

PRINCIPAL ISLAMIC GLOBAL RESPONSIBLE EQUITY FUND

ANNUAL REPORT

FOR THE FINANCIAL PERIOD FROM 27 MARCH 2023 (DATE OF LAUNCH) TO 31 JULY 2024

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INVESTORS' LETTER

Dear Valued Investor,

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

We are pleased to bring you a copy of the Annual Fund Report of the Principal Islamic Global Responsible Equity Fund for the financial period from 27 March 2023 (date of launch) to 31 July 2024. You may also download this report from our website at www.principal.com.my.

We are proud to announce that Principal Malaysia has earned numerous accolades in 2024. At the Asia Asset Management 2024 Best of the Best Awards, we were honored with the Best of the Best Performance Award for China A-Share Equity (3 years) and recognized as the Best Institutional House – Malaysia. At the 2024 Global Banking & Finance Awards, our CEO, Munirah Khairuddin, was named Asset Management CEO of the Year Malaysia, and our company was recognized as Asset Management Company of the Year Malaysia. Additionally, we received the Best International Equity Fund Manager for MSCI EM Latin America 2023 at the EPF External Fund Managers Awards 2023.

At the Alpha Southeast Asia Fund Management Awards 2024, we won three awards: Best Absolute Return Strategy, Best Online & Mobile Platform (Asset Manager), and Best Asset Manager (Income-Oriented, Money Market & Alternative Investment Funds). The International Finance Awards honored us with 'Best Asset Management Company – Malaysia 2024' and 'Best Asset Management CEO – Munirah Khairuddin – Malaysia 2024'. At the Triple A Sustainable Investing Awards 2024, we secured the Asset Management Company of the Year (Malaysia) award. The World Business Outlook magazine recognized us with the titles of Best Investment Management and Solutions Provider Malaysia, Best Institutional House Malaysia, and Asset Management CEO (Munirah Khairuddin) of the Year Malaysia. Additionally, we received three awards at the iFast Awards 2024, seven at the LSEG Lipper Fund Awards 2024, and ten at the FSMOne Recommended Funds 2023/2024.

Digital innovation is central to our strategy, as we use data and technology to develop the right solutions for you. We will continue to advance our digital capabilities to provide easy access to your investment portfolio and enable you to carry out transactions seamlessly. Please continue to check out our website, like our Facebook page (@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
Malaysia & Global Shariah & Managing Director,
Strategic Distribution & Institutional Client Relations
(Southeast Asia & Global Shariah)
Non-Independent Executive Director

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to provide capital growth through investments in one Islamic collective investment scheme ("CIS") which invests in a globally diversified portfolio.

Has the Fund achieved its objective?

For the financial period under review, the Fund is in line to achieve its long-term objectives as stated under the Fund investment policy.

What are the Fund investment policy and principal investment strategy?

The Fund is a feeder fund that invests into a single Islamic CIS, i.e. Islamic Global Responsible Equity Fund ("Target Fund"). The Fund may also invest in Islamic liquid assets for liquidity purposes.

In order to achieve its objective, the Fund will invest at least 85% of its NAV in the Target Fund; a fund established on 8 April 2022 under Principal Islamic Asset Management (Ireland) plc. The Fund may also invest up to 15% of its NAV in Islamic liquid assets for liquidity purposes and Islamic derivatives for the sole purpose of hedging arrangement.

As the Fund is a qualified sustainable and responsible investment fund, at least two thirds (2/3) of the Fund's NAV will be invested in investments that are subject to the ESG integration approach which involves the analysis of material factors in investment analysis and investment decisions, including ESG factors as defined in the United Nations sponsored Principles for Responsible Investment ("UNPRI") including the selection, retention and realisation of the Fund's investments. The Target Fund Investment Manager applies sustainability criteria when selecting investments for the Target Fund. The first step in the process employed by the Target Fund Investment Manager is to identify signs of positive change in an investee company. Indicators of positive change could be determined from sources such as accelerating sales volumes, increased market share or improved financial statements. The Target Fund Investment Manager then seeks to identify the catalysts underlying the positive change through proprietary screening and determine whether they are internal catalysts (investee company driven) and/or external catalysts (industry driven). Internal catalysts could be driven by internal investee company operational initiatives that range from cost cutting to expanding distribution, better capital deployment and improved corporate governance. External catalysts could be driven by favourable product cycles, changing industry dynamics and regulatory changes. The foregoing analysis of catalysts enables the Target Fund Investment Manager to assess the likely magnitude and durability of the catalysts and whether the change is likely to be structural or cyclical in nature. The Target Fund Investment Manager will have an investment preference for investee companies whose catalysts are therefore likely to be long term and structural in nature (i.e. will create fundamental positive change). This enables the Target Fund Investment Manager to substantiate investee companies that are considered to be displaying positive fundamental change and whose valuation is therefore under-appreciated in the market relative to their potential for positive fundamental change. The Target Fund Investment Manager subsequently analyses potential investee companies identified pursuant to the foregoing process to determine whether they are consistent with the ESG considerations, that are promoted by the Target Fund. The Target Fund will adopt the investment policy under section 2.1. of the Prospectus to ensure that the Target Fund's investment is in line with the sustainability criteria adopted and the overall impact of such investments of the Target Fund is not inconsistent with any other sustainability criteria. In the event that the Target Fund's investment becomes inconsistent with the sustainability criteria adopted by the Target Fund, the Target Fund Investment Manager shall rectify the breach or dispose of the investment within three (3) months from the date of breach.

Base Currency

United States Dollar ("USD")

Fund category/type

Feeder Fund (Islamic)/Growth.

FUND OBJECTIVE AND POLICY (CONTINUED)

When was the Fund launched?

Name of Class	Launch Date
Class MYR	27 March 2023
Class MYR-Hedged (“MYR-H”)	27 March 2023
Class USD	27 March 2023

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

USD1.80 million (7.24 million units)

What is the Fund’s benchmark?

As this is a feeder fund, the Fund adheres to the performance comparator of the Target Fund for performance comparison. The performance of the Target Fund will be referenced against the MSCI ACWI Islamic Index (“Index”) on the basis that the Target Fund seeks to outperform the Index.

What is the Fund distribution policy?

Given the Fund’s investment objective, the Fund is not expected to pay any distribution. Distributions (if any) are at the Manager’s discretion and will vary from period to period depending on the availability of realised income for distribution and performance of the Fund.

What was the net income distribution for the financial period from 27 March 2023 (date of launch) to 31 July 2024?

There was no distribution made for the financial period from 27 March 2023 (date of launch) to 31 July 2024.

PERFORMANCE DATA

Details of portfolio composition of the Fund for the first audited financial period were as follows:

	31.07.2024
	%
Shariah-compliant collective investment scheme	95.53
Cash and other assets	5.96
Liabilities	(1.49)
	100.00

Performance details of the Fund for the first audited financial period were as follows:

	31.07.2024
NAV (USD Million)	
- Class MYR	1.38
- Class MYR-H	0.42
- Class USD	0.00*
Units in circulation (Million)	
- Class MYR	5.46
- Class MYR-H	1.78
- Class USD	0.00*
NAV per unit (USD)	
- Class MYR	0.2535
- Class MYR-H	0.2346
- Class USD	1.1150

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

PERFORMANCE DATA (CONTINUED)

Performance details of the Fund for the first audited financial period were as follows (continued):

	27.03.2023 (date of launch) to 31.07.2024
Highest NAV per unit (USD)	
- Class MYR	0.2672
- Class MYR-H	0.2439
- Class USD	1.1755
Lowest NAV per unit (USD)	
- Class MYR	0.2159
- Class MYR-H	0.1968
- Class USD	0.9501
Total return (%)	
- Class MYR	16.32
- Class MYR-H	7.65
- Class USD	11.53
Capital growth (%)	
- Class MYR	16.32
- Class MYR-H	7.65
- Class USD	11.53
Income distribution (%)	
- Class MYR	-
- Class MYR-H	-
- Class USD	-
Total Expense Ratio ("TER") (%)	2.26
Portfolio Turnover Ratio ("PTR") (times) #	2.80

	31.07.2024	Since inception to 31.07.2023
	%	%
Annual total return		
- Class MYR	9.13	6.59
- Class MYR-H	4.12	3.39
- Class MYR	7.14	6.16

(Launch date: 27 March 2023)

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

MARKET REVIEW (27 MARCH 2023 (DATE OF LAUNCH) TO 31 JULY 2024)

Global markets were shaped by strong United States ("US") economic performance and ongoing challenges in China. The US economy remained robust, with steady Gross Domestic Product ("GDP") growth and a resilient labor market. The Federal Reserve (the "Fed") raised rates to combat persistent inflation but signaled a shift towards more cautious policies by late 2023, leading markets to anticipate rate cuts in the second half of 2024. The risk of a deep recession faded as inflation moderated.

China's economic momentum faltered, particularly in the property sector, with sluggish growth and declining home sales. Despite some stabilization, the recovery was fragile, and market performance was subdued due to uneven policy impacts. Equities rebounded in the second quarter of 2023 on hopes of central bank pivots, but concerns about tighter monetary policy persisted. US equities performed well as inflation eased, while Chinese equities lagged due to ongoing economic difficulties.

In summary, the period was marked by US economic strength, cautious central bank policies, and China's economic struggles, driving global market trends.

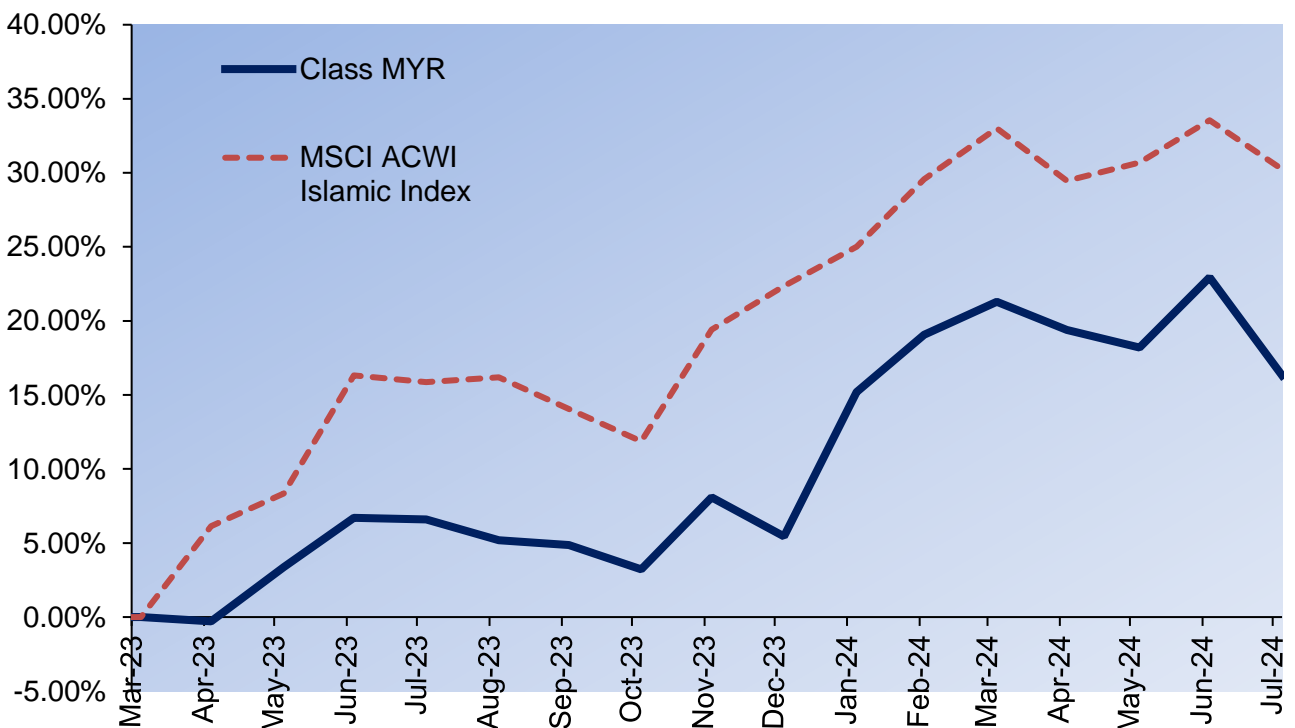
FUND PERFORMANCE

	1 year to 31.07.2024 %	Since inception to 31.07.2024 %
Income Distribution		
- Class MYR	-	-
- Class MYR-H	-	-
- Class USD	-	-
Capital Growth		
- Class MYR	9.13	16.32
- Class MYR-H	4.12	7.65
- Class USD	7.14	11.53
Total Return		
- Class MYR	9.13	16.32
- Class MYR-H	4.12	7.65
- Class USD	7.14	11.53
Benchmark		
- Class MYR	12.63	30.24
- Class MYR-H	10.54	25.34
- Class USD	10.54	25.34
Average Total Return		
- Class MYR	9.13	11.87
- Class MYR-H	4.12	5.62
- Class USD	7.14	8.43

For the financial period under review, the Fund returned positively since inception, Class MYR, Class MYR-H, and Class USD increased by 16.32%, 7.65%, and 11.53% respectively, while the benchmark for the Fund increased by 30.24%, 25.34% and 25.34% during the same financial period under review.

Since Inception

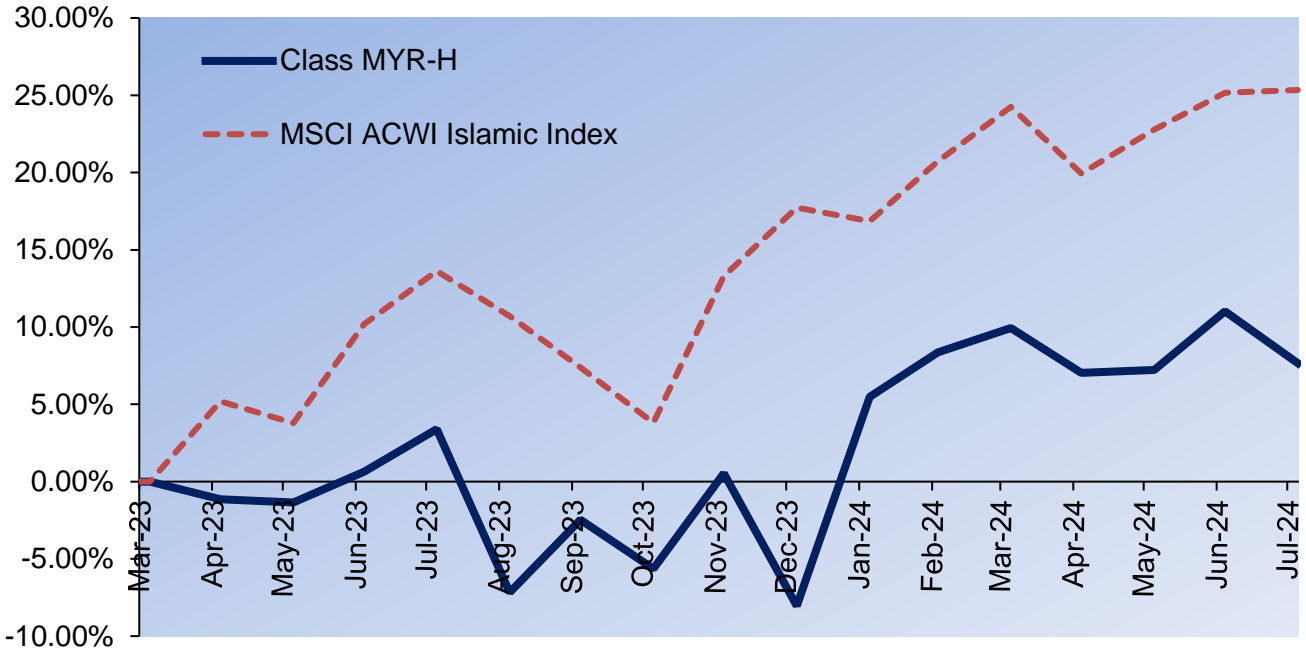
CLASS MYR



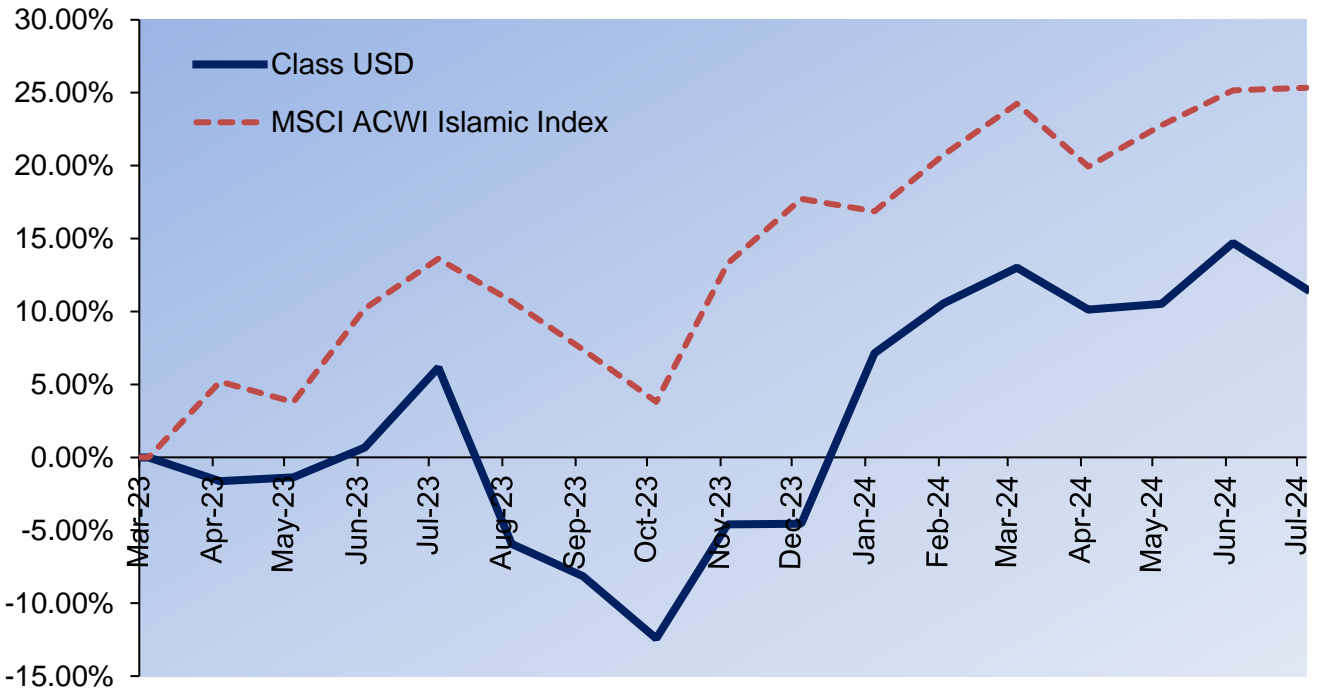
FUND PERFORMANCE (CONTINUED)

Since Inception

CLASS MYR-H



CLASS USD



FUND PERFORMANCE (CONTINUED)

Changes in NAV

	31.07.2024
CLASS MYR	
NAV (USD Million)	1.38
NAV/Unit (USD)	0.2535
CLASS MYR-H	
NAV (USD Million)	0.42
NAV/Unit (USD)	0.2346
CLASS USD	
NAV (USD Million)	0.00*
NAV/Unit (USD)	1.1150

Note: 0.00* denotes fair value count less than 0.01 million.

During the financial period under review, the Fund's NAV for Class MYR and Class MYR-H stood at USD 1.38 million and USD 0.42 million, while the NAV for Class USD stood at USD0.00* million in the stated sequence.

At the same time, the Fund's NAV per unit (USD) for Class MYR, Class MYR-H, and Class USD0.2535, USD0.2346 and USD1.1150 respectively.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.07.2024
Shariah-compliant collective investment scheme	95.53
Cash and other assets	5.96
Liabilities	(1.49)
TOTAL	100.00

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

PORTFOLIO STRUCTURE (CONTINUED)

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

	% of NAV
Top 10 holdings*	31.07.2024
Microsoft Corp	8.80
Taiwan Semiconductor Manufacturing	4.20
Nvidia Corp	2.90
Samsung Electronics Co Ltd	2.70
Adobe Inc	2.40
Linde Plc	2.40
Intuit Inc	2.30
Astrazeneca Plc	2.30
Trane Technologies Plc	1.90
ServiceNow Inc	1.90

* As disclosed in the Fund Fact Sheet.

MARKET OUTLOOK*

Global markets will likely continue to be influenced by diverging economic conditions in the US and China. In the US with inflation easing and the Fed potentially shifting towards rate cuts in late 2024, equities could see continued support. However, caution is warranted as the full impact of previous rate hikes may still be unfolding.

China's outlook remains uncertain, with economic recovery heavily dependent on effective government policies. Persistent weaknesses, particularly in the property sector, could continue to weigh on market performance. Investors should be prepared for ongoing volatility, driven by these contrasting economic trajectories.

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

INVESTMENT STRATEGY

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

SOFT COMMISSIONS AND REBATES

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

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

SOFT COMMISSIONS AND REBATES (CONTINUED)

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

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIR OF THE FUND

In relation to this Fund, the Fund had issued the First Supplemental Prospectus dated 16 February 2024.

We are of view that the changes above do not affect the existing unit holder to stay invested in the Fund and it is not a significant change. Unit holders may refer to Appendix 1 for the detailed list of changes.

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

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

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

CROSS TRADE

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

UNIT SPLIT

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

SRI REPORT TO THE UNIT HOLDERS OF PRINCIPAL ISLAMIC GLOBAL RESPONSIBLE EQUITY FUND

Principal Islamic Global Responsible Equity Fund (“Fund”) is a qualified SRI Fund under the Securities Commission Malaysia’s Guidelines on SRI Funds (“Guidelines”).

In the opinion of the Manager, the Fund for the financial period review, has complied with the Guidelines issued on 17 February 2023.

The sustainability considerations that have been adopted in the SRI strategies employed as outlined in the table below:

Strategy	Description
EGS Integration	Systematic assessment of quantitative and qualitative data and explicit inclusion on environmental, social and governance factors in investment analysis.
Ethical and faith-based investing	Investing in line with certain principles, usually using negative screening to avoid investing in companies whose products and services are deemed morally objectionable by the investor or certain religions, international declarations, conventions or voluntary agreements, (e.g., by applying Shariah screening methodologies).
Negative or exclusionary screening	The Fund excluded companies undertaking business activities or practices in gaming, alcohol, tobacco and other businesses regarded as vice in its investments.
Positive screening	Prioritising investment in sectors, companies or projects that demonstrate positive ESG performance relative to industry peers.
Thematic investments	Selection on investments and allocation of capital that align with specific themes or assets related to sustainability or certain environmental or social outcomes, (e.g., clean energy, energy efficiency, sustainable agriculture, healthcare, social inclusion).

COLLECTIVE INVESTMENT SCHEME	Sustainability Aspect					
	ESG integration	Ethical and faith-based investing	Impact investing	Negative screening	Positive screening	Thematic investments
Principal Islamic Asset Irl Management-Global Responsible Equity USD	✓					

In order to consider ESG risk, the Sub-Investment Manager assigns an ESG risk level to each holding considered within the Fund. To assign the ESG risk levels, the Sub-Investment Manager evaluates an investee company’s relationships with each of its stakeholders, shareholders, customers, employees, suppliers and their supply chains, their communities and the environment. The Sub-Investment Manager will use internal data, incorporating partnership with third party data providers (MSCI, Institutional Shareholder Services and Bloomberg etc.) to help provide consistent data across the investment universe when making these evaluations. The Sub-Investment Manager will also assign an ESG risk trend of either improving, stable or deteriorating using the above processes. This risk trend designation provides important context to the risk level and informs the Sub-Investment Manager's tolerance for that risk.

SRI REPORT TO THE UNIT HOLDERS OF PRINCIPAL ISLAMIC GLOBAL RESPONSIBLE EQUITY FUND (CONTINUED)

The Sub-Investment Manager subsequently uses these ESG risk levels to identify the key risks to the stakeholders and the associated positive change to the environmental characteristics to be considered in each holding and references these outcomes in investment decision making.

Stocks of Shariah-compliant companies which demonstrate poor or deteriorating ESG scores or those with outstanding ESG issues deemed to have potential material financial impact would either be removed or significantly downsized, and the Sub-Investment Manager seeks to engage with companies that are non-performing from an ESG standpoint, with the aim of improving their ESG performance.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC GLOBAL RESPONSIBLE EQUITY FUND**

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 8 to 30 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the statement of financial position of the Fund as at 31 July 2024 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period from 27 March 2023 (date of launch) to 31 July 2024 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
Malaysia & Global Shariah & Managing Director,
Strategic Distribution & Institutional Client Relations
(Southeast Asia & Global Shariah)
Non-Independent Executive Director

UDAY JAYARAM

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

Kuala Lumpur
13 September 2024

TRUSTEE'S REPORT

**TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC GLOBAL RESPONSIBLE EQUITY FUND (“Fund”)**

We have acted as Trustee of the Fund for the financial period from 27 March 2023 (date of launch) to 31 July 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management Company under the Deeds, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
13 September 2024

SHARIAH ADVISER'S REPORT

To the Unit Holders of Principal Islamic Global Responsible Equity Fund ("Fund")

For The Financial Period From 27 March 2023 (Date of Launch) to 31 July 2024

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia ("SC") pertaining to Shariah matters; and
2. The assets of the Fund comprise instruments that have been classified as Shariah-compliant.

For Amanie Advisors Sdn Bhd

Tan Sri Dr Mohd Daud Bakar
Executive Chairman

Kuala Lumpur
13 September 2024

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Principal Islamic Global Responsible Equity Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 31 July 2024, and statement of comprehensive income, statement of changes in net assets attributable to members and statement of cash flows of the Fund for the financial period from 27 March 2023 (date of launch) to 31 July 2024, and notes to the financial statements, including material accounting policy information, as set out on pages 8 to 30.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 July 2024, and of its financial performance and cash flows for the financial period from 27 March 2023 (date of launch) to 31 July 2024 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

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

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager and the Trustee for the financial statements

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ISLAMIC GLOBAL RESPONSIBLE EQUITY 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 ISLAMIC GLOBAL RESPONSIBLE EQUITY 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.

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

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

Kuala Lumpur, Malaysia
13 September 2024

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 27 MARCH 2023 (DATE OF LAUNCH) TO 31 JULY 2024**

	Note	27.03.2023 (date of launch) to 31.07.2024 USD
INCOME/(LOSS)		
Net gain on financial assets at fair value through profit or loss	7	77,483
Net loss on derivatives at fair value through profit or loss	8	(1,203)
Net foreign exchange loss		(4,767)
		<u>71,513</u>
EXPENSES		
Management fee	4	16,778
Trustee fee	5	279
Audit fee		2,013
Tax agent's fee		1,413
		<u>20,483</u>
PROFIT BEFORE TAXATION		51,030
Taxation	6	<u>-</u>
PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>51,030</u>
Profit after taxation is made up as follows:		
Realised amount		45,294
Unrealised amount		5,736
		<u>51,030</u>

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

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

	Note	31.07.2024 USD
ASSETS		
Cash and cash equivalents	9	42,556
Financial assets at fair value through profit or loss (Shariah-compliant)	7	1,722,823
Derivative asset at fair value through profit or loss	8	6,818
Amount due from dealer		577
Amount due from Manager		56,425
Amount due from Manager of Shariah-compliant collective investment scheme		
- management fee rebate		1,165
TOTAL ASSETS		1,830,364
LIABILITIES		
Amount due to dealer		579
Amount due to Manager		20,160
Accrued management fee		2,756
Amount due to Trustee		46
Other payables and accruals		3,426
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		26,967
NET ASSET VALUE OF THE FUND		1,803,397
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		1,803,397
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS (USD)		
- Class MYR		1,384,291
- Class MYR-H		417,991
- Class USD		1,115
		1,803,397
NUMBER OF UNITS IN CIRCULATION (UNITS)		
- Class MYR		5,460,792
- Class MYR-H		1,781,951
- Class USD		1,000
	10	7,243,743

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

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

31.07.2024
USD

NET ASSET VALUE PER UNIT (USD)

- Class MYR	0.2535
- Class MYR-H	0.2346
- Class USD	1.1150

NET ASSET VALUE PER UNIT IN RESPECTIVE
CURRENCIES

- Class MYR	RM1.1632
- Class MYR-H	RM1.0765
- Class USD	USD1.1150

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 PERIOD FROM 27 MARCH 2023 (DATE OF LAUNCH) TO 31 JULY 2024**

	27.03.2023 (date of launch) to 31.07.2024 USD
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	-
Movement due to units created and cancelled during the financial period:	
Creation of units from applications	
- Class MYR	1,585,667
- Class MYR-H	457,416
- Class USD	1,000
	2,044,083
Cancellation of units	
- Class MYR	(243,897)
- Class MYR-H	(47,819)
	(291,716)
Total comprehensive income for the financial period	51,030
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	1,803,397

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 27 MARCH 2023 (DATE OF LAUNCH) TO 31 JULY 2024**

	Note	27.03.2023 (date of launch) to 31.07.2024 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of Shariah-compliant collective investment scheme		1,133,008
Purchase of Shariah-compliant collective investment scheme		(2,783,008)
Management fee paid		(14,022)
Management fee rebates received		3,495
Trustee fees paid		(233)
Net realised loss on forward foreign currency contracts		(8,019)
Payment of other foreign exchange loss		(3,842)
Net cash used in operating activities		<u>(1,672,621)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created		1,987,658
Payments for cancellation of units		(271,556)
Net cash generated from financing activities		<u>1,716,102</u>
Net increase in cash and cash equivalents		43,481
Effects of foreign exchange differences		(925)
Cash and cash equivalents at the end of the financial period	9	<u><u>42,556</u></u>
<u>Cash and cash equivalents comprised:</u>		
Bank balances		<u>42,556</u>
Cash and cash equivalents at the end of the financial period	9	<u><u>42,556</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 PERIOD FROM 27 MARCH 2023 (DATE OF LAUNCH) TO 31 JULY 2024

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal Islamic Global Responsible Equity Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 8 September 2022 and a First Supplemental Deed dated 19 January 2024 (collectively known as the “Deeds”), made between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustees Malaysia Berhad (the “Trustee”).

The Fund is a feeder fund that invests into a single Islamic CIS, i.e. Islamic Global Responsible Equity Fund (“Target Fund”). The Fund may also invest in Islamic liquid assets for liquidity purposes. In order to achieve its objective, the Fund will invest at least 85% of its NAV in the Target Fund; a fund established on 8 April 2022 under Principal Islamic Asset Management (Ireland) plc. The Fund may also invest up to 15% of its NAV in Islamic liquid assets for liquidity purposes and Islamic derivatives for the sole purpose of hedging arrangement. As the Fund is a qualified sustainable and responsible investment fund, at least two thirds (2/3) of the Fund’s NAV will be invested in investments that are subject to the ESG integration approach which involves the analysis of material factors in investment analysis and investment decisions, including ESG factors as defined in the United Nations sponsored Principles for Responsible Investment (“UNPRI”) including the selection, retention and realisation of the Fund’s investments. The Target Fund Investment Manager applies sustainability criteria when selecting investments for the Target Fund. The first step in the process employed by the Target Fund Investment Manager is to identify signs of positive change in an investee company. Indicators of positive change could be determined from sources such as accelerating sales volumes, increased market share or improved financial statements. The Target Fund Investment Manager then seeks to identify the catalysts underlying the positive change through proprietary screening and determine whether they are internal catalysts (investee company driven) and/or external catalysts (industry driven). Internal catalysts could be driven by internal investee company operational initiatives that range from cost cutting to expanding distribution, better capital deployment and improved corporate governance. External catalysts could be driven by favourable product cycles, changing industry dynamics and regulatory changes. The foregoing analysis of catalysts enables the Target Fund Investment Manager to assess the likely magnitude and durability of the catalysts and whether the change is likely to be structural or cyclical in nature. The Target Fund Investment Manager will have an investment preference for investee companies whose catalysts are therefore likely to be long term and structural in nature (i.e. will create fundamental positive change). This enables the Target Fund Investment Manager to substantiate investee companies that are considered to be displaying positive fundamental change and whose valuation is therefore under-appreciated in the market relative to their potential for positive fundamental change. The Target Fund Investment Manager subsequently analyses potential investee companies identified pursuant to the foregoing process to determine whether they are consistent with the ESG considerations, that are promoted by the Target Fund. The Target Fund will adopt the investment policy under section 2.1. of the Prospectus to ensure that the Target Fund’s investment is in line with the sustainability criteria adopted and the overall impact of such investments of the Target Fund is not inconsistent with any other sustainability criteria. In the event that the Target Fund’s investment becomes inconsistent with the sustainability criteria adopted by the Target Fund, the Target Fund Investment Manager shall rectify the breach or dispose of the investment within three (3) months from the date of breach.

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 Fund had issued the First Supplemental Prospectus dated 16 February 2024.

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

2. MATERIAL ACCOUNTING POLICIES

The principal activities of the Manager are the establishment and management of unit trust funds and fund management activities.

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 period. 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).

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

(b) Financial assets and financial liabilities

Classification

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

- those to be measured subsequently at fair value 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 contractual cash flows of the Fund’s debt securities are solely principal and interest¹ (“SPPI”). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments are measured at fair value through profit or loss.

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

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

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

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 period which they arise.

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

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

Impairment for assets carried at amortised costs

The Fund measures credit risk and expected credit 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. MATERIAL 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 period.

(c) Income recognition

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

(d) Foreign currency

Functional and presentation currency

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

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

- i) The Fund's investments are denominated in USD;
- ii) Significant portion of the cash is denominated in USD for the purpose of making settlement of the foreign trades; and
- iii) Significant portion of the Fund's expenses are denominated in USD.

Transactions and balances

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Cash and cash equivalents

For the purpose of statement of cash flow, cash and cash equivalent comprise bank balances with known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Taxation

Current tax expense is determined according to Malaysian tax laws at the current rate based upon the taxable profit earned during the financial period. Tax on dividend income from foreign quoted securities is based on the tax regime of the respective countries that the Fund invests in. Pursuant to Finance Act 2021, foreign-sourced income received in Malaysia will be taxed at prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met. Following the announcement by the Honorable Finance Minister II, tax on foreign-sourced income will be exempted for the period from 1 January 2024 until 31 December 2026.

(g) 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 SC GUTF.

(h) Unit holders' contributions

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

The Fund issues cancellable units, in three classes of units, known respectively as the Class MYR, Class MYR-H and Class USD, which are cancelled at the unit holder's option. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the 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.

(i) Management fee rebate

Management fee rebate derived from the Manager and Manager of the Shariah-compliant Shariah-compliant collective investment schemes on an accrual basis to ensure no double charging of management fee. It is accrued daily based on the fair value of Shariah-compliant collective investment schemes held.

(j) Amount due from/to dealer

Amounts due from and amount due to dealer represents receivables for Spot foreign exchange ("FX") sold and payables for Spot FX purchased that have been contracted for but not yet settled or delivered on the reporting date respectively.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Amount due from/to dealer (continued)

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund measure the loss allowance on amounts due from dealers at an amount equal to the lifetime ECL if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month ECL. Significant financial difficulties of the dealer, probability that the dealer 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) Derivative financial instruments

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

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

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavorable.

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(I) Critical accounting estimates and judgements in applying accounting policies (continued)

Estimates and judgements 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 are as follows:

	Financial assets at fair value through profit or loss USD	Financial assets at amortised cost USD	Total USD
31.07.2024			
Cash and cash equivalents (Note 9)	-	42,556	42,556
Shariah-compliant collective investment scheme (Note 7)	1,722,823	-	1,722,823
Amount due from dealer	-	577	577
Derivative assets at fair value through profit or loss (Note 8)	6,818	-	6,818
Amount due from Manager	-	56,425	56,425
Amount due from Manager of Shariah-compliant collective investment scheme			
- management fee rebate	-	1,165	1,165
	<u>1,729,641</u>	<u>100,723</u>	<u>1,830,364</u>

The Fund aims to provide long term capital appreciation and income through Shariah-compliant investments that invests in the global markets within the target risk range of the Fund.

The Fund is exposed to a variety of risks which include market risk (inclusive of 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 Deed and GUTF.

(a) Market risk

(i) Price risk

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

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

(a) Market risk (continued)

(i) Price risk (continued)

The price risk is managed through diversification and selection of Shariah-compliant collective investment scheme and other financial instruments within specified limits according to the Deed.

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

	31.07.2024
	USD
Financial assets at fair value through profit or loss:	
- Shariah-compliant collective investment scheme	<u>1,722,823</u>

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

% Change in price of Shariah-compliant collective investment scheme	Market value USD	Impact on profit or loss/NAV USD
31.07.2024		
-5%	1,636,682	(86,141)
0%	1,722,823	-
5%	<u>1,808,964</u>	<u>86,141</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 USD based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

Financial assets

	Derivative assets USD	Cash and cash equivalents USD	Amount due from Manager USD	Total USD
31.07.2024				
MYR	<u>6,818</u>	<u>20,134</u>	<u>56,425</u>	<u>83,377</u>

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

(a) Market risk (continued)

(ii) Currency risk (continued)

Financial liabilities

	Amount due to dealer USD	Amount due to Manager USD	Net assets attributable to unit holders USD	Total USD
31.07.2024				
MYR	579	20,160	1,802,282	1,823,021

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

	Change in foreign exchange rate %	Impact on profit or loss/NAV 31.07.2024 USD
MYR	-/+5	-/+86,982

(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 placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

In derivative activities, credit risk arises when counterparties to derivative contracts, are unable or unwilling to fulfil their obligation to pay the positive fair value or receivable resulting from the execution of contract terms.

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 Shariah-compliant collective investment scheme, the Fund will invest with an investment management company of the Shariah-compliant collective investment scheme which is authorised or approved by relevant regulatory authority in its home jurisdiction.

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

(b) Credit risk (continued)

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

	Cash and cash equivalents USD	Amount due from dealer USD	Amount due from Manager USD	Derivative asset at fair value through profit or loss USD	Amount due from Manager of Shariah-compliant collective investment scheme-management fee rebate USD	Total USD
31.07.2024						
- AAA	42,556	-	-	-	-	42,556
- Not rated	-	577	56,425	6,818	1,165	64,985
	<u>42,556</u>	<u>577</u>	<u>56,425</u>	<u>6,818</u>	<u>1,165</u>	<u>107,541</u>

(c) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances and deposits with licensed financial institutions, which are capable of being converted into cash within 7 business days. The Fund's investments in Shariah-compliant collective investment scheme are realisable which are capable of being converted into cash within 10 business days. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

	Less than 1 month USD	Between 1 month to 1 year USD	Total USD
31.07.2024			
Amount due to dealer	579	-	579
Amount due to Manager	20,160	-	20,160
Accrued management fee	2,756	-	2,756
Amount due to Trustee	46	-	46
Other payables and accruals	-	3,426	3,426
Net assets attributable to unit holders*	<u>1,803,397</u>	<u>-</u>	<u>1,803,397</u>
Contractual undiscounted cash flows	<u>1,826,938</u>	<u>3,426</u>	<u>1,830,364</u>

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

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 USD1,803,397. 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 period end date. The Fund utilises the last traded market price for financial assets where the last traded market falls within the bid-ask spread. In circumstances where the last traded market price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

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

(i) Fair value hierarchy

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

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
31.07.2024				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	1,722,823	-	-	1,722,823
Derivative asset at fair value through profit or loss				
- Forward foreign currency contracts	-	6,818	-	6,818

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

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted fixed income securities, forward foreign currency contracts and interest rate swaps. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

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

For the financial period from 27 March 2023 (date of launch) to 31 July 2024, the management fee is recognised at a rate of 1.80% per annum for each class.

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

5. TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to a maximum fee of 0.05% per annum, calculated daily based on the NAV of the Fund. The Trustee fee includes local custodian fees and charges but excludes foreign sub-custodian fees and charges.

For the financial period from 27 March 2023 (date of launch) to 31 July 2024, the trustee fee is recognised at a rate of 0.03% per annum for each classes.

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

6. TAXATION

	27.03.2023 (date of launch) to 31.07.2024 USD
Tax charged for the financial period:	
- Current taxation	-

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

	27.03.2023 (date of launch) to 31.07.2024 USD
Profit before taxation	51,030
Taxation at Malaysian statutory rate of 24%	12,247
Tax effects of:	
- Investment income not subject to tax	(17,163)
- Expenses not deductible for tax purposes	406
- Restriction on tax deductible expenses for Unit Trust Funds	4,510
Taxation	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.07.2024 USD
At fair value through profit or loss:	
- Shariah-compliant collective investment scheme	1,722,823

	27.03.2023 (date of launch) to 31.07.2024 USD
Net gain on financial assets at fair value through profit or loss:	
- Realised gain on disposals	72,980
- Unrealised fair value loss	(157)
- Management fee rebate #	4,660
	77,483

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

Management fee rebate is derived from the Fund's investment in Shariah-compliant collective investment scheme on an accruals basis to ensure no double charging of management fee. It is accrued daily based on the fair value of the Shariah-compliant collective investment scheme held.

For the financial period from 27 March 2023 (date of launch) to 31 July 2024, the management fee rebates are recognised at a rate as per table below, calculated and accrued daily based on the NAV of the Shariah-compliant collective investment schemes.

				31.07.2024
				%
				0.80
Name of counter	Quantity	Aggregate	Market	Percentage
	Units	cost	value	of NAV
		USD	USD	%
31.07.2024				
SHARIAH-COMPLIANT				
COLLECTIVE				
INVESTMENT SCHEME				
Islamic Global Responsible				
Equity Fund I USD	<u>155,771</u>	<u>1,722,980</u>	<u>1,722,823</u>	<u>95.53</u>
TOTAL SHARIAH-				
COMPLIANT COLLECTIVE				
INVESTMENT SCHEME	<u>155,771</u>	<u>1,722,980</u>	<u>1,722,823</u>	<u>95.53</u>
ACCUMULATED				
UNREALISED LOSS ON				
FINANCIAL ASSETS AT				
FAIR VALUE THROUGH				
PROFIT OR LOSS		<u>(157)</u>		
TOTAL FINANCIAL				
ASSETS AT FAIR VALUE				
THROUGH PROFIT OR				
LOSS		<u>1,722,823</u>		

8. DERIVATIVE ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.07.2024
	USD
Forward foreign currency contracts	<u>6,818</u>
Net loss on derivatives at fair value through profit or loss:	
- Realised loss on forward foreign currency contracts	(8,021)
- Unrealised fair value gain on forward foreign currency contracts	<u>6,818</u>
	<u><u>(1,203)</u></u>

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

As at 31 July 2024, there were 2 outstanding USD/Malaysian Ringgit (“MYR”) forward foreign currency contracts. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD439,824.

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

As the Fund has not adopted hedge accounting during the financial period, any changes in the fair value of the forward foreign currency contract is recognised immediately in the statement of comprehensive income during the financial period.

9. CASH AND CASH EQUIVALENTS

	31.07.2024 USD
Bank balances	42,556

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	27.03.2023 (date of launch) to 31.07.2024
	No. of units
Class MYR (i)	5,460,792
Class MYR-H (ii)	1,781,951
Class USD (iii)	1,000
	7,243,743
 (i) Class MYR	
At the beginning of the financial period	-
Add: Creation of units from applications	6,460,528
Less: Cancellation of units	(999,736)
At the end of the financial period	5,460,792
 (ii) Class MYR-H	
At the beginning of the financial period	-
Add: Creation of units from applications	1,995,465
Less: Cancellation of units	(213,514)
At the end of the financial period	1,781,951
 (iii) Class USD	
At the beginning of the financial period	-
Add: Creation of units from applications	1,000
At the end of the financial period	1,000

11. TOTAL EXPENSE RATIO (“TER”)

27.03.2023
(date of launch)
to 31.07.2024
%

TER 2.26

TER is derived from the following calculation:

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

- A = Management fee (exclude management fee rebate)
- B = Trustee fee
- C = Audit fee
- D = Tax agent's fee
- E = Other expenses
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is USD698,647.

12. PORTFOLIO TURNOVER RATIO (“PTR”)

27.03.2023
(date of launch)
to 31.07.2024

PTR (times) 2.80

PTR is derived based on the following calculation:

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

where:

- total acquisition for the financial period = USD2,783,008
- total disposal for the financial period = USD1,133,008

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 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

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

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

<u>Related parties</u>	<u>Relationship</u>
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the Manager
CIMB Group Sdn Bhd	Shareholder of the Manager
Subsidiaries and associates of CIMB Group Holdings Berhad, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the Manager

Units held by the Manager and parties related to the Manager

	<u>31.07.2024</u>	
	<u>No. of units</u>	<u>USD</u>
Manager		
Principal Asset Management Berhad		
- Class MYR	950	241
- Class-MYR-H	240	56
- Class USD	1,000	1,115
	<u>1,000</u>	<u>1,115</u>

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.

There were no significant related party transactions during the financial period, other than those already disclosed in the financial statements.

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.

	<u>27.03.2023</u> <u>(date of launch)</u> <u>to 31.07.2024</u> <u>USD</u>
<u>Significant related party transactions</u>	
Management fee rebate:	
- Principal Islamic Asset Management (Ireland) PLC	<u>4,660</u>
	<u>31.07.2024</u> <u>USD</u>
<u>Significant related party balances</u>	
Shariah-compliant collective investment schemes managed by the Principal Islamic Asset Management (Ireland) PLC:	
- Islamic Global Responsible Equity Fund I USD	<u>1,722,823</u>

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

31.07.2024
USD

Significant related party balances (continued)

Amount due from Manager of Shariah-compliant collective investment scheme - management fee rebate:

- Principal Islamic Asset Management (Ireland) PLC	1,165
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14. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for the financial period from 27 March 2023 (date of launch) to 31 July 2024 were as follows:

Broker	Value of trades USD	Percentage of total trades %
Principal Islamic Asset Management (Ireland) PLC#	3,916,016	100.00

Included in the transactions are trades conducted with under Principal Islamic Asset Management (Ireland) PLC, fellow related parties to the Manager amounting to USD3,916,016. 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. COMPARATIVES

This Fund was launched on 27 March 2023 thus there are no comparatives as this is the Fund's first set of financial statements.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 13 September 2024.

DIRECTORY

Head Office of the Manager

Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))
Level 32, Exchange106,
Lingkaran TRX,
55188 Tun Razak Exchange,
Kuala Lumpur, Malaysia.
Tel: (03) 8680 8000

Website

www.principal.com.my

E-mail address

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Customer Care Centre

(03) 7723 7260

Chat with us via WhatsApp:

(6016) 299 9792

Trustee for the Principal Islamic Global Responsible Equity Fund

HSBC (Malaysia) Trustee Berhad (Company No.: 193701000084 (1281-T))
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Tel: (03) 2075 7800
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Shariah Adviser of the Principal Islamic Global Responsible Equity Fund

Amanie Advisors Sdn. Bhd. (Company No.: 2005011007003 (0684050-H))
Level 13A-2, Menara Tokio Marine Life,
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Tel: (03) 2161 0260
Fax: (03) 2161 0262

Auditors of the Fund and of the Manager

Ernst & Young PLT 202006000003 (LLP0022760-LCA) & AF 0039
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List of Amendment
First Supplemental Prospectus of Principal Islamic Global Responsible Equity Fund (“IGREF”)

Prospectus of IGREF dated 27 March 2023 (“Prospectus 1”)		First Supplemental Prospectus of IGREF (“Prospectus 2”)
Section / Page	Description	Description
Section 1.1/ Page 2	As the Fund is a qualified sustainable and responsible investment fund, the investments of the Fund will be subject to the ESG integration approach which involves the analysis of material factors in investment analysis and investment decisions, including ESG factors as defined in the United Nations sponsored Principles for Responsible Investment (“UNPRI”) including the selection, retention and realisation of the Fund’s investments. The Target Fund Investment Manager applies sustainability criteria when selecting investments for the Target Fund. The first step in the process employed by the Target Fund Investment Manager is to identify signs of positive change in an investee company. Indicators of positive change could be determined from sources such as accelerating sales volumes, increased market share or improved financial statements. The Target Fund Investment Manager then seeks to identify the catalysts underlying the positive change through proprietary screening and determine whether they are internal catalysts (investee company driven) and/or external catalysts (industry driven). Internal catalysts could be driven by internal investee company operational initiatives that range from cost cutting to expanding distribution, better capital deployment and improved corporate governance.	As the Fund is a qualified sustainable and responsible investment fund, at least two thirds (2/3) of the Fund’s NAV will be invested in investments that are subject to the ESG integration approach which involves the analysis of material factors in investment analysis and investment decisions, including ESG factors as defined in the United Nations sponsored Principles for Responsible Investment (“UNPRI”) including the selection, retention and realisation of the Fund’s investments. The Target Fund Investment Manager applies sustainability criteria when selecting investments for the Target Fund. The first step in the process employed by the Target Fund Investment Manager is to identify signs of positive change in an investee company. Indicators of positive change could be determined from sources such as accelerating sales volumes, increased market share or improved financial statements. The Target Fund Investment Manager then seeks to identify the catalysts underlying the positive change through proprietary screening and determine whether they are internal catalysts (investee company driven) and/or external catalysts (industry driven). Internal catalysts could be driven by internal investee company operational initiatives that range from cost cutting to expanding distribution, better capital deployment and improved corporate governance. External catalysts could be driven by favourable product cycles, changing industry dynamics and regulatory changes. The foregoing analysis of catalysts enables the Target Fund Investment Manager to assess the likely magnitude and durability of the catalysts and whether the change is likely to be structural or cyclical in nature. The Target Fund Investment Manager will have an investment preference for investee companies whose catalysts are therefore likely to be long term and structural in nature (i.e. will create fundamental positive change).

List of Amendment
First Supplemental Prospectus of Principal Islamic Global Responsible Equity Fund (“IGREF”)

Prospectus of IGREF dated 27 March 2023 (“Prospectus 1”)		First Supplemental Prospectus of IGREF (“Prospectus 2”)
Section / Page	Description	Description
	<p>External catalysts could be driven by favourable product cycles, changing industry dynamics and regulatory changes. The foregoing analysis of catalysts enables the Target Fund Investment Manager to assess the likely magnitude and durability of the catalysts and whether the change is likely to be structural or cyclical in nature. The Target Fund Investment Manager will have an investment preference for investee companies whose catalysts are therefore likely to be long term and structural in nature (i.e. will create fundamental positive change). This enables the Target Fund Investment Manager to substantiate investee companies that are considered to be displaying positive fundamental change and whose valuation is therefore under-appreciated in the market relative to their potential for positive fundamental change. The Target Fund Investment Manager subsequently analyses potential investee companies identified pursuant to the foregoing process to determine whether they are consistent with the ESG considerations, that are promoted by the Target Fund. The Target Fund will adopt the Investment Policy under section 2.1. to ensure that the Target Fund’s investment is in line with the sustainability criteria adopted and the overall impact of such investments of the Target Fund is not inconsistent with any other sustainability criteria.</p>	<p>This enables the Target Fund Investment Manager to substantiate investee companies that are considered to be displaying positive fundamental change and whose valuation is therefore under-appreciated in the market relative to their potential for positive fundamental change. The Target Fund Investment Manager subsequently analyses potential investee companies identified pursuant to the foregoing process to determine whether they are consistent with the ESG considerations, that are promoted by the Target Fund. The Target Fund will adopt the Investment Policy under section 2.1. to ensure that the Target Fund’s investment is in line with the sustainability criteria adopted and the overall impact of such investments of the Target Fund is not inconsistent with any other sustainability criteria. In the event that the Target Fund’s investment becomes inconsistent with the sustainability criteria adopted by the Target Fund, the Target Fund Investment Manager shall rectify the breach or dispose of the investment within three (3) months from the date of breach. You may refer to section 2.1 for more information.</p> <p>The Fund will be actively rebalanced from time to time to meet sales and withdrawal transactions. This is to enable a proper and efficient management of the Fund. As this is a feeder fund, it will stay invested in the Target Fund as long as the Target Fund’s investment objective and strategies will enable the Fund to meet its investment objective. The Target Fund Investment Manager may take temporary defensive position when deemed necessary, provided that at least 79% of the Target Fund’s NAV is maintained in investments which are aligned with environmental and/or social characteristics adopted by the Target Fund.</p>

List of Amendment
First Supplemental Prospectus of Principal Islamic Global Responsible Equity Fund (“IGREF”)

Prospectus of IGREF dated 27 March 2023 (“Prospectus 1”)		First Supplemental Prospectus of IGREF (“Prospectus 2”)
Section / Page	Description	Description
	<p>If the Target Fund’s investment become inconsistent with its Investment Policy, the Target Fund Investment Manager shall dispose of the investment within an appropriate timeframe, taking into consideration the interests of the investors of the Target Fund and the ESG considerations that are promoted by the Target Fund. You may refer to section 2.1 for more information.</p> <p>The Fund will be actively rebalanced from time to time to meet sales and withdrawal transactions. This is to enable a proper and efficient management of the Fund. As this is a feeder fund, we do not intend to take temporary defensive position for the Fund during adverse market, economic and/or any other conditions. This is to allow the Fund to mirror the performance of the Target Fund in either bullish or bearish market conditions. However, the Target Fund Investment Manager may take temporary defensive position when deemed necessary.</p>	
Section 1.9.2/ Page 6	Nil	<p>Sustainability risk The Target Fund incorporates ESG considerations into its overall investment process and is managed in line with the Target Fund Management Company's sustainability risk policy. The Target Fund Sub-Investment Manager will define the manner in which sustainability risks are integrated into their investment decisions.</p>

List of Amendment
 First Supplemental Prospectus of Principal Islamic Global Responsible Equity Fund (“IGREF”)

Prospectus of IGREF dated 27 March 2023 (“Prospectus 1”)		First Supplemental Prospectus of IGREF (“Prospectus 2”)
Section / Page	Description	Description
		<p>The Target Fund may exclude securities of certain companies, industries or sectors and may forego certain investment opportunities, or dispose of certain holdings that do not align with the sustainability criteria. As such, the Target Fund may underperform funds that do not consider sustainability criteria in their investment strategy. This risk cannot be mitigated as it is inherent to the investment strategy of the Target Fund.</p> <p>The Target Fund’s Sub Investment Manager may also rely on third party data to assess sustainability risk. However, the data used could be inaccurate. Hence, the Target Fund’s Sub Investment Manager may not correctly assess the impact of sustainability risk, which may negatively impact the performance and consequently, the NAV of the Target Fund. The Target Fund Sub-Investment Manager will mitigate the risk by continuously assessing, including at the time of purchase, all relevant sustainability risks that have a material negative impact on the financial return of the investment. These processes aim to identify, measure, manage and monitor sustainability risks of the Target Fund, where relevant. However, consideration of sustainability risks does not necessarily imply that the Target Fund has a sustainability-aligned investment objective, but rather describes how sustainability risk information is considered as part of the overall investment process.</p>

List of Amendment
First Supplemental Prospectus of Principal Islamic Global Responsible Equity Fund (“IGREF”)

Prospectus of IGREF dated 27 March 2023 (“Prospectus 1”)		First Supplemental Prospectus of IGREF (“Prospectus 2”)
Section / Page	Description	Description
Section 4.4.2 / page 39	<p>4.4.2 How to invest?</p> <p><u>2nd paragraph, 1st bullet point</u></p> <p>You may make a payment:</p> <ul style="list-style-type: none"> ▪ by crossed cheque, banker’s draft or cashier’s order (made payable as advised by us or our Distributors as the case may be). You will have to bear the applicable bank fees and charges, if any; or 	<p>4.4.2 How to invest?</p> <p><u>2nd paragraph, 1st bullet point</u></p> <p>You may make a payment:</p> <ul style="list-style-type: none"> • by crossed cheque (made payable as advised by us or our Distributors as the case may be). You will have to bear the applicable bank fees and charges, if any; or
Section 4.4.5/ page 39	<p>You are advised not to make payment in cash to any individual agent or issue a cheque in the name of any individual agent or employee of Principal Malaysia when purchasing units of a fund.</p>	<p>You should not make any payment directly or indirectly to any individual agent or employee of the Manager or issue a cheque in the name of an individual agent or employee of the Manager when purchasing this Fund.</p>