

PRINCIPAL ASIA TITANS FUND
ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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INVESTORS' LETTER

Dear Valued Investor,

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

We are pleased to bring you a copy of the Annual Fund Report of the Principal Asia Titans Fund for the financial year ended 30 June 2023. You may also download this report from our website at www.principal.com.my.

We are happy to share that Principal Malaysia won three accolades at Alpha Southeast Asia's 14th Annual Fund Management Awards 2023. The awards were for Best Online & Mobile Platform (Asset Manager), Best Absolute Return Strategy and Best Fund Manager for Pension Mandates. Principal Malaysia was also honoured with multiple awards at the FSMOne Recommended Unit Trusts Awards 2023/2024 including Investors' Choice Fund House of the year 2023.

Digital innovation is central to our strategy, as we use data and technology to develop the right solutions for you. We will continue to advance our digital capabilities to provide easy access to your investment portfolio and enable you to carry out transactions seamlessly. Please continue to check out our website (www.principal.com.my), like our Facebook page (@PrincipalAssetMY), follow us on our Instagram account (@principalassetmanagement_my), and LinkedIn page (Principal Asset Management Berhad) for the latest updates, market insights and investment articles.

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

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

Munirah Khairuddin
Chief Executive Officer

MANAGER'S REPORT**FUND OBJECTIVE AND POLICY****What is the investment objective of the Fund?**

The Fund aims to seek capital growth by investing primarily in equities and equity related instruments in the Asia ex Japan.

Has the Fund achieved its objective?

For the financial year under review, the Fund did not achieve capital appreciation. However, over the medium to long term, the Fund has achieved capital appreciation.

What are the Fund investment policy and principal investment strategy?

The Fund aims to achieve capital growth by investing primarily in equity securities of companies domiciled in, listed in, and/or have significant operations in Asia ex Japan. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business/operations in Thailand but listed on the New York Stock Exchange ("NYSE"). The threshold for 'significant operations' would be if more than 25% of total group revenue derives from countries in Asia ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). The Fund may also invest in instruments issued by companies incorporated in the Asia ex Japan but listed or traded on exchanges outside Asia ex Japan. With effect from 16 August 2021, the Fund may also invest up to 20% of its NAV in companies that are listed globally with some operations or businesses within the Asia ex Japan region to capture growth opportunities. Under normal market conditions, the Fund will invest primarily in common stocks. The Fund may seek investment opportunities in other types of transferable securities including fixed income securities as well as collective investment schemes that is in line with the objective of the Fund, subject to the requirement of the Guidelines on Unit Trust Funds issued by Securities Commission Malaysia ("GUTF").

The Asia ex Japan includes but is not limited to the following markets: Hong Kong Special Administrative Region ("SAR"), India, Indonesia, South Korea, Malaysia, Pakistan, Singapore, Sri Lanka, the People's Republic of China, the Philippines, Taiwan, and Thailand. The investments of the Fund in the foreign markets are in accordance with the GUTF.

The asset allocation strategy for this Fund is as follows:

- between 70% to 99.5% (both inclusive) of the Fund's NAV in equity securities in Asia ex Japan;
- up to 28% of the Fund's NAV in other permissible investments; and
- at least 0.5% of the Fund's NAV in liquid assets.

The Manager have appointed Principal Asset Management (S) Pte Ltd ("Principal (S)"), a company incorporated in Singapore, as the Sub-Manager of the Principal Asia Titans Fund. The Sub-Manager will be responsible for investing and managing the Fund in accordance with the investment objective and within the investment restrictions. Nevertheless, the Manager are equally responsible for the investments of the Fund. All costs of this appointment will be borne by the Manager to ensure no additional fee is levied on unit holders.

Fund category/type

Equity/Growth

When was the Fund launched?

1 March 2006

What was the size of the Fund as at 30 June 2023?

RM108.93 million (119.11 million units)

What is the Fund's benchmark?

Morgan Stanley Capital International ("MSCI") All Country ("MSCI AC") Asia ex Japan Index

Note: The benchmark is for performance comparison only. Investors are cautioned that the risk profile of the Fund is higher than the benchmark.

FUND OBJECTIVE AND POLICY (CONTINUED)

What is the Fund distribution policy?

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

What was the net income distribution for the financial year ended 30 June 2023?

The Fund distributed a total net income of RM2.88 million to unit holders. As a result, the NAV per unit dropped from RM0.8988 to RM0.8722 on 23 November 2022, during the financial year ended 30 June 2023.

Breakdown of distribution were as follows:

	RM	%
Income	2,880,233	100.00
Capital	-	-
Total	2,880,233	100.00

PERFORMANCE DATA

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

	30.06.2023	30.06.2022	30.06.2021
	%	%	%
Quoted securities			
- Communication Services	9.83	11.85	11.58
- Consumer Discretionary	20.06	12.31	12.60
- Consumer Staples	4.81	2.58	1.18
- Energy	5.49	8.28	4.34
- Financials	18.6	15.30	12.70
- Health Care	-	3.09	6.39
- Industrials	6.33	9.68	13.36
- Information Technology	20.41	21.69	21.12
- Materials	4.63	4.57	7.72
- Real Estate	4.16	3.28	-
- Utilities	-	1.08	-
Cash and other assets	7.24	8.13	9.68
Liabilities	(1.56)	(1.84)	(0.67)
	100.00	100.00	100.00
NAV (RM Million)	108.93	102.09	105.45
Units in circulation (Million)	119.11	107.73	88.80
NAV per unit (RM)	0.9145	0.9476	1.1875
Highest NAV per unit (RM)	0.9649	1.1978	1.2376
Lowest NAV per unit (RM)	0.8478	0.9079	0.8283
Total return (%)	(0.61)	(17.70)	47.48
- Capital growth (%)	(3.55)	(20.17)	43.42
- Income distribution (%)	3.05	3.10	2.83
Total Expense Ratio ("TER") (%) ^	2.03	2.04	2.18
Portfolio Turnover Ratio ("PTR") (times) #	0.73	0.62	0.66

^ The Fund's TER decreased from 2.04% to 2.03% due to decrease in average NAV during the financial year under review.

The Fund's PTR has risen slightly to 0.73 from 0.62 for the financial year under review. The slight increase in PTR reflects the mild increase in the volatility of the stock markets in Asia.

PERFORMANCE DATA (CONTINUED)

Gross/ Net distribution per unit (sen)	30.06.2023	30.06.2022	30.06.2021	30.06.2021
Distribution on 23 November 2022	2.66	-	-	-
Distribution on 23 November 2021	-	3.43	-	-
Distribution on 25 November 2020	-	-	-	2.85
	30.06.2023	30.06.2022	30.06.2021	30.06.2020
	%	%	%	%
Annual total return	(0.61)	(17.70)	47.48	4.22
				30.06.2019
				%
				0.83

(Launch date: 1 March 2006)

Performance data 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 JULY 2022 TO 30 JUNE 2023)

For the financial year under review, Asian markets, as measured by MSCI AC Asia ex-Japan Index, declined by 3.5% in US Dollar ("USD") terms. Topical issues were: a) Sustained high inflation leading to accelerated pace in tightening of monetary policy, b) ongoing conflict between Russia-Ukraine complicating the inflation situation, c) China's muted economic growth despite re-opening and d) recession fears in the US & Europe.

The US Federal Reserve Board (the "Fed") embarked on the path to tightened monetary policy to combat inflation starting in early 2022. Consequently, stocks and commodities prices tumbled as concerns over the pace of interest rate hikes in the US were compounded by lockdowns in China due to Coronavirus Disease 2019 ("COVID-19") outbreak. The markets experienced a selloff in June 2022 and September 2022 again as central banks pushed ahead to raise rates in response to high inflation and recession fears heightened. Inflationary pressures continue to be persistent and sticky. US headline inflation was running at 9.1% in June 2023, which led to the third consecutive interest rate hike of 75 basis points ("bps") by the Fed in September 2022. This is the most aggressive monetary tightening cycle since the early 1980s. By June 2023, the US Federal Open Market Committee ("FOMC") lifted its benchmark interest rate to a target range of 5.00 to 5.25%.

As the Fed began its policy rate normalization, most central banks such as that observed by the Reserve Bank of India, Reserve Bank of Australia and Bank Negara Malaysia ("BNM") hiked in tandem.

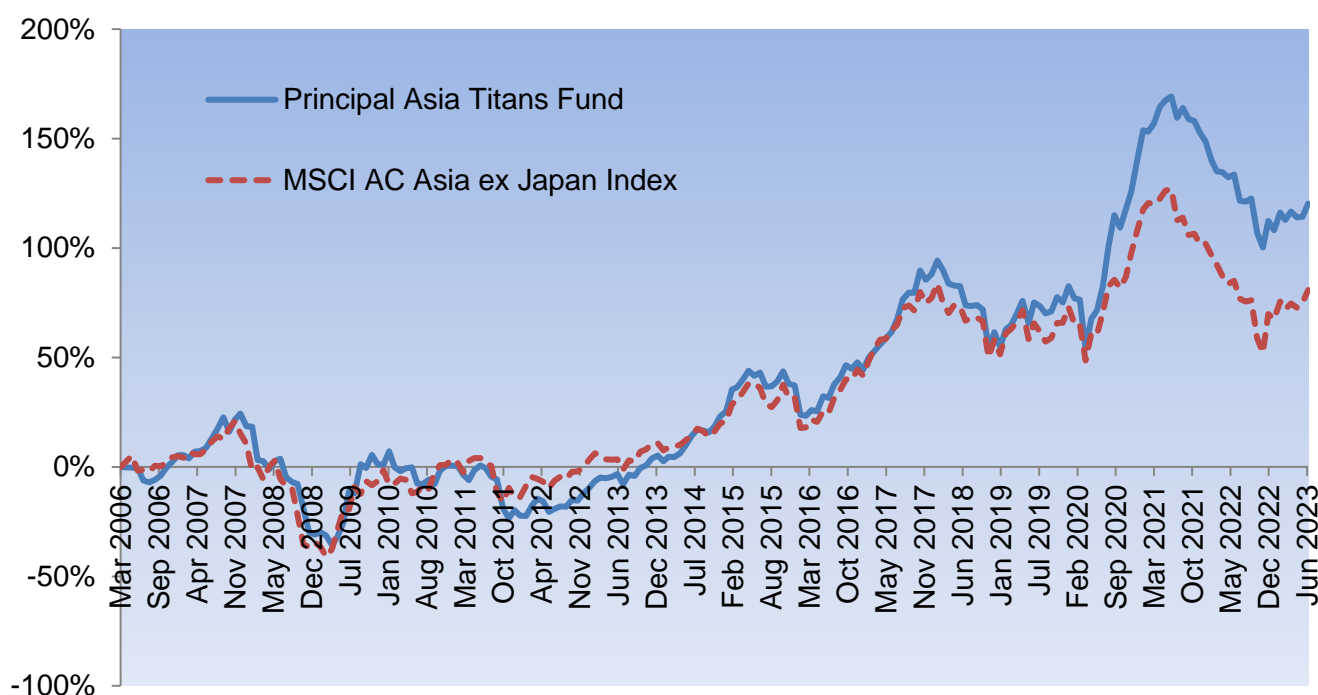
On the other hand, China has been easing interest rates as the government grappled with economic slowdown. Sentiment deteriorated in mid-2022 with the COVID-19 situation leading to various lockdowns such as that observed in Shanghai, impacting economic activity in China. Although there was relaxation of mobility restrictions in May and signs that the government officials would consider the negative effects from a draconian lockdown, China did not change its zero COVID-19 policy initially. We continued to see lockdowns, albeit on a smaller scale through to September. To compound the weakness, the property sector continued to see price and volume declines leading to more stress in the sector and the economy. As a result, China has since then stepped up its economic stimulus with several policies including loosening restrictions in the property sector to support the economy. Eventually, China removed all COVID-19 related restrictions in November 2022 and "re-opened" which led to a short-term boost in economic activity. This momentum did not carry into the second quarter of 2023 for China. Consumer and corporate confidence have waned with the heightened geopolitical tensions with the US, weak property sector and the high youth unemployment. Stocks in China and Hong Kong SAR has subsequently declined.

FUND PERFORMANCE

	1 year to 30.06.2023	3 years to 30.06.2023	5 years to 30.06.2023	Since inception to 30.06.2023
	%	%	%	%
Income Distribution	3.05	9.25	13.07	13.07
Capital Growth	(3.55)	10.42	12.13	94.78
Total Return	(0.61)	20.64	26.78	139.30
Benchmark	2.25	5.87	8.39	80.79
Average Total Return	(0.61)	6.45	4.86	4.66

During the financial year under review, the Fund made a return of -0.61%. This is due to the difficult market conditions where market declined on a confluence of factors such as Russia-Ukraine conflict, concerns over global inflation, effects of accelerated pace in monetary policy tightening in the US and muted economic recovery in China.

Since Inception



Changes in NAV

	30.06.2023	30.06.2022	Changes %
NAV (RM Million)	108.93	102.09	6.70
NAV/Unit (RM)	0.9145	0.9476	(3.49)

The NAV rose by 6.70% while the NAV per unit declined by 3.49%. The decline in NAV per unit is due to the weakness in the underlying assets but the rise in NAV is due to positive subscriptions.

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)	30.06.2023	30.06.2022
Quoted securities	94.32	93.71
Cash and other assets	7.24	8.13
Liabilities	(1.56)	(1.84)
TOTAL	100.00	100.00

As at 30 June 2023, the Fund held 94.32% in quoted securities, with the rest in cash and other assets. The equity level is slightly higher than the level at the end of June 2022.

MARKET OUTLOOK*

We are positive on Asian equities for the next two years. Asia has stable domestic demand, continued foreign direct investments (“FDI”) inflows, easing inflation, gradual recovery in Chinese outbound tourism, and a bottoming of the semiconductor cycle. Asia’s economic growth is expected to outgrow other regions. Valuations appear reasonable for Asia equities. Asia equities offer a compound 2 years Earning Per Share (“EPS”) growth of 8% per annum, 3% dividend yields and inexpensive valuations at 14 times price-earnings ratio for 2023.

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

INVESTMENT STRATEGY

In the short-term, we are building exposure to different investment themes like India’s private sector revival, consumption recovery, “picks and shovels” for Artificial Intelligence, energy under-investment and peaking interest rates. We will continue to focus on quality companies which have good earnings visibility, robust balance sheet, long term winners, market share gainers and those with pricing power to overcome cost pressures.

SOFT COMMISSION AND REBATES

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

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

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

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIR OF THE FUND

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

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

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

CROSS TRADE

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

UNIT SPLIT

No unit split exercise have been carried out during the financial year under review.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL ASIA TITANS 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 7 to 41 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 June 2023 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

UDAY JAYARAM
Director

Kuala Lumpur
17 August 2023

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ASIA TITANS FUND**

We, Universal Trustee (Malaysia) Berhad, being the Trustee for Principal Asia Titans (the "Fund"), are of the opinion that Principal Asset Management Berhad (the "Manager"), acting in the capacity of Manager of the Fund, have fulfilled their duties in the following manner for the financial year ended 30 June 2023:

- (a) the Fund is being managed in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Deeds, the Securities Commission's Guidelines on the 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.

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For and on behalf of the Trustee
UNIVERSAL TRUSTEE (MALAYSIA) BERHAD

ONG TEE VANN
Chief Executive Officer

Kuala Lumpur
17 August 2023

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ASIA TITANS FUND**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Principal Asia Titans Fund (the "Fund"), which comprise the statement of financial position as at 30 June 2023 of the Fund, 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 7 to 41.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2023, and of its financial performance and cash flows for the period 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 TITANS FUND (CONTINUED)**

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 TITANS FUND (CONTINUED)**

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 TITANS FUND (CONTINUED)**

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.

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

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

Kuala Lumpur
17 August 2023

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

	Note	2023 RM	2022 RM
INCOME/(LOSS)			
Dividend income		2,374,317	2,662,075
Interest income from current account at amortised cost		11,599	37,877
Net gain/(loss) on financial assets at fair value through profit or loss	8	769,951	(19,584,250)
Net foreign exchange (loss)/gain		<u>(70,921)</u>	<u>393,470</u>
		<u>3,084,946</u>	<u>(16,490,828)</u>
EXPENSES			
Management fee	4	1,861,908	1,942,118
Trustee and custodian fees	5	147,922	149,970
Audit fee		9,400	9,400
Tax agent's fee		43,544	36,563
Transaction costs		448,139	313,630
Other expenses		<u>237,333</u>	<u>293,943</u>
		<u>2,748,246</u>	<u>2,745,624</u>
PROFIT/(LOSS) BEFORE TAXATION		336,700	(19,236,452)
Taxation	7	<u>(764,638)</u>	<u>(864,196)</u>
LOSS AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR		<u>(427,938)</u>	<u>(20,100,648)</u>
Loss after taxation is made up as follows:			
Realised amount		(3,055,141)	6,374,279
Unrealised amount		<u>2,627,203</u>	<u>(26,474,927)</u>
		<u>(427,938)</u>	<u>(20,100,648)</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Note	2023 RM	2022 RM
ASSETS			
Cash and cash equivalents	9	7,271,743	7,300,396
Financial assets at fair value through profit or loss	8	102,739,015	95,661,880
Amount due from Manager		147,326	285,989
Amount due from Manager of collective investment schemes			
- management fee rebate		4,059	1,986
Dividends receivable		470,263	715,077
TOTAL ASSETS		<u>110,632,406</u>	<u>103,965,328</u>
LIABILITIES			
Amount due to stockbrokers		1,125,016	-
Amount due to Manager		149,452	1,694,378
Accrued management fee		166,446	161,193
Amount due to Trustee		3,149	3,050
Tax payable		239,450	-
Other payables and accruals		22,001	19,402
TOTAL LIABILITIES		<u>1,705,514</u>	<u>1,878,023</u>
NET ASSET VALUE OF THE FUND		<u>108,926,892</u>	<u>102,087,305</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	10	<u>108,926,892</u>	<u>102,087,305</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	11	<u>119,106,642</u>	<u>107,725,290</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.9145</u>	<u>0.9476</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 30 JUNE 2023**

	Note	2023 RM	2022 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>102,087,305</u>	<u>105,451,584</u>
Movement due to units created and cancelled during the financial year:			
- Creation of units from applications		15,547,344	33,847,572
- Creation of units from distributions		2,876,468	3,304,675
- Cancellation of units		<u>(8,276,054)</u>	<u>(17,106,347)</u>
		<u>10,147,758</u>	<u>20,045,900</u>
Total comprehensive loss for the financial year		(427,938)	(20,100,648)
Distribution	6	<u>(2,880,233)</u>	<u>(3,309,531)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	10	<u>108,926,892</u>	<u>102,087,305</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 30 JUNE 2023**

	Note	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of quoted securities		70,885,646	55,260,629
Purchase of quoted securities		(76,593,599)	(75,009,601)
Dividend income received		2,434,089	1,742,147
Interest income received from current account		11,599	37,877
Management fee paid		(1,856,655)	(1,938,474)
Management fee rebates received		21,039	-
Trustee and custodian fees paid		(147,823)	(149,901)
Payments for other fees and expenses		(53,766)	(47,774)
(Payment)/receipt of other foreign exchange (loss)/gain		(216,647)	254,436
Tax paid		(525,188)	(864,196)
Net cash used in operating activities		<u>(6,041,305)</u>	<u>(20,714,857)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		15,686,007	34,790,191
Payments for cancellation of units		(9,820,980)	(15,634,836)
Distribution paid		(3,765)	(4,856)
Net cash generated from financing activities		<u>5,861,262</u>	<u>19,150,499</u>
Net decrease in cash and cash equivalents		(180,043)	(1,564,358)
Effects of foreign exchange differences		151,390	162,311
Cash and cash equivalents at the beginning of the financial year		<u>7,300,396</u>	<u>8,702,443</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>7,271,743</u></u>	<u><u>7,300,396</u></u>
<u>Cash and cash equivalents comprised of:</u>			
Bank balances	9	<u><u>7,271,743</u></u>	<u><u>7,300,396</u></u>

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 30 JUNE 2023****1. THE FUND, THE MANAGER, AND ITS PRINCIPAL ACTIVITIES**

Principal Asia Titans Fund (the “Fund”) is governed by a Principal Master Deed dated 15 May 2008, a First Supplemental Master Deed dated 25 June 2008, a Third Supplemental Master Deed dated 14 July 2008, a Fourth Supplemental Master Deed dated 18 March 2009, a Thirteenth Supplemental Master Deed dated 26 June 2012, an Eighteenth Supplemental Master Deed dated 25 March 2015, a nineteenth Supplemental Master Deed dated 18 June 2019, a Twentieth Supplemental Master Deed dated 21 October 2019, a Twenty third Supplemental Master Deed dated 27 June 2022 and a Twenty fourth Supplemental Master Deed dated 13 January 2023 (collectively referred to as the “Deeds”), made between Principal Asset Management Berhad (the “Manager”) and Universal Trustee (Malaysia) Berhad (the “Trustee”).

The Fund aims to achieve capital growth by investing primarily in equity securities of companies domiciled in, listed in, and/or have significant operations in Asia ex Japan. ‘Significant operations’ means major businesses of the company. For example, the Fund can invest in a company with significant business/operations in Thailand but listed on the NYSE. The threshold for ‘significant operations’ would be if more than 25% of total group revenue derives from countries in Asia ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). The Fund may also invest in instruments issued by companies incorporated in the Asia ex Japan but listed or traded on exchanges outside Asia ex Japan. With effect from 16 August 2021, the Fund may also invest up to 20% of its NAV in companies that are listed globally with some operations or businesses within the Asia ex Japan region to capture growth opportunities. Under normal market conditions, the Fund will invest primarily in common stocks. The Fund may seek investment opportunities in other types of transferable securities including fixed income securities as well as collective investment schemes that is in line with the objective of the Fund, subject to the requirement of the GUTF. The Asia ex Japan includes but is not limited to the following markets: Hong Kong SAR, India, Indonesia, South Korea, Malaysia, Pakistan, Singapore, Sri Lanka, the People’s Republic of China, the Philippines, Taiwan and Thailand. The investments of the Fund in the foreign markets are in accordance with the GUTF.

The asset allocation strategy for this Fund is as follows:

- between 70% to 99.5% (both inclusive) of the Fund’s NAV in equity securities in Asia ex Japan;
- up to 28% of the Fund’s NAV in other permissible investments; and
- at least 0.5% of the Fund’s NAV in liquid assets.

The Manager have appointed Principal Asset Management (S) Pte Ltd (“Principal (S)”), a company incorporated in Singapore, as the Sub-Manager of the Principal Asia Titans Fund. The Sub-Manager will be responsible for investing and managing the Fund in accordance with the investment objective and within the investment restrictions. Nevertheless, the Manager are equally responsible for the investments of the Fund. All costs of this appointment will be borne by the Manager to ensure no additional fee is levied on unit holders.

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

The 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 estimates and assumptions are significant to the financial statements are disclosed in Note 2(l).

There are no other standards, amendments to standards or interpretations that are effective for financial year beginning on 1 July 2022 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 July 2023 to the financial statements of the Fund.

(b) Financial assets and financial liabilities

Classification

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

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

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

The Fund classifies cash and cash equivalents, amount due from stockbrokers, amount due from Manager, amount due from Manager of collective investment schemes - management fee rebate 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**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 liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

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.

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

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

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

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

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

Impairment for assets carried at amortised costs

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

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

(c) Income recognition

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

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 is accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

(d) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(e) 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.

(f) Foreign currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in Malaysian Ringgit (“MYR”), which is the Fund’s functional and presentation currency.

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its 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 MYR primarily due to the following factors:

- i) The Fund’s units are denominated in MYR; and
- ii) Significant portion of the cash is denominated in MYR 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 end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(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 investments are based on the tax regime of the respective countries the Fund invest 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) Distribution

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(j) Amount due from/to stockbrokers**

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

(k) Unit holders' contributions

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

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

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

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

(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 judgment are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the GUTF.

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund were as follows:

	Financial assets at fair value through profit or loss RM	Financial assets at amortised cost RM	Total RM
2023			
Cash and cash equivalents (Note 9)	-	7,271,743	7,271,743
Quoted securities (Note 8)	102,739,015	-	102,739,015
Amount due from Manager	-	147,326	147,326
Amount due from Manager of collective investment schemes - management fee rebate	-	4,059	4,059
Dividends receivable	-	470,263	470,263
	<u>102,739,015</u>	<u>7,893,391</u>	<u>110,632,406</u>
2022			
Cash and cash equivalents (Note 9)	-	7,300,396	7,300,396
Quoted securities (Note 8)	95,661,880	-	95,661,880
Amount due from Manager	-	285,989	285,989
Amount due from Manager of collective investment schemes - management fee rebate	-	1,986	1,986
Dividends receivable	-	715,077	715,077
	<u>95,661,880</u>	<u>8,303,448</u>	<u>103,965,328</u>

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

The Fund aims to seek capital growth by investing primarily in equities and equity related instruments in the Asia ex Japan.

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

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

(a) Market risk

(i) Price risk

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

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

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

(a) Market risk (continued)

(ii) Price risk (continued)

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

	2023 RM	2022 RM
Financial assets at fair value through profit or loss:		
- Quoted securities	<u>102,739,015</u>	<u>95,661,880</u>

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

% Change in prices of collective investment schemes and quoted securities	Market value RM	Impact on profit or loss/ NAV RM
2023		
-5%	97,602,064	(5,136,951)
0%	102,739,015	-
+5%	<u>107,875,966</u>	<u>5,136,951</u>
2022		
-5%	90,878,786	(4,783,094)
0%	95,661,880	-
+5%	<u>100,444,974</u>	<u>4,783,094</u>

(ii) Currency risk

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

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

(a) Market risk (continued)

(ii) Currency risk (continued)

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 RM	Financial assets at fair value through profit or loss RM	Amount due from Manager of collective investment scheme - management fee rebate RM	Dividends receivable RM	Total RM
2023					
AUD	1,940	-	-	-	1,940
CNY	79,066	5,958,109	-	-	6,037,175
EUR	26,510	1,126,184	-	-	1,152,694
HKD	-	32,802,619	-	384,624	33,187,243
IDR	-	7,938,083	1,986	11,157	7,951,226
INR	(217,083)	13,371,063	-	35,115	13,189,095
JPY	-	850,202	-	-	850,202
KRW	38	14,165,156	-	-	14,165,194
PHP	464	-	-	-	464
SGD	7,238	3,896,128	-	-	3,903,366
THB	66	7,154,941	-	-	7,155,007
TWD	33,473	12,867,545	-	36,723	12,937,741
USD	2,281,347	2,608,985	-	-	4,890,332
	<u>2,213,059</u>	<u>102,739,015</u>	<u>1,986</u>	<u>467,619</u>	<u>105,421,679</u>
2022					
AUD	1,906	-	-	-	1,906
CNY	44,720	8,422,318	-	-	8,467,038
EUR	24,165	-	-	-	24,165
HKD	117,961	34,900,886	-	-	35,018,847
IDR	-	6,962,616	1,986	612,899	7,577,501
INR	5,479	7,416,043	-	-	7,421,522
KRW	36	5,513,012	-	-	5,513,048
PHP	440	-	-	-	440
SGD	6,672	11,785,346	-	-	11,792,018
THB	62	1,596,714	-	-	1,596,776
TWD	746,178	13,924,502	-	96,798	14,767,478
USD	1,973,125	2,960,072	-	5,380	4,938,577
	<u>2,920,744</u>	<u>93,481,509</u>	<u>1,986</u>	<u>715,077</u>	<u>97,119,316</u>

Financial Liabilities

Amount due to stockbrokers
RM

2023
EUR

1,125,016

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

(a) Market risk (continued)

(ii) Currency risk (continued)

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.

	Change in foreign exchange rate	Impact on profit or loss/NAV	
		2023	2022
	%	RM	RM
AUD	+/-5	97	95
CNY	+/-5	301,859	423,352
EUR	+/-5	1,587	1,308
HKD	+/-5	1,659,362	1,750,942
IDR	+/-5	397,561	378,776
INR	+/-5	659,455	371,076
JPY	+/-5	42,510	-
KRW	+/-5	708,260	275,652
PHP	+/-5	23	22
SGD	+/-5	195,168	589,601
THB	+/-5	357,750	79,839
TWD	+/-5	646,887	738,374
USD	+/-5	244,517	246,929
		<u>5,214,833</u>	<u>4,855,966</u>

(b) Credit risk

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

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

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

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

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

(b) Credit risk (continued)

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

	Cash and cash equivalents RM	Amount due from Manager RM	Amount due from Manager of collective investment schemes - management fee rebate RM	Dividends receivable RM	Total RM
2023					
- AAA	7,271,743	-	-	-	7,271,743
- Not Rated	-	147,326	4,059	470,263	621,648
	<u>7,271,743</u>	<u>147,326</u>	<u>4,059</u>	<u>470,263</u>	<u>7,893,391</u>
2022					
- AAA	7,300,396	-	-	-	7,300,396
- Not Rated	-	285,989	1,986	715,077	1,003,052
	<u>7,300,396</u>	<u>285,989</u>	<u>1,986</u>	<u>715,077</u>	<u>8,303,448</u>

All financial assets of the Fund as at the end of each financial year were neither past due nor impaired.

(c) Liquidity risk

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

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

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.

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

(c) Liquidity risk (continued)

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
2023			
Amount due to stockbrokers	1,125,016		1,125,016
Amount due to Manager	149,452	-	149,452
Accrued management fee	166,446	-	166,446
Amount due to Trustee	3,149	-	3,149
Tax payable	239,450	-	239,450
Other payables and accruals	-	22,001	22,001
Contractual undiscounted cash flows	<u>1,683,513</u>	<u>22,001</u>	<u>1,705,514</u>
2022			
Amount due to Manager	1,694,378	-	1,694,378
Accrued management fee	161,193	-	161,193
Amount due to Trustee	3,050	-	3,050
Other payables and accruals	-	19,402	19,402
Contractual undiscounted cash flows	<u>1,858,627</u>	<u>19,402</u>	<u>1,878,023</u>

(d) Capital risk management

The capital of the fund is represented by net assets attributable to unit holders of RM108,926,892 (2022: RM102,087,305). 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.

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy

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

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

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

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires 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 RM	Level 2 RM	Level 3 RM	Total RM
2023				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>102,739,015</u>	<u>-</u>	<u>-</u>	<u>102,739,015</u>
2022				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>95,661,880</u>	<u>-</u>	<u>-</u>	<u>95,661,880</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities and collective investment schemes. Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities and collective investment schemes. 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).

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

(e) Fair value estimation (continued)

- (ii) The carrying values of cash and cash equivalents, amount due from Manager, amount due from Manager of collective investment schemes - management fee rebate, 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, calculated daily based on the NAV of the Fund.

For the financial year ended 30 June 2023, the management fee was recognised at a rate of 1.85% per annum (2022: 1.85% per annum).

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

5. TRUSTEE AND CUSTODIAN FEES

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.035% per annum, calculated daily based on the NAV of the Fund excluding foreign sub-custodian fees and charges.

For the financial year ended 30 June 2023, the Trustee fee is recognised at a rate of 0.035% per annum (2022: 0.035% per annum) while the foreign sub-custodian fee was recognised at RM112,696 (2022: RM113,227).

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

6. DISTRIBUTION

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

	2023	2022
	RM	RM
Dividend income	62,601	43,058
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions	342	1,017
Net realised on disposal of Shariah-compliant investments	(18,506)	(52,810)
Prior financial year's realised income	2,906,226	3,377,642
	<u>2,950,663</u>	<u>3,368,907</u>
Less:		
Expenses	70,430	59,376
Net distribution amount	<u>2,880,233</u>	<u>3,309,531</u>
Gross/Net distribution per unit (sen)		
Distribution on 23 November 2022	2.66	-
Distribution on 23 November 2021	<u>-</u>	<u>3.43</u>

6. DISTRIBUTION (CONTINUED)

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

Gross distribution per unit was 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.

There were no unrealised losses during the financial year ended 30 June 2023. (2022: RM26,474,927).

7. TAXATION

	2023	2022
	RM	RM
Tax charged for the financial year:		
- Capital gain tax	20,234	864,196
- Tax on foreign source income	744,404	-
	<u>764,638</u>	<u>864,196</u>

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:

	2023	2022
	RM	RM
Profit/(loss) before taxation	<u>336,700</u>	<u>(19,236,452)</u>
Taxation at Malaysian statutory rate of 24% (2022: 24%)	80,808	(4,616,749)
Tax effects of:		
- (Income not subject to tax)/loss not deductible for tax purpose	(740,387)	3,957,799
- Expenses not deductible for tax purposes	210,003	189,097
- Restriction on tax deductible expenses for Unit Trust Funds	449,576	469,853
Capital gain tax	20,234	864,196
Tax on foreign source income	744,404	-
Taxation	<u>764,638</u>	<u>864,196</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023	2022
	RM	RM
At fair value through profit or loss:		
- Quoted securities	<u>102,739,015</u>	<u>95,661,880</u>
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised (loss)/gain on disposals	(1,723,735)	7,053,623
- Unrealised fair value gain/(loss)	2,470,574	(26,637,873)
- Management fee rebate #	23,112	-
	<u>769,951</u>	<u>(19,584,250)</u>

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

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

For the financial year ended 30 June 2023 and 30 June 2022 (Nil), management fee rebates are recognised at a rate as per table below, calculated and accrued daily based on the NAV of the collective investment schemes.

			2023	2022
			%	%
Principal Asia Pacific Renewables Fund			1.80	-
Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2023				
QUOTED SECURITIES				
- FOREIGN				
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	84,100	6,311,955	4,063,890	3.73
TOTAL CAYMAN ISLANDS	84,100	6,311,955	4,063,890	3.73
CHINA				
Consumer Staples				
Kweichow Moutai Co Ltd	2,400	2,609,911	2,606,954	2.39
Financials				
Ping An Insurance Group Co - H	77,000	2,371,098	2,284,262	2.10
Industrials				
NARI Tech Dev Co Ltd - A ¹	156,237	2,329,554	2,318,325	2.13
Shanghai Intl Airport - A	35,400	1,371,819	1,032,830	0.95
	191,637	3,701,373	3,351,155	3.08
TOTAL CHINA	271,037	8,682,382	8,242,371	7.57
FRANCE				
Consumer Discretionary				
Lvmh Moet Hennessy LV	258	1,121,316	1,126,184	1.03
TOTAL FRANCE	258	1,121,316	1,126,184	1.03

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2023 (CONTINUED)				
QUOTED SECURITIES - FOREIGN (CONTINUED)				
HONG KONG, CHINA				
Communication Services				
China Mobile Ltd	56,000	1,718,287	2,134,505	1.96
Tencent Holding Ltd	29,200	6,648,307	5,762,186	5.29
	<u>85,200</u>	<u>8,366,594</u>	<u>7,896,691</u>	<u>7.25</u>
Consumer Discretionary				
Chow Tai Fook Jewellery	66,800	635,327	559,718	0.51
Galaxy Entertainment Grp Ltd	106,000	3,104,835	3,135,106	2.88
Meituan	33,270	4,101,720	2,421,415	2.22
Yum China Holdings Inc	8,050	1,695,795	2,115,509	1.95
	<u>214,120</u>	<u>9,537,677</u>	<u>8,231,748</u>	<u>7.56</u>
Energy				
CNOOC Ltd	517,000	2,486,033	3,445,867	3.16
Financials				
AIA Group Ltd	66,200	2,877,493	3,116,194	2.86
Industrials				
Techtronic Industries Co	27,500	624,245	1,393,500	1.28
Information Technology				
Kingboard Laminates Holdings Ltd	134,000	792,579	587,709	0.54
Real Estate				
China Overseas Land & Inv	86,000	1,036,265	874,130	0.80
Link REIT	35,100	1,003,495	908,628	0.83
	<u>121,100</u>	<u>2,039,760</u>	<u>1,782,758</u>	<u>1.63</u>
TOTAL HONG KONG, CHINA	<u>1,165,120</u>	<u>26,724,381</u>	<u>26,454,467</u>	<u>24.28</u>
INDIA				
Consumer Discretionary				
Maruti Suzuki India Ltd	4,625	2,327,369	2,571,583	2.36
Titan Co Ltd	6,350	972,653	1,099,226	1.01
	<u>10,975</u>	<u>3,300,022</u>	<u>3,670,809</u>	<u>3.37</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2023 (CONTINUED)				
QUOTED SECURITIES - FOREIGN (CONTINUED)				
INDIA (CONTINUED)				
Consumer Staples				
Varun Beverages Ltd	<u>24,542</u>	<u>1,128,731</u>	<u>1,118,743</u>	<u>1.03</u>
Energy				
Reliance Industries Ltd	<u>17,531</u>	<u>1,428,322</u>	<u>2,539,439</u>	<u>2.33</u>
Financials				
HDFC Bank Ltd	<u>35,742</u>	<u>2,576,408</u>	<u>3,454,090</u>	<u>3.17</u>
Materials				
Ultra Tech Cement Ltd	<u>5,493</u>	<u>2,251,474</u>	<u>2,587,982</u>	<u>2.38</u>
TOTAL INDIA	<u>94,283</u>	<u>10,684,957</u>	<u>13,371,063</u>	<u>12.28</u>
INDONESIA				
Consumer Discretionary				
Mitra Adiperkasa TBK PT	<u>5,401,500</u>	<u>1,836,869</u>	<u>2,825,282</u>	<u>2.59</u>
Consumer Staples				
Mayora Indah TBK	<u>1,287,500</u>	<u>1,068,162</u>	<u>1,040,036</u>	<u>0.95</u>
Financials				
PT Bank Rakyat Indonesia Tbk	<u>1,292,235</u>	<u>1,629,046</u>	<u>2,169,711</u>	<u>1.99</u>
PT Bank Negara Indonesia Tbk	<u>672,000</u>	<u>1,541,554</u>	<u>1,903,054</u>	<u>1.75</u>
	<u>1,964,235</u>	<u>3,170,600</u>	<u>4,072,765</u>	<u>3.74</u>
TOTAL INDONESIA	<u>8,653,235</u>	<u>6,075,631</u>	<u>7,938,083</u>	<u>7.28</u>
JAPAN				
Financials				
NEXT FUNDS TOPIX Banks ETF	<u>112,661</u>	<u>805,693</u>	<u>850,202</u>	<u>0.78</u>
TOTAL JAPAN	<u>112,661</u>	<u>805,693</u>	<u>850,202</u>	<u>0.78</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2023 (CONTINUED)				
QUOTED SECURITIES -				
FOREIGN				
(CONTINUED)				
SINGAPORE				
Industrials				
Singapore Technologies Engineering Ltd	90,500	1,110,602	1,144,858	1.05
Real Estate				
CapitaLand Integrated Comm Trust	299,800	2,004,268	1,968,432	1.81
CapitaLand Investment Ltd	68,800	752,451	782,838	0.72
	368,600	2,756,719	2,751,270	2.53
TOTAL SINGAPORE	459,100	3,867,321	3,896,128	3.58
SOUTH KOREA				
Consumer Discretionary				
KIA Corporation	6,181	1,527,542	1,935,461	1.78
Industrials				
LG Energy Solution	512	1,094,845	1,001,792	0.92
Information Technology				
Samsung Electronics Co Ltd	23,743	4,815,110	6,065,340	5.57
SK Hynix Inc	6,650	2,402,553	2,710,544	2.49
	30,393	7,217,663	8,775,884	8.06
Materials				
LG Chem Ltd	1,039	1,644,683	2,452,019	2.25
TOTAL SOUTH KOREA	38,125	11,484,733	14,165,156	13.01
TAIWAN				
Information Technology				
E Ink Hldg Inc	93,000	2,130,930	3,130,380	2.87
Taiwan Semiconductor Manufacturing Ltd	113,000	6,925,999	9,737,165	8.94
	206,000	9,056,929	12,867,545	11.81

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2023 (CONTINUED)				
QUOTED SECURITIES - FOREIGN (CONTINUED)				
TAIWAN (CONTINUED)				
TOTAL TAIWAN	206,000	9,056,929	12,867,545	11.81
THAILAND				
Communication Services				
Advanced Info Service PCL - NVDR ²	56,700	1,528,058	1,596,675	1.47
Consumer Staples				
CP ALL PCL -NVDR ²	57,900	516,348	476,188	0.44
Financials				
Bangkok Bank PCL - NVDR ²	75,100	1,465,902	1,576,232	1.45
TMB Bank PLC - NVDR ²	4,892,900	1,086,486	997,970	0.92
VFMVN Diamond ETF	529,400	2,339,918	2,507,876	2.30
	5,497,400	4,892,306	5,082,078	4.67
TOTAL THAILAND	5,612,000	6,936,712	7,154,941	6.58
UNITED STATES				
Communication Services				
Sea Ltd	4,477	1,243,278	1,211,788	1.11
Financials				
Principal Asia Pacific Renewable Fund - USD	353,472	1,500,324	1,397,197	1.28
TOTAL UNITED STATES	357,949	2,743,602	2,608,985	2.39
TOTAL QUOTED SECURITIES	17,053,868	94,495,612	102,739,015	94.32

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2023 (CONTINUED)				
QUOTED SECURITIES				
- FOREIGN				
(CONTINUED)				
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		8,243,403		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		102,739,015		
2022				
QUOTED SECURITIES				
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	78,400	6,788,447	4,928,649	4.83
TOTAL CAYMAN ISLANDS	78,400	6,788,447	4,928,649	4.83
CHINA				
Health Care				
WuXi AppTec Co Ltd	26,500	1,475,803	1,555,765	1.52
Industrials				
NARI Tech Dev Co Ltd - A ¹	130,198	2,329,554	2,311,481	2.26
Wuxi Lead Intelligent Equipment Co Ltd	22,998	1,022,539	955,415	0.94
	153,196	3,352,093	3,266,896	3.20
Information Technology				
LONGi Green Energy Technology - A ¹	75,573	2,964,112	3,310,996	3.24
Materials				
Yunnan Energy New Material Co Ltd	11,200	1,908,265	1,844,426	1.81

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2022 (CONTINUED)				
QUOTED SECURITIES				
- FOREIGN				
(CONTINUED)				
CHINA (CONTINUED)				
Utilities				
China Longyuan Power Group Ltd	129,000	1,214,502	1,098,679	1.08
TOTAL CHINA	395,469	10,914,775	11,076,762	10.85
HONG KONG, CHINA				
Communication Services				
China Mobile Ltd	40,000	1,112,483	1,101,128	1.08
Tencent Holding Ltd	25,700	5,936,585	5,116,919	5.01
	65,700	7,049,068	6,218,047	6.09
Consumer Discretionary				
Galaxy Entertainment Grp Ltd	81,000	2,456,894	2,129,671	2.09
Meituan	32,900	4,218,340	3,589,441	3.52
	113,900	6,675,234	5,719,112	5.61
Consumer Staples				
China Mengniu Dairy Co. Ltd	59,000	1,302,339	1,297,674	1.27
Energy				
CNOOC Ltd	664,000	3,192,893	3,864,645	3.79
Financials				
AIA Group Ltd	66,200	2,877,493	3,163,108	3.10
Hong Kong Exchanges and Clearing Ltd	10,300	1,982,613	2,233,604	2.19
	76,500	4,860,106	5,396,712	5.29
Industrials				
Techtronic Industries Co	44,000	998,792	2,023,266	1.98
Information Technology				
Kingboard Laminates Holdings Ltd	303,000	1,470,620	1,647,782	1.61

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2022 (CONTINUED)				
QUOTED SECURITIES - FOREIGN (CONTINUED)				
HONG KONG, CHINA (CONTINUED)				
TOTAL HONG KONG, CHINA	1,326,100	25,549,052	26,167,238	25.64
INDIA				
Energy				
Reliance Industries Ltd	24,886	1,876,917	3,604,420	3.53
Financials				
HDFC Bank Ltd	25,154	1,695,637	1,892,044	1.85
Industrials				
Container Corporation of India Ltd	30,508	1,026,900	1,011,704	0.99
Information Technology				
Tata Consultancy Services Ltd	4,980	785,914	907,875	0.89
TOTAL INDIA	85,528	5,385,368	7,416,043	7.26
INDONESIA				
Communication Services				
Telekomunikasi TBK PT	1,745,500	1,811,177	2,063,879	2.02
Consumer Discretionary				
Astra International Tbk PT	387,100	647,519	758,077	0.74
Energy				
Adaro Energy PT	1,162,300	639,630	982,627	0.96
Financials				
PT Bank Rakyat Indonesia Tbk	1,054,835	1,107,583	1,294,008	1.27
PT Bank Negara Indonesia Tbk	803,300	1,842,754	1,864,025	1.83
	1,858,135	2,950,337	3,158,033	3.10
TOTAL INDONESIA	5,153,035	6,048,663	6,962,616	6.82

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2022 (CONTINUED)				
QUOTED SECURITIES -				
FOREIGN				
(CONTINUED)				
MALAYSIA				
Financials				
CIMB Group Holdings Bhd	251,600	1,252,342	1,247,936	1.22
Industrials				
CTOS Digital Bhd	734,200	1,349,393	932,434	0.91
TOTAL MALAYSIA	985,800	2,601,735	2,180,370	2.13
SINGAPORE				
Communication Services				
Singapore Telecommunications	404,900	3,117,526	3,246,212	3.18
Financials				
DBS Group Holdings Ltd	22,600	1,634,123	2,125,597	2.08
United Overseas Bank Ltd	5,000	396,298	415,918	0.41
	27,600	2,030,421	2,541,515	2.49
Industrials				
Singapore Technologies Engineering Ltd	205,000	2,515,728	2,650,468	2.60
Real Estate				
CapitaLand Integrated Comm Trust	299,800	2,004,268	2,061,579	2.02
CapitaLand Investment Ltd	106,200	1,101,715	1,285,572	1.26
	406,000	3,105,983	3,347,151	3.28
TOTAL SINGAPORE	1,043,500	10,769,658	11,785,346	11.55
SOUTH KOREA				
Information Technology				
Samsung Electronics Co Ltd	14,985	2,722,514	2,898,029	2.84
SK Hynix Inc	2,578	1,098,942	795,968	0.78
	17,563	3,821,456	3,693,997	3.62

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2022 (CONTINUED)				
QUOTED SECURITIES				
- FOREIGN				
(CONTINUED)				
SOUTH KOREA				
(CONTINUED)				
Materials				
LG Chem Ltd	1,039	1,644,684	1,819,015	1.78
TOTAL SOUTH KOREA	18,602	5,466,140	5,513,012	5.40
TAIWAN				
Consumer Staples				
President Chain Store Corp	33,000	1,337,879	1,332,689	1.31
Information Technology				
E Ink Hldg Inc	120,000	1,557,542	3,352,284	3.28
Hon Hai Precision Industry Co.	76,000	1,289,304	1,227,689	1.20
MediaTek Inc.	7,000	709,280	675,347	0.66
Taiwan Semiconductor Manufacturing	104,000	5,446,238	7,336,493	7.19
	307,000	9,002,364	12,591,813	12.33
TOTAL TAIWAN	340,000	10,340,243	13,924,502	13.64
THAILAND				
Health Care				
Bangkok Dusit Medical Service – NVDR ²	512,700	1,585,192	1,596,714	1.57
TOTAL THAILAND	512,700	1,585,192	1,596,714	1.57
UNITED STATES				
Communication Services				
Sea Ltd	1,941	497,001	571,985	0.56
Consumer Discretionary				
Yum China Holdings Inc	5,350	1,100,872	1,150,555	1.13
Financials				
Global X Uranium ETF	16,908	1,807,330	1,383,128	1.35

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2022 (CONTINUED)				
QUOTED SECURITIES				
- FOREIGN				
(CONTINUED)				
UNITED STATES				
(CONTINUED)				
Materials				
Linde PLC	793	1,034,575	1,004,960	0.98
TOTAL UNITED STATES	24,992	4,439,778	4,110,627	4.02
TOTAL QUOTED SECURITIES	9,964,126	89,889,051	95,661,880	93.71
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		5,772,829		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		95,661,880		

¹ 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.

² NVDR, or non-voting depository receipt, is a trading instrument issued by Thai NVDR Company Limited, a subsidiary wholly owned by the Stock Exchange of Thailand (“SET”). It is a valid security as specified by the United States Securities and Exchange Commission (“SEC”) and is automatically regarded as a listed security by the SET. The underlying security is a listed security in the SET.

9. CASH AND CASH EQUIVALENTS

	2023	2022
	RM	RM
Bank balances	<u>7,271,743</u>	<u>7,300,396</u>

10. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

Net assets attributable to unit holders as at the reporting date comprises of:

	30.06.2023	30.06.2022
	RM	RM
Unit holders' contributions	66,929,423	56,781,665
Retained earnings	41,997,469	45,305,640
	<u>108,926,892</u>	<u>102,087,305</u>

	Unit holders' capital RM	Retained earnings RM	Total RM
Balance as at 1 July 2022	56,781,665	45,305,640	102,087,305
Movement in unit holders' contributions:			
- Creation of units from applications	15,547,344	-	15,547,344
- Creation of units from distribution	2,876,468	-	2,876,468
- Cancellation of units	(8,276,054)	-	(8,276,054)
Total comprehensive loss for the financial year	-	(427,938)	(427,938)
Distribution	-	(2,880,233)	(2,880,233)
Balance as at 30 June 2023	<u>66,929,423</u>	<u>41,997,469</u>	<u>108,926,892</u>
Balance as at 1 July 2021	36,735,765	68,715,819	105,451,584
Movement in unit holders' contributions:			
- Creation of units from applications	33,847,572	-	33,847,572
- Creation of units from distribution	3,304,675	-	3,304,675
- Cancellation of units	(17,106,347)	-	(17,106,347)
Total comprehensive loss for the financial year	-	(20,100,648)	(20,100,648)
Distribution	-	(3,309,531)	(3,309,531)
Balance as at 30 June 2022	<u>56,781,665</u>	<u>45,305,640</u>	<u>102,087,305</u>

11. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2023	2022
	No. of units	No. of units
At the beginning of the financial year	107,725,290	88,797,334
Add: Creation of units from applications	17,224,001	31,798,178
Add: Creation of units from distribution	3,297,945	2,987,412
Less: Cancellation of units	(9,140,594)	(15,857,634)
At the end of the financial year	<u>119,106,642</u>	<u>107,725,290</u>

12. TOTAL EXPENSE RATIO (“TER”)

	2023	2022
	%	%
TER	<u>2.03</u>	<u>2.04</u>

TER is derived from the following calculation:

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

A	=	Management fee (excluding management fee rebate)
B	=	Trustee and custodian fees
C	=	Audit fee
D	=	Tax agent’s fee
E	=	Other expenses excluding CDS fee and withholding tax
F	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis was RM100,731,109 (2022: RM105,104,064).

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	2023	2022
PTR (times)	<u>0.73</u>	<u>0.62</u>

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial year	=	RM77,516,994 (2022: RM74,661,813)
total disposal for the financial year	=	RM68,748,963 (2022: RM55,364,681)

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

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

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

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

<u>Related parties</u>	<u>Relationship</u>
CIMB Group Sdn Bhd	Shareholder of the Manager
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the shareholder of the Manager
CIMB Bank Bhd	Fellow related party to the Manager
CGS-CIMB Securities (Singapore) Pte Ltd	Fellow related party to the Manager
PT Principal Asset management	Fellow related party to the Manager

Units held by the Manager and parties related to the Manager

Manager	2023		2022	
	No. of units	RM	No. of units	RM
Principal Asset Management Berhad	1,238	1,132	62,561	59,283

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

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

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

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.

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

	2023	2022
	RM	RM
<u>Significant related party transactions</u>		
Management fee rebate:		
- Principal Asset Management Berhad	23,112	-
- PT Principal Asset Management	-	1,986
	<u>23,112</u>	<u>1,986</u>
<u>Significant related party balances</u>		
Quoted Securities:		
- Principal Asia Pacific Renewable Fund	<u>1,397,197</u>	<u>-</u>

15. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for the financial year ended 30 June 2023 were as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Macquarie Securities Australia Ltd	13,400,201	9.16	35,963	11.59
JP Morgan Securities (Asia Pacific) Ltd	11,817,861	8.08	32,592	10.50
Instinet Pacific Ltd	11,514,762	7.87	29,858	9.62
CGS-CIMB Securities (Singapore) Pte Ltd #	10,750,135	7.35	27,568	8.88
CLSA Ltd	10,743,356	7.35	33,516	10.80
Citigroup Global Markets Ltd	9,808,241	6.71	23,456	7.56
CICC HK Securities Ltd	8,216,492	5.62	19,718	6.35
Sanford C Bernstein & Co LLC	8,058,327	5.51	20,252	6.52
Credit Suisse (HK) Ltd	7,637,090	5.22	19,151	6.17
UBS Securities Asia Ltd	7,022,199	4.80	16,260	5.24
Others	47,271,129	32.33	52,058	16.77
	<u>146,239,793</u>	<u>100.00</u>	<u>310,392</u>	<u>100.00</u>

Details of transactions with the top 10 brokers for the financial year ended 30 June 2022 were as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Citigroup Global Markets Ltd	20,002,312	15.70	10,762	5.33
Macquarie Securities Australia Ltd	10,410,496	8.17	27,166	13.44
J.P. Morgan Securities LLC	9,700,144	7.61	2,910	1.44
Instinet Pacific Ltd	8,572,462	6.73	20,583	10.19
Credit Suisse (Hong Kong) Ltd	8,544,371	6.71	20,245	10.02
UBS Securities Asia Ltd	8,383,586	6.58	17,092	8.46
Sanford C Bernstein & Co LLC	8,001,594	6.28	19,320	9.56
CGS-CIMB Securities (Singapore) Pte Ltd #	6,628,672	5.20	13,994	6.92
Morgan Stanley	5,919,403	4.65	14,799	7.32
DBS Vickers Sec (Singapore) Pte Ltd	5,893,288	4.62	9,164	4.53
Others	35,368,432	27.75	46,054	22.79
	<u>127,424,760</u>	<u>100.00</u>	<u>202,089</u>	<u>100.00</u>

Included in the transactions are trades conducted with CGS-CIMB Securities (Singapore) Pte Ltd, related parties to the Manager amounting to RM10,750,135 (2022: RM6,628,672). The Manager is of the opinion that all transactions with the related company have been entered into in the normal course of business at agreed terms between the related parties.

17. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 17 August 2023.

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Trustee for the Trustee of Principal Asia Titans Fund

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