

Principal Asia Pacific Dynamic Income Fund

Annual Report

For the Financial Year Ended 31 March 2021

PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND
ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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INVESTORS' LETTER

Dear Valued Investor,

The global economic trend has continued to strengthen since the start of 2021, mirrored by an increase in the global trade volume and commodity prices, among other factors. While there are concerns over the recent spike in the number of Coronavirus Disease 2019 ("COVID-19") cases both locally and globally, the progress in global vaccination especially in several developed countries continue to drive optimism over economic recovery.

We remain positive on Asian equities on a 12-month basis maintained on the broadening of recovery in corporate earnings including financials, industrials, and energy. We've also added more ASEAN names in anticipation of a broader economic recovery which would be strengthened by the greater availability of COVID-19 vaccines by mid-2021.

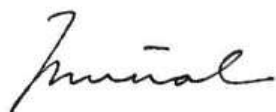
For our latest market commentaries and investment content, we encourage you to visit our website (www.principal.com.my) and Facebook account (@PrincipalAssetMY).

Because of the trust you placed in us, we continue to win accolades - the most recent recognition coming from Refinitiv Lipper Fund Awards 2021 for our Principal Asia Titans Fund in the Equity Asia Pacific ex Japan – Provident (10 years) category. We are also pleased to share that we also received the Fintech - Human Resource Technology award from the Malaysia Technology Excellence Awards 2021.

We also wish to inform that Ernst & Young PLT ("EY") has been appointed as the auditor of the Fund in respect of the audit for the financial year ended 31 March 2021 onwards. The appointment of the Fund Auditor by the Trustee of the Fund, HSBC (Malaysia) Trustee Berhad, is in accordance with the provisions of the Deed in relation to the Fund.

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 provide regular income by investing primarily in the Asia Pacific ex Japan region and at the same time aims to achieve capital appreciation over the medium to long term.

Has the Fund achieved its objective?

Yes, the Fund has achieved its objective of capital appreciation and providing regular income by investing in Asia Pacific ex-Japan region over the medium to long term.

What are the Fund investment policy and principal investment strategy?

The Fund will be managed with the aim of achieving a stable and positive investment returns over the medium to long term through investments in Asia Pacific ex Japan, i.e. companies that are domiciled in, listed in, and/or have significant operations in the Asia Pacific ex Japan region. For listed securities, the investment must be traded in an exchange that is a member of World Federation of Exchanges ("WFE"). '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 is derived from countries in the Asia Pacific ex Japan region. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). The term "medium to long term" refers to a period of three (3) years and more. With effect from 31 March 2021, the Fund may also invest up to 20% of its NAV in companies that are listed globally with some business/operations within the Asia Pacific ex Japan region to capture growth opportunities.

Under general market conditions, the Fund's investment will focus on high dividend yielding equities of companies, which the Sub-Manager believes will offer attractive yields*, sustainable dividend payments and/or will exhibit above average growth potential when compared to its industry or the overall market at the point of purchase. In addition, the Fund may also invest in companies with good growth potential^, which the Sub-Manager foresees may adopt a strong dividend payout# policy. The Fund may also invest up to 20% of the Fund's Net Asset Value ("NAV") in debt securities to be in line with the Fund's objective. The Fund's investments in debt securities will generally be restricted to debt securities with a minimum credit rating of "BBB" by an international rating agency as prescribed under the Standard of Qualifying collective investment scheme or its equivalent rating by other international rating agencies. The Fund may also opt to access into the equities and/or debt securities market via the investment in units of other collective investment scheme that is in line with the Fund's objectives, subject to the requirements of the Securities Commission Malaysia ("SC") Guidelines and the Standards of Qualifying collective investment scheme.

The asset allocation strategy for this Fund is as follows:

- between 60% to 98% (both inclusive) of the Fund's NAV will be invested in equities;
- up to 20% of the Fund's NAV may be invested in debt securities;
- up to 20% of the Fund's NAV may be invested in units of other CIS that is in line with the Fund's objectives; and
- at least 2% of its NAV will be invested in liquid assets for liquidity purpose.

* Higher than the average equity yields in the respective country.

^ Companies that have a better growth than the gross domestic products ("GDP") of the respective country and reasonably priced based on our estimate. Reasonably priced means when the intrinsic value is higher than the current market price.

Higher than the average dividend yields of companies in the respective country.

Base Currency

US Dollar ("USD")

Fund category/type

Equity/Income & Growth

FUND OBJECTIVE AND POLICY (CONTINUED)

When was the Fund launched?

Name of Class	Launch Date
Class MYR	25 April 2011
Class SGD	9 September 2015
Class USD	9 September 2015

What was the size of the Fund as at 31 March 2021?

USD1,239.15 million (16,832.71 million units)

What is the Fund's benchmark?

The performance of this Fund cannot be compared directly with any specific publicly available benchmark. However, the Fund has a target return of eight percent (8%) per annum.

This is not a guaranteed return and is only a measurement of the Fund's performance. The Fund may not achieve the target return in any particular financial year but targets to achieve this growth over the medium to long term.

What is the Fund distribution policy?

Depending on the level of income (if any) the respective Class generates, the Class aims to distribute part or all of its distributable income on quarterly basis.

What was the net income distribution for the financial year ended 31 March 2021?

The Fund distributed a total net income of USD25.76 million to unit holders for the financial year ended 31 March 2021.

The Fund's NAV per unit were as follows:

Date	NAV per unit (before distribution) USD	NAV per unit (after distribution) USD
15.04.2020		
Class MYR	0.0747	0.0743
Class SGD	0.7949	0.7904
Class USD	1.1386	1.1322
07.07.2020		
Class MYR	0.0862	0.0857
Class SGD	0.9181	0.9127
Class USD	1.3153	1.3076
07.10.2020		
Class MYR	0.0967	0.0958
Class SGD	1.0303	1.0211
Class USD	1.4760	1.4630
26.01.2021		
Class MYR	0.0676	0.0671
Class SGD	0.7217	0.7163
Class USD	1.0340	1.0262

FUND OBJECTIVE AND POLICY (CONTINUED)

In addition, there was a unit split exercise for the financial year ended 31 March 2021.

Date	NAV per unit (before unit split) USD	NAV per unit (after unit split) USD
Unit Split Ratio: 3 units for every 4 units held		
22.12.2020		
Class MYR	0.1049	0.0600
Class SGD	1.1189	0.6394
Class USD	1.6030	0.9160

PERFORMANCE DATA

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

	31.03.2021 %	31.03.2020 %	31.03.2019 %
Quoted securities			
- Communication Services	5.30	10.30	8.89
- Consumer Discretionary	8.63	10.47	9.46
- Consumer Staples	1.04	-	1.34
- Energy	4.78	2.90	4.24
- Financials	15.60	6.14	30.42
- Health Care	4.75	2.42	2.17
- Industrials	13.05	8.51	11.92
- Information Technology	26.55	18.53	8.03
- Materials	10.77	11.22	3.50
- Real Estate	1.21	17.33	13.05
- Utilities	3.36	1.54	1.41
Cash and other assets	5.92	11.86	6.70
Liabilities	(0.96)	(1.22)	(1.13)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	31.03.2021	31.03.2020	31.03.2019
NAV (USD Million)			
- Class MYR	1,060.29	615.78	919.11
- Class SGD	59.86	32.47	49.39
- Class USD	119.00	82.14	112.93
Units in circulation (Million)			
- Class MYR	16,622.59	8,682.44	10,486.61
- Class SGD	88.00	43.03	53.12
- Class USD	122.12	75.99	84.80
NAV per unit (USD)			
- Class MYR	0.0637	0.0709	0.0876
- Class SGD	0.6802	0.7545	0.9298
- Class USD	0.9744	1.0809	1.3317

PERFORMANCE DATA (CONTINUED)

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

	31.03.2021	31.03.2020	31.03.2019
Highest NAV per unit (USD)			
- Class MYR	0.1075	0.0948	0.0987
- Class SGD	1.1467	1.0086	1.0452
- Class USD	1.6428	1.4448	1.4943
Lowest NAV per unit (USD)			
- Class MYR	0.0599	0.0635	0.0782
- Class SGD	0.6394	0.6765	0.8303
- Class USD	0.9160	0.9692	1.1874
Total return (%)			
- Class MYR	55.21	(12.23)	(1.58)
- Class SGD	52.66	(12.30)	(3.34)
- Class USD	62.21	(16.79)	(6.58)
Capital growth (%)			
- Class MYR	50.92	(14.42)	(4.65)
- Class SGD	48.45	(14.48)	(6.45)
- Class USD	57.76	(18.85)	(9.41)
Income distribution (%)			
- Class MYR	2.84	2.56	3.18
- Class SGD	2.84	2.56	3.28
- Class USD	2.83	2.54	3.09
Management Expense Ratio ("MER") (%) ^	1.85	1.86	1.87
Portfolio Turnover Ratio ("PTR") (times) #	0.99	0.87	0.84

^ The Fund's MER decreased from 1.86% to 1.85% mainly due to decrease in expenses during the financial year under review.

The Fund's PTR increased slightly to 0.99 times from 0.87 times. The turnover ratio has picked up slightly due to the significant volatility in the stock markets in the past year and decrease in average NAV during the financial year under review.

	31.03.2021	31.03.2020	31.03.2019
Gross/Net distribution per unit (cent)			
Distribution on 15 April 2020			
- Class MYR	0.04	-	-
- Class SGD	0.45	-	-
- Class USD	0.64	-	-
Distribution on 7 July 2020			
- Class MYR	0.05	-	-
- Class SGD	0.54	-	-
- Class USD	0.77	-	-
Distribution on 7 October 2020			
- Class MYR	0.09	-	-
- Class SGD	0.91	-	-
- Class USD	1.30	-	-

PERFORMANCE DATA (CONTINUED)

	31.03.2021	31.03.2020	31.03.2019
Gross/Net distribution per unit (cent)			
Distribution on 26 January 2021			
- Class MYR	0.05	-	-
- Class SGD	0.54	-	-
- Class USD	0.78	-	-
Distribution on 9 July 2019			
- Class MYR	-	0.06	-
- Class SGD	-	0.67	-
- Class USD	-	0.94	-
Distribution on 9 October 2019			
- Class MYR	-	0.07	-
- Class SGD	-	0.80	-
- Class USD	-	1.15	-
Distribution on 15 January 2020			
- Class MYR	-	0.09	-
- Class SGD	-	0.94	-
- Class USD	-	1.34	-
Distribution on 26 April 2018			
- Class MYR	-	-	0.10
- Class SGD	-	-	1.03
- Class USD	-	-	1.47
-			
Distribution on 26 July 2018			
- Class MYR	-	-	0.09
- Class SGD	-	-	0.96
- Class USD	-	-	1.39
Distribution on 19 December 2018			
- Class MYR	-	-	0.03
- Class SGD	-	-	0.37
- Class USD	-	-	0.50
Distribution on 27 March 2019			
- Class MYR	-	-	0.06
- Class SGD	-	-	0.69
- Class USD	-	-	0.79

PERFORMANCE DATA (CONTINUED)

	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
	%	%	%	%	%
Annual total return					
- Class MYR	55.21	(12.23)	(1.58)	14.95	25.71

(Launch date: 25 April 2011)

	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
	%	%	%	%	%
Annual total return					
- Class SGD	52.66	(12.30)	(3.34)	23.73	14.98
- Class USD	62.21	(16.79)	(6.58)	32.03	10.87

(Launch date: 9 September 2015)

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

MARKET REVIEW (1 APRIL 2020 TO 31 MARCH 2021)

For the period under review, the Asia Pacific Ex-Japan stock markets rose sharply, led by North Asian markets. The MSCI Asia Pacific ex-Japan Index gained 55.3% in USD terms. Following the COVID-19 outbreak in first quarter of 2020 and subsequent movement controls in countries across the world, markets hit the lows in March 2020. Governments globally then introduced unprecedented levels of fiscal and monetary stimulus in order to support the economies and stabilise financial markets. Fears of a liquidity crunch and massive bankruptcies were allayed as policy makers went to extraordinary lengths to ensure companies and families were given as much support as needed to tide them over this period. Globally, economies also started to rebound after emerging from various degrees of lockdowns. Economic data showed sequential improvements throughout the second half of 2020. China and other North Asia economies led the recovery as the pandemic was relatively well under control while other regions like Association of Southeast Asian Nations (“ASEAN”) lagged due to a higher transmission rates of the COVID-19 among its citizens. China, Korea and Taiwan were also beneficiaries of strong export recovery. This was led primarily by strong demand for electronic components which saw a sharp jump as the work from home phenomenon led to a surge in demand for personal computer (“PC”), the 5th generation (“5G”) handsets, notebooks and other similar electronic devices.

Towards the end of the year, ASEAN and India stocks also rebounded sharply as well. Positive news of the efficacy of several COVID-19 vaccines gave hope that all economies could soon see economic activity resuming in full in the near term. As such, markets continued to perform strongly into the new year. Oil prices recovered from the USD40 per barrel to the USD60 per barrel during the period under review. Industrial metals also rebounded strongly on the back of recovering global economy. However, in mid-February 2021, the markets became concerned about strong growth in the US due to the fiscal stimulus and expectations of higher inflation began to build, triggering a sharp increase in US 10-year bond yield. At the end of March 2021, US 10-year yield has moved almost 50 basis points (“bps”) and exceeded 1.7% and the USD appreciated. This has led to a correction in the Asia Pacific ex Japan markets from mid February 2021.

FUND PERFORMANCE

Class MYR

	1 year to 31.03.2021	3 years to 31.03.2021	5 years to 31.03.2021	Since inception to 31.03.2021
	%	%	%	%
Income Distribution	2.84	8.83	12.89	88.61
Capital Growth	50.92	23.16	71.61	84.96
Total Return	55.21	34.08	93.74	249.17
Benchmark	8.00	25.97	46.93	114.51
Average Total Return	55.21	10.27	14.14	13.40

Class SGD

	1 year to 31.03.2021	3 years to 31.03.2021	5 years to 31.03.2021	Since inception to 31.03.2021
	%	%	%	%
Income Distribution	2.84	8.93	13.06	13.06
Capital Growth	48.45	18.77	58.83	62.84
Total Return	52.66	29.41	84.10	80.86
Total Return (inclusive application fee)*	45.02	22.94	74.90	71.82
Benchmark	8.00	25.97	46.93	52.76
Average Total Return	52.66	8.97	12.98	11.35

Class USD

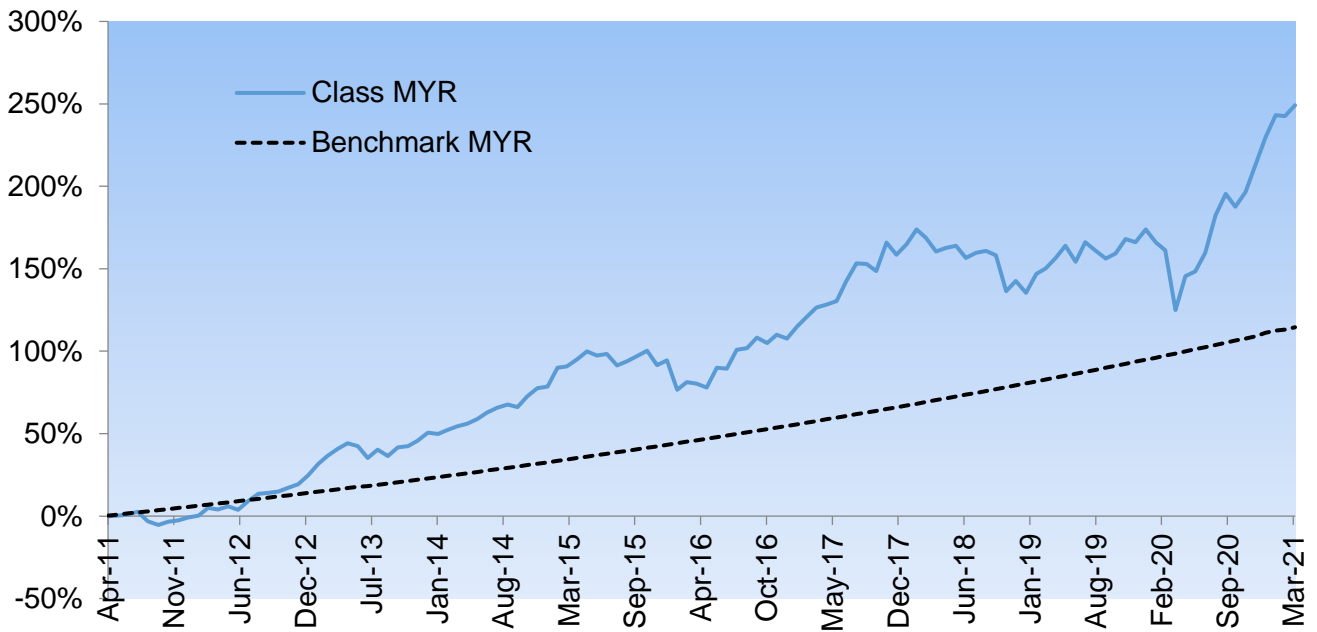
	1 year to 31.03.2021	3 years to 31.03.2021	5 years to 31.03.2021	Since inception to 31.03.2021
	%	%	%	%
Income Distribution	2.83	8.71	12.82	12.82
Capital Growth	57.76	15.98	63.61	68.65
Total Return	62.21	26.10	84.58	92.37
Total Return (inclusive application fee)*	54.10	19.79	75.35	82.75
Benchmark	8.00	25.97	46.93	52.76
Average Total Return	62.21	8.04	13.04	12.61

For the financial year under review, the Fund rose by 55.21%, 52.66% and 62.21% in Class MYR, Class SGD and Class USD respectively as the markets rebounded strongly after the March 2020 lows on the back of ample liquidity arising from easy monetary and expansive fiscal policies as well as expectation of a global economic recovery from the pandemic towards the end of the year.

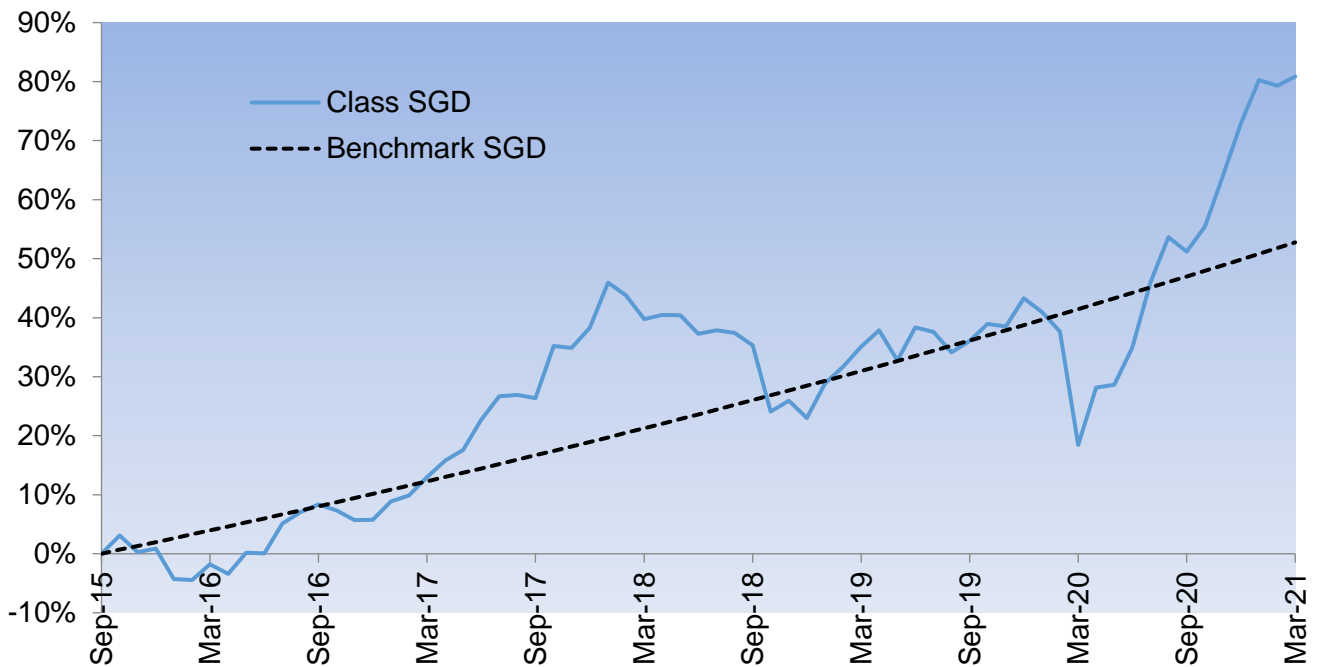
*The performance of the Class SGD and Class USD is computed on a single pricing basis (NAV-NAV) (taking into account the maximum Application Fee of up to 5% and Withdrawal Fee / Redemption Fee (if any)) and with dividends and distributions (if any) reinvested. Note that a lower Application Fee may be charged when subscribing for Units.

FUND PERFORMANCE (CONTINUED)

Class MYR

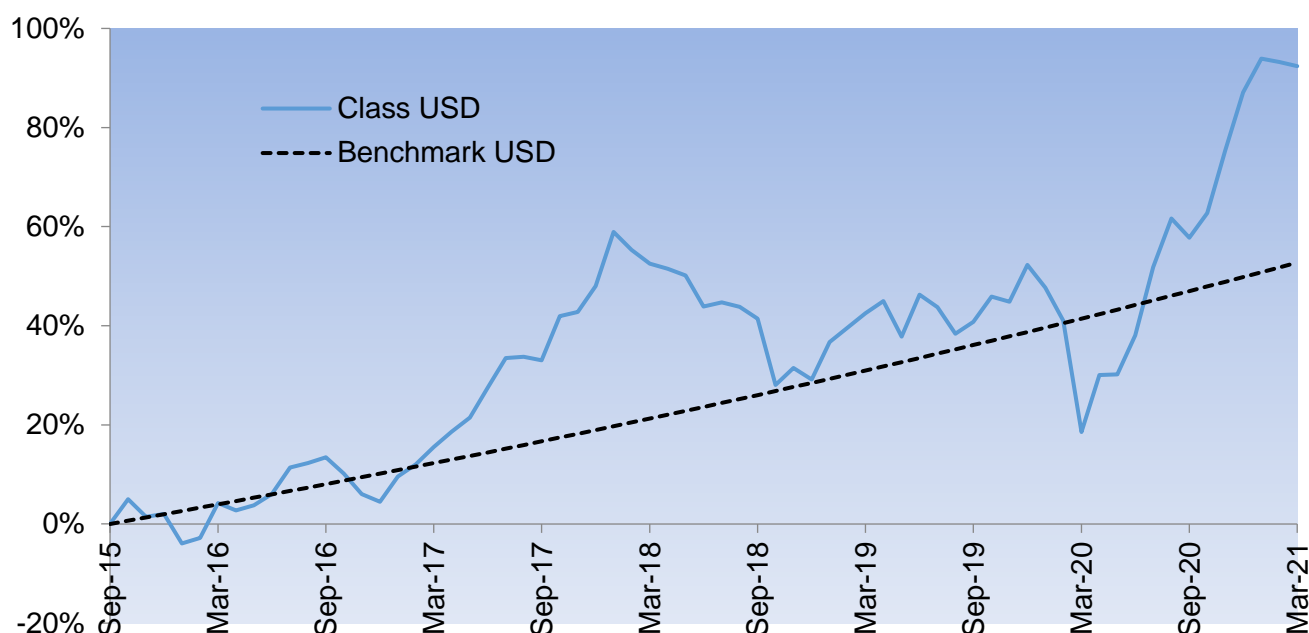


Class SGD



FUND PERFORMANCE (CONTINUED)

Class USD



Changes in NAV

CLASS MYR	31.03.2021	31.03.2020	Changes %
NAV (USD Million)	1,060.29	615.78	72.19
NAV/Unit (USD)	0.0637	0.0709	(10.16)
CLASS SGD	31.03.2021	31.03.2020	Changes %
NAV (USD Million)	59.86	32.47	84.35
NAV/Unit (USD)	0.6802	0.7545	(9.85)
CLASS USD	31.03.2021	31.03.2020	Changes %
NAV (USD Million)	119.00	82.14	44.87
NAV/Unit (USD)	0.9744	1.0809	(9.85)

The NAV of the Fund jumped by 72.19%, 84.35% and 44.87% in Class MYR, Class SGD and Class USD respectively. The NAV per unit declined by 10.16%, 9.85% and 9.85% in Class MYR, Class SGD and Class USD respectively. The increase in NAV was due to increase in value of underlying assets. The decline in NAV per unit was due to the Unit Split exercise that was conducted in December 2020.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.03.2021	31.03.2020
Quoted securities	95.04	89.36
Cash and other assets	5.92	11.86
Liabilities	(0.96)	(1.22)
TOTAL	100.00	100.00

As at 31 March 2021, the Fund held 95.04% in quoted securities with the rest in cash and other assets. The cash level is lower than the level at the end of March 2020.

MARKET OUTLOOK*

In the next 12 months, the outlook for the Asia Pacific ex-Japan is likely to remain positive. The investment environment for equities remains favorable with an economic recovery taking place, the rollout of vaccines, coupled with continued monetary and fiscal support. The pace of the roll-out of the vaccines and improving employment rate remain the key objectives of all Governments globally. As such, we do not expect the tapering of central banks' balance sheet in the near term. We expect liquidity to be ample and funds to flow to Asia. Asia is under-owned by investors and earnings growth for Asian corporates are expected to be robust in 2021. In addition, policy makers are likely to err on the side of caution and will unlikely pull back from the accommodative stance in the fiscal and monetary policies prematurely. As a result, we expect many sectors to do well and for the recovery in the stock markets to broaden out to sectors beyond the internet sector and China.

* 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

With a positive view on Asian equities with a 12 months view, and the expectation that there will be a broadening out of economic recovery, the portfolio is positioned to benefit from the cyclical economic recovery such as financials, materials and industrials as well as long-term structural growth drivers. The focus is also on quality companies which are long term winners or market share gainers. We are positioned to benefit from strong trends in the automation, electric vehicles, 5G handsets and the proliferation of digitalization of the economy.

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 31 March 2021 were as follows:

CLASS MYR

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1,453	4.97	0.03
5,001-10,000	1,782	13.09	0.08
10,001-50,000	8,426	231.34	1.39
50,001-500,000	11,040	1,696.86	10.21
500,001 and above	1,171	14,676.33	88.29
Total	23,872	16,622.59	100.00

CLASS SGD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	-	-	-
5,001-10,000	1	0.01	0.01
10,001-50,000	3	0.06	0.07
50,001-500,000	7	1.12	1.27
500,001 and above	14	86.81	98.65
Total	25	88.00	100.00

UNIT HOLDINGS STATISTICS (CONTINUED)

CLASS USD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.01	0.01
5,001-10,000	-	-	-
10,001-50,000	4	0.12	0.10
50,001-500,000	6	1.42	1.16
500,001 and above	15	120.57	98.73
Total	26	122.12	100.00

Note: 0.00* denotes unit count less than 0.01 million.

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL ASIA PACIFIC DYNAMIC 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 audited financial statements set out on pages 19 to 56 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 March 2021 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN

Chief Executive Officer/Executive Director

JUAN IGNACIO EYZAGUIRRE BARAONA

Director

Kuala Lumpur
18 May 2021

TRUSTEE'S REPORT

**TO THE UNITHOLDERS OF
PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND**

We have acted as Trustee of Principal Asia Pacific Dynamic Income Fund ("the Fund") for the financial year ended 31 March 2021. To the best of our knowledge, Principal Asset Management Berhad, ("the Manager"), has operated and managed the Fund in accordance with the following:

- (a) limitations imposed on the investment powers of the Manager and the Trustee under the Deeds, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation/pricing is carried out in accordance with the Deeds and any regulatory requirements; and
- (c) creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirements.

During this financial year, a total distribution of 0.23 cent per unit (gross) for Class MYR, 2.44 cent per unit (gross) for Class SGD and 3.49 cent per unit (gross) for Class USD have been distributed to the unitholders of the Fund respectively. We are of the view that the distributions are not inconsistent with the objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie
Senior Manager, Investment Compliance Monitoring

Kuala Lumpur
10 May 2021

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Principal Asia Pacific Dynamic Income Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 31 March 2021, and statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 19 to 56.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 March 2021, 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 ASIA PACIFIC DYNAMIC INCOME 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 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 ASIA PACIFIC DYNAMIC INCOME FUND (cont'd.)

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ASIA PACIFIC DYNAMIC INCOME 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 Unit Trust Funds issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

The financial statements of the Fund for the year ended 31 March 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 14 May 2020.

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

Yeo Beng Yean
No. 03013/10/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
18 May 2021

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	Note	2021 USD	2020 USD
INCOME/(LOSS)			
Dividend income		24,377,971	28,345,908
Interest income from deposits with licensed financial institutions at amortised cost		7,662	1,091,308
Net gain/(loss) on financial assets at fair value through profit or loss	8	405,473,053	(150,503,560)
Net foreign exchange loss		(2,799,854)	(3,256,395)
		<u>427,058,832</u>	<u>(124,322,739)</u>
EXPENSES			
Management fee	4	16,178,295	17,722,885
Trustee and custodian fees	5	910,307	985,104
Audit fee		2,632	3,773
Tax agent's fee		15,149	8,053
Transaction costs		3,578,301	3,223,518
Other expenses		2,566,958	2,390,478
		<u>23,251,642</u>	<u>24,333,811</u>
PROFIT/(LOSS) BEFORE FINANCE COST AND TAXATION		403,807,190	(148,656,550)
Finance cost:			
- Class MYR		(21,912,989)	(21,943,103)
- Class SGD		(1,174,749)	(1,078,821)
- Class USD		(2,675,623)	(2,896,293)
	7	<u>(25,763,361)</u>	<u>(25,918,217)</u>
PROFIT/(LOSS) BEFORE TAXATION		378,043,829	(174,574,767)
Taxation	6	<u>(424,867)</u>	<u>-</u>
PROFIT/(LOSS) AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		<u>377,618,962</u>	<u>(174,574,767)</u>
Profit/(Loss) after taxation is made up as follows:			
Realised amount		15,635,079	14,384,916
Unrealised amount		361,983,883	(188,959,683)
		<u>377,618,962</u>	<u>(174,574,767)</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

	Note	2021 USD	2020 USD
ASSETS			
Cash and cash equivalents	9	55,110,675	71,038,333
Financial assets at fair value through profit or loss	8	1,177,653,053	652,701,217
Amount due from stockbrokers		-	13,437,331
Amount due from Manager		15,969,382	1,237,483
Dividends receivable		2,279,948	906,798
TOTAL ASSETS		<u>1,251,013,058</u>	<u>739,321,162</u>
LIABILITIES			
Amount due to stockbrokers		6,176,696	4,743,328
Amount due to Manager		3,817,120	2,991,789
Accrued management fee		1,815,988	1,154,617
Amount due to Trustee		51,691	32,964
Other payables and accruals		4,369	4,378
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>11,865,864</u>	<u>8,927,076</u>
NET ASSET VALUE OF THE FUND		<u>1,239,147,194</u>	<u>730,394,086</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>1,239,147,194</u>	<u>730,394,086</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (USD)			
- Class MYR		1,060,287,368	615,784,105
- Class SGD		59,862,490	32,470,599
- Class USD		118,997,336	82,139,382
		<u>1,239,147,194</u>	<u>730,394,086</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class MYR		16,622,585,807	8,682,435,380
- Class SGD		88,003,694	43,032,082
- Class USD		122,116,974	75,990,005
	10	<u>16,832,706,475</u>	<u>8,801,457,467</u>
NET ASSET VALUE PER UNIT (USD) (EX-DISTRIBUTION)			
- Class MYR		0.0637	0.0709
- Class SGD		0.6802	0.7545
- Class USD		<u>0.9744</u>	<u>1.0809</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES (EX-DISTRIBUTION)			
- Class MYR		RM0.2639	RM0.3061
- Class SGD		SGD0.9142	SGD1.0776
- Class USD		<u>USD0.9744</u>	<u>USD1.0809</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 MARCH 2021**

	2021 USD	2020 USD
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>730,394,086</u>	<u>1,081,430,992</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications and unit split		
- Class MYR	559,337,115	168,522,245
- Class SGD	33,353,695	12,135,910
- Class USD	<u>66,191,308</u>	<u>38,599,135</u>
	<u>658,882,118</u>	<u>219,257,290</u>
Creation of units from distributions		
- Class MYR	21,713,518	21,768,211
- Class SGD	1,160,838	1,059,349
- Class USD	<u>937,642</u>	<u>1,056,555</u>
	<u>23,811,998</u>	<u>23,884,115</u>
Cancellation of units		
- Class MYR	(454,659,051)	(347,996,652)
- Class SGD	(24,187,568)	(24,492,465)
- Class USD	<u>(72,713,351)</u>	<u>(47,114,427)</u>
	<u>(551,559,970)</u>	<u>(419,603,544)</u>
Total comprehensive income/(loss) for the financial year	<u>377,618,962</u>	<u>(174,574,767)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	<u><u>1,239,147,194</u></u>	<u><u>730,394,086</u></u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	Note	2021 USD	2020 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of quoted securities		864,189,475	982,417,412
Purchase of quoted securities		(972,233,003)	(767,025,313)
Dividend income received		20,582,242	26,159,292
Interest income received from deposits with licensed financial institutions		7,662	1,091,308
Management fee paid		(15,516,924)	(18,160,926)
Trustee and custodian fees paid		(891,580)	(997,515)
Payments for other fees and expenses		(44,515)	(66,874)
Settlement on maturity of foreign exchange related contracts		(3,342,039)	(2,061,199)
Tax paid		(424,867)	-
Net cash (used in)/generated from operating activities		(107,673,549)	221,356,185
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		643,838,903	223,857,908
Payments for cancellation of units		(551,050,199)	(420,261,737)
Distributions paid		(1,951,496)	(2,483,131)
Net cash generated from/(used in) financing activities		90,837,208	(198,886,960)
Net (decrease)/increase in cash and cash equivalents		(16,836,341)	22,469,225
Effect of foreign exchange differences		908,683	(150,800)
Cash and cash equivalents at the beginning of the financial year		71,038,333	48,719,908
Cash and cash equivalents at the end of the financial year	9	55,110,675	71,038,333
<u>Cash and cash equivalents comprised:</u>			
Bank balances		55,110,675	71,038,333
Cash and cash equivalents at the end of the financial year	9	55,110,675	71,038,333

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 MARCH 2021

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal Asia Pacific Dynamic Income Fund (the “Fund”) was governed by a Principal Master Deed dated 10 April 2015, a First Supplemental Deed dated 17 February 2016 and a Second Supplemental Deed dated 28 August 2019 (collectively referred to as the “Deeds”), between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund will be managed with the aim of achieving a stable and positive investment returns over the medium to long term through investments in Asia Pacific ex Japan, i.e. companies that are domiciled in, listed in, and/or have significant operations in the Asia Pacific ex Japan region. For listed securities, the investment must be traded in an exchange that is a member of WFE. ‘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 is derived from countries in the Asia Pacific ex Japan region. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). The term “medium to long term” refers to a period of three (3) years and more. With effect from 31 March 2021, the Fund may also invest up to 20% of its NAV in companies that are listed globally with some business/operations within the Asia Pacific ex Japan region to capture growth opportunities.

Under general market conditions, the Fund’s investment will focus on high dividend yielding equities of companies, which the Sub-Manager believes will offer attractive yields*, sustainable dividend payments and/or will exhibit above average growth potential when compared to its industry or the overall market at the point of purchase. In addition, the Fund may also invest in companies with good growth potential[^], which the Sub-Manager foresees may adopt a strong dividend payout[#] policy. The Fund may also invest up to 20% of the Fund’s NAV in debt securities to be in line with the Fund’s objective. The Fund’s investments in debt securities will generally be restricted to debt securities with a minimum credit rating of “BBB” by an international rating agency as prescribed under the Standard of Qualifying collective investment scheme or its equivalent rating by other international rating agencies. The Fund may also opt to access into the equities and/or debt securities market via the investment in units of other collective investment scheme that is in line with the Fund’s objectives, subject to the requirements of the SC Guidelines and the Standards of Qualifying collective investment scheme.

The asset allocation strategy for this Fund is as follows:

- between 60% to 98% (both inclusive) of the Fund’s NAV will be invested in equities;
- up to 20% of the Fund’s NAV may be invested in debt securities;
- up to 20% of the Fund’s NAV may be invested in units of other CIS that is in line with the Fund’s objectives; and
- at least 2% of its NAV will be invested in liquid assets for liquidity purpose.

** Higher than the average equity yields in the respective country.*

[^] Companies that have a better growth than the GDP of the respective country and reasonably priced based on our estimate. Reasonably priced means when the intrinsic value is higher than the current market price.

[#] Higher than the average dividend yields of companies in the respective country.

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

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

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

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 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.

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

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

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 April 2020 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 April 2021 are applicable to the Fund.

Certain information as presented in the notes 7, 8, 11 and 12 are prepared in accordance with the SC Guidelines on Unit Trust Funds and the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("MAS").

(b) Financial assets and financial liabilities

Classification

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Classification (continued)

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

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

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

Recognition and measurement

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

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 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 done 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 stock exchanges at the close of the business day of the respective foreign stock exchanges.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Recognition and measurement (continued)

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 investments for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the investments 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.

Impairment for assets carried at amortised costs

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) 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.

(d) Foreign currency

Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”).

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) Significant portion of the Fund’s expenses are denominated in USD, and
- (ii) Significant portion of the cash is denominated in USD for the purpose of making settlement of foreign trades.

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 exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Unit holders' contributions

The unit holders' contributions to the Fund meet the definition of puttable instruments classified as financial liability under MFRS 132 "*Financial Instruments: Presentation*".

The Fund issues cancellable units, in three classes of units, known respectively as the Class MYR, Class SGD and Class USD, which are cancelled at the unit holder's option and do not have identical features subject to restrictions as stipulated in the Prospectus and SC Guidelines on Unit Trust Funds. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the member exercises the right to put back the unit to the Fund.

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

(f) 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.

(g) Taxation

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

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

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

(h) Transaction 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.

(i) Distribution

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Amount due from/to stockbrokers

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

These amounts are measured at amortised cost. At each reporting date, the Fund measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses 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 the Manager 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 profit or loss after taxation

The analysis of realised and unrealised portions of profit or loss after taxation as presented on the statement of comprehensive income is prepared in accordance with SC Guidelines on Unit Trust Funds.

(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 Unit Trust Funds.

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss USD	Financial assets at amortised cost USD	Total USD
2021			
Cash and cash equivalents (Note 9)	-	55,110,675	55,110,675
Quoted securities (Note 8)	1,177,653,053	-	1,177,653,053
Amount due from Manager	-	15,969,382	15,969,382
Dividends receivable	-	2,279,948	2,279,948
	<u>1,177,653,053</u>	<u>73,360,005</u>	<u>1,251,013,058</u>
2020			
Cash and cash equivalents (Note 9)	-	71,038,333	71,038,333
Quoted securities (Note 8)	652,701,217	-	652,701,217
Amount due from stockbrokers	-	13,437,331	13,437,331
Amount due from Manager	-	1,237,483	1,237,483
Dividends receivable	-	906,798	906,798
	<u>652,701,217</u>	<u>86,619,945</u>	<u>739,321,162</u>

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

The Fund aims to provide regular income by investing primarily in the Asia Pacific ex Japan region and at the same time aims to achieve capital appreciation over the medium to long term.

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 an investment in quoted securities will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk). The value of 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 quoted securities and other financial instruments within specified limits according to the Deeds.

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

(a) Market risk (continued)

(i) Price risk (continued)

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

	2021 USD	2020 USD
Financial assets at fair value through profit or loss:		
- Quoted securities	<u>1,177,653,053</u>	<u>652,701,217</u>

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

% Change in price of quoted securities	Market value USD	Impact on profit or loss/NAV USD
2021		
-5%	1,118,770,400	(58,882,653)
0%	1,177,653,053	-
5%	<u>1,236,535,706</u>	<u>58,882,653</u>
2020		
-5%	620,066,156	(32,635,061)
0%	652,701,217	-
5%	<u>685,336,278</u>	<u>32,635,061</u>

(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 year, the Fund is not exposed to a material level of interest rate risk.

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

(a) Market risk (continued)

(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 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:

Financial assets	Cash and cash equivalents USD	Financial assets at fair value through profit or loss USD	Amount due from stock-brokers USD	Amount due from Manager USD	Dividends receivable USD	Total USD
2021						
AUD	-	133,700,983	-	-	177,542	133,878,525
CNY	505,461	26,929,965	-	-	-	27,435,426
EUR	-	41,640,233	-	-	-	41,640,233
HKD	-	328,835,607	-	-	-	328,835,607
IDR	-	33,400,965	-	-	-	33,400,965
INR	6,176,696	147,278,512	-	-	-	153,455,208
JPY	-	35,958,495	-	-	107,585	36,066,080
KRW	-	145,511,554	-	-	1,740,270	147,251,824
MYR	7,531,002	17,159,351	-	14,803,341	-	39,493,694
SGD	1,637,438	75,268,630	-	828,304	-	77,734,372
THB	-	5,901,491	-	-	-	5,901,491
TWD	-	155,696,649	-	-	254,551	155,951,200
	15,850,597	1,147,282,435	-	15,631,645	2,279,948	1,181,044,625
2020						
AUD	-	70,235,116	2,301,076	-	173,248	72,709,440
CNY	-	11,436,065	-	-	-	11,436,065
HKD	-	209,586,926	-	-	157,618	209,744,544
IDR	-	30,998,685	-	-	-	30,998,685
INR	110,884	37,080,189	-	-	-	37,191,073
KRW	-	60,417,411	-	-	306,470	60,723,881
MYR	4,347,184	-	-	1,105,276	-	5,452,460
PHP	-	9,357,248	-	-	-	9,357,248
SGD	6,001,810	119,307,209	-	130,063	-	125,439,082
THB	-	4,549,500	-	-	-	4,549,500
TWD	-	67,879,572	11,136,255	-	269,462	79,285,289
	10,459,878	620,847,921	13,437,331	1,235,339	906,798	646,887,267

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

(a) Market risk (continued)

(iii) Currency risk (continued)

Financial liabilities	Amount due to stockbrokers USD	Amount due to Manager USD	Other payables and accruals USD	Net assets attributable to unit holders USD	Total USD
2021					
INR	6,176,696	-	-	-	6,176,696
MYR	-	3,449,561	4,369	1,060,287,368	1,063,741,298
SGD	-	284,644	-	59,862,490	60,147,134
	6,176,696	3,734,205	4,369	1,120,149,858	1,130,065,128
2020					
MYR	-	1,443,657	4,378	615,784,105	617,232,140
SGD	4,743,328	399,244	-	32,470,599	37,613,171
	4,743,328	1,842,901	4,378	648,254,704	654,845,311

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

Net Balances in Foreign Currencies	Impact on profit or loss/NAV			
	2021		2020	
	USD +5%	USD -5%	USD +5%	USD -5%
AUD	6,693,926	(6,693,926)	3,635,472	(3,635,472)
CNY	1,371,771	(1,371,771)	571,803	(571,803)
EUR	2,082,012	(2,082,012)	-	-
HKD	16,441,780	(16,441,780)	10,487,227	(10,487,227)
IDR	1,670,048	(1,670,048)	1,549,934	(1,549,934)
INR	7,363,926	(7,363,926)	1,859,554	(1,859,554)
JPY	1,803,304	(1,803,304)	-	-
KRW	7,362,591	(7,362,591)	3,036,194	(3,036,194)
MYR	(51,212,380)	51,212,380	(30,588,984)	30,588,984
PHP	-	-	467,862	(467,862)
SGD	879,362	(879,362)	4,391,296	(4,391,296)
THB	295,075	(295,075)	227,475	(227,475)
TWD	7,797,560	(7,797,560)	3,964,264	(3,964,264)
	2,548,975	(2,548,975)	(397,903)	397,903

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

(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 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 quoted securities are settled/paid upon delivery using approved stockbrokers.

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.

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

	Cash and cash equivalents USD	Amount due from stockbrokers USD	Amount due from Manager USD	Dividends receivable USD	Total USD
2021					
- AAA	55,110,675	-	-	-	55,110,675
- Not Rated	-	-	15,969,382	2,279,948	18,249,330
	<u>55,110,675</u>	<u>-</u>	<u>15,969,382</u>	<u>2,279,948</u>	<u>73,360,005</u>
2020					
- AAA	71,038,333	-	-	-	71,038,333
- Not Rated	-	13,437,331	1,237,483	906,798	15,581,612
	<u>71,038,333</u>	<u>13,437,331</u>	<u>1,237,483</u>	<u>906,798</u>	<u>86,619,945</u>

3. FINANCIAL INSTRUMENTS AND 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 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 Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month USD	Between 1 month to 1 year USD	Total USD
2021			
Amount due to stockbrokers	6,176,696	-	6,176,696
Amount due to Manager	3,817,120	-	3,817,120
Accrued Management fee	1,815,988	-	1,815,988
Amount due to Trustee	51,691	-	51,691
Other payables and accruals	-	4,369	4,369
Net assets attributable to unit holders*	1,239,147,194	-	1,239,147,194
Contractual undiscounted cash flows	1,251,008,689	4,369	1,251,013,058
2020			
Amount due to stockbrokers	4,743,328	-	4,743,328
Amount due to Manager	2,991,789	-	2,991,789
Accrued Management fee	1,154,617	-	1,154,617
Amount due to Trustee	32,964	-	32,964
Other payables and accruals	-	4,378	4,378
Net assets attributable to unit holders*	730,394,086	-	730,394,086
Contractual undiscounted cash flows	739,316,784	4,378	739,321,162

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

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 USD1,239,147,194 (2020: USD730,394,086). The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

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

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

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

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

(i) Fair value hierarchy

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

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

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

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

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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

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

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
2021				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>1,177,653,053</u>	<u>-</u>	<u>-</u>	<u>1,177,653,053</u>
2020				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>652,701,217</u>	<u>-</u>	<u>-</u>	<u>652,701,217</u>

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

- (ii) The carrying values of cash and cash equivalents, amount due from stockbrokers, amount due from Manager, 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 maximum management fee of 3.00% per annum for each unit class, calculated daily based on the NAV of the Fund.

For the financial year ended 31 March 2021 and 31 March 2020, the management fee for the respective classes was recognised at the following rates:

Class MYR	Class SGD	Class USD
1.80%	1.50%	1.50%

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

5. TRUSTEE AND CUSTODIAN FEES

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.08% per annum, calculated daily based on the NAV of the Fund. The trustee fee includes local custodian fee but excludes the foreign sub-custodian fee (if any). The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears. For the financial year ended 31 March 2021, the foreign sub-custodian fee amounted to USD449,252 (2020: USD479,800).

For the financial year ended 31 March 2021, the Trustee fee was recognised at the rate of 0.05% per annum (2020: 0.05% per annum).

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

6. TAXATION

	2021 USD	2020 USD
Tax charged for the financial year:		
- Capital gains tax	424,867	-

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

	2021 USD	2020 USD
Profit/(Loss) before taxation	378,043,829	(174,574,767)
Taxation at Malaysian statutory rate of 24% (2020: 24%)	90,730,519	(41,897,944)
Tax effects of:		
- (Income not subject to tax)/Loss not deductible for tax purpose	(102,494,120)	29,837,457
- Expenses not deductible for tax purposes	7,875,518	7,800,165
- Restriction on tax deductible expenses for Unit Trust Funds	3,888,083	4,260,322
Income subject to capital gains tax	424,867	-
Taxation	424,867	-

7. FINANCE COST

Distributions to unit holders were derived from the following sources (assessed up to distribution declaration date):

	2021	2020
	USD	USD
Dividend income	10,556,950	15,349,706
Interest income	4,112	1,091,308
Net realised gain from disposal of quoted securities	25,032,627	17,325,107
	<u>35,593,689</u>	<u>33,766,121</u>
Less:		
Expenses	<u>(9,830,328)</u>	<u>(7,847,904)</u>
Net distribution amount	<u>25,763,361</u>	<u>25,918,217</u>

	2021	2020
	USD	USD
Gross/Net distribution per unit (cent)		
Distribution on 15 April 2020		
- Class MYR	0.04	-
- Class SGD	0.45	-
- Class USD	0.64	-
Distribution on 7 July 2020		
- Class MYR	0.05	-
- Class SGD	0.54	-
- Class USD	0.77	-
Distribution on 7 October 2020		
- Class MYR	0.09	-
- Class SGD	0.91	-
- Class USD	1.30	-
Distribution on 26 January 2021		
- Class MYR	0.05	-
- Class SGD	0.54	-
- Class USD	0.78	-

7. FINANCE COST (CONTINUED)

	2021 USD	2020 USD
Gross/Net distribution per unit (cent)		
Distribution on 9 July 2019		
- Class MYR	-	0.06
- Class SGD	-	0.67
- Class USD	-	0.94
Distribution on 9 October 2019		
- Class MYR	-	0.07
- Class SGD	-	0.80
- Class USD	-	1.15
Distribution on 15 January 2020		
- Class MYR	-	0.09
- Class SGD	-	0.94
- Class USD	-	1.34
Total gross/net distribution per unit (cent)		
- Class MYR	0.23	0.22
- Class SGD	2.44	2.41
- Class USD	<u>3.49</u>	<u>3.43</u>

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

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

During the financial year ended 31 March 2021, the Fund records unrealised gain of USD361,983,883 (2020: unrealised loss of USD188,959,683).

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021 USD	2020 USD
Financial assets at fair value through profit or loss:		
- Quoted securities	<u>1,177,653,053</u>	<u>652,701,217</u>
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised gain on disposals	44,364,717	38,378,825
- Unrealised fair value gain/(loss)	<u>361,108,336</u>	<u>(188,882,385)</u>
	<u>405,473,053</u>	<u>(150,503,560)</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2021				
QUOTED SECURITIES				
AUSTRALIA				
Consumer Discretionary				
Aristocrat Leisure Ltd (BB+)	828,532	15,391,415	21,688,184	1.75
Energy				
Beach Energy Ltd ³	12,370,130	15,842,065	16,166,855	1.31
Oil Search Ltd ³	3,187,579	18,761,691	9,959,372	0.80
	15,557,709	34,603,756	26,126,227	2.11
Industrials				
ALS Ltd ³	3,216,122	16,896,658	23,724,389	1.91
Seven Group Holdings Ltd ³	1,012,944	14,409,829	17,406,808	1.41
	4,229,066	31,306,487	41,131,197	3.32
Materials				
BHP Group Ltd (A)	944,770	25,096,363	32,614,555	2.63
OZ Minerals Ltd ³	697,533	11,994,031	12,140,820	0.98
	1,642,303	37,090,394	44,755,375	3.61
TOTAL AUSTRALIA	22,257,610	118,392,052	133,700,983	10.79
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holdings Ltd ^{3,4}	1,456,900	40,645,640	41,234,877	3.33
TOTAL CAYMAN ISLANDS	1,456,900	40,645,640	41,234,877	3.33
CHINA				
Financials				
Ping An Insurance (Group) Company of China Ltd (BBB+) ¹	2,199,000	26,596,996	26,182,670	2.11
Health Care				
WuXi AppTec Co Ltd (BBB-) ¹	823,900	12,338,741	16,206,688	1.31
Industrials				
Sany Heavy Industry Co Ltd ²	5,180,910	15,747,471	26,929,965	2.17
Weichai Power Co Ltd (BBB+) ¹	6,668,000	21,009,996	16,470,588	1.33
	11,848,910	36,757,467	43,400,553	3.50
TOTAL CHINA	14,871,810	75,693,204	85,789,911	6.92

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2021 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
GERMANY				
Utilities				
Volkswagen AG (BBB+) ⁴	114,640	32,248,713	41,640,233	3.36
TOTAL GERMANY	114,640	32,248,713	41,640,233	3.36
HONG KONG, CHINA				
Communication Services				
Tencent Holdings Ltd (A+) ⁴	692,500	32,923,620	54,345,287	4.39
Consumer Discretionary				
Li Ning Co Ltd ³	2,927,000	8,801,200	19,016,316	1.53
Consumer Staples				
Budweiser Brewing Company APAC Ltd ³	4,336,300	14,328,698	12,942,542	1.04
Financials				
AIA Group Ltd (AA-) ⁴	3,062,200	31,648,145	37,149,889	3.00
Hong Kong Exchanges & Clearing Ltd ³	484,400	22,487,487	28,504,444	2.30
Techtronic Industries Co Ltd ^{3,4}	2,310,500	16,744,870	39,533,921	3.19
	5,857,100	70,880,502	105,188,254	8.49
Information Technology				
Kingboard Laminates Holdings Ltd ^{3,4}	17,213,500	18,079,328	37,248,385	3.01
TOTAL HONG KONG, CHINA	31,026,400	145,013,348	228,740,784	18.46
INDIA				
Energy				
Reliance Industries Ltd ³	1,154,372	20,170,108	31,647,413	2.55
Reliance Industries Ltd - Partly Paid ³	97,421	403,786	1,453,940	0.12
	1,251,793	20,573,894	33,101,353	2.67
Financials				
HDFC Bank Ltd (BBB-) ⁴	1,873,987	27,491,362	38,307,476	3.09

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2021 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
INDIA (CONTINUED)				
Health Care				
Apollo Hospitals Enterprises Ltd ³	637,385	21,217,210	25,320,055	2.04
Industrials				
Container Corp of India Ltd ³	750,000	6,201,606	6,138,052	0.50
Information Technology				
Tata Consultancy Services Ltd ³	596,383	19,544,760	25,937,420	2.09
Materials				
Asian Paints Ltd ³	531,995	18,174,290	18,474,156	1.49
TOTAL INDIA	5,641,543	113,203,122	147,278,512	11.88
INDONESIA				
Consumer Discretionary				
PT Astra International Tbk ³	35,890,700	15,228,669	13,032,838	1.05
Financials				
PT Bank Central Asia Tbk (BBB-)	9,521,500	20,395,172	20,368,127	1.64
TOTAL INDONESIA	45,412,200	35,623,841	33,400,965	2.69
JAPAN				
Health Care				
Hoya Corporation ³	147,500	18,959,107	17,360,906	1.40
Information Technology				
Murata Manufacturing Co Ltd ³	232,400	15,950,417	18,597,589	1.50
TOTAL JAPAN	379,900	34,909,524	35,958,495	2.90

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2021 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
MALAYSIA				
Information Technology				
My E.G. Services Bhd ³	36,086,900	17,902,007	17,159,351	1.39
TOTAL MALAYSIA	36,086,900	17,902,007	17,159,351	1.39
NETHERLANDS				
Information Technology				
ASML Holding N.V. (A-)	30,940	16,126,010	19,101,118	1.54
TOTAL NETHERLANDS	30,940	16,126,010	19,101,118	1.54
SINGAPORE				
Consumer Discretionary				
Jardine Cycle & Carriage Ltd ³	718,400	11,735,601	12,032,173	0.97
Financials				
DBS Group Holdings Ltd (Aa1)	1,721,700	30,375,808	36,880,889	2.98
Information Technology				
Venture Corporation Ltd ³	765,000	16,361,174	11,418,120	0.92
Real Estate				
Keppel DC REIT ³	7,435,504	13,907,579	14,937,448	1.21
TOTAL SINGAPORE	10,640,604	72,380,162	75,268,630	6.08
SOUTH KOREA				
Information Technology				
Samsung Electronics Co Ltd (AA-) ⁴	1,047,511	46,783,813	75,320,562	6.08
Materials				
LG Chem Ltd (BBB) ⁴	75,603	31,187,998	53,760,768	4.34
Posco (BBB+)	58,125	15,373,953	16,430,224	1.33
	133,728	46,561,951	70,190,992	5.67
TOTAL SOUTH KOREA	1,181,239	93,345,764	145,511,554	11.75

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2021 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
TAIWAN				
Industrials				
AirTac International Group ³	893,000	23,864,222	31,475,179	2.54
Information Technology				
Hon Hai Precision Industry Co Ltd (A-)	5,369,000	21,809,073	23,348,865	1.88
MediaTek Inc ³	742,000	16,986,135	25,216,126	2.03
Taiwan Semiconductor Manufacturing Co Ltd (AA-) ⁴	3,675,000	62,379,037	75,656,479	6.11
	9,786,000	101,174,245	124,221,470	10.04
TOTAL TAIWAN	10,679,000	125,038,467	155,696,649	12.56
THAILAND				
Financials				
Bangkok Bank PCL (BBB)	1,463,200	9,827,330	5,901,491	0.48
TOTAL THAILAND	1,463,200	9,827,330	5,901,491	0.48
UNITED STATES				
Communication Services				
Tencent Music Entertainment Group ³	550,000	11,056,815	11,269,500	0.91
TOTAL UNITED STATES	550,000	11,056,815	11,269,500	0.91
TOTAL QUOTED SECURITIES	181,792,886	941,405,999	1,177,653,053	95.04
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		236,247,054		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		1,177,653,053		

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2020				
QUOTED SECURITIES				
AUSTRALIA				
Consumer Discretionary				
Aristocrat Leisure Ltd (BB+)	525,414	9,536,638	6,880,987	0.94
Energy				
Oil Search Ltd ³	2,833,403	18,302,642	4,136,533	0.57
Health Care				
CSL Ltd (A-) ⁴	97,171	15,202,601	17,683,824	2.42
Industrials				
ALS Ltd ³	1,818,144	9,897,222	6,200,894	0.85
Cleanaway Waste Management Ltd ³	8,241,389	9,404,547	8,568,826	1.17
	10,059,533	19,301,769	14,769,720	2.02
Materials				
Amcor Limited ³	1,442,974	15,971,889	11,542,166	1.58
BHP Group Ltd (A)	856,286	23,288,406	15,221,886	2.08
	2,299,260	39,260,295	26,764,052	3.66
TOTAL AUSTRALIA	15,814,781	101,603,945	70,235,116	9.61
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd ^{3,4}	483,987	36,566,681	39,429,358	5.40
TOTAL CAYMAN ISLANDS	483,987	36,566,681	39,429,358	5.40
CHINA				
Information Technology				
Hangzhou Hikv ³	2,904,324	14,531,787	11,436,065	1.57
Materials				
Anhui Conch Cement Co. Ltd ³	1,542,500	9,744,158	10,716,025	1.47
TOTAL CHINA	4,446,824	24,275,945	22,152,090	3.04

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2020 (CONTINUED)				
QUOTED SECURITIES				
(CONTINUED)				
HONG KONG, CHINA				
Communication Services				
China Mobile Ltd (A1)	1,826,500	17,356,102	13,584,443	1.86
Tencent Holdings Ltd (A+) ⁴	912,300	38,115,020	44,747,898	6.13
	<u>2,738,800</u>	<u>55,471,122</u>	<u>58,332,341</u>	<u>7.99</u>
Consumer Discretionary				
Galaxy Entertainment Group Ltd ³	2,715,000	22,719,342	14,483,322	1.98
Sands China Ltd (BBB-)	2,196,000	11,255,827	8,045,880	1.10
Shenzhou International Group ³	724,600	9,357,749	7,702,796	1.05
	<u>5,635,600</u>	<u>43,332,918</u>	<u>30,231,998</u>	<u>4.13</u>
Financials				
AIA Group Ltd (AA-)	937,600	8,708,800	8,485,318	1.16
Industrials				
China Conch Venture Holdings Ltd ³	3,606,500	17,373,782	16,098,480	2.20
Techtronic Industries Co ³	2,299,500	14,121,504	14,921,904	2.04
	<u>5,906,000</u>	<u>31,495,286</u>	<u>31,020,384</u>	<u>4.24</u>
Information Technology				
Kingboard Laminates Holdings Ltd ³	14,106,000	13,613,312	13,048,058	1.79
Real Estate				
China Resources Land Ltd (BBB+) ⁴	5,032,000	21,807,008	20,773,681	2.84
Link REIT ^{3,4}	3,469,000	33,405,612	29,403,059	4.03
	<u>8,501,000</u>	<u>55,212,620</u>	<u>50,176,740</u>	<u>6.87</u>
TOTAL HONG KONG, CHINA	<u>37,825,000</u>	<u>207,834,058</u>	<u>191,294,839</u>	<u>26.18</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2020 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
INDIA				
Energy				
Reliance Industries Ltd ^{3,4}	1,154,524	18,715,588	17,005,697	2.33
Industrials				
Larsen & Toubro Ltd ³	838,423	17,062,333	8,964,931	1.23
Materials				
Ultra Tech Cement Ltd ³	258,880	15,373,862	11,109,561	1.52
TOTAL INDIA	2,251,827	51,151,783	37,080,189	5.08
INDONESIA				
Financials				
PT Bank Central Asia Tbk (BBB-)	8,860,900	18,566,824	15,001,601	2.05
PT Bank Mandiri Tbk (BBB-)	26,179,300	14,510,633	7,508,642	1.03
	35,040,200	33,077,457	22,510,243	3.08
Materials				
PT Semen Indonesia Persero Tbk ³	18,164,800	16,210,173	8,488,442	1.16
TOTAL INDONESIA	53,205,000	49,287,630	30,998,685	4.24
PHILIPPINES				
Financials				
Bank Of Philippine Islands (BBB+)	7,681,790	13,432,497	9,357,248	1.28
TOTAL PHILIPPINES	7,681,790	13,432,497	9,357,248	1.28
SINGAPORE				
Communication Services				
NetLink NBN Trust ³	26,670,000	16,330,336	16,900,197	2.31
Industrials				
Singapore Technologies Engineering Ltd (Aaa)	3,419,100	8,690,343	7,469,415	1.02
Information Technology				
Venture Corporation Ltd ³	765,000	16,361,174	7,268,779	1.00

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2020 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
SINGAPORE (CONTINUED)				
Real Estate				
Ascendas Real Estate Investment Trust (A3)	5,482,804	10,676,958	10,864,489	1.49
Capitaland Ltd (A-)	7,111,100	19,255,775	14,190,634	1.94
Keppel DC REIT ^{3,4}	13,233,104	16,610,595	21,218,632	2.91
Lendlease Global Commercial REIT ³	31,380,800	19,920,074	11,425,824	1.56
Mapletree Commercial Trust (Baa1) ⁴	14,600,700	22,051,290	18,708,757	2.56
	<u>71,808,508</u>	<u>88,514,692</u>	<u>76,408,336</u>	<u>10.46</u>
Utilities				
Keppel Infrastructure Trust ³	<u>37,839,717</u>	<u>12,772,299</u>	<u>11,260,482</u>	<u>1.54</u>
TOTAL SINGAPORE	<u>140,502,325</u>	<u>142,668,844</u>	<u>119,307,209</u>	<u>16.33</u>
SOUTH KOREA				
Information Technology				
Samsung Electronics Co Ltd (AA-) ⁴	<u>1,226,135</u>	<u>50,701,823</u>	<u>48,031,691</u>	<u>6.58</u>
Materials				
LG Chem Ltd (BBB)	<u>49,500</u>	<u>16,071,136</u>	<u>12,385,720</u>	<u>1.70</u>
TOTAL SOUTH KOREA	<u>1,275,635</u>	<u>66,772,959</u>	<u>60,417,411</u>	<u>8.28</u>
TAIWAN				
Information Technology				
Ase Technology Holding Co Ltd (BBB)	5,991,000	15,476,773	11,603,488	1.59
Largan Precision Co Ltd ³	114,000	16,756,800	14,430,961	1.98
Taiwan Semiconductor Manufacturing Co Ltd (AA-) ⁴	<u>3,245,000</u>	<u>25,703,093</u>	<u>29,387,111</u>	<u>4.02</u>
	<u>9,350,000</u>	<u>57,936,666</u>	<u>55,421,560</u>	<u>7.59</u>
Materials				
Formosa Plastics Corporation (BBB+)	<u>5,019,000</u>	<u>16,204,160</u>	<u>12,458,012</u>	<u>1.71</u>
TOTAL TAIWAN	<u>14,369,000</u>	<u>74,140,827</u>	<u>67,879,572</u>	<u>9.30</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2020 (CONTINUED)				
QUOTED SECURITIES				
(CONTINUED)				
THAILAND				
Financials				
Bangkok Bank PCL (BBB)	<u>1,463,200</u>	<u>9,827,330</u>	<u>4,549,500</u>	<u>0.62</u>
TOTAL THAILAND	<u>1,463,200</u>	<u>9,827,330</u>	<u>4,549,500</u>	<u>0.62</u>
TOTAL QUOTED SECURITIES	<u>279,319,369</u>	<u>777,562,499</u>	<u>652,701,217</u>	<u>89.36</u>
ACCUMULATED UNREALISED LOSS ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(124,861,282)</u>		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>652,701,217</u>		

- 1 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 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.
- 2 A-shares trade on the two Chinese stock exchanges, the Shanghai Stock Exchange and the Shenzhen Stock Exchange. A-shares are shares of mainland China-based companies and are available for purchase to select foreign institutions through the stock connect system.
- 3 The quoted securities is not rated.
- 4 The quoted securities is one of the top 10 holdings of the Fund.

9. CASH AND CASH EQUIVALENTS

	2021 USD	2020 USD
Bank balances	<u>55,110,675</u>	<u>71,038,333</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2021	2020
	No. of units	No. of units
Class MYR (i)	16,622,585,807	8,682,435,380
Class SGD (ii)	88,003,694	43,032,082
Class USD (iii)	122,116,974	75,990,005
	<u>16,832,706,475</u>	<u>8,801,457,467</u>

(i) Class MYR

	2021	2020
	No. of units	No. of units
At the beginning of the financial year	8,682,435,380	10,486,614,047
Add: Creation of units from applications	7,655,384,127	1,923,760,761
Add: Creation of units from distributions	274,769,007	244,160,718
Add: Creation of units from unit split (Note 15(b))	5,486,780,348	-
Less: Cancellation of units	<u>(5,476,783,055)</u>	<u>(3,972,100,146)</u>
At the end of the financial year	<u>16,622,585,807</u>	<u>8,682,435,380</u>

(ii) Class SGD

	2021	2020
	No. of units	No. of units
At the beginning of the financial year	43,032,082	53,119,291
Add: Creation of units from applications	42,636,297	15,162,308
Add: Creation of units from distributions	1,386,591	1,119,151
Add: Creation of units from unit split (Note 15(b))	27,853,832	-
Less: Cancellation of units	<u>(26,905,108)</u>	<u>(26,368,668)</u>
At the end of the financial year	<u>88,003,694</u>	<u>43,032,082</u>

(iii) Class USD

	2021	2020
	No. of units	No. of units
At the beginning of the financial year	75,990,005	84,798,593
Add: Creation of units from applications	55,580,139	28,221,128
Add: Creation of units from distributions	783,475	779,881
Add: Creation of units from unit split (Note 15(b))	48,795,423	-
Less: Cancellation of units	<u>(59,032,068)</u>	<u>(37,809,597)</u>
At the end of the financial year	<u>122,116,974</u>	<u>75,990,005</u>

11. MANAGEMENT EXPENSE RATIO (“MER”)

Pursuant to the SC Guidelines and to the MAS Guidelines

	2021 %	2020 %
MER	<u>1.85</u>	<u>1.86</u>

MER is derived based on 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 Central Depository System (“CDS”) transfer fee
F = Average NAV of the Fund calculation on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis was USD923,731,255 (2020: USD1,009,625,503)

12. PORTFOLIO TURNOVER RATIO (“PTR”)

Pursuant to the SC Guidelines

	2021	2020
PTR (times)	<u>0.99</u>	<u>0.87</u>

PTR is derived from the following calculation:

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

Pursuant to the MAS Guidelines

	2021	2020
PTR (times)	<u>0.92</u>	<u>0.76</u>

PTR is derived from the following calculation:

$$\frac{\text{Lesser of total acquisition or total disposal for the financial year}}{\text{Average NAV of the Fund for the financial year calculated on a daily basis}}$$

where:

$$\begin{aligned} \text{total acquisition for the financial year} &= \text{USD971,502,378 (2020: USD765,177,912)} \\ \text{total disposal for the financial year} &= \text{USD851,883,375 (2020: USD982,977,506)} \end{aligned}$$

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
CIMB Investment Bank 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

		2021		2020
	No. of units	USD	No. of units	USD
Manager				
Principal Asset Management Bhd				
- Class MYR	1,141,757	72,730	761,772	54,010
- Class SGD	24,354	16,566	10,493	7,917
- Class USD	3,413	3,326	2,088	2,257

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

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

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.

	2021	2020
	USD	USD
<u>Significant related party transactions</u>		
Interest income from deposits with licensed financial institution:		
- CIMB Bank Bhd	3,058	145,276
- CIMB Islamic Bank Bhd	49	-
	<u>3,107</u>	<u>145,276</u>

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

14. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for the financial year ended 31 March 2021 were as follows:

Brokers	Value of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
Citigroup Global Markets Ltd	489,882,903	26.87	345,825	16.50
CLSA Securities (Malaysia) Sdn Bhd	246,646,888	13.53	77,966	3.72
JP Morgan Securities LLC	171,979,611	9.43	57,773	2.76
DBS Vickers Securities (Singapore) Pte Ltd	153,060,924	8.40	241,352	11.51
Credit Suisse Securities (Hong Kong) Ltd	138,456,585	7.60	212,173	10.12
CLSA Ltd	107,787,002	5.91	238,303	11.37
Sanford C Bernstein & Co LLC	78,795,899	4.32	157,897	7.53
Morgan Stanley	77,163,045	4.23	192,908	9.20
Macquarie Capital Securities (Singapore) Pte Ltd	65,923,235	3.62	32,962	1.57
Macquarie Securities Australia Ltd	59,278,120	3.25	66,352	3.17
Others #	234,007,757	12.84	472,735	22.55
	<u>1,822,981,969</u>	<u>100.00</u>	<u>2,096,246</u>	<u>100.00</u>

14. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

Details of transactions with the top 10 brokers for the financial year ended 31 March 2020 were as follows:

Brokers	Value of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
Citigroup Global Markets Ltd	515,427,479	29.48	968,063	30.03
JP Morgan Securities LLC	254,662,035	14.57	295,409	9.16
CLSA Securities (Malaysia) Sdn Bhd	249,430,094	14.27	292,152	9.06
Macquarie Capital Securities (Singapore) Pte Ltd	137,222,419	7.85	132,611	4.11
Credit Suisse Securities (Hong Kong) Ltd	134,374,516	7.69	302,176	9.37
DBS Vickers Securities (Singapore) Pte Ltd	100,020,384	5.72	264,973	8.22
CLSA Ltd	67,024,435	3.83	142,327	4.42
Macquarie Capital Securities (Malaysia) Sdn Bhd	61,986,934	3.55	171,880	5.33
Instinet Pacific Ltd	58,874,060	3.37	169,086	5.25
Morgan Stanley	42,785,569	2.45	128,411	3.98
Others #	126,347,493	7.22	356,430	11.07
	<u>1,748,155,418</u>	<u>100.00</u>	<u>3,223,518</u>	<u>100.00</u>

Included in the transactions are trades conducted with CGS-CIMB Securities (Singapore) Pte Ltd, fellow related party to the Manager amounting to USD35,930,937 (2020: USD8,243,739). 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.

15. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- The COVID-19 pandemic and related lockdowns and movement restrictions have had, and will continue to have, a significant impact on global economic conditions and the environment in which the Fund operates. The Manager continues to closely monitor the macro-economic outlook as a result of COVID-19 pandemic and its impact to the Fund's performance and will be managing the risks to achieve the Fund's objective.
- The Fund undertaken a unit split exercise on 22 December 2020 based on unit split ratio of 3 units for every 4 units held and the exercise is approved by the Trustee. As a result, the Fund has created a total of 5,563,429,603 units (2020: NIL) for the financial year ended 31 March 2021.

16. SUBSEQUENT EVENTS

The Manager proposed for the payment of a gross distribution of USD0.05 cent per unit for Class MYR, USD0.51 cent per unit for Class SGD and USD0.74 cent per unit for Class USD in respect of the month of April 2021, which have been approved by the Trustee. The distribution will be accounted for in the net assets attributable to unit holders as an appropriation of the retained earnings for the financial year ending 31 March 2022.

17. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 18 May 2021.

DIRECTORY

Head Office of the Manager

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Trustee for the Principal Asia Pacific Dynamic Income Fund

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Auditors of the Fund (for financial year ended 31 March 2021) and of the Manager (for the financial year ended 31 December 2020)

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