

**PRINCIPAL ISLAMIC GLOBAL RESPONSIBLE EQUITY FUND**  
**UNAUDITED SEMI-ANNUAL REPORT**  
**FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

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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 Unaudited Semi-Annual Fund Report of the Principal Islamic Global Responsible Equity Fund for the financial period from 1 August 2024 to 31 January 2025. You may also download this report from our website at [www.principal.com.my](http://www.principal.com.my).

We are thankful to share that investors like you have helped make our recent recognition at the LSEG Lipper Fund Awards 2025 possible, where Principal Malaysia received nine awards. These acknowledgements reflect the collaborative effort of our entire team to deliver investment solutions that meet your needs.

Building on our recent success, Principal Malaysia also garnered numerous accolades throughout 2024. At the Asia Asset Management 2024 Best of the Best Awards, we were honored with the Best of the Best Performance Award for China A-Share Equity (3 years) and recognized as the 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 our company was recognized as Asset Management Company of the Year Malaysia. Additionally, we 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). The International Finance Awards honored us with 'Best Asset Management Company – Malaysia 2024' and 'Best Asset Management CEO – Munirah Khairuddin – Malaysia 2024'. At the Triple A Sustainable Investing Awards 2024, we secured the Asset Management Company of the Year (Malaysia) award. The World Business Outlook magazine recognized us with the titles of 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, ten at the FSMOne Recommended Funds 2023/2024, and two at the Edge ESG Awards 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, 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 capital growth through investments in one Islamic collective investment scheme ("CIS") which invests in a globally diversified portfolio.

**Has the Fund achieved its objective?**

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

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

The Fund is a feeder fund that invests into a single Islamic CIS, i.e. Islamic Global Responsible Equity Fund ("Target Fund"). The Fund may also invest in Islamic liquid assets for liquidity purposes.

In order to achieve its objective, the Fund will invest at least 85% of its NAV in the Target Fund; a fund established on 8 April 2022 under Principal Islamic Asset Management (Ireland) plc. The Fund may also invest up to 15% of its NAV in Islamic liquid assets for liquidity purposes and Islamic derivatives for the sole purpose of hedging arrangement.

As the Fund is a qualified sustainable and responsible investment fund, at least two thirds (2/3) of the Fund's NAV will be invested in investments that are subject to the Environmental, social and governance ("ESG") integration approach which involves the analysis of material factors in investment analysis and investment decisions, including ESG factors as defined in the United Nations sponsored Principles for Responsible Investment ("UNPRI") including the selection, retention and realisation of the Fund's investments. The Target Fund Investment Manager applies sustainability criteria when selecting investments for the Target Fund. The first step in the process employed by the Target Fund Investment Manager is to identify signs of positive change in an investee company. Indicators of positive change could be determined from sources such as accelerating sales volumes, increased market share or improved financial statements. The Target Fund Investment Manager then seeks to identify the catalysts underlying the positive change through proprietary screening and determine whether they are internal catalysts (investee company driven) and/or external catalysts (industry driven). Internal catalysts could be driven by internal investee company operational initiatives that range from cost cutting to expanding distribution, better capital deployment and improved corporate governance. External catalysts could be driven by favourable product cycles, changing industry dynamics and regulatory changes. The foregoing analysis of catalysts enables the Target Fund Investment Manager to assess the likely magnitude and durability of the catalysts and whether the change is likely to be structural or cyclical in nature. The Target Fund Investment Manager will have an investment preference for investee companies whose catalysts are therefore likely to be long term and structural in nature (i.e. will create fundamental positive change). This enables the Target Fund Investment Manager to substantiate investee companies that are considered to be displaying positive fundamental change and whose valuation is therefore under-appreciated in the market relative to their potential for positive fundamental change. The Target Fund Investment Manager subsequently analyses potential investee companies identified pursuant to the foregoing process to determine whether they are consistent with the ESG considerations, that are promoted by the Target Fund. The Target Fund will adopt the investment policy under section 2.1. of the Prospectus to ensure that the Target Fund's investment is in line with the sustainability criteria adopted and the overall impact of such investments of the Target Fund is not inconsistent with any other sustainability criteria. In the event that the Target Fund's investment becomes inconsistent with the sustainability criteria adopted by the Target Fund, the Target Fund Investment Manager shall rectify the breach or dispose of the investment within three (3) months from the date of breach.

**Base Currency**

United States Dollar ("USD")

**Fund category/type**

Feeder Fund (Islamic)/Growth.

## FUND OBJECTIVE AND POLICY (CONTINUED)

### When was the Fund launched?

Name of Class	Launch Date
Class D	30 September 2024
Class MYR	27 March 2023
Class MYR-Hedged ("MYR-H")	27 March 2023
Class USD	27 March 2023

### What was the size of the Fund as at 31 January 2025?

USD1.65 million (6.75 million units)

### What is the Fund's benchmark?

As this is a feeder fund, the Fund adheres to the performance comparator of the Target Fund for performance comparison. The performance of the Target Fund will be referenced against the Morgan Stanley Capital International ("MSCI") All Country World Index ("ACWI") Islamic Index ("Index") on the basis that the Target Fund seeks to outperform the Index.

### What is the Fund distribution policy?

Given the Fund's investment objective, the Fund is not expected to pay any distribution. Distributions (if any) are at the Manager's discretion and will vary from period to period depending on the availability of realised income for distribution and performance of the Fund.

### What was the net income distribution for the financial period from 1 August 2024 to 31 January 2025?

There was no distribution made for the financial period from 01 August 2024 to 31 January 2025.

## PERFORMANCE DATA

Details of portfolio composition of the Fund for the last two audited financial periods were as follows:

	31.01.2025 %	31.01.2024 %
Shariah-compliant collective investment scheme	99.16	98.47
Cash and other assets	2.27	3.27
Liabilities	(1.43)	(1.74)
	<u>100.00</u>	<u>100.00</u>

Performance details of the Fund for the last two audited financial periods were as follows:

	31.01.2025	31.01.2024
NAV (USD Million)		
- Class D	0.08	-
- Class MYR	1.08	0.46
- Class MYR-H	0.50	0.12
- Class USD	0.00*	0.00*
Units in circulation (Million)		
- Class D	0.33	-
- Class MYR	4.31	1.91
- Class MYR-H	2.11	0.56
- Class USD	0.00*	0.00*
NAV per unit (USD)		
- Class D	0.2346	-
- Class MYR	0.2501	0.2435
- Class MYR-H	0.2356	0.2230
- Class USD	1.1013	1.0715

Note: 0.00\* denotes fair value/unit count less than 0.01 million.

**PERFORMANCE DATA (CONTINUED)**

Performance details of the Fund for the two audited financial period were as follows (continued):

	<b>01.08.2024 to 31.01.2025</b>	<b>27.03.2023 (date of launch) to 31.01.2024</b>
Highest NAV per unit (USD)		
- Class D	0.2420	-
- Class MYR	0.2614	0.2437
- Class MYR-H	0.2661	0.2298
- Class USD	1.1502	1.0725
Lowest NAV per unit (USD)		
- Class D	0.2249	-
- Class MYR	0.2398	0.2159
- Class MYR-H	0.2241	0.1968
- Class USD	1.0557	0.9501
Total return (%)		
- Class D	-	-
- Class MYR	(4.22)	8.07
- Class MYR-H	(2.51)	2.03
- Class USD	(1.26)	2.93
Capital growth (%)		
- Class D	-	-
- Class MYR	(4.22)	8.07
- Class MYR-H	(2.51)	2.03
- Class USD	(1.26)	2.93
Income distribution (%)		
- Class D	-	-
- Class MYR	-	-
- Class MYR-H	-	-
- Class USD	-	-
Total Expense Ratio ("TER") (%) ^	0.86	0.99
Portfolio Turnover Ratio ("PTR") (times) #	0.21	0.93

^ The Fund's TER decreased from 0.99% to 0.86% due to an increase in average NAV during the financial period under review

# During the period under review, the Fund's PTR decreased from 0.93 times to 0.21 times. The turnover reflects the investments and withdrawals in the target fund.

	<b>31.01.2025 %</b>	<b>Since inception to 31.01.2024 %</b>
Annual total return		
- Class MYR	(3.28)	15.19
- Class MYR-H	(0.51)	5.49
- Class USD	2.78	7.15

(Launch date: 27 March 2023)

	<b>Since inception to 31.01.2025 %</b>
Annual total return	
- Class D	4.50

(Launch date: 30 September 2024)

## PERFORMANCE DATA (CONTINUED)

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

## MARKET REVIEW (01 AUGUST 2024 TO 31 JANUARY 2025)

Global markets were significantly influenced by the robust performance of the US economy and the ongoing challenges faced by China. The US economy demonstrated remarkable resilience, characterized by steady gross domestic product ("GDP") growth and a strong labor market. The Federal Reserve's decision to raise interest rates to combat persistent inflation was a pivotal factor during this period, the Fed signaled a shift towards more cautious policies, leading markets to anticipate potential rate cuts in the second half of 2024. This shift in monetary policy, coupled with moderating inflation, alleviated fears of a deep recession and contributed to a positive economic outlook.

In contrast, China's economic momentum faltered, particularly in the property sector, which experienced sluggish growth and declining home sales. Despite efforts to stabilize the economy, the recovery remained fragile, and market performance was subdued due to uneven policy impacts. The Chinese government's aggressive stimulus measures aimed at boosting borrowing and consumer spending had limited success in revitalizing the economy. These challenges underscored the difficulties China faced in sustaining its economic growth and highlighted the uneven nature of the global economic recovery.

Equity markets during this period reflected the contrasting economic conditions in the US and China. Equities rebounded in the second quarter of 2024, driven by hopes of central bank pivots. US equities performed well as inflation eased, benefiting from the strong economic fundamentals. In contrast, Chinese equities lagged due to the ongoing economic difficulties and the fragile recovery.

## FUND PERFORMANCE

	6 months to 31.01.2025 %	1 year to 31.01.2025 %	Since inception to 31.01.2025 %
Income Distribution			
- Class D	-	-	-
- Class MYR	-	-	-
- Class MYR-H	-	-	-
- Class USD	-	-	-
Capital Growth			
- Class D	-	-	4.50
- Class MYR	(4.22)	(3.28)	11.41
- Class MYR-H	(2.51)	(0.51)	4.95
- Class USD	(1.26)	2.78	10.13
Total Return			
- Class D	-	-	4.50
- Class MYR	(4.22)	(3.28)	11.41
- Class MYR-H	(2.51)	(0.51)	4.95
- Class USD	(1.26)	2.78	10.13
Benchmark			
- Class D	-	-	5.49
- Class MYR	(2.67)	1.81	26.77
- Class MYR-H	0.33	8.03	25.75
- Class USD	0.33	8.03	25.75

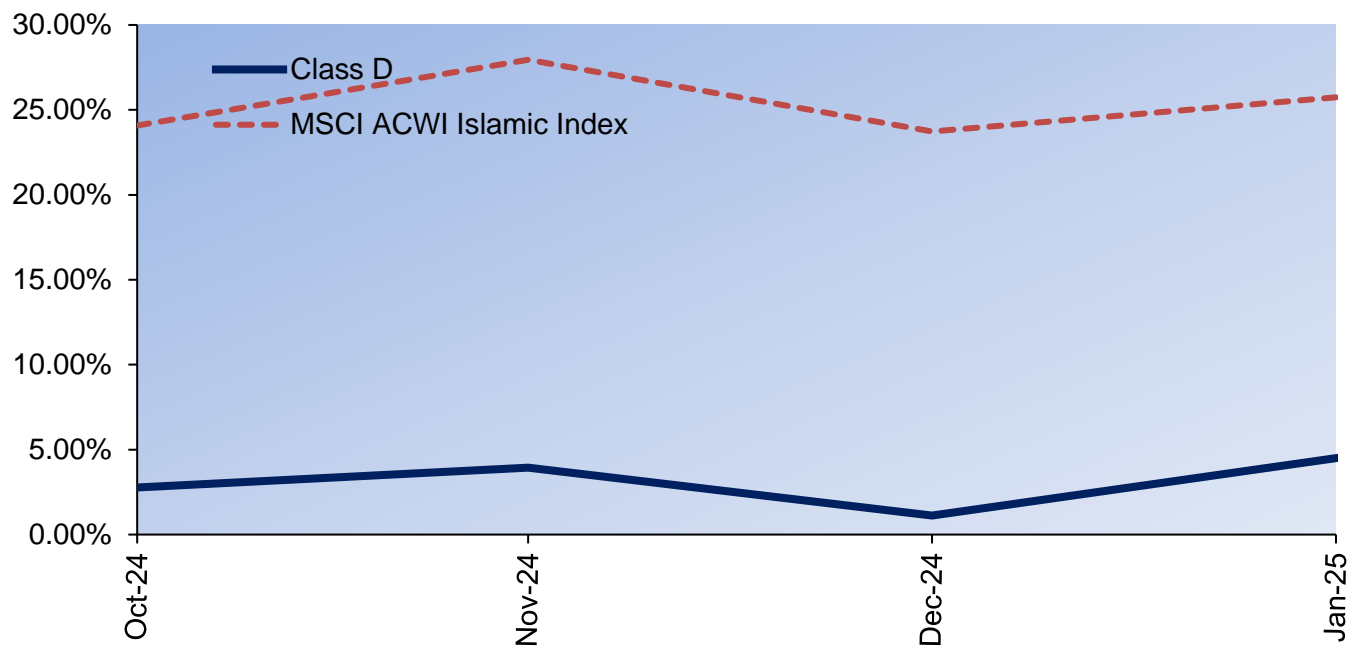
## FUND PERFORMANCE

	6 months to 31.01.2025 %	1 year to 31.01.2025 %	Since inception to 31.01.2025 %
Average Total Return			
- Class D	-	-	13.95
- Class MYR	(8.20)	(3.28)	6.01
- Class MYR-H	(4.91)	(0.51)	2.64
- Class USD	(2.47)	2.78	5.35

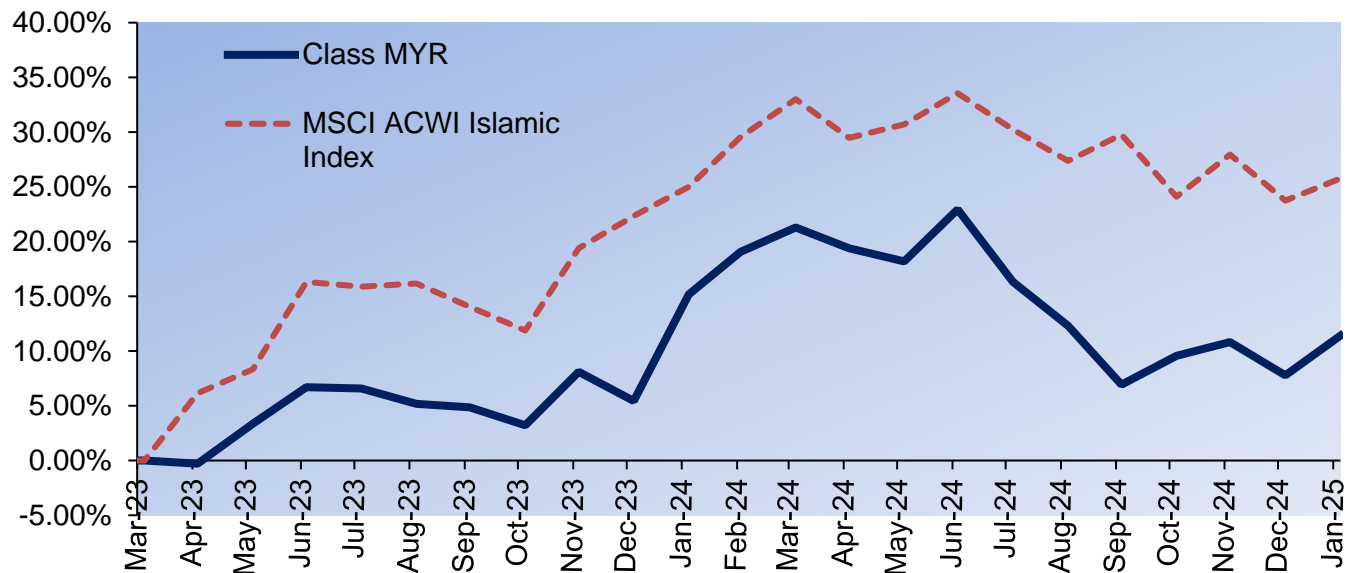
During the period under review, the Fund posted negative return, Class MYR, Class MYR-H, and Class USD decreased by 4.22%, 2.51%, and 1.26%, underperformed their relative benchmarks.

### Since Inception

#### CLASS D



#### CLASS MYR

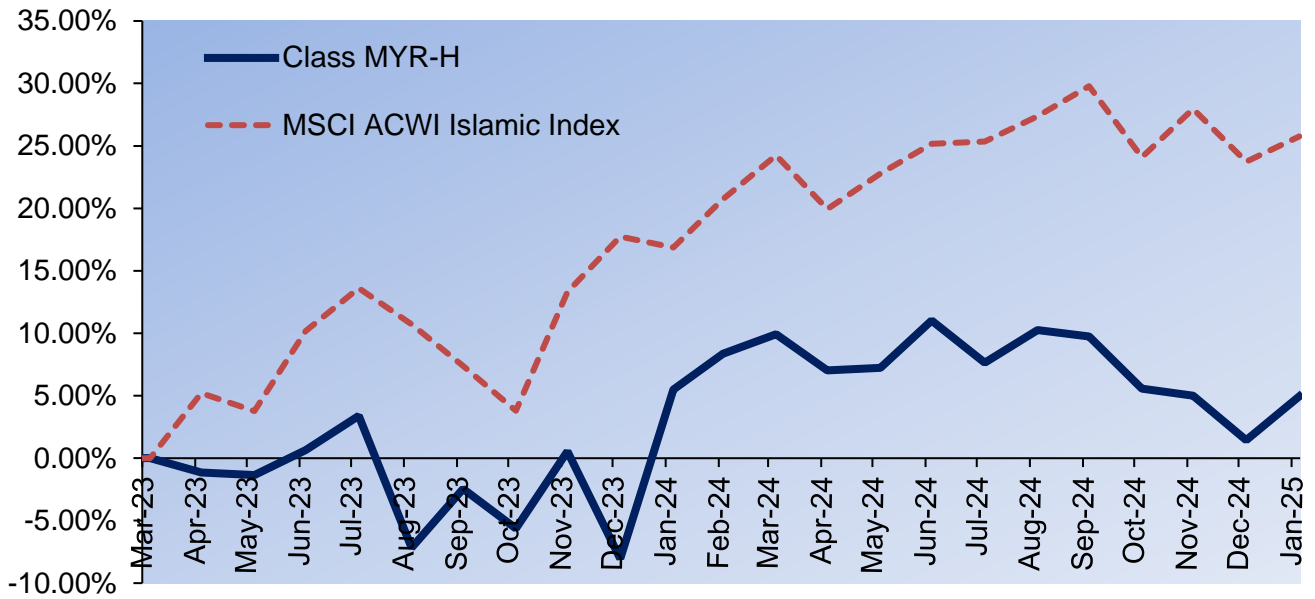




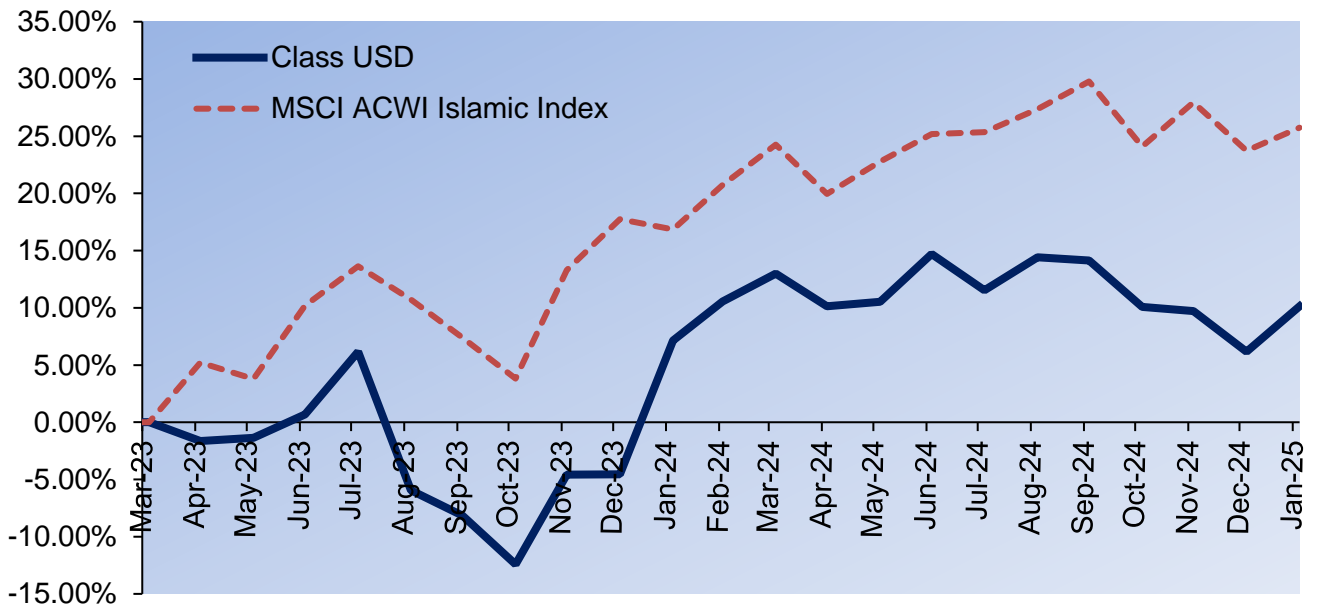
FUND PERFORMANCE (CONTINUED)

Since Inception

CLASS MYR-H



CLASS USD



## FUND PERFORMANCE (CONTINUED)

### Changes in NAV

	31.01.2025	31.07.2024 Audited	Changes %
<b>Class D</b>			
NAV (USD Million)	0.08	-	100.00
NAV/Unit (USD)	0.2346	-	100.00
<b>CLASS MYR</b>			
NAV (USD Million)	1.08	1.38	(21.74)
NAV/Unit (USD)	0.2501	0.2535	(1.34)
<b>CLASS MYR-H</b>			
NAV (USD Million)	0.50	0.42	19.05
NAV/Unit (USD)	0.2356	0.2346	0.43
<b>CLASS USD</b>			
NAV (USD Million)	0.00*	0.00*	-
NAV/Unit (USD)	1.1013	1.115	(1.23)

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

During the period under review, the Fund's NAV for Class MYR decreased by 21.74%, while Class MYR-H increased by 19.05%. At the same time, Class D increased by over 100% to USD 0.08 million. Class USD's NAV remain unchanged during the period.

In addition, the NAV per unit for Class MYR and Class USD decreased by 1.34% and 1.23%, while Class MYR-H increased by 0.43%.

At the time of reporting, Class MYR has the highest total NAV, stood at USD 1.08 million.

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

## PORTFOLIO STRUCTURE

### Asset allocation

(% of NAV)	31.01.2025	31.07.2024 Audited
Shariah-compliant collective investment scheme	99.16	95.53
Cash and other assets	2.27	5.96
Liabilities	(1.43)	(1.49)
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

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

**MARKET OUTLOOK\***

Global equities are supported by improving economic conditions, growing corporate earnings, solid balance sheets, and favorable credit conditions. The world's three largest economies—the US, China, and the European Union (“EU”)—are signaling stimulative policy actions, collectively representing nearly 60% of global GDP. However, rising bond yields present a significant challenge, as continued increases could lead to heightened market volatility and temper equity gains. In the US, policies aimed at deregulation and tax reductions are expected to spur economic growth, capital formation, and Mergers and acquisitions (“M&A”) activity, despite potential pressures on federal deficits.

In the Euro area, the economy faces challenges, prompting consecutive rate cuts through the first half of 2025, with the possibility of further cuts if trade barriers increase. Japan's economy shows resilience with strong wage growth and corporate reforms driving equity results. In Asia, concerns such as higher trade tariffs, geopolitical tensions, and a stronger USD persist. China is expected to roll out fiscal stimulus policies to support domestic demand, with hopes of stabilizing residential property sales in 2025.

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

**INVESTMENT STRATEGY**

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

**SOFT COMMISSIONS AND REBATES**

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

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

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

**SECURITIES FINANCING TRANSACTIONS**

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

## STATE OF AFFAIR OF THE FUND

The Fund has issued the second supplemental prospectus dated 30 September 2024 following the launch of class D.

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

## CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

There were no circumstances that had materially affected the interest of the unit holders during the financial period under review.

## CROSS TRADE

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

## UNIT SPLIT

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

## SRI REPORT TO THE UNIT HOLDERS OF PRINCIPAL ISLAMIC GLOBAL RESPONSIBLE EQUITY FUND

Principal Islamic Global Responsible Equity Fund ("Fund") is a qualified SRI Fund under the Securities Commission Malaysia's Guidelines on SRI Funds ("Guidelines").

In the opinion of the Manager, the Fund for the financial period under review, has complied with the Guidelines issued on 17 February 2023.

The sustainability considerations that have been adopted in the SRI strategies employed as outlined in the table below:

Strategy	Description
EGS Integration	Systematic assessment of quantitative and qualitative data and explicit inclusion on environmental, social and governance factors in investment analysis.
Ethical and faith-based investing	Investing in line with certain principles, usually using negative screening to avoid investing in companies whose products and services are deemed morally objectionable by the investor or certain religions, international declarations, conventions or voluntary agreements, (e.g., by applying Shariah screening methodologies).
Negative or exclusionary screening	The Fund excluded companies undertaking business activities or practices in gaming, alcohol, tobacco and other businesses regarded as vice in its investments.
Positive screening	Prioritising investment in sectors, companies or projects that demonstrate positive ESG performance relative to industry peers.
Thematic investments	Selection on investments and allocation of capital that align with specific themes or assets related to sustainability or certain environmental or social outcomes, (e.g., clean energy, energy efficiency, sustainable agriculture, healthcare, social inclusion).

**SRI REPORT TO THE UNIT HOLDERS OF PRINCIPAL ISLAMIC GLOBAL RESPONSIBLE EQUITY FUND (CONTINUED)**

COLLECTIVE INVESTMENT SCHEME	Sustainability Aspect					
	ESG integration	Ethical and faith-based investing	Impact investing	Negative screening	Positive screening	Thematic investments
Principal Islamic Asset Irl Management-Global Responsible Equity USD	✓					

In order to consider ESG risk, the Sub-Investment Manager assigns an ESG risk level to each holding considered within the Fund. To assign the ESG risk levels, the Sub-Investment Manager evaluates an investee company's relationships with each of its stakeholders, shareholders, customers, employees, suppliers and their supply chains, their communities and the environment. The Sub-Investment Manager will use internal data, incorporating partnership with third party data providers (MSCI, Institutional Shareholder Services and Bloomberg etc.) to help provide consistent data across the investment universe when making these evaluations. The Sub-Investment Manager will also assign an ESG risk trend of either improving, stable or deteriorating using the above processes. This risk trend designation provides important context to the risk level and informs the Sub-Investment Manager's tolerance for that risk.

The Sub-Investment Manager subsequently uses these ESG risk levels to identify the key risks to the stakeholders and the associated positive change to the environmental characteristics to be considered in each holding and references these outcomes in investment decision making.

Stocks of Shariah-compliant companies which demonstrate poor or deteriorating ESG scores or those with outstanding ESG issues deemed to have potential material financial impact would either be removed or significantly downsized, and the Sub-Investment Manager seeks to engage with companies that are non-performing from an ESG standpoint, with the aim of improving their ESG performance.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF  
PRINCIPAL ISLAMIC GLOBAL RESPONSIBLE EQUITY 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 9 to 24 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the statement of financial position of the Fund as at 31 January 2025 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period from 01 August 2024 to 31 January 2025 in accordance with MFRS Accounting Standards and IFRS Accounting Standards.

For and on behalf of the Manager

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

**MUNIRAH KHAIRUDDIN**

Chief Executive Officer  
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  
14 March 2025

**TRUSTEE'S REPORT**

**TO THE UNIT HOLDERS OF  
PRINCIPAL ISLAMIC GLOBAL RESPONSIBLE EQUITY FUND ("Fund")**

We have acted as Trustee of the Fund for the financial period ended 31 January 2025 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

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

For HSBC (Malaysia) Trustee Berhad

Lee Cincee  
Senior Manager, Trustee and Fiduciary Services

Kuala Lumpur  
14 March 2025

**SHARIAH ADVISER'S REPORT**

**To the Unit Holders of Principal Islamic Global Responsible Equity Fund ("Fund")**

**For The Financial Period From 01 August 2024 to 31 January 2025**

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia ("SC") pertaining to Shariah matters; and
2. The assets of the Fund comprise instruments that have been classified as Shariah-compliant.

**For Amanie Advisors Sdn Bhd**

**Tan Sri Dr Mohd Daud Bakar**  
Executive Chairman

Kuala Lumpur  
14 March 2025



**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2024 TO 31 JANUARY 2025**

		<b>01.08.2024 to 31.01.2025 USD</b>	<b>27.03.2023 (date of launch) to 31.01.2024 USD</b>
	<b>Note</b>		
<b>INCOME/(LOSS)</b>			
Net (loss)/gain on financial assets at fair value through profit or loss	<b>7</b>	(6,224)	48,403
Net gain/(loss) on derivative assets at fair value through profit or loss	<b>8</b>	6,897	(8,092)
Net foreign exchange loss		(928)	(3,807)
Hibah income		66	-
		<u>(189)</u>	<u>36,504</u>
<b>EXPENSES</b>			
Management fee	<b>4</b>	15,728	6,801
Trustee fee	<b>5</b>	262	113
Audit fee		1,035	-
Tax agent's fee		727	-
Other expenses		407	-
		<u>18,159</u>	<u>6,914</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(18,348)	29,590
Taxation	<b>6</b>	-	-
<b>(LOSS)/PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE FINANCIAL PERIOD</b>		<u>(18,348)</u>	<u>29,590</u>
(Loss)/Profit after taxation is made up as follows:			
Realised amount		(4,265)	(12,525)
Unrealised amount		(14,083)	42,115
		<u>(18,348)</u>	<u>29,590</u>

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 31 JANUARY 2025**

		31.01.2025	31.07.2024
	Note	USD	Audited USD
<b>ASSETS</b>			
Cash and cash equivalents	8	15,763	42,556
Financial assets at fair value through profit or loss (Shariah-compliant)	7	1,639,406	1,722,823
Derivative assets at fair value through profit or loss		636	6,818
Amount due from Manager		13,308	56,425
- Management fee rebate		4,358	1,165
Amount due from Manager of Shariah-compliant collective investment scheme			
- Sale of Shariah-compliant collective investment scheme		3,472	577
<b>TOTAL ASSETS</b>		<b>1,676,943</b>	<b>1,830,364</b>
<b>LIABILITIES</b>			
Derivative liability at fair value through profit or loss		-	
Amount due from Manager of Shariah-compliant collective investment scheme			
- Purchase of Shariah-compliant collective investment scheme		-	
Amount due to dealer		3,445	579
Amount due to Manager		14,608	20,160
Accrued management fee		2,525	2,756
Amount due to Trustee		42	46
Other payables and accruals		3,078	3,426
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>		<b>23,698</b>	<b>26,967</b>
<b>NET ASSET VALUE OF THE FUND</b>		<b>1,653,245</b>	<b>1,803,397</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<b>1,653,245</b>	<b>1,803,397</b>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS (USD)</b>			
- Class D		77,656	-
- Class MYR		1,078,132	1,384,291
- Class MYR-H		496,356	417,991
- Class USD		1,101	1,115
		<b>1,653,245</b>	<b>1,803,397</b>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
- Class D		331,057	-
- Class MYR		4,310,737	5,460,792
- Class MYR-H		2,106,701	1,781,951
- Class USD		1,000	1,000
	9	<b>6,749,495</b>	<b>7,243,743</b>

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 JANUARY 2025 (CONTINUED)**

	31.01.2025	31.07.2024
	USD	Audited USD
<b>NET ASSET VALUE PER UNIT (USD)</b>		
- Class D	0.2346	-
- Class MYR	0.2501	0.2535
- Class MYR-H	0.2356	0.2346
- Class USD	<u>1.1013</u>	<u>1.1150</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>		
- Class D	RM1.0450	-
- Class MYR	RM1.1141	RM1.1632
- Class MYR-H	RM1.0495	RM1.0765
- Class USD	<u>USD1.1013</u>	<u>USD1.1150</u>

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

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS  
FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2024 TO 31 JANUARY 2025**

	<b>01.08.2024 to 31.01.2025</b>	<b>27.03.2023 (date of launch) to 31.01.2024</b>
	<b>USD</b>	<b>USD</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<u>1,803,397</u>	<u>-</u>
Movement due to units created and cancelled during the financial period:		
Creation of units from applications		
- Class D	201,921	-
- Class MYR	166,490	534,384
- Class MYR-H	167,567	149,281
- Class USD	-	1,000
	<u>535,978</u>	<u>683,665</u>
Cancellation of units		
- Class D	(124,892)	-
- Class MYR	(453,352)	(99,965)
- Class MYR-H	(89,538)	(24,803)
	<u>(667,782)</u>	<u>(124,768)</u>
Total comprehensive (loss)/income for the financial period	<u>(18,348)</u>	<u>29,590</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD</b>	<u>1,653,245</u>	<u>589,487</u>

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

**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2024 TO 31 JANUARY 2025**

	01.08.2024 to 31.01.2025 USD	27.03.2023 (date of launch) to 31.01.2024 USD
Note		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from disposal of Shariah-compliant collective investment scheme	394,000	108,000
Purchase of Shariah-compliant collective investment scheme	(320,000)	(638,000)
Hibah income earned	66	-
Management fee paid	(15,959)	(5,936)
Management fee rebates received	-	1,914
Trustee fees paid	(266)	(99)
Payment of other fees and expenses	(2,517)	-
Net realised gain/(loss) on forward foreign currency contracts	6,897	(7,970)
Proceeds from realised forward	6,153	-
Payment of other foreign exchange loss	(928)	(1,863)
<b>Net cash generated from/(used in) operating activities</b>	<b>67,446</b>	<b>(543,954)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from units created	579,095	678,702
Payments for cancellation of units	(673,334)	(123,061)
<b>Net cash (used in)/generated from financing activities</b>	<b>(94,239)</b>	<b>555,641</b>
Net (decrease)/increase in cash and cash equivalents	(26,793)	11,687
Cash and cash equivalents at the beginning of the financial period	42,556	-
Effects of foreign exchange differences	-	(1,943)
Cash and cash equivalents at the end of the financial period	<b>9 15,763</b>	<b>9,744</b>
<u>Cash and cash equivalents comprised:</u>		
Bank balances	15,763	9,744
Cash and cash equivalents at the end of the financial period	<b>9 15,763</b>	<b>9,744</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2024 TO 31 JANUARY 2025

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

Principal Islamic Global Responsible Equity Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 8 September 2022, a First Supplemental Deed dated 19 January 2024 and a Second Supplemental Deed dated 3 May 2024 (collectively known as the “Deeds”), made between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustees Malaysia Berhad (the “Trustee”).

The Fund is a feeder fund that invests into a single Islamic CIS, i.e. Islamic Global Responsible Equity Fund (“Target Fund”). The Fund may also invest in Islamic liquid assets for liquidity purposes. In order to achieve its objective, the Fund will invest at least 85% of its NAV in the Target Fund; a fund established on 8 April 2022 under Principal Islamic Asset Management (Ireland) plc. The Fund may also invest up to 15% of its NAV in Islamic liquid assets for liquidity purposes and Islamic derivatives for the sole purpose of hedging arrangement. As the Fund is a qualified sustainable and responsible investment fund, at least two thirds (2/3) of the Fund’s NAV will be invested in investments that are subject to the ESG integration approach which involves the analysis of material factors in investment analysis and investment decisions, including ESG factors as defined in the United Nations sponsored Principles for Responsible Investment (“UNPRI”) including the selection, retention and realisation of the Fund’s investments. The Target Fund Investment Manager applies sustainability criteria when selecting investments for the Target Fund. The first step in the process employed by the Target Fund Investment Manager is to identify signs of positive change in an investee company. Indicators of positive change could be determined from sources such as accelerating sales volumes, increased market share or improved financial statements. The Target Fund Investment Manager then seeks to identify the catalysts underlying the positive change through proprietary screening and determine whether they are internal catalysts (investee company driven) and/or external catalysts (industry driven). Internal catalysts could be driven by internal investee company operational initiatives that range from cost cutting to expanding distribution, better capital deployment and improved corporate governance. External catalysts could be driven by favourable product cycles, changing industry dynamics and regulatory changes. The foregoing analysis of catalysts enables the Target Fund Investment Manager to assess the likely magnitude and durability of the catalysts and whether the change is likely to be structural or cyclical in nature. The Target Fund Investment Manager will have an investment preference for investee companies whose catalysts are therefore likely to be long term and structural in nature (i.e. will create fundamental positive change). This enables the Target Fund Investment Manager to substantiate investee companies that are considered to be displaying positive fundamental change and whose valuation is therefore under-appreciated in the market relative to their potential for positive fundamental change. The Target Fund Investment Manager subsequently analyses potential investee companies identified pursuant to the foregoing process to determine whether they are consistent with the ESG considerations, that are promoted by the Target Fund. The Target Fund will adopt the investment policy under section 2.1. of the Prospectus to ensure that the Target Fund’s investment is in line with the sustainability criteria adopted and the overall impact of such investments of the Target Fund is not inconsistent with any other sustainability criteria. In the event that the Target Fund’s investment becomes inconsistent with the sustainability criteria adopted by the Target Fund, the Target Fund Investment Manager shall rectify the breach or dispose of the investment within three (3) months from the date of breach.

All investments are subjected to the GUTF, SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

The Fund had issued the Second Supplemental Prospectus dated 30 September 2024.

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

The Manager, is a joint venture between Principal Financial Group®, a member of the FORTUNE 500® and a Nasdaq-listed global financial services and CIMB Group Holdings Berhad, one of Southeast Asia's leading universal banking groups.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

The Manager, is a joint venture between Principal Financial Group®, a member of the FORTUNE 500® and a Nasdaq-listed global financial services and CIMB Group Holdings Berhad, one of Southeast Asia's leading universal banking groups.

The principal activities of the Manager are the establishment and management of unit trust funds and fund management activities.

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

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires the Manager to exercise their judgement in the process of applying the Fund's accounting policies. Although these estimates and assumptions are based on the Manager's best knowledge of current events and actions, actual results may differ.

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

There are no other standards, amendments to standards or interpretations that are effective for the financial year beginning on 1 August 2024 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 February 2025 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.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

#### Classification (continued)

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The 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 debt securities are solely principal and interest<sup>1</sup> ("SPPI"). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

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

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

#### Recognition and measurement

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

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

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

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

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

Foreign Shariah-compliant collective investment scheme is valued based on the most recent published NAV per unit or share of such Shariah-compliant 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).



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

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

Impairment for assets carried at amortised costs

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

Significant increase in credit risk

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

<sup>1</sup> For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments.

Definition of default and credit-impaired financial assets

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

Write-off

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

**(c) Income recognition**

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

**(d) Foreign currency**Functional and presentation currency

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

**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)****(d) Foreign currency (continued)**Functional and presentation currency (continued)

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

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

**(e) Cash and cash equivalents**

For the purpose of statement of cash flow, cash and cash equivalent comprise bank balances with known amounts of cash and which are subject to an insignificant risk of changes in value.

**(f) Taxation**

Current tax expense is determined according to Malaysian tax laws at the current rate based upon the taxable profit earned during the financial period. Tax on dividend income from foreign quoted securities is based on the tax regime of the respective countries that the Fund invests in. Pursuant to Finance Act 2021, foreign-sourced income received in Malaysia will be taxed at prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met. Following the announcement by the Honorable Finance Minister II, tax on foreign-sourced income will be exempted for the period from 1 January 2024 until 31 December 2026.

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

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

**(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".

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

The Fund issues cancellable units, in four classes of units, known respectively as the Class D, Class MYR, Class MYR-H and Class USD, which are cancelled at the unit holder's option. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the member exercises the right to put back the unit to the Fund.

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

### (i) Management fee rebate

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

### (j) Derivative financial instruments

A derivative financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

### (j) Derivative financial instruments

A derivative financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavorable.

The Fund's derivative financial instruments comprise forward foreign exchange contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the date of statements of financial position, with the resulting value discounted back to present value.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (j) Derivative financial instruments (continued)

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held-for-trading and accounted for in accordance with the accounting policy set out in Note 2(b).

### (k) Critical accounting estimates and judgements in applying accounting policies

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

Estimates and judgements are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the GUTF. However, the Manager is of the opinion that in applying these accounting policies, no significant judgement was required.

## 3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund aims to provide capital growth through investments in one Islamic collective investment scheme ("CIS") which invests in a globally diversified portfolio.

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

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

### (a) Market risk

#### (i) Price risk

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

### 3. RISK MANAGEMENT OBJECTIVES AND POLICIES

#### (a) Market risk (continued)

##### (ii) Currency risk

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

#### (b) Credit risk

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

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

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

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

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

#### (d) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations.

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances and deposits with licensed financial institutions, which are capable of being converted into cash within 7 business days.

The Fund's investments in Shariah-compliant collective investment scheme are realisable which are capable of being converted into cash within 10 business days.

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations.

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances and deposits with licensed financial institutions, which are capable of being converted into cash within 7 business days. The Fund's investments in Shariah-compliant collective investment scheme are realisable which are capable of being converted into cash within 10 business days. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

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

#### (d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders. The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders.

The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

#### (e) Fair value estimation

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

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

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

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

##### (i) Fair value hierarchy

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

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (Continued)

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

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>31.01.2025</b>				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	1,639,406	-	-	1,639,406
Derivative asset at fair value through profit or loss				
- Forward foreign currency contracts	-	636	-	636
<b>31.07.2024</b>				
<b>Audited</b>				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	1,722,823			1,722,823
Derivative asset at fair value through profit or loss				
- Forward foreign currency contracts	-	6,818		6,818

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

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

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

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

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

### 4. MANAGEMENT FEE

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

For the financial period from 01 August 2024 to 31 January 2025, the management fee is recognised at a rate of 1.80% (31.1.2024: 1.80%) per annum for each class.

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

### 5. TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to a maximum fee of 0.10% (31.01.2024: 0.10%) per annum, calculated daily based on the NAV of the Fund. The Trustee fee includes local custodian fees and charges but excludes foreign sub-custodian fees and charges.

For the financial period from 01 August 2024 to 31 January 2025, the trustee fee is recognised at a rate of 0.03% per annum for each classes (31.01.2024: 0.03%).

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

### 6. TAXATION

	01.08.2024 to 31.01.2025	27.03.2023 (date of launch) to 31.01.2024
	USD	USD
Tax charged for the financial period:		
- Current taxation		

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

	01.08.2024 to 31.01.2025	27.03.2023 (date of launch) to 31.01.2024
	USD	USD
(Loss)/Profit before taxation	(18,348)	29,590
Taxation at Malaysian statutory rate of 24%	(4,403)	7,102
Tax effects of:		
- Investment income not subject to tax	45	(8,761)
- Expenses not deductible for tax purposes	335	27
- Restriction on tax deductible expenses for Unit Trust Funds	4,023	1,632
Taxation	-	-



7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.01.2025	31.07.2024
	USD	Audited USD
At fair value through profit or loss:		
- Shariah-compliant collective investment scheme	1,639,406	1,722,823
	<b>01.08.2024 to 31.01.2025</b>	<b>27.03.2023 (date of launch) to 31.01.2024</b>
	USD	USD
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised (loss)/gain on disposals	(1,740)	1,294
- Unrealised fair value (loss)/gain	(7,677)	44,181
- Management fee rebate #	3,193	2,928
	<u>(6,224)</u>	<u>48,403</u>

# Management fee rebate is derived from the Fund's investment in Shariah-compliant 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 Shariah-compliant collective investment scheme held.

For the financial period from 01 August 2024 to 31 January 2025 and 31 July 2024, the management fee rebates are recognised at a rate of 0.80%, calculated and accrued daily based on the NAV of the Shariah-compliant collective investment schemes.

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>31.01.2025</b>				
<b>SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME</b>				
Islamic Global Responsible Equity Fund I USD	148,902	1,647,239	1,639,406	99.16%
<b>TOTAL SHARIAH-COMPLIAN COLLECTIVE INVESTMENT SCHEME</b>	<u>148,902</u>	1,647,239	<u>1,639,406</u>	<u>99.16%</u>
<b>ACCUMULATED UNREALISE LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>(7,834)</u>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>1,639,406</u>		

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>31.01.2024</b>				
<b>SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME (CONTINUED)</b>				
Islamic Global Responsible Equity Fund I USD	155,771	1,722,980	1,722,823	95.53
<b>TOTAL SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME</b>	<b>155,771</b>	<b>1,722,980</b>	<b>1,722,823</b>	<b>95.53</b>
<b>ACCUMULATED UNREALISE LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>(157)</b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>1,722,823</b>		

8. DERIVATIVE ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.01.2025 USD	31.07.2024 Audited USD
Forward foreign currency contracts	636	6,818
Net gain/(loss) on derivatives at fair value through profit or loss:		
- Realised gain/(loss) on forward foreign currency contracts	13,079	(8,021)
- Unrealised fair value (loss)/gain on forward foreign currency contracts	(6,182)	6,818
	6,897	(1,203)

9. CASH AND CASH EQUIVALENTS

	31.01.2025 USD	31.07.2024 Audited USD
Bank balances	15,763	42,556

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.08.2024 to 31.01.2025	27.03.2023 (date of launch) to 31.07.2024 Audited
	No. of units	No. of units
Class D	331,057	-
Class MYR (i)	4,310,737	5,460,792
Class MYR-H (ii)	2,106,701	1,781,951
Class USD (iii)	1,000	1,000
	<u>6,749,495</u>	<u>7,243,743</u>
(i) Class D		
At the beginning of the financial period	-	-
Add: Creation of units from applications	864,566	-
Less: Cancellation of units	(533,509)	-
At the end of the financial period	<u>331,057</u>	<u>-</u>
(ii) Class MYR		
At the beginning of the financial period	5,460,792	-
Add: Creation of units from applications	657,411	6,460,528
Less: Cancellation of units	(1,807,466)	(999,736)
At the end of the financial period	<u>4,310,737</u>	<u>5,460,792</u>
(iii) Class MYR-H		
At the beginning of the financial period	1,781,951	-
Add: Creation of units from applications	692,547	1,995,465
Less: Cancellation of units	(367,797)	(213,514)
At the end of the financial period	<u>2,106,701</u>	<u>1,781,951</u>
(iv) Class USD		
At the beginning of the financial period	1,000	-
Add: Creation of units from applications	-	1,000
At the end of the financial period	<u>1,000</u>	<u>1,000</u>

11. TOTAL EXPENSE RATIO ("TER")

	01.08.2024 to 31.01.2025 %	27.03.2023 (date of launch) to 31.01.2024 %
TER	<u>0.86</u>	<u>0.99</u>

# 11. TOTAL EXPENSE RATIO (“TER”) (CONTINUED)

TER is derived from the following calculation:

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

A	=	Management fee (exclude management fee rebate)
B	=	Trustee fee
C	=	Audit fee
D	=	Tax agent’s fee
E	=	Other expenses
F	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is USD1,738,266 (31.01.2024: USD403,596).

# 12. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.08.2024 to 31.12.2025	27.03.2023 (date of launch) to 31.07.2024
	%	
PTR (times)	0.21	0.93

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial period	USD320,000 (31.01.2024: USD643,000)
total disposal for the financial period	= USD395,740 (31.01.2024: USD108,000)

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

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

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

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

Units held by the Manager and parties related to the Manager

	31.01.2025		31.07.2024	
			Audited	
	No. of units	USD	No. of units	USD
<b>Manager</b>				
Principal Asset Management Berhad				
- Class MYR	1,897	474	36	8
- Class-MYR-H	626	147	192	43
- Class USD	1,000	1,101	1,000	1,072

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

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

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

**14. TRANSACTIONS WITH BROKERS**

Details of transactions with the top 10 brokers for the financial period from 01 August 2024 to 31 January 2025 were as follows:

Broker	Value of trades USD	Percentage of total trades
Principal Islamic Asset Management (Ireland) PLC#	715,000	

Details of transactions with the top 10 brokers for the financial period from 27 March 2023 (date of launch) to 31 January 2024 were as follows:

Broker	Value of trades	Percentage of total trades
Principal Islamic Asset Management (Ireland) PLC#	751,000	100.00

# Included in the transactions are trades conducted with under Principal Islamic Asset Management (Ireland) PLC, fellow related parties to the Manager amounting to USD715,000 (31.01.2024: USD751,000). The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

## DIRECTORY

### Head Office of the Manager

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