

**PRINCIPAL ISLAMIC GLOBAL SUKUK FUND**  
**ANNUAL REPORT**  
**FOR THE FINANCIAL YEAR ENDED 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 Annual Fund Report of the Principal Islamic Global Sukuk Fund for the financial year ended 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 (@PrincipalMalaysia), follow us on our Instagram account (@principalmalaysia), and LinkedIn page (Principal Malaysia) for the latest updates, market insights and investment articles.

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

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

**Munirah Khairuddin**  
Chief Executive Officer,  
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 seeks to maximise total return over the medium to long term through a combination of capital growth and income.

#### Has the Fund achieved its objective?

For the financial year under review, the Fund is in line to achieve its objective of maximizing total return over the medium to long term through a combination of capital growth and income.

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

The Fund is a feeder fund, and it invests in a single Islamic collective investment scheme, i.e. Global Sukuk Fund managed by Principal Islamic Asset Management (Ireland) Plc. The Fund may also invest in Islamic liquid asset for liquidity purpose.

In order to achieve its investment objective, the Fund will invest at least 95% of its Net Asset Value ("NAV") in the Target Fund; a portfolio established on 7 September 2016 under Principal Islamic Asset Management (Ireland) Plc. The Fund will also maintain up to 5% of its NAV in Islamic liquid assets for liquidity purposes.

#### Information on the Target Fund:

Company	:	Principal Islamic Asset Management (Ireland) Plc
Investment Manager	:	Principal Islamic Asset Management Sdn Bhd
Regulatory authority	:	Central Bank of Ireland

#### Base Currency

United States Dollar ("USD")

#### Fund category/ type

Feeder fund (Islamic)/Income & Growth

#### When was the Fund launched?

Name of Class	Launch Date
Class MYR	15 May 2019
Class SGD	15 May 2019
Class USD	15 May 2019

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

USD1.18 million (18.51 million units)

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

The Fund adheres to the performance comparator of the Target Fund for performance comparison. Currently, the performance comparator of the Target Fund is Dow Jones Sukuk Price Return Index.

#### What is the Fund distribution policy?

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

#### What was the net income distribution for the year ended 31 January 2025?

There was no distribution made for the year ended 31 January 2025.

**PERFORMANCE DATA**

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

	<b>31.01.2025</b>	<b>31.01.2024</b>	<b>31.01.2023</b>
	%	%	%
Shariah-compliant collective investment scheme	79.71	97.56	98.63
Cash and other assets	26.70	7.30	3.17
Liabilities	(6.41)	(4.86)	(1.80)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	<b>31.01.2025</b>	<b>31.01.2024</b>	<b>31.01.2023</b>
NAV (USD Million)			
- Class MYR	1.01	1.72	6.91
- Class SGD	0.03	0.05	0.05
- Class USD	0.14	0.00*	0.00*
Units in circulation (Million)			
- Class MYR	17.72	30.96	122.89
- Class SGD	0.21	0.27	0.26
- Class USD	0.58	0.00*	0.00*
NAV per unit (USD)			
- Class MYR	0.0570	0.0554	0.0563
- Class SGD	0.1765	0.1718	0.1743
- Class USD	0.2361	0.2272	0.2349
Highest NAV per unit (USD)			
- Class MYR	0.0570	0.0567	0.0595
- Class SGD	0.1765	0.1755	0.1841
- Class USD	0.2361	0.2368	0.2494
Lowest NAV per unit (USD)			
- Class MYR	0.0544	0.0533	0.0538
- Class SGD	0.1685	0.1652	0.1666
- Class USD	0.2274	0.2224	0.2249
Total return (%)			
- Class MYR	(5.16)	8.95	(3.54)
- Class SGD	1.83	0.17	(7.98)
- Class USD	(0.47)	(1.32)	(5.81)
Capital growth (%)			
- Class MYR	(5.16)	8.95	(3.54)
- Class SGD	1.83	0.17	(7.98)
- Class USD	(0.47)	(1.32)	(5.81)
Income distribution (%)			
- Class MYR	-	-	-
- Class SGD	-	-	-
- Class USD	-	-	-
Total Expense Ratio ("TER") (%) ^	1.26	0.68	0.72
Portfolio Turnover Ratio ("PTR") (times) #	2.23	1.01	1.34

Note 0.00\* denotes allocation less than 0.01

**PERFORMANCE DATA (CONTINUED)**

Performance details of the Fund for the last three financial year are as follows (continued):

^ During the financial year under review, the Fund’s TER increased from 0.68% to 1.93% due to decrease in average NAV.

# The Fund’s PTR increased from 1.01 times to 2.23 times due to increase in trading activities. As a feeder fund, the turnover reflects the investments and withdrawals in the target fund.

	<b>31.01.2025</b>	<b>31.01.2024</b>	<b>31.01.2023</b>	<b>31.01.2022</b>	<b>31.01.2021</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Annual total return					
- Class MYR	(5.16)	8.95	(3.54)	1.52	(2.68)
- Class SGD	1.83	0.17	(7.98)	(0.32)	(3.68)
- Class USD	(0.47)	(1.32)	(5.81)	(2.19)	(1.20)

(Launch date: 15 May 2019)

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 FEBRUARY 2024 TO 31 JANUARY 2025)**

The global economy experienced a mix of developments, with growth slowing in several regions while inflationary pressures persisted. In response, central banks around the world began signaling potential rate cuts to stimulate economic activity, particularly in economies facing sluggish growth or deflationary risks. This shift in monetary policy was aimed at countering the economic slowdown and addressing the ongoing inflation concerns.

The anticipation of rate cuts had a significant impact on financial markets, generating cautious optimism among investors. Lower borrowing costs were seen as a potential benefit, but there were lingering concerns about persistent inflation. This cautious sentiment was reflected in various market segments, including the global sukuk market. Investors began positioning themselves for lower yields, which enhanced the attractiveness of fixed-income securities like sukuk. As a result, there was a slight increase in demand for sukuk, particularly those with longer maturities, as investors sought to lock in current rates before potential cuts.

The Standard & Poor (“S&P”) 500 Global Developed Sukuk Index, which tracks the performance of USD dollar-denominated sukuk issued globally, showed moderate gains during this period. Investor interest in Sharia-compliant instruments grew amid the changing rate environment, reflecting the broader market trends. The increased demand for sukuk highlighted the appeal of these instruments in a low-yield environment, as investors looked for stable and compliant investment options.

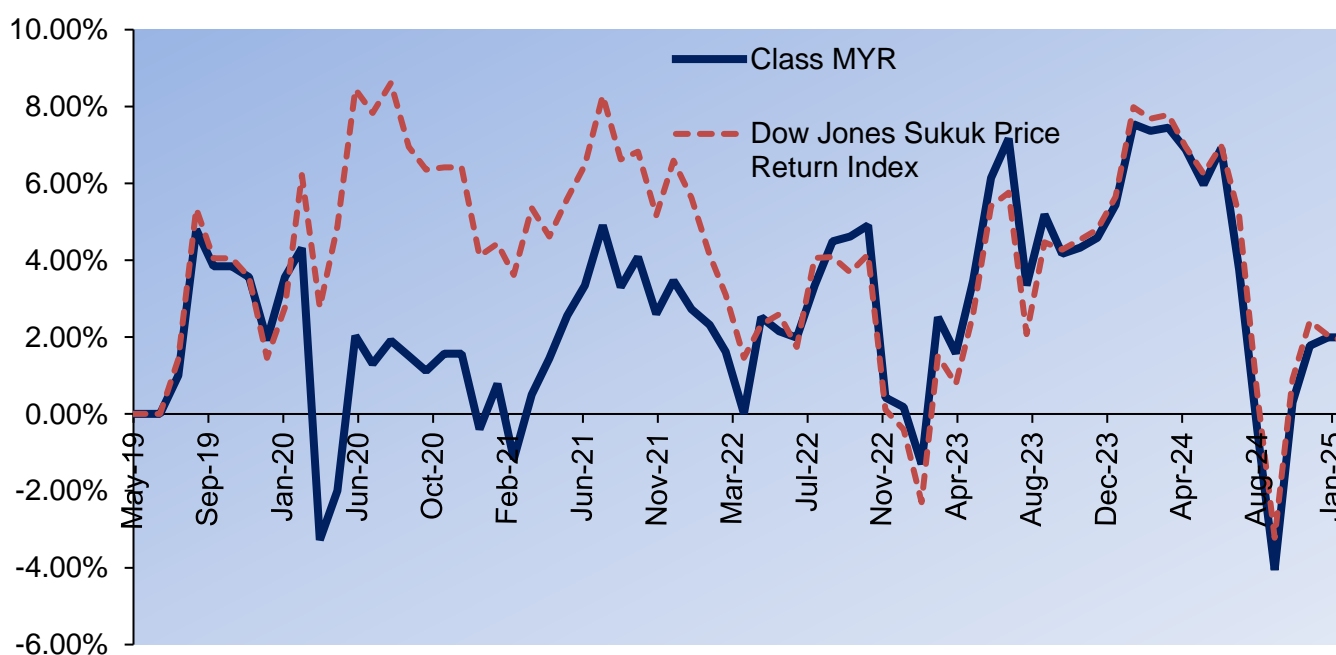
FUND PERFORMANCE

	1 year to 31.01.2025 %	3 years to 31.01.2025 %	5 years to 31.01.2025 %	Since Inception to 31.01.2025
<b>Income Distribution</b>				
- Class MYR	-	-	2.77	2.77
- Class SGD	-	-	0.48	0.48
- Class USD	-	-	2.06	2.06
<b>Capital Growth</b>				
- Class MYR	(5.16)	(0.32)	(4.17)	(0.76)
- Class SGD	1.83	(6.13)	(10.31)	(6.36)
- Class USD	(0.47)	(7.50)	(12.41)	(7.72)
<b>Total Return</b>				
- Class MYR	(5.16)	(0.32)	(1.52)	1.99
- Class SGD	1.83	(6.13)	(9.88)	(5.91)
- Class USD	(0.47)	(7.50)	(10.61)	(5.82)
<b>Benchmark</b>				
- Class MYR	(5.65)	(2.16)	(0.86)	1.88
- Class SGD	1.53	(7.92)	(9.50)	(5.54)
- Class USD	0.12	(8.13)	(8.86)	(4.59)
<b>Average Total Return</b>				
- Class MYR	(5.16)	(0.11)	(0.31)	0.34
- Class SGD	1.83	(2.09)	(2.06)	(1.06)
- Class USD	(0.47)	(2.56)	(2.22)	(1.04)

During the financial year under review, the Fund experienced a mix returned across different share class, Class MYR and Class USD decreased by 5.16% and 0.47%, while Class SGD increased by 1.83%, outperformed their respective relative benchmark.

Since Inception

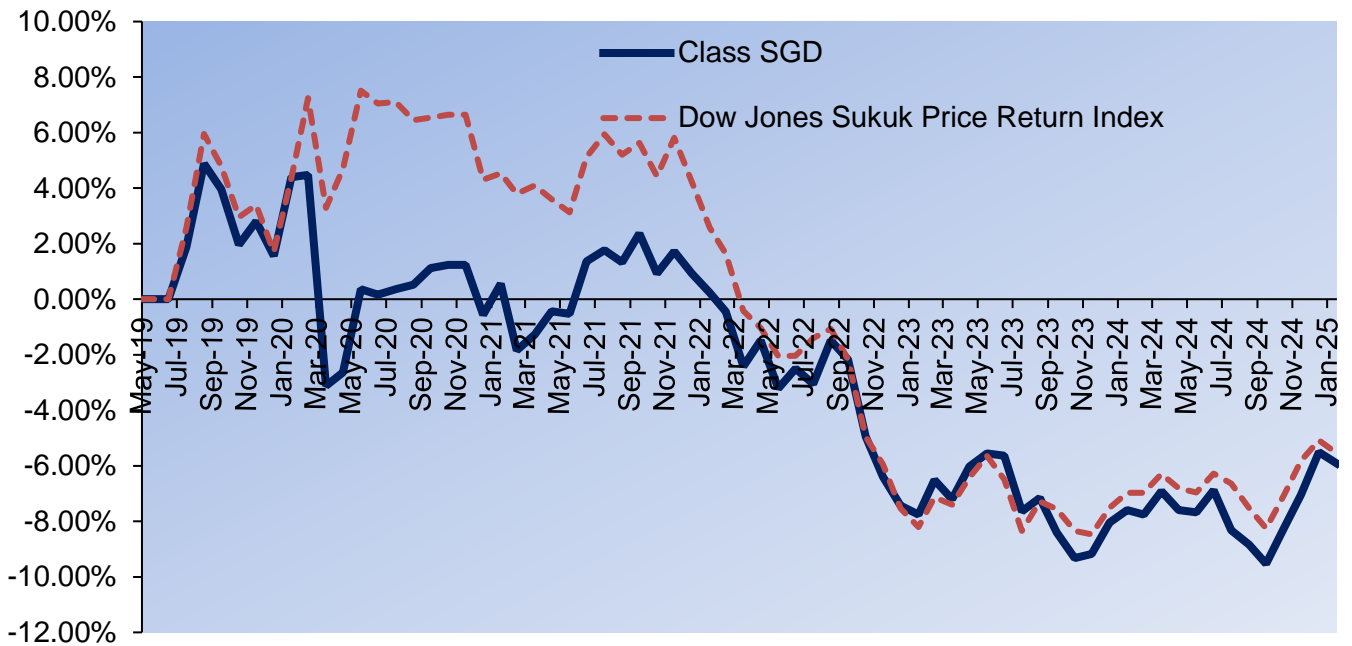
Class MYR



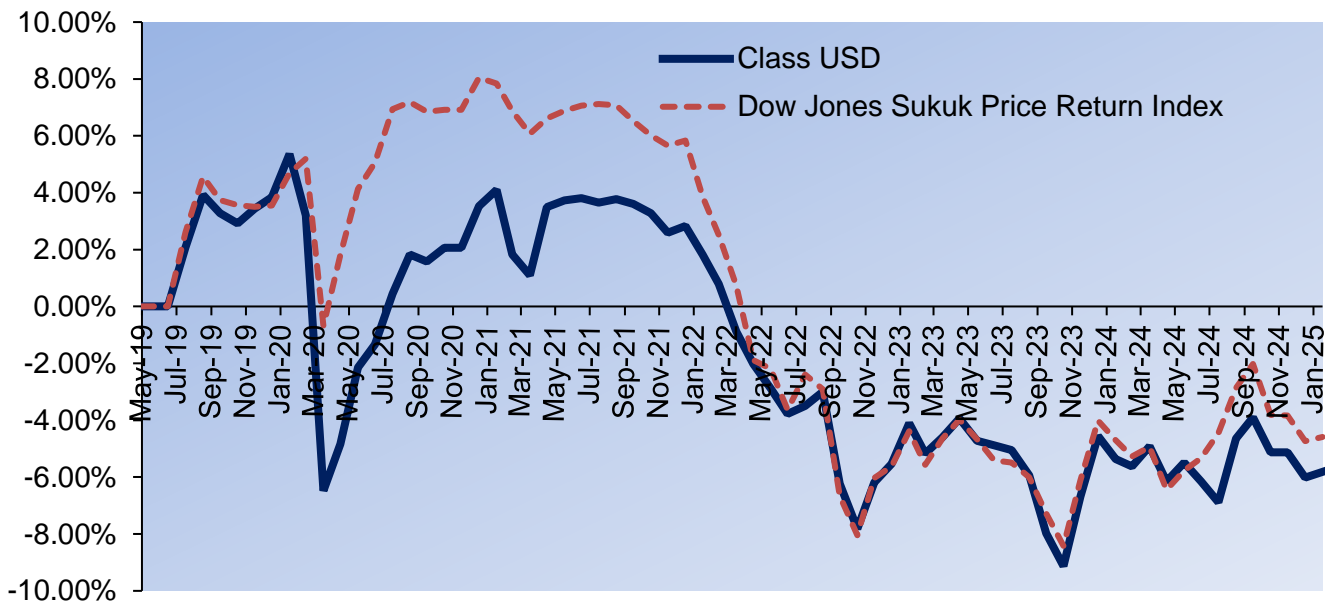
FUND PERFORMANCE (CONTINUED)

Since Inception

Class SGD



Class USD





**FUND PERFORMANCE (CONTINUED)**

**Changes in NAV**

	<b>31.01.2025</b>	<b>31.01.2024</b>	<b>Changes %</b>
<b>CLASS MYR</b>			
NAV (USD Million)	1.01	1.72	(41.28)
NAV/Unit (USD)	0.0570	0.0554	2.89
<b>CLASS SGD</b>			
NAV (USD Million)	0.03	0.05	(40.00)
NAV/Unit (USD)	0.1765	0.1718	2.74
<b>CLASS USD</b>			
NAV (USD Million)	0.14	0.00*	>100.00
NAV/Unit (USD)	0.2361	0.2272	3.92

Note: 0.00\* denotes value less than 0.01.

During the financial year under review, the Fund's NAV for Class MYR and Class SGD decreased by 41.28% and 40.00%, while Class USD increased more than 100%.

In addition, the NAV per unit for Class MYR, Class SGD, and Class USD increased by 2.89%, 2.74%, and 3.92% respectively.

At the time of reporting, Class MYR has the highest total NAV, stood at USD 1.01 million.

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

**PORTFOLIO STRUCTURE**

**Asset allocation**

<b>(% of NAV)</b>	<b>31.01.2025</b>	<b>31.01.2024</b>
Shariah-compliant collective investment scheme	79.71	97.56
Cash and other assets	26.70	7.30
Liabilities	(6.41)	(4.86)
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

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

**PORTFOLIO STRUCTURE (CONTINUED)**

**Asset allocation (continued)**

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

	<b>% of NAV</b>
<b>Top 10 holdings*</b>	<b>31.01.2025</b>
TMS Issuer SARL	9.50
EI Sukuk Co Ltd	7.90
Alinma Tier 1 Sukuk Ltd	4.30
Esic Sukuk Ltd	4.30
Alpha Star Holdings VII Ltd	4.20
ADIB Sukuk II Co Ltd	4.20
AL Rajhi Sukuk	4.20
Saudi Electricity Sukuk	4.20
Oman Sovereign Sukuk	4.20
DIB Sukuk Ltd	4.20

	<b>% of NAV</b>
<b>Top 10 holdings*</b>	<b>31.01.2024</b>
TMS Issuer SARL 2032	8.40
ADIB Sukuk II Co Ltd 2028	7.60
Perusahaan Penerbit SBSN 2028	7.50
DIB Sukuk Ltd 2025	7.10
CBB International Sukuk Programme WLL 2030	3.70
DP World Crescent Ltd 203	3.70
ROP Sukuk Trust 2029	3.70
Tabreed Sukuk SPC Ltd 2025	3.70
QIIB Senior Oryx Ltd 2029	3.70
Aldar Sukuk Ltd 2025	3.60

\* As disclosed in the Fund Fact Sheet.

**MARKET OUTLOOK\***

Saudi Arabia's non-oil sector has seen significant growth, driven by a surge in private investment and the relocation of numerous regional headquarters to the country. Meanwhile, Dubai has approved its largest government budget ever, with a significant portion allocated to infrastructure and social development projects. These developments highlight the region's ongoing efforts to diversify their economies and invest in long-term growth.

Amid expectations of further US rate cuts, the fixed income market remains positive, though it may experience fluctuations due to mixed economic data and concerns about potential inflation. The global sukuk market is likely to benefit from these conditions, as investors seek stable, Sharia-compliant investment options. The anticipated rate cuts could enhance the attractiveness of sukuk, particularly those with longer maturities.

\* 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 Asset Management Berhad (the “Manager”) and the Trustee will not retain any form of rebate or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Fund. Accordingly, any rebates or shared commission will be directed to the account of the Fund. We 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 we or the Sub-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**

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 ISLAMIC GLOBAL SUKUK FUND**

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 8 to 31 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 31 January 2025 and of its financial performance, statement of changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with MFRS Accounting Standards and IFRS Accounting Standards.

For and on behalf of the Manager

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

**MUNIRAH KHAIRUDDIN**

Chief Executive Officer,  
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 SUKUK FUND ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 31 January 2025 and we hereby confirm to the best of our knowledge, after having made all reasonable enquires, 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 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 Sukuk Fund ("Fund")**

**For the Financial Year Ended 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 year 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 asset 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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL ISLAMIC GLOBAL SUKUK FUND**

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

*Opinion*

We have audited the financial statements of Principal Islamic Global Sukuk Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 31 January 2025, and statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 8 to 31.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 January 2025, and of its financial performance and cash flows for the financial year then ended in accordance with MFRS Accounting Standards and IFRS Accounting Standards.

*Basis for opinion*

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

*Independence and other ethical responsibilities*

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL ISLAMIC GLOBAL SUKUK 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 MFRS Accounting Standards and IFRS Accounting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

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

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



**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL ISLAMIC GLOBAL SUKUK 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 scepticism 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 ISLAMIC GLOBAL SUKUK FUND (CONT'D.)**

**Other matters**

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

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

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

Kuala Lumpur  
14 March 2025

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025**

	Note	2025 USD	2024 USD
<b>INCOME/(LOSS)</b>			
Dividend income		51,737	128,090
Net gain/(loss) on financial assets at fair value through profit or loss	7	6,931	(177,767)
Net foreign exchange (loss)/gain		(1,299)	20,662
		<u>57,369</u>	<u>(29,015)</u>
<b>EXPENSES</b>			
Management fee	4	14,191	47,160
Trustee fee	5	425	1,745
Audit fee		1,982	2,204
Tax agent's fee		1,392	2,220
Other expenses		3,522	8,907
		<u>21,512</u>	<u>62,236</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		35,857	(91,251)
Taxation	6	(2,922)	(27,376)
<b>PROFIT/(LOSS) AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>32,935</u>	<u>(118,627)</u>
Profit/(Loss) after taxation is made up as follows:			
Realised amount		(2,945)	(111,374)
Unrealised amount		35,880	(7,253)
		<u>32,935</u>	<u>(118,627)</u>

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

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

	Note	2025 USD	2024 USD
<b>ASSETS</b>			
Cash and cash equivalents	8	9,424	73,671
Financial assets at fair value through profit or loss	7	942,904	1,719,030
Amount due from Manager		243,291	2,693
Amount due from Manager of Shariah-compliant collective investment scheme			
- Management fee rebate		37,198	31,972
- Sale of collective investment scheme		-	20,000
Dividends receivables		3	3
Tax recoverable		25,871	291
<b>TOTAL ASSETS</b>		<u>1,258,691</u>	<u>1,847,660</u>
<b>LIABILITIES</b>			
Amount due to Manager		68,844	78,301
Accrued management fee		861	1,549
Amount due to Trustee		26	46
Other payables and accruals		6,038	5,810
<b>TOTAL LIABILITIES</b>		<u>75,769</u>	<u>85,706</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>1,182,922</u>	<u>1,761,954</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>1,182,922</u>	<u>1,761,954</u>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS (USD)</b>			
- Class MYR		1,010,593	1,715,921
- Class SGD		36,237	46,017
- Class USD		136,092	16
		<u>1,182,922</u>	<u>1,761,954</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
- Class MYR		17,727,131	30,957,463
- Class SGD		205,316	267,791
- Class USD		576,485	71
	9	<u>18,508,932</u>	<u>31,225,325</u>

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

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

	Note	2025 USD	2024 USD
<b>REPRESENTED BY:</b>			
<b>NET ASSET VALUE PER UNIT (USD)</b>			
- Class MYR		0.0570	0.0554
- Class SGD		0.1765	0.1718
- Class USD		<u>0.2361</u>	<u>0.2272</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- Class MYR		RM0.2539	RM0.2622
- Class SGD		SGD0.2389	SGD0.2303
- Class USD		<u>USD0.2361</u>	<u>USD0.2272</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 31 JANUARY 2025**

	<b>2025</b>	<b>2024</b>
	<b>USD</b>	<b>USD</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<u>1,761,954</u>	<u>6,959,095</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class MYR	1,093,567	13,789,602
- Class SGD	570,218	2,412
- Class USD	788,939	8,547
	<u>2,452,724</u>	<u>13,800,561</u>
Cancellation of units		
- Class MYR	(1,827,524)	(18,870,175)
- Class SGD	(581,115)	(166)
- Class USD	(656,052)	(8,734)
	<u>(3,064,691)</u>	<u>(18,879,075)</u>
Total comprehensive income/(loss) for the financial year	<u>32,935</u>	<u>(118,627)</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR</b>	<u><u>1,182,922</u></u>	<u><u>1,761,954</u></u>

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

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025**

	<b>2025</b>	<b>2024</b>
	<b>USD</b>	<b>USD</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from disposal of Shariah-compliant collective investment scheme	3,534,414	7,155,999
Purchase of Shariah-compliant collective investment scheme	(2,760,863)	(2,280,000)
Dividend income received	51,734	128,090
Management fee paid	(14,879)	(51,487)
Management fee rebate received	4,285	33,763
Trustee fee paid	(445)	(1,934)
Tax paid	(20,091)	(38,262)
Payment of other fees and expenses	(12,503)	(11,637)
Net realised gain/(loss) on forward foreign currency contracts	20,000	(20,000)
Payment of other foreign exchange loss	(2,815)	(12,317)
<b>Net cash generated from operating activities</b>	<b>798,837</b>	<b>4,902,215</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from units created	2,212,126	13,812,615
Payments for cancellation of units	(3,074,148)	(18,845,950)
<b>Net cash used in financing activities</b>	<b>(862,022)</b>	<b>(5,033,335)</b>
Net decrease in cash and cash equivalents	(63,185)	(131,120)
Effect of foreign exchange differences	(1,062)	33,769
Cash and cash equivalents at the beginning of financial year	73,671	171,022
Cash and cash equivalents at the end of financial year	<b>9,424</b>	<b>73,671</b>
<u>Cash and cash equivalents comprised:</u>		
Bank balances	9,424	73,671
Cash and cash equivalents at the end of the financial year	<b>9,424</b>	<b>73,671</b>

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 31 JANUARY 2025

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

Principal Islamic Global Sukuk Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 14 December 2018, a First Supplemental Deed dated 28 August 2019 and a Second Supplemental Deed dated 14 December 2022 (collectively referred to as the “Deeds”) between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund is a feeder fund and it invests in a single Islamic collective investment scheme, i.e. Global Sukuk Fund managed by Principal Islamic Asset Management (Ireland) Plc. The Fund may also invest in Islamic liquid asset for liquidity purpose.

In order to achieve its investment objective, the Fund will invest at least 95% of its NAV in the Target Fund; a portfolio established on 7 September 2016 under Principal Islamic Asset Management (Ireland) Plc. The Fund will also maintain up to 5% of its NAV in Islamic liquid assets for liquidity purposes.

#### Information on the Target Fund:

Company	:	Principal Islamic Asset Management (Ireland) Plc
Investment Manager	:	Principal Islamic Asset Management Sdn Bhd
Regulatory authority	:	Central Bank of Ireland

All investments are subjected to the Guidelines on Unit Trust Funds (“GUTF”), SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

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

### 2. MATERIAL ACCOUNTING POLICY INFORMATION

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

#### **(a) Basis of preparation**

The financial statements have been prepared in accordance with the provisions of the MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board (“MASB”) and IFRS Accounting Standards 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 Accounting Standards and IFRS Accounting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported year.



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

It also requires the Manager to exercise their judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the Manager's best knowledge of current events and actions, actual results may differ.

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

There are no other standards, amendments to standards or interpretations effective for financial year beginning on 1 February 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.

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.

Investment in Shariah-compliant collective investment schemes have contractual cash flows that do not represent solely payment of principal and interest<sup>1</sup>, and therefore are classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from Manager, amount due from Manager of Shariah-compliant collective investment scheme – management fee rebate, sale of collective investment scheme and dividend receivables 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. Shariah-compliant 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.

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

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

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 instruments 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 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.

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).

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

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

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 Shariah-compliant collective investment scheme is accounted for as the difference between the net disposal proceeds and the carrying amount of Shariah-compliant collective investment scheme, 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 USD, which is the Fund’s functional and presentation currency.

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

- i) The Fund’s investments are denominated in USD; and
- ii) 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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

**(e) 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 three classes of units, known respectively as the Class MYR, Class SGD 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 unit holder exercises the right to put back the unit to the Fund.

**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)****(e) Unit holders' contributions (continued)**

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.

**(f) Management fee rebate**

Management fee rebate is derived from the Shariah-compliant 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 Shariah-compliant collective investment scheme held.

**(g) Cash and cash equivalents**

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

**(h) Distribution**

A distribution to the Fund's unit holders is accounted for as distribution in the statement of comprehensive income as the unit holders' contributions are classified as financial liability as per Note 2(e). A proposed distribution is recognised as a liability in the financial year in which it is approved by the Trustee.

**(i) Taxation**

Current tax expense is determined according to Malaysian tax laws at the current rate based upon the taxable profit earned during the financial year. Tax on dividend income from foreign Shariah-compliant collective investment scheme is based on the tax regime of the respective countries that the Fund invests in.

Pursuant to Finance Act 2021, foreign-sourced income received in Malaysia will be taxed at prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met. Following the announcement by the Honorable Finance Minister II, tax on foreign-sourced income will be exempted for the period from 1 January 2024 until 31 December 2026.

Withholding taxes on investment income from quoted securities are based on tax regime of the respective countries that the Fund invests in. They are presented within the other expenses line in the statement of comprehensive income.

**(j) Amount due from/to Manager of Shariah-compliant collective investment scheme (sales/purchase of investment)**

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

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

(l) Critical accounting estimates and judgements in applying accounting policies

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Funds' 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 GUTF.

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

	Financial assets at fair value through profit or loss USD	Financial assets amortised at cost USD	Total USD
<b>2025</b>			
Cash and cash equivalents (Note 8)	-	9,424	9,424
Shariah-compliant collective investment scheme (Note 7)	942,904	-	942,904
Amount due from Manager	-	243,291	243,291
Amount due from Manager of the Shariah-compliant collective investment scheme			-
- Management fee rebate	-	37,198	37,198
Dividends Receivables	-	3	3
	<u>942,904</u>	<u>289,916</u>	<u>1,232,820</u>
<b>2024</b>			
Cash and cash equivalents (Note 8)	-	73,671	73,671
Shariah-compliant collective investment scheme (Note 7)	1,719,030	-	1,719,030
Amount due from Manager	-	2,693	2,693
Amount due from Manager of the Shariah-compliant collective investment scheme			
- Management fee rebate	-	31,972	31,972
- Sale of collective investment scheme		20,000	20,000
Dividends Receivables	-	3	3
	<u>1,719,030</u>	<u>128,339</u>	<u>1,847,369</u>

All liabilities are financial liabilities which are carried at amortised cost.

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

The objective of the Fund is to maximise total return over the medium to long term through a combination of capital growth and income.

The Fund is exposed to a variety of risks which include market risk (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 Deeds 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 Deeds.

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

	<b>2025</b>	<b>2024</b>
	<b>USD</b>	<b>USD</b>
Financial assets at fair value through profit or loss:		
- Shariah-compliant collective investment scheme	<u>942,904</u>	<u>1,719,030</u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to movements in prices of Shariah-compliant collective investment scheme at the end of each reporting year. The analysis is based on the assumptions that the price of the Shariah-compliant 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 Shariah-compliant collective investment scheme, having regard to the historical volatility of the prices.

<b>% Change in price of Shariah-compliant collective investment scheme</b>	<b>Market value USD</b>	<b>Impact on profit or loss/NAV USD</b>
<b>2025</b>		
-5%	895,759	(47,145)
0%	942,904	-
+5%	<u>990,049</u>	<u>47,145</u>

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

(a) Market risk (continued)

(i) Price risk (continued)

% Change in price of Shariah-compliant collective investment scheme	Market value USD	Impact on profit or loss/NAV USD
<b>2024</b>		
-5%	1,633,079	(85,952)
0%	1,719,030	-
+5%	1,804,982	85,952

(ii) Currency risk

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

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

Financial assets	Cash and cash equivalents USD	Amount due from Manager USD	Amount due from Manager of the Shariah- compliant collective - sale of collective investment scheme USD	Total USD
<b>2025</b>				
MYR	702	42,840	-	43,542
SGD	984	67,672	-	68,656
	1,686	110,512	-	112,198
<b>2024</b>				
MYR	2,368	2,602	-	4,970
SGD	4,888	90	20,000	24,978
	7,256	2,692	20,000	29,948

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

(a) Market risk (continued)

(ii) Currency risk (continued)

Financial liabilities	Amount due to Manager USD	Net assets attributable to unit holders USD	Total USD
<b>2025</b>			
MYR	7	1,010,594	1,010,602
SGD	68,748	36,237	104,985
	<u>68,755</u>	<u>1,046,831</u>	<u>1,115,587</u>
<b>2024</b>			
MYR	77,778	1,715,921	1,793,699
SGD	-	46,017	46,017
	<u>77,778</u>	<u>1,761,938</u>	<u>1,839,716</u>

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

	Change in foreign exchange rate	Impact on profit or loss/NAV	
		2025 USD	2024 USD
MYR	% +5	(48,353)	(89,436)
SGD	% +5	(1,816)	(1,052)
		<u>(50,169)</u>	<u>(90,488)</u>

	Change in foreign exchange rate	Impact on profit or loss/NAV	
		2025 USD	2024 USD
MYR	% -5	48,353	89,436
SGD	% -5	1,816	1,052
		<u>50,169</u>	<u>90,488</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 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 the relevant regulatory authority in its home jurisdiction.



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 USD	Amount due from Manager USD	Amount due from Dealer USD	Amount due from Manager of Shariah-compliant collective investment scheme USD	Dividends receivables USD	Total USD
<b>2025</b>						
- AAA	9,424	-	-	-	-	9,424
- Not Rated	-	243,291	-	37,198	3	280,492
	<u>9,424</u>	<u>243,291</u>	<u>-</u>	<u>37,198</u>	<u>3</u>	<u>289,916</u>
<b>2024</b>						
- AAA	73,671	-	-	-	-	73,671
- Not Rated	-	2,693	20,000	31,972	3	54,668
	<u>73,671</u>	<u>2,693</u>	<u>20,000</u>	<u>31,972</u>	<u>3</u>	<u>128,339</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. 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.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period on 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 USD	Between 1 month to 1 year USD	Total USD
<b>2025</b>			
Amount due to Manager	68,844	-	68,844
Accrued management fee	861	-	861
Amount due to Trustee	26	-	26
Other payables and accruals	-	6,038	6,038
Net assets attributable to unit holders*	<u>1,182,922</u>	<u>-</u>	<u>1,182,922</u>
<b>Contractual undiscounted cash flows</b>	<u><u>1,252,653</u></u>	<u><u>6,038</u></u>	<u><u>1,258,691</u></u>
	Less than 1 month USD	Between 1 month to 1 year USD	Total USD
<b>2024</b>			
Amount due to Manager	78,301	-	78,301
Accrued management fee	1,549	-	1,549
Amount due to Trustee	46	-	46
Other payables and accruals	-	5,810	5,810
Net assets attributable to unit holders*	<u>1,761,954</u>	<u>-</u>	<u>1,761,954</u>
<b>Contractual undiscounted cash flows</b>	<u><u>1,841,850</u></u>	<u><u>5,810</u></u>	<u><u>1,847,660</u></u>

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

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders of USD1,182,922 (2024: USD1,761,954). 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 year end date. The Fund utilises the last traded market price for financial assets where the last traded market falls within the bid-ask spread. In circumstances where the last traded market price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

(e) Fair value estimation (continued)

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

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

(i) Fair value hierarchy

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

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

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

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

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

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

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>2025</b>				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	942,904	-	-	942,904

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>2024</b>				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	1,719,030	-	-	1,719,030

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).

- (ii) The carrying values of cash and cash equivalents, amount due from Manager, amount due from Manager of Shariah-compliant collective investment scheme - management fee rebate, sale of collective investment scheme, dividend receivables 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 Deeds, the Manager is entitled to a maximum fee of up to 3.00% per annum, calculated daily based on the NAV of the Fund.

For financial year ended 31 January 2025 and 31 January 2024, the management fee for the respective classes is recognised at the following rates:

Class MYR	Class USD	Class SGD
1.00%	1.00%	1.00%

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

5. TRUSTEE FEE

In accordance with the Deeds, the Trustee is entitled to a maximum fee of up to 0.04% 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 (if any).

For the financial year ended 31 January 2025, the trustee fee is recognised at a rate of 0.03% per annum (31.01.2024: 0.03% per annum).

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

**6. TAXATION**

	<b>2025</b>	<b>2024</b>
	<b>USD</b>	<b>USD</b>
Tax charged for the financial year		
- Tax on foreign source income	-	(30,742)
- (Over)/under provision of tax in prior year	<u>(2,922)</u>	<u>3,366</u>
	<u>(2,922)</u>	<u>(27,376)</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>2025</b>	<b>2024</b>
	<b>USD</b>	<b>USD</b>
Profit/(loss) before taxation	<u>35,857</u>	<u>(91,251)</u>
Taxation at Malaysian statutory rate of 24% (2024: 24%)	8,606	(21,900)
Tax effects of:		
- (Investment income not subject to tax)/loss not deductible for tax purpose	(13,769)	6,964
- Expenses not deductible for tax purposes	1,281	3,057
- Restriction on tax deductible expenses for Unit Trust Funds	3,882	11,879
Tax on foreign source income	-	(30,742)
(Over)/under provision of tax in prior year	<u>(2,922)</u>	<u>3,366</u>
	<u>(2,922)</u>	<u>(27,376)</u>

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

	<b>2025</b>	<b>2024</b>
	<b>USD</b>	<b>USD</b>
At fair value through profit or loss:		
- Shariah-compliant collective investment scheme	<u>942,904</u>	<u>1,719,030</u>
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised loss on disposals	(43,487)	(167,512)
- Unrealised fair value gain/(loss)	40,908	(41,022)
- Management fee rebate #	<u>9,510</u>	<u>30,767</u>
	<u>6,931</u>	<u>(177,767)</u>

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

For the financial year ended 31 January 2025, management fee rebate is recognised at a rate of 0.07% per annum (2024: 0.07% per annum) calculated daily based on the NAV of the Shariah-compliant collective investment scheme.

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2025</b>				
<b>SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME</b>				
Global Sukuk Fund – Class I USD Income	<u>97,913</u>	<u>942,088</u>	<u>942,904</u>	<u>79.71</u>
<b>TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEME</b>	<b><u>97,913</u></b>	<b><u>942,088</u></b>	<b><u>942,904</u></b>	<b><u>79.71</u></b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>816</u>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>942,904</u></b>		
<b>2024</b>				
<b>SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME</b>				
Global Sukuk Fund – Class I USD Income	<u>178,693</u>	<u>1,759,122</u>	<u>1,719,030</u>	<u>97.56</u>
<b>TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEME</b>	<b><u>178,693</u></b>	<b><u>1,759,122</u></b>	<b><u>1,719,030</u></b>	<b><u>97.56</u></b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>(40,092)</u>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>1,719,030</u></b>		

**8. CASH AND CASH EQUIVALENTS**

	<b>2025</b>	<b>2024</b>
	<b>USD</b>	<b>USD</b>
Bank balances	<u>9,424</u>	<u>73,671</u>

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

	<b>2025</b>	<b>2024</b>
	<b>No. of units</b>	<b>No. of units</b>
Class MYR (i)	17,727,131	30,957,463
Class SGD (ii)	205,316	267,791
Class USD (iii)	576,485	71
	<u>18,508,932</u>	<u>31,225,325</u>

(i) Class MYR

At the beginning of the financial year	30,957,463	122,892,970
Add: Creation of units from applications	18,387,574	249,027,543
Less: Cancellation of units	<u>(31,617,906)</u>	<u>(340,963,050)</u>
At the end of the financial year	<u>17,727,131</u>	<u>30,957,463</u>

(ii) Class SGD

At the beginning of the financial year	267,791	254,941
Add: Creation of units from applications	3,165,342	13,800
Less: Cancellation of units	<u>(3,227,817)</u>	<u>(950)</u>
At the end of the financial year	<u>205,316</u>	<u>267,791</u>

(iii) Class USD

At the beginning of the financial year	71	1,021
Add: Creation of units from applications	3,392,297	36,906
Less: Cancellation of units	<u>(2,815,883)</u>	<u>(37,856)</u>
At the end of the financial year	<u>576,485</u>	<u>71</u>

**10. TOTAL EXPENSE RATIO (“TER”)**

	<b>2025</b>	<b>2024</b>
	<b>%</b>	<b>%</b>
TER	<u>1.26</u>	<u>0.68</u>

**10. 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 (excluding 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 year calculated on a daily basis is USD1,418,564 (2024: USD4,653,718).

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

	<b>2025</b>	<b>2024</b>
PTR (times)	<u>2.23</u>	<u>1.01</u>

PTR is derived based on 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 = USD2,760,863 (2024: USD2,220,000)

total disposal for the financial year = USD3,554,410 (2024: USD7,155,999)

**12. 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
Principal Islamic Asset Management (Ireland) Plc	Manager of the Target Fund
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
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 the shareholder of the Manager



12. 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

	2025		2024	
	No. of units	USD	No. of units	USD
<b>Manager</b>				
Principal Asset Management Berhad				
- Class MYR	5,180	295	3,876	215
- Class SGD	55	10	55	9
- Class USD	71	17	71	16

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.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions. 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.

	2025	2024
<u>Significant related party transactions</u>	USD	USD
Dividend income:		
- Principal Islamic Asset Management (Ireland) Plc	51,737	128,090

There were no related party balances as at end of financial year, apart from those mentioned elsewhere in the financial statements.

13. TRANSACTIONS WITH BROKER

Details of transactions with the broker for the financial year ended 31 January 2025 are as follows:

Broker	Value of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
Principal Islamic Asset Management (Ireland) Plc	6,315,273	100.00	-	-

**13. TRANSACTIONS WITH BROKER (CONTINUED)**

Details of transactions with the brokers for the financial year ended 31 January 2024 are as follows:

<b>Broker</b>	<b>Value of trades USD</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees USD</b>	<b>Percentage of total brokerage fees %</b>
Principal Islamic Asset Management (Ireland) Plc	<u>9,375,999</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

# Included in the transactions are trades conducted with under Principal Islamic Asset Management (Ireland) PLC, fellow related parties to the Manager amounting to USD6,315,273 (31.01.2024: USD9,375,999). 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.

**14. APPROVAL OF FINANCIAL STATEMENTS**

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

## DIRECTORY

### Head Office of the Manager

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### Trustee for the Principal Islamic Global Sukuk Fund

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### Shariah Adviser of the Principal Islamic Global Sukuk Fund

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### Auditors of the Fund and of the Manager

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