

Principal Vietnam Equity Fund

Unaudited Semi-Annual Report

For The Financial Period from 6 May 2024 (Date of Launch) to
30 September 2024

PRINCIPAL VIETNAM EQUITY FUND

UNAUDITED SEMI-ANNUAL REPORT

FOR THE FINANCIAL PERIOD FROM 6 MAY 2024 (DATE OF LAUNCH) TO 30 SEPTEMBER 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 Semi-Annual Fund Report of the Principal Vietnam Equity Fund for the financial period from 6 May 2024 (date of launch) to 30 September 2024. You may also download this report from our website at www.principal.com.my.

We are proud to announce that Principal Malaysia has received numerous accolades in 2024. At the Asia Asset Management 2024 Best of the Best Awards, we won the Best of the Best Performance Award: China A-Share Equity (3 years) and 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 we were recognized as Asset Management Company of the Year Malaysia. We also 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). At the Triple A Sustainable Investing Awards 2024, we secured the Asset Management Company of the Year (Malaysia) award. The World Business Outlook magazine awarded us 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 (www.principal.com.my), like our Facebook page (@PrincipalAssetMY), follow us on our Instagram account (@principalassetmanagement_my), and LinkedIn page (Principal Asset Management Berhad) for the latest updates, market insights and investment articles.

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

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

Munirah Khairuddin
Chief Executive Officer,
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 long-term capital appreciation through investments in one collective investment scheme ("CIS").

Has the Fund achieved its objective?

The fund is in-line to achieve its long-term objective of providing capital appreciation as stated under the fund objective section.

What are the Fund investment policy and principal investment strategy?

The Fund is a feeder fund that invests into a single CIS, i.e. Principal Vietnam Equity Fund ("Target Fund"). The Fund may also invest in 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 16 October 2017 under Principal Asset Management Company Limited. The Fund may also invest up to 15% of its NAV in liquid assets for liquidity purposes and derivatives for the sole purpose of hedging arrangement.

Base Currency

United States Dollar ("USD")

Fund category/type

Feeder fund/Growth

When was the Fund launched?

Name of Class	Launch Date
Class MYR-Hedged ("MYR-H")	6 May 2024
Class USD	6 May 2024
Class D	26 August 2024

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

USD1.81 million (6.90 million units)

What is the Fund's benchmark?

The Fund adheres to the benchmark of the Target Fund for performance comparison only. The performance comparator of the Target Fund is FTSE Vietnam Index TR USD.

** Any changes to the Target Fund's benchmark will be updated in our website and/or the Fund's Product Highlights Sheet.*

What is the Fund distribution policy?

Incidental. Distributions (if any) will be at the discretion of the Manager and will vary from period to period depending on markets conditions and performance of the Fund.

Note: The Fund may distribute income from realized income, realized capital gains, unrealised income, unrealised capital gain, capital and/or a combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.

What was the net income distribution for the financial period from 6 May 2024 (date of launch) to 30 September 2024?

There was no distribution made for the financial period from 6 May 2024 (date of launch) to 30 September 2024.

PERFORMANCE DATA

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

	30.09.2024
	%
Collective Investment Schemes	95.34
Cash and other assets	6.00
Liabilities	(1.34)
	<u>100.00</u>

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

	30.09.2024
NAV (USD Million)	
- Class D	0.00*
- Class MYR-H	1.77
- Class USD	0.04
Units in circulation (Million)	
- Class D	0.00*
- Class MYR-H	6.86
- Class USD	0.04
NAV per unit (USD)	
- Class D	0.2357
- Class MYR-H	0.2579
- Class USD	1.0765

Note 0.00* denotes allocation less than 0.01.

	06.05.2024 (date of launch) to 30.09.2024
Highest NAV per unit (USD)	
- Class D	0.2357
- Class MYR-H	0.2579
- Class USD	1.0765
Lowest NAV per unit (USD)	
- Class D	0.2269
- Class MYR-H	0.2095
- Class USD	0.9743
Total return (%)	
- Class D	(2.80)
- Class MYR-H	6.36
- Class USD	8.67
Capital growth (%)	
- Class D	(2.80)
- Class MYR-H	6.36
- Class USD	8.67
Income distribution (%)	
- Class D	-
- Class MYR-H	-
- Class USD	-

PERFORMANCE DATA (CONTINUED)

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

	06.05.2024 (date of launch) to 30.09.2024
Total Expense Ratio ("TER") (%)	0.71
Portfolio Turnover Ratio ("PTR") (times)	0.96

	Since inception to 30.09.2024 %
Annual total return	
- Class MYR-H	6.36
- Class USD	8.67

(Launch date: 6 May 2024)

	Since inception to 30.09.2024 %
Annual total return	
- Class D	(2.80)

(Launch date: 26 August 2024)

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 (6 MAY 2024 (DATE OF LAUNCH) TO 30 SEPTEMBER 2024)

Vietnam's economy exhibited a mixed yet resilient performance amidst global economic uncertainties during the period. The nation's Gross Domestic Product ("GDP") growth was moderate, supported by its robust export-oriented manufacturing sector. Key industries such as electronics, textile, and agriculture continued to be major contributors to national output, though global demand showed signs of softening. The tourism sector experienced a noticeable rebound, benefiting from increased international arrivals. Inflation remained a challenge but was managed through stable monetary policies implemented by the State Bank of Vietnam, which maintained interest rates to support both investment and consumer spending.

Trade and investment activities highlighted Vietnam's continued attractiveness as a manufacturing hub, despite some disruption in global supply chain. The geopolitical tensions posed significant threats to the country's export reliant economy. Labor shortage in certain sectors and the need for workforce upskilling remained critical areas to address. Nonetheless, the government's proactive measures aimed at fostering economic stability and bolstering investor confidence were pivotal in maintaining momentum.

FUND PERFORMANCE

	Since inception to 30.09.2024 %
Income Distribution	
- Class D	-
- Class MYR-H	-
- Class USD	-

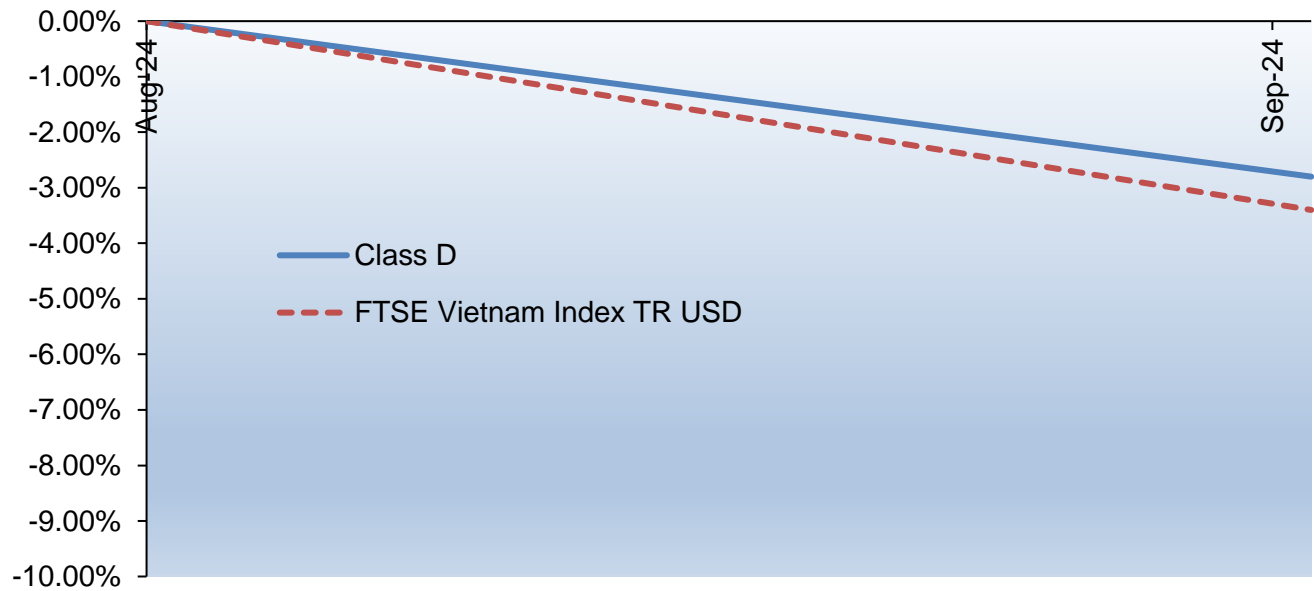
FUND PERFORMANCE (CONTINUED)

	Since inception to 30.09.2024 %
Capital Growth	
- Class D	(2.80)
- Class MYR-H	6.36
- Class USD	8.67
Total Return	
- Class D	(2.80)
- Class MYR-H	6.36
- Class USD	8.67
Benchmark	
- Class D	(2.84)
- Class MYR-H	2.68
- Class USD	2.68
Average Total Return	
- Class D	(2.80)
- Class MYR-H	6.36
- Class USD	8.67

During the financial period under review, the fund recorded mixed result among different classes, Class D decreased by 2.80% while Class MYR-H and Class USD increased by 6.36% and 8.67% respectively.

Class D

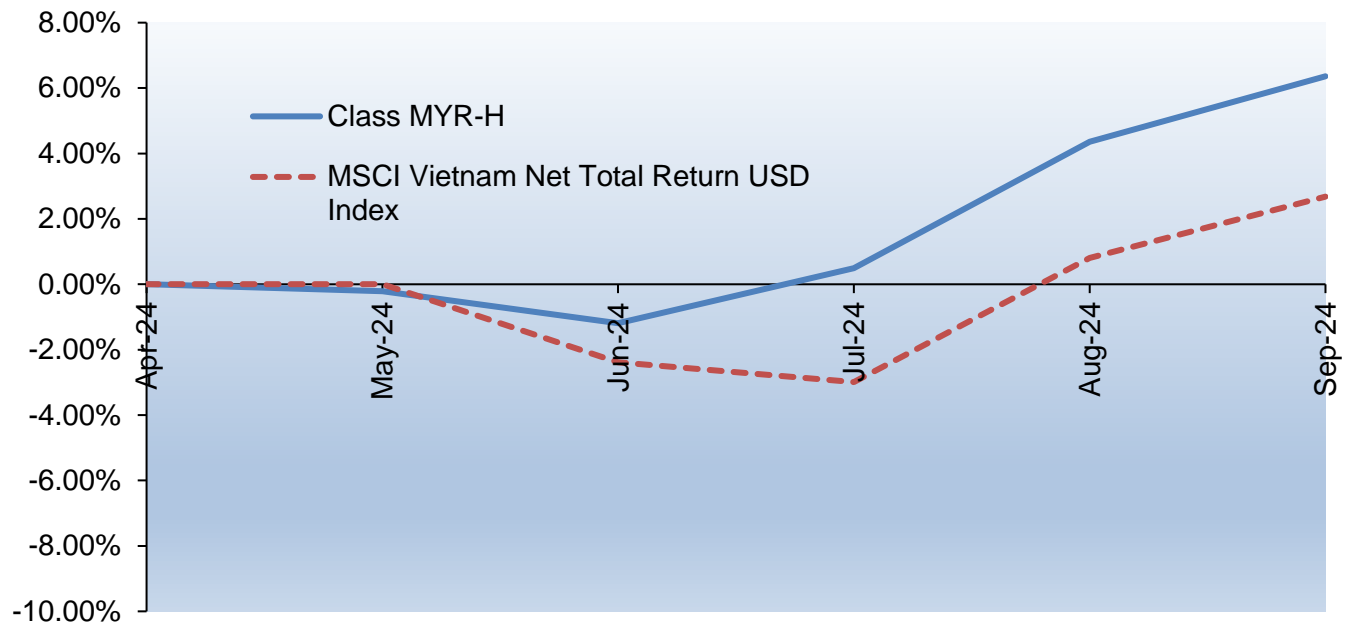
Since Inception



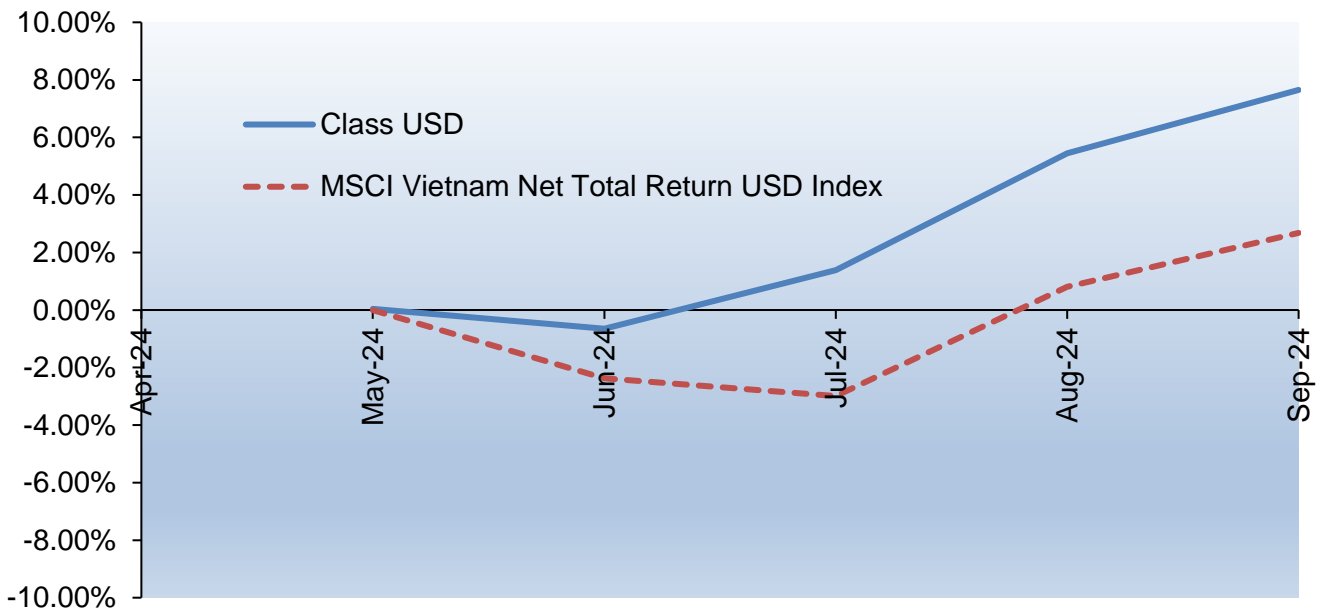
FUND PERFORMANCE (CONTINUED)

Class MYR-H

Since Inception



Class USD



Changes in NAV

30.09.2024

CLASS MYR-H

NAV (USD Million)

NAV/Unit (USD)

CLASS USD

NAV (USD Million)

NAV/Unit (USD)

-
0.2357

1.77
0.2579

FUND PERFORMANCE (CONTINUED)

Changes in NAV (continued)

30.09.2024

CLASS D

NAV (USD Million)

0.04

NAV/Unit (USD)

1.0765

Note 0.00* denotes allocation less than USD0.01 million.

During the financial period under review, the NAV for Class MYR-H and Class USD stood at USD 1.77 million and USD 0.04 million respectively.

In addition, the Fund's NAV per unit for Class MYR-H, Class USD and Class D stood at 0.2357, 0.2579 and 1.0765 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)	30.09.2024
Collective investment schemes	95.34
Cash and other assets	6.00
Liabilities	(1.34)
Total	100.00

The fund was fully invested during the financial period under review, a minimal level of cash was kept for redemption purposes.

MARKET OUTLOOK*

Vietnam's economic outlook remains cautiously optimistic as the country continues to leverage its strategic advantages in manufacturing and infrastructure development. Despite global headwinds, the government's focus on digital transformation, supply chain diversification, and regulatory reforms is expected to sustain investment flows. The tourism sector, which is steadily recovering, should provide and additional boost to economic growth, while inflationary pressures will need to be closely monitored to ensure stability in consumer markets.

* 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") are 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 be fully invested into the target fund while maintaining a minimal level of liquidity for redemption purposes.

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 Fund. 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 commissions 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 commissions.

During the financial period 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 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

Effective 1 July 2024, The Target Fund benchmark has been changed from MSCI Vietnam Net Total Return USD Index to FTSE Vietnam Index TR USD.

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.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL VIETNAM 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 unaudited financial statements set out on pages 3 to 21 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 September 2024 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period from 6 May 2024 (date of launch) to 30 September 2024 in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting.

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN

Chief Executive Officer,
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
15 November 2024

TRUSTEE'S REPORT

**TO THE UNIT HOLDERS OF
PRINCIPAL VIETNAM EQUITY FUND ("Fund")**

We have acted as Trustee of the Fund for the financial period from 6 May 2024 (date of launch) to 30 September 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 Deed, securities laws and the Guidelines on Unit Trust Funds;
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

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
15 November 2024

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 6 MAY 2024 (DATE OF LAUNCH) TO 30 SEPTEMBER 2024**

	Note	06.05.2024 (date of launch) to 30.09.2024 USD
INCOME		
Net gain on financial assets at fair value through profit or loss	7	123,489
Net gain on derivatives at fair value through profit or loss	8	200,794
Net gain on foreign exchange		12
		<u>324,295</u>
EXPENSES		
Management fee	4	7,997
Audit Fee		133
Trustee and custodian fees	5	580
Tax agent fee		407
Other expenses		105
		<u>9,222</u>
PROFIT BEFORE TAXATION		315,073
Taxation	6	-
PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>315,073</u>
Profit after taxation is made up as follows:		
Realised amount		180,340
Unrealised amount		134,733
		<u>315,073</u>

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024**

	Note	30.09.2024 USD
ASSETS		
Cash and cash equivalents	9	52,791
Financial assets at fair value through profit or loss	7	1,725,089
Derivative assets at fair value through profit or loss	8	23,515
Amount due from dealers		16,241
Amount due from the Manager		14,647
Amount due from Manager of collective investment scheme		
- Management fee rebate		1,408
TOTAL ASSETS		<u>1,833,691</u>
LIABILITIES		
Amount due to dealers		16,249
Amount due to Manager		4,341
Accrued management fee		2,570
Amount due to Trustee		450
Other payables and accruals		580
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>24,190</u>
NET ASSET VALUE OF THE FUND		<u>1,809,501</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>1,809,501</u>
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS		
- Class D		235
- Class MYR-H		1,769,598
- Class USD		39,668
		<u>1,809,501</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)		
- Class D		1,000
- Class MYR-H		6,860,696
- Class USD		36,850
	10	<u>6,898,546</u>
NET ASSET VALUE PER UNIT (USD)		
- Class D		0.2357
- Class MYR-H		0.2579
- Class USD		1.0765

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024**

	Note	30.09.2024 USD
REPRESENTED BY:		
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- Class D		0.9720
- Class MYR-H		1.0637
- Class USD		<u>1.0765</u>

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

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE FINANCIAL PERIOD FROM 6 MAY 2024 (DATE OF LAUNCH) TO 30 SEPTEMBER 2024**

	06.05.2024 (date of launch) to 30.09.2024 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 D	230
- Class MYR-H	1,806,148
- Class USD	40,101
	<u>1,846,479</u>
Cancellation of units	
- Class MYR-H	(349,280)
- Class USD	(2,771)
	<u>(352,051)</u>
Total comprehensive income for the financial period	<u>315,073</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	<u>1,809,501</u>

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

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 6 MAY 2024 (DATE OF LAUNCH) TO 30 SEPTEMBER 2024**

	Note	06.05.2024 (date of launch) to 30.09.2024 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of quoted securities		255,000
Purchase of quoted securities		(1,858,000)
Management fee paid		(5,427)
Management fee rebate received		(8)
Trustee and custodian fees paid		317
Payments for other fees and expenses		(512)
Net realised gain on forward foreign currency contracts		177,287
Payment of other foreign exchange loss		(1,097)
Net cash used in operating activities		<u>(1,432,440)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from units created		1,831,833
Payments for cancellation of units		(347,710)
Net cash generated from financing activities		<u>1,484,123</u>
Net increase in cash and cash equivalents		
Effects of foreign exchange differences		51,683
Cash at beginning of the financial period		1,108
Cash and cash equivalents at the end of the financial period	9	<u>52,791</u>
<u>Cash and cash equivalents comprised of:</u>		
Bank balances		52,791
Cash and cash equivalents at the end of financial period	9	<u>52,791</u>

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

NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL PERIOD FROM 6 MAY 2024 (DATE OF LAUNCH) TO 30 SEPTEMBER 2024****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

Principal Vietnam Equity Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 2 February 2024 (referred to as the “Deed”) between Principal Asset Management Berhad and HSBC (Malaysia) Trustees Berhad (the “Trustee”).

The Fund is a feeder fund that invests into a single CIS, i.e. Principal Vietnam Equity Fund (“Target Fund”). The Fund may also invest in 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 16 October 2017 under Principal Asset Management Company Limited. The Fund may also invest up to 15% of its NAV in liquid assets for liquidity purposes and derivatives for the sole purpose of hedging arrangement.

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

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

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 International Financial Reporting Standards (“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.

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 October 2024 are applicable to the Fund.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(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").

Derivatives are financial assets/liabilities at fair value through profit or loss unless they are designated hedges (Note 2(k)).

The Fund classifies cash and cash equivalents, amount due from dealers, amount due from Manager, amount due from Manager of 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. Transaction costs are expensed in the statement of comprehensive income.

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

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

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

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

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income when the Fund's right to receive payments is established.

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

Foreign collective investment scheme is valued based on the most recent published NAV per unit or share of such 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 interest method.

Impairment for assets carried at amortised costs

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

(c) Income recognition

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(d) Cash and cash equivalents**

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

(e) 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 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.

(f) Transaction costs

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

(g) Taxation

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(h) Realised and unrealised portions of profit or loss after taxation**

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

(i) 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 four classes of units, known respectively as the Class D, 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 reinvested 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 unit holder exercises the right to reinvest 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 unit holders of respective classes with the total number of outstanding units of respective classes.

(j) Amount due from/to dealers

Amounts due from and amount due to dealers represent 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 statement of financial position date respectively.

(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 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(k) Derivative financial instruments (continued)**

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.

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

The Fund aims to achieve long-term capital appreciation through investments in one collective investment scheme ("CIS").

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

Price risk is the risk that the fair value of investment in collective investment schemes will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk). The value of collective investment schemes 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)**

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

(ii) Currency risk

Currency risk of the Fund 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.

(b) Credit risk

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

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

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.

(c) Liquidity risk

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

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances and other instruments, which are capable of being converted into cash within 7 business days. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders. The amount of capital can change significantly on a daily basis as the Fund is subjected 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 holder 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 period end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

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

(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)

	USD	USD	USD	USD
30.09.2024				
Financial assets at fair value through profit or loss:				
- Collective investment schemes	<u>1,725,089</u>	<u>-</u>	<u>-</u>	<u>1,725,089</u>
- Derivative assets at fair value through profit or loss:				
- Forward foreign currency contracts	<u>-</u>	<u>23,515</u>	<u>-</u>	<u>23,515</u>

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

(ii) The carrying values of cash and cash equivalents, amount due from dealers, amount due from Manager, amount due from Manager of collective investment scheme - Management fee 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 fee of up to 3.00% per annum, calculated and accrued daily based on the NAV of the Fund.

For the financial period from 6 May 2024 (date of launch) to 30 September 2024, the management fee for the respective classes was recognised at the following rates:

Class D	Class MYR-H	Class USD
1.80%	1.80%	1.80%

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

5. TRUSTEE AND CUSTODIAN FEES

In accordance with the Deed, the Trustee is entitled to a maximum fee up to 0.03% per annum, calculated and accrued daily based on the NAV of the Fund and paid monthly. The Trustee fee includes local custodian fee and charges but excludes foreign sub-custodian fees and charges.

For the financial period from 6 May 2024 (date of launch) to 30 September 2024, the Trustee fee was recognised at a rate of 0.03% per annum for each unit class.

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

6. TAXATION

06.05.2024
(date of launch)
to 30.09.2024
USD

Tax charged for the financial period:
- Tax on foreign source income

-

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

06.05.2024
(date of launch)
to 30.09.2024
USD

Profit before taxation

315,073

Taxation at Malaysian statutory rate of 24%

75,618

Tax effects of:

- Investment income not subject for tax purposes

(77,830)

- Expenses not deductible for tax purposes

155

- Restriction on tax deductible expenses for
Unit Trust Funds

2,057

Taxation

-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

30.09.2024
USD

At fair value through profit or loss:

- Collective investment schemes

1,725,089

06.05.2024
(date of launch)
to 30.09.2024
USD

Net gain on financial assets at fair value through
profit or loss:

- Realised gain on disposals

11,981

- Unrealised fair value gain

110,109

- Management fee rebate #

1,399

123,489

Management fee rebate is derived from the Fund's investment in 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 collective investment scheme held.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
30.09.2024				
COLLECTIVE				
INVESTMENT SCHEMES				
Principal Vietnam Equity Fund	4,221,952	1,614,980	1,725,089	95.34
TOTAL COLLECTIVE INVESTMENT SCHEMES	<u>4,221,952</u>	<u>1,614,980</u>	<u>1,725,089</u>	<u>95.34</u>
ACCUMULATED				
UNREALISED GAIN ON				
FINANCIAL ASSETS AT				
FAIR VALUE THROUGH				
PROFIT OR LOSS		<u>110,109</u>		
TOTAL FINANCIAL				
ASSETS AT FAIR				
VALUE THROUGH				
PROFIT OR LOSS		<u>1,725,089</u>		

8. DERIVATIVE ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.09.2024
	USD
Derivative assets	<u>23,515</u>
	06.05.2024
	(date of launch)
	to 30.09.2024
	USD
Net gain on derivatives at fair value through profit or loss:	
- Realised gain on forward foreign currency contracts	177,279
- Unrealised fair value gain on forward foreign currency contracts	<u>23,515</u>
	<u>200,794</u>

As at 30 September 2024, there were total of 2 outstanding forward foreign currency contracts. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD1,807,201.

The 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 currencies 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

30.09.2024
USD

Bank balances 52,791

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

06.05.2024
(date of launch)
to 30.09.2024

No. of units

Class D (i)	1,000
Class MYR-H (ii)	6,860,696
Class USD (iii)	<u>36,850</u>
	<u>6,898,546</u>

(i) Class D	
Add : Creation of units from applications	1,000
At the end of the financial period	<u>1,000</u>

(ii) Class MYR-H	
Add : Creation of units from applications	8,331,815
Less : Cancellation of units	<u>(1,471,119)</u>
At the end of the financial period	<u>6,860,696</u>

(iii) Class USD	
Add : Creation of units from applications	39,459
Add : Creation of units from applications	<u>(2,609)</u>
At the end of the financial period	<u>36,850</u>

11. TOTAL EXPENSE RATIO (“TER”)

06.05.2024
(date of launch)
to 30.09.2024

%

TER 0.71

TER is derived based on the following calculation:

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

- A = Management fee (exclude management fee rebate)
- B = Trustee and custodian fees
- C = Audit fee
- D = Tax agent’s fee
- E = Other expenses excluding withholding tax
- 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 USD1,103,387.

12. PORTFOLIO TURNOVER RATIO (“PTR”)

06.05.2024
(date of launch)
to 30.09.2024

PTR (times) 0.96

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 = USD1,858,000

total disposal for the financial period = USD255,000

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

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

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

Units held by the Manager and parties related to the Manager

	<u>30.09.2024</u>
	<u>No. of units</u>
	<u>USD</u>
Manager	
Principal Asset Management Berhad	
- Class MYR-H	48
- Class USD	1,000
	<u>51</u>
	<u>1,076</u>

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

In the opinion of the Manager, the above units were transacted at the prevailing market price which is at arm's length basis.

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 are no significant related party transactions and balances for the financial period ended 30 September 2024.

14. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for the financial period from 6 May 2024 (date of launch) to 30 September 2024 were as follows:

Broker	Value of trades USD	Percentage of total trades %	Brokerage Fees USD	Percentage of total brokerage fees %
Principal Asset Management Co Ltd #	2,113,000	100.00	-	-

Included in the transactions are trades conducted with Principal Asset Management Co Ltd fellow related party to the Manager amounting to RM2,113,000. 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.

DIRECTORY

Head Office of the Manager

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Trustee for the Principal Vietnam Equity Fund

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