

PRINCIPAL SUSTAINABLE DYNAMIC BOND FUND

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 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 Sustainable Dynamic Bond Fund for the financial year ended 30 November 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, ten at the FSMOne Recommended Funds 2023/2024, and two at the Edge Awards 2024.

Digital innovation is central to our strategy, as we use data and technology to develop the right solutions for you. We will continue to advance our digital capabilities to provide easy access to your investment portfolio and enable you to carry out transactions seamlessly. Please continue to check out our website, like our Facebook page (@PrincipalMalaysia), follow us on our Instagram account (@principalmalaysia), and LinkedIn page (Principal Malaysia) 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 achieve capital appreciation and regular income through investments in a portfolio of primarily debt instruments in Malaysia with allowable exposure in global markets.

Has the Fund achieved its objective?

The Fund is in line with its stated objectives to achieve capital appreciation and regular income through investments in a portfolio of primarily debt instruments in Malaysia with allowable exposure in global markets.

What are the Fund investment policy and principal investment strategy?

The Fund will be managed with the aim of achieving capital appreciation and regular income through investments in a portfolio of primarily debt instruments in Malaysia with exposure in global markets. The Fund will invest at least 60% of its NAV in debt instruments and the remaining of the NAV of the Fund will invest in liquid assets for liquidity purposes. The Fund's investment in debt instruments will generally be restricted to instruments rated at least a minimum credit rating of "BBB-" by S&P or its equivalent rating by other international rating agencies and/or at least "A3" by RAM or equivalent rating by MARC or by local rating agency(ies) of the country ("Investment Grade"). Nonetheless, up to 50% of the Fund's Net Asset Value ("NAV") may be invested in non-investment grade and/or unrated debt instruments. The Fund may also opt to seek investment exposure via Collective Investment Scheme ("CIS") that is in line with the Fund's objective.

The asset allocation strategy for the Fund is as follows:

- At least 60% of the Fund's NAV will be invested in debt instruments, out of which:
 - up to 100% of the Fund's NAV may be invested in Investment Grade debt instruments and debt instruments issued by Governments with sovereign rating of at least Investment Grade; and
 - up to 50% of the Fund's NAV may be invested in unrated and/or non-investment grade debt instruments;

The Fund will focus its investment in Malaysia with allowable global exposure. The Fund may invest up to 50% of its NAV outside of Malaysia. When deemed necessary, we may also utilise derivative instruments such as foreign exchange forward contracts or foreign exchange swap to hedge the portfolio.

As the Fund is a qualified sustainable and responsible investment fund, the investments of the Fund will be subject to the environmental, social and governance ("ESG") integration approach which involves the analysis of material factors in investment analysis and investment decisions, including ESG factors as defined the United Nations sponsored Principles for Responsible Investment ("UNPRI") including the selection, retention and realisation of the Fund's investments. Companies are assessed against material ESG risks such as climate change, natural resources, human capital, social opportunities and corporate governance. We do not seek to exclude companies which are relatively low in an ESG assessment rather we see this as an opportunity to engage these companies and advocate adoption of best practices for further improvement. However, companies that do not improve or demonstrate a commitment to improve after engagement exercises may be excluded from further investment or we may dispose of the investment within an appropriate timeframe.

We will review the fund periodically to ensure the investments of the Fund are in line with the sustainability criteria adopted and overall impact of the investment of the Fund are not inconsistent with any other sustainability criteria. If the Fund's investment become inconsistent with the investment strategy or sustainability considerations of the Fund, we will dispose the investment within an appropriate timeframe.

Base Currency

Malaysian Ringgit ("MYR")

FUND OBJECTIVE AND POLICY (CONTINUED)

Fund category/type

Wholesale Fund (Bond) Growth / Income

When was the Fund launched?

Name of Class	Launch Date
Class USD Hedged ("Class USD-H")	13 December 2021
Class SGD-Hedged ("Class SGD-H")	13 December 2021
Class MYR	13 December 2021

What was the size of the Fund as at 30 November 2024?

RM16.57 million (15.99 million units)

What is the Fund's benchmark?

BILLIONM's Overnight Policy Rate (OPR) + 1.5% per annum

Note: The Fund's benchmark for performance comparison purpose only. The Information on the benchmark can be obtained from www.bnm.gov.my.

What is the Fund distribution policy?

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

What was the net income distribution for the financial year ended 30 November 2024?

There was no income distribution made for the financial year ended 30 November 2024.

PERFORMANCE DATA

Details of portfolio composition of the Fund for the last two audited financial year/period were as follows:

	30.11.2024	13.12.2021 (date of launch) to 30.11.2023
	%	%
Unquoted fixed income securities	96.62	68.14
Cash and other net assets	3.51	34.94
Liabilities	(0.13)	(3.08)
	<u>100.00</u>	<u>100.00</u>

Performance details of the Fund for the last two audited financial year/period were as follows:

	30.11.2024	13.12.2021 (date of launch) to 30.11.2023
NAV (RM Million)		
- Class MYR	16.57	11.09
- Class SGD-H	0.00*	0.00*
- Class USD-H	0.00*	0.00*
Units in circulation (Million)		
- Class MYR	15.99	11.08
- Class SGD-H	0.00*	0.00*
- Class USD-H	0.00*	0.00*

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

PERFORMANCE DATA (CONTINUED)

Performance details of the Fund for the last two audited financial year/period were as follows (continued):

	30.11.2024	13.12.2021 (date of launch) to 30.11.2023
NAV per unit (MYR)		
- Class MYR	1.0358	-
- Class SGD-H	3.4460	-
- Class USD-H	4.7560	-
Highest NAV per unit (MYR)		
- Class MYR	1.0358	1.0017
- Class SGD-H	4.9743	3.4923
- Class USD-H	3.6247	4.8174
Lowest NAV per unit (MYR)		
- Class MYR	1.0014	0.9952
- Class SGD-H	4.3847	3.0434
- Class USD-H	3.3158	4.1506
Total return (%)		
- Class MYR	3.45	0.31
- Class SGD-H	4.04	1.05
- Class USD-H	5.59	2.51
Capital growth (%)		
- Class MYR	3.45	0.31
- Class SGD-H	4.04	1.05
- Class USD-H	5.59	2.51
Income distribution (%)		
- Class MYR	-	-
- Class SGD-H	-	-
- Class USD-H	-	-
Total Expense Ratio ("TER") (%) ^	0.66	3.46
Portfolio Turnover Ratio ("PTR") (times) #	0.62	5.51

^ The Fund's TER decreased from 3.46% to 0.66% due to increase in average NAV during the financial year under review.

The Fund's PTR for the financial year under review decrease from 5.51 times to 0.62 times due to rebalancing may be done when there are redemptions or potential credit event.

	30.11.2024	13.12.2021 (date of launch) to 30.11.2023
	%	%
Annual total return		
- Class MYR	3.45	0.13
- Class SGD-H	4.04	(0.15)
- Class USD-H	5.59	1.35
(Launch date: 13 December 2021)		

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

MARKET REVIEW (1 DECEMBER 2023 TO 30 NOVEMBER 2024)

At the start of 2024, global fixed income market continued its bullish undertone in January 2024 although United States (“US”), European Union (“EU”), United Kingdom (“UK”) and Japan did not change their policy rates. In the US Federal Reserves (the “Fed”) Powell ruled out a March 2024 rate reduction but did not rule out rate cut possibilities. This saw market recalibrate and US Treasuries (“UST”) moved higher. However the domestic market was resilient amidst the higher yields backdrop. For the first two months of 2024, the Bond Pricing Agency Malaysia (“BPAM”) Corporates All Bond (7y over) Index was the best performer recording a return of +1.56%. The 3-years, 5-years, 10-years, 15-years and 30-years benchmarks closed at 3.47%, 3.64%, 3.88%, 4.02% and 4.21%, respectively in February 2024.

Bank Negara Malaysia (“BNM”) kept the Overnight Policy Rate (“OPR”) at 3.00% for the 5th straight Monetary Policy Committee (“MPC”) meeting at its second meeting for the year on 6 March 2024 to 7 March 2024, amid improving economic growth, moderate inflation and stabilization in Malaysian Ringgit (“RM”/“MYR”) against USD. On the monetary front, BNM forecasts headline inflation between 2.0-3.5% (2023: 2.5%) – incorporating fuel price adjustments from the fuel subsidy rationalisation measures – and core inflation between 2.0% to 3.0% (2023: 3.0%) for 2024. Meanwhile in April 2024, the MGS yield curves adjusted higher by 6 basis points (“bps”) to 17 bps higher as the sentiment towards fixed income assets turned bearish. However in May 2024, the Malaysia Government Bond (“MGS”) yield curve bull flattened as demand for duration surged driven by global bonds finding some respite from steady inflation prints and weaker-than-expected economic data. Additionally, in May 2024, Prime Minister Anwar announced that the Cabinet has agreed to rationalize fuel subsidies, starting with diesel in Peninsular Malaysia.

Globally, the Fed kept policy rates unchanged at 5.25% to 5.50% in March 2024, April 2024 and May 2024. In April 2024, the Fed announced it will slow the pace of quantitative tightening (“QT”) from USD60 billion of balance sheet runoff per month to USD25 billion per month (vs market expectations of USD30 billion) in June 2024. Overall, Powell maintained a measured tone, acknowledging the need for greater confidence on inflation and ruling out the potential need for rate hikes. In May 2024, the Fed Chair Jerome Powell said that the The Federal Open Market Committee (“FOMC”) confidence on inflation has not improved, as inflation surprised on the upside for the last three months. The minutes from the 30 April 2024 to 1 May 2024 FOMC meeting unsurprisingly acknowledge upside surprises to inflation in the first three months of 2024 and indicated that more progress on reducing inflation would likely be needed in order for the Committee to support a possible rate cut.

The MGS yield curve bull steepened in June 2024 as yields for the 7 years and below fell between 4 bps to 6 bps whilst the 10 years and longer end fell between 1 bps to 3 bps moving in tandem with UST as it moved lower fueled by signs of inflation moderating, thereby prompting market expectations of Fed rate cuts. Meanwhile, in June 2024, the blanket diesel subsidy in Malaysia ended with diesel prices increasing by 56% to RM3.35 per litre. Diesel prices will thus be ‘free float’ and updated every Wednesday, 5pm. However, data released in July 2024 showed that headline inflation rate and core inflation remained unchanged in June 2024 at 2% and 1.9%, respectively. The MGS yield curve bull steepened in August with the mid to long end of the curve rising by 2 bps to 4 bps in view the heavy long duration supply until September 2024 and busy issuance calendar in October 2024. In addition, there was some profit taking activities during the month following Malaysia printing a higher-than-expected second quarter of 2024 Gross Domestic Products (“GDP”) and the civil service wages review announcement during the month. Meanwhile, Malaysia second quarter of 2024 GDP grew 5.9% year-on-year (“YoY”) (First Quarter 2024: +4.2% YoY) higher than the advance estimates of 5.8%. The growth was mainly due to stronger domestic demand and further expansion in exports. Inflation held steady at 2% in July 2024 for the third consecutive month.

Globally, the Fed left policy unchanged at 5.25% to 5.50% at its June 2024 meeting. But the median dot plot projection for the Fed funds rate for 2024 rose to 5.125% from 4.625% in March 2024, consistent with just one cut this year (versus three in March 2024), the distribution of the dots “lean” towards two cuts, with eight participants expecting two cuts, seven expecting one cut and four expecting none. However, the Fed began its rates-cutting cycle with a 50 bps cut at September’s 2024 meeting bringing the new Fed Funds target to 4.75% to 5%, the first cut in more than 4 years. Of the twelve voting members on the FOMC, 11 voted for the 50 bps reduction while Michelle Bowman dissented in favor of a smaller 25 bps cut.

MARKET REVIEW (1 DECEMBER 2023 TO 30 NOVEMBER 2024)(COTINUED)

Powell noted that this 50 bps cut is a “commitment” to not get behind the curve. The median dot plot shows the Fed Funds rate projection at 4.4% for 2024, 3.4% for 2025, and 2.9% in 2026.

Unemployment rate also ticked up to 4.4% for 2024 higher than previous forecast of 4%. There was major correction in October 2024 which saw UST yields rising to July 2024 levels, prior to the strong rally in August 2024 that brought the 10-year UST to the low of 3.62%. Consequently, the UST yield curve bear flattened with yields rising +53 bps for 2-year, +50 bps for 10-year and +36 bps for 30-year UST. Meanwhile, the Fed cut the federal funds target range by 25 bps at its November meeting, taking the range to 4.50-4.75%. Fed Chair Jerome Powell said that the outcome of the US election is unlikely to have any "near term" effects on FOMC's policy decisions. However, future decisions will remain data dependent.

FUND PERFORMANCE

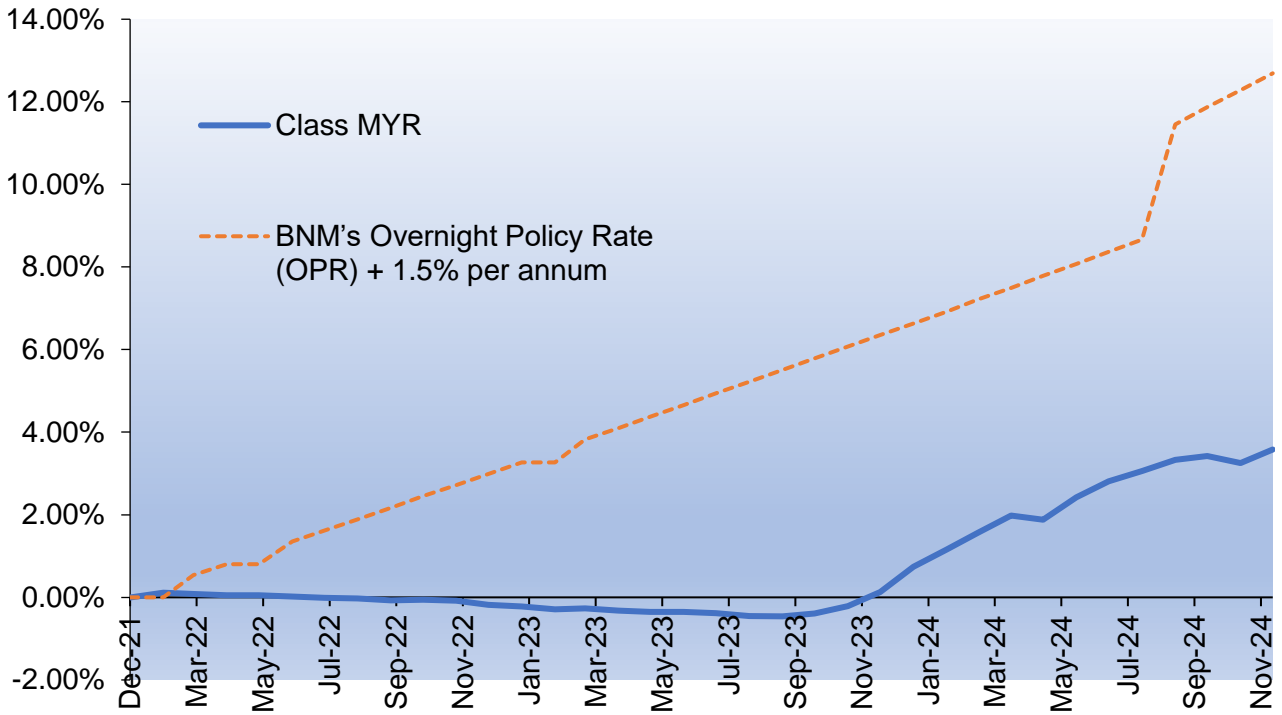
	1 year to 30.11.2024 %	Since inception to 30.11.2024 %
Income Distribution		
- Class MYR	-	-
- Class SGD-H	-	-
- Class USD-H	-	-
Capital Growth		
- Class MYR	3.45	3.58
- Class SGD-H	4.04	3.88
- Class USD-H	5.59	7.02
Total Return		
- Class MYR	3.45	3.58
- Class SGD-H	4.04	3.88
- Class USD-H	5.59	7.02
Benchmark		
- Class MYR	4.55	13.11
- Class SGD-H	4.55	13.11
- Class USD-H	4.55	13.11
Average Total Return		
- Class MYR	3.45	1.19
- Class SGD-H	4.04	1.29
- Class USD-H	5.59	2.31

For the one-year period under review ended 30 November 2024, the Fund delivered a total return of 3.45% versus the benchmark return of 4.55%.

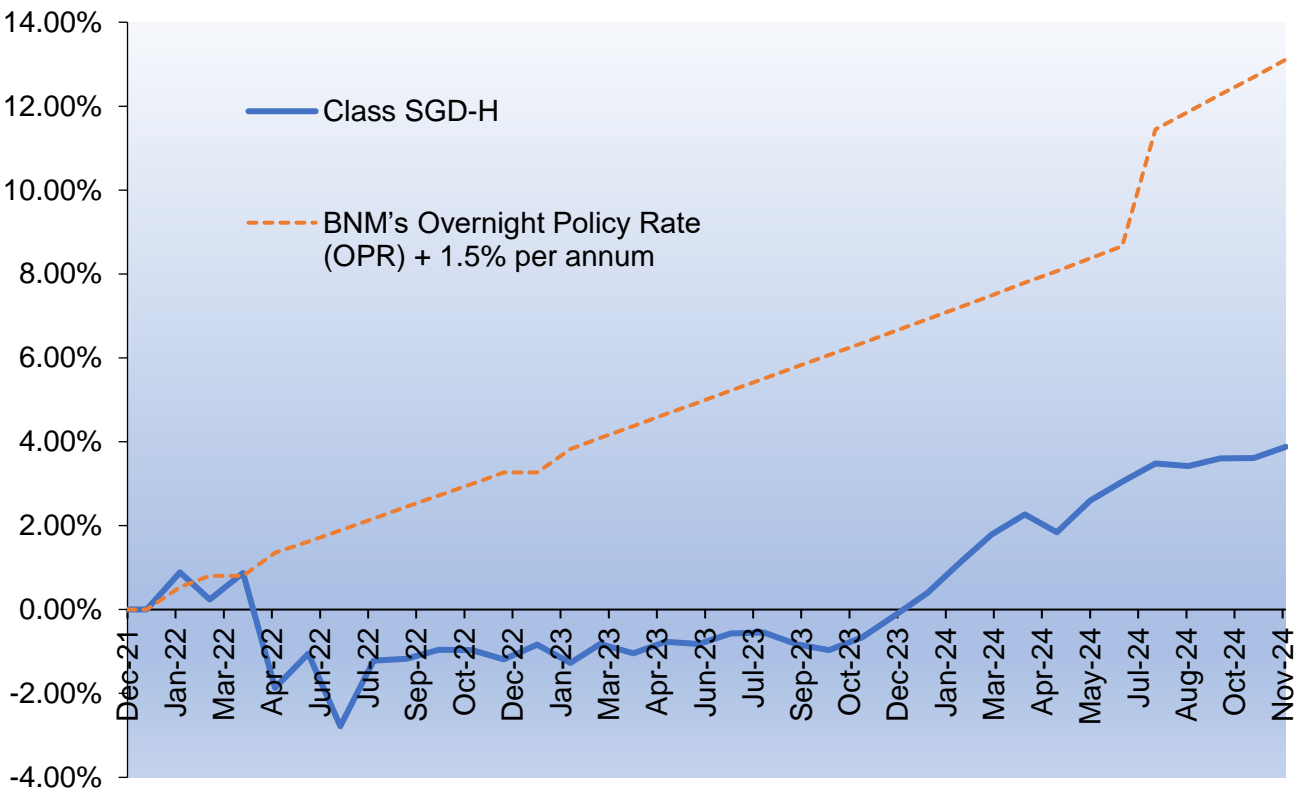
FUND PERFORMANCE (CONTINUED)

Since inception

CLASS MYR



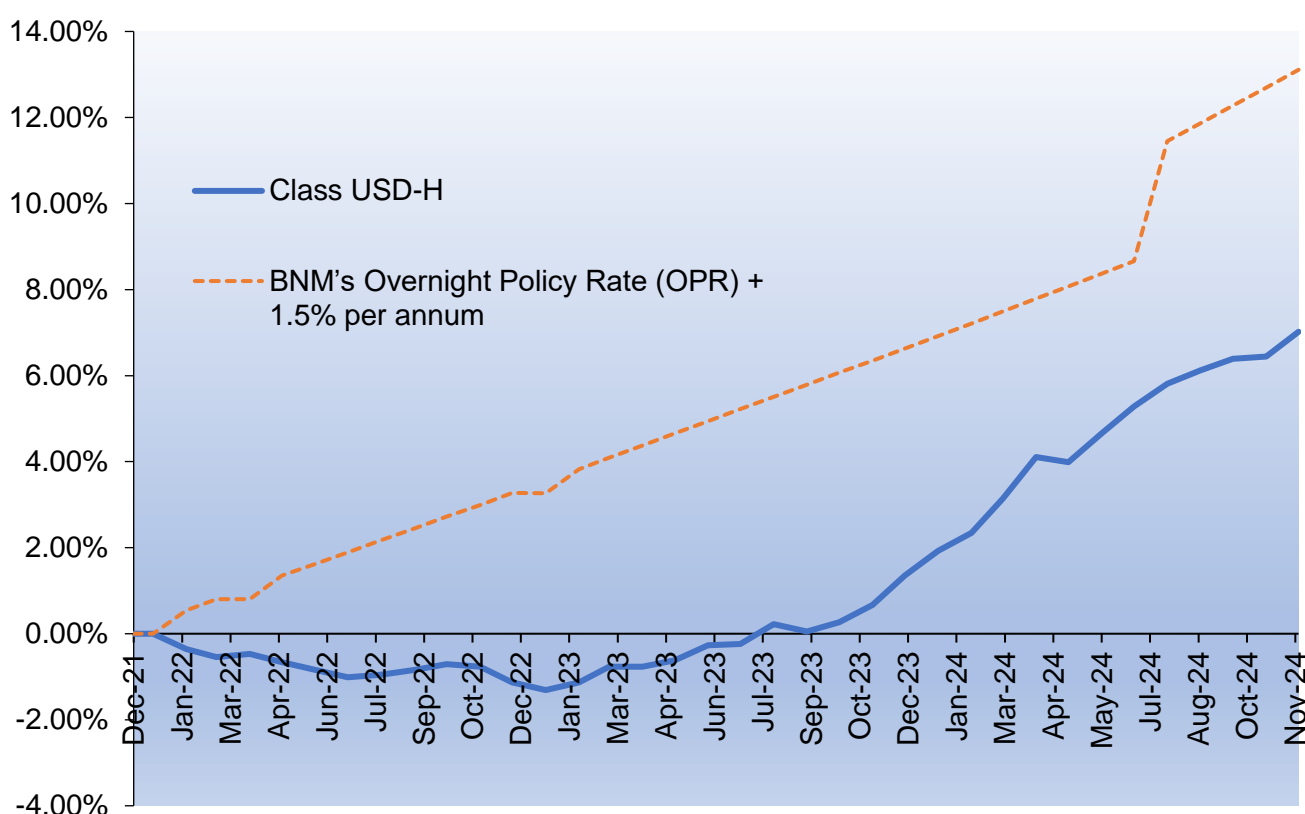
CLASS SGD-H



FUND PERFORMANCE (CONTINUED)

Since Inception

CLASS USD-H



Changes in NAV

	30.11.2024	30.11.2023	Changes
	%	%	%
CLASS MYR			
NAV (USD Million)	16.57	11.09	49.41
NAV/Unit (USD)	1.0358	1.0012	3.46
CLASS SGD-H			
NAV (USD Million)	0.00*	0.00*	-
NAV/Unit (USD)	3.4460	3.4850	(1.12)
CLASS USD-H			
NAV (USD Million)	0.00*	0.00*	-
NAV/Unit (USD)	4.7560	4.7220	0.72

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

The Fund's NAV for class MYR were higher at RM 16.57 million as at 30 November 2024 due to injections and better performance with NAV per unit for class MYR also higher by 3.5% to RM 1.0358.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	30.11.2024	30.11.2023
Unquoted fixed income securities	96.62	68.14
Cash and other assets	3.51	34.94
Liabilities	(0.13)	(3.08)
TOTAL	100.00	100.00

During the financial year under review, the Fund were mostly invested in fixed income with 3.51% in cash and other assets to cater for redemptions.

MARKET OUTLOOK*

We continue to expect the domestic policy rate to remain at 3.00% based on the current landscape, with no significant domestic catalysts expected for now. We are watchful over the inflation numbers which are higher but are cognizant that it continues to be within the central bank's expected range. For now, the current domestic market environment continues to be favorable due to positive supply-demand dynamics and stable interest rate outlook. Meanwhile, for global bond markets, the start of rate cuts by the Fed, The European Central Bank ("ECB") and The Bank of England ("BoE") should continue to see positive sentiment for bonds. However, this may be tempered by incoming new US President Trump's policies on tariff, tax and immigration which will likely see stronger USD. This will see continued heightened volatility for the fixed income market next year.

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

INVESTMENT STRATEGY

Global fixed income sentiment has turned positive with the start of rate cuts by US. However, markets are still grappling with uncertainty surrounding the quantum and speed of the rate cut. Coupled with the ebb and flow of the ongoing geopolitical tensions and uncertainty surrounding the political space in Europe as well as incoming US President's Trump's policies, there will be opportunities to invest in higher yields whenever there is selloff. We continue to focus on the primary issuance pipeline and will look to rebalance out the overvalued credits and look for pocket of opportunities with some price disparity seen within the credit segment.

SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (the "Manager") and the Trustee will not retain any form of rebate or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Principal Malaysia Funds ("Funds"). Accordingly, any rebates or shared commission will be directed to the account of the Fund. 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 bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- (b) any dealings with the broker or dealer is executed on terms which are the most favourable for the Funds; and
- (c) the availability of soft commission is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and 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 year under review, the Manager and the Trustee did not receive any rebates from the brokers or dealers, but the Manager has retained soft commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. The Manager confirms that the goods and services received were for the benefit of the Fund, the trades were made on a best execution basis and there was no churning of trades.

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIR OF THE FUND

In relation to this Fund, we have issued the First Supplemental Information Memorandum is dated 16 February 2024.

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

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

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

CROSS TRADE

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

UNIT SPLIT

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

SRI REPORT TO THE UNITHOLDERS PRINCIPAL SUSTAINABLE DYNAMIC BOND FUND

Principal Sustainable Dynamic Bond 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 year 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
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.
Sustainability themed investing	The Fund may invest in companies that are undertaking steps and measures to re-invent its value chain to make the value chain more sustainable and in-line with environmental and social developments.
Impact or community investing	The Fund is searching to invest in companies that participate in solving social issues.
Corporate engagement	The Fund may engage with companies to further enhance the sustainable, responsible and governance practices of the companies.

SRI REPORT TO THE UNITHOLDERS PRINCIPAL PRINCIPAL SUSTAINABLE DYNAMIC BOND FUND (CONTINUED)

UNQUOTED FIXED INCOME SECURITIES	Sustainability Aspect					
	ESG integration	Ethical and faith-based investing	Impact investing	Negative screening	Positive screening	Thematic investments
Aeon Co. (M) Bhd 4% 16/09/2029	✓					
Aeon Credit Service (M) Bhd 4.45% 01/12/2028	✓					
Ambank M Bhd 4.1% 19/06/2031	✓					
Ambank M Bhd 4.15% 19/06/2034	✓					
Bank Pembangunan Malaysia 4.02% 01/12/2028	✓					
Bumitama Agri Ltd 4.2% 22/07//2026	✓					
CIMB Islamic Bank Bhd 4.02% 30/11/2028	✓					
CIMB Islamic Bank Bhd 4.31% 29/11/2030	✓					
Gamuda Bhd 4.05% 27/03/2031	✓					
Gamuda Bhd 4.263% 16/11/2029	✓					
Gamuda Bhd 4.31% 20/06/2030	✓					
GENM Capital Bhd 5.07% 05/05/2028	✓					
GENM Capital Bhd 5.3% 11/07/2028	✓					
LBS Bina Group Bhd 5% 23/01/2029	✓					
Malayan Banking Bhd 3.1% 08/10/2032	✓					
Malayan Cement Bhd 5.05% 26/06/2028	✓					
Malayan Cement Bhd 5.07% 11/12/2029	✓					
MMC Corporation Bhd 5.64% 27/04/2027	✓					
OCK Group Bhd 5.38% 22/11/2030	✓					
OSK Rated Bond Sdn Bhd 3.96% 21/03/2029	✓					
Pengurusan Air SPV Bhd 4.14% 07/02/2034	✓					
Point Zone Malaysia 4.69% 13/03/2030	✓					
PONSB Capital Bhd 4.99% 30/06/2027	✓					
Public Islamic Bank Bhd 4.5% 17/12/2027	✓					
Sarawak Energy Bhd 4.19% 04/07/2030	✓					
Sarawak Energy Bhd 5.5% 04/07/2029	✓					
Sarawak Petchem Sdn Bhd 5.01% 27/07/2028	✓					
Sarawak Petchem Sdn Bhd 5.05% 27/07/2029	✓					
Sime Darby Property Bhd 4.14% 21/08/2028	✓					
SP Setia Bhd 4.56% 21/06/2030	✓					
SP Setia Bhd 4.22% 21/04/2027	✓					
Sports Toto Malaysia Sdn Bhd 4.77% 15/09/2028	✓					
Suncorp-Metway Ltd 4.75% 19/03/2029	✓					
Sunreit Bond Bhd 4.06% 22/07/2031	✓					
Telstra Group Ltd 5.25% 06/09/2031	✓					
UEM Edgenta Bhd 4.25% 24/04/2026	✓					
UEM Olive Capital Bhd 4% 21/10/2031	✓					
UEM Olive Capital Bhd 4.3% 06/12/2028	✓					
UEM Sunrise Bhd 5.45% 30/01/2026	✓					
United Overseas Bank (M) Bhd 4.91% 27/10/2032	✓					
United Overseas Bank (M) Bhd 4.01% 08/02/2034	✓					
YTL Corporation Bhd 4.6% 23/06/2034	✓					

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL SUSTAINABLE DYNAMIC BOND FUND**

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 7 to 32 drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 November 2024 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) Accounting Standards and International Financial Reporting Standards (“IFRS”) Accounting Standards.

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
16 January 2025

TRUSTEE'S REPORT

**TO THE UNIT HOLDERS OF
PRINCIPAL SUSTAINABLE DYNAMIC BOND FUND (“Fund”)**

We have acted as Trustee of the Fund for the financial year ended 30 November 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

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

For HSBC (Malaysia) Trustee Berhad

Lee Cincee
Senior Manager, Trustee and Fiduciary Services

Kuala Lumpur
16 January 2025

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL SUSTAINABLE DYNAMIC BOND FUND**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Principal Sustainable Dynamic Bond Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 30 November 2024, and statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on 7 to 32.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 November 2024, and of its financial performance and cash flows for the financial year then ended in accordance with MFRS Accounting Standards and IFRS Accounting 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 SUSTAINABLE DYNAMIC BOND 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 MFRS Accounting Standards and IFRS Accounting 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 SUSTAINABLE DYNAMIC BOND FUND (CONT'D.)**

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL SUSTAINABLE DYNAMIC BOND FUND (CONT'D.)**

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

Other matters

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework and Guidelines on Sustainable and Responsible Investment Funds ("GSRI") pursuant to section 377 of the Capital Markets and Services Act 2007 ("CMSA") 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. 03013/10/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
16 January 2025

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024**

	Note	01.12.2023 to 30.11.2024 RM	13.12.2021 (date of launch) to 30.11.2023 RM
INCOME/(LOSS)			
Interest income		611,214	32,108
Net (loss)/gain on financial assets at fair value through profit or loss		(23,054)	26,670
Net foreign exchange (loss)/gain		(815)	913
		<u>587,345</u>	<u>59,691</u>
EXPENSES			
Management fee	4	75,678	5,705
Trustee fee	5	4,539	340
Audit fee		9,206	11,000
Tax agent's fee		5,600	6,600
Other expenses		1,813	-
		<u>96,836</u>	<u>23,645</u>
PROFIT BEFORE TAXATION		490,509	36,046
Taxation	6	-	-
PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR/PERIOD		<u>490,509</u>	<u>36,046</u>
Profit after taxation is made up as follows:			
Realised amount		443,105	8,463
Unrealised amount		47,404	27,583
		<u>490,509</u>	<u>36,046</u>

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2024

	Note	30.11.2024 RM	30.11.2023 RM
ASSETS			
Cash and cash equivalents	9	582,159	3,877,798
Financial assets at fair value through profit or loss	7	16,013,170	7,561,495
Derivative asset at fair value through profit or loss	8	2	-
		<u>16,595,331</u>	<u>11,439,293</u>
TOTAL ASSETS			
LIABILITIES			
Derivative liability at fair value through profit or loss	8	-	3
Amount due to Dealer		-	320,459
Accrued management fee		6,777	3,226
Amount due to Trustee		407	193
Other payables and accruals		14,000	17,600
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>21,184</u>	<u>341,481</u>
NET ASSET VALUE OF THE FUND		<u>16,574,147</u>	<u>11,097,812</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>16,574,147</u>	<u>11,097,812</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (USD)			
- Class MYR		16,565,945	11,089,604
- Class SGD-H		3,446	3,485
- Class USD-H		4,756	4,723
		<u>16,574,147</u>	<u>11,097,812</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class MYR		15,991,928	11,075,229
- Class SGD-H		1,000	1,000
- Class USD-H		1,000	1,000
	10	<u>15,993,928</u>	<u>11,077,229</u>
NET ASSET VALUE PER UNIT (USD)			
- Class MYR		1.0358	1.0012
- Class SGD-H		3.4460	3.4850
- Class USD-H		4.7560	4.7220
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- Class MYR		RM1.0358	RM1.0013
- Class SGD-H		SGD1.0391	SGD0.9985
- Class USD-H		USD1.0706	USD1.0135

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024**

	01.12.2023 to 30.11.2024 RM	13.12.2021 (date of launch) to 30.11.2023 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR/PERIOD	<u>11,097,812</u>	<u>-</u>
Movement due to units created and cancelled during the financial year/period:		
Creation of units from applications		
- Class MYR	<u>5,086,745</u>	<u>11,061,766</u>
Cancellation of units from applications		
- Class MYR	<u>(100,919)</u>	<u>-</u>
Total comprehensive income for the financial year/period	<u>490,509</u>	<u>36,046</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR/PERIOD	<u><u>16,574,147</u></u>	<u><u>11,097,812</u></u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024**

	Note	01.12.2023 to 30.11.2024 RM	13.12.2021 (date of launch) to 30.11.2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Purchase of unquoted fixed income securities		(13,458,730)	(7,439,599)
Proceeds from disposal of Shariah-compliant quoted securities		5,067,321	-
Interest received		611,214	32,108
Management fee paid		(72,127)	(2,479)
Trustee fees paid		(4,325)	(147)
Payments for other fees and expenses		(20,220)	-
Net realised gain on forward foreign currency Contracts		(320,464)	320,462
Receipt of other foreign exchange (loss)/gain		(300)	16
Net cash used in operating activities		(8,197,631)	(7,089,639)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		5,086,745	11,070,079
Net cash generated from financing activities		5,086,745	11,070,079
Net (decrease)/increase in cash and cash equivalents		(3,110,886)	3,980,440
Effects of foreign exchange differences		23,166	(102,642)
Cash and cash equivalents at the beginning of the financial year/period		3,877,798	-
Cash and cash equivalents at the end of the financial year/period	9	582,159	3,877,798
<u>Cash and cash equivalents comprised:</u>			
Deposits with licensed financial institutions		529,096	3,857,338
Bank balances		53,063	20,460
Cash and cash equivalents at the end of the financial year/period	9	582,159	3,877,798

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal Sustainable Dynamic Bond Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 29 October 2021 and First Supplemental Deed dated 2 February 2024 (collectively referred to as the “Deeds”), made between Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund will be managed with the aim of achieving capital appreciation and regular income through investments in a portfolio of primarily debt instruments in Malaysia with exposure in global markets. The Fund will invest at least 60% of its NAV in debt instruments and the remaining of the NAV of the Fund will invest in liquid assets for liquidity purposes. The Fund’s investment in debt instruments will generally be restricted to instruments rated at least a minimum credit rating of “BBB-” by S&P or its equivalent rating by other international rating agencies and/or at least “A3” by RAM or equivalent rating by MARC or by local rating agency(ies) of the country (“Investment Grade”). Nonetheless, up to 50% of the Fund’s Net Asset Value (“NAV”) may be invested in non-investment grade and/or unrated debt instruments. The Fund may also opt to seek investment exposure via CIS that is in line with the Fund’s objective.

The asset allocation strategy for the Fund is as follows:

- At least 60% of the Fund’s NAV will be invested in debt instruments, out of which:
 - up to 100% of the Fund’s NAV may be invested in Investment Grade debt instruments and debt instruments issued by Governments with sovereign rating of at least Investment Grade; and
 - up to 50% of the Fund’s NAV may be invested in unrated and/or non-investment grade debt instruments;

The Fund will focus its investment in Malaysia with allowable global exposure. The Fund may invest up to 50% of its NAV outside of Malaysia. When deemed necessary, we may also utilise derivative instruments such as foreign exchange forward contracts or foreign exchange swap to hedge the portfolio.

As the Fund is a qualified sustainable and responsible investment fund, the investments of the Fund will be subject to the Environmental, social and governance (“ESG”) integration approach which involves the analysis of material factors in investment analysis and investment decisions, including ESG factors as defined the United Nations sponsored Principles for Responsible Investment (“UNPRI”) including the selection, retention and realisation of the Fund’s investments. Companies are assessed against material ESG risks such as climate change, natural resources, human capital, social opportunities and corporate governance. We do not seek to exclude companies which are relatively low in an ESG assessment rather we see this as an opportunity to engage these companies and advocate adoption of best practices for further improvement. However, companies that do not improve or demonstrate a commitment to improve after engagement exercises may be excluded from further investment or we may dispose of the investment within an appropriate timeframe.

We will review the fund periodically to ensure the investments of the Fund are in line with the sustainability criteria adopted and overall impact of the investment of the Fund are not inconsistent with any other sustainability criteria. If the Fund’s investment become inconsistent with the investment strategy or sustainability considerations of the Fund, we will dispose the investment within an appropriate timeframe.

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

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

The Fund have issued the First Supplemental Information Memorandum is 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. The principal activities of the Manager are the establishment and management of unit trust funds and fund management activities.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

(a) Basis of preparation

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

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

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

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

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

There are no other standards, amendments to standards or interpretations that are effective for financial year beginning on 1 December 2023 that have a material effect on the financial statements of the Fund.

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

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

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

The contractual cash flows of the Fund's debt securities are solely principal and interest ("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.

The Fund classifies cash and cash equivalents 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 year/period which they arise.

Unquoted fixed income securities denominated in MYR/RM are revalued on a daily basis based on fair value prices quoted by a Bond Pricing Agency ("BPA") registered with the SC as per the SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework. Refer to Note 2(j) for further explanation.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Recognition and measurement (continued)

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

Impairment for assets carried at amortised costs

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

(c) Income recognition

Interest income from deposits with licensed financial institutions and unquoted fixed income securities are recognised on a time proportionate basis using the effective interest method on an accrual basis.

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

Realised gain or loss on disposal of unquoted fixed income securities is accounted for as the difference between the net disposal proceeds and the carrying amount of unquoted fixed income securities, determined on cost adjusted for accretion of discount or amortisation of premium.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(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 MYR/RM, which is the Fund’s functional and presentation currency.

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

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

Transactions and balances

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

(e) 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 on taxable profit earned during the financial year/period.

(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 Guidelines on Unit Trust Funds (“GUTF”)¹.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(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 SGD-H and Class USD-H 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) 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 unfavourable.

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

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

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

(j) 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.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

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

Estimates and 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 Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework and GSRI pursuant to section 377 of the CMSA.

Estimate of fair value of unquoted fixed income securities

MYR/RM-denominated unquoted fixed income securities are valued using fair value prices quoted by a BPA. Where the Manager is of the view that the price quoted by BPA for a specific unquoted fixed income securities differs from the market price by more than 20 bps, the Manager may use market price, provided that the Manager records its basis for using a non-BPA price, obtains necessary internal approvals to use the non-BPA price, and keeps an audit trail of all decisions and basis for adopting the use of non-BPA price.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund were as follows:

	Financial assets at fair value through profit or loss RM	Cash and cash equivalents RM	Total RM
30.11.2024			
Cash and cash equivalents (Note 9)	-	582,159	582,159
Unquoted fixed income securities (Note 7)	16,013,170	-	16,013,170
	<u>16,013,170</u>	<u>582,159</u>	<u>16,595,329</u>
30.11.2023			
Cash and cash equivalents (Note 9)	-	3,877,798	3,877,798
Unquoted fixed income securities (Note 7)	7,561,495	-	7,561,495
	<u>7,561,495</u>	<u>3,877,798</u>	<u>11,439,293</u>

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

The Fund aims to achieve capital appreciation and regular income through investments in a portfolio of primarily debt instruments in Malaysia with allowable exposure in global markets. We will require your approval if there is any material change to the Fund's objective.

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.

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

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, Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework and GSRI issued by the Securities Commission Malaysia.

(a) Market risk

(i) Price risk

This is the risk that the fair value of an investment in unquoted fixed income securities will fluctuate because of changes in market prices (other than those arising from interest rate risk).

The Fund is exposed to price risk arising from interest rate fluctuation in relation to its investments of RM16,013,266 (30.11.2023: RM7,561,495 in unquoted fixed income securities. The Fund's exposure to price risk arising from interest rate fluctuation and the related sensitivity analysis are disclosed in "interest rate risk" below.

(ii) Currency risk

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

The following table sets out the foreign currency risk concentrations arising from the denomination of the Fund's financial instruments in foreign currencies of the Fund:

Financial assets	Cash and cash equivalents RM	Total RM
30.11.2024		
AUD	29,093	29,093
EUR	47	47
SGD	3,440	3,440
USD	4,847	4,847
	<u>37,427</u>	<u>37,427</u>
30.11.2023		
USD	93	93
	<u>93</u>	<u>93</u>

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

(a) Market risk (continued)

(iii) Interest rate risk

In general, when interest rates rise, unquoted fixed income securities prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund holds unquoted fixed income securities till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

Investors should note that the movement in prices of unquoted fixed income securities and money market instruments are benchmarked against interest rates. As such, the investments are exposed to the movement of the interest rates.

This risk is crucial since unquoted fixed income securities portfolio management depends on forecasting interest rate movements. Prices of unquoted fixed income securities move inversely to interest rate movements, therefore as interest rates rise, the prices of unquoted fixed income securities decrease and vice versa. Furthermore, unquoted fixed income securities with longer maturity and lower yield coupon rates are more susceptible to interest rate movements.

Such investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuer to meet the obligation under the instrument, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.

The table below summarises the sensitivity of the Fund's profit or loss and NAV to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changed by 1% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the interest rate, having regard to the historical volatility of the interest rate.

% Change in interest rate	Impact on profit or loss/NAV	
	30.11.2024 RM	30.11.2023 RM
+1%	(944,556)	(14,071)
-1%	<u>(886,076)</u>	<u>14,114</u>

The Fund's exposure to interest rates associated with deposits with licensed financial institutions is not material as the deposits are held on short-term basis.

The weighted average effective interest rate per annum is as follows:

	30.11.2024 %	30.11.2023 %
Deposits with licensed financial institutions	<u>3.30</u>	<u>3.18</u>

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

(b) Credit risk

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

Investment in unquoted fixed income securities may involve a certain degree of credit/default risk with regards to the issuers. Generally, credit risk or default risk is the risk of loss due to the issuer's non-payment or untimely payment of the investment amount as well as the returns on investment. This will cause a decline in value of the defaulted unquoted fixed income securities and subsequently depress the NAV of the Fund. Usually, credit risk is more apparent for an investment with a longer tenure, i.e. the longer the duration, the higher the credit risk.

Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer. In addition, the Manager imposes a minimum rating requirement as rated by either local and/or foreign rating agencies and manages the duration of the investment in accordance with the objective of the Fund. For this Fund, the unquoted fixed income securities must satisfy a minimum rating requirement of at least "A3" by RAM or its equivalent rating by MARC.

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

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

	Cash and cash equivalents RM	Financial assets at fair value through profit or loss RM	Total RM
30.11.2024			
AAA	582,159	3,234,163	3,816,322
AA3	-	1,170,977	1,170,977
AA2	-	3,386,853	3,386,853
AA1	-	3,351,648	3,351,648
AA+	-	509,930	509,930
AA-	-	1,963,843	1,963,843
AA	-	1,218,183	1,218,183
A1	-	583,914	583,914
A-	-	593,659	593,659
	582,159	16,013,170	16,803,248
30.11.2023			
AAA	20,460	3,925,838	3,946,298
AA+	-	1,585,456	1,585,456
AA	-	502,785	502,785
AA-	-	1,226,957	1,226,957
A-	3,857,338	-	3,857,338
Not rated	-	320,459	320,459
	3,877,798	7,561,495	11,439,293

All deposits with licensed financial institutions of the Fund have an average maturity of 2 days (30.11.2023: nil).

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

(c) Liquidity risk

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

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

Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

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

	1 month RM	1 month to 1 year RM	RM
30.11.2024			
Accrued management fee	6,777	-	6,777
Amount due to Trustee	407	-	407
Other payables and accruals	-	14,000	14,000
Net assets attributable to unit holders	<u>16,574,147</u>	<u>-</u>	<u>16,574,147</u>
Contractual undiscounted cashflows	<u>16,581,331</u>	<u>14,000</u>	<u>16,595,331</u>
30.11.2023			
Derivative liability at fair value through profit or loss	3	-	3
Amount due to dealer	320,459	-	320,459
Accrued management fee	3,226	-	3,226
Amount due to Trustee	193	-	193
Other payables and accruals	-	17,600	17,600
Net assets attributable to unit holders	<u>11,097,812</u>	<u>-</u>	<u>11,097,812</u>
Contractual undiscounted cashflows	<u>11,421,693</u>	<u>17,600</u>	<u>11,439,293</u>

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders of RM16,574,147 (30.11.2023: RM11,097,812). 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.

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

(e) Fair value estimation

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

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial year/period end date. The Fund utilises the last traded market price for financial assets where the last traded market 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)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
30.11.2024				
Financial assets at fair value through profit or loss:				
- Unquoted fixed income securities	-	<u>16,013,170</u>	-	<u>16,013,170</u>
30.11.2023				
Financial assets at fair value through profit or loss:				
- Unquoted fixed income securities	-	<u>7,561,495</u>	-	<u>7,561,495</u>

Financial instruments that trade in markets that are not 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. 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. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

- (ii) The carrying values of cash and cash equivalents 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 0.50% per annum, calculated daily based on the NAV of the Class.

For the financial year ended 30 November 2024 and 30 November 2023, the management fee is recognised at a rate for the respective classes is recognised at the following rates:

Class MYR	Class SGD-H	Class USD-H
0.50%	0.50%	0.50%

There was 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 fee of 0.03% per annum of the NAV of the Class. The Trustee's fee includes local custodian fees and charges but excludes foreign sub-custodian fees and charges.

For the financial year ended 30 November 2024 and 30 November 2023, the Trustee fee is recognised at a rate of 0.03% per annum for each class.

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

6. TAXATION

	01.12.2023 to 30.11.2024 RM	13.12.2021 (date of launch) to 30.11.2023 RM
Tax charged for the financial year/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:

	01.12.2023 to 30.11.2024 RM	13.12.2021 (date of launch) to 30.11.2023 RM
Profit before taxation	490,509	36,046
Taxation at Malaysian statutory rate of 24% (30.11.2023: 24%)	117,722	8,651
Tax effects of:		
Investment income not subject to tax	(140,963)	(14,325)
Expenses not deductible for tax purposes	2,434	1,666
Restriction on tax deductible expenses for Wholesale Funds	20,807	4,008
Taxation	-	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.11.2024 RM	30.11.2023 RM
At fair value through profit or loss:		
- Unquoted fixed income securities	16,013,170	7,561,495
	30.11.2024 RM	30.11.2024 RM
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	(178,070)	-
- Unrealised fair value gain	155,016	26,670
	(23,054)	26,670

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2024 UNQUOTED FIXED INCOME SECURITIES				
Aeon Co. (M) Bhd 4% 16/09/2029 (AA2)	210,000	210,945	212,193	1.28
Aeon Credit Service (M) Bhd 4.45% 01/12/2028 (AA3)	170,000	170,459	176,619	1.07

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2024				
UNQUOTED FIXED INCOME SECURITIES				
Ambank M Bhd 4.1% 19/06/2031 (AA2)	1,000,000	1,006,000	1,012,380	6.11
Ambank M Bhd 4.15% 19/06/2034 (AA2)	500,000	502,050	517,394	3.12
Bank Pembangunan Malaysia 4.02% 01/12/2028 (AAA)	150,000	150,000	153,723	0.93
Bumitama Agri Ltd 4.2% 22/07//2026 (AA2)	350,000	352,345	357,402	2.16
CIMB Islamic Bank Bhd 4.02% 30/11/2028 (AAA)	130,000	130,000	130,476	0.79
CIMB Islamic Bank Bhd 4.31% 29/11/2030 (AAA)	20,000	20,000	20,353	0.12
Gamuda Bhd 4.05% 27/03/2031 (AA3)	420,000	420,000	420,262	2.54
Gamuda Bhd 4.263% 16/11/2029 (AA3)	200,000	202,780	207,006	1.25
Gamuda Bhd 4.31% 20/06/2030 (AA3)	240,000	243,528	246,538	1.49
GENM Capital Bhd 5.07% 05/05/2028 (AA1)	700,000	708,610	706,938	4.27
GENM Capital Bhd 5.3% 11/07/2028 (AA1)	500,000	513,950	517,222	3.12
LBS Bina Group Bhd 5% 23/01/2029 (AA-)	80,000	80,000	82,291	0.50
Malayan Banking Bhd 3.1% 08/10/2032 (AA1)	200,000	193,280	196,528	1.19
Malayan Cement Bhd 5.05% 26/06/2028 (AA3)	100,000	100,090	105,491	0.64
Malayan Cement Bhd 5.07% 11/12/2029 (AA3)	180,000	180,468	191,680	1.16
MMC Corporation Bhd 5.64% 27/04/2027 (AA-)	200,000	209,080	208,859	1.26
OCK Group Bhd 5.38% 22/11/2030 (AA-)	410,000	412,374	421,593	2.54
OSK Rated Bond Sdn Bhd 3.96% 21/03/2029 (AA)	500,000	500,000	502,683	3.03
Pengurusan Air SPV Bhd 4.14% 07/02/2034 (AAA)	330,000	330,000	337,721	2.04
Point Zone Malaysia 4.69% 13/03/2030 (AA-)	100,000	103,310	104,501	0.63

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2024				
(CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
PONSB Capital Bhd 4.99% 30/06/2027 (AA2)	100,000	102,990	104,882	0.63
Public Islamic Bank Bhd 4.5% 17/12/2027 (AAA)	1,270,000	1,294,115	1,321,222	7.97
Sarawak Energy Bhd 4.19% 04/07/2030 (AAA)	340,000	340,408	350,547	2.12
Sarawak Energy Bhd 5.5% 04/07/2029 (AAA)	200,000	215,680	217,973	1.32
Sarawak Petchem Sdn Bhd 5.01% 27/07/2028 (AAA)	100,000	104,400	105,546	0.64
Sarawak Petchem Sdn Bhd 5.05% 27/07/2029 (AAA)	560,000	580,328	596,604	3.60
Sime Darby Property Bhd 4.14% 21/08/2028 (AA+)	500,000	500,025	509,930	3.08
SP Setia Bhd 4.56% 21/06/2030 (AA)	200,000	203,480	207,682	1.25
SP Setia Bhd 4.22% 21/04/2027 (AA)	500,000	499,250	507,818	3.06
Sports Toto Malaysia Sdn Bhd 4.77% 15/09/2028 (AA-)	430,000	431,548	434,482	2.62
Suncorp-Metway Ltd 4.75% 19/03/2029 (AA-)	200,000	617,420	583,914	3.52
Sunreit Bond Bhd 4.06% 22/07/2031 (AA2)	1,000,000	1,000,000	1,005,983	6.07
Telstra Group Ltd 5.25% 06/09/2031 (A-)	200,000	617,881	593,659	3.58
UEM Edgenta Bhd 4.25% 24/04/2026 (AA-)	500,000	500,725	504,719	3.05
UEM Olive Capital Bhd 4% 21/10/2031 (AA1)	180,000	180,000	180,642	1.09
UEM Olive Capital Bhd 4.3% 06/12/2028 (AA1)	50,000	50,065	51,527	0.31
UEM Sunrise Bhd 5.45% 30/01/2026 (AA-)	200,000	203,240	207,399	1.25
United Overseas Bank (M) Bhd 4.91% 27/10/2032 (AA1)	100,000	103,060	103,276	0.62

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2024				
(CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
United Overseas Bank (M) Bhd 4.01% 08/02/2034 (AA1)	1,000,000	1,000,000	1,014,922	4.84
YTL Corporation Bhd 4.6% 23/06/2034 (AA1)	550,000	547,600	580,590	3.50
TOTAL UNQUOTED FIXED INCOME SECURITIES	14,870,000	15,831,484	16,013,170	95.36
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		181,686		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		16,013,170		
30.11.2023				
UNQUOTED FIXED INCOME SECURITIES				
AEON Credit Service Malaysia Seri Bond (BR) 4.45% 01/12/2028 (NR)	170,000	170,459	170,459	1.54
Bank Pembangunan Malaysia SERI IMTN (BR) 4.02% 01/12/2028 (NR)	150,000	150,000	150,000	1.35
Cagamas Bhd SERI IMTN 5.52% 17/07/2024 (BR) (AAA)	1,000,000	1,032,220	1,032,459	9.30
CIMB Islamic Bank Bhd (BR) 4.02% 30/11/2028 (AAA)	130,000	130,014	130,014	1.17
CIMB Islamic Bank Bhd 4.31% 29/11/2030 (AAA)	20,000	20,002	20,002	0.19
Danga Capital Bhd 5.02% 21/09/2033 (AAA)	500,000	538,825	538,812	4.86

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2023				
(CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
GENM Capital Bhd 5.07% 05/05/2028 (AA1)	200,000	199,766	202,003	1.82
GENM Capital 5.58% 11/07/2033 (AA1)	300,000	309,678	309,717	2.79
INTI Universal Holdings 4.72% 02/11/2028 (AAA)	300,000	302,416	305,082	2.75
Malayan Cement Bhd 5.05% 26/06/2028 (AA-)	100,000	102,278	102,912	0.93
OCK Group Bhd 5.38% 22/11/2030 (AA-)	410,000	412,786	413,260	3.72
Public Islamic Bank Bhd 4.5% 17/12/2027 (AAA)	920,000	954,806	956,094	8.62
Sarawak Energy Bhd 4.19% 04/07/2030 (AAA)	340,000	346,263	346,913	3.13
Sarawak Petchem Sdn Bhd 5.05% 27/07/2029 (AAA)	560,000	589,865	596,462	5.37
Sime Darby Property Bhd 4.14% 21/08/2028 (AA+)	500,000	505,810	508,445	4.58
SP Setia Bhd 4.22% 21/04/2027(AA)	500,000	501,507	502,785	4.53
UEM Edgenta Bhd 4.25% 24/04/2026 (AA-)	500,000	502,804	503,276	4.53
UEM Sunrise Bhd 5.45% 30/01/2026 (AA-)	200,000	206,769	207,509	1.87
YTL Corporation Bhd 4.6% 23/06/2034 (AA+)	550,000	558,558	565,291	5.09
TOTAL UNQUOTED FIXED INCOME SECURITIES	7,350,000	7,534,825	7,561,495	68.14
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		26,670		

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2023 (CONTINUED) UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>7,561,495</u>		

8. DERIVATIVE ASSET/(LIABILITY) AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.11.2024 RM	30.11.2023 RM
Forward foreign currency contracts	<u>2</u>	<u>(3)</u>

As at 30 November 2024, there were 2 (30.11.2023: 2) outstanding MYR/Singapore Dollar ("SGD") and MYR/US Dollar ("USD") forward foreign currency contracts respectively. The notional principal amount of the outstanding forward foreign currency contracts amounted MYR8,199 (30.11.2023: MYR8,180).

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

9. CASH AND CASH EQUIVALENTS

	30.11.2024 RM	30.11.2023 RM
Deposits with licensed financial institutions	529,096	3,857,338
Bank balances	<u>53,063</u>	<u>20,460</u>
	<u>582,159</u>	<u>3,877,798</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	30.11.2024 No. of units	30.11.2023 No. of units
Class MYR (i)	15,991,928	11,075,229
Class SGD-H (ii)	1,000	1,000
Class USD-H (iii)	<u>1,000</u>	<u>1,000</u>
	<u>15,993,928</u>	<u>11,077,229</u>

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

	<u>30.11.2024</u>	<u>30.11.2023</u>
	No. of units	No. of units
(i) Class MYR		
At the beginning of the financial year/period	11,075,229	-
Add : Creation of units from applications	5,016,117	11,075,229
Less : Cancellation of units	(99,418)	-
At the end of the financial year/period	<u>15,991,928</u>	<u>11,075,229</u>
(ii) Class SDG-H		
At the beginning of the financial year/period	1,000	-
Add : Creation of units from applications	-	1,000
At the end of the financial year/period	<u>1,000</u>	<u>1,000</u>
(iii) Class USD-H		
At the beginning of the financial year/period	1,000	-
Add : Creation of units from applications	-	1,000
At the end of the financial year/period	<u>1,000</u>	<u>1,000</u>

11. TOTAL EXPENSE RATIO (“TER”)

	<u>30.11.2024</u>	<u>30.11.2023</u>
	%	%
TER	<u>0.66</u>	<u>3.46</u>

TER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial year/period calculated on a daily basis is RM15,113,912 (30.11.2023: RM683,600).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>30.11.2024</u>	<u>30.11.2023</u>
PTR (times)	<u>0.62</u>	<u>5.51</u>

PTR is derived based on the following calculation:

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

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

where:

total acquisition for the financial year/period = RM13,514,807 (30.11.2023: RM7,528,162)
 total disposal for the financial year/period = RM5,096,758 (30.11.2023: Nil)

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
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

	30.11.2024		30.11.2023	
	No. of units	No. of units	RM	RM
Manager				
Principal Asset Management Berhad				
- Class MYR	1,000	1,000	1,000	1,000
- Class SGD-H	1,000	1,000	999	999
- Class USD-H	1,000	1,000	1,000	1,000

* Value less than 1.

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.

Other than those disclosed elsewhere in the financial statements, there were no significant related party transactions and balances during the financial year.

14. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for the financial year ended 30 November 2024 were as follows:

Broker	Value of trades MYR	Percentage of total trades %
RHB Investment Bank Bhd	4,503,302	24.20
HLG Securities Sdn Bhd	4,477,860	24.06
CIMB Bank Bhd	3,606,166	19.38
RHB Bank Bhd	1,888,173	10.15
Euroclear Bank S.A. / N.V.	1,235,301	6.64
AmBank (M) Bhd	1,180,000	6.34
Malayan Banking Bhd	1,040,945	5.59
AmInvestment Bank Bhd	505,745	2.72
Hong Leong Bank Bhd	174,074	0.92
	<u>18,611,566</u>	<u>100.00</u>

Details of transactions with the top 10 brokers for the financial period from 13 December 2021 (date of launch) to 30 November 2023 were as follows:

Broker	Value of trades MYR	Percentage of total trades %
HLG Securities Sdn Bhd	2,203,069	29.26
RHB Bank Bhd	2,121,502	28.18
RHB Investment Bank Bhd	2,019,438	26.83
United Overseas Bank (Malaysia) Bhd	412,374	5.48
CIMB Bank Bhd	320,459	4.26
OCBC Bank (Malaysia) Bhd	301,320	4.00
Ambank (Malaysia) Bhd	150,000	1.99
	<u>7,528,162</u>	<u>100.00</u>

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 16 January 2025.

Head Office of the Manager

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