

PRINCIPAL ISLAMIC GLOBAL TECHNOLOGY FUND
ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

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INVESTORS' LETTER

Dear Valued Investor,

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

We are pleased to bring you a copy of the Annual Fund Report of the Principal Islamic Global Technology Fund for the financial year ended 31 May 2024. You may also download this report from our website at www.principal.com.my.

We are proud to announce that Principal Malaysia has received numerous accolades across various prestigious platforms in 2024. At the Asia Asset Management 2024 Best of the Best Awards, we were honoured with the Best of the Best Performance Award: China A-Share Equity (3 years) for the Principal China Direct Opportunities Fund (Class MYR) and the Best Institutional House – Malaysia award. At the 2024 Global Banking & Finance Awards®, our CEO, Munirah Khairuddin, was named Asset Management CEO of the Year Malaysia 2024, and we were recognised as Asset Management Company of the Year Malaysia 2024. 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 triumphed with three distinguished awards for Best Absolute Return Strategy, Best Online & Mobile Platform (Asset Manager), and Best Asset Manager (Income Oriented, Money Market & Alternative Investment Funds). At the Triple A Sustainable Investing Awards 2024, we secured the prestigious Asset Management Company of the Year (Malaysia) award. The World Business Outlook magazine awarded us Best Investment Management and Solutions Provider Malaysia 2024, Best Institutional House Malaysia 2024, and Asset Management CEO (Munirah Khairuddin) of the Year Malaysia 2024. Furthermore, we secured three awards at the iFast Awards 2024 and seven awards at the LSEG Lipper Fund 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 (www.principal.com.my), like our Facebook page (@PrincipalAssetMY), follow us on our Instagram account (@principalassetmanagement_my), and LinkedIn page (Principal Asset Management Berhad) for the latest updates, market insights and investment articles.

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

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

Munirah Khairuddin
Country Head and Chief Executive Officer, Malaysia
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 appreciation through investments in one Islamic collective investment scheme, which invests primarily in a diversified portfolio of technology related companies.

Has the Fund achieved its objective?

The Fund is in line to achieve its long-term objective of providing capital appreciation as stated under the Fund Objective section.

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. Franklin Templeton Shariah Funds - Franklin Shariah Technology 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 24 February 2022 under Franklin Templeton Shariah Funds. The Fund may also invest up to 15% of its NAV in Islamic liquid assets for liquidity purposes and Islamic derivative for the sole purpose of hedging arrangement.

Information on the Target Fund:

Target Fund	: Franklin Shariah Technology Fund
Management Company	: Franklin Templeton International Services S.à r.l.
Investment Manager	: Franklin Advisers, Inc.
Regulatory authority	: Commission de Surveillance du Secteur Financier

Base Currency

US Dollar ("USD")

Fund category/type

Feeder fund (Islamic)/Growth

When was the Fund launched?

Name of Class	Launch Date
Class MYR	14 July 2022
Class MYR-Hedged ("MYR-H")	14 July 2022
Class USD	14 July 2022

What was the size of the Fund as at 31 May 2024?

USD97.60 million (312.87 million units)

What is the Fund's benchmark?

The Fund adheres to the benchmark of the Target Fund for performance comparison. The benchmark of the Target Fund is the Standard and Poor's ("S&P") Global 1200 Shariah Information Technology Index, which may be found on Key Investor Information Document of the Target Fund and available on www.franklintempleton.lu.

What is the Fund distribution policy?

Fund is not expected to pay any distribution. Distributions, if any, are at our 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 year ended 31 May 2024?

There was no distribution made for the financial year ended 31 May 2024.

PERFORMANCE DATA

Details of portfolio composition of the Fund for the financial year/period are as follows:

	31.05.2024	31.05.2023
	%	%
Shariah-compliant collective investment scheme	100.23	74.94
Cash and other assets	6.77	31.23
Liabilities	(7.00)	(6.17)
	<u>100.00</u>	<u>100.00</u>

Performance details of the Fund for the financial year/period are as follows:

	01.06.2023 to 31.05.2024	14.07.2022 (date of launch) to 31.05.2023
NAV (USD Million)		
- Class MYR	63.16	9.14
- Class MYR-H	31.92	3.12
- Class USD	2.52	0.00*
Units in circulation (Million)		
- Class MYR	199.77	36.93
- Class MYR-H	111.32	13.29
- Class USD	1.78	0.00*
NAV per unit (USD)		
- Class MYR	0.3162	0.2474
- Class MYR-H	0.2868	0.2347
- Class USD	1.4099	1.1030
Highest NAV per unit (USD)		
- Class MYR	0.3317	0.2492
- Class MYR-H	0.3018	0.2374
- Class USD	1.4794	1.1111
Lowest NAV per unit (USD)		
- Class MYR	0.2303	0.1726
- Class MYR-H	0.2089	0.1638
- Class USD	1.0269	0.7693
Total return (%)		
- Class MYR	30.43	14.06
- Class MYR-H	24.76	8.16
- Class USD	27.83	10.30
Capital growth (%)		
- Class MYR	30.43	14.06
- Class MYR-H	24.76	8.16
- Class USD	27.83	10.30
Income distribution (%)		
- Class MYR	-	-
- Class MYR-H	-	-
- Class USD	-	-

Note 0.00* denotes allocation less than 0.01

PERFORMANCE DATA (CONTINUED)

Performance details of the Fund for the financial year/period are as follows (continued):

	01.06.2023 to 31.05.2024	14.07.2022 (date of launch) to 31.05.2023
Total Expense Ratio ("TER") (%) ^	1.18	1.13
Portfolio Turnover Ratio ("PTR") (times) #	1.05	1.47

^ During the financial year under review, the Fund's TER increased from 1.13% to 1.18% due to increase in overall expenses.

During the financial year under review, the Fund's PTR decreased from 1.47 times to 1.05 times. As a feeder fund, the turnover reflects the investment and withdrawals in the target fund.

	31.05.2024 %	Since inception to 31.05.2023 %
Annual total return		
- Class MYR	30.43	14.06
- Class MYR-H	24.76	8.16
- Class USD	27.83	10.30

(Launch date: 14 July 2022)

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/period have been extracted from Lipper.

MARKET REVIEW (1 JUNE 2023 TO 31 MAY 2024)

Global equities collectively declined for 2023's third quarter and pivoting to a strong rally in the final quarter, resulting from renewed optimism that major central banks, including US Federal Reserve the (the "Fed"), might begin cutting policy rates and drove bond yields lower and equities significantly higher in the final two months of the year.

The better-than-expected fourth quarter 2023 earnings reports supported the five-month long rally into the most of quarter one 2024. The growth opportunities tied to artificial intelligence ("AI") and optimism about an economic soft landing in certain regions bolstered investor sentiment. Meanwhile, expectations for interest-rate cuts in the US and Europe diminished amid cautious central bank comments, along with some higher-than-anticipated US inflation data. Developed market equities collectively reached a new record high and modestly outperformed a global index, while emerging market and frontier market equities significantly underperformed it. Global growth stocks outpaced value stocks during the period.

Following the robust, market-leading gains in the first quarter of 2024, information technology sector stocks fell to the back of the pack towards the end of the second quarter of 2024 on the MSCI All Country World Index. By comparison, communication services stocks weathered the selloff better than Information Technology ("IT"), having shed modestly while performing better than seven other sectors.

The higher-than-expected inflation and resilient consumer demand in the United States cast doubt on the timing of interest-rates cuts from the Fed, contributed to the pullback in equities in the second quarter of 2024. Although many companies reported strong earnings, weaker-than-expected results and guidance from certain firms further dampened investor sentiment.

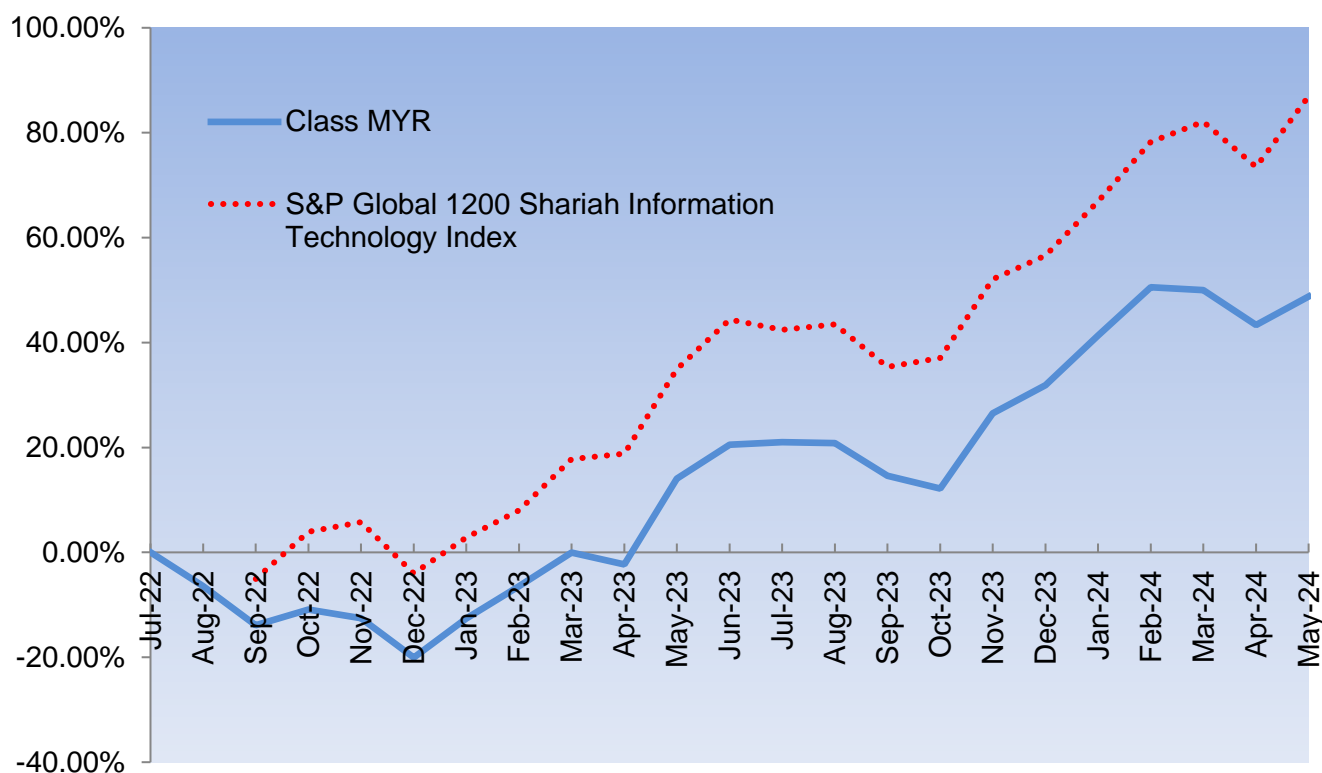
FUND PERFORMANCE

	1 year to 31.05.2024 %	Since inception to 31.05.2024 %
Income Distribution		
- Class MYR	-	-
- Class MYR-H	-	-
- Class USD	-	-
Capital Growth		
- Class MYR	30.43	48.77
- Class MYR-H	24.76	34.94
- Class USD	27.83	41.00
Total Return		
- Class MYR	30.43	48.77
- Class MYR-H	24.76	34.94
- Class USD	27.83	41.00
Benchmark		
- Class MYR	38.56	86.95
- Class MYR-H	35.86	76.50
- Class USD	35.86	76.50
Average Total Return		
- Class MYR	30.43	23.50
- Class MYR-H	24.76	17.26
- Class USD	27.83	20.03

During the financial year under review, the fund returned positively for all classes, Class MYR, Class MYR-H, and Class USD increased by 30.43%, 24.76%, and 27.83% respectively. Meanwhile, the benchmark returned 38.56%, 35.86%, and 35.86% correspondingly.

Since Inception

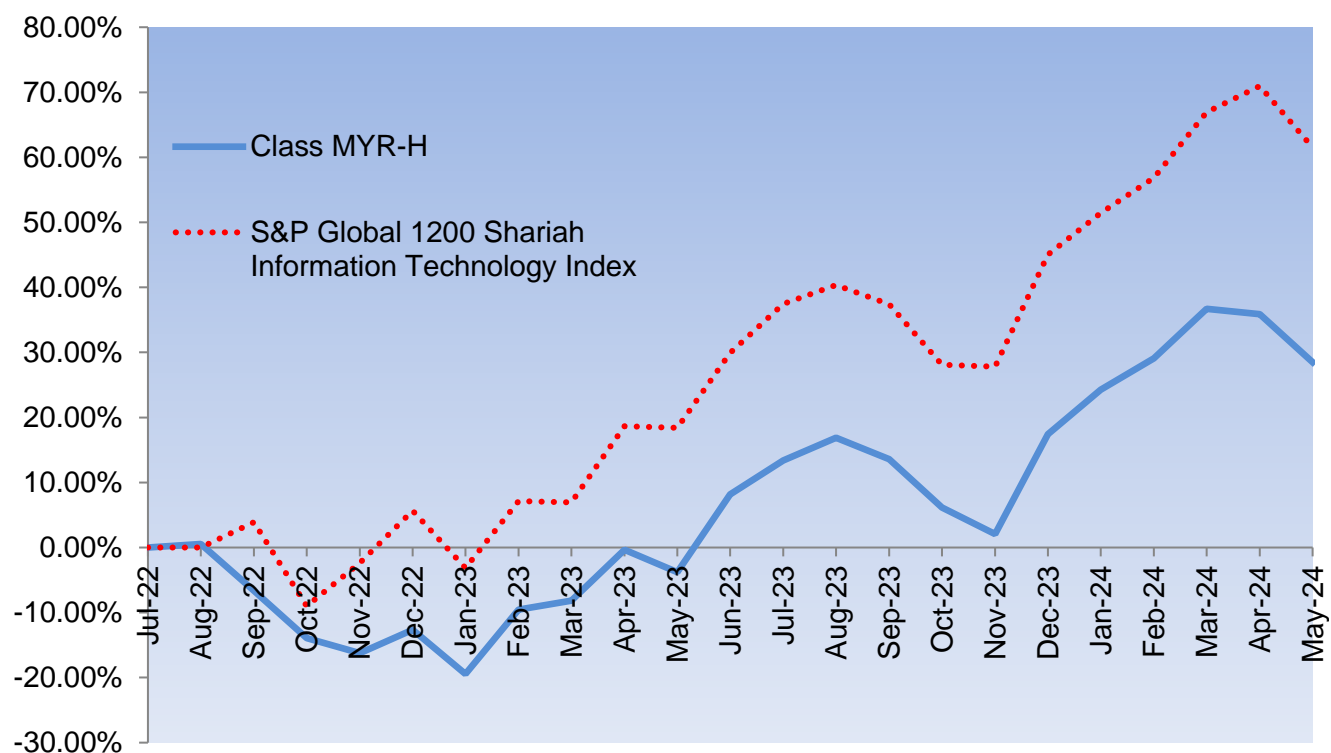
Class MYR



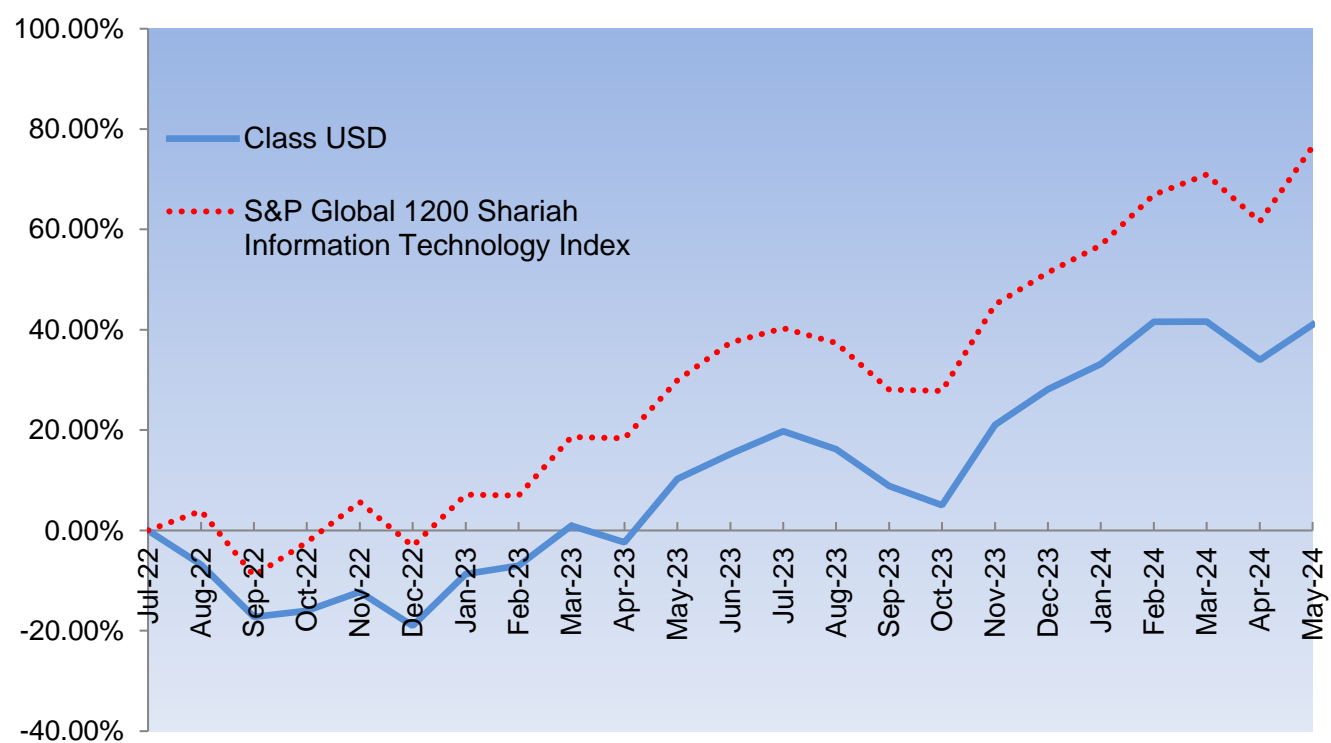
FUND PERFORMANCE (CONTINUED)

Since Inception

Class MYR-H



Class USD



FUND PERFORMANCE (CONTINUED)

Changes in NAV

	31.05.2024	31.05.2023	Changes %
CLASS MYR			
NAV (USD Million)	63.16	9.14	>100.00
NAV/Unit (USD)	0.3162	0.2474	27.81
CLASS MYR-H			
NAV (USD Million)	31.92	3.12	>100.00
NAV/Unit (USD)	0.2868	0.2347	22.20
CLASS USD			
NAV (USD Million)	2.52	0.00*	-
NAV/Unit (USD)	1.4099	1.1030	27.82

Note: 0.00* denotes value less than 0.01.

For the financial year under review, the total NAV for Class MYR, Class MYR-H and Class USD increased by more than 100%.

In addition, NAV per unit for Class MYR, Class MYR-H, and Class USD increased by 27.81%, 22.20%, and 27.82% respectively.

At the time of reporting, Class MYR has the highest total NAV, stood at USD 63.16 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/period have been extracted from Lipper.

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.05.2024	31.05.2023
Shariah-compliant collective investment scheme	100.23	74.94
Cash and other assets	6.77	31.23
Liabilities	(7.00)	(6.17)
TOTAL	100.00	100.00

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)

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

	% of NAV
Top 10 holdings*	31.05.2024
Nvidia Corporation	11.76
Microsoft Corporation	9.24
Apple Inc	5.44
ASML Holding NV	4.83
Synopsys Inc	4.37
Alphabet Inc	3.83
Salesforce Inc	3.79
Applied Materials Inc	3.48
Advanced Micro Devices Inc	3.46
Taiwan Semiconductor Manufacturing	3.33

	% of NAV
Top 10 holdings*	31.05.2023
Nvidia Corporation	9.31
Microsoft Corporation	8.23
Apple Inc	7.44
ASML Holding NV	4.11
ServiceNow Inc	3.83
Synopsys Inc	3.73
Salesforce Inc	3.70
Analog Devices Inc	2.79
Advanced Micro Devices Inc	2.78
Alphabet Inc	2.65

* As per disclosed in Fund Fact Sheet.

MARKET OUTLOOK*

Inflation appears to have generally eased in the United States and several other key geographies, a trend that are widely expected to continue. The Fed held its key interest rate steady for sixth consecutive meeting. For high-growth IT sector, disinflation and stable or declining US Treasury yields are generally supportive of valuation, and a fairly stable yield environment for the remainder of 2024 are expected at this juncture.

Despite ongoing business strength and reduced equity market volatility (versus year-ago levels), the embedded risks in IT and tech-adjacent companies include the timing and magnitude of generative AI demand, while optimistic, the near-term data may disappoint versus elevated market expectations. The other main areas of concern involve geopolitical risks, particularly around advanced technology export restrictions imposed on China and the extent to which these restrictions accelerate China's homegrown efforts to compete effectively in advanced semiconductors, hardware design and manufacturing.

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

INVESTMENT STRATEGY

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

SOFT COMMISSIONS AND REBATES

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

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

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

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIR OF THE FUND

The Fund had issued the First Supplemental Information Memorandum dated 26 February 2024.

There were no other significant changes in the state of affairs of the Fund during the financial year/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 year/period under review.

CROSS TRADE

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

UNIT SPLIT

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC GLOBAL TECHNOLOGY 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 8 to 32 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 May 2024 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN

Country Head and Chief Executive Officer, Malaysia
Non-Independent Executive Director

UDAY JAYARAM

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

Kuala Lumpur
17 July 2024

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC GLOBAL TECHNOLOGY FUND ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 31 May 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management Company under the Deed, securities laws and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
17 July 2024

Shariah Adviser's Report

To The Unit Holders of Principal Islamic Global Technology Fund ("Fund")

For The Financial Year Ended 31 May 2024

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
17 July 2024

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Principal Islamic Global Technology Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 31 May 2024, and statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 8 to 32.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 May 2024, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

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

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager and the Trustee for the financial statements

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

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

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

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

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

Other matters

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, the Capital Markets and Services Act 2007 issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

Yeo Beng Yean
No. 03013/10/2024 J
Chartered Accountant

Kuala Lumpur, Malaysia
17 July 2024

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024**

		01.06.2023 to 31.05.2024	14.07.2022 (date of launch) to 31.05.2023
	Note	USD	USD
INCOME/(LOSS)			
Net gain on financial assets at fair value through profit or loss	7	12,780,319	1,421,525
Net loss on derivatives at fair value through profit or loss	8	(599,585)	(183,513)
Net foreign exchange loss		(250,372)	(98,679)
		<u>11,930,362</u>	<u>1,139,333</u>
EXPENSES			
Management fee	4	974,531	73,156
Trustee fee	5	16,221	1,219
Audit fee		2,039	2,109
Tax agent's fee		1,431	2,154
Other expenses		1,089	182
		<u>995,311</u>	<u>78,820</u>
PROFIT BEFORE TAXATION		10,935,051	1,060,513
Taxation	6	-	-
PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR/PERIOD		<u>10,935,051</u>	<u>1,060,513</u>
Profit after taxation is made up as follows:			
Realised amount		382,273	(131,876)
Unrealised amount		10,552,778	1,192,389
		<u>10,935,051</u>	<u>1,060,513</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2024**

	Note	31.05.2024 USD	31.05.2023 USD
ASSETS			
Cash and cash equivalents	9	868,314	327,645
Financial assets at fair value through profit or loss	7	97,827,274	9,184,932
Derivative assets at fair value through profit or loss	8	50,572	-
Amount due from dealer		1,420,268	122,859
Amount due from Manager		2,058,208	3,368,203
Amount due from Manager of Shariah-compliant collective investment scheme			
- management fee rebate		107,252	8,085
- sale of Shariah-compliant collective investment scheme		2,100,000	-
TOTAL ASSETS		<u>104,431,888</u>	<u>13,011,724</u>
LIABILITIES			
Derivative liabilities at fair value through profit or loss	8	-	40,896
Amount due to Manager of Shariah-compliant collective investment scheme			
- purchase of Shariah-compliant collective investment scheme		-	260,000
Amount due to dealer		1,421,090	122,633
Amount due to Manager		5,246,644	316,109
Accrued management fee		156,037	12,501
Amount due to Trustee		2,601	208
Other payables and accruals		5,065	3,590
TOTAL LIABILITIES		<u>6,831,437</u>	<u>755,937</u>
NET ASSET VALUE OF THE FUND		<u>97,600,451</u>	<u>12,255,787</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>97,600,451</u>	<u>12,255,787</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (USD)			
- Class MYR		63,163,795	9,135,293
- Class MYR-H		31,921,642	3,119,391
- Class USD		2,515,014	1,103
		<u>97,600,451</u>	<u>12,255,787</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class MYR		199,770,303	36,929,299
- Class MYR-H		111,316,966	13,291,012
- Class USD		1,783,771	1,000
	10	<u>312,871,040</u>	<u>50,221,311</u>

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MAY 2024 (CONTINUED)

	Note	31.05.2024 USD	31.05.2023 USD
REPRESENTED BY:			
NET ASSET VALUE PER UNIT (USD)			
- Class MYR		0.3162	0.2474
- Class MYR-H		0.2868	0.2347
- Class USD		<u>1.4099</u>	<u>1.1030</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- Class MYR		RM1.4877	RM1.1406
- Class MYR-H		RM1.3494	RM1.0821
- Class USD		<u>USD1.4099</u>	<u>USD1.1030</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 MAY 2024**

	01.06.2023 to 31.05.2024 USD	14.07.2022 (date of launch) to 31.05.2023 USD
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR/PERIOD	<u>12,255,787</u>	<u>-</u>
Movement due to units created and cancelled during the financial year/period		
Creation of units from applications		
- Class MYR	133,925,238	13,041,642
- Class MYR-H	69,977,062	6,304,207
- Class USD	<u>4,298,264</u>	<u>2,318</u>
	<u>208,200,564</u>	<u>19,348,167</u>
Cancellation of units		
- Class MYR	(87,669,372)	(4,617,506)
- Class MYR-H	(44,119,520)	(3,533,824)
- Class USD	<u>(2,002,059)</u>	<u>(1,563)</u>
	<u>(133,790,951)</u>	<u>(8,152,893)</u>
Total comprehensive income for the financial year/period	<u>10,935,051</u>	<u>1,060,513</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR/PERIOD	<u>97,600,451</u>	<u>12,255,787</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 MAY 2024**

		01.06.2023 to 31.05.2024	14.07.2022 (date of launch) to 31.05.2023
	Note	USD	USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of Shariah-compliant collective investment scheme		(96,040,000)	(10,420,000)
Purchase of Shariah-compliant collective investment scheme		17,455,000	2,890,000
Management fee paid		(830,995)	(60,655)
Management fee rebate received		263,810	18,508
Trustee fee paid		(13,828)	(1,011)
Payment of other fees and expenses		(3,084)	(855)
Net realised loss on forward foreign currency contracts		(690,005)	(142,843)
Payment of other foreign exchange loss		(192,070)	(8,975)
Net cash used in operating activities		(80,051,172)	(7,725,831)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		209,510,559	15,979,964
Payments for cancellation of units		(128,860,416)	(7,836,784)
Net cash generated from financing activities		80,650,143	8,143,180
Net increase in cash and cash equivalents		598,971	417,349
Effect of foreign exchange differences		(58,302)	(89,704)
Cash and cash equivalents at the beginning of the financial year/period		327,645	-
Cash and cash equivalents at the end of the financial year/period	9	868,314	327,645
<u>Cash and cash equivalents comprised:</u>			
Bank balances		868,314	327,645
Cash and cash equivalents at the end of the financial year/period	9	868,314	327,645

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 MAY 2024**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal Islamic Global Technology Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 20 June 2022 and First Supplemental Deed dated 2 February 2024 between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund is a feeder fund that invests into a single Islamic collective investment scheme (“CIS”), i.e. Franklin Templeton Shariah Funds - Franklin Shariah Technology 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 24 February 2022 under Franklin Templeton Shariah Funds. The Fund may also invest up to 15% of its NAV in Islamic liquid assets for liquidity purposes and Islamic derivative for the sole purpose of hedging arrangement.

Information on the Target Fund:

Target Fund	: Franklin Shariah Technology Fund
Management Company	: Franklin Templeton International Services S.à r.l.
Investment Manager	: Franklin Advisers, Inc.
Regulatory authority	: Commission de Surveillance du Secteur Financier

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

The Fund had issued the First Supplemental Information Memorandum dated 26 February 2024.

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

2. MATERIAL ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

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

2. MATERIAL ACCOUNTING POLICIES (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 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 estimates and assumptions 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 June 2023 that have a material effect on the financial statements of the Fund.

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

(b) Financial assets and financial liabilities

Classification

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

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

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

Investment in Shariah-compliant collective investment scheme are debt instruments with contractual cash flows that do not represent solely payment of principal and interest¹ ("SPPI"), and therefore are classified as fair value through profit or loss.

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

The Fund classifies cash and cash equivalents, amount due from dealer, amount due from Manager, amount due from Manager of Shariah-compliant collective investment scheme - 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.

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.

¹ For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Recognition and measurement (continued)

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 year/period which they arise.

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

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

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

Impairment for assets carried at amortised costs

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

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

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

(c) Income recognition

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 investments, determined on a weighted average cost basis.

(d) Foreign currencyFunctional and presentation currency

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

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

- i) The Fund's investments are denominated in USD; 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/period-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 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 unit holder exercises the right to put back the unit to the Fund.

2. MATERIAL ACCOUNTING POLICIES (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) 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/period.

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.

(i) 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 reporting date.

(j) 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 GUTF¹.

(k) Derivative financial instruments

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

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

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**(k) Derivative financial instruments (continued)**

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 unfavourable.

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

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

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

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

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the 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 SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss USD	Financial assets at amortised cost USD	Total USD
31.05.2024			
Cash and cash equivalents (Note 9)	-	868,314	868,314
Shariah-compliant collective investment scheme (Note 7)	97,827,274	-	97,827,274
Derivative assets at fair value through profit or loss (Note 8)	50,572	-	50,572
Amount due from dealer	-	1,420,268	1,420,268
Amount due from Manager	-	2,058,208	2,058,208
Amount due from Manager of the Shariah-compliant collective investment scheme			
- management fee rebate	-	107,252	107,252
- sale of Shariah-compliant collective investment scheme	-	2,100,000	2,100,000
	<u>97,877,846</u>	<u>6,554,042</u>	<u>104,431,888</u>
31.05.2023			
Cash and cash equivalents (Note 9)	-	327,645	327,645
Shariah-compliant collective investment scheme (Note 7)	9,184,932	-	9,184,932
Amount due from dealer	-	122,859	122,859
Amount due from Manager	-	3,368,203	3,368,203
Amount due from Manager of the Shariah-compliant collective investment scheme			
- management fee rebate	-	8,085	8,085
	<u>9,184,932</u>	<u>3,826,792</u>	<u>13,011,724</u>

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

The objective of the Fund is to provide capital appreciation through investments in one Islamic collective investment scheme, which invests primarily in a diversified portfolio of technology related companies.

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

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

(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 was as follows:

	31.05.2024 USD	31.05.2023 USD
Financial assets at fair value through profit or loss:		
- Shariah-compliant collective investment scheme	97,827,274	9,184,932

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 the reporting financial year/period. The analysis is based on the assumptions that the price of the Shariah-compliant collective investment scheme fluctuated 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.

% Change in price of Shariah-compliant collective investment scheme	Market value USD	Impact on profit or loss/NAV USD
31.05.2024		
-5%	92,935,910	(4,891,364)
0%	97,827,274	-
5%	102,718,638	4,891,364
31.05.2023		
-5%	8,725,685	(459,247)
0%	9,184,932	-
5%	9,644,179	459,247

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

(a) Market risk (continued)

(ii) Currency risk

Currency risk is associated with investments that are quoted and/or priced in foreign currency denomination. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Manager will evaluate the likely directions of a foreign currency versus 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	Derivative assets at fair value through profit or loss USD	Amount due from dealer USD	Amount due from Manager USD	Total USD
31.05.2024					
MYR	<u>1,326</u>	<u>50,433</u>	<u>977,401</u>	<u>2,058,208</u>	<u>3,087,368</u>
31.05.2023					
MYR	<u>13,866</u>	<u>-</u>	<u>47,907</u>	<u>3,368,203</u>	<u>3,429,976</u>
Financial liabilities	Amount due to dealer USD	Derivative liabilities at fair value through profit or loss USD	Amount due to Manager USD	Net assets attributable to unit holders USD	Total USD
31.05.2024					
MYR	<u>443,020</u>	<u>-</u>	<u>5,218,405</u>	<u>95,085,437</u>	<u>100,746,862</u>
31.05.2023					
MYR	<u>74,893</u>	<u>40,672</u>	<u>316,109</u>	<u>12,254,684</u>	<u>12,686,358</u>

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

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

(a) Market risk (continued)

(ii) Currency risk (continued)

Change in foreign exchange rate		Impact on profit or loss/NAV	
		31.05.2024	31.05.2023
	%	USD	USD
MYR	+/-5	<u>-/+4,882,975</u>	<u>-/+ 462,819</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.

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

	Cash and cash equivalents	Derivative assets at fair value through profit or loss	Amount due from dealer	Amount due from Manager	Amount due from Manager of Shariah- compliant collective investment scheme - management fee rebate	Amount due from Manager of Shariah- compliant collective investment scheme - sale of Shariah- compliant collective investment scheme	Total
	USD	USD	USD	USD	USD	USD	USD
31.05.2024							
- AAA	868,314	-	-	-	-	-	868,314
- Not Rated	-	50,572	1,420,268	2,058,208	107,252	2,100,000	5,736,300
	<u>868,314</u>	<u>50,572</u>	<u>1,420,268</u>	<u>2,058,208</u>	<u>107,252</u>	<u>2,100,000</u>	<u>6,604,614</u>
31.05.2023							
- AAA	327,645	-	-	-	-	-	327,645
- Not Rated	-	-	122,859	3,368,203	8,085	-	3,499,147
	<u>327,645</u>	<u>-</u>	<u>122,859</u>	<u>3,368,203</u>	<u>8,085</u>	<u>-</u>	<u>3,826,792</u>

(c) Liquidity risk

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

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

(c) Liquidity risk (continued)

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.

	Less than 1 month USD	Between 1 month to 1 year USD	Total USD
31.05.2024			
Amount due to dealer	1,421,090	-	1,421,090
Amount due to Manager	5,246,644	-	5,246,644
Accrued management fee	156,037	-	156,037
Amount due to Trustee	2,601	-	2,601
Other payables and accruals	-	5,065	5,065
Net assets attributable to unit holders*	97,600,451	-	97,600,451
Contractual undiscounted cash flows	104,426,823	5,065	104,431,888
31.05.2023			
Derivative liabilities at fair value through profit or loss	40,896	-	40,896
Amount due to dealer	122,633	-	122,633
Amount due to Manager	316,109	-	316,109
Amount due to Manager of Shariah-compliant collective investment scheme - purchase of Shariah-compliant collective investment scheme	260,000	-	260,000
Accrued management fee	12,501	-	12,501
Amount due to Trustee	208	-	208
Other payables and accruals	-	3,590	3,590
Net assets attributable to unit holders*	12,255,787	-	12,255,787
Contractual undiscounted cash flows	13,008,134	3,590	13,011,724

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

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

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders of USD97,600,451 (31.05.2023: USD12,255,787). 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/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.

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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
31.05.2024				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	<u>97,827,274</u>	<u>-</u>	<u>-</u>	<u>97,827,274</u>
Derivative assets at fair value through profit or loss:				
- Forward foreign currency contracts	<u>-</u>	<u>50,572</u>	<u>-</u>	<u>50,572</u>
31.05.2023				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	<u>9,184,932</u>	<u>-</u>	<u>-</u>	<u>9,184,932</u>
Derivative liabilities at fair value through profit or loss:				
- Forward foreign currency contracts	<u>-</u>	<u>(40,896)</u>	<u>-</u>	<u>(40,896)</u>

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 which invest in active listed equities. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

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 forward foreign currency contracts.

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

- (ii) The carrying values of cash and cash equivalents, amount due from dealer, amount due from Manager and amount due from Manager of Shariah-compliant collective investment scheme – management fee rebate and amount due from Shariah-compliant collective investment scheme - sale of Shariah-compliant collective investment scheme and all other 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 the financial year ended 31 May 2024, the management fee is recognised at the following rates (31.05.2023: 1.80% per annum) for each class.

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

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

5. TRUSTEE FEE

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

For the financial year ended 31 May 2024, the Trustee fee is recognised at a rate of 0.03% per annum for each class (31.05.2023: 0.03% per annum for each class).

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

6. TAXATION

	01.06.2023 to 31.05.2024 USD	14.07.2022 (date of launch) to 31.05.2023 USD
Tax charged for the financial year/period		
- Current taxation	-	-

6. TAXATION (CONTINUED)

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:

	01.06.2023 to 31.05.2024 USD	14.07.2022 (date of launch) to 31.05.2023 USD
Profit before taxation	10,935,051	1,060,513
Taxation at Malaysian statutory rate of 24% (31.05.2023: 24%)	2,624,412	254,523
Tax effects of:		
- Investment income not subject to tax	(2,863,287)	(273,440)
- Expenses not deductible for tax purposes	4,498	853
- Restriction on tax deductible expenses for Wholesale Funds	234,377	18,064
	-	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.05.2024 USD	31.05.2023 USD
At fair value through profit or loss:		
- Shariah-compliant collective investment scheme	97,827,274	9,184,932

	01.06.2023 to 31.05.2024 USD	14.07.2022 (date of launch) to 31.05.2023 USD
Net gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	1,897,730	71,944
- Unrealised fair value gain	10,519,612	1,322,988
- Management fee rebate #	362,977	26,593
	12,780,319	1,421,525

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 May 2024, management fee rebate is recognised at a rate of 0.70% per annum (31.05.2023: 0.70% 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 %
31.05.2024				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME				
Franklin Templeton International Services Sarl- Franklin Shariah Technology Fund – I USD Acc	<u>7,230,397</u>	<u>85,984,674</u>	<u>97,827,274</u>	<u>100.23</u>
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEME	<u>7,230,397</u>	<u>85,984,674</u>	<u>97,827,274</u>	<u>100.23</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>11,842,600</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u><u>97,827,274</u></u>		
31.05.2023				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME				
Franklin Templeton International Services Sarl- Franklin Shariah Technology Fund – I USD Acc	<u>904,919</u>	<u>7,861,944</u>	<u>9,184,932</u>	<u>74.94</u>
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEME	<u>904,919</u>	<u>7,861,944</u>	<u>9,184,932</u>	<u>74.94</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>1,322,988</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u><u>9,184,932</u></u>		

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

	31.05.2024	31.05.2023
	USD	USD
Derivative assets/(liabilities) at fair value through profit or loss:		
- Forward foreign currency contracts	<u>50,572</u>	<u>(40,896)</u>
	01.06.2023	14.07.2022
	to 31.05.2024	(date of launch)
		to 31.05.2023
Net loss on derivatives at fair value through profit or loss:		
- Realised loss on forward foreign currency contracts	(691,053)	(142,617)
- Unrealised fair value gain/(loss) on forward foreign currency contracts	<u>91,468</u>	<u>(40,896)</u>
	<u>(599,585)</u>	<u>(183,513)</u>

As at 31 May 2024, there were 2 outstanding (31.05.2023: 5), USD/Malaysian Ringgit ("MYR") forward foreign currency contracts. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD34,775,912 (31.05.2023: USD3,410,767).

The USD/MYR forward foreign currency contracts were entered into during the financial year/period to minimise the risk of foreign currency exposure between the USD and the foreign currencies of the Fund.

As the Fund has not adopted hedge accounting during the financial year/period, any changes in the fair value of the forward foreign currency contracts are recognised immediately in the statement of comprehensive income during the year/period in which it was incurred.

9. CASH AND CASH EQUIVALENTS

	31.05.2024	31.05.2023
	USD	USD
Bank balances	<u>868,314</u>	<u>327,645</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.06.2023	14.07.2022
	to 31.05.2024	(date of launch)
	No. of units	to 31.05.2023
		No. of units
Class MYR (i)	199,770,303	36,929,299
Class MYR-H (ii)	111,316,966	13,291,012
Class USD (iii)	<u>1,783,771</u>	<u>1,000</u>
	<u>312,871,040</u>	<u>50,221,311</u>

(i) Class MYR

At the beginning of the financial year/period	36,929,299	-
Add: Creation of units from applications	467,388,235	58,951,516
Less: Cancellation of units	<u>(304,547,231)</u>	<u>(22,022,217)</u>
At the end of the financial year/period	<u>199,770,303</u>	<u>36,929,299</u>

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

	01.06.2023 to 31.05.2024	14.07.2022 (date of launch) to 31.05.2023
	No. of units	No. of units
(ii) Class MYR-H		
At the beginning of the financial year/period	13,291,012	-
Add: Creation of units from applications	260,323,245	29,750,178
Less: Cancellation of units	(162,297,291)	(16,459,166)
At the end of the financial year/period	<u>111,316,966</u>	<u>13,291,012</u>
(iii) Class USD		
At the beginning of the financial year/period	1,000	-
Add: Creation of units from applications	3,287,756	2,548
Less: Cancellation of units	(1,504,985)	(1,548)
At the end of the financial year/period	<u>1,783,771</u>	<u>1,000</u>

11. TOTAL EXPENSE RATIO ("TER")

	01.06.2023 to 31.05.2024	14.07.2022 (date of launch) to 31.05.2023
	%	%
TER	<u>1.18</u>	<u>1.13</u>

TER is derived from the following calculation:

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

A	=	Management fee (excluded 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/period calculated on a daily basis is USD53,763,249 (31.05.2023: USD4,616,542).

12. PORTFOLIO TURNOVER RATIO ("PTR")

	01.06.2023 to 31.05.2024	14.07.2022 (date of launch) to 31.05.2023
PTR (times)	<u>1.05</u>	<u>1.47</u>

12. PORTFOLIO TURNOVER RATIO ("PTR") (CONTINUED)

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial year/period = USD95,780,000 (31.05.2023: USD10,680,000)

total disposal for the financial year/period = USD17,657,270 (31.05.2023: USD2,890,000)

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 are as follows:

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

Units held by the Manager and parties related to the Manager

	31.05.2024		31.05.2023	
	No. of units	USD	No. of units	USD
Manager				
Principal Asset Management Berhad				
- Class MYR	4,643	1,468	32	8
- Class MYR-H	3,149	903	1,177	276
- Class USD	1,000	1,410	1,000	1,103

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.

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 (continued)

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

14. TRANSACTIONS WITH BROKER

Details of transactions with the broker for the financial year ended 31 May 2024 are as follows:

Broker	Value of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
Franklin Templeton International Services Sarl	113,437,270	100.00	-	-

Details of transactions with the broker for the financial period from 14 July 2022 (date of launch) to 31 May 2023 are as follows:

Broker	Value of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
Franklin Templeton International Services Sarl	13,570,000	100.00	-	-

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 17 July 2024.

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