYR-H	49.91	76.24	71.91
- Class SGD-H	0.61	0.68	0.23
- Class USD	0.91	1.27	1.20
NAV per unit (USD)			
- Class MYR	0.1895	0.1955	0.1555
- Class MYR-H	0.1507	0.1429	0.1193
- Class SGD-H	0.5037	0.5007	0.4088
- Class USD	0.7796	0.8040	0.6398
Highest NAV per unit (USD)			
- Class MYR	0.9331	0.1982	0.1577
- Class MYR-H	0.6832	0.1456	0.1296
- Class SGD-H	0.6879	0.5146	0.4186
- Class USD	0.8157	0.6416	0.6140
Lowest NAV per unit (USD)			
- Class MYR	0.1523	0.1397	0.1206
- Class MYR-H	0.1142	0.1031	0.0932
- Class SGD-H	0.3832	0.3605	0.3042
- Class USD	0.6265	0.0032	0.0052
Total return (%)			
- Class MYR	(13.63)	26.78	25.91
- Class MYR-H	(6.07)	20.88	15.08
- Class SGD-H	(5.63)	22.39	16.61
- Class USD	(3.23)	25.43	18.92

**PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND**  
(Formerly known as Principal Global Millennial Equity Fund)

**PERFORMANCE DATA (CONTINUED)**

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

	<b>30.06.2025</b>	<b>30.06.2024</b>	<b>30.06.2023</b>
Capital growth (%)			
- Class MYR	(13.63)	26.78	25.91
- Class MYR-H	(6.07)	20.88	15.08
- Class SGD-H	(5.63)	22.39	16.61
- Class USD	(3.23)	25.43	18.92
Income distribution (%)			
- Class MYR	-	-	-
- Class MYR-H	-	-	-
- Class SGD-H	-	-	-
- Class USD	-	-	-
Total Expenses Ratio ("TER") (%) ^	1.95	1.94	1.92
Portfolio Turnover Ratio ("PTR") (times) #	1.19	0.43	0.46

^ The Fund's TER increased from 1.94% to 1.95% for the financial year under review due to the decrease in average NAV during the financial year.

# During the financial year under review, the Fund's PTR increased from 0.43 times to 1.19 times, the turnover reflects the investments and withdrawals in the target fund.

	<b>30.06.2025</b>	<b>30.06.2024</b>	<b>30.06.2023</b>	<b>30.06.2022</b>	<b>30.06.2021</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Annual total return					
- Class MYR	(13.63)	26.78	25.91	(28.32)	32.79
- Class MYR-H	(6.07)	20.88	15.08	(32.61)	36.36
- Class SGD-H	(5.63)	22.39	16.61	(33.40)	35.35
- Class USD	(3.23)	25.43	18.92	(32.49)	36.96

(Launch date: 31 May 2018)

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

**MARKET REVIEW (1 JULY 2024 TO 30 JUNE 2025)**

Global equity markets experienced significant volatility throughout the financial year. The early months were marked by optimism driven by strong corporate earnings and enthusiasm around artificial intelligence, which supported gains in growth-oriented sectors. However, this momentum was disrupted in early 2025 by a sharp market sell-off triggered by the announcement of a broad global tariff plan. The proposed tariffs, which were more severe than anticipated, sparked fears of an economic slowdown and led to the steepest equity market decline since the onset of the Coronavirus Disease 2019 ("COVID-19") pandemic. This turbulence was short-lived, as a swift reversal in policy rhetoric and the initiation of trade negotiations helped markets recover rapidly.

By the second quarter of 2025, markets demonstrated resilience despite ongoing geopolitical tensions and macroeconomic uncertainty. The de-escalation of trade conflicts, combined with continued strength in corporate earnings and stable inflation, contributed to a strong rebound. Technology and consumer discretionary sectors led the recovery, buoyed by renewed investor interest in AI and digital innovation. Growth stocks outperformed value across all market capitalizations, reversing trends seen earlier in the year. Meanwhile, defensive sectors such as healthcare, consumer staples, and utilities underperformed during this phase.

**PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND**  
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**MARKET REVIEW (1 JULY 2024 TO 30 JUNE 2025) (CONTINUED)**

Currency movements and regional policy divergence added further complexity to the investment landscape. The USD showed strength during parts of the year, influencing returns from international markets. Emerging Markets (“EM”) faced mixed conditions, with some benefiting from commodity trends while others struggled with capital outflows and policy instability. Despite these challenges, most equity sectors ended the period in positive territory, with the exception of energy and healthcare.

**FUND PERFORMANCE**

	<b>1 year to 30.06.2025</b>	<b>3 years to 30.06.2025</b>	<b>5 years to 30.06.2025</b>	<b>Since Inception to 30.06.2025</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Income Distribution				
- Class MYR	-	-	12.22	12.22
- Class MYR-H	-	-	12.47	12.47
- Class SGD-H	-	-	12.37	12.37
- Class USD	-	-	12.24	12.24
Capital Growth				
- Class MYR	(13.63)	37.86	16.94	35.07
- Class MYR-H	(6.07)	30.67	6.77	12.32
- Class SGD-H	(5.63)	34.69	8.05	13.62
- Class USD	(3.23)	44.35	18.92	32.02
Total Return				
- Class MYR	(13.63)	37.86	31.23	51.57
- Class MYR-H	(6.07)	30.67	20.08	26.32
- Class SGD-H	(5.63)	34.69	21.42	27.67
- Class USD	(3.23)	44.35	33.47	48.18
Benchmark				
- Class MYR	4.15	56.59	64.06	112.21
- Class MYR-H	16.69	63.92	66.96	100.59
- Class SGD-H	16.69	63.92	66.96	100.59
- Class USD	16.69	63.92	66.96	100.59
Average Total Return				
- Class MYR	(13.63)	11.29	5.58	6.04
- Class MYR-H	(6.07)	9.32	3.73	3.35
- Class SGD-H	(5.63)	10.43	3.96	3.51
- Class USD	(3.23)	13.00	5.94	5.71

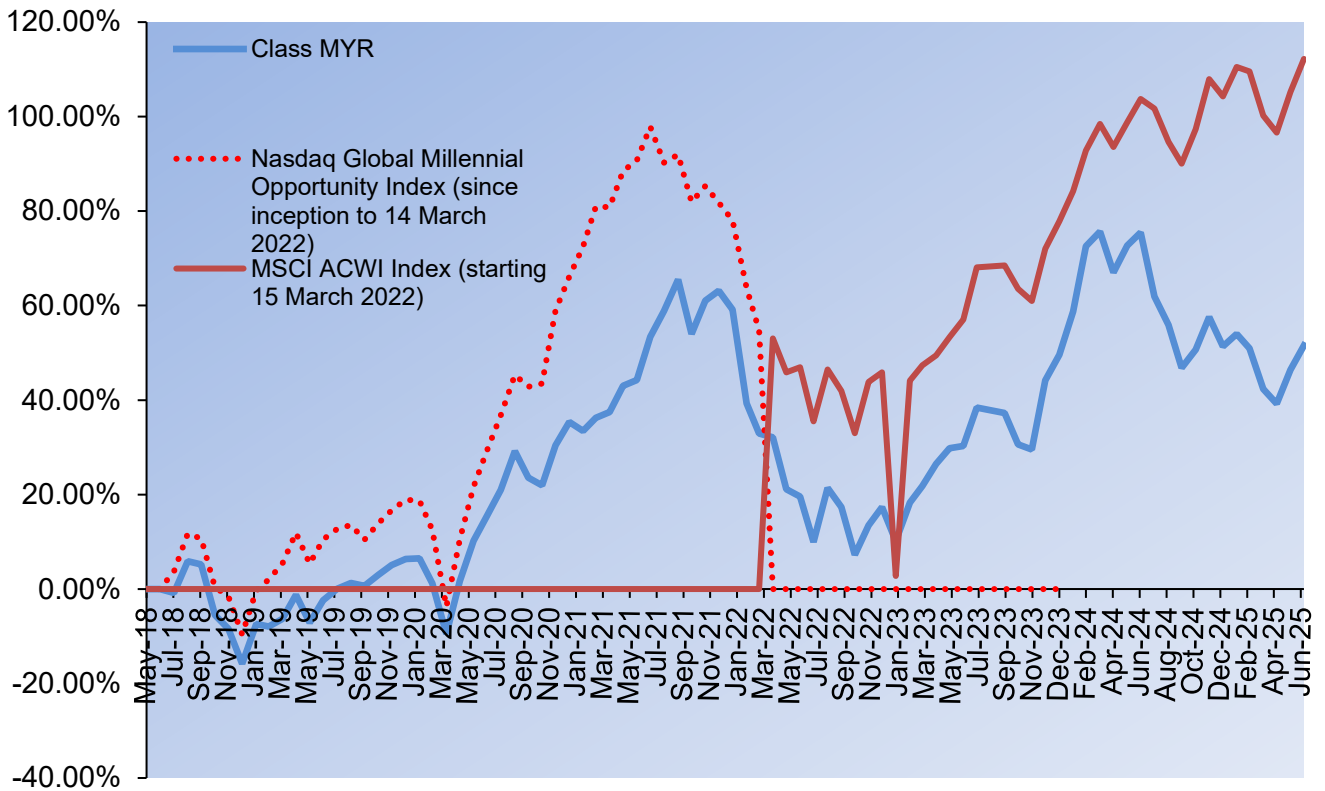
During the financial year under review, the fund underperformed its relative benchmarks, Class MYR, Class MYR-H, Class SGD-H, and Class USD decreased by 13.63%, 6.07%, 5.63%, and 3.23% respectively.

**PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND**  
(Formerly known as Principal Global Millennial Equity Fund)

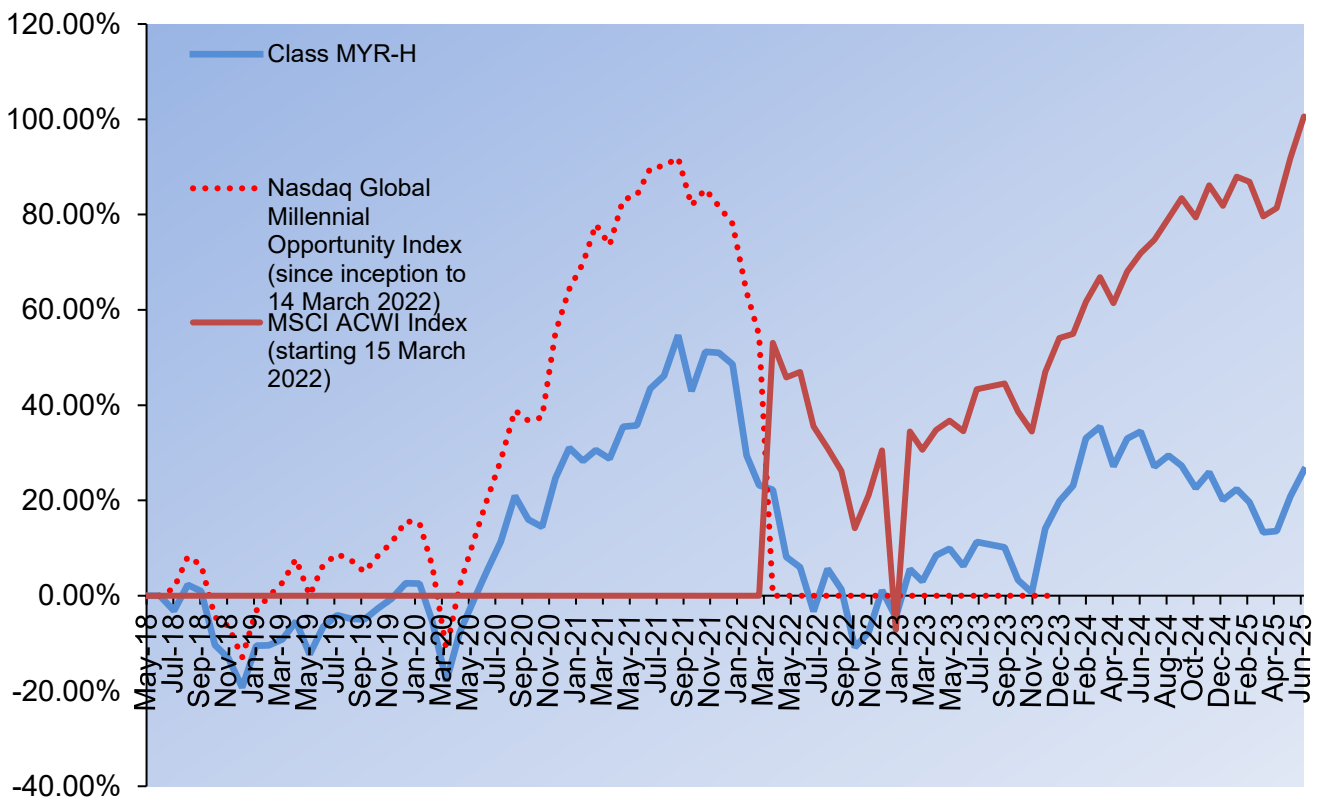
**FUND PERFORMANCE (CONTINUED)**

Since inception

**CLASS MYR**



**CLASS MYR-H**

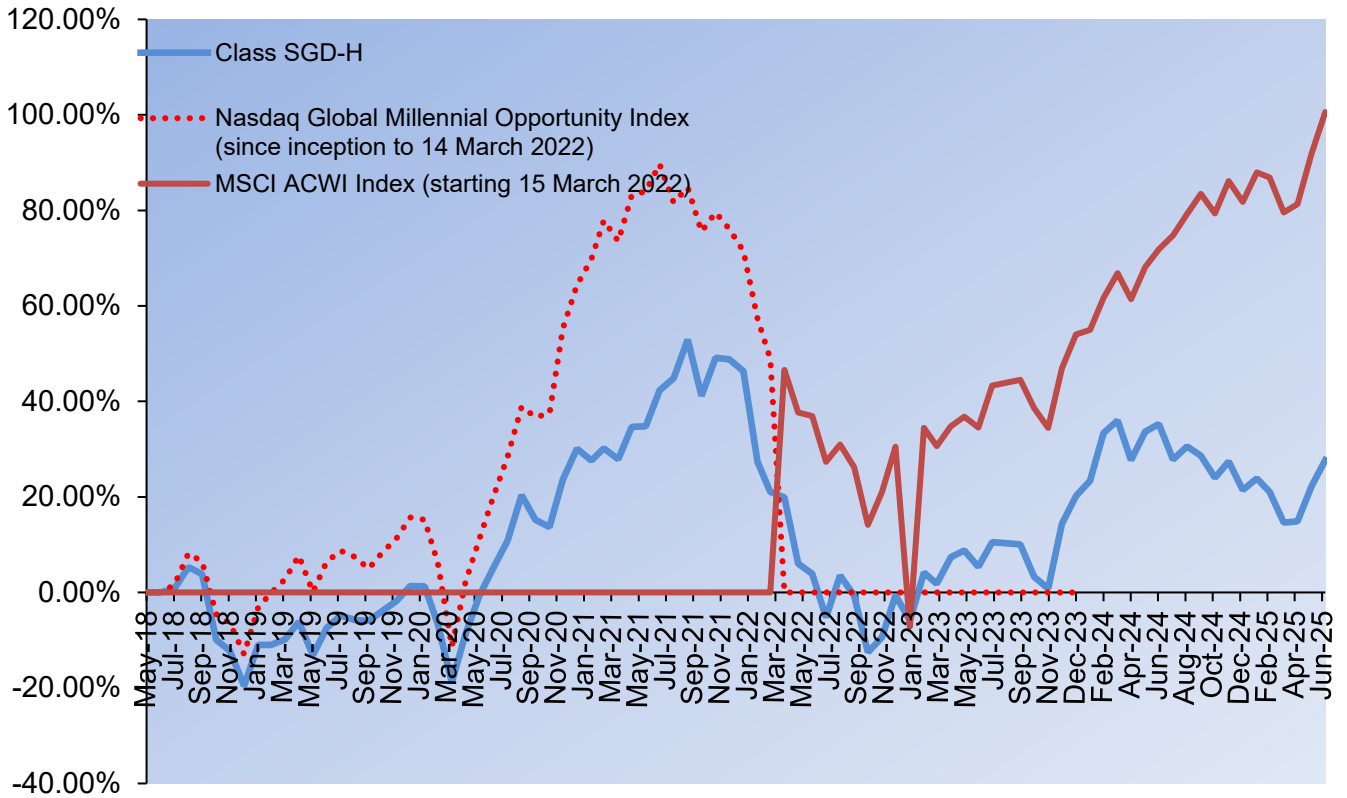


**PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND**  
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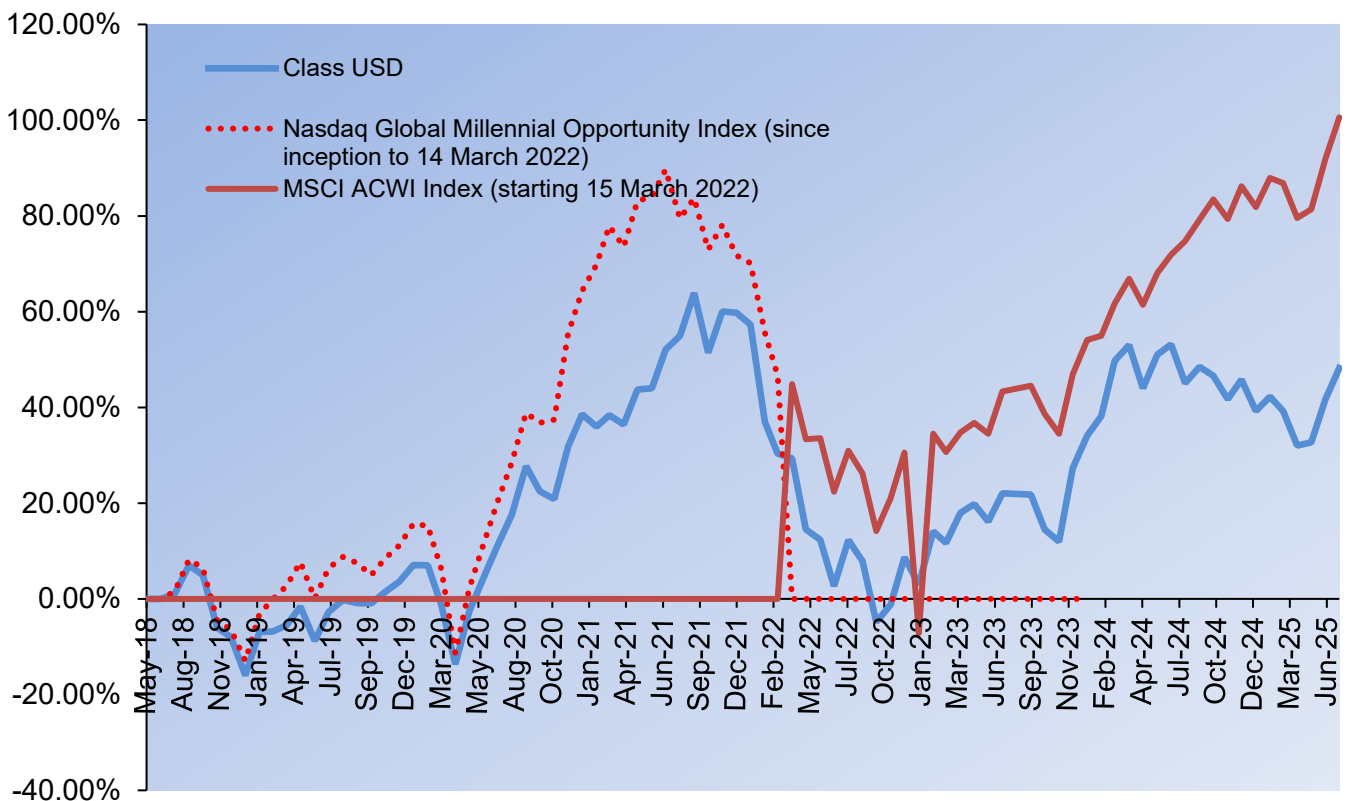
**FUND PERFORMANCE (CONTINUED)**

**Since inception**

**CLASS SGD-H**



**CLASS USD**



**PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND**  
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**FUND PERFORMANCE (CONTINUED)**

**Changes in NAV (Continued)**

	<b>30.06.2025</b>	<b>30.06.2024</b>	<b>Changes %</b>
<b>CLASS MYR</b>			
NAV (USD Million)	9.95	15.83	(37.14)
NAV/Unit (USD)	0.1895	0.1955	(3.07)
<b>CLASS MYR-H</b>			
NAV (USD Million)	7.52	10.9	(31.01)
NAV/Unit (USD)	0.1507	0.1429	5.46
<b>CLASS SGD-H</b>			
NAV (USD Million)	0.31	0.34	(8.82)
NAV/Unit (USD)	0.5037	0.5007	0.60
<b>CLASS USD</b>			
NAV (USD Million)	0.71	1.02	(30.39)
NAV/Unit (USD)	0.7796	0.804	(3.03)

During the financial year under review, the fund's NAV for Class Myr, Class MYR-H, Class SGD-H, and Class USD decreased by 37.14%, 31.01%, 8.82%, and 30.39% respectively.

In addition, the Fund's NAV per unit for Class MYR, and Class USD decreased by 3.07% and 3.03% while Class MYR-H and Class SGD-H increased by 5.46% and 0.60% respectively during the same financial year.

At the time of reporting, Class MYR has the highest total NAV, stood at USD 9.95 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 year have been extracted from Lipper.

**PORTFOLIO STRUCTURE**

**Asset allocation**

<b>(% of NAV)</b>	<b>30.06.2025</b>	<b>30.06.2024</b>
Quoted securities	96.94	95.64
Cash and other assets	3.92	5.71
Liabilities	(0.86)	(1.35)
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

During the financial year under review, the Fund continued to be fully invested with minimal level of liquid assets maintained primarily for redemption purposes.

**MARKET OUTLOOK\***

Global equity markets are expected to remain sensitive to macroeconomic developments, particularly around monetary policy direction and geopolitical stability. The sharp market correction observed earlier in 2025 highlighted the fragility of investor sentiment in the face of policy shocks. While the subsequent recovery demonstrated underlying market resilience, the path forward is likely to be shaped by the balance between inflation control and growth support. Central Banks' communication and actions will continue to influence risk appetite, especially in sectors that are more valuation sensitive. Additionally, the trajectory of global trade relations and regulatory developments will be closely watched, as they have the potential to introduce further volatility.

## **MARKET OUTLOOK\* (CONTINUED)**

Sector performance may continue to diverge, with innovation-driven areas such as technology and digital services remaining in focus amid ongoing advancements in artificial intelligence and automation. However, the pace of growth in these sectors could be moderated by valuation concerns and competitive pressures. Defensive sectors, which lagged during the recent rebound, may regain attention if economic uncertainty persists. Regional dynamics will also play a role, with developed markets potentially benefiting from more stable policy environments, while emerging markets may face headwinds from currency fluctuations and capital flow volatility.

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

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

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

## **SECURITIES FINANCING TRANSACTIONS**

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

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

We have issued the First Supplemental Prospectus is dated 25 September 2024 for the change of Fund name to Principal Global Dynamic Innovation Fund (formerly known as Principal Global Millennial Equity Fund). Effective 18 November 2024, the Fund has changed Trustee to HSBC (Malaysia) Trustee Berhad following the issuance of the Second Supplemental Prospectus dated 18 November 2024.

There were no other significant changes in the state of affairs of the Fund during the year and up to the date of the 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 year under review.

**CROSS TRADE**

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

**UNIT SPLIT**

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF  
PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND (FORMERLY KNOWN AS PRINCIPAL  
GLOBAL MILLENNIAL EQUITY FUND)**

I, being a Director 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 8 to 37 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 June 2025 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with MFRS Accounting Standards and IFRS Accounting Standards.

For and on behalf of the Manager

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

**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

Kuala Lumpur  
14 August 2025

**TRUSTEE'S REPORT**

**TO THE UNIT HOLDERS OF PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND (FORMERLY KNOWN AS PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND) ("Fund")**

We have acted as Trustee of the Fund for the financial period from 1 July 2024 to 17 November 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad operated and managed the Fund during the period covered by these financial statements in accordance with the following:

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

For Deutsche Trustees Malaysia Berhad

**Ng Hon Leong**  
Head, Fund Operations

**Sylvia Beh**  
Chief Executive Officer

Kuala Lumpur  
14 August 2025

## **TRUSTEE'S REPORT**

### **TO THE UNIT HOLDERS OF PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND (FORMERLY KNOWN AS PRINCIPAL GLOBAL MILLENNIAL EQUITY FUND) ("Fund")**

We have acted as Trustee of the Fund for the financial period from 18 November 2024 to 30 June 2025 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 Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

For HSBC (Malaysia) Trustee Berhad

Lee Cincee  
Senior Manager, Trustee and Fiduciary Services

Kuala Lumpur  
14 August 2025

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND (FORMERLY KNOWN AS PRINCIPAL  
GLOBAL MILLENNIAL EQUITY FUND)**

**Report on the audit of the financial statements**

*Opinion*

We have audited the financial statements of Principal Global Dynamic Innovation Fund (formerly known as Principal Global Millennial Equity Fund) (the "Fund"), which comprise the statement of financial position of the Fund as at 30 June 2025, 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 year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 8 to 37.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2025, and of its financial performance and cash flows for the financial year then ended in accordance with MFRS Accounting Standards and IFRS Accounting 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 INNOVATION FUND (FORMERLY KNOWN AS PRINCIPAL  
GLOBAL MILLENNIAL EQUITY FUND) (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 MFRS Accounting Standards and IFRS Accounting 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 INNOVATION FUND (FORMERLY KNOWN AS PRINCIPAL  
GLOBAL MILLENNIAL EQUITY FUND) (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 INNOVATION FUND (FORMERLY KNOWN AS PRINCIPAL  
GLOBAL MILLENNIAL EQUITY FUND) (CONT'D.)**

**Other matters**

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

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

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

Kuala Lumpur, Malaysia  
14 August 2025

**PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND**  
(Formerly known as Principal Global Millennial Equity Fund)

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

	Note	2025 USD	2024 USD
<b>INCOME/(LOSS)</b>			
Dividend income		201,898	213,650
Interest income		4,916	7
Net (loss)/gain on financial assets at fair value through profit or loss	7	(840,541)	6,044,544
Net gain/(loss) on derivatives at fair value through profit or loss	10	699,076	(432,540)
Net foreign exchange gain/(loss)		32,861	(6,687)
Other income		449	-
		<u>98,659</u>	<u>5,818,974</u>
<b>EXPENSES</b>			
Management fee	4	388,218	451,905
Trustee and custodian fees	5	16,824	21,015
Audit fee		1,575	2,622
Tax agent's fee		1,117	1,203
Transaction costs		25,929	15,433
Other expenses		60,132	57,973
		<u>493,795</u>	<u>550,151</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(395,136)	5,268,823
Taxation	6	<u>9,375</u>	<u>24,646</u>
<b>(LOSS)/PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR</b>		<u>(385,761)</u>	<u>5,293,469</u>
(Loss)/Profit after taxation is made up as follows:			
Realised amount		4,765,878	195,206
Unrealised amount		<u>(5,151,639)</u>	<u>5,098,263</u>
		<u>(385,761)</u>	<u>5,293,469</u>

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

**PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND**  
(Formerly known as Principal Global Millennial Equity Fund)

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2025**

	Note	2025 USD	2024 USD
<b>ASSETS</b>			
Cash and cash equivalents	8	497,290	491,109
Financial assets at fair value through profit or loss	7	17,929,476	26,866,259
Derivative assets at fair value through profit or loss	10	56,865	-
Amount due from Manager		93,629	1,041,563
Amount due from dealer		4,133	-
Dividends receivable		5,526	21,297
Tax recoverable		67,685	49,990
<b>TOTAL ASSETS</b>		<u>18,654,604</u>	<u>28,470,218</u>
<b>LIABILITIES</b>			
Derivative liabilities at fair value through profit or loss	10	-	16,655
Amount due to Manager		112,002	312,608
Amount due to dealer		4,112	-
Accrued management fee		34,219	41,284
Amount due to Trustee		688	1,261
Other payables and accruals		7,917	7,147
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS</b>		<u>158,938</u>	<u>378,955</u>
<b>ATTRIBUTABLE TO UNIT HOLDERS)</b>			
<b>NET ASSET VALUE OF THE FUND</b>		<u>18,495,666</u>	<u>28,091,263</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>18,495,666</u>	<u>28,091,263</u>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS (USD)</b>			
- Class MYR		9,952,576	15,833,043
- Class MYR-H		7,522,086	10,895,079
- Class SGD-H		307,716	342,386
- Class USD		713,288	1,020,755
		<u>18,495,666</u>	<u>28,091,263</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
- Class MYR		52,519,197	81,003,372
- Class MYR-H		49,905,139	76,236,923
- Class SGD-H		610,909	683,832
- Class USD		914,997	1,269,616
	9	<u>103,950,242</u>	<u>159,193,743</u>

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

**PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND**  
(Formerly known as Principal Global Millennial Equity Fund)

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

	Note	2025 USD	2024 USD
<b>REPRESENTED BY:</b>			
<b>NET ASSET VALUE PER UNIT (USD)</b>			
- Class MYR		0.1895	0.1955
- Class MYR-H		0.1507	0.1429
- Class SGD-H		0.5037	0.5007
- Class USD		0.7796	0.8040
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- Class MYR		RM0.7975	RM0.9218
- Class MYR-H		RM0.6343	RM0.6740
- Class SGD-H		SGD0.6416	SGD0.6786
- Class USD		USD0.7796	USD0.8040

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

**PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND**  
**(Formerly known as Principal Global Millennial Equity Fund)**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

	<b>2025 USD</b>	<b>2024 USD</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<u>28,091,263</u>	<u>23,381,442</u>
Movement due to units created and cancelled during the financial year:		
- Creation of units from applications		
- Class MYR	1,311,308	9,845,122
- Class MYR-H	1,356,522	5,434,644
- Class SGD-H	148,987	327,019
- Class USD	13,813	326,038
	<u>2,830,630</u>	<u>15,932,823</u>
- Cancellation of units		
- Class MYR	(6,588,355)	(11,419,574)
- Class MYR-H	(4,996,441)	(4,731,456)
- Class SGD-H	(181,848)	(104,397)
- Class USD	(273,822)	(261,044)
	<u>(12,040,466)</u>	<u>(16,516,471)</u>
Total comprehensive (loss)/income for the financial year	<u>(385,761)</u>	<u>5,293,469</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR</b>	<u>18,495,666</u>	<u>28,091,263</u>

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

**PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND**  
(Formerly known as Principal Global Millennial Equity Fund)

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

	Note	2025 USD	2024 USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from disposal of quoted securities		30,537,612	11,804,395
Purchase of quoted securities		(21,741,581)	(10,348,377)
Dividend income received		217,669	150,940
Interest received		4,916	7
Management fee paid		(395,283)	(444,820)
Trustee and custodian fees paid		(17,397)	(20,799)
Payments for other fees and expenses		(62,053)	(18,762)
Tax paid		(8,320)	(36,162)
Settlement of other foreign exchange gain/(loss)		14,524	(6,740)
Payment arising from net realised loss forward foreign currency contracts		(100,736)	(481,218)
<b>Net cash generated from operating activities</b>		<u>8,449,351</u>	<u>598,464</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		3,778,565	15,141,898
Payments for cancellation of units		(12,241,073)	(16,268,917)
<b>Net cash used in financing activities</b>		<u>(8,462,508)</u>	<u>(1,127,019)</u>
Net decrease in cash and cash equivalents		(13,157)	(528,555)
Cash and cash equivalents at the beginning of the financial year		491,109	1,019,611
Effect of foreign currency exchange		19,338	53
Cash and cash equivalents at the end of the financial year	<b>8</b>	<u>497,290</u>	<u>491,109</u>
<u>Cash and cash equivalents comprised:</u>			
Bank balances		497,290	491,109
Cash and cash equivalents at the end of the financial year	<b>8</b>	<u>497,290</u>	<u>491,109</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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

Principal Global Dynamic Innovation Fund (formerly known as Principal Global Millennial Equity Fund) (the “Fund”) was constituted pursuant to the execution of a Deed dated 10 May 2018, a First Supplement Deed dated 7 November 2019, a Second Supplemental Deed dated 17 November 2022, made between Principal Asset Management Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Previous Trustee”) and a Third Supplemental Deed dated 24 July 2024 (collectively known as the “Deeds”), made between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund seeks to achieve its objective by investing in global equity of companies that are impacted by the spending and lifestyle activities of the Millennial generation, which refers to people born from 1980 to the mid-2000s. The investment universe includes listed securities as well as IPO. The universe is broadly defined as global all-country and all-cap, across the full market capitalization spectrum (small, medium and large). The Fund is expected to have a growth bias overall, including both growth and value oriented companies over time. Market segments with the greatest Millennial exposure are likely to include, without limitation, consumer goods (including fashion and apparel), social media and e-commerce, and digital media and technology.

Under normal circumstances, the Fund invests a maximum of 98% of its NAV in equities. The Fund may opt to access into equities via the investment in units of other collective investment scheme. The Fund currently does not intend to invest in warrants. The Fund may also invest in derivative instruments for hedging purpose, subject to the prevailing GUTF.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund’s NAV will be invested in equities; and
- at least 2% of the Fund’s NAV in liquid assets.

The Manager has appointed Principal Global Investors (“PGI”), a company incorporated in the United States, as the Sub-Manager of the Fund. PGI will be responsible for the investment management function of the fund in accordance with the investment objective and within the investment parameters, restrictions, and limits of this Fund.

The Fund had issued the First Supplemental Prospectus dated 25 September 2024 for the change of Fund name to Principal Global Dynamic Innovation Fund (formerly known as Principal Global Millennial Equity Fund) and the Second Supplemental Prospectus dated 18 November 2024.

All investments are subjected to the GUTF, 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 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 MFRS Accounting Standards and IFRS Accounting Standards.

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 Accounting Standards and IFRS Accounting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported year.

It also requires the Manager to exercise 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).

There are no other standards, amendments to standards or interpretations that are effective for financial year beginning on 1 July 2024 that have a material effect on the financial statements of the Fund.

Other than MFRS 18: Presentation and Disclosure in Financial Statements (which will first become applicable for annual periods beginning on or after 1 January 2027), none of the standards, amendments to standards or interpretations that are effective for the financial year beginning on or after 1 July 2025 are applicable to the financial statements of the Fund. The Fund is still currently in the process of assessing the impact, if any, of MFRS 18 "Presentation and Disclosure in Financial Statements".

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

#### Classification

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

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

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

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

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

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

Classification (Continued)

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

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

Recognition and measurement

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

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

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

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

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

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

If a valuation based on the market price does not represent the fair value of the quoted securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted securities are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

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

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

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

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.

Write-off

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

**(c) Income recognition**

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

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

**(d) Foreign currency**

Functional and presentation currencies

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

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

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

### **(d) Foreign currency (continued)**

#### Functional and presentation currencies (continued)

- i) The Fund's investments are denominated in USD; and
- ii) Significant portion of the cash is denominated in USD for the purpose of making settlement of foreign trades.
- iii) Significant portion of the Fund's investments 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 year-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 flows, cash and cash equivalents comprise bank balances which are subject to an insignificant risk of changes in value.

### **(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 year.

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

Pursuant to Finance Act 2021, foreign-sourced income received in Malaysia will be taxed at prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met.

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

### **(g) Transaction costs**

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

### **(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 four classes of units, known respectively as Class MYR, Class MYR-H, Class SGD-H and Class USD, which are cancelled at the unit holder's option, do not have identical features subject to restrictions as stipulated in the Prospectus and GUTF. The units are classified as financial liabilities.

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

**(h) Unit holders' contributions (continued)**

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 date of the statement of financial position if the member exercises the right to put back the units 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) Amount due from/to stockbrokers**

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

**(j) 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).

**(k) Realised and unrealised portions of increase/decrease in net asset attributable to unit holders**

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 prepared in accordance with GUTF.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (I) Critical accounting estimates and judgments in applying accounting policies

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

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

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the GUTF. However, the Manager is of the opinion that in applying this accounting policy, no significant judgement was required.

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

## 3. 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
<b>2025</b>			
Cash and cash equivalents (Note 8)	-	497,290	497,290
Quoted securities (Note 7)	17,929,476	-	17,929,476
Derivative assets at fair value through profit or loss (Note 10)	56,865	-	56,865
Amount due from Manager	-	93,629	93,629
Amount due from dealer	-	4,133	4,133
Dividends receivable	-	5,526	5,526
	<u>17,986,341</u>	<u>600,578</u>	<u>18,586,919</u>
<b>2024</b>			
Cash and cash equivalents (Note 8)	-	491,109	491,109
Quoted securities (Note 7)	26,866,259	-	26,866,259
Amount due from Manager	-	1,041,563	1,041,563
Dividends receivable	-	21,297	21,297
	<u>26,866,259</u>	<u>1,553,969</u>	<u>28,420,228</u>

All other liabilities are financial liabilities which are carried at amortised cost except derivative liabilities which are carried at fair value through profit or loss.

The Fund aims to achieve capital appreciation over the medium to long term through investments primarily in a portfolio of global equities.

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

### 3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

#### (a) Market risk

##### (i) Price risk

Price risk is the risk that the fair value of an investment in quoted securities will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk).

The value of quoted securities may fluctuate according to the activities of individual companies, sector and overall political and economic conditions. Such fluctuation may cause the Fund's NAV and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.

The price risk is managed through diversification and selection of quoted securities and other financial instruments within specified limits according to the Deeds.

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

	<b>2025</b>	<b>2024</b>
	<b>USD</b>	<b>USD</b>
Financial assets at fair value through profit or loss:		
- Quoted securities	<u>17,929,476</u>	<u>26,866,259</u>

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

% Change in price of quoted securities	Market value USD	Impact on profit or loss/NAV USD
<b>2025</b>		
-5%	17,033,002	(896,474)
0%	17,929,476	-
5%	<u>18,825,950</u>	<u>896,474</u>
<b>2024</b>		
-5%	25,522,946	(1,343,313)
0%	26,866,259	-
5%	<u>28,209,572</u>	<u>1,343,313</u>

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

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

**(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.

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

**Financial assets**

	Cash and cash equivalents USD	Financial assets at fair value through profit or loss USD	Amount due from Manager USD	Amount due from Dealer USD	Dividends receivable USD	Total USD
<b>2025</b>						
CAD	-	412,700	-	-	-	412,700
DKK	-	332,575	-	-	-	332,575
EUR	-	1,803,406	-	-	-	1,803,406
GBP	-	1,422,056	-	-	-	1,422,056
JPY	-	1,393,627	-	-	-	1,393,627
MYR	27,888	-	86,885	4,133	470	119,376
SGD	889	-	-	-	-	889
	<u>28,777</u>	<u>5,364,364</u>	<u>86,885</u>	<u>4,133</u>	<u>470</u>	<u>5,484,629</u>
<b>2024</b>						
CAD	-	639,113	-	-	-	639,113
DKK	-	1,335,596	-	-	-	1,335,596
EUR	-	3,420,279	-	-	-	3,420,279
GBP	-	580,570	-	-	2,624	583,194
HKD	-	555,963	-	-	17,382	573,345
JPY	8,585	1,204,240	-	-	-	1,212,825
MYR	65,179	-	994,267	-	-	1,059,446
SGD	650	-	35,826	-	-	36,476
	<u>74,414</u>	<u>7,735,761</u>	<u>1,030,093</u>	<u>-</u>	<u>20,006</u>	<u>8,860,274</u>

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

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

**(ii) Currency risk (continued)**

**Financial liabilities**

	<b>Amount due to Manager USD</b>	<b>Other payables and accruals USD</b>	<b>Net assets attributable to unit holders USD</b>	<b>Total USD</b>
<b>2025</b>				
MYR	109,696	3,755	17,474,662	17,588,113
SGD	-	-	307,716	307,716
	<u>109,696</u>	<u>3,755</u>	<u>17,782,378</u>	<u>17,895,829</u>

	<b>Derivative liabilities at fair value through profit or loss USD</b>	<b>Amount due to Manager USD</b>	<b>Net assets attributable to unit holders USD</b>	<b>Total USD</b>
<b>2024</b>				
MYR	15,352	312,608	26,728,122	27,056,082
SGD	1,303	-	342,386	343,689
	<u>16,655</u>	<u>312,608</u>	<u>27,070,508</u>	<u>27,399,711</u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes in foreign exchange movements at the end of each reporting year.

The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remain constants.

This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	<b>Change in foreign exchange rate %</b>	<b>Impact on profit or loss/NAV 2025 USD</b>	<b>2024 USD</b>
CAD	+/- 5	+/-20,635	+/- 31,956
DKK	+/- 5	+/-16,629	+/- 66,780
EUR	+/- 5	+/-90,170	+/- 171,014
GBP	+/- 5	+/-71,103	+/- 29,160
HKD	+/- 5	-	+/- 28,667
JPY	+/- 5	+/-69,681	+/- 60,641
MYR	+/- 5	-/+873,437	-/+1,299,832
SGD	+/- 5	-/+15,341	-/+15,361
		<u>-/+635,057</u>	<u>-/+926,975</u>

### 3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (b) Credit risk

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

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

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

For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective stock exchange. The credit risk is minimal as all transactions in quoted securities are settled/paid upon delivery using approved stockbrokers.

	Cash and cash equivalents USD	Derivative assets/ (liabilities) at fair value through profit or loss USD	Amount due from dealer USD	Amount due from Manager USD	Dividends receivable USD	Total USD
<b>2025</b>						
- AAA	497,290	-	-	-	-	497,290
- Not Rated	-	56,865	4,133	93,629	5,526	160,153
	<u>497,290</u>	<u>56,865</u>	<u>4,133</u>	<u>93,629</u>	<u>5,526</u>	<u>657,443</u>
<b>2024</b>						
- AA1	491,109	-	-	-	-	491,109
- Not Rated	-	(16,655)	-	1,041,563	21,297	1,046,205
	<u>491,109</u>	<u>(16,655)</u>	<u>-</u>	<u>1,041,563</u>	<u>21,297</u>	<u>1,537,314</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 which are capable of being converted into cash within 7 business days.

Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

### 3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (c) Liquidity risk (continued)

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

	Less than 1 month USD	Between 1 month to 1 year USD	Total USD
<b>2025</b>			
Amount due to Manager	112,002	-	112,002
Amount due to dealer	4,112	-	4,112
Accrued management fee	34,219	-	34,219
Amount due to Trustee	688	-	688
Other payables and accruals	-	7,917	7,917
Net assets attributable to unit holders*	18,495,666	-	18,495,666
<b>Contractual undiscounted cash flows</b>	<b>18,646,687</b>	<b>7,917</b>	<b>18,654,604</b>
<b>2024</b>			
Derivative liabilities at fair value through profit or loss	-	16,655	16,655
Amount due to Manager	312,608	-	312,608
Accrued management fee	41,284	-	41,284
Amount due to Trustee	1,261	-	1,261
Other payables and accruals	-	7,147	7,147
Net assets attributable to unit holders*	28,091,263	-	28,091,263
<b>Contractual undiscounted cash flows</b>	<b>28,446,416</b>	<b>23,802</b>	<b>28,470,218</b>

\* Outstanding units are redeemed on demand at the unit 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.

#### (d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders of USD18,495,666 (2024: USD28,091,263). 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 liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

### 3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (e) Fair value estimation (continued)

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

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

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

#### (i) Fair value hierarchy

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

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

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

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

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

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

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>2025</b>				
Financial assets at fair value through profit or loss:				
- Quoted securities	17,929,476	-	-	17,929,476

### 3. 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
<b>2025 (Continued)</b>				
Derivative assets at fair value through profit or loss:				
- Forward foreign currency contracts	-	56,865	-	56,865
<b>2024</b>				
Financial assets at fair value through profit or loss:				
- Quoted securities	26,866,259	-	-	26,866,259
Derivative liabilities at fair value through profit or loss:				
- Forward foreign currency contracts	-	(16,655)	-	(16,655)

Investments whose values are based on quoted market prices in active markets and are therefore classified within Level 1 include quoted securities. The Fund does not adjust the quoted prices for these instruments.

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. This includes forward foreign currency contracts. 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. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

- (ii) The carrying values of cash and cash equivalents, amount due from Manager, dividends receivable and all liabilities except derivatives are a reasonable approximation of their fair values due to their short-term nature.

### 4. MANAGEMENT FEE

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

For the financial year ended 30 June 2025 and 30 June 2024, the management fee for the respective classes is recognised at the following rates:

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

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

## 5. TRUSTEE AND CUSTODIAN FEES

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.06% per annum, (including local custodian fee but excluding foreign sub-custodian fee and charges) on the NAV of the Fund. The foreign sub-custodian fee and charges is dependent on the country invested and is charged monthly in arrears.

For the financial period from 1 July 2024 to 17 November 2024, the Trustee fee was recognised at a rate of 0.055% per annum. Effective 18 November 2024, the Trustee fee was recognised at a rate of 0.045% (2024: 0.055% per annum).

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

## 6. TAXATION

	<b>2025 USD</b>	<b>2024 USD</b>
Tax charged for the financial year:		
- Tax on foreign source income	-	19,238
- Overprovision of tax in prior year	(9,375)	(43,884)
	<u>(9,375)</u>	<u>(24,646)</u>

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

	<b>2025 USD</b>	<b>2024 USD</b>
(Loss)/profit before taxation	<u>(395,136)</u>	<u>5,268,823</u>
Taxation at Malaysian statutory rate of 24% (2024: 24%)	(94,833)	1,264,518
Tax effects of:		
- Income not subject to tax	(23,677)	(1,385,162)
- Expenses not deductible for tax purposes	24,960	11,172
- Restriction on tax deductible expenses for Unit Trust Funds	93,550	109,472
- Tax on foreign source income	-	19,238
Over provision of tax in prior year	(9,375)	(43,884)
Taxation	<u>(9,375)</u>	<u>(24,646)</u>

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

	<b>2025 USD</b>	<b>2024 USD</b>
At fair value through profit or loss:		
- Quoted securities	<u>17,929,476</u>	<u>26,866,259</u>
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	4,403,948	995,012
- Unrealised fair value (loss)/gain	<u>(5,244,489)</u>	<u>5,049,532</u>
	<u>(840,541)</u>	<u>6,044,544</u>

**PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND**  
(Formerly known as Principal Global Millennial Equity Fund)

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2025</b>				
<b>QUOTED SECURITIES</b>				
<b>CANADA</b>				
<b>Construction</b>				
Stantec Inc.	3,800	310,625	412,700	2.23
<b>TOTAL CANADA</b>	<b>3,800</b>	<b>310,625</b>	<b>412,700</b>	<b>2.23</b>
<b>DENMARK</b>				
<b>Health Care</b>				
Novo Nordisk A/S	4,810	195,800	332,575	1.80
<b>TOTAL DENMARK</b>	<b>4,810</b>	<b>195,800</b>	<b>332,575</b>	<b>1.80</b>
<b>FRANCE</b>				
<b>Health Care</b>				
Sanofi Aventis	2,965	336,055	285,995	1.55
<b>TOTAL FRANCE</b>	<b>2,965</b>	<b>336,055</b>	<b>285,995</b>	<b>1.55</b>
<b>JAPAN</b>				
<b>Electronics</b>				
Keyence Corporation	1,200	576,874	480,532	2.60
<b>Information Technology</b>				
Fujitsu Limited	12,900	295,278	313,926	1.70
Renesas Electronics Corporation	25,100	426,264	310,883	1.68
	<b>38,000</b>	<b>721,542</b>	<b>624,809</b>	<b>3.38</b>
<b>Telecommunication Services</b>				
Nintendo Co., Limited.	3,000	207,444	288,286	1.56
<b>TOTAL JAPAN</b>	<b>42,200</b>	<b>1,505,860</b>	<b>1,393,627</b>	<b>7.54</b>
<b>NETHERLANDS</b>				
<b>Information Technology</b>				
ASML Holding N.V.	851	649,932	676,569	3.66
<b>Telecommunication Services</b>				
Universal Music Group N.V.	8,477	252,811	273,318	1.48
<b>TOTAL NETHERLANDS</b>	<b>9,328</b>	<b>902,743</b>	<b>949,887</b>	<b>5.14</b>

**PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND**  
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**7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2025 (CONTINUED)</b>				
<b>QUOTED SECURITIES</b>				
<b>(CONTINUED)</b>				
<b>SPAIN</b>				
<b>Electronics</b>				
Iberdrola S.A.	29,693	415,307	567,524	3.07
<b>TOTAL SPAIN</b>	<b>29,693</b>	<b>415,307</b>	<b>567,524</b>	<b>3.07</b>
<b>UNITED KINGDOM</b>				
<b>Electronics</b>				
SSE Plc	22,892	568,190	574,239	3.10
<b>Health Care</b>				
Astrazeneca Plc	4,267	742,985	591,594	3.20
Haleon Plc	49,953	243,623	256,223	1.39
	54,220	986,608	847,817	4.59
<b>TOTAL UNITED KINGDOM</b>	<b>77,112</b>	<b>1,554,798</b>	<b>1,422,056</b>	<b>7.69</b>
<b>UNITED STATES</b>				
<b>Electronics</b>				
Nextera Energy Inc.	7,103	573,709	493,090	2.67
Rockwell Automation Inc.	1,616	435,496	536,787	2.90
Watsco Inc.	910	435,076	401,874	2.17
	<b>9,629</b>	<b>1,444,281</b>	<b>1,431,751</b>	<b>7.74</b>
<b>Health Care</b>				
Boston Scientific Corporation	6,006	490,690	645,103	3.49
DexCom, Inc.	2,300	195,791	200,767	1.09
Eli Lilly and Company	904	522,881	704,695	3.81
Icon Plc Com	1,903	361,265	276,791	1.50
Intuitive Surgical Inc Com	519	266,452	282,030	1.52
Thermo Fisher Scientific Inc.	756	406,810	306,528	1.66
United health Group Inc.	839	497,124	261,743	1.42
	<b>13,227</b>	<b>2,741,013</b>	<b>2,677,657</b>	<b>14.49</b>
<b>Industrials</b>				
Deere and Company	940	361,768	477,981	2.58
Motorola Solutions Inc Com	718	302,411	301,890	1.63
Roper Technologies Inc.	1,056	584,274	598,583	3.24
Trane Technologies Plc	1,431	526,669	625,933	3.38
	<b>4,145</b>	<b>1,775,122</b>	<b>2,004,387</b>	<b>10.83</b>
<b>Information Technology</b>				
Intuit Inc.	466	294,810	367,036	1.98
Microsoft Corporation	2,801	928,396	1,393,245	7.53

**PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND**  
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**7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2025 (CONTINUED)</b>				
<b>QUOTED SECURITIES (CONTINUED)</b>				
<b>UNITED STATES (CONTINUED)</b>				
<b>Information Technology (Continued)</b>				
Nvidia Corporation	8,538	422,156	1,348,919	7.29
ServiceNow, Inc.	256	206,615	263,188	1.42
Synopsys, Inc.	1,273	645,554	652,642	3.53
Taiwan Semiconductor Manufacturing Ltd.	3,619	607,992	819,667	4.43
	<u>16,953</u>	<u>3,105,523</u>	<u>4,844,697</u>	<u>26.18</u>
<b>Telecommunication Services</b>				
Alphabet Inc.	5,487	682,006	973,339	5.26
Meta Platforms, Inc.	858	583,114	633,281	3.42
	<u>6,345</u>	<u>1,265,120</u>	<u>1,606,620</u>	<u>8.68</u>
<b>TOTAL UNITED STATES</b>	<u>50,299</u>	<u>10,331,059</u>	<u>12,565,112</u>	<u>67.92</u>
<b>TOTAL QUOTED SECURITIES</b>	<u>220,207</u>	<u>15,552,247</u>	<u>17,929,476</u>	<u>96.94</u>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>2,377,229</u>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>17,929,476</u>		
<b>2024</b>				
<b>QUOTED SECURITIES (CONTINUED)</b>				
<b>CANADA</b>				
<b>Consumer Discretionary</b>				
Dollarama Inc.	7,000	513,159	639,113	2.28
<b>TOTAL CANADA</b>	<u>7,000</u>	<u>513,159</u>	<u>639,113</u>	<u>2.28</u>
<b>DENMARK</b>				
<b>Health Care</b>				
Novo Nordisk A/S	9,240	376,131	1,335,596	4.75
<b>TOTAL DENMARK</b>	<u>9,240</u>	<u>376,131</u>	<u>1,335,596</u>	<u>4.75</u>

**PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND**  
(Formerly known as Principal Global Millennial Equity Fund)

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2024 (CONTINUED)</b>				
<b>QUOTED SECURITIES</b>				
<b>(CONTINUED)</b>				
<b>FRANCE</b>				
<b>Consumer Staples</b>				
L'Oreal SA	1,915	887,032	841,469	3.00
<b>TOTAL FRANCE</b>	<b>1,915</b>	<b>887,032</b>	<b>841,469</b>	<b>3.00</b>
<b>HONG KONG, CHINA</b>				
<b>Consumer Discretionary</b>				
Samsonite International S.A.	186,300	655,379	555,963	1.98
<b>TOTAL HONG KONG, CHINA</b>	<b>186,300</b>	<b>655,379</b>	<b>555,963</b>	<b>1.98</b>
<b>JAPAN</b>				
<b>Information Technology</b>				
Advantest Corporation	12,300	396,555	491,373	1.75
<b>Telecommunication Services</b>				
Nintendo Co., Ltd.	13,400	600,977	712,867	2.54
<b>TOTAL JAPAN</b>	<b>25,700</b>	<b>997,532</b>	<b>1,204,240</b>	<b>4.29</b>
<b>NETHERLANDS</b>				
<b>Information Technology</b>				
ASML Holding N.V.	944	670,371	975,375	3.47
<b>Telecommunication Services</b>				
Universal Music Group N.V.	24,900	717,387	741,249	2.64
<b>TOTAL NETHERLANDS</b>	<b>25,844</b>	<b>1,387,758</b>	<b>1,716,624</b>	<b>6.11</b>
<b>SPAIN</b>				
<b>Consumer Discretionary</b>				
Industria De Diseno Textil, S.A.	17,355	662,755	862,186	3.07
<b>TOTAL SPAIN</b>	<b>17,355</b>	<b>662,755</b>	<b>862,186</b>	<b>3.07</b>
<b>UNITED KINGDOM</b>				
<b>Consumer Discretionary</b>				
JD Sports Fashion Plc	384,331	730,913	580,570	2.07
<b>TOTAL UNITED KINGDOM</b>	<b>384,331</b>	<b>730,913</b>	<b>580,570</b>	<b>2.07</b>

**PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND**  
(Formerly known as Principal Global Millennial Equity Fund)

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2024 (CONTINUED)</b>				
<b>QUOTED SECURITIES</b>				
<b>(CONTINUED)</b>				
<b>UNITED STATES</b>				
<b>Consumer Discretionary</b>				
Chipotle Mexican Grill, Inc.	10,800	329,430	676,620	2.40
Deckers Outdoor Corporation	856	280,480	828,565	2.95
DICK'S Sporting Goods, Inc.	3,348	306,521	719,318	2.56
DraftKings Inc.	12,800	506,897	488,576	1.74
Lululemon Athletica Inc.	1,203	420,191	359,336	1.28
Nike, Inc.	3,900	474,498	293,943	1.05
PDD Holdings Inc.	5,173	442,425	687,750	2.45
Planet Fitness, Inc.	6,648	405,356	489,226	1.74
Royal Caribbean Cruises Ltd.	4,160	628,837	663,229	2.36
	<u>48,888</u>	<u>3,794,635</u>	<u>5,206,563</u>	<u>18.53</u>
<b>Consumer Staples</b>				
Bellring Brands, Inc.	10,950	663,773	625,683	2.23
Celsius Holdings, Inc.	9,700	560,101	553,773	1.97
	<u>20,650</u>	<u>1,223,874</u>	<u>1,179,456</u>	<u>4.20</u>
<b>Financials</b>				
Mastercard Incorporated.	1,130	432,663	498,511	1.77
<b>Health Care</b>				
Abbott Laboratories	3,400	353,204	353,294	1.26
Dex Com, Inc.	3,300	418,509	374,154	1.33
Eli Lilly and Company	1,165	584,622	1,054,768	3.75
Progyny, Inc.	11,300	409,271	323,293	1.15
Thermo Fisher Scientific Inc.	1,030	554,251	569,590	2.03
	<u>20,195</u>	<u>2,319,857</u>	<u>2,675,099</u>	<u>9.52</u>
<b>Information Technology</b>				
Advanced Micro Devices, Inc.	5,769	492,481	935,789	3.33
Apple Inc.	4,110	562,315	865,648	3.08
Cadence Design Systems, Inc.	2,190	507,923	673,973	2.40
Microsoft Corporation	2,882	693,611	1,288,110	4.59
Nvidia Corporation	10,550	157,426	1,303,347	4.64
ServiceNow, Inc.	1,011	578,929	795,323	2.83
Synopsys, Inc.	1,125	565,925	669,444	2.38
	<u>27,637</u>	<u>3,558,610</u>	<u>6,531,634</u>	<u>23.25</u>
<b>Telecommunication Services</b>				
Alphabet Inc.	6,890	757,615	1,263,764	4.50
Meta Platforms, Inc.	2,597	518,279	1,309,459	4.66
Verizon Communications Inc.	11,300	428,349	466,012	1.66
	<u>20,787</u>	<u>1,704,243</u>	<u>3,039,235</u>	<u>10.82</u>
<b>TOTAL UNITED STATES</b>	<b><u>139,287</u></b>	<b><u>13,033,882</u></b>	<b><u>19,130,498</u></b>	<b><u>68.09</u></b>

**PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND**  
(Formerly known as Principal Global Millennial Equity Fund)

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2024 (CONTINUED)</b>				
<b>QUOTED SECURITIES</b>				
<b>(CONTINUED)</b>				
<b>TOTAL QUOTED SECURITIES</b>	<b><u>796,972</u></b>	<b>19,244,541</b>	<b><u>26,866,259</u></b>	<b><u>95.64</u></b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>7,621,718</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>26,866,259</u></b>		

**8. CASH AND CASH EQUIVALENTS**

	<b>2025 USD</b>	<b>2024 USD</b>
Bank balances	<u>497,290</u>	<u>491,109</u>

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

	<b>2025</b>	<b>2024</b>
	<b>No. of units</b>	<b>No. of units</b>
Class MYR (i)	52,519,197	81,003,372
Class MYR-H (ii)	49,905,139	76,236,923
Class SGD-H (iii)	610,909	683,832
Class USD (iv)	914,997	1,269,616
	<u>103,950,242</u>	<u>159,193,743</u>

(i) Class MYR

At the beginning of the financial year	81,003,372	89,647,013
Add : Creation of units from applications	7,113,572	54,080,494
Less: Cancellation of units	<u>(35,597,747)</u>	<u>(62,724,135)</u>
At the end of the financial year	<u>52,519,197</u>	<u>81,003,372</u>

(ii) Class MYR-H

At the beginning of the financial year	76,236,923	71,910,991
Add : Creation of units from applications	9,456,201	40,704,067
Less: Cancellation of units	<u>(35,787,985)</u>	<u>(36,378,135)</u>
At the end of the financial year	<u>49,905,139</u>	<u>76,236,923</u>

**PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND**  
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**9. NUMBER OF UNITS IN CIRCULATION (UNITS) (CONTINUED)**

	<b>2025</b>	<b>2024</b>
	<b>No. of units</b>	<b>No. of units</b>
(iii) Class SGD-H		
At the beginning of the financial year	683,832	226,486
Add : Creation of units from applications	304,515	690,755
Less: Cancellation of units	<u>(377,438)</u>	<u>(233,409)</u>
At the end of the financial year	<u>610,909</u>	<u>683,832</u>
(iv) Class USD		
At the beginning of the financial year	1,269,616	1,201,606
Add : Creation of units from applications	17,907	429,622
Less: Cancellation of units	<u>(372,526)</u>	<u>(361,612)</u>
At the end of the financial year	<u>914,997</u>	<u>1,269,616</u>

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

	<b>2025</b>	<b>2024</b>
	<b>USD</b>	<b>USD</b>
Derivative assets/(liabilities) at fair value through profit or loss:		
- Forward foreign currency contract	<u>56,865</u>	<u>(16,655)</u>
	<b>2025</b>	<b>2024</b>
	<b>USD</b>	<b>USD</b>
Net gain/(loss) on derivatives at fair value through profit or loss:		
- Net realised gain/(loss) on forward foreign currency contracts	625,556	(481,218)
- Net unrealised fair value gain on forward foreign currency contracts	<u>73,520</u>	<u>48,678</u>
	<u>699,076</u>	<u>(432,540)</u>

As at 30 June 2025, there are total of 11 (2024: 5) outstanding USD/Malaysian Ringgit ("MYR") and USD/Singapore Dollar ("SGD") forward foreign currency contracts. The notional principal amount of the outstanding forward foreign currency contracts amounting to USD7,827,782 (2024: USD10,715,676).

The forward foreign currency contracts are entered into during the financial year to minimise the risk of foreign exchange exposure between the USD and the MYR and SGD for the Fund.

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

**11. TOTAL EXPENSE RATIO (“TER”)**

	<b>2025</b> %	<b>2024</b> %
TER	<u>1.95</u>	<u>1.94</u>

TER was derived based on the following calculation:

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

A	=	Management fee
B	=	Trustee and custodian fees
C	=	Audit fee
D	=	Tax Agent’s fee
E	=	Other expenses excluding Central Depository System (“CDS”) transfer fee and withholding tax
F	=	Average NAV of the Fund calculation on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis was USD21,588,243 (2024: USD25,103,349).

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

	<b>2025</b>	<b>2024</b>
PTR (times)	<u>1.19</u>	<u>0.43</u>

PTR was derived from the following calculation:

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

where:

total acquisition for the financial year = USD21,727,380 (2024: USD9,870,792)

total disposal for the financial year = USD 29,807,015 (2024: USD11,804,395)

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

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

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

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

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

<u>Related parties</u>	<u>Relationship</u>
CIMB Group Sdn Bhd	Shareholder of the Manager
CIMB Investment Bank Bhd	Fellow related party to the Manager
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the Manager

Units held by the Manager and parties related to the Manager

		<b>2025</b>		<b>2024</b>
	<b>No. of units</b>	<b>USD</b>	<b>No. of units</b>	<b>USD</b>
<b>Manager</b>				
Principal Asset Management Berhad				
- Class MYR	8,165	1,547	4,385	857
- Class MYR-H	2,207	333	2,737	391
- Class SGD-H	2	1	2	1
- Class USD	9	7	9	7

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 year, other than those already disclosed elsewhere in the financial statements.

**14. TRANSACTIONS WITH BROKERS**

Details of transactions with the top 10 brokers for the financial year ended 30 June 2025 were as follows:

<b>Brokers</b>	<b>Value of trades USD</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees USD</b>	<b>Percentage of brokerage fees %</b>
Raymond James & Associates, Inc.	10,939,484	21.23	537	6.00
Wall Street Access/GLP	10,323,361	20.03	999	11.15
Dresdner /AKV Global Certf A/C	5,577,541	10.82	219	2.44
Macquarie Capital (Europe) Ltd	4,684,872	9.09	1,405	15.69
State Street Global Market LLC	3,157,373	6.13	170	1.90
Nomura Securities International Inc.	2,755,628	5.35	1,653	18.45
HSBC Bank PLC	1,234,474	2.40	617	6.89

**PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND**  
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**14. TRANSACTIONS WITH BROKERS (CONTINUED)**

Details of transactions with the top 10 brokers for the financial year ended 30 June 2025 were as follows: (continued)

<b>Brokers</b>	<b>Value of trades USD</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees USD</b>	<b>Percentage of brokerage fees %</b>
Raymd James & Assc,St Peter, FL	1,180,891	2.29	42	0.47
Daiwa Capital Markets America Inc	1,070,529	2.08	642	7.17
Citigroup Global Markets Inc	1,028,746	2.00	30	0.33
Others	9,581,496	18.59	2,647	29.52
	<u>51,534,395</u>	<u>100.00</u>	<u>8,961</u>	<u>100.00</u>

Details of transactions with the top 10 brokers for the financial year ended 30 June 2024 were as follows:

<b>Brokers</b>	<b>Value of trades USD</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees USD</b>	<b>Percentage of brokerage fees %</b>
State Street Global Market Llc	11,611,457	53.57	1,013	10.64
Citigroup Global Markets Inc.	1,173,386	5.41	318	3.34
Jefferies Llc.	960,049	4.43	288	3.03
Barceuralg	596,991	2.75	1,370	14.39
Morgan Stanley And Co., Llc, New York Branch	522,605	2.41	1,054	11.07
Sanford C. Bernstein Ltd. London	495,010	2.28	305	3.20
Goldman Sachs & Co	476,418	2.20	167	1.75
RBC Europe Limited	476,254	2.20	19	0.20
UBS Securities	460,787	2.13	453	4.76
Goldman Sachs International London	431,375	1.99	129	1.36
Others	4,470,855	20.63	4,404	46.26
	<u>21,675,187</u>	<u>100.00</u>	<u>9,520</u>	<u>100.00</u>

**15. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved for issue by the Manager on 14 August 2025.

## **DIRECTORY**

### **Head Office of the Manager**

Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))  
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### **Previous Trustee for the Principal Global Dynamic Innovation Fund**

Deutsche Trustees Malaysia Berhad (Co. No. 200701005591 (763590-H))  
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### **Trustee for the Principal Global Dynamic Innovation Fund**

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

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