

**PRINCIPAL HERITAGE GROWTH FUND**  
**ANNUAL REPORT**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

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## INVESTORS' LETTER

Dear Valued Investor,

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

We are pleased to bring you a copy of the Annual Fund Report of the Principal Heritage Growth Fund for the financial year ended 30 June 2024. You may also download this report from our website at [www.principal.com.my](http://www.principal.com.my).

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

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

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

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

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

**Munirah Khairuddin**

Chief Executive Officer,  
Malaysia & Global Shariah & Managing Director,  
Strategic Distribution & Institutional Client Relations  
(Southeast Asia & Global Shariah)  
Non-Independent Executive Director

**MANAGER’S REPORT**

**FUND OBJECTIVE AND POLICY**

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

The Fund aims to provide income and capital growth through investments in one (1) collective investment scheme, which invests in a diversified portfolio of mixed asset.

**Has the Fund achieved its objective?**

The fund is in line to achieve its long-term objective to provide income as stated in the fund’s investment policy. Additionally, we are talking the necessary action to ensure that the fund would provide capital growth through investments in one collective investment scheme, in line with the fund’s investment objective.

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

The Fund is a feeder fund and it invests in a single collective investment scheme, i.e. Fullerton Singapore Dollar (“SGD”) Heritage Growth (“FSH-Growth”). The Fund may also invest in liquid assets for liquidity purpose.

In order to achieve its investment objective, the Fund will invest at least 95% of its Net Asset Value (“NAV”) in FSH-Growth and may also invest up to 5% of its NAV in liquid assets for liquidity purpose. FSH-Growth was established on 21 May 2019 under the Fullerton Fund; a Singapore-constituted umbrella unit trust.

The asset allocation strategy for this Fund is as follows:

- at least 95% of the Fund’s NAV will be invested in FSH-Growth; and
- up to 5% of the Fund’s NAV will be invested in liquid assets for liquidity purposes.

Information on the Target Fund

Target Fund	:	FSH-Growth
Share Class	:	Class B
Currency denomination	:	SGD
Target Fund Manager	:	Fullerton Fund Management Company Ltd.
Regulatory Authority	:	Monetary Authority of Singapore

**Base Currency**

Singapore Dollar (“SGD”)

**Fund category/type**

Feeder fund/Income & Growth

**When was the Fund launched?**

<b>Name of Class</b>	<b>Launch Date</b>
Class GBP-Hedged (“GBP-H”)	15 October 2020
Class MYR-Hedged (“MYR-H”)	10 July 2020
Class SGD	10 July 2020
Class USD-Hedged (“USD-H”)	2 April 2021
Class AUD-Hedged (“AUD-H”)	17 November 2021

**What was the size of the Fund as at 30 June 2024?**

SGD6.85 million (16.75 million units)

**What is the Fund’s benchmark?**

The Fund adheres to the benchmark of the Target Fund for performance comparison. Currently, FSH-Growth has no benchmark.

**FUND OBJECTIVE AND POLICY (CONTINUED)**

**What is the Fund distribution policy?**

Monthly, depending on the availability of realised income, realised gains and/or capital at the Manager's discretion.

**What was the net income distribution for the financial year ended 30 June 2024?**

The Fund distributed a total net income of SGD0.14 million to unit holders for the financial year ended 30 June 2024.

The Fund's NAV per unit before and after distributions were as follows:

<b>Date</b>	<b>NAV per unit (before distribution) SGD</b>	<b>NAV per unit (after distribution) SGD</b>
Distribution on 17 July 2023		
- Class AUD-H	0.6945	0.6936
- Class GBP-H	1.3822	1.3805
- Class MYR-H	0.2424	0.2421
- Class SGD	0.8487	0.8477
- Class USD-H	1.0335	1.0322
Distribution on 30 August 2023		
- Class GBP-H	1.3343	1.3327
- Class MYR-H	0.2361	0.2358
- Class SGD	0.8287	0.8277
- Class USD-H	1.0338	1.0325
Distribution on 18 September 2023		
- Class GBP-H	1.3166	1.3149
- Class MYR-H	0.2343	0.2340
- Class SGD	0.8256	0.8246
- Class USD-H	1.0380	1.0367
Distribution on 17 October 2023		
- Class GBP-H	1.2366	1.2351
- Class MYR-H	0.2216	0.2213
- Class SGD	0.7857	0.7847
- Class USD-H	0.9925	0.9912
Distribution on 17 November 2023		
- Class GBP-H	1.2501	1.2486
- Class MYR-H	0.2217	0.2214
- Class SGD	0.7925	0.7915
- Class USD-H	0.9836	0.9824
Distribution on 19 December 2023		
- Class GBP-H	1.3024	1.3007
- Class MYR-H	0.2248	0.2245
- Class SGD	0.8149	0.8139
- Class USD-H	1.0004	0.9992
Distribution on 17 January 2024		
- Class GBP-H	1.3237	1.3221
- Class MYR-H	0.2277	0.2274
- Class SGD	0.8214	0.8204
- Class USD-H	1.0309	1.0296
Distribution on 19 February 2024		
- Class GBP-H	1.3392	1.3376
- Class MYR-H	0.2278	0.2275
- Class SGD	0.8355	0.8345
- Class USD-H	1.0492	1.0479

**FUND OBJECTIVE AND POLICY (CONTINUED)**

The Fund's NAV per unit before and after distributions were as follows (continued):

Date	NAV per unit (before distribution) SGD	NAV per unit (after distribution) SGD
Distribution on 19 March 2024		
- Class GBP-H	1.3281	1.3264
- Class MYR-H	0.2256	0.2253
- Class SGD	0.8225	0.8215
- Class USD-H	1.0303	1.0290
Distribution on 17 April 2024		
- Class GBP-H	1.3225	1.3208
- Class MYR-H	0.2261	0.2258
- Class SGD	0.8230	0.8219
- Class USD-H	1.0476	1.0463
Distribution on 17 May 2024		
- Class GBP-H	1.3716	1.3700
- Class MYR-H	0.2345	0.2342
- Class SGD	0.8474	0.8464
- Class USD-H	1.0656	1.0643
Distribution on 19 June 2024		
- Class GBP-H	1.4262	1.4245
- Class MYR-H	0.2416	0.2413
- Class SGD	0.8747	0.8736
- Class USD-H	1.1049	1.1036

Breakdown of distribution were as follows:

Source of distribution	2024		2023	
	SGD	%	SGD	%
Distribution out of current year's income	141,792	100.00	146,947	62.87
Distribution out of prior year's income/capital	-	-	86,768	37.13
Total	141,792	100.00	233,715	100.00

**PERFORMANCE DATA**

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

	30.06.2024	30.06.2023	30.06.2022
	%	%	%
Collective investment scheme	98.45	98.70	98.44
Cash and other assets	2.59	2.14	2.07
Liabilities	(1.04)	(0.84)	(0.51)
	100.00	100.00	100.00
	<b>30.06.2024</b>	<b>30.06.2023</b>	<b>30.06.2022</b>
NAV (SGD Million)			
- Class AUD-H	0.00*	0.00*	0.03
- Class GBP-H	1.42	2.26	3.42
- Class MYR-H	3.20	5.88	8.39
- Class SGD	2.04	3.82	5.54
- Class USD-H	0.19	0.72	1.00

**PERFORMANCE DATA (CONTINUED)**

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

	<b>30.06.2024</b>	<b>30.06.2023</b>	<b>30.06.2022</b>
Units in circulation (Million)			
- Class AUD-H	0.00*	0.00*	0.04
- Class GBP-H	1.00	1.68	2.26
- Class MYR-H	13.25	24.81	28.01
- Class SGD	2.33	4.60	5.87
- Class USD-H	0.17	0.70	0.82
NAV per unit (SGD)			
- Class AUD-H	0.7250	0.6809	0.8254
- Class GBP-H	1.4220	1.3461	1.5152
- Class MYR-H	0.2418	0.2369	0.2995
- Class SGD	0.8746	0.8307	0.9442
- Class USD-H	1.1087	1.0357	1.2110
Highest NAV per unit (SGD)			
- Class AUD-H	0.7237	0.8378	1.0040
- Class GBP-H	1.4255	1.5068	1.0624
- Class MYR-H	0.2459	0.2994	1.1133
- Class SGD	0.8741	0.9446	1.1119
- Class USD-H	0.8178	1.2205	1.0345
Lowest NAV per unit (SGD)			
- Class AUD-H	0.5979	0.6546	0.8519
- Class GBP-H	1.1795	1.2308	0.8855
- Class MYR-H	0.2100	0.2342	0.9362
- Class SGD	0.7524	0.8078	0.9325
- Class USD-H	0.6945	1.0146	0.8595
Total return (%)			
- Class AUD-H	6.02	(11.38)	-
- Class GBP-H	6.94	(11.39)	(13.02)
- Class MYR-H	4.00	(12.54)	(12.29)
- Class SGD	6.14	(10.65)	(12.46)
- Class USD-H	7.78	(10.70)	(13.44)
Capital growth (%)			
- Class AUD-H	5.88	(12.70)	-
- Class GBP-H	5.38	(12.71)	(14.35)
- Class MYR-H	2.39	(13.83)	(13.55)
- Class SGD	4.58	(11.99)	(13.80)
- Class USD-H	6.19	(12.04)	(14.75)
Income distribution (%)			
- Class AUD-H	0.13	1.51	-
- Class GBP-H	1.48	1.52	1.55
- Class MYR-H	1.57	1.50	1.46
- Class SGD	1.49	1.52	1.55
- Class USD-H	1.50	1.52	1.54
Total Expense Ratio ("TER") (%) ^	0.55	0.53	0.52
Portfolio Turnover Ratio ("PTR") (times) #	0.34	0.19	0.36

\* 0.00 denotes unit less than 0.01 million.

**PERFORMANCE DATA (CONTINUED)**

^ During the financial year under review, the Fund's TER increased from 0.53% to 0.55% due to decrease in average NAV.

# For the financial year under review, the Fund's PTR increased from 0.19 times to 0.34 times. As a feeder fund the turnover ratio reflects investments and withdrawals in the target fund.

<b>Gross/Net distribution per unit (sen)</b>	<b>30.06.2024</b>	<b>30.06.2023</b>	<b>30.06.2022</b>
Distribution on 18 July 2023			
- Class AUD-H	0.09	-	-
- Class GBP-H	0.17	-	-
- Class MYR-H	0.03	-	-
- Class SGD	0.10	-	-
- Class USD-H	0.13	-	-
Distribution on 1 September 2023			
- Class AUD-H	-	-	-
- Class GBP-H	0.16	-	-
- Class MYR-H	0.03	-	-
- Class SGD	0.10	-	-
- Class USD-H	0.13	-	-
Distribution on 19 September 2023			
- Class AUD-H	-	-	-
- Class GBP-H	0.17	-	-
- Class MYR-H	0.03	-	-
- Class SGD	0.10	-	-
- Class USD-H	0.13	-	-
Distribution on 17 October 2023			
- Class AUD-H	-	-	-
- Class GBP-H	0.15	-	-
- Class MYR-H	0.03	-	-
- Class SGD	0.10	-	-
- Class USD-H	0.13	-	-
Distribution on 17 November 2023			
- Class AUD-H	-	-	-
- Class GBP-H	0.15	-	-
- Class MYR-H	0.03	-	-
- Class SGD	0.10	-	-
- Class USD-H	0.12	-	-
Distribution on 19 December 2023			
- Class AUD-H	-	-	-
- Class GBP-H	0.16	-	-
- Class MYR-H	0.03	-	-
- Class SGD	0.10	-	-
- Class USD-H	0.12	-	-
Distribution on 17 January 2024			
- Class AUD-H	-	-	-
- Class GBP-H	0.16	-	-
- Class MYR-H	0.03	-	-
- Class SGD	0.10	-	-
- Class USD-H	0.13	-	-



PERFORMANCE DATA (CONTINUED)

Gross/Net distribution per unit (sen)	30.06.2024	30.06.2023	30.06.2022
Distribution on 19 February 2024			
- Class AUD-H	-	-	-
- Class GBP-H	0.16	-	-
- Class MYR-H	0.03	-	-
- Class SGD	0.10	-	-
- Class USD-H	0.13	-	-
Distribution on 19 March 2024			
- Class AUD-H	-	-	-
- Class GBP-H	0.17	-	-
- Class MYR-H	0.03	-	-
- Class SGD	0.10	-	-
- Class USD-H	0.13	-	-
Distribution on 17 April 2024			
- Class AUD-H	-	-	-
- Class GBP-H	0.17	-	-
- Class MYR-H	0.03	-	-
- Class SGD	0.11	-	-
- Class USD-H	0.13	-	-
Distribution on 17 May 2024			
- Class AUD-H	-	-	-
- Class GBP-H	0.16	-	-
- Class MYR-H	0.03	-	-
- Class SGD	0.10	-	-
- Class USD-H	0.13	-	-
Distribution on 19 June 2024			
- Class AUD-H	-	-	-
- Class GBP-H	0.17	-	-
- Class MYR-H	0.03	-	-
- Class SGD	0.11	-	-
- Class USD-H	0.13	-	-
Distribution on 19 July 2022			
- Class AUD-H	-	0.10	-
- Class GBP-H	-	0.19	-
- Class MYR-H	-	0.04	-
- Class SGD	-	0.12	-
- Class USD-H	-	0.15	-
Distribution on 17 August 2022			
- Class AUD-H	-	0.10	-
- Class GBP-H	-	0.19	-
- Class MYR-H	-	0.04	-
- Class SGD	-	0.12	-
- Class USD-H	-	0.15	-
Distribution on 20 September 2022			
- Class AUD-H	-	0.10	-
- Class GBP-H	-	0.18	-
- Class MYR-H	-	0.04	-
- Class SGD	-	0.11	-
- Class USD-H	-	0.15	-

PERFORMANCE DATA (CONTINUED)

Gross/Net distribution per unit (sen)	30.06.2024	30.06.2023	30.06.2022
Distribution on 18 October 2022			
- Class AUD-H	-	0.09	-
- Class GBP-H	-	0.16	-
- Class MYR-H	-	0.03	-
- Class SGD	-	0.11	-
- Class USD-H	-	0.14	-
Distribution on 17 November 2022			
- Class AUD-H	-	0.09	-
- Class GBP-H	-	0.16	-
- Class MYR-H	-	0.03	-
- Class SGD	-	0.10	-
- Class USD-H	-	0.14	-
Distribution on 19 December 2022			
- Class AUD-H	-	0.09	-
- Class GBP-H	-	0.17	-
- Class MYR-H	-	0.03	-
- Class SGD	-	0.11	-
- Class USD-H	-	0.13	-
Distribution on 17 January 2023			
- Class AUD-H	-	0.09	-
- Class GBP-H	-	0.16	-
- Class MYR-H	-	0.03	-
- Class SGD	-	0.11	-
- Class USD-H	-	0.13	-
Distribution on 17 February 2023			
- Class AUD-H	-	0.09	-
- Class GBP-H	-	0.17	-
- Class MYR-H	-	0.03	-
- Class SGD	-	0.11	-
- Class USD-H	-	0.13	-
Distribution on 17 March 2023			
- Class AUD-H	-	0.09	-
- Class GBP-H	-	0.16	-
- Class MYR-H	-	0.03	-
- Class SGD	-	0.11	-
- Class USD-H	-	0.13	-
Distribution on 18 April 2023			
- Class AUD-H	-	0.09	-
- Class GBP-H	-	0.17	-
- Class MYR-H	-	0.03	-
- Class SGD	-	0.11	-
- Class USD-H	-	0.13	-
Distribution on 17 May 2023			
- Class AUD-H	-	0.08	-
- Class GBP-H	-	0.16	-
- Class MYR-H	-	0.03	-
- Class SGD	-	0.10	-
- Class USD-H	-	0.13	-

PERFORMANCE DATA (CONTINUED)

Gross/Net distribution per unit (sen)	30.06.2024	30.06.2023	30.06.2022
Distribution on 19 June 2023			
- Class AUD-H	-	0.08	-
- Class GBP-H	-	0.16	-
- Class MYR-H	-	0.03	-
- Class SGD	-	0.10	-
- Class USD-H	-	0.13	-
Distribution on 19 July 2021			
- Class GBP-H	-	-	0.24
- Class MYR-H	-	-	0.04
- Class SGD	-	-	0.14
- Class USD-H	-	-	0.17
Distribution on 17 August 2021			
- Class GBP-H	-	-	0.25
- Class MYR-H	-	-	0.04
- Class SGD	-	-	0.14
- Class USD-H	-	-	0.17
Distribution on 20 September 2021			
- Class GBP-H	-	-	0.24
- Class MYR-H	-	-	0.04
- Class SGD	-	-	0.14
- Class USD-H	-	-	0.17
Distribution on 20 October 2021			
- Class GBP-H	-	-	0.23
- Class MYR-H	-	-	0.04
- Class SGD	-	-	0.13
- Class USD-H	-	-	0.15
Distribution on 17 November 2021			
- Class GBP-H	-	-	0.24
- Class MYR-H	-	-	0.04
- Class SGD	-	-	0.13
- Class USD-H	-	-	0.17
Distribution on 17 December 2021			
- Class GBP-H	-	-	0.23
- Class MYR-H	-	-	0.04
- Class SGD	-	-	0.13
- Class USD-H	-	-	0.17
Distribution on 19 January 2022			
- Class GBP-H	-	-	0.26
- Class MYR-H	-	-	0.04
- Class SGD	-	-	0.15
- Class USD-H	-	-	0.19
Distribution on 17 February 2022			
- Class GBP-H	-	-	0.12
- Class MYR-H	-	-	0.12
- Class SGD	-	-	0.13
- Class USD-H	-	-	0.16

PERFORMANCE DATA (CONTINUED)

Gross/Net distribution per unit (sen)	30.06.2024	30.06.2023	30.06.2022
Distribution on 17 March 2022			
- Class AUD-H			0.11
- Class GBP-H	-	-	0.21
- Class MYR-H	-	-	0.38
- Class SGD	-	-	0.12
- Class USD-H	-	-	0.16
Distribution on 20 April 2022			
- Class AUD-H	-	-	0.12
- Class GBP-H	-	-	0.21
- Class MYR-H	-	-	0.04
- Class SGD	-	-	0.13
- Class USD-H	-	-	0.16
Distribution on 18 May 2022			
- Class AUD-H	-	-	0.11
- Class GBP-H	-	-	0.20
- Class MYR-H	-	-	0.04
- Class SGD	-	-	0.12
- Class USD-H	-	-	0.16
Distribution on 17 June 2022			
- Class AUD-H	-	-	0.11
- Class GBP-H	-	-	0.20
- Class MYR-H	-	-	0.04
- Class SGD	-	-	0.12
- Class USD-H	-	-	0.15
			<b>Since</b>
	<b>30.06.2024</b>	<b>30.06.2023</b>	<b>inception to</b>
	<b>%</b>	<b>%</b>	<b>30.06.2022</b>
			<b>%</b>
Annual total return			
- Class AUD-H	6.02	(11.38)	(13.30)
(Launch date: 17 November 2021)			
			<b>Since</b>
	<b>30.06.2024</b>	<b>30.06.2023</b>	<b>inception to</b>
	<b>%</b>	<b>%</b>	<b>30.06.2021</b>
			<b>%</b>
- Class GBP-H	6.94	(11.39)	(13.02)
(Launch date: 15 October 2020)			
- Class MYR-H	4.00	(12.54)	(12.29)
- Class SGD	6.14	(10.65)	(12.46)
(Launch date: 10 July 2020)			
- Class USD-H	7.78	(10.70)	(13.44)
(Launch date: 2 April 2021)			

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 2023 TO 30 JUNE 2024)**

The positive momentum in equities that started in late 2023 continued through the second quarter of 2024. The MSCI AC World Index showed strong performance, with the Standard and Poor (“S&P”) 500 Index reaching new highs, driven by gains from major tech companies. European equities hit record highs before experiencing a pullback due to election uncertainties in the United Kingdom (“UK”) and France, while Japan’s TOPIX Index and the MSCI Asia ex-Japan Index also saw significant gains.

The European Central Bank and the Bank of Canada made their first rate cuts since the pandemic, whereas the US Federal Reserve (the “Fed”) maintained rates despite lower inflation figures. US Treasuries faced challenges, but a declining inflation trend helped lower yields slightly in June. Meanwhile, the Japanese Government Bond yield rose following the Bank of Japan’s reduced purchase announcements. The Bloomberg Global Aggregate Bond Index showed minimal returns, balancing rising rates with carry interest.

Political events, including elections in Europe, the UK, and India, introduced market volatility, with French and UK equities experiencing sell-offs. In Singapore, core inflation remained stable, and the MAS is expected to maintain its current policy. Singapore equities were relatively flat, but Real Estate Investment Trust (“REITs”) declined as interest rates are expected to remain high.

**FUND PERFORMANCE**

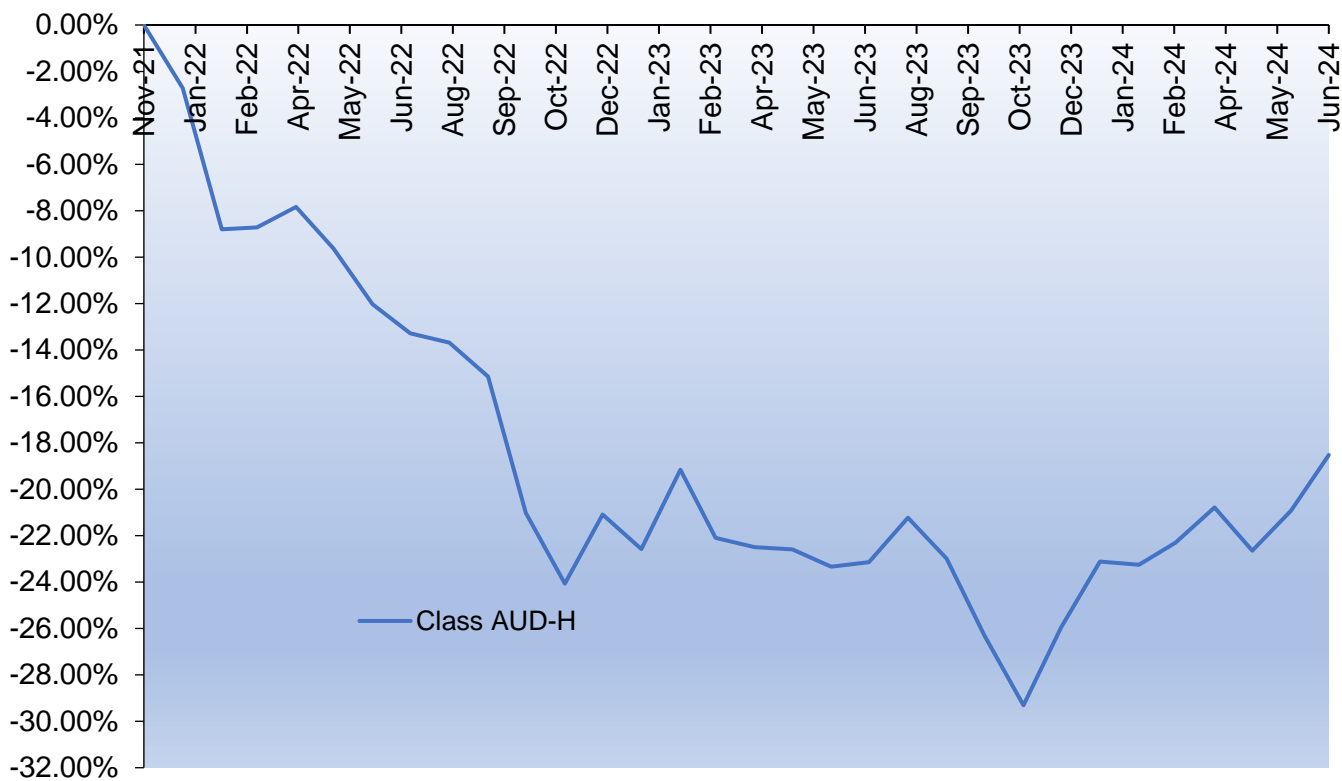
	1 year to 30.06.2024 %	3 years to 30.06.2024 %	Since inception to 30.06.2024 %
<b>Income Distribution</b>			
- Class AUD-H	0.13	-	2.17
- Class GBP-H	1.48	4.62	5.39
- Class MYR-H	1.57	4.60	5.58
- Class SGD	1.49	4.63	5.70
- Class USD-H	1.50	4.63	4.63
<b>Capital Growth</b>			
- Class AUD-H	5.88	-	(20.26)
- Class GBP-H	5.38	(21.21)	(17.51)
- Class MYR-H	2.39	(23.73)	(16.38)
- Class SGD	4.58	(20.65)	(13.09)
- Class USD-H	6.19	(20.37)	(18.70)
<b>Total Return</b>			
- Class AUD-H	6.02	-	(18.53)
- Class GBP-H	6.94	(17.58)	(13.07)
- Class MYR-H	4.00	(20.22)	(11.71)
- Class SGD	6.14	(16.98)	(8.14)
- Class USD-H	7.78	(16.68)	(14.93)
<b>Benchmark</b>			
- Class AUD-H	-	-	-
- Class GBP-H	-	-	-
- Class MYR-H	-	-	-
- Class SGD	-	-	-
- Class USD-H	-	-	-
<b>Average Total Return</b>			
- Class AUD-H	6.02	-	(7.52)
- Class GBP-H	6.94	(6.23)	(3.70)
- Class MYR-H	4.00	(7.25)	(3.08)
- Class SGD	6.14	(6.01)	(2.11)
- Class USD-H	7.78	(5.90)	(4.86)

For the financial year under review, all classes returned positively, Class AUD-H, Class GBP-H, Class MYR-H, Class SGD, and Class USD-H increased by 6.02%, 6.94%, 4.00%, 6.14%, and 7.78% respectively. The fund does not have a benchmark for comparison.

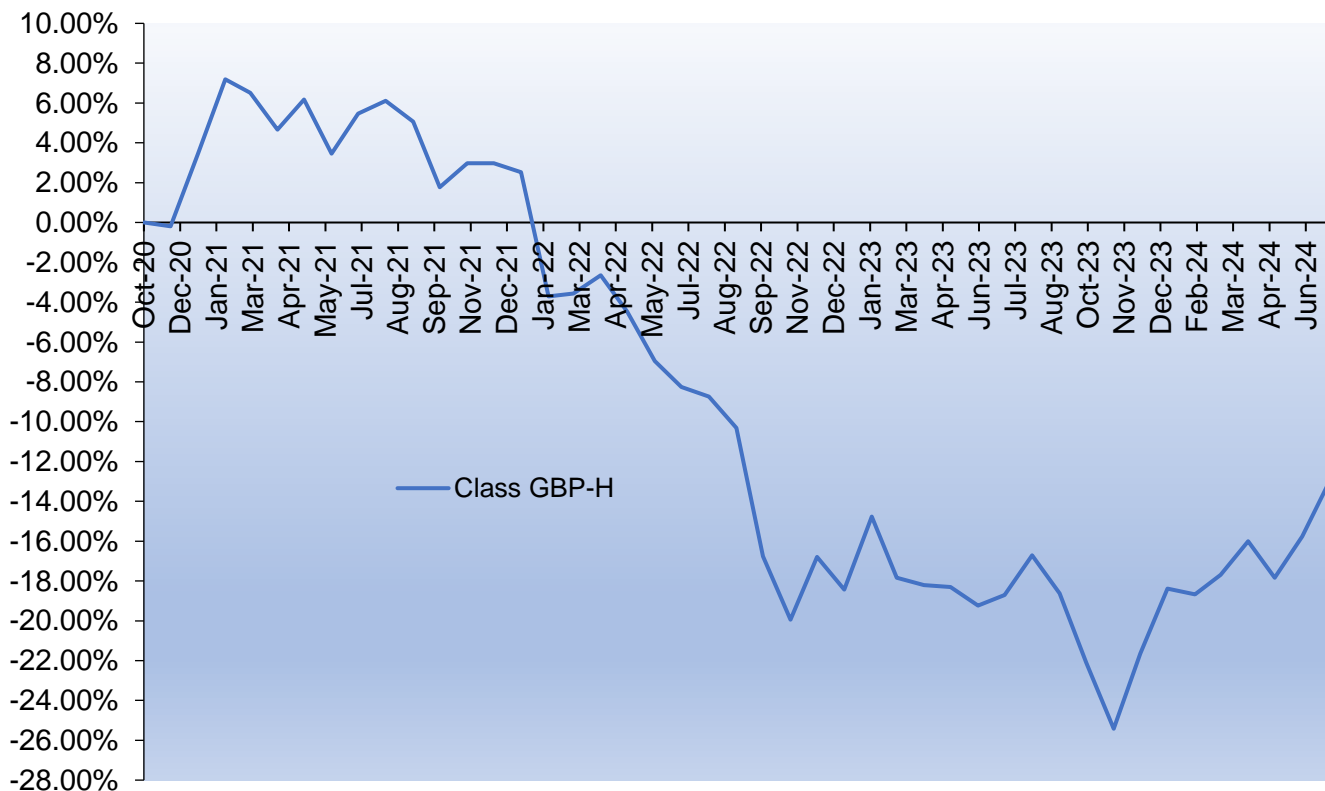
FUND PERFORMANCE (CONTINUED)

Since Inception

CLASS AUD-H



CLASS GBP-H



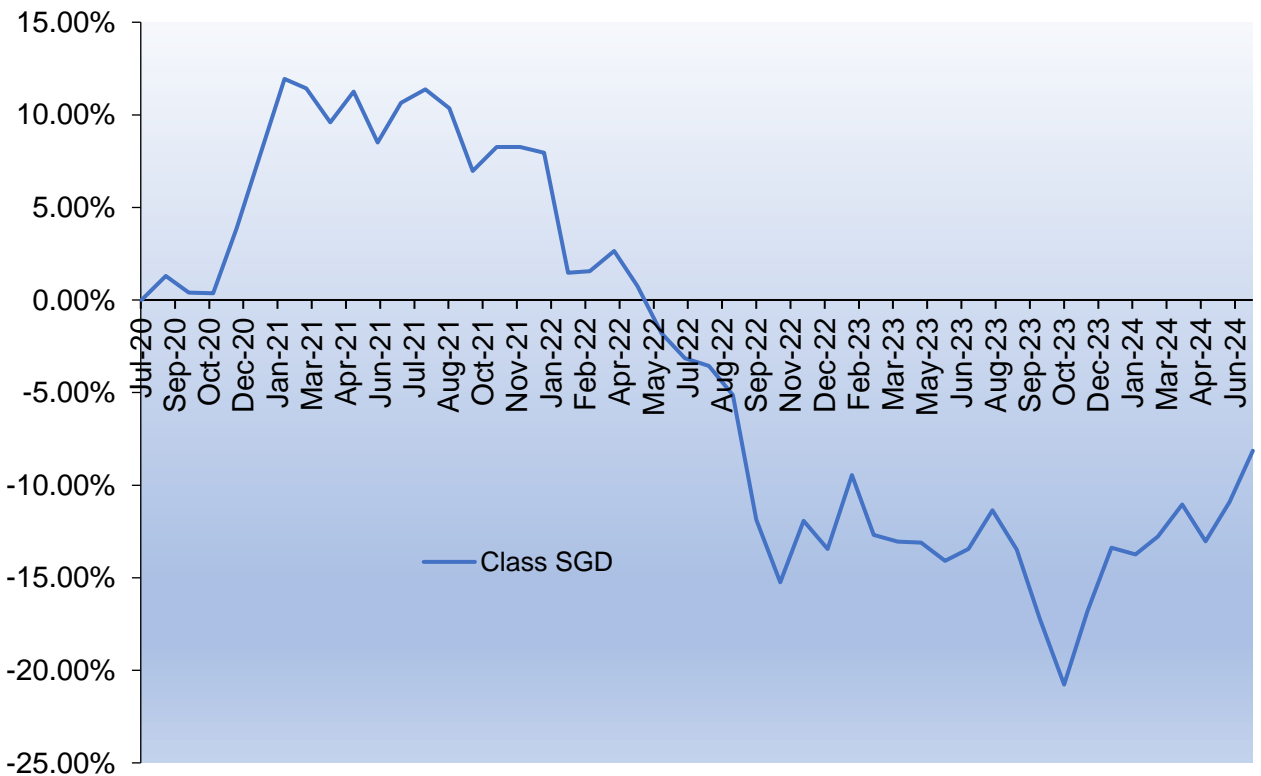
FUND PERFORMANCE (CONTINUED)

Since Inception

CLASS MYR-H



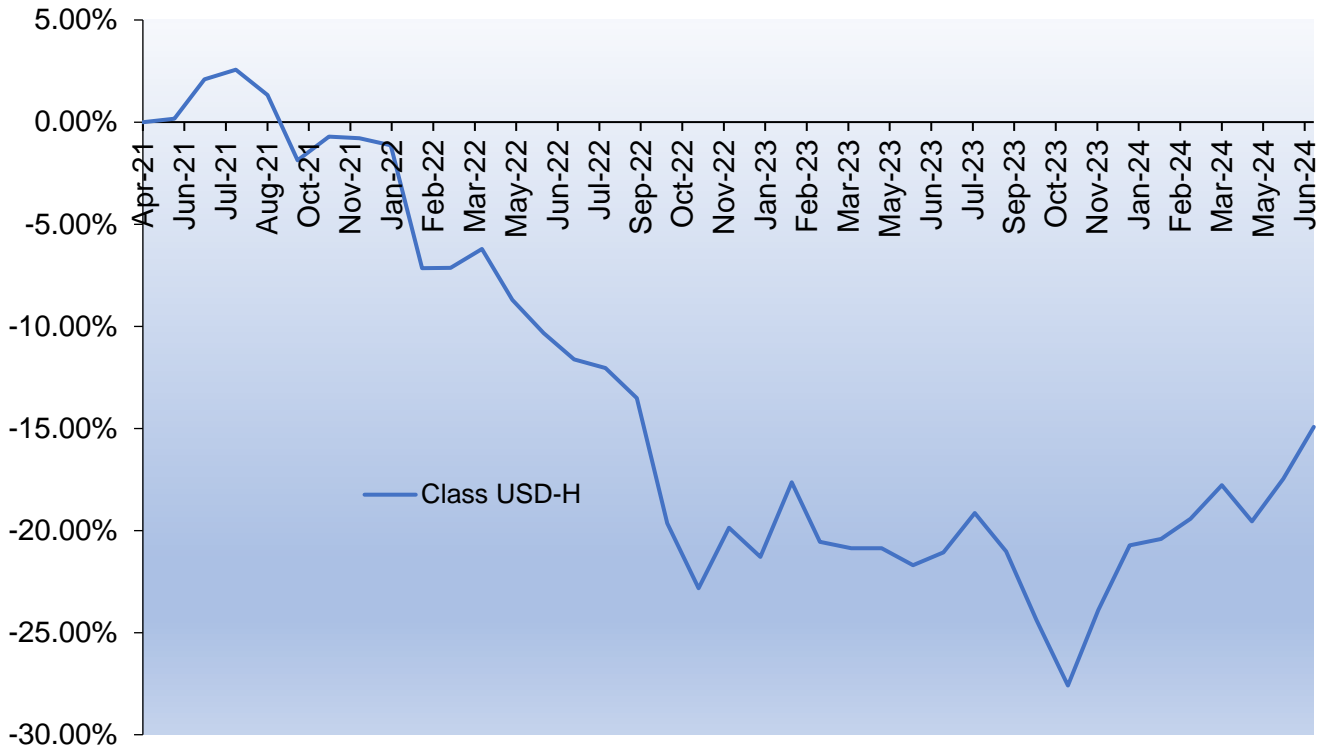
Class SGD



**FUND PERFORMANCE (CONTINUED)**

Since Inception

**CLASS USD-H**



**Changes in NAV**

	30.06.2024	30.06.2023	Changes %
<b>CLASS AUD-H</b>			
NAV (SGD Million)	0.00*	0.00*	-
NAV/Unit (SGD)	0.7250	0.6809	6.48
<b>CLASS GBP-H</b>			
NAV (SGD Million)	1.42	2.26	(37.17)
NAV/Unit (SGD)	1.4220	1.3461	5.64
<b>CLASS MYR-H</b>			
NAV (SGD Million)	3.20	5.88	(45.58)
NAV/Unit (SGD)	0.2418	0.2369	2.07
<b>CLASS SGD</b>			
NAV (SGD Million)	2.04	3.82	(46.60)
NAV/Unit (SGD)	0.8746	0.8307	5.28
<b>CLASS USD-H</b>			
NAV (SGD Million)	0.19	0.72	(73.61)
NAV/Unit (SGD)	1.1087	1.0357	7.05

\* 0.00\* denotes value less than 0.01 million.



**FUND PERFORMANCE (CONTINUED)**

**Changes in NAV (continued)**

During the financial year under review, the fund's NAV for Class GBP-H, Class MYR-H, Class SGD, and Class USD-H decreased by 37.17%, 45.58%, 46.60%, and 73.61% while Class AUD-H remain unchanged.

In addition, the Fund's NAV per unit for Class AUD-H, Class GBP-H, Class MYR-H, Class SGD, and Class USD-H increased by 6.48%, 5.64%, 2.07%, 5.28%, and 7.05% respectively.

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

**PORTFOLIO STRUCTURE**

**Asset allocation**

(% of NAV)	30.06.2024	30.06.2023
Collective investment scheme	98.45	98.70
Cash and other assets	2.59	2.14
Liabilities	(1.04)	(0.84)
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

During the financial year under review, the fund was fully invested. A minimal level of liquid assets was maintained primarily for redemption purposes.

Top 10 holdings of the Target Fund for the financial year ended:

	% of NAV
<b>Top 10 holdings*</b>	<b>30.06.2024</b>
CapitaLand Integrated Commercial	11.00
CapitaLand Ascendas REIT	8.50
Taiwan Semiconductor Manufacturing	4.40
NVIDIA Corporation	4.20
Mapletree Industrial Trust	4.10
SK Hynix Inc	3.90
Mapletree Logistics Trust	3.70
CapitaLand Ascott Trust	2.60
Meta Platforms Inc	2.10
Broadcom Inc	2.10

	% of NAV
<b>Top 10 holdings*</b>	<b>30.06.2023</b>
CapitaLand Ascendas REIT	9.80
CapitaLand Integrated Commercial Trust	8.50
Mapletree Logistics Trust	5.60
Frasers Logistics & Commercial Trust	4.00
Mapletree Industrial Trust	3.90
Taiwan Semiconductor Manufacturing	3.00
NVIDIA Corp	2.10
Tencent Holdings Ltd	1.90
LVMH Moet Hennessy Louis Vuitton	1.60
Broadcom Inc	1.60

\* As disclosed in the Fund Fact Sheet.

## **MARKET OUTLOOK\***

In second quarter, US economic activity showed improvement, led by the service sector, with the S&P composite Price Manager Index (“PMI”) rising to 54.6 in May 2024. Concerns about a slowdown were alleviated as labor markets remained resilient, though initial jobless claims and the unemployment rate edged up. In China, May’s 2024 data was mixed; retail sales grew, but industrial production and fixed asset investment were weak. The Chinese government introduced measures to stabilize the property sector, reflecting cautious optimism about economic recovery. In Singapore, core inflation stayed around 3%, with the MAS expected to maintain its outlook in the upcoming meeting.

Geopolitical risks, including renewed U.S.-China trade tensions and ongoing Middle East conflicts, pose significant threats to market stability. The Biden administration announced increased tariffs on strategic Chinese goods starting in August, adding to global economic uncertainties.

\* 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. Our asset allocation decision will continue to be subjected by market conditions.

## **SOFT COMMISSIONS AND REBATES**

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

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

During the financial year under review, the Manager and the Trustee did not receive any rebates from the brokers or dealers, but the Manager has retained soft commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. The Manager confirms that the goods and services received were for the benefit of the Fund, the trades were made on a best execution basis and there was no churning of trades.

## **SECURITIES FINANCING TRANSACTIONS**

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

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

In relation to this Fund, the Fund had issued the Fourth Supplemental Information Memorandum dated 28 February 2024.

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

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

There were no circumstances that had materially affected the interest of the unit holders during the financial 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 have been carried out during the financial year under review.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF  
PRINCIPAL HERITAGE GROWTH FUND**

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 7 to 35 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 2024 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 the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

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

**MUNIRAH KHAIRUDDIN**

Chief Executive Officer,  
Malaysia & Global Shariah & Managing Director,  
Strategic Distribution & Institutional Client Relations  
(Southeast Asia & Global Shariah)  
Non-Independent Executive Director

**UDAY JAYARAM**

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

Kuala Lumpur  
16 August 2024

**TRUSTEE REPORT**

**TO THE UNIT HOLDERS OF PRINCIPAL HERITAGE GROWTH FUND (“Fund”)**

We have acted as Trustee of the Fund for the financial year ended 30 June 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;
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.

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For Deutsche Trustees Malaysia Berhad

**Ng Hon Leong**  
Head, Fund Operations

**Sylvia Beh**  
Chief Executive Officer

Kuala Lumpur  
16 August 2024

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL HERITAGE GROWTH FUND**

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

*Opinion*

We have audited the financial statements of Principal Heritage Growth Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 30 June 2024, and statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 7 to 35.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2024, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

*Basis for opinion*

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

*Independence and other ethical responsibilities*

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL HERITAGE GROWTH FUND (CONT'D.)**

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

*Information other than the financial statements and auditors' report thereon*

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

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

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

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

*Responsibilities of the Manager and the Trustee for the financial statements*

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

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL HERITAGE GROWTH FUND (CONT'D.)**

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

*Auditors' responsibilities for the audit of the financial statements*

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

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

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

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



**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL HERITAGE GROWTH FUND (CONT'D.)**

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

**Other matters**

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, the Capital Markets and Services Act 2007 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. 03013/10/2024 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
16 August 2024

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	Note	2024 SGD	2023 SGD
<b>INCOME/(LOSS)</b>			
Dividend income		183,155	302,140
Net gain/(loss) on financial assets at fair value through profit or loss	8	378,292	(1,879,435)
Net loss on derivative assets/(liabilities) at fair value through profit or loss	9	(142,424)	(769,581)
Net foreign exchange gain		2,119	1,396
		<u>421,142</u>	<u>(2,345,480)</u>
<b>EXPENSES</b>			
Management fee	4	131,251	217,386
Trustee and custodian fees	5	3,754	6,216
Audit fee		3,534	3,534
Tax agent's fee		1,621	1,621
Other expenses		2,794	4,396
		<u>142,954</u>	<u>233,153</u>
<b>INCOME/(LOSS) BEFORE DISTRIBUTION AND TAXATION</b>		<u>278,188</u>	<u>(2,578,633)</u>
Distribution:			
- Class AUD-H		1	325
- Class GBP-H		24,939	43,245
- Class MYR-H		67,601	104,609
- Class SGD		42,169	73,443
- Class USD-H		7,082	12,093
	6	<u>141,792</u>	<u>233,715</u>
<b>INCOME/(LOSS) BEFORE TAXATION</b>		136,396	(2,812,348)
Taxation	7	<u>(15,001)</u>	<u>(79,038)</u>
<b>PROFIT/(LOSS) AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>121,395</u>	<u>(2,891,386)</u>
Profit/(loss) after taxation is made up as follows:			
Realised amount		(1,782,711)	(1,978,921)
Unrealised amount		1,904,106	(912,465)
		<u>121,395</u>	<u>(2,891,386)</u>

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

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

	Note	2024 SGD	2023 SGD
<b>ASSETS</b>			
Cash and cash equivalents	10	133,705	228,029
Financial assets at fair value through profit or loss	8	6,747,968	12,508,279
Derivative assets at fair value through profit or loss	9	-	19,785
Tax recoverable		31,698	-
Amount due from Manager of collective investment scheme			
- management fee rebate		12,403	23,510
<b>TOTAL ASSETS</b>		<u>6,925,774</u>	<u>12,779,603</u>
<b>LIABILITIES</b>			
Derivative liabilities at fair value through profit or loss	9	221	-
Amount due to Manager		45,477	60,466
Accrued management fee		7,981	14,928
Amount due to Trustee		228	427
Tax payable		-	14,844
Other payables and accruals		17,390	15,720
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>		<u>71,297</u>	<u>106,385</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>6,854,477</u>	<u>12,673,218</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>6,854,477</u>	<u>12,673,218</u>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS (SGD)</b>			
- Class AUD-H		745	700
- Class GBP-H		1,417,501	2,258,114
- Class MYR-H		3,204,386	5,875,502
- Class SGD		2,040,532	3,818,382
- Class USD-H		191,313	720,520
		<u>6,854,477</u>	<u>12,673,218</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
- Class AUD-H		1,029	1,028
- Class GBP-H		996,857	1,677,556
- Class MYR-H		13,250,380	24,805,021
- Class SGD		2,333,048	4,596,753
- Class USD-H		172,556	695,659
	11	<u>16,753,870</u>	<u>31,776,017</u>

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT 30 JUNE 2024 (CONTINUED)

	2024 SGD	2023 SGD
<b>REPRESENTED BY:</b>		
<b>NET ASSET VALUE PER UNIT (SGD)</b>		
- Class AUD-H	0.7250	0.6809
- Class GBP-H	1.4220	1.3461
- Class MYR-H	0.2418	0.2369
- Class SGD	0.8746	0.8307
- Class USD-H	<u>1.1087</u>	<u>1.0357</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>		
- Class AUD-H	AUD0.7973	AUD0.7531
- Class GBP-H	GBP0.8249	GBP0.7825
- Class MYR-H	RM0.8359	RM0.8162
- Class SGD	SGD0.8691	SGD0.8307
- Class USD-H	<u>USD0.8130</u>	<u>USD0.7653</u>

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>SGD</b>	<b>SGD</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<u>12,673,218</u>	<u>18,380,952</u>
Movements due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class AUD-H	-	625
- Class GBP-H	8,074	133,817
- Class MYR-H	77,449	260,326
- Class SGD	63	457,013
- Class USD-H	21,508	-
	<u>107,094</u>	<u>851,781</u>
Creation of units from distributions		
- Class AUD-H	1	325
- Class GBP-H	12,780	21,396
- Class MYR-H	46,119	72,216
- Class SGD	24,641	40,085
- Class USD-H	5,693	9,710
	<u>89,234</u>	<u>143,732</u>
Cancellation of units		
- Class AUD-H	-	(29,983)
- Class GBP-H	(901,785)	(923,405)
- Class MYR-H	(2,784,675)	(1,155,774)
- Class SGD	(1,886,897)	(1,544,518)
- Class USD-H	(563,107)	(158,181)
	<u>(6,136,464)</u>	<u>(3,811,861)</u>
Total comprehensive Income/(loss) for the financial year	<u>121,395</u>	<u>(2,891,386)</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR</b>	<u>6,854,477</u>	<u>12,673,218</u>

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

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	Note	2024 SGD	2023 SGD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of collective investment scheme		6,210,000	4,730,000
Purchase of collective investment scheme		(162,616)	(1,215,000)
Dividend income received		183,155	302,140
Management fee paid		(138,199)	(223,526)
Management fee rebate received		102,326	160,073
Trustee and custodian fees paid		(3,953)	(6,391)
Tax paid		(61,315)	(62,711)
Payments for other administrative expenses		(6,371)	(10,058)
Receipt of other foreign exchange gain		1,730	629
Net realised loss on forward foreign currency contracts		(122,418)	(800,511)
<b>Net cash generated from operating activities</b>		<u>6,002,339</u>	<u>2,874,645</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		107,096	944,314
Payments for cancellation of units		(6,151,201)	(3,755,894)
Distributions paid		(52,558)	(89,983)
<b>Net cash used in financing activities</b>		<u>(6,096,663)</u>	<u>(2,901,563)</u>
Net decrease in cash and cash equivalents		(94,324)	(26,918)
Cash and cash equivalents at the beginning of the financial year		<u>228,029</u>	<u>254,947</u>
Cash and cash equivalents at the end of the financial year	<b>10</b>	<u><u>133,705</u></u>	<u><u>228,029</u></u>
<u>Cash and cash equivalents comprised:</u>			
Bank balances		<u>133,705</u>	<u>228,029</u>
Cash and cash equivalents at the end of the financial year	<b>10</b>	<u><u>133,705</u></u>	<u><u>228,029</u></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 2024**

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

Principal Heritage Growth Fund (the “Fund”) is governed by a Principal was constituted pursuant to the execution of a Deed dated 21 April 2020 and a First Supplemental Master Deed dated 2 February 2024 (collectively known as the “Deed”), made between Principal Asset Management Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”).

The Fund aims to provide income and capital growth through investments in one (1) CIS, which invests in a diversified portfolio of mixed asset.

The Fund is a feeder fund and it invests in a single CIS, i.e. Fullerton SGD FSH-Balanced. The Fund may also invest in liquid assets for liquidity purpose.

In order to achieve its investment objective, the Fund will invest at least 95% of its NAV in FSH-Income and may also invest up to 5% of its NAV in liquid assets for liquidity purpose. FSH-Income was established on 21 May 2019 under the Fullerton Fund; a Singapore-constituted umbrella unit trust.

The asset allocation strategy for this Fund is as follows:

- at least 95% of the Fund’s NAV will be invested in FSH-Income; and
- up to 5% of the Fund’s NAV will be invested in liquid assets for liquidity purposes.

Information on the Target Fund

Target Fund	: FSH-Income
Share Class	: Class B
Currency denomination	: SGD
Target Fund Manager	: Fullerton Fund Management Company Ltd.
Regulatory Authority	: Monetary Authority of Singapore

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

The Fund had issued the Fourth Supplemental Information Memorandum dated 28 February 2024.

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

**2. MATERIAL ACCOUNTING POLICIES**

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

**(a) Basis of preparation**

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

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

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

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

There are no other standards, amendments to standards or interpretations that are effective for financial year beginning on 1 July 2023 that have a material effect on the financial statements of the Fund.

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

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

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

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

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

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

Investment in collective investment schemes have debt instrument with contractual cash flow that do not represent SPPI and therefore are classified as fair value through profit or loss.

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



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

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

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

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value. Financial instruments are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

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

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

Impairment for assets carried at amortised costs

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

**2. MATERIAL ACCOUNTING POLICIES (CONTINUED)****(b) Financial assets and financial liabilities (continued)**Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

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

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (d) Foreign currency (continued)

#### 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) Distribution

A distribution to the Fund's unit holders is accounted for as finance cost in the statement of comprehensive income. A proposed distribution is recognised as a liability in the financial year in which it is approved by the Trustee.

### (g) Taxation

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

Tax on income from foreign collective investment schemes are based on the tax regime of the respective countries that the Fund invests in.

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

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

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

**2. MATERIAL ACCOUNTING POLICIES (CONTINUED)****(i) Amount due from/to Manager of collective investment scheme**

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

**(j) Management fee rebate**

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

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

The analysis of realised and unrealised portions of profit or loss after tax as presented on the statement of comprehensive income is guided by SC Guidelines on Unit Trust Funds<sup>1</sup>.

**(l) 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).

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

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

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework. However, the Manager is of the opinion that in applying this accounting policy, no significant judgement was required.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss SGD	Financial assets at amortised cost SGD	Total SGD
<b>2024</b>			
Cash and cash equivalents (Note 10)	-	133,705	133,705
Collective investment scheme (Note 8)	6,747,968	-	6,747,968
Amount due from Manager of collective investment scheme			
- management fee rebate	-	12,403	12,403
	<u>6,747,968</u>	<u>146,108</u>	<u>6,894,076</u>
<b>2023</b>			
Cash and cash equivalents (Note 10)	-	228,029	228,029
Collective investment scheme (Note 8)	12,508,279	-	12,508,279
Derivative assets at fair value through profit or loss	19,785	-	19,785
Amount due from Manager of collective investment scheme			
- management fee rebate	-	23,510	23,510
	<u>12,528,064</u>	<u>251,539</u>	<u>12,779,603</u>

All other liabilities except derivatives are financial liabilities which are carried at amortised cost.

The Fund aims to provide income and capital growth through investments in one (1) collective investment scheme, which invests in a diversified portfolio of mixed asset.

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. FINANCIAL INSTRUMENTS AND 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 Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

**(a) Market risk**

**(i) Price risk**

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

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

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

	<b>2024</b>	<b>2023</b>
	<b>SGD</b>	<b>SGD</b>
Financial assets at fair value through profit or loss:		
- Collective investment scheme	<u>6,747,968</u>	<u>12,508,279</u>

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

<b>% Change in price of collective investment scheme</b>	<b>Market value SGD</b>	<b>Impact on profit or loss/NAV SGD</b>
<b>2024</b>		
-5%	6,410,570	(337,398)
0%	6,747,968	-
5%	<u>7,085,366</u>	<u>337,398</u>
<b>2023</b>		
-5%	11,882,865	(625,414)
0%	12,508,279	-
5%	<u>13,133,693</u>	<u>625,414</u>

3. FINANCIAL INSTRUMENTS AND 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 SGD 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 SGD	Derivative assets at fair value through profit or loss SGD	Amount due from Manager SGD	Total SGD
<b>2024</b>				
AUD	8,918	-	-	8,918
GBP	3,561	-	-	3,561
MYR	2,254	-	-	2,254
USD	1,440	-	-	1,440
	<u>16,173</u>	<u>-</u>	<u>-</u>	<u>16,173</u>
<b>2023</b>				
AUD	8,877	-	-	8,877
GBP	3,389	1,925	-	5,314
MYR	6,157	11,393	-	17,550
USD	3,146	6,467	-	9,613
	<u>21,569</u>	<u>19,785</u>	<u>-</u>	<u>41,354</u>

**Financial liabilities**

	Derivative liabilities at fair value through profit or loss SGD	Amount due to Manager SGD	Other payables and accruals SGD	Net assets attributable to unit holders SGD	Total SGD
<b>2024</b>					
AUD	3	-	-	741	744
GBP	(5,606)	-	-	1,407,442	1,401,836
MYR	4,916	45,477	8,834	3,181,646	3,240,873
USD	466	-	-	189,955	190,421
	<u>(221)</u>	<u>45,477</u>	<u>8,834</u>	<u>4,779,784</u>	<u>4,833,874</u>

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

(a) Market risk (continued)

(ii) Currency risk (continued)

Financial liabilities (continued)

	Derivative liabilities at fair value through profit or loss SGD	Other payables and accruals SGD	Net assets attributable to unit holders SGD	Total SGD
<b>2023</b>				
AUD	-	-	700	700
GBP	-	-	2,258,114	2,258,114
MYR	-	5,259	5,875,502	5,880,761
USD	-	-	720,520	720,520
	<u>-</u>	<u>5,259</u>	<u>8,854,836</u>	<u>8,860,095</u>

The table below summarizes 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.

	Change in foreign exchange rate %	Impact on profit or loss/NAV 2024 SGD	Impact on profit or loss/NAV 2023 SGD
AUD	+/-5	+/-409	+/-409
GBP	+/-5	+/-69,914	-/+112,640
MYR	+/-5	+/-161,931	-/+293,161
USD	+/-5	+/-9,449	-/+35,545
		<u>241,703</u>	<u>+/-440,937</u>

(b) Credit risk

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

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

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

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



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

(b) Credit risk (continued)

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

	Cash and cash equivalents SGD	Derivative assets at fair value through profit or loss SGD	Amount due from Manager of collective investment scheme- management fee rebate SGD	Total SGD
<b>2024</b>				
- AAA	133,705	-	-	133,705
- Not rated	-	-	12,403	12,403
	<u>133,705</u>	<u>-</u>	<u>12,403</u>	<u>146,108</u>
<b>2023</b>				
- AAA	228,029	-	-	228,029
- Not Rated	-	19,785	23,510	43,295
	<u>228,029</u>	<u>19,785</u>	<u>23,510</u>	<u>271,324</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.

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.

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

(c) Liquidity risk (continued)

	Less than 1 month SGD	Between 1 month to 1 year SGD	Total SGD
<b>2024</b>			
Derivative liabilities at fair value through profit or loss	-	221	221
Amount due to Manager	45,477	-	45,477
Accrued management fee	7,981	-	7,981
Amount due to Trustee	228	-	228
Other payables and accruals	-	17,390	17,390
Net assets attributable to unit holders*	<u>6,854,477</u>	<u>-</u>	<u>6,854,477</u>
<b>Contractual undiscounted cash flows</b>	<u>6,908,163</u>	<u>17,611</u>	<u>6,925,774</u>
<b>2023</b>			
Amount due to Manager	60,466	-	60,466
Accrued management fee	14,928	-	14,928
Amount due to Trustee	427	-	427
Other payables and accruals	-	15,720	15,720
Net assets attributable to unit holders*	<u>12,673,218</u>	<u>-</u>	<u>12,673,218</u>
<b>Contractual undiscounted cash flows</b>	<u>12,749,039</u>	<u>15,720</u>	<u>12,764,759</u>

\* 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 SGD6,854,477 (2023: SGD12,673,218) The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

### 3. FINANCIAL INSTRUMENTS AND 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.

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 SGD	Level 2 SGD	Level 3 SGD	Total SGD
<b>2024</b>				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	<u>6,747,968</u>	<u>-</u>	<u>-</u>	<u>6,747,968</u>
Derivative liabilities at fair value through profit or loss:				
- Forward foreign currency contracts	<u>-</u>	<u>221</u>	<u>-</u>	<u>221</u>
<b>2023</b>				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	<u>12,508,279</u>	<u>-</u>	<u>-</u>	<u>12,508,279</u>
Derivative assets at fair value through profit or loss:				
- Forward foreign currency contracts	<u>-</u>	<u>19,785</u>	<u>-</u>	<u>19,785</u>

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

- (ii) The carrying values of cash and cash equivalents, amount due from Manager of collective investment scheme - management fee rebate and all other 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. The Management Fee shall be accrued daily and paid monthly.

For the financial year ended 30 June 2024 and 30 June 2023, the management fee for the respective classes was recognised at the following rates:

Class AUD-H	Class GBP-H	Class MYR-H	Class SGD	Class USD-H
1.40%	1.40%	1.40%	1.40%	1.40%

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 Deed, the Trustee is entitled to a fee of 0.04% per annum of the NAV of the Class. The Trustee fee includes local custodian fees and charges but excludes foreign sub-custodian fees and charges.

For the financial year ended 30 June 2024 and 30 June 2023, the Trustee fee was recognised at the rate of 0.04% per annum.

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

**6. DISTRIBUTION**

Breakdown of distribution were as follows:

	SGD	2024 %	SGD	2023 %
<b>Source of distribution</b>				
Distribution out of current year's income	141,792	100.00	146,947	62.87
Distribution out of prior year's income/capital*	-	-	86,768	37.13
<b>Total</b>	<u>141,792</u>	<u>100.00</u>	<u>233,715</u>	<u>100.00</u>

\* Distribution income has been accrued as at the end of the prior financial year but is not declared and paid as distribution.

<b>Gross/Net distribution per unit (sen)</b>	<b>2024 SGD</b>	<b>2023 SGD</b>
Distribution on 18 July 2023		
- Class AUD-H	0.09	-
- Class GBP-H	0.17	-
- Class MYR-H	0.03	-
- Class SGD	0.10	-
- Class USD-H	0.13	-
Distribution on 1 September 2023		
- Class AUD-H	-	-
- Class GBP-H	0.16	-
- Class MYR-H	0.03	-
- Class SGD	0.10	-
- Class USD-H	0.13	-

## 6. DISTRIBUTION (CONTINUED)

<b>Gross/Net distribution per unit (sen)</b>	<b>2024 SGD</b>	<b>2023 SGD</b>
Distribution on 19 September 2023		
- Class AUD-H	-	-
- Class GBP-H	0.17	-
- Class MYR-H	0.03	-
- Class SGD	0.10	-
- Class USD-H	0.13	-
Distribution on 17 October 2023		
- Class AUD-H	-	-
- Class GBP-H	0.15	-
- Class MYR-H	0.03	-
- Class SGD	0.10	-
- Class USD-H	0.13	-
Distribution on 17 November 2023		
- Class AUD-H	-	-
- Class GBP-H	0.15	-
- Class MYR-H	0.03	-
- Class SGD	0.10	-
- Class USD-H	0.12	-
Distribution on 19 December 2023		
- Class AUD-H	-	-
- Class GBP-H	0.16	-
- Class MYR-H	0.03	-
- Class SGD	0.10	-
- Class USD-H	0.12	-
Distribution on 17 January 2024		
- Class AUD-H	-	-
- Class GBP-H	0.16	-
- Class MYR-H	0.03	-
- Class SGD	0.10	-
- Class USD-H	0.13	-
Distribution on 19 February 2024		
- Class AUD-H	-	-
- Class GBP-H	0.16	-
- Class MYR-H	0.03	-
- Class SGD	0.10	-
- Class USD-H	0.13	-
Distribution on 19 March 2024		
- Class AUD-H	-	-
- Class GBP-H	0.17	-
- Class MYR-H	0.03	-
- Class SGD	0.10	-
- Class USD-H	0.13	-
Distribution on 17 April 2024		
- Class AUD-H	-	-
- Class GBP-H	0.17	-
- Class MYR-H	0.03	-
- Class SGD	0.11	-
- Class USD-H	0.13	-

## 6. DISTRIBUTION (CONTINUED)

<b>Gross/Net distribution per unit (sen)</b>	<b>2024 SGD</b>	<b>2023 SGD</b>
Distribution on 17 May 2024		
- Class AUD-H	-	-
- Class GBP-H	0.16	-
- Class MYR-H	0.03	-
- Class SGD	0.10	-
- Class USD-H	0.13	-
Distribution on 19 June 2024		
- Class AUD-H	-	-
- Class GBP-H	0.17	-
- Class MYR-H	0.03	-
- Class SGD	0.11	-
- Class USD-H	0.13	-
Distribution on 19 July 2022		
- Class AUD-H	-	0.10
- Class GBP-H	-	0.19
- Class MYR-H	-	0.04
- Class SGD	-	0.12
- Class USD-H	-	0.15
Distribution on 17 August 2022		
- Class AUD-H	-	0.10
- Class GBP-H	-	0.19
- Class MYR-H	-	0.04
- Class SGD	-	0.12
- Class USD-H	-	0.15
Distribution on 20 September 2022		
- Class AUD-H	-	0.10
- Class GBP-H	-	0.18
- Class MYR-H	-	0.04
- Class SGD	-	0.11
- Class USD-H	-	0.15
Distribution on 18 October 2022		
- Class AUD-H	-	0.09
- Class GBP-H	-	0.16
- Class MYR-H	-	0.03
- Class SGD	-	0.11
- Class USD-H	-	0.14
Distribution on 17 November 2022		
- Class AUD-H	-	0.09
- Class GBP-H	-	0.16
- Class MYR-H	-	0.03
- Class SGD	-	0.10
- Class USD-H	-	0.14
Distribution on 19 December 2022		
- Class AUD-H	-	0.09
- Class GBP-H	-	0.17
- Class MYR-H	-	0.03
- Class SGD	-	0.11
- Class USD-H	-	0.13

6. DISTRIBUTION (CONTINUED)

Gross/Net distribution per unit (sen)	2024 SGD	2023 SGD
Distribution on 17 January 2023		
- Class AUD-H	-	0.09
- Class GBP-H	-	0.16
- Class MYR-H	-	0.03
- Class SGD	-	0.11
- Class USD-H	-	0.13
Distribution on 17 February 2023		
- Class AUD-H	-	0.09
- Class GBP-H	-	0.17
- Class MYR-H	-	0.03
- Class SGD	-	0.11
- Class USD-H	-	0.13
Distribution on 17 March 2023		
- Class AUD-H	-	0.09
- Class GBP-H	-	0.16
- Class MYR-H	-	0.03
- Class SGD	-	0.11
- Class USD-H	-	0.13
Distribution on 18 April 2023		
- Class AUD-H	-	0.09
- Class GBP-H	-	0.17
- Class MYR-H	-	0.03
- Class SGD	-	0.11
- Class USD-H	-	0.13
Distribution on 17 May 2023		
- Class AUD-H	-	0.08
- Class GBP-H	-	0.16
- Class MYR-H	-	0.03
- Class SGD	-	0.10
- Class USD-H	-	0.13
Distribution on 19 June 2023		
- Class AUD-H	-	0.08
- Class GBP-H	-	0.16
- Class MYR-H	-	0.03
- Class SGD	-	0.10
- Class USD-H	-	0.13

Gross distribution was derived using total income less total expenses. Net distribution above was sourced from current financial year's realised income.

Gross distribution per unit was derived from gross realised income less expenses, divided by the number of units in circulation. Net distribution per unit is derived from gross realised income less expenses and taxation, divided by the number of units in circulation.

During the financial year ended 30 June 2024, the Fund incurred unrealised loss of Nil (2023: SGD912,465).



**7. TAXATION**

	<b>2024</b>	<b>2023</b>
	<b>SGD</b>	<b>SGD</b>
Tax charged for the financial year:		
- Under provision of income tax expense in prior year	(10,391)	5,819
- Tax on foreign source income	25,392	73,219
	<u>15,001</u>	<u>79,038</u>

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

	<b>2024</b>	<b>2023</b>
	<b>SGD</b>	<b>SGD</b>
Profit/(loss) before taxation	<u>136,396</u>	<u>(2,812,348)</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	32,735	(674,964)
Tax effects of:		
- Income not subject to tax	(506,159)	(80,272)
- Loss not deductible for loss purpose	426,977	735,514
- Expenses not deductible for tax purposes	37,037	4,615
- Restriction on tax deductible expenses for Wholesale Funds	9,410	15,107
- Under provision of income tax expense in prior year	(10,391)	5,819
- Tax on foreign source income	25,392	73,219
Taxation	<u>15,001</u>	<u>79,038</u>

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

	<b>2024</b>	<b>2023</b>
	<b>SGD</b>	<b>SGD</b>
At fair value through profit or loss:		
- Collective investment scheme	<u>6,747,968</u>	<u>12,508,279</u>

	<b>2024</b>	<b>2023</b>
	<b>SGD</b>	<b>SGD</b>
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised loss on disposals	(1,663,411)	(1,086,251)
- Unrealised fair value gain/(loss)	1,950,484	(944,162)
- Management fee rebate #	91,219	150,978
	<u>378,292</u>	<u>(1,879,435)</u>

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

For the financial year ended 30 June 2024, management fee rebate is recognised at a rate of 0.98% per annum (2023: 0.98%) calculated and accrued daily based on the NAV of the collective investment scheme.

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

Name of counter	Quantity Units	Aggregate cost SGD	Market value SGD	Percentage of NAV %
<b>2024</b>				
<b>COLLECTIVE INVESTMENT SCHEME</b>				
FSH-Growth Class B	<u>7,005,781</u>	<u>8,016,538</u>	<u>6,747,968</u>	<u>98.45</u>
<b>TOTAL COLLECTIVE INVESTMENT SCHEME</b>	<b><u>7,005,781</u></b>	<b><u>8,016,538</u></b>	<b><u>6,747,968</u></b>	<b><u>98.45</u></b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>(1,268,570)</u>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>6,747,968</u></b>		
<b>2023</b>				
<b>COLLECTIVE INVESTMENT SCHEME</b>				
FSH-Growth Class B	<u>13,692,847</u>	<u>15,727,333</u>	<u>12,508,279</u>	<u>98.70</u>
<b>TOTAL COLLECTIVE INVESTMENT SCHEME</b>	<b><u>13,692,847</u></b>	<b><u>15,727,333</u></b>	<b><u>12,508,279</u></b>	<b><u>98.70</u></b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>(3,219,054)</u>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>12,508,279</u></b>		

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

	2024 SGD	2023 SGD
Forward foreign currency contracts		
Derivative (liabilities)/assets	<u>(221)</u>	<u>19,785</u>

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

	<b>2024</b>	<b>2023</b>
	<b>SGD</b>	<b>SGD</b>
Net loss on derivative assets/(liabilities) at fair value through profit or loss:		
- Realised loss on forward foreign currency contracts	(122,418)	(800,511)
- Unrealised fair value (loss)/gain on forward foreign currency contracts	(20,006)	30,930
	<u>(142,424)</u>	<u>(769,581)</u>

As at 30 June 2024, there are total of 9 (2023: 4) outstanding SGD/Malaysian Ringgit (“MYR”), SGD/Australian Dollar (“AUD”), SGD/British Pound Sterling (“GBP”) and SGD/United States Dollar (“USD”) forward foreign currency contracts. The notional principal amount of the outstanding forward foreign currency contracts amounting to SGD12,287,005 (2023: SGD22,866,827).

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

**10. CASH AND CASH EQUIVALENTS**

	<b>2024</b>	<b>2023</b>
	<b>SGD</b>	<b>SGD</b>
Bank balances	<u>133,705</u>	<u>228,029</u>

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

	<b>2024</b>	<b>2023</b>
	<b>No. of units</b>	<b>No. of units</b>
Class AUD-H (i)	1,029	1,028
Class GBH-H (ii)	996,857	1,677,556
Class MYR-H (iii)	13,250,380	24,805,021
Class SGD (iv)	2,333,048	4,596,753
Class USD-H (v)	172,556	695,659
	<u>16,753,870</u>	<u>31,776,017</u>
(i) Class AUD-H		
At the beginning of the financial year	1,028	42,459
Add : Creation of units from applications	-	957
Add : Creation of units from distributions	1	441
Less : Cancellation of units	-	(42,829)
At the end of the financial year	<u>1,029</u>	<u>1,028</u>

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

	<b>2024</b>	<b>2023</b>
	<b>No. of units</b>	<b>No. of units</b>
(ii) Class GBP-H		
At the beginning of the financial year	1,677,556	2,256,219
Add : Creation of units from applications	5,909	102,039
Add : Creation of units from distributions	9,639	15,850
Less : Cancellation of units	(696,247)	(696,552)
At the end of the financial year	<u>996,857</u>	<u>1,677,556</u>
(iii) Class MYR-H		
At the beginning of the financial year	24,805,021	28,011,667
Add : Creation of units from applications	334,525	941,315
Add : Creation of units from distributions	199,700	274,790
Less : Cancellation of units	(12,088,866)	(4,422,751)
At the end of the financial year	<u>13,250,380</u>	<u>24,805,021</u>
(iv) Class SGD		
At the beginning of the financial year	4,596,753	5,868,218
Add : Creation of units from applications	77	508,013
Add : Creation of units from distributions	29,860	46,332
Less : Cancellation of units	(2,293,642)	(1,825,810)
At the end of the financial year	<u>2,333,048</u>	<u>4,596,753</u>
(v) Class USD-H		
At the beginning of the financial year	695,659	823,794
Add : Creation of units from applications	20,148	-
Add : Creation of units from distributions	5,555	8,920
Less : Cancellation of units	(548,806)	(137,055)
At the end of the financial year	<u>172,556</u>	<u>695,659</u>

12. TOTAL EXPENSE RATIO (“TER”)

	<b>2024</b>	<b>2023</b>
	<b>%</b>	<b>%</b>
TER	<u>0.55</u>	<u>0.53</u>

TER was derived based on the following calculation:

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

- A = Management fee (excluding management fee rebate)
- B = Trustee and custodian fees
- C = Audit fee
- D = Tax agent’s fee
- E = Other expenses
- 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 SGD9,380,616 (2023: SGD15,539,647).

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	2024	2023
PTR (times)	0.34	0.19

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 = SGD162,616 (2023: SGD1,175,000)

total disposal for the financial year = SGD6,210,000 (2023: SGD4,730,000)

14. 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
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

	2024		2023
	No. of units	SGD	No. of units
<b>Manager</b>			<b>SGD</b>
Principal Asset Management Berhad			
- Class AUD-H	1,029	746	1,034
- Class GBP-H	38	54	38
- Class MYR-H	3	1	3
- Class SGD	1	1	1
- Class USD-H	30	33	30
	30	33	30
			704
			51
			1
			1
			31

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

In the opinion of the Manager, the above units were transacted at the prevailing market price.

The units are held beneficially by the Manager for booking purposes. Other than the above, there were no units held by the Directors or parties related to the Manager.

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

**15. TRANSACTIONS WITH BROKER/DEALER**

Details of transactions with the broker/dealer for the financial year ended 30 June 2024 were as follows:

<b>Broker/Dealer</b>	<b>Value of trades SGD</b>	<b>Percentage of total trades %</b>
Fullerton Fund Management Company Ltd.	<u>6,372,616</u>	<u>100.00</u>

Details of transactions with the broker/dealer for the financial year ended 30 June 2023 were as follows:

<b>Broker/Dealer</b>	<b>Value of trades SGD</b>	<b>Percentage of total trades %</b>
Fullerton Fund Management Company Ltd.	<u>5,905,000</u>	<u>100.00</u>

**16. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved for issue by the Manager on 16 August 2024.

**DIRECTORY**

**Head Office of the Manager**

Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))  
Level 32, Exchange 106,  
Lingkaran TRX,  
55188 Tun Razak Exchange, Kuala Lumpur  
MALAYSIA.  
Tel: (03) 8680 8000

**Website**

[www.principal.com.my](http://www.principal.com.my)

**E-mail address**

[myservice@principal.com](mailto:myservice@principal.com)

**Customer Care Centre**

(03) 7723 7260

**Chat with us via WhatsApp:**

(6016) 299 9792

**Trustee for the Principal Heritage Growth Fund**

Deutsche Trustees Malaysia Berhad (Company No. 200701005591 (763590-H))  
Level 20, Menara IMC,  
8, Jalan Sultan Ismail,  
50250 Kuala Lumpur, MALAYSIA.  
Tel: (03) 2053 7522

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

Ernst & Young PLT 202006000003 (LLP0022760-LCA) & AF 0039  
Level 23A, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur  
Tel: +603 7495 8000  
Fax: +603 2095 5332