

# Principal Titans Growth & Income Fund

Interim Report

For the Six Months Financial Period Ended 31 October 2020

**PRINCIPAL TITANS GROWTH & INCOME FUND**

**INTERIM REPORT**

**FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2020**

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## INVESTORS' LETTER

Dear Valued Investor,

The month of December is always a good time to re-evaluate where you stand financially and relook at how you can diversify and strategise your investment portfolio for the new year and years to come.

What's more, the recent Budget 2021 announcement that the tax relief for the Private Retirement Scheme ("PRS") has been extended till 2025 is something all of us should take advantage of - for your financial planning in the new year and beyond that for your retirement.

This year, we have seen unprecedented hits to our economic activities, major infusion of monetary and fiscal policymaking, and a vote for new leadership in the US. Going into 2021, I believe it will be a year of renewal where we will see the world trying to shift to pre-pandemic norms while at the same time, accelerate into the post-pandemic future.

Our commitment to responsible investing focuses on one key priority—your long-term best interest. We're able to deliver on this commitment to you by developing strong, stable, research-based investment solutions through our globally integrated asset class teams and shared information infrastructure.

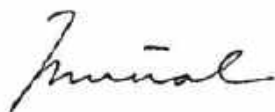
We continue to prefer equities over fixed income and remain positive on Asian equities favouring China and more developed Asian economies on a 12-month basis. For our:

- **Conservative investors, we recommend:** Malaysia focus bond funds and regional balanced funds that are income focussed.
- **More aggressive investors, we recommend:** Growth-oriented funds that offer exposure to growth areas in China, Asia-Pacific, ASEAN, Global Technology and Malaysian aggressive funds.

We are constantly sharing content on investing, retirement and latest market outlook in our website ([www.principal.com.my](http://www.principal.com.my)). Do like out our Facebook page (@PrincipalAssetMY) in order not to miss these updates and promotions – and for those who already have, I take this opportunity to thank you.

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

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



**Munirah Khairuddin**  
Chief Executive Officer

## MANAGER'S REPORT

### FUND OBJECTIVE AND POLICY

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

The Fund aims to achieve capital appreciation over the medium to long-term through all types of investments that have the potential for above average growth over time.

#### Has the Fund achieved its objective?

Yes, the Fund has achieved its objective of capital appreciation over the medium to long-term.

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

The Fund may invest between 70% to 98% (both inclusive) of its Net Asset Value ("NAV") in equities in order to gain long-term capital growth. The Fund may opt to invest in foreign equities up to a maximum of 30% of its NAV. Such foreign equities must be equity securities of companies domiciled in, listed in, and/or have significant operations in Asia ex Japan. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business/operations in Thailand but listed on the New York Stock Exchange ("NYSE"). The threshold for 'significant operations' would be if more than 25% of total group revenue derives from countries in Asia ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). In line with its objective, the investment policy and strategy of the Fund will be to invest primarily in equities, with a bias towards growth stocks that have the potential to deliver long-term capital appreciation and to a lesser extent focus on dividend yielding stocks that provides income. The Fund may opt to seek investment exposure via collective investment scheme that is in line with the Fund's objective, subject to the requirement of the Securities Commission Malaysia ("SC") Guidelines. To a lesser extent, the Fund invests in liquid assets primarily for the purpose of cash management.

The asset allocation strategy for this Fund is as follows:

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

The Manager has appointed Principal Asset Management (S) Pte Ltd ("Principal Singapore") as the Sub-Adviser of the Fund ("Sub-Adviser"). Principal Singapore will provide investment research and stock recommendation to us in accordance with the investment objective and within the investment restrictions of the Fund.

**Note:** *With effect from 1 June 2020, we ceased the appointment of Principal Singapore as the sub-manager for the foreign portion of the Fund and have appointed Principal Singapore as the Sub-Adviser of this Fund.*

#### Fund category/type

Equity/Growth

#### When was the Fund launched?

15 May 1991

#### What was the size of the Fund as at 31 October 2020?

RM140.38 million (124.46 million units)

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

70% Financial Times Stock Exchange ("FTSE") Bursa Malaysia ("FBM") Top 100 Index + 30% MSCI All Country ("AC") Asia ex Japan

*Note: The benchmark is for performance comparison purpose only. The benchmark is customised as such to align it closer to the structure of the portfolio and to reflect the composition of the portfolio in line with the markets they operate in. Investors are cautioned that the risk profile of the Fund is higher than the benchmark.*

**FUND OBJECTIVE AND POLICY (CONTINUED)**

**What is the Fund distribution policy?**

The Manager has the discretion to distribute part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.

**What was the net income distribution for the six months financial period ended 31 October 2020?**

The Fund distributed a total net income of RM5.76 million to unit holders. As a result, the NAV per unit dropped from RM1.2041 to RM1.1591 on 7 July 2020 for the six months financial period ended 31 October 2020.

**PERFORMANCE DATA**

Details of portfolio composition of the Fund for the last three unaudited financial periods are as follows:

	<b>31.10.2020</b>	<b>31.10.2019</b>	<b>31.10.2018</b>
	%	%	%
Collective investment schemes	-	1.15	1.03
Quoted securities			
- Communication Services	3.76	8.79	1.23
- Consumer Discretionary	6.98	6.79	12.56
- Consumer Staples	5.25	3.56	13.24
- Energy	5.45	4.06	10.14
- Financials	12.14	19.56	17.97
- Health Care	13.07	2.87	6.77
- Industrials	13.54	18.18	10.03
- Information Technology	15.72	10.75	10.13
- Materials	9.21	3.92	3.32
- Real Estate	2.08	8.37	3.45
- Utilities	6.02	7.63	0.81
Cash and other net assets	6.78	4.37	9.32
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Performance details of the Fund for the last three unaudited financial periods are as follows:

	<b>31.10.2020</b>	<b>31.10.2019</b>	<b>31.10.2018</b>
NAV (RM Million)	140.38	162.15	166.19
Units in circulation (Million)	124.46	133.80	121.17
NAV per unit (RM)	1.1279	1.2118	1.3714
	<b>01.05.2020 to 31.10.2020</b>	<b>01.05.2019 to 31.10.2019</b>	<b>01.05.2018 to 31.10.2018</b>
Highest NAV per unit (RM)	1.2103	1.3104	1.4163
Lowest NAV per unit (RM)	1.0694	1.1797	1.1942
Total return (%)	7.39	0.71	(8.96)
- Capital growth (%)	3.81	3.69	(14.07)
- Income distribution (%)	3.88	4.40	5.56
Management Expense Ratio ("MER") (%) ^	0.83	0.81	0.83
Portfolio Turnover Ratio ("PTR") (times) #	1.48	0.61	0.68

^ The Fund's MER increased from 0.81% to 0.83% due to lower average NAV during the financial period under review.

**PERFORMANCE DATA (CONTINUED)**

# The Fund's PTR has increased for the financial period under review. This is due to the need to meet redemption requirements and the volatility in the stock market.

Date of distribution		<b>07.07.2020</b>	<b>18.07.2019</b>	<b>26.07.2018</b>
Gross/Net distribution per unit (sen)		4.50	5.45	7.75
	<b>31.10.2020</b>	<b>31.10.2019</b>	<b>31.10.2018</b>	<b>31.10.2017</b>
	%	%	%	%
Annual total return	(4.29)	5.54	(6.43)	18.34
			<b>31.10.2016</b>	2.88

(Launch date: 15 May 1991)

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

**MARKET REVIEW (1 MAY 2020 TO 31 OCTOBER 2020)**

During the financial period under review, the FBM Kuala Lumpur Composite Index ("FBMKLCI") is up 4.2% after a market crash in the first quarter of 2020. For the month of October 2020, the market continued its downtrend (-2.4% month-to-date ("MTD")) due to a resurgence in Coronavirus 2019 ("COVID-19") cases and rising political uncertainty contributed to the softer market. Energy (-9.9%), Construction (-5.7%) and Real Estate Investment Trust ("REIT") (-4.7%) were the worst performing sectors in October. While the best performing sectors were Technology (+8.4%) and Healthcare (+7.1%).

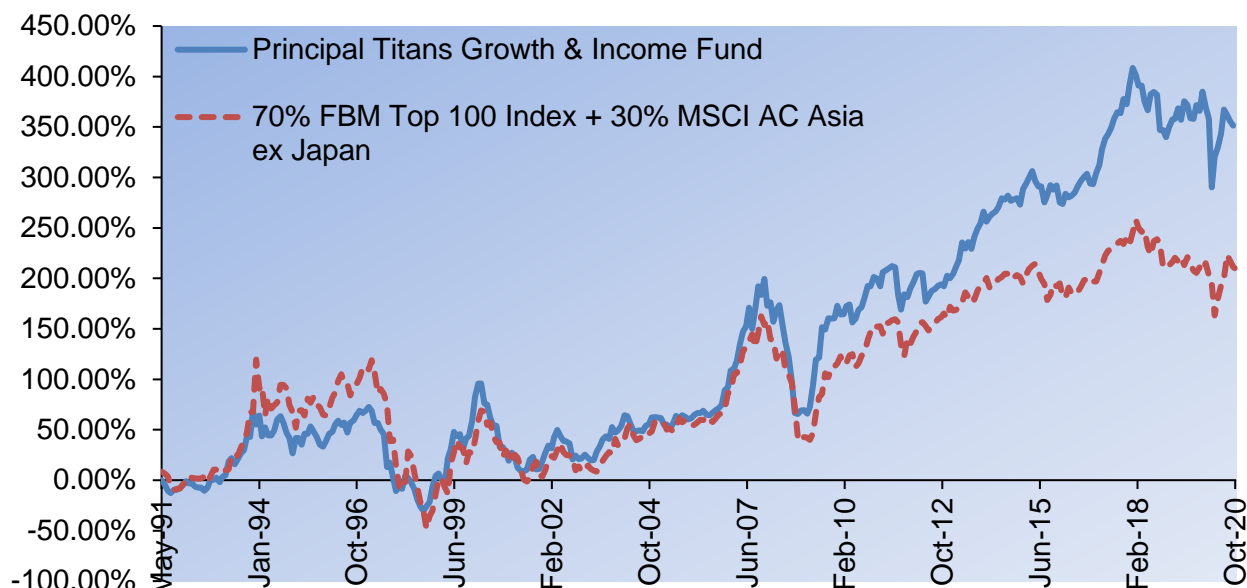
On the regional side, despite the concerns around rising number of infections in the developed world; the MSCI AC Asia Pacific ex Japan Index rebounded by 2.4% in US Dollar ("USD") terms in October 2020 led by China, Indonesia and the Philippines. Oil prices fell 11% due to concerns of weaker demand and the return of Libyan crude supply.

**FUND PERFORMANCE**

	<b>6 months to</b>	<b>1 year to</b>	<b>3 years to</b>	<b>5 years to</b>	<b>Since</b>
	<b>31.10.2020</b>	<b>31.10.2020</b>	<b>31.10.2020</b>	<b>31.10.2020</b>	<b>inception to</b>
	%	%	%	%	31.10.2020
	%	%	%	%	%
Income Distribution	3.88	3.88	14.48	28.16	242.18
Capital Growth	3.81	(7.47)	(17.36)	(10.13)	19.29
Total Return	7.39	(4.29)	(5.48)	15.08	351.48
Benchmark	10.31	(0.67)	(9.07)	4.80	208.91
Average Total Return	N/A	(4.29)	(1.86)	2.85	5.24

For the financial period under review, the Fund underperformed the benchmark by 2.92%. This is due to the underweight in gloves.

**FUND PERFORMANCE (CONTINUED)**



**Changes in NAV**

	<b>31.10.2020</b>	<b>30.04.2020</b> <b>Audited</b>	<b>Changes</b> <b>%</b>
NAV (RM Million)	140.38	140.03	0.25
NAV/Unit (RM)	1.1279	1.0911	3.37

The NAV for the Fund increased by 0.25% while the NAV per unit increased by 3.37%. The increase in the NAV indicate the rise in the prices of the underlying assets.

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

**PORTFOLIO STRUCTURE**

**Asset allocation**

<b>(% of NAV)</b>	<b>31.10.2020</b>	<b>30.04.2020</b> <b>Audited</b>
Quoted securities	93.22	91.31
Cash and other net assets	6.78	8.69
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

As at 31 October 2020, the Fund held 93.22% in quoted securities, 6.78% in cash and other net assets.

**MARKET OUTLOOK**

We expect the low interest rate environment to be sustained until the economy is on a firmer footing. With such a low interest rate, equity risk premium (“ERP”) has widened significantly to 3.85%, +2 standard deviations (“SD”) over mean of 2.72%. This means that equity valuation is actually very cheap now relative to fixed income. We value FBMKLCI at 1,730 for the base case as we peg it to 17.1 times price-to-earnings (“PE”) ratio (which is mid-point between historical mean PE and bull case PE) and it will be back loaded to the second half of 2021 as we foresee the first quarter of 2021 will still be choppy due to continuous COVID-19 related economic data assessment and macro policy adjustments post US Presidential Election.



## MARKET OUTLOOK (CONTINUED)

Heightened volatility in the coming months present a good opportunity to position all portfolios for the first half of 2021. Furthermore, after two months of market corrections and taking a 3 to 6 months investment horizon, from valuation perspective, FBMKLCI looks attractive.

\* 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

Despite our cheap valuations locally, we reiterate our cautious view on the Malaysian market driven by the US Presidential Election and the resurgence of COVID-19 cases globally and domestically. Earlier hope for rapid recovery in the fourth quarter 2020 may now be pushed further into the first or second quarter of 2021. Heightened volatility in the coming months presents a good opportunity to position all portfolios for the first half 2021. We will continue with our high holdings in AA stocks of 90% to 95% and focus more on adding alpha into all portfolios. Sector in focus will be on Technology, Healthcare, Telecommunication and Commodity-related. We will continue to underweight Banks & Financial Services and reduce our overweight on Plantation and REITs.

We rate Asian equities a BUY over a 12-month horizon. We remain positive on China and the more developed Asian economies. Our focus is on companies that benefit from structural growth drivers such as internet platforms, datacenters, electrification of vehicles and quality companies which are long-term winners with significant brand equity or are market share gainers.

## UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 31 October 2020 are as follows:

Size of unit holdings (units)	No of unit holders	No of units held (million)	% of units held
5,000 and below	4,243	6.77	5.44
5,001 to 10,000	1,230	8.88	7.13
10,001 to 50,000	2,306	52.69	42.34
50,001 to 500,000	467	43.52	34.97
500,001 and above	8	12.60	10.12
<b>Total</b>	<b>8,254</b>	<b>124.46</b>	<b>100.00</b>

## SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (the "Manager"), and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Principal Malaysia Funds ("Funds") unless the soft commission received is retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. All dealings with brokers are executed on best available terms.

During the financial period under review, the Manager and the Trustee did not receive any rebates from the brokers or the 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.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF  
PRINCIPAL TITANS GROWTH & INCOME FUND**

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 9 to 41 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 October 2020 and of its financial performance, changes in equity and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting.

For and on behalf of the Manager

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

**MUNIRAH KHAIRUDDIN**  
Chief Executive Officer/Executive Director

**JUAN IGNACIO EYZAGUIRRE BARAONA**  
Director

Kuala Lumpur  
14 December 2020

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF  
PRINCIPAL TITANS GROWTH & INCOME FUND**

We, AMANAHRAYA TRUSTEES BHD, have acted as Trustee of PRINCIPAL TITANS GROWTH & INCOME FUND for the six months financial period ended 31 October 2020. In our opinion, PRINCIPAL ASSET MANAGEMENT BERHAD, the Manager, has operated and managed PRINCIPAL TITANS GROWTH & INCOME FUND in accordance with the limitations imposed on the investment powers of the management company under the Deed, securities laws and the applicable Guidelines on Unit Trust Funds for the six months financial period ended 31 October 2020.

We are of the opinion that:

- (a) Valuation and pricing is carried out in accordance with the Deed and any regulatory requirement;
- (b) Creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirement; and
- (c) The distribution of income made by PRINCIPAL TITANS GROWTH & INCOME FUND as declared by the Manager is appropriate and reflects the investment objective of PRINCIPAL TITANS GROWTH & INCOME FUND.

Yours faithfully

**AMANAHRAYA TRUSTEES BERHAD**

**ZAINUDIN BIN SUHAIMI**

Chief Executive Officer

Kuala Lumpur, Malaysia

9 December 2020

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2020**

		<b>01.05.2020 to 31.10.2020</b>	<b>01.05.2019 to 31.10.2019</b>
	<b>Note</b>	<b>RM</b>	<b>RM</b>
<b>INCOME</b>			
Dividend income		1,971,722	3,192,223
Interest income from deposits with licensed financial institutions at amortised cost		27,357	61,209
Net gain/(loss) on financial assets at fair value through profit or loss	<b>8</b>	11,731,234	(219,827)
Net foreign exchange loss		(624,485)	(510,204)
		<u>13,105,828</u>	<u>2,523,401</u>
<b>EXPENSES</b>			
Management fee	<b>4</b>	1,106,143	1,236,927
Trustee and custodian fees	<b>5</b>	87,934	76,288
Transaction costs		1,218,294	564,053
Audit fee		5,050	9,055
Tax agent's fee		5,540	13,264
Other expenses		65,116	64,312
		<u>2,488,077</u>	<u>1,963,899</u>
<b>PROFIT BEFORE TAXATION</b>		10,617,751	559,502
Taxation	<b>6</b>	(33,109)	-
<b>PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<u>10,584,642</u>	<u>559,502</u>
Profit after taxation is made up as follows:			
Realised amount		8,890,656	2,121,668
Unrealised amount		1,693,986	(1,562,166)
		<u>10,584,642</u>	<u>559,502</u>

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

UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 31 OCTOBER 2020

		31.10.2020	30.04.2020
	Note	RM	Audited RM
<b>ASSETS</b>			
Cash and cash equivalents	9	10,106,767	10,400,777
Financial assets at fair value through profit or loss	8	130,864,510	127,861,904
Amount due from stockbrokers		564,093	1,326,491
Amount due from Manager		61,572	96,423
Amount due from Manager of collective investment schemes			
- Management fee rebate		50,457	50,457
Dividends receivable		87,870	344,093
Tax recoverable		214,108	214,108
<b>TOTAL ASSETS</b>		<u>141,949,377</u>	<u>140,294,253</u>
<b>LIABILITIES</b>			
Amount due to stockbrokers		1,172,473	18,917
Amount due to Manager		189,510	47,438
Accrued management fee		183,452	166,028
Amount due to Trustee		8,561	7,790
Other payables and accruals		11,950	19,301
<b>TOTAL LIABILITIES</b>		<u>1,518,813</u>	<u>259,474</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>140,383,431</u>	<u>140,034,779</u>
<b>EQUITY</b>			
Unit holders' capital		83,318,727	87,797,845
Retained earnings		57,064,704	52,236,934
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>140,383,431</u>	<u>140,034,779</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	10	<u>124,457,811</u>	<u>128,339,873</u>
<b>NET ASSET VALUE PER UNIT (RM) (EX-DISTRIBUTION)</b>		<u>1.1279</u>	<u>1.0911</u>

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

**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2020**

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
<b>Balance as at 1 May 2020</b>		87,797,845	52,236,934	140,034,779
Movement in unit holders' contributions:				
- Creation of units from applications		5,430,185	-	5,430,185
- Creation of units from distribution		5,353,524	-	5,353,524
- Cancellation of units		(15,262,827)	-	(15,262,827)
Total comprehensive income for the financial period		-	10,584,642	10,584,642
Distribution	7	-	(5,756,872)	(5,756,872)
<b>Balance as at 31 October 2020</b>		<u>83,318,727</u>	<u>57,064,704</u>	<u>140,383,431</u>
<b>Balance as at 1 May 2019</b>		92,668,890	75,957,826	168,626,716
Movement in unit holders' contributions:				
- Creation of units from applications		5,332,441	-	5,332,441
- Creation of units from distribution		6,755,721	-	6,755,721
- Cancellation of units		(8,796,840)	-	(8,796,840)
Total comprehensive income for the financial period		-	559,502	559,502
Distribution	7	-	(7,214,398)	(7,214,398)
<b>Balance as at 31 October 2019</b>		<u>95,960,212</u>	<u>69,302,930</u>	<u>165,263,142</u>

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

**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2020**

	<b>01.05.2020 to 31.10.2020</b>	<b>01.05.2019 to 31.10.2019</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from disposal of quoted securities	220,642,075	101,607,041
Purchase of quoted securities	(211,529,603)	(95,079,090)
Dividend income received	2,169,181	3,079,069
Interest income received from deposits with licensed financial institutions	27,357	61,209
Management fee paid	(1,089,617)	(1,234,668)
Management fee rebate received	899	2,917
Trustee and custodian fees paid	(87,163)	(76,183)
Payments for other fees and expenses	(30,711)	(37,385)
Net realised foreign exchange loss	(192,387)	(568,563)
Capital gain tax paid	(33,109)	-
<b>Net cash generated from from operating activities</b>	<u>9,876,922</u>	<u>7,754,347</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from units created	5,465,036	5,484,804
Payments for cancellation of units	(15,120,755)	(8,575,974)
Distribution paid	(403,348)	(458,677)
<b>Net cash used in financing activities</b>	<u>(10,059,067)</u>	<u>(3,549,847)</u>
Net (decrease)/increase in cash and cash equivalents	(182,145)	4,204,500
Effects of foreign exchange differences	(111,865)	(69,509)
Cash and cash equivalents at the beginning of the financial period	<u>10,400,777</u>	<u>6,002,317</u>
Cash and cash equivalents at the end of the financial period	<u><u>10,106,767</u></u>	<u><u>10,137,308</u></u>
<u>Cash and cash equivalents comprised of:</u>		
Bank balances	8,478,611	4,094,784
Deposits with licensed financial institutions	1,628,156	6,042,524
Cash and cash equivalents at the end of the financial period	<u><u>10,106,767</u></u>	<u><u>10,137,308</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2020****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

Principal Titans Growth & Income Fund (the “Fund”) is governed by a Principal Master Deed dated 15 May 2008, a Third Supplemental Master Deed dated 14 July 2008, a Sixth Supplemental Master Deed dated 16 July 2009, a Seventh Supplemental Master Deed dated 11 February 2010, Thirteenth Supplemental Master Deed dated 26 June 2012, an Eighteenth Supplemental Master Deed dated 25 March 2015 and a Twentieth Supplemental Master Deed dated 21 October 2019 (collectively referred to as the “Deeds”), made between Principal Asset Management Berhad (the “Manager”) and AmanahRaya Trustees Bhd (the “Trustee”).

The Fund may invest between 70% to 98% (both inclusive) of its NAV in equities in order to gain long-term capital growth. The Fund may opt to invest in foreign equities up to a maximum of 30% of its NAV. Such foreign equities must be equity securities of companies domiciled in, listed in, and/or have significant operations in Asia ex Japan. ‘Significant operations’ means major businesses of the company. For example, the Fund can invest in a company with significant business/operations in Thailand but listed on the NYSE. The threshold for ‘significant operations’ would be if more than 25% of total group revenue derives from countries in Asia ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). In line with its objective, the investment policy and strategy of the Fund will be to invest primarily in equities, with a bias towards growth stocks that have the potential to deliver long-term capital appreciation and to a lesser extent focus on dividend yielding stocks that provides income. The Fund may opt to seek investment exposure via collective investment scheme that is in line with the Fund’s objective, subject to the requirement of the SC Guidelines. To a lesser extent, the Fund invests in liquid assets primarily for the purpose of cash management.

The asset allocation strategy for this Fund is as follows:

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

The Manager has appointed Principal Singapore as the Sub-Adviser of the Fund. Principal Singapore will provide investment research and stock recommendation to us in accordance with the investment objective and within the investment restrictions of the Fund.

All investments are subjected to the SC Guidelines on Unit Trust Funds, SC requirements, the Deed, 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.

**Note:** *With effect from 1 June 2020, we ceased the appointment of Principal Singapore as the sub-manager for the foreign portion of the Fund and have appointed Principal Singapore as the Sub-Adviser of this Fund.*



## 2. SUMMARY OF SIGNIFICANT 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 and International Financial Reporting Standards ("IFRS").

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

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

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

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

There are no other standards, amendments to standards or interpretations that are effective for financial period beginning on 1 November 2020 that have a material effect on the financial statements of the Fund.

There are no applicable standards, amendments to standards or interpretations that are effective for annual periods beginning on/after 1 November 2020 to the financial statements of the Fund.

### (b) Financial assets and financial liabilities

#### Classification

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

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(b) Financial assets and financial liabilities (Continued)**Classification (continued)

The Fund classifies amount due to stockbrokers, amount due to Manager, accrued management fee, amount due to Trustee, and other payables and accruals as financial liabilities measured at amortised cost.

Recognition and measurement

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

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

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

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

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

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.

Quoted securities in Malaysia are valued at the last traded market price quoted on Bursa Malaysia Securities Bhd ("Bursa Securities") at the date of the statement of financial position.

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

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

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest method over the period from the date of placement to the date of maturity of the respective deposits.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(b) Financial assets and financial liabilities (continued)**Impairment for assets carried at amortised cost

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

**(c) 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 Malaysian Ringgit (“MYR”), 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 judgment 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 RM primarily due to following factors:

- i. The Fund’s units are denominated in MYR.
- ii. Significant portion of the Fund’s expenses are denominated in MYR.
- iii. Significant portion of the Fund’s NAV is invested in investment denominated in MYR.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(c) Foreign currency (continued)**Transactions and balances

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

**(d) Income recognition**

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

Interest income from deposits with licensed financial institutions is recognised on a time proportionate basis using the effective interest rate method on an accrual basis.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

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

**(e) Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances 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.

**(f) Taxation**

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

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

**(g) Distribution**

A distribution to the Fund's unit holders is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the financial period in which it is approved by the Trustee.

**(h) Transactions costs**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(i) Unit holders' contributions**

The unit holders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the holder to a proportionate share of the Fund's NAV;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial period if unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

**(j) Amount due from/to stockbrokers**

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

These amounts are measured at amortised. At each reporting date, the Fund measure the loss allowance on amounts due from broker at an amount equal to the lifetime ECL if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month ECL. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

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

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

The analysis of realised and unrealised portions of increase/decrease in net assets attributable to unit holders as presented on the statement of comprehensive income is prepared in accordance with SC Guidelines on Unit Trust Funds.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(l) Critical accounting estimates and judgments in applying accounting policies**

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

Estimates and judgment 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 Unit Trust Funds.

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

**3. RISK MANAGEMENT OBJECTIVES AND POLICIES**

The investment objective of the Fund is to achieve capital appreciation over the medium to long-term through all types of investments that have the potential for above average growth over time.

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk, interest rate 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 Unit Trust Funds.

**(a) Market risk****(i) Price risk**

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

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

**3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****(a) Market risk (continued)****(ii) Interest rate risk**

Interest rate is a general economic indicator that will have an impact on the management of the Fund.

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Fund's exposure to fair value interest rate risk arises from investment in money market instruments. The interest rate risk is expected to be minimal as the Fund's investments comprise mainly short term deposits with approved licensed financial institutions.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund is not exposed to cash flow interest rate risk as the Fund does not hold any financial instruments at variable interest rate.

As at the end of each financial period, the Fund is not exposed to a material level of interest rate risk.

**(iii) 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 RM based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

**(b) Credit risk**

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

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

For amount due from Manager, the settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC Guidelines on Unit Trust Funds.

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

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

**3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****(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, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 business days. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the fund Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

**(d) Capital risk management**

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

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

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



3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy

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

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

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>31.10.2020</b>				
Financial assets at fair value through profit or loss:				
- Quoted securities - Local	91,582,405	-	-	91,582,405
- Quoted securities - Foreign	39,282,105	-	-	39,282,105
	<u>130,864,510</u>	<u>-</u>	<u>-</u>	<u>130,864,510</u>

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>30.04.2020</b>				
<b>Audited</b>				
Financial assets at fair value through profit or loss:				
- Quoted				
securities - Local	87,123,788	-	-	87,123,788
- Quoted				
securities - Foreign	40,738,116	-	-	40,738,116
	<u>127,861,904</u>	<u>-</u>	<u>-</u>	<u>127,861,904</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include collective investment schemes and quoted securities. 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 stockbrokers, amount due from Manager, amount due from Manager of collective investment schemes, dividends receivable 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 management fee of up to 1.50% per annum calculated daily based on the NAV of the Fund.

For the six months financial period ended 31 October 2020, the management fee is recognised at a rate of 1.50% per annum (31.10.2019: 1.50% per annum).

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

5. TRUSTEE AND CUSTODIAN FEES

In accordance the Deeds, the Trustee is entitled to a fee not exceeding 0.07% per annum calculated daily based on the NAV of the Fund.

The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears.

For the six months financial period ended 31 October 2020, the Trustee fee is recognised at a rate of 0.07% per annum (31.10.2019: 0.07% per annum) while the foreign custodian fee is recognised at RM36,314 (31.10.2019: RM22,883).

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

6. TAXATION

	01.05.2020 to 31.10.2020 RM	01.05.2019 to 31.10.2019 RM
Tax charged for the financial period:		
- Withholding tax	-	-
- Capital gains tax	33,109	-
	<u>33,109</u>	<u>-</u>

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

	01.05.2020 to 31.10.2020 RM	01.05.2019 to 31.10.2019 RM
Profit before taxation	<u>10,617,751</u>	<u>559,502</u>
Taxation at Malaysian statutory rate of 24%	2,548,260	146,194
Tax effects of:		
Income not subject to tax	(3,145,398)	(605,616)
Expenses not deductible for tax purposes	328,738	157,567
Restriction on tax deductible expenses for Unit Trust Funds	268,400	301,855
Capital gains tax	33,109	-
Taxation	<u>33,109</u>	<u>-</u>

7. DISTRIBUTION

Distribution to unit holders is derived from the following sources:

	01.05.2020 to 31.10.2020 RM	01.05.2019 to 31.10.2019 RM
Dividend income	603,154	1,692,673
Interest income from deposits with licensed financial institutions	10,979	18,047
Net realised gain on disposal of quoted securities	(403,471)	628,565
Prior financial period's realised income	<u>5,946,335</u>	<u>4,876,312</u>
	6,156,997	7,215,597
Less:		
Expenses	<u>(400,125)</u>	<u>(1,199)</u>
Net distribution amount	<u>5,756,872</u>	<u>7,214,398</u>

**Distribution on 7 July 2020**

Gross/Net distribution per unit (sen)	<u>4.50</u>	<u>-</u>
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**Distribution on 18 July 2019**

Gross/Net distribution per unit (sen)	<u>-</u>	<u>5.45</u>
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Gross distribution is derived using total income less total expenses. Net distribution above is mainly sourced from current and prior financial periods' realised income.

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

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

	<b>31.10.2020</b>	<b>30.04.2020</b>
	<b>RM</b>	<b>Audited RM</b>
At fair value through profit or loss at inception:		
- Quoted securities - local	91,582,405	87,123,788
- Quoted securities - foreign	39,282,105	40,738,116
	<u>130,864,510</u>	<u>127,861,904</u>
	<b>01.05.2020 to 31.10.2020</b>	<b>01.05.2019 to 31.10.2019</b>
	<b>RM</b>	<b>RM</b>
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised gain on disposals	9,925,774	1,256,081
- Unrealised fair value gain/(loss)	1,805,460	(1,496,876)
- Management fee rebate #	-	20,968
	<u>11,731,234</u>	<u>(219,827)</u>

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

For the six months financial period ended 31 October 2019, the rebate is recognised at a rate of 2.00% and 1.75% per annum respectively for Principal Indo Domestic Equity Fund and Principal SMART Equity Fund calculated and accrued daily based on the NAV of the collective investment schemes.

<b>Name of counter</b>	<b>Quantity Units</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>31.10.2020</b>				
<b>QUOTED SECURITIES - LOCAL</b>				
<b>Communication Services</b>				
Maxis Bhd	510,800	2,623,161	2,451,840	1.75
Time Dotcom Bhd	27,200	231,381	350,336	0.25
	<u>538,000</u>	<u>2,854,542</u>	<u>2,802,176</u>	<u>2.00</u>
<b>Consumer Discretionary</b>				
DRB-Hicom Bhd	1,056,600	2,051,169	2,007,540	1.43
Genting Bhd	625,300	2,420,797	1,850,888	1.32
Genting Malaysia Bhd	1,237,900	3,089,616	2,475,800	1.76
	<u>2,919,800</u>	<u>7,561,582</u>	<u>6,334,228</u>	<u>4.51</u>
<b>Consumer Staples</b>				
FGV Holdings Bhd	1,960,700	2,358,200	2,078,342	1.48
Kuala Lumpur Kepong Bhd	92,000	2,006,760	1,952,240	1.39
Sime Darby Plantation Bhd	690,300	3,326,585	3,341,052	2.38
	<u>2,743,000</u>	<u>7,691,545</u>	<u>7,371,634</u>	<u>5.25</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2020 (CONTINUED QUOTED SECURITIES - LOCAL (CONTINUED))</b>				
<b>Energy</b>				
Dayang Enterprise Holdings Bhd	2,449,500	3,078,504	1,837,125	1.31
Dialog Group Bhd	489,600	1,563,887	1,811,520	1.29
Hibiscus Petroleum Bhd	2,833,300	1,844,402	1,303,318	0.93
	<u>5,772,400</u>	<u>6,486,793</u>	<u>4,951,963</u>	<u>3.53</u>
<b>Financials</b>				
Bursa Malaysia Bhd	117,800	1,176,867	949,468	0.68
Hong Leong Bank Bhd	123,600	1,997,307	1,829,280	1.30
Malayan Banking Bhd	397,217	3,340,970	2,780,519	1.98
Public Bank Bhd	176,810	2,891,305	2,666,295	1.90
RHB Bank Bhd	342,800	1,914,984	1,450,044	1.03
	<u>1,158,227</u>	<u>11,321,433</u>	<u>9,675,606</u>	<u>6.89</u>
<b>Health Care</b>				
Hartalega Holdings Bhd	290,100	4,366,187	5,221,800	3.72
IHH Healthcare Bhd	138,800	800,098	689,836	0.49
Kossan Rubber Industries	217,400	1,297,668	1,630,500	1.16
Optimax Holdings Bhd	2,212,800	1,664,351	1,482,576	1.06
Top Glove Corporation Bhd	926,000	8,026,810	7,935,820	5.65
	<u>3,785,100</u>	<u>16,155,114</u>	<u>16,960,532</u>	<u>12.08</u>
<b>Industrials</b>				
Econpile Holdings Bhd	892,200	572,756	289,965	0.21
Gamuda Bhd	84,708	277,322	282,078	0.20
Greotech Technology Bhd	214,100	789,298	1,640,006	1.17
IJM Corp Bhd	892,800	1,198,034	1,196,352	0.85
Kelington Group Bhd	1,663,400	1,858,989	1,896,276	1.35
Malaysia Airports Holdings Bhd	511,600	2,683,641	2,138,488	1.52
Pentamaster Corporation Bhd	355,600	1,189,494	1,788,668	1.27
Sime Darby Bhd	1,732,645	3,684,865	4,175,674	2.97
SKP Resources Bhd	734,600	1,263,210	1,292,896	0.92
Solarvest Holdings Bhd	616,900	858,567	727,942	0.52
	<u>7,698,553</u>	<u>14,376,176</u>	<u>15,428,345</u>	<u>10.98</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2020 (CONTINUED QUOTED SECURITIES - LOCAL (CONTINUED))</b>				
<b>Information Technology</b>				
D&O Green Technologies Bhd	682,100	589,458	757,131	0.54
Inari Amertron Bhd	74,700	126,235	189,738	0.14
JHM Consolidation	911,300	1,262,336	1,585,662	1.13
MI Technovation Bhd	527,000	2,178,010	2,108,000	1.50
V.S. Industry Bhd	148,600	193,493	347,724	0.25
Vitrox Corporation Bhd	241,600	1,682,105	3,430,720	2.44
	<u>2,585,300</u>	<u>6,031,637</u>	<u>8,418,975</u>	<u>6.00</u>
<b>Materials</b>				
Petronas Chemicals Group Bhd	671,200	4,306,166	3,926,520	2.80
Press Metal Aluminium Holdings Bhd	789,700	3,733,319	4,335,453	3.09
	<u>1,460,900</u>	<u>8,039,485</u>	<u>8,261,973</u>	<u>5.89</u>
<b>Real Estate</b>				
Sime Darby Property Bhd	1,340,400	941,497	723,816	0.52
SP Setia Bhd	1,104,400	896,956	762,036	0.54
Sunway Bhd	286,000	461,536	383,240	0.27
UOA Development Bhd	706,800	1,171,788	1,053,132	0.75
	<u>3,437,600</u>	<u>3,471,777</u>	<u>2,922,224</u>	<u>2.08</u>
<b>Utilities</b>				
Malakoff Corporation Bhd	1,611,200	1,588,645	1,490,360	1.06
Taliworks Corporation Bhd	1,830,500	1,602,312	1,482,705	1.06
Tenaga Nasional Bhd	574,600	7,769,485	5,481,684	3.90
	<u>4,016,300</u>	<u>10,960,442</u>	<u>8,454,749</u>	<u>6.02</u>
<b>TOTAL QUOTED SECURITIES - LOCAL</b>	<b><u>36,115,180</u></b>	<b><u>94,950,526</u></b>	<b><u>91,582,405</u></b>	<b><u>65.23</u></b>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2020 (CONTINUED)</b>				
<b>QUOTED SECURITIES - FOREIGN</b>				
<b>CAYMAN ISLANDS</b>				
<b>Consumer Discretionary</b>				
Alibaba Group Holdings Ltd	8,200	967,226	1,287,711	0.92
<b>TOTAL CAYMAN ISLANDS</b>	<b>8,200</b>	<b>967,226</b>	<b>1,287,711</b>	<b>0.92</b>
<b>CHINA</b>				
<b>Industrials</b>				
Sany Heavy Industry Co. Ltd - A	85,800	1,296,247	1,382,529	0.98
<b>Information Technology</b>				
Hangzhou Hikvision Digital Technology Co. Ltd	54,000	1,238,266	1,505,531	1.07
<b>TOTAL CHINA</b>	<b>139,800</b>	<b>2,534,513</b>	<b>2,888,060</b>	<b>2.05</b>
<b>HONG KONG, CHINA</b>				
<b>Communication Services</b>				
Tencent Holdings Ltd	3,400	760,796	1,076,235	0.77
<b>Financials</b>				
AIA Group Ltd	35,400	1,479,602	1,385,046	0.99
Ant Group Co. Ltd – H <sup>2</sup>	1,100	47,133	47,133	0.03
Hong Kong Exchanges & Clearing	8,900	1,836,165	1,764,684	1.26
	45,400	3,362,900	3,196,863	2.28
<b>Health Care</b>				
WUXI Biologics Cayman Inc	12,000	1,043,577	1,392,132	0.99
<b>TOTAL HONG KONG, CHINA</b>	<b>59,700</b>	<b>5,120,140</b>	<b>5,618,097</b>	<b>4.04</b>
<b>INDIA</b>				
<b>Consumer Discretionary</b>				
Titan Co. Ltd	16,835	955,259	1,100,985	0.78

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2020 (CONTINUED)</b>				
<b>QUOTED SECURITIES - FOREIGN</b>				
<b>INDIA (CONTINUED)</b>				
<b>Energy</b>				
Reliance Industries Ltd	7,935	539,928	914,568	0.65
Reliance Industries Ltd - Partly Paid	1,614	29,113	107,160	0.08
	<u>9,549</u>	<u>569,041</u>	<u>1,021,728</u>	<u>0.73</u>
<b>Financials</b>				
HDFC Bank Ltd	21,304	1,286,442	1,414,525	1.01
HDFC Life Insurance Co. Ltd	26,122	863,414	864,246	0.62
	<u>47,426</u>	<u>2,149,856</u>	<u>2,278,771</u>	<u>1.63</u>
<b>TOTAL INDIA</b>	<b><u>73,810</u></b>	<b><u>3,674,156</u></b>	<b><u>4,401,484</u></b>	<b><u>3.14</u></b>
<b>INDONESIA</b>				
<b>Energy</b>				
PT United Tractors Tbk	277,500	1,767,241	1,664,861	1.19
<b>Financials</b>				
Bank Central Asia	229,000	2,035,803	1,882,792	1.34
<b>Materials</b>				
PT Vale Indonesia Tbk	1,434,600	1,546,974	1,650,077	1.18
<b>TOTAL INDONESIA</b>	<b><u>1,941,100</u></b>	<b><u>5,350,018</u></b>	<b><u>5,197,730</u></b>	<b><u>3.71</u></b>
<b>JAPAN</b>				
<b>Information Technology</b>				
Murata Manufacturing Co. Ltd	4,900	1,256,867	1,413,543	1.01
<b>TOTAL JAPAN</b>	<b><u>4,900</u></b>	<b><u>1,256,867</u></b>	<b><u>1,413,543</u></b>	<b><u>1.01</u></b>
<b>NETHERLANDS</b>				
<b>Information Technology</b>				
ASML Holding N.V.	1,184	1,606,551	1,776,125	1.27
<b>TOTAL NETHERLANDS</b>	<b><u>1,184</u></b>	<b><u>1,606,551</u></b>	<b><u>1,776,125</u></b>	<b><u>1.27</u></b>



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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2020 (CONTINUED)</b>				
<b>QUOTED SECURITIES - FOREIGN</b>				
<b>SINGAPORE</b>				
<b>Information Technology</b>				
Venture Corporation Ltd	22,600	1,328,910	1,324,240	0.94
<b>Materials</b>				
Nanofilm Technologies International Pte Ltd - IPO	180,800	1,477,303	1,600,639	1.14
<b>TOTAL SINGAPORE</b>	<b>203,400</b>	<b>2,806,213</b>	<b>2,924,879</b>	<b>2.08</b>
<b>SOUTH KOREA</b>				
<b>Information Technology</b>				
Samsung Electro- Mechanics	2,812	1,414,065	1,373,483	0.98
Samsung Electronics Co. Ltd	2,565	411,938	531,166	0.38
SK Hynix Inc	4,714	1,254,577	1,378,044	0.98
	10,091	3,080,580	3,282,693	2.34
<b>Materials</b>				
LG Chem Ltd	631	1,348,573	1,410,579	1.00
<b>TOTAL SOUTH KOREA</b>	<b>10,722</b>	<b>4,429,153</b>	<b>4,693,272</b>	<b>3.34</b>
<b>TAIWAN</b>				
<b>Industrials</b>				
Shin Zu Shing Co. Ltd	67,000	1,402,943	1,381,433	0.98
<b>Information Technology</b>				
MediaTek Inc.	14,000	1,018,233	1,378,238	0.98
Taiwan Semiconductor Manufacturing Co. Ltd	22,000	1,126,904	1,379,981	0.98
	36,000	2,145,137	2,758,219	1.96
<b>TOTAL TAIWAN</b>	<b>103,000</b>	<b>3,548,080</b>	<b>4,139,652</b>	<b>2.94</b>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2020 (CONTINUED)</b>				
<b>QUOTED SECURITIES - FOREIGN</b>				
<b>THAILAND</b>				
<b>Consumer Discretionary</b>				
Minor International PCL - NVDR <sup>1</sup>	484,500	1,150,377	1,078,388	0.77
<b>Industrials</b>				
Airports Of Thailand - NVDR <sup>1</sup>	121,500	876,114	838,015	0.60
<b>TOTAL THAILAND</b>	<b>606,000</b>	<b>2,026,491</b>	<b>1,916,403</b>	<b>1.37</b>
<b>UNITED STATES</b>				
<b>Communication Services</b>				
SEA Ltd	2,115	955,484	1,385,173	0.99
<b>Information Technology</b>				
Nvidia Corporation	765	1,782,012	1,592,843	1.13
<b>TOTAL UNITED STATES</b>	<b>2,880</b>	<b>2,737,496</b>	<b>2,978,016</b>	<b>2.12</b>
<b>TOTAL QUOTED SECURITIES - FOREIGN</b>	<b>3,155,796</b>	<b>36,104,037</b>	<b>39,282,105</b>	<b>27.99</b>
<b>TOTAL QUOTED SECURITIES</b>	<b>39,270,976</b>	<b>131,054,563</b>	<b>130,864,510</b>	<b>93.22</b>
<b>ACCUMULATED UNREALISED LOSS ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<b>(190,053)</b>		
<b>TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<b>130,864,510</b>		
<b>OTHER INVESTMENT</b>				
<b>HONG KONG, CHINA</b>				
<b>Information Technology</b>				
Riverhill Holdings Ltd #	2,165,000	-	-	0.00
<b>TOTAL</b>	<b>2,165,000</b>	<b>-</b>	<b>-</b>	<b>0.00</b>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>30.04.2020</b>				
<b>Audited</b>				
<b>QUOTED SECURITIES -</b>				
<b>LOCAL</b>				
<b>Communication Services</b>				
Axiata Group Bhd	463,100	2,060,391	1,824,614	1.30
DiGi.Com Bhd	642,000	2,859,252	2,978,880	2.13
Media Chinese International Ltd	1,863,500	431,955	391,335	0.28
Telekom Malaysia Bhd	217,400	861,124	876,122	0.63
TIME dotCom Bhd	262,800	2,235,550	2,575,440	1.84
	<u>3,448,800</u>	<u>8,448,272</u>	<u>8,646,391</u>	<u>6.18</u>
<b>Consumer Discretionary</b>				
Genting Malaysia Bhd	<u>1,829,900</u>	<u>5,198,784</u>	<u>4,336,863</u>	<u>3.10</u>
<b>Consumer Staples</b>				
British American Tobacco Bhd	166,600	1,989,614	2,109,156	1.51
Carlsberg Brewery Malaysia Bhd	31,700	912,758	874,920	0.62
Fraser & Neave Holdings Bhd	30,900	979,870	980,766	0.70
Kuala Lumpur Kepong Bhd	66,900	1,416,973	1,404,900	1.00
Nestle Malaysia Bhd	12,700	1,796,399	1,779,270	1.27
QL Resources Bhd	218,000	1,774,882	1,776,700	1.27
Sime Darby Plantation Bhd	321,000	1,544,240	1,588,950	1.13
	<u>847,800</u>	<u>10,414,736</u>	<u>10,514,662</u>	<u>7.50</u>
<b>Energy</b>				
Dialog Group Bhd	381,900	989,832	1,271,727	0.91
Hibiscus Petroleum Bhd	<u>354,700</u>	<u>360,261</u>	<u>173,803</u>	<u>0.12</u>
	<u>736,600</u>	<u>1,350,093</u>	<u>1,445,530</u>	<u>1.03</u>
<b>Financials</b>				
CIMB Group Holdings Bhd	369,092	1,929,651	1,273,367	0.91
Hong Leong Bank Bhd	91,800	1,541,485	1,220,940	0.87
Malayan Banking Bhd	898,317	7,800,214	6,800,260	4.86
Public Bank Bhd	531,910	8,698,117	8,712,686	6.22
RHB Bank Bhd	574,700	3,210,448	2,729,825	1.96
	<u>2,465,819</u>	<u>23,179,915</u>	<u>20,737,078</u>	<u>14.82</u>
<b>Health Care</b>				
IHH Healthcare Bhd	<u>736,400</u>	<u>4,244,898</u>	<u>3,866,100</u>	<u>2.76</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>30.04.2020 (CONTINUED)</b>				
<b>Audited</b>				
<b>QUOTED SECURITIES - LOCAL (CONTINUED)</b>				
<b>Industrials</b>				
Econpile Holdings Bhd	4,965,300	3,187,519	2,581,956	1.84
Gamuda Bhd	952,108	2,809,008	3,065,788	2.19
Gamuda Bhd - Warrant	951,600	362,560	128,466	0.09
IJM Corporation Bhd	271,300	502,970	450,358	0.32
Lingkaran Trans Kota Holdings Bhd	193,600	954,271	753,104	0.54
MISC Bhd	348,500	2,527,053	2,749,665	1.96
Pentamaster Corproation Bhd	655,700	3,126,469	2,734,269	1.95
	<u>8,338,108</u>	<u>13,469,850</u>	<u>12,463,606</u>	<u>8.89</u>
<b>Information Technology</b>				
Inari Amertron Bhd	1,312,200	1,691,862	1,863,324	1.33
Malaysian Pacific Industries Bhd	218,700	2,333,322	2,379,456	1.70
Revenue Group Bhd	3,665,000	1,485,523	1,905,800	1.36
Vitrox Corporation Bhd	351,600	2,447,964	2,914,764	2.08
	<u>5,547,500</u>	<u>7,958,671</u>	<u>9,063,344</u>	<u>6.47</u>
<b>Materials</b>				
Cahaya Mata Sarawak Bhd	132,800	254,596	183,264	0.13
Petronas Chemicals Group Bhd	73,700	578,831	412,720	0.29
Press Metal Aluminium Holdings Bhd	202,900	990,659	799,426	0.57
	<u>409,400</u>	<u>1,824,086</u>	<u>1,395,410</u>	<u>0.99</u>
<b>Real Estate</b>				
IGB REIT	524,300	891,027	907,039	0.65
Sime Darby Property Bhd	2,681,000	2,101,726	1,742,650	1.24
Sunway Bhd	1,242,400	2,104,998	1,950,568	1.41
Sunway REIT	480,300	867,086	754,071	0.54
	<u>4,928,000</u>	<u>5,964,837</u>	<u>5,354,328</u>	<u>3.84</u>
<b>Utilities</b>				
Taliworks Corporation Bhd	1,130,600	1,014,396	927,092	0.66
Tenaga Nasional Bhd	684,100	9,250,097	8,373,384	5.98
	<u>1,814,700</u>	<u>10,264,493</u>	<u>9,300,476</u>	<u>6.64</u>
<b>TOTAL QUOTED SECURITIES - LOCAL</b>	<b><u>31,103,027</u></b>	<b><u>92,318,635</u></b>	<b><u>87,123,788</u></b>	<b><u>62.22</u></b>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>30.04.2020 (CONTINUED)</b>				
<b>Audited</b>				
<b>QUOTED SECURITIES - FOREIGN</b>				
<b>CAYMAN ISLANDS</b>				
<b>Consumer Discretionary</b>				
Alibaba Group Holding Ltd	3,176	2,174,950	2,767,180	1.98
<b>TOTAL CAYMAN ISLANDS</b>	<b>3,176</b>	<b>2,174,950</b>	<b>2,767,180</b>	<b>1.98</b>
<b>CHINA</b>				
<b>Information Technology</b>				
Hangzhou Hikvision Digital Technology Co Ltd	35,200	829,992	686,812	0.49
<b>Materials</b>				
Anhui Conch Cement Co Ltd	41,000	1,351,221	1,386,554	0.99
<b>TOTAL CHINA</b>	<b>76,200</b>	<b>2,181,213</b>	<b>2,073,366</b>	<b>1.48</b>
<b>HONG KONG, CHINA</b>				
<b>Communication Services</b>				
Tencent Holdings Ltd	13,500	1,901,912	3,120,995	2.23
<b>Consumer Discretionary</b>				
Brilliance China Automotive Holdings Ltd	272,000	1,014,691	1,087,245	0.78
Galaxy Entertainment Group Ltd	58,000	1,685,020	1,622,230	1.16
Li Ning Co Ltd	104,500	1,374,838	1,416,506	1.01
	434,500	4,074,549	4,125,981	2.95
<b>Industrials</b>				
China Conch Venture Holdings Ltd	67,000	1,259,921	1,381,787	0.99
Techtronic Industries Co Ltd	46,500	1,003,073	1,522,285	1.09
	113,500	2,262,994	2,904,072	2.08
<b>Information Technology</b>				
Kingboard Laminates Holdings Ltd	380,500	1,660,516	1,601,104	1.14

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>30.04.2020 (CONTINUED)</b>				
<b>Audited</b>				
<b>QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>HONG KONG, CHINA (HONG KONG)</b>				
<b>Real Estate</b>				
China Resources Land Ltd	88,000	1,638,437	1,551,433	1.11
Link REIT	32,000	1,307,442	1,234,760	0.88
	<u>120,000</u>	<u>2,945,879</u>	<u>2,786,193</u>	<u>1.99</u>
<b>TOTAL HONG KONG, CHINA</b>	<b><u>1,062,000</u></b>	<b><u>12,845,850</u></b>	<b><u>14,538,345</u></b>	<b><u>10.39</u></b>
<b>INDIA</b>				
<b>Energy</b>				
Reliance Industries Ltd	24,210	1,501,539	2,030,134	1.45
<b>TOTAL INDIA</b>	<b><u>24,210</u></b>	<b><u>1,501,539</u></b>	<b><u>2,030,134</u></b>	<b><u>1.45</u></b>
<b>INDONESIA</b>				
<b>Materials</b>				
Semen Indonesia Persero TBK PT	456,300	1,613,476	1,044,019	0.75
<b>TOTAL INDONESIA</b>	<b><u>456,300</u></b>	<b><u>1,613,476</u></b>	<b><u>1,044,019</u></b>	<b><u>0.75</u></b>
<b>NETHERLANDS</b>				
<b>Information Technology</b>				
ASML Holding NV	1,166	1,184,986	1,445,794	1.03
<b>TOTAL NETHERLANDS</b>	<b><u>1,166</u></b>	<b><u>1,184,986</u></b>	<b><u>1,445,794</u></b>	<b><u>1.03</u></b>
<b>SINGAPORE</b>				
<b>Communication Services</b>				
NetLink NBN Trust	578,600	1,507,086	1,765,135	1.26
<b>Industrials</b>				
Singapore Technologies Engineering Ltd	130,300	1,386,153	1,363,446	0.97

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>30.04.2020 (CONTINUED)</b>				
<b>Audited</b>				
<b>QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>SINGAPORE (CONTINUED)</b>				
<b>Real Estate</b>				
Capitaland Ltd	150,400	1,662,523	1,381,064	0.99
Lendlease Global Commercial REIT	589,400	1,575,518	1,033,897	0.74
	<u>739,800</u>	<u>3,238,041</u>	<u>2,414,961</u>	<u>1.73</u>
<b>TOTAL SINGAPORE</b>	<b><u>1,448,700</u></b>	<b><u>6,131,280</u></b>	<b><u>5,543,542</u></b>	<b><u>3.96</u></b>
<b>SOUTH KOREA</b>				
<b>Information Technology</b>				
Samsung Electronics Co Ltd	15,654	2,310,667	2,792,674	1.99
SK Hynix Inc	5,566	1,681,168	1,662,239	1.19
	<u>21,220</u>	<u>3,991,835</u>	<u>4,454,913</u>	<u>3.18</u>
<b>Materials</b>				
LG Chem Ltd	571	817,016	767,054	0.55
<b>TOTAL SOUTH KOREA</b>	<b><u>21,791</u></b>	<b><u>4,808,851</u></b>	<b><u>5,221,967</u></b>	<b><u>3.73</u></b>
<b>TAIWAN</b>				
<b>Information Technology</b>				
ASE Technology Holding Co Ltd	155,000	1,677,358	1,502,872	1.07
Taiwan Semiconductor Manufacturing Co Ltd	79,000	2,265,459	3,476,020	2.47
	<u>234,000</u>	<u>3,942,817</u>	<u>4,978,892</u>	<u>3.54</u>
<b>TOTAL TAIWAN</b>	<b><u>234,000</u></b>	<b><u>3,942,817</u></b>	<b><u>4,978,892</u></b>	<b><u>3.54</u></b>
<b>UNITED STATES</b>				
<b>Consumer Discretionary</b>				
New Oriental Education & Technology Group Inc	1,995	1,153,820	1,094,877	0.78
<b>TOTAL UNITED STATES</b>	<b><u>1,995</u></b>	<b><u>1,153,820</u></b>	<b><u>1,094,877</u></b>	<b><u>0.78</u></b>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>30.04.2020 (CONTINUED)</b>				
<b>Audited</b>				
<b>QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>TOTAL QUOTED SECURITIES - FOREIGN</b>	<b><u>3,329,538</u></b>	<b><u>37,538,782</u></b>	<b><u>40,738,116</u></b>	<b><u>29.09</u></b>
<b>TOTAL QUOTED SECURITIES</b>	<b><u>34,432,565</u></b>	<b>129,857,417</b>	<b><u>127,861,904</u></b>	<b><u>91.31</u></b>
<b>ACCUMULATED UNREALISED LOSS ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>(1,995,513)</u></b>		
<b>TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>127,861,904</u></b>		
<b>OTHER INVESTMENT</b>				
<b>HONG KONG, CHINA</b>				
<b>Information Technology</b>				
Riverhill Holdings Ltd #	<u>2,165,000</u>	<u>-</u>	<u>-</u>	<u>0.00</u>
<b>TOTAL</b>	<b><u>2,165,000</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>0.00</u></b>

<sup>1</sup> NVDR, or non-voting depository receipt, is a trading instrument issued by Thai NVDR Company Limited, a subsidiary wholly owned by the Stock Exchange of Thailand (“SET”). It is a valid security as specified by the United States Securities and Exchange Commission (“SEC”) and is automatically regarded as a listed security by the SET. The underlying security is a listed security in the SET.

<sup>2</sup> H shares refer to the shares of companies incorporated in the Chinese mainland that are listed on the Hong Kong Stock Exchange or other foreign exchange. H shares are still regulated by Chinese law, but they are denominated in Hong Kong dollars and trade the same as other equities on the Hong Kong Stock exchange.

# Riverhill Holdings Ltd was delisted from Hong Kong Stock Exchange on 18 October 2005 in accordance with Rule 9.14 of the Growth Enterprise Market (“GEM”) listing rules as the Company failed to submit a valid redemption proposal.



**9. CASH AND CASH EQUIVALENTS**

	<b>31.10.2020</b>	<b>30.04.2020</b>
	<b>RM</b>	<b>Audited RM</b>
Deposits with licensed financial institutions	8,478,611	5,149,353
Bank balances	1,628,156	5,251,424
	<u>10,106,767</u>	<u>10,400,777</u>

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

	<b>01.05.2020 to 31.10.2020</b>	<b>01.05.2019 to 30.04.2020</b>
	<b>No. of units</b>	<b>Audited No. of units</b>
At the beginning of the financial period/year	128,339,873	132,857,812
Add : Creation of units from applications	4,715,306	6,012,374
Add : Creation of units from distribution	4,618,690	5,459,609
Less: Cancellation of units	<u>(13,216,058)</u>	<u>(15,989,922)</u>
At the end of the financial period/year	<u>124,457,811</u>	<u>128,339,873</u>

**11. MANAGEMENT EXPENSE RATIO (“MER”)**

	<b>01.05.2020 to 31.10.2020</b>	<b>01.05.2019 to 31.10.2019</b>
	<b>%</b>	<b>%</b>
MER	<u>0.83</u>	<u>0.81</u>

MER is derived from the following calculation:

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

- A = Management fee
- B = Trustee and custodian fees
- C = Audit fee
- D = Tax Agent's fee
- E = Other expenses excluding withholding tax and CDS transfer fee
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM146,614,875 (31.10.2019: RM165,844,392).

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

	<b>01.05.2020 to 31.10.2020</b>	<b>01.05.2019 to 31.10.2019</b>
PTR (times)	<u>1.48</u>	<u>0.61</u>

PTR is derived based on the following calculation:

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

where:

- total acquisition for the financial period = RM211,943,853 (31.10.2019: RM104,840,001)
- total disposal for the financial period = RM220,719,614 (31.10.2019: RM98,900,928)

**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
PT Principal Asset Management	Subsidiary 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
CIMB Bank Bhd	Fellow related party to the Manager
CGS-CIMB Securities Sdn Bhd	Fellow related party to the Manager
CGS-CIMB Securities (Singapore) Pte Ltd	Fellow related party to the Manager

Units held by the Manager and parties related to the Manager

	<b>31.10.2020</b>		<b>30.04.2020</b>	
	<b>No. of units</b>	<b>RM</b>	<b>No. of units</b>	<b>RM</b>
<b>Manager</b>				
Principal Asset Management Berhad	46,076	51,969	30,088	32,829

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 and balances. 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)

	01.05.2020 to 31.10.2020 RM	01.05.2019 to 31.10.2019 RM
<u>Significant related party transactions</u>		
Interest income from deposits with licensed financial institution:		
- CIMB Bank Bhd	<u>2,078</u>	<u>8,626</u>
Cash placements with licensed financial institution:		
- CIMB Bank Bhd	<u>31,747,000</u>	<u>51,476,000</u>

There were no significant related party balances as at the end of each financial period/year.

14. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with top 10 brokers/dealers for the six months financial period ended 31 October 2020 are as follows:

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Macquarie Capital Securities (M) Sdn Bhd	54,270,312	12.54	103,421	11.66
Citigroup Global Markets Ltd	35,437,790	8.19	54,955	6.20
Maybank Investment Bank Bhd	33,351,805	7.71	64,988	7.33
RHB Investment Bank Bhd	32,996,245	7.63	74,249	8.37
J.P. Morgan Securities (Asia Pacific) Ltd	27,624,600	6.39	78,281	8.83
KAF Equities Sdn Bhd	25,649,624	5.93	57,712	6.51
Affin Hwang Investment Bank Bhd	25,129,603	5.81	56,546	6.38
Hong Leong Investment Bank Bhd	23,941,754	5.53	53,875	6.08
CGS-CIMB Securities Sdn Bhd #	20,137,294	4.65	40,997	4.62
Credit Suisse (Hong Kong) Ltd	19,020,376	4.40	38,710	4.37
Others #	135,074,954	31.22	263,053	29.65
	<u>432,634,357</u>	<u>100.00</u>	<u>886,787</u>	<u>100.00</u>

**14. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)**

Details of transactions with top 10 brokers/dealers for the six months financial period ended 31 October 2019 are as follows:

<b>Brokers/Dealers</b>	<b>Value of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
CLSA Securities (M) Sdn Bhd	28,995,607	14.29	53,131	13.30
Macquarie Capital Securities (M) Sdn Bhd	22,757,259	11.22	44,220	11.07
KAF-Seagroatt & Campbell Sec	21,793,110	10.74	47,923	12.00
Maybank Investment Bank Bhd	19,773,218	9.74	42,860	10.73
Hong Leong Investment Bank Bhd	13,662,497	6.73	30,741	7.69
UBS Securities Malaysia Sdn Bhd	13,048,773	6.43	24,430	6.11
RHB Investment Bank Bhd	11,018,662	5.43	24,282	6.08
Affin Hwang Investment Bank Bhd	10,922,533	5.38	23,982	6.00
CGS-CIMB Securities Sdn Bhd #	8,045,764	3.97	14,490	3.63
Citigroup Global Markets Ltd	7,515,345	3.70	7,587	1.90
Others	45,384,739	22.37	85,868	21.49
	<u>202,917,507</u>	<u>100.00</u>	<u>399,514</u>	<u>100.00</u>

# Included in the transactions are trades conducted with CGS-CIMB Securities Sdn Bhd and CGS-CIMB Securities (Singapore) Pte Ltd, fellow related parties to the Manager amounting to RM20,137,294 (31.10.2019: RM8,045,764) and RM17,146,078 (31.10.2019: Nil). The Manager is of the opinion that all transactions with the related company have been entered into in the normal course of business at agreed terms between the related parties.

**15. SIGNIFICANT EVENT DURING THE PERIOD**

The worsening of the macro-economic outlook as a result of COVID-19, both domestically and globally, has impacted the Fund's performance during the financial period.

The Manager continues monitoring the situation closely and will be managing the portfolio to achieve the Fund's objective.

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