

Principal ASEAN Dynamic Fund

Annual Report

For The Financial Year Ended 30 November 2023

PRINCIPAL ASEAN DYNAMIC FUND

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

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INVESTORS' LETTER

Dear Valued Investor,

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

Firstly, allow us to wish you a fantastic New Year 2024! As we kick off another year, it's time to set new investment goals and embrace fresh opportunities. Despite the challenges of 2023, here's to a brighter and promising year ahead!

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

We are happy to share that Principal Malaysia won two awards at the International Finance's 2023 Financial Awards and Leadership Awards. The awards were for Best Asset Management Company (Malaysia) and Best Asset Management CEO (Malaysia) – Ms. Munirah Khairuddin. We also won the Best Impact – Climate Action, Gold award for Principal Asia Pacific Renewables Fund at The Edge ESG Awards 2023.

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

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

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

Munirah Khairuddin
Country Head and Chief Executive Officer, Malaysia
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 over the medium to long term by investing in the Association of Southeast Asian Nations ("ASEAN") region.

Has the Fund achieved its objective?

For the financial year under review, the fund performed in line with its objective to achieve capital appreciation over the medium to long term.

What are the Fund investment policy and principal investment strategy?

The Fund will be managed with the aim of achieving a stable and positive investment returns over the medium to long term through investments in ASEAN region regardless of market conditions. The companies invested in must be domiciled in, listed in, and/or have significant operations in the ASEAN region. For listed securities, the investment must be traded in an exchange that is a member of World Federation of Exchanges ("WFE"). 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant operations in Thailand but listed on the New York Stock Exchange ("NYSE"). The threshold for 'significant operations' would be at least 25% of total group revenue derived from countries in the ASEAN region. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). With effect from 14 April 2023, the Fund may invest up to 25% of its NAV in companies that are listed in any Eligible Market globally with some operations or businesses in ASEAN region to capture growth opportunities.

Investment universe of the Fund will be in countries where the regulatory authority is an ordinary or associate member of the International Organisation of Securities Commissions ("IOSCO") which include but not limited to Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam. If the investment is a listed security, the investment must be traded in an exchange that is a member of WFE. In the event the Manager is unable to obtain the necessary licenses or permits, or the licenses or permits are revoked or not renewed (as the case may be), the Manager will seek to invest in other accessible markets.

The Fund has the flexibility to adjust its investment exposure to equities and/or debt securities and money market instruments depending on market conditions. Under general market conditions, the Fund will invest in equities of companies which the Manager believe will exhibit good growth potential[^] when compared to its industry or the overall market[#]. The Fund may also invest up to 20% of the Fund's Net Asset Value ("NAV") in debt securities to be in line with the Fund's objective. The minimum credit rating for these debt securities must be at least "BBB" by an international rating agency as prescribed under the Standards of Qualifying Collective Investment Schemes (CIS) or its equivalent by other international rating agencies. The Fund may also opt to access into the equities and/or debt securities market via investment in units of other CIS that is in line with the Fund's objective, subject to the requirements of the Securities Commission Malaysia ("SC") Guidelines and the Standards of Qualifying CIS.

The asset allocation strategy for this Fund is as follows:

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

[^] *good growth potential* - Refers to companies that have a better growth than the Gross Domestic Product ("GDP") of the respective country and reasonably priced based on the Manager's estimate. Reasonably priced means when the intrinsic value is higher than the current market price.

[#] *compared to its industry or the overall market* - The comparison will be conducted at the point of purchase.

Base Currency

United States Dollar ("USD")

Fund category/type

Equity/Growth

FUND OBJECTIVE AND POLICY (CONTINUED)

When was the Fund launched?

Name of Class	Launch Date
Class MYR	3 March 2015
Class SGD*	9 September 2015
Class USD	3 March 2015

*only offered in Singapore

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

USD27.43 million (127.53 million units)

What is the Fund's benchmark?

The performance of this Fund cannot be compared directly with any specific publicly available benchmark. However, the Fund has a target return of nine percent (9%) per annum. This is not a guaranteed return and is only a measurement of the Fund's performance. The Fund may not achieve the target return in any particular financial year but targets to achieve this growth over the medium to long term.

What is the Fund distribution policy?

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

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

The Fund distributed a total net income of USD0.28 million to unit holders for the financial year ended 30 November 2023.

The Fund's NAV per unit before and after distribution are as follows:

Date	NAV per unit (before distribution)		NAV per unit (after distribution)	
	USD		USD	
Distribution on 22 November 2023				
Class MYR		0.1839		0.1820
Class SGD		1.1910		1.1789
Class USD		0.6958		0.6887
		2023		2022
		USD		USD
		%		%
Source of distribution				
Distribution out of current year's income	284,357	100.00	104,115	38.86
Distribution out of prior year's income/capital	-	-	163,777	61.14
Total	<u>284,357</u>	<u>100.00</u>	<u>267,892</u>	<u>100.00</u>

PERFORMANCE DATA

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

	30.11.2023	30.11.2022	30.11.2021
	%	%	%
Quoted securities			
- Communication Services	9.56	6.17	15.06
- Consumer Discretionary	7.23	6.52	8.59
- Consumer Staples	1.02	2.69	1.22
- Energy	2.25	4.8	0.62
- Financials	31.38	38.39	38.96
- Health Care	3.65	5.02	3.37
- Industrials	15.15	11.27	8.90
- Information Technology	6.77	5.82	7.42
- Materials	2.45	3.78	2.61
- Real Estate	8.79	4.57	4.58
- Utilities	1.82	-	-
Cash and other assets	20.67	18.19	10.14
Liabilities	(10.74)	(7.22)	(1.47)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	30.11.2023	30.11.2022	30.11.2021
NAV (USD Million)			
- Class MYR	22.12	19.10	11.48
- Class SGD	4.73	2.08	0.55
- Class USD	0.58	0.38	0.33
Units in circulation (Million)			
- Class MYR	122.62	98.16	58.04
- Class SGD	4.06	1.65	0.43
- Class USD	0.85	0.51	0.45
NAV per unit (USD)			
- Class MYR	0.1803	0.1946	0.1978
- Class SGD	1.1678	1.2562	1.2548
- Class USD	0.6822	0.7359	0.7374
Highest NAV per unit (USD)			
- Class MYR	0.2063	0.2093	0.2096
- Class SGD	1.3321	1.3282	1.3289
- Class USD	0.7801	0.7800	0.7811
Lowest NAV per unit (USD)			
- Class MYR	0.1752	0.1769	0.1843
- Class SGD	1.1338	1.1249	1.1653
- Class USD	0.6624	0.6593	0.6867
Total return (%)			
- Class MYR	(1.47)	5.59	11.57
- Class SGD	(8.01)	0.32	10.78
- Class USD	(6.04)	(0.11)	8.14
Capital growth (%)			
- Class MYR	(2.49)	4.03	11.57
- Class SGD	(8.95)	0.32	10.78
- Class USD	(7.00)	(0.11)	8.14
Income distribution (%)			
- Class MYR	1.04	1.49	-
- Class SGD	1.03	-	-
- Class USD	1.03	-	-

PERFORMANCE DATA (CONTINUED)

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

	30.11.2023	30.11.2022	30.11.2021
Total Expense Ratio ("TER") (%) ^	2.06	2.25	2.19
Portfolio Turnover Ratio ("PTR") (times) #	3.17	2.31	1.78

^ The Fund's TER decreased from 2.25% to 2.06% due to increased in average NAV during the financial year under review.

The Fund's PTR was at 3.17 times, higher than that of the previous financial year as the Fund was actively realising profit and re-investing into the market.

	30.11.2023	30.11.2022	30.11.2021
Gross/Net distribution per unit (cent)			
Distribution on 22 November 2023			
- Class MYR	0.19	-	-
- Class SGD	1.22	-	-
- Class USD	0.71	-	-
Distribution on 17 November 2022			
- Class MYR	-	0.28	-

	30.11.2023	30.11.2022	30.11.2021	30.11.2020	30.11.2019
	%	%	%	%	%
Annual total return					
- Class MYR	(1.47)	5.59	11.57	8.34	4.11
- Class USD	(6.04)	(0.11)	8.14	11.10	4.31

(Launch date: 3 March 2015)

	30.11.2023	30.11.2022	30.11.2021	30.11.2020	30.11.2019
	%	%	%	%	%
Annual total return					
- Class SGD	(8.01)	0.32	10.78	9.00	4.42

(Launch date: 9 September 2015)

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

MARKET REVIEW (1 DECEMBER 2022 TO 30 NOVEMBER 2023)

For the financial year under review, MSCI AC ASEAN price index declined by -8.18% in USD terms. Global macro continued to be a major influence on the equity markets.

From December 2022 to January 2023, ASEAN market rebounded. As China reopening outlook strengthened, ASEAN was expected to benefit from further recovery in tourism with tourist arrivals from China and from recovery of trades with China. At the same time, global sentiment also improved on raised bets that the US Federal Reserve (the "Fed") might start slowing the pace of rate hikes in the upcoming Federal Open Meeting Committee ("FOMC") meetings.

In February 2023 and March 2023, ASEAN market weakened along with regional markets. The upward surprise in economics data showed that US economy was resilient and inflation pressure was still high. US labour market remains tight with January 2023 non-farm payroll surprised to the upside at 517k. The Fed rate hike expectation rose. By March 2023, the Fed had reacted quickly with its the Bank Term Funding Program to alleviate any potential liquidity concerns after fallout of Silicon Valley Bank. The markets were still jittery about the health of the US regional banks. Hence, a much dovish the Fed was expected from hereon, with futures implying rate cuts by second half of 2023.

MARKET REVIEW (1 DECEMBER 2022 TO 30 NOVEMBER 2023) (CONTINUED)

Thereafter, ASEAN market rebounded along with regional markets. In May 2023, Thailand held its general election. The leading party, Move Forward Party, was in the process of securing majority supports to form the government.

In subsequent months, Thai prime minister was not elected. In August, Srettha Thavisin, from Pheu Thai Party, was officially endorsed by the King to be Thailand's 30th Prime Minister. In August, Malaysia concluded 6 state elections with status quo results.

From August 2023 to October 2023, market saw rising expectation of further rate hike by the Fed, driven by still-resilient US economy growth. As a result, bond yield was rising and Emerging Markets ("EM") currencies including ASEAN currencies weakened.

Central banks in ASEAN had slowed the pace of rate hike or paused rate hike during the financial year under review. For example, Bank Indonesia paused in February 2023 while State Bank of Vietnam cut refinancing rate by a total of 150 basis points ("bps") during the financial year under review.

However, in October 2023, the central bank of the Philippines, Bangko Sentral ng Pilipinas (BSP), raised its policy rate 25bps in an off-cycle move to better anchor inflation expectation, while Bank Indonesia also raised its policy rate 25bps to bolster rupiah stabilisation policy; we take note of the pre-emptive nature of these rate hike decisions. Year to date, Philippine peso ("PHP") and Indonesian Rupiah ("IDR") were still among the more resilient currencies within Asia.

Following a less hawkish US Federal Open Market Committee ("FOMC") meeting concluded on early November 2023, overall equities markets rebounded and EM currencies including ASEAN currencies strengthened.

FUND PERFORMANCE

	1 year to 30.11.2023 %	3 years to 30.11.2023 %	5 years to 30.11.2023 %	Since inception to 30.11.2023 %
Income Distribution				
- Class MYR	1.04	2.55	2.55	2.55
- Class SGD	1.03	1.03	1.03	1.03
- Class USD	1.03	1.03	1.03	1.03
Capital Growth				
- Class MYR	(2.49)	13.18	27.66	68.46
- Class SGD	(8.95)	1.18	15.16	56.30
- Class USD	(7.00)	0.46	16.41	36.78
Total Return				
- Class MYR	(1.47)	16.07	30.92	72.76
- Class SGD	(8.01)	2.23	16.36	57.92
- Class USD	(6.04)	1.49	17.61	38.19
Benchmark				
- Class MYR	9.00	29.50	53.86	112.47
- Class SGD	9.00	29.50	53.86	103.15
- Class USD	9.00	29.50	53.86	112.47
Average Total Return				
- Class MYR	(1.47)	5.09	5.54	6.45
- Class SGD	(8.01)	0.74	3.08	5.59
- Class USD	(6.04)	0.49	3.30	3.76

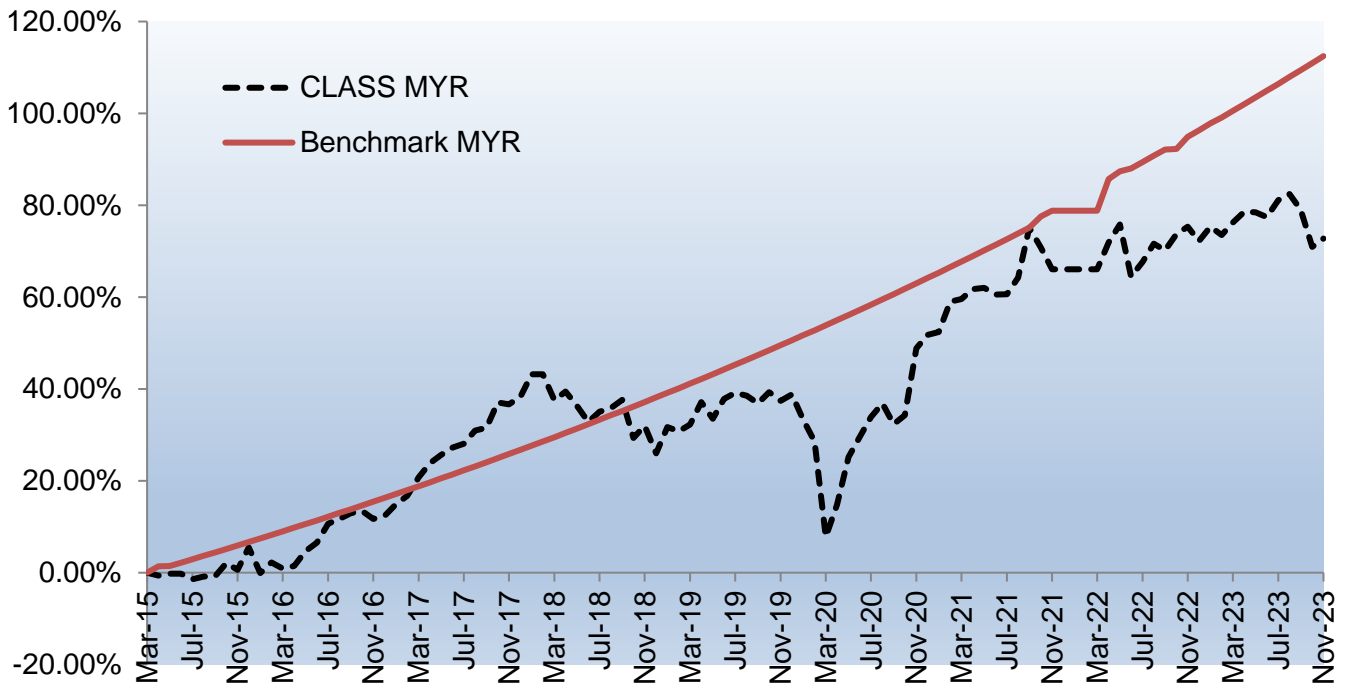
The Fund's total return were -1.47%, -8.01% and -6.04% for Class MYR, Class SGD and Class USD respectively for the financial year under review.

FUND PERFORMANCE (CONTINUED)

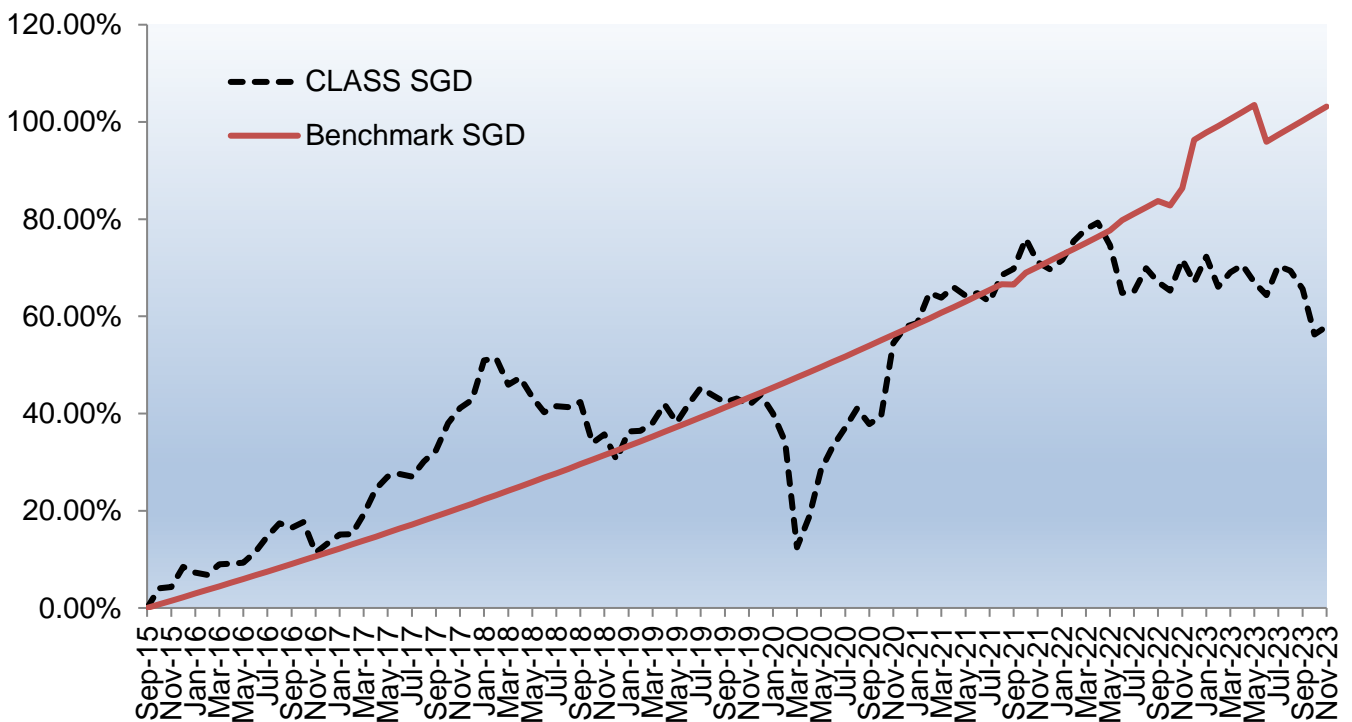
The Fund's total return were 72.76%, 57.92% and 38.19% since inception, for Class MYR, Class SGD and Class USD respectively. The variance in performance of the three classes was due to volatility in currencies and different inception dates.

Since inception

Class MYR



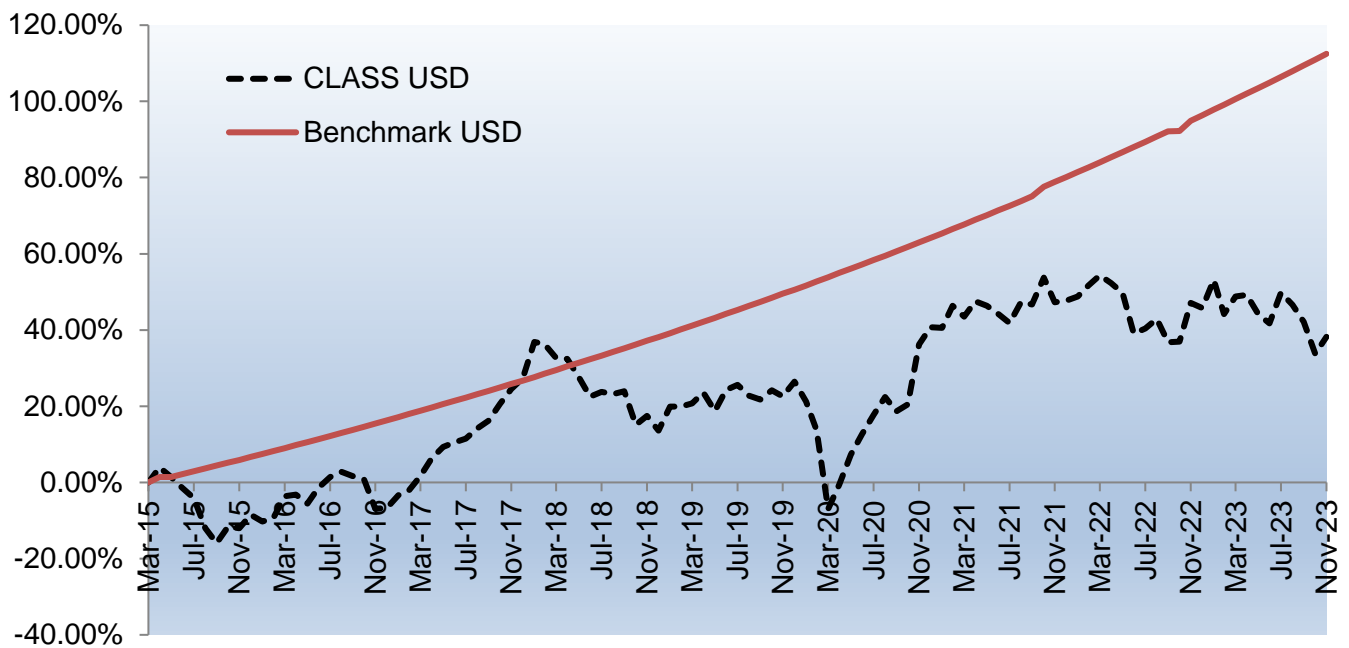
Class SGD



FUND PERFORMANCE (CONTINUED)

Since inception

Class USD



Changes in NAV

	30.11.2023	30.11.2022	Changes %
CLASS MYR			
NAV (USD Million)	22.12	19.10	15.81
NAV/Unit (USD)	0.1803	0.1946	(7.35)
CLASS SGD			
NAV (USD Million)	4.73	2.08	>100.00
NAV/Unit (USD)	1.1678	1.2562	(7.04)
CLASS USD			
NAV (USD Million)	0.58	0.38	52.63
NAV/Unit (USD)	0.6822	0.7359	(7.30)

For the financial year under review, the Fund's NAV rose by +15.81%, more than +100% and +52.63% for Class MYR, Class SGD and Class USD respectively, due to subscription. The variance in terms of the changes of NAV per unit of the three classes was due to different currencies, and the Class MYR, SGD and USD had income distribution.

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)	30.11.2023	30.11.2022
Quoted securities	90.07	89.03
Cash and other assets	20.67	18.19
Liabilities	(10.74)	(7.22)
TOTAL	100.00	100.00

The Fund remained invested in quoted securities during the financial year under review. While 20.67% in cash and other assets.

MARKET OUTLOOK*

Following a more dovish the Fed FOMC meeting recently, central banks in ASEAN turned less hawkish. For example, Bangko Sentral ng Pilipinas (“BSP”) and Bank Indonesia did not hike rate in November 2023. In terms of export data, Vietnam, Thailand, Singapore and Malaysia saw signs of stabilisation. While cross-border travel recovery will continue, China tourist arrivals recovery has been slower than expected.

Foreign flows to ASEAN were mixed for the month, with positive inflows into Malaysia and Philippines. ASEAN currencies strengthened against USD, in line with the regional currencies. MSCI AC ASEAN Index is currently trading at 12.6 times forward 12 months Price-to-Earnings Ratio, which is below the 5-year historical average of 14.1 times.

* 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

We believe ASEAN equities continue to provide investors a combination of recovery plays and long-term structural themes. Hence, we have adopted a barbell approach of cyclicals and growth. As reopening progresses further in ASEAN, we focus on quality companies in cyclical sectors such as financials, consumer, real estates, and tourism-related sectors, for sustained recovery backed by positive long-term growth outlook, with any attractive sustainable dividend yield as an added positive. We also continue to like structural growth themes of ASEAN internet, Vietnam and technology & supply chain shift, with a focus on quality growth companies at reasonable valuation. Our absolute return strategy continues to aim to capture these ASEAN opportunities of strong fundamentals, taking advantage of the volatilities of external global market sentiments.

SOFT COMMISSIONS AND REBATES

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

- (a) the soft commission brings direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- (b) any dealings with the broker or dealer is executed on terms which are the most favourable for the Fund; and

SOFT COMMISSIONS AND REBATES (CONTINUED)

(c) the availability of soft commission is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and we and the fund the manager will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commission.

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

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIR OF THE FUND

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

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

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

CROSS TRADE

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

UNIT SPLIT

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

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

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 7 to 41 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 November 2023 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN

Country Head and Chief Executive Officer, Malaysia
Non-Independent Executive Director

UDAY JAYARAM

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

Kuala Lumpur
17 January 2024

TRUSTEE'S REPORT

**TO THE UNIT HOLDERS OF
PRINCIPAL ASEAN DYNAMIC FUND ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 30 November 2023 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 Deeds, securities laws and the Guidelines on the Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

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

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
17 January 2024

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Principal ASEAN Dynamic Fund (the "Fund"), which comprise the statement of financial position as at 30 November 2023, and statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 7 to 41.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 November 2023, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ASEAN DYNAMIC FUND (cont'd.)**

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ASEAN DYNAMIC FUND (cont'd.)**

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL ASEAN DYNAMIC FUND (cont'd.)**

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

Other matters

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

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

Kuala Lumpur, Malaysia
17 January 2024

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

	Note	2023 USD	2022 USD
INCOME/(LOSS)			
Dividend income		834,298	539,182
Interest income from deposits with licensed financial institutions		50,266	23,960
Net (loss)/gain on financial assets at fair value through profit or loss	8	(1,022,108)	280,828
Net foreign exchange loss		(588,127)	(407,603)
		<u>(725,671)</u>	<u>436,367</u>
EXPENSES			
Management fee	4	455,650	311,258
Trustee & custodian fees	5	78,948	58,048
Transaction costs		538,745	274,465
Audit fee		2,493	2,551
Tax Agent's fee		3,114	17,138
Other expenses		58,325	40,222
		<u>1,137,275</u>	<u>703,682</u>
LOSS BEFORE DISTRIBUTION AND TAXATION		<u>(1,862,946)</u>	<u>(267,315)</u>
Distribution			
- Class MYR		229,128	267,892
- Class SGD		49,414	-
- Class USD		5,815	-
	6	<u>284,357</u>	<u>267,892</u>
LOSS BEFORE TAXATION		<u>(2,147,303)</u>	<u>(535,207)</u>
Taxation	7	<u>(189,937)</u>	<u>(33,700)</u>
LOSS AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR		<u>(2,337,240)</u>	<u>(568,907)</u>
Loss after taxation is made up as follows:			
Realised amount		(3,556,313)	(1,767,287)
Unrealised amount		1,219,073	1,198,380
		<u>(2,337,240)</u>	<u>(568,907)</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 2023**

	Note	2023 USD	2022 USD
ASSETS			
Cash and cash equivalents	9	5,208,422	3,504,541
Financial assets at fair value through profit or loss	8	24,708,314	19,192,032
Amount due from stockbrokers		124,767	375,518
Amount due from Manager		301,564	22,409
Dividends receivable		35,862	17,590
TOTAL ASSETS		<u>30,378,929</u>	<u>23,112,090</u>
LIABILITIES			
Amount due to stockbrokers		2,631,496	1,461,560
Amount due to Manager		129,149	28,542
Accrued management fees		38,805	29,592
Amount due to trustee		1,000	1,001
Tax payable		71,849	17,193
Deferred Tax liabilities		8,571	-
Distribution payable		43,423	1,290
Other payables & accruals		20,851	19,646
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>2,945,144</u>	<u>1,558,824</u>
NET ASSET VALUE OF THE FUND		<u>27,433,785</u>	<u>21,553,266</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>27,433,785</u>	<u>21,553,266</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (USD)			
- Class MYR		22,116,368	19,101,665
- Class SGD		4,737,945	2,076,012
- Class USD		579,472	375,589
		<u>27,433,785</u>	<u>21,553,266</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class MYR		122,621,239	98,155,813
- Class SGD		4,056,919	1,652,601
- Class USD		849,391	510,324
	10	<u>127,527,549</u>	<u>100,318,738</u>
NET ASSET VALUE PER UNIT (USD)			
- Class MYR		0.1803	0.1946
- Class SGD		1.1678	1.2562
- Class USD		0.6822	0.7359
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- Class MYR		RM0.8400	RM0.8644
- Class SGD		SGD1.5591	SGD1.7178
- Class USD		USD0.6822	USD0.7359

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 2023**

	2023 USD	2022 USD
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>21,553,266</u>	<u>12,360,149</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class MYR	9,784,458	11,677,706
- Class SGD	5,962,717	1,827,705
- Class USD	416,875	230,669
	<u>16,164,050</u>	<u>13,736,080</u>
Creation of units from distributions		
- Class MYR	227,905	266,602
- Class SGD	7,213	-
- Class SGD	5,815	-
	<u>240,933</u>	<u>266,602</u>
Cancellation of units		
- Class MYR	(5,078,878)	(3,715,841)
- Class SGD	(2,918,939)	(337,141)
- Class USD	(189,407)	(187,676)
	<u>(8,187,224)</u>	<u>(4,240,658)</u>
Total comprehensive loss for the financial year	<u>(2,337,240)</u>	<u>(568,907)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	<u>27,433,785</u>	<u>21,553,266</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 2023**

	Note	2023 USD	2022 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of quoted securities		79,747,136	36,412,575
Purchase of quoted securities		(85,898,962)	(42,958,122)
Dividend income received		767,614	535,215
Interest income from deposits with licensed financial institutions		50,266	23,959
Management fee paid		(446,437)	(301,061)
Trustee & custodian fees paid		(78,949)	(57,698)
Payment of other foreign exchange loss		(230,396)	(129,329)
Tax payment		(126,710)	(16,507)
Payments for other fees and expenses		(13,665)	(10,403)
Net cash used in operating activities		<u>(6,230,103)</u>	<u>(6,501,371)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		15,978,941	13,098,622
Payments for cancellation of units		(8,081,428)	(4,232,444)
Distribution paid		(1,290)	-
Net cash generated from financing activities		<u>7,896,223</u>	<u>8,866,178</u>
Net increase in cash and cash equivalents		1,666,120	2,364,807
Effects of foreign exchange differences		37,761	17,069
Cash and cash equivalents at the beginning of the financial year		<u>3,504,541</u>	<u>1,122,665</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>5,208,422</u></u>	<u><u>3,504,541</u></u>
<u>Cash and cash equivalents comprised:</u>			
Bank balances		3,707,324	2,857,260
Deposits with licensed financial institutions		<u>1,501,098</u>	<u>647,281</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>5,208,422</u></u>	<u><u>3,504,541</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

Principal ASEAN Dynamic Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 23 February 2015, First Supplement Deed dated 28 August 2019 and a Second Supplement Deed dated 22 December 2022 (referred to as the "Deed") between Principal Asset Management Berhad and HSBC (Malaysia) Trustee Berhad (the "Trustee").

The Fund will be managed with the aim of achieving a stable and positive investment returns over the medium to long term through investments in ASEAN region regardless of market conditions. The companies invested in must be domiciled in, listed in, and/or have significant operations in the ASEAN region. For listed securities, the investment must be traded in an exchange that is a member of WFE. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant operations in Thailand but listed on the NYSE. The threshold for 'significant operations' would be at least 25% of total group revenue derived from countries in the ASEAN region. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). With effect from 14 April 2023, the Fund may invest up to 25% of its NAV in companies that are listed in any Eligible Market globally with some operations or businesses in ASEAN region to capture growth opportunities.

Investment universe of the Fund will be in countries where the regulatory authority is an ordinary or associate member of the IOSCO which include but not limited to Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam. If the investment is a listed security, the investment must be traded in an exchange that is a member of WFE. In the event the Manager is unable to obtain the necessary licenses or permits, or the licenses or permits are revoked or not renewed (as the case may be), the Manager will seek to invest in other accessible markets.

The Fund has the flexibility to adjust its investment exposure to equities and/or debt securities and money market instruments depending on market conditions. Under general market conditions, the Fund will invest in equities of companies which the Manager believe will exhibit good growth potential when compared to its industry or the overall market. The Fund may also invest up to 20% of the Fund's NAV in debt securities to be in line with the Fund's objective. The minimum credit rating for these debt securities must be at least "BBB" by an international rating agency as prescribed under the Standards of Qualifying CIS or its equivalent by other international rating agencies. The Fund may also opt to access into the equities and/or debt securities market via investment in units of other CIS that is in line with the Fund's objective, subject to the requirements of the SC Guidelines and the Standards of Qualifying CIS .

The asset allocation strategy for this Fund is as follows:

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

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

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

It also requires the Manager to exercise their judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement 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(I).

There are no other standards, amendments to standards or interpretations that are effective for financial year beginning on 1 December 2022 that have a material effect on the financial statements of the Fund.

None of the standards, amendments to standards or interpretations that are effective for the financial year beginning on/after 1 December 2023 are applicable to the Fund.

(b) Financial assets and financial liabilities

Classification

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

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

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

The contractual cash flows of the Fund's investments are solely principal and interest. 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.

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

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

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

Recognition and measurement

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

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

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

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

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

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

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

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

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

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

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

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

(c) Income recognition

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

Interest income from deposits with licensed financial institutions is recognised on a time proportionate basis using effective interest rate method on an accrual basis.

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

Realised gain or loss on disposal of quoted securities is 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(d) Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances and deposits held in highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(f) Taxation

Current tax expense is determined according to Malaysian tax laws at the current rate based upon the taxable profit earned during the financial year. Tax on investment income from foreign investments are based on the tax regime of the respective countries the Fund invest in.

Withholding taxes on investment income from investment are based on tax regime of the respective countries that the Fund invests in. Such withholding taxes are not “income tax” in nature and are recognised and measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(f) Taxation (continued)**

From July 2022 onwards, Foreign-sourced income received in Malaysia will be taxed at prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met.

(g) Transaction costs

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

(h) Unit holders' contribution

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

The Fund issues cancellable units, in three classes of units, known respectively as the Class MYR, Class SGD, and Class USD which are cancelled at the unit holder's option and do not have identical features subject to restrictions as stipulated in the Prospectus and GUTF. 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) Distribution

A distribution to the Fund's unit holders is accounted for as distribution in the statement of comprehensive income as the unit holders' contributions are classified as financial liability as per Note 2(h). A proposed distribution is recognised as a liability in the financial year in which it is approved by the Trustee.

(j) Amount due from/to stockbrokers

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Realised and unrealised portions of profit or loss after taxation

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

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

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

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

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

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund as follows:

	Financial assets at fair value through profit or loss USD	Financial assets at amortised cost USD	Total USD
2023			
Cash and cash equivalents (Note 8)	-	5,208,422	5,208,422
Quoted securities (Note 7)	24,708,314	-	24,708,314
Amount due from stockbrokers	-	124,767	124,767
Amount due from Manager	-	301,564	301,564
Dividends receivable	-	35,862	35,862
	<u>24,708,314</u>	<u>5,670,615</u>	<u>30,378,929</u>
2022			
Cash and cash equivalents (Note 8)	-	3,504,541	3,504,541
Quoted securities (Note 7)	19,192,032	-	19,192,032
Amount due from stockbrokers	-	375,518	375,518
Amount due from Manager	-	22,409	22,409
Dividends receivable	-	17,590	17,590
	<u>19,192,032</u>	<u>3,920,058</u>	<u>23,112,090</u>

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

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

The Fund aims to achieve capital appreciation over the medium to long term by investing in the ASEAN region.

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

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

(a) Market risk

(i) Price risk

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

The price risk is managed through diversification and selection of quoted securities and other financial instruments within specified limits according to the Deed.

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

	2023	2022
	USD	USD
Financial assets at fair value through profit or loss:		
- Quoted securities	<u>24,708,314</u>	<u>19,192,032</u>

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

% Change in price of quoted securities	Market value USD	Impact on profit or loss/NAV USD
2023		
-5%	23,472,898	(1,235,416)
0%	24,708,314	-
5%	<u>25,943,730</u>	<u>1,235,416</u>
2022		
-5%	18,232,431	(959,602)
0%	19,192,032	-
5%	<u>20,151,634</u>	<u>959,602</u>

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

(a) Market risk (continued)

(ii) Interest rate risk

Interest rate is a general economic indicator that will have an impact on the management of the Fund. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Fund's exposure to fair value interest rate risk arises from deposits with licensed financial institutions. The interest rate risk is expected to be minimal as the Fund's investments comprise mainly short term deposits with approved licensed financial institutions.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund is not exposed to cash flow interest rate risk as the Fund does not hold any financial instruments at variable interest rate.

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

	2023 %	2022 %
Deposits with licensed financial institutions	3.20	2.75

As at the end of each financial year, the Fund is not exposed to a material level of interest rate risk.

(iii) Currency risk

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

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

	Cash and cash equivalents USD	Financial assets at fair value through profit or loss USD	Amount due from stockbroker USD	Amount due from Manager USD	Dividends receivable USD	Total USD
Financial assets 2023						
IDR	-	6,796,687	-	-	-	6,796,687
MYR	11,899	5,296,006	-	272,938	-	5,580,843

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

(a) Market risk (continued)

(iii) Currency risk (continued)

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

	Cash and cash equivalents USD	Financial assets at fair value through profit or loss USD	Amount due from stockbroker USD	Amount due from Manager USD	Dividends receivable USD	Total USD
Financial assets (continued) 2023 (continued)						
SGD	56,109	2,907,966	-	4,315	34,259	3,002,649
THB	20	3,443,699	124,767	-	1,603	3,570,089
VND	-	5,850,469	-	-	-	5,850,469
	68,028	24,294,827	124,767	277,253	35,862	24,800,737

Financial assets 2022						
IDR	-	4,612,149	-	-	-	4,612,149
MYR	5,552	4,475,932	22,409	206,928	3,192	4,714,012
PHP	-	656,805	-	-	2,935	659,740
SGD	1,168,246	4,558,991	-	168,590	6,583	5,902,411
THB	20	3,720,228	-	-	4,880	3,725,128
VND	-	658,415	-	-	-	658,415
	1,173,818	18,682,520	22,409	375,518	17,590	20,271,855

Financial liabilities	Amount due to stockbrokers USD	Amount due to Manager USD	Total USD
2023			
IDR	365,330	-	365,330
MYR	385,930	116,599	502,529
SGD	734,248	3,330	737,578
THB	571,845	-	571,845
VND	574,143	-	574,143
	2,631,496	119,929	2,751,425
2022			
IDR	229,817	-	229,817
MYR	178,846	28,902	207,748
PHP	22,776	-	22,776
SGD	462,144	123	462,267
THB	567,977	-	567,977
	1,461,560	29,025	1,490,585

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

(a) Market risk (continued)

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

	Change in foreign exchange rate	Impact on profit or loss/NAV	
		2023 USD	2022 USD
	%		
IDR	+/- 5	+/- 321,568	+/- 219,117
MYR	+/- 5	+/- 253,916	+/- 225,305
PHP	+/- 5	-	+/- 31,848
SGD	+/- 5	+/- 113,254	+/- 272,007
THB	+/- 5	+/- 149,912	+/-157,858
VND	+/- 5	+/-263,816	+/-32,921

(b) Credit risk

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

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

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 Funds.

For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective stock exchanges. The credit risk is minimal as all transactions in quoted securities are settled/paid upon delivery using approved stockbrokers.

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

	Cash and cash equivalents USD	Amount due from stockbrokers USD	Amount due from Manager USD	Dividends receivable USD	Total USD
2023					
- AAA	5,208,422	-	-	-	5,208,422
- Not Rated	-	124,767	301,564	35,862	462,193
	<u>5,208,422</u>	<u>124,767</u>	<u>301,564</u>	<u>35,862</u>	<u>5,670,615</u>

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

(b) Credit risk (continued)

	Cash and cash equivalents USD	Amount due from stockbrokers USD	Amount due from Manager USD	Dividends receivable USD	Total USD
2022					
- AAA	3,504,541	-	-	-	3,504,541
- A1	-	-	-	2,052	2,052
- Not Rated	-	22,409	375,518	15,538	413,465
	<u>3,504,541</u>	<u>22,409</u>	<u>375,518</u>	<u>17,590</u>	<u>3,920,058</u>

Deposits with licensed financial institutions of the Fund have an average maturity of 1 day (2022: 1 day).

(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 and other instruments, which are capable of being converted into cash within 7 business days. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

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 as at the end of the reporting year to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month USD	Between 1 month and 1 year	Total USD
2023			
Amount due to stockbrokers	2,631,496	-	2,631,496
Amount due to Manager	129,149	-	129,149
Accrued management fees	38,805	-	38,805
Amount due to trustee	1,000	-	1,000
Distribution payable	43,423	-	43,423
Other payables & accruals	-	20,851	20,851
Net assets attributable to unit holders*	<u>27,433,785</u>	<u>-</u>	<u>27,433,785</u>
Contractual undiscounted cash flows	<u>30,277,658</u>	<u>20,851</u>	<u>30,298,509</u>

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

(c) Liquidity risk (continued)

	Less than 1 month USD	Between 1 month and 1 year	Total USD
2022			
Amount due to stockbrokers	1,461,560	-	1,461,560
Amount due to Manager	28,542	-	28,542
Accrued management fees	29,592	-	29,592
Amount due to trustee	1,001	-	1,001
Distribution payable	1,290	-	1,290
Other payables & accruals	-	19,646	19,646
Net assets attributable to unit holders*	<u>21,553,266</u>	<u>-</u>	<u>21,553,266</u>
Contractual undiscounted cash flows	<u>23,075,251</u>	<u>19,646</u>	<u>23,094,897</u>

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

(d) Capital risk management

The capital of the Fund is represented by net asset attributable to unit holders of USD27,433,785 (2022: USD21,553,266). 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.

(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 values of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded 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 and liabilities that are not traded in an active market is determined by using valuation techniques.

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy

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

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

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

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

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
2023				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>24,708,314</u>	<u>-</u>	<u>-</u>	<u>24,708,314</u>
2022				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>19,192,032</u>	<u>-</u>	<u>-</u>	<u>19,192,032</u>

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

- (ii) The carrying values of cash and cash equivalents, amount due from stockbrokers, amount due from Manager, dividends receivable and all current liabilities are a reasonable approximation of their fair values due to their short term nature.

4. MANAGEMENT FEE

In accordance with the 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 year ended 30 November 2023 (2022: Class MYR 1.80% per annum, Class SGD 1.50% per annum, class USD 1.80% per annum), the management fee for the respective classes is recognised at the following rates:

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

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

5. TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to a fee up to 0.20% per annum, calculated and accrued daily based on the NAV of the Fund. The Trustee fee includes local custodian fees and charges but excludes foreign sub-custodian fees and charges.

For the financial year 1 December 2022 to 31 July 2023, the Trustee fee is recognised at a rate of 0.06% per annum for each class. Effective 1 August 2023, the Trustee fee is recognised at a rate of 0.045% per annum for each class (2022: 0.06% per annum).

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

6. DISTRIBUTION

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

Breakdown of distribution were as follows:

Source of distribution	2023		2022	
	USD	%	USD	%
Distribution out of current year's income	284,357	100.00	104,115	38.86
Distribution out of prior year's income/capital*	-	-	163,777	61.14
Total	284,357	100.00	267,892	100.00
		2023	2022	
		USD	USD	
Dividend income		310,853	115,152	
Profit income		18,741	4,708	
Net realised gain on disposal of Shariah-compliant investments		416,746	167,220	
Prior financial years' realised income/capital*		-	163,777	
		<u>746,340</u>	<u>450,857</u>	
Less:				
Expenses		<u>461,983</u>	<u>182,965</u>	
Net distribution amount		<u>284,357</u>	<u>267,892</u>	

6. DISTRIBUTION (CONTINUED)

	2023 USD	2022 USD
Gross/Net distribution per unit (cent)		
Distribution on 22 November 2023		
- Class MYR	0.19	-
- Class SGD	1.22	-
- Class USD	0.71	-
Distribution on 17 November 2022		
- Class MYR	-	0.28

* Distribution income has been accrued as at the end of the prior financial year but is not declared and paid as distribution.

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

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

7. TAXATION

	2023 USD	2022 USD
Tax charged for the financial year:		
- Tax on foreign source income	184,243	33,700
- Overprovision in prior year	5,694	-
	<u>189,937</u>	<u>33,700</u>

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

	2023 USD	2022 USD
Loss before taxation	<u>(2,147,303)</u>	<u>(535,207)</u>
Taxation at Malaysian statutory rate of 24% (2022: 24%)	(515,353)	(128,450)
Tax effects of:		
(Loss not deductible for tax purposes)/investment income not subject to tax	174,161	(104,728)
Expenses not deductible for tax purposes	229,770	157,269
Restriction on tax deductible expenses for Unit Trust Funds	111,422	75,909
Tax on foreign source income	184,243	33,700
Overprovision in prior year	5,694	-
Taxation	<u>189,937</u>	<u>33,700</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 USD	2022 USD
At fair value through profit or loss:		
- Quoted securities	<u>24,708,314</u>	<u>19,192,032</u>
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	509,468	104,617
- Unrealised fair value (loss)/gain	<u>(1,531,576)</u>	<u>176,211</u>
	<u>(1,022,108)</u>	<u>280,828</u>

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2023				
QUOTED SECURITIES				
INDONESIA				
Communication Services				
PT XL Axiata TBK ¹	<u>2,926,000</u>	<u>447,397</u>	<u>399,828</u>	<u>1.46</u>
Consumer Discretionary				
Dharma Polimetal Tbk Pt ¹	1,224,000	122,160	136,092	0.50
Map Aktif Adiperkasa Pt ¹	<u>3,015,600</u>	<u>159,083</u>	<u>163,273</u>	<u>0.60</u>
	<u>4,239,600</u>	<u>281,243</u>	<u>299,365</u>	<u>1.10</u>
Consumer Staples				
Mayora Indah TBK ¹	<u>1,699,600</u>	<u>279,832</u>	<u>279,351</u>	<u>1.02</u>
Financials				
Bank Central Asia (AAA) ²	2,329,000	1,345,150	1,347,307	4.91
Bank Mandiri (AA) ²	3,567,800	1,248,653	1,345,300	4.90
Bank Rakyat Indonesia (AAA) ²	3,885,500	1,330,217	1,321,089	4.82
PT Bank Negara Indonersia (AAA)	<u>1,911,200</u>	<u>604,882</u>	<u>649,817</u>	<u>2.37</u>
	<u>11,693,500</u>	<u>4,528,902</u>	<u>4,663,513</u>	<u>17.00</u>
Industrials				
AKR Corporindo TBK ¹	<u>7,807,400</u>	<u>736,704</u>	<u>722,139</u>	<u>2.63</u>
Materials				
Hillcon Tbk PT ¹	<u>958,200</u>	<u>150,008</u>	<u>156,875</u>	<u>0.57</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2023 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
INDONESIA (CONTINUED)				
Real Estate				
Ciputra Development TBK ¹	3,784,100	271,806	275,616	1.00
TOTAL INDONESIA	33,108,400	6,695,892	6,796,687	24.78
MALAYSIA				
Consumer Discretionary				
Mr D.I.Y. Group (M) Bhd ¹	784,500	264,244	257,627	0.94
SMRT Hldgs Bhd ¹	593,900	95,056	132,573	0.48
	1,378,400	359,300	390,200	1.42
Energy				
Bumi Armada Bhd ¹	2,334,100	275,169	268,028	0.98
Wah Seong Corp Bhd ¹	1,651,400	347,984	347,365	1.27
	3,985,500	623,153	615,393	2.25
Health Care				
Hartalega Holdings Bhd ¹	891,100	391,873	459,034	1.67
Industrials				
Cape EMS Bhd ¹	534,100	152,676	123,809	0.45
Econpile Holdings Bhd ¹	3,189,200	237,274	188,244	0.69
Frontken Corporation Bhd ¹	305,400	206,804	208,451	0.76
Gamuda Bhd ¹	140,630	133,984	143,980	0.52
IJM Corporation Bhd ¹	351,700	132,448	136,634	0.50
Malaysia Airports Holdings Bhd ¹	351,400	551,738	541,544	1.97
	4,872,430	1,414,924	1,342,662	4.89
Information Technology				
Genetec Technology Bhd ¹	803,700	447,517	408,836	1.49
Nationgate Holdings Bhd ¹	1,033,500	335,661	288,377	1.05
V.S. Industry ¹	1,216,100	244,436	233,614	0.85
	3,053,300	1,027,614	930,827	3.39
Real Estate				
Eco World Dev Group Bhd ¹	1,131,900	250,140	255,097	0.93
Pavilion REIT ¹	528,100	143,529	138,288	0.50

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2023 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Real Estate (continued)				
SP Setia Bhd ¹	1,293,500	247,858	206,838	0.75
Sunway Bhd ¹	793,300	321,043	337,140	1.23
UEM Sunrise Bhd ¹	813,800	138,959	124,018	0.45
	<u>4,560,600</u>	<u>1,101,529</u>	<u>1,061,381</u>	<u>3.86</u>
Utilities				
Tenaga Nasional Bhd ¹	94,600	203,579	202,845	0.74
YTL Corporation Bhd ¹	882,700	267,825	293,664	1.08
	<u>977,300</u>	<u>471,404</u>	<u>496,509</u>	<u>1.82</u>
TOTAL MALAYSIA	<u>19,718,630</u>	<u>5,389,797</u>	<u>5,296,006</u>	<u>19.30</u>
SINGAPORE				
Communication Services				
NetLink NBN Trust ^{1,2}	<u>1,990,000</u>	<u>1,228,584</u>	<u>1,259,520</u>	<u>4.59</u>
Financials				
DBS Group Holdings Ltd (AA1) ¹	<u>17,300</u>	<u>412,452</u>	<u>411,290</u>	<u>1.50</u>
Industrials				
Singapore Technologies Engineering Ltd ²	<u>445,200</u>	<u>1,243,832</u>	<u>1,237,156</u>	<u>4.51</u>
TOTAL SINGAPORE	<u>2,452,500</u>	<u>2,884,868</u>	<u>2,907,966</u>	<u>10.60</u>
THAILAND				
Consumer Discretionary				
Advanced Info Service PCL - NVDR ¹	<u>88,400</u>	<u>548,357</u>	<u>546,791</u>	<u>1.99</u>
Financials				
Kasikorn Bank PCL - NVDR (AA) ²	212,300	771,368	771,032	2.81
Muangthai Capital PCL - NVDR (BBB)	327,000	413,957	405,918	1.48
TMB Bank PLC – NVDR (BBB)	<u>6,011,300</u>	<u>287,879</u>	<u>262,665</u>	<u>0.96</u>
	<u>6,550,600</u>	<u>1,473,204</u>	<u>1,439,615</u>	<u>5.25</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2023 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
THAILAND (CONTINUED)				
Health Care				
Bangkok Dusit Medical Service -NVDR ^{1,2}	730,900	548,898	544,377	1.98
Information Technology				
Delta Electronics Thai PCL - NVDR ¹	172,900	397,685	381,424	1.39
Real Estate				
Amata Corp Public Co. Ltd - NVDR ¹	561,600	409,759	398,364	1.45
WHA Corporation PCL - NVDR ¹	938,400	113,973	133,128	0.49
	1,500,000	523,732	531,492	1.94
TOTAL THAILAND	9,042,800	3,491,876	3,443,699	12.55
UNITED STATES				
Communication Services				
SEA LTD ¹	11,416	683,708	413,487	1.52
TOTAL UNITED STATES	11,416	683,708	413,487	1.52
VIETNAM				
Consumer Discretionary				
FPT Digital Retail ¹	67,000	250,033	282,737	1.03
Mobile World Investment Corp ¹	84,300	168,643	133,751	0.49
Phu Nhuan Jewelry JSC ^{1,2}	263,513	852,515	874,191	3.19
	414,813	1,271,191	1,290,679	4.71
Financials				
Bank for Foreign Trade of Vietnam (BB3)	196,685	715,339	686,536	2.50
Ho Chi Minh Development JSC Bank (BB) ²	1,205,515	923,209	894,239	3.26
Military Commercial Joint Stock Bank (B1)	701,210	678,808	514,371	1.87
	2,103,410	2,317,356	2,095,146	7.63
Industrials				
Gemadep Corporation ²	296,000	747,148	856,322	3.12
Information Technology				
FPT Corporation ¹	144,075	519,632	545,648	1.99

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2023 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
VIETNAM (CONTINUED)				
Materials				
Hoa Phat Group JSC ¹	<u>471,100</u>	<u>504,720</u>	<u>515,450</u>	<u>1.88</u>
Real Estate				
Khang Dien House Trading and Investment ¹	<u>425,600</u>	<u>560,714</u>	<u>547,224</u>	<u>1.99</u>
TOTAL VIETNAM	<u>3,854,998</u>	<u>5,920,761</u>	<u>5,850,469</u>	<u>21.32</u>
TOTAL QUOTED SECURITIES	<u>68,188,744</u>	<u>25,066,902</u>	<u>24,708,314</u>	<u>90.07</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(358,588)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>24,708,314</u>		
2022				
QUOTED SECURITIES				
INDONESIA				
Communication Services				
Telekomunikasi TBK PT ^{1,2}	<u>2,048,400</u>	<u>581,240</u>	<u>525,931</u>	<u>2.44</u>
Consumer Discretionary				
Mitra Adiperkasa TBK PT ¹	<u>2,497,700</u>	<u>158,374</u>	<u>230,166</u>	<u>1.07</u>
Consumer Staples				
PT Cisarua Mountain Dairy TBK ¹	<u>502,700</u>	<u>145,509</u>	<u>149,835</u>	<u>0.70</u>
Energy				
United Tractors TBK PT ¹	<u>40,500</u>	<u>85,609</u>	<u>79,275</u>	<u>0.37</u>
Financials				
Bank Central Asia (AAA) ^{1,2}	<u>1,535,700</u>	<u>768,062</u>	<u>907,657</u>	<u>4.21</u>
Bank CIMB Niaga TBK PT ¹	<u>561,600</u>	<u>39,089</u>	<u>41,580</u>	<u>0.19</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2022 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
INDONESIA (CONTINUED)				
Financials (continued)				
Bank Mandiri ^{1,2}	1,087,300	614,019	727,284	3.37
PT Bank Negara Indonesia ¹	1,494,300	833,607	940,168	4.36
	<u>4,678,900</u>	<u>2,254,777</u>	<u>2,616,689</u>	<u>12.13</u>
Health Care				
Mitra Keluarga Karyasehat TBK ¹	1,629,900	277,207	294,179	1.36
Materials				
Indocement Tunggal Prakarsa ¹	629,900	381,009	398,315	1.85
Real Estate				
Ciputra Development TBK ¹	1,703,400	103,441	109,338	0.51
Pakuwon Jati ¹	6,918,800	204,067	208,421	0.97
	<u>8,622,200</u>	<u>307,508</u>	<u>317,759</u>	<u>1.48</u>
TOTAL INDONESIA	<u>20,650,200</u>	<u>4,191,233</u>	<u>4,612,149</u>	<u>21.40</u>
MALAYSIA				
Consumer Discretionary				
Genting Bhd ^{1,2}	527,600	541,906	526,175	2.44
Genting Malaysia Bhd ¹	341,700	217,377	205,389	0.95
	<u>869,300</u>	<u>759,283</u>	<u>731,564</u>	<u>3.39</u>
Consumer Staples				
Fraser & Neave Holding Bhd ¹	10,400	49,413	49,120	0.23
QL Resources Bhd ¹	259,200	296,157	325,021	1.51
	<u>269,600</u>	<u>345,570</u>	<u>374,141</u>	<u>1.74</u>
Energy				
Hibiscus Petroleum Bhd ¹	1,739,516	409,548	434,683	2.02
Yinson Holding Bhd ¹	868,860	432,504	459,662	2.13
Yinson Holding Bhd - Warrant ¹	82,440	-	7,886	0.03
	<u>2,690,816</u>	<u>842,052</u>	<u>902,231</u>	<u>4.18</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2022 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Financials				
AMMB Holdings Bhd (AA2)	285,100	260,443	267,642	1.24
Bursa Malaysia Bhd ¹	35,700	54,757	55,455	0.26
CIMB Group Holdings Bhd (AA3)	158,000	204,720	206,303	0.96
	<u>478,800</u>	<u>519,920</u>	<u>529,400</u>	<u>2.46</u>
Health Care				
Kossan Rubber Industries ¹	97,800	22,766	24,439	0.11
Industrials				
CTOS Digital Bhd ¹	843,800	280,317	269,742	1.25
Farm Fresh Bhd ¹	393,900	141,588	140,109	0.65
Frontken Corporation Bhd ¹	167,000	101,379	116,923	0.54
Kerjaya Prospek Group Bhd ¹	154,100	41,025	39,895	0.19
Malaysia Airports Holdings Bhd ¹	209,700	295,501	303,550	1.41
Pentamaster Corporation Bhd ¹	122,900	106,592	118,971	0.55
SKP Resources Bhd ¹	313,100	112,308	120,532	0.56
	<u>2,204,500</u>	<u>1,078,710</u>	<u>1,109,722</u>	<u>5.15</u>
Information Technology				
Genetec Technology Bhd ¹	786,000	416,434	460,063	2.13
LGMS Bhd ¹	845,300	158,848	239,774	1.11
My EG Services Bhd ¹	525,000	95,593	104,598	0.49
	<u>2,156,300</u>	<u>670,875</u>	<u>804,435</u>	<u>3.73</u>
TOTAL MALAYSIA	<u>8,767,116</u>	<u>4,239,176</u>	<u>4,475,932</u>	<u>20.76</u>
PHILIPPINES				
Communication Services				
Globe Telecom Inc. ¹	1,030	41,275	42,452	0.20

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2022 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
PHILIPPINES (CONTINUED)				
Consumer Discretionary				
Wilcon Depot Inc ¹	67,900	33,382	39,119	0.18
Consumer Staples				
Universal Robina Corporation ¹	22,610	47,586	53,887	0.25
Financials				
Bank Of Philippine Islands (BBB3)	220,720	360,392	418,863	1.94
Materials				
D&L Industries Inc ¹	722,100	94,297	102,484	0.48
TOTAL PHILIPPINES	1,034,360	576,932	656,805	3.05
SINGAPORE				
Communication Services				
Singapore Telecommunications ¹	126,800	236,251	252,212	1.17
Financials				
DBS Group Holdings Ltd (AA1) ²	48,700	1,133,521	1,253,216	5.81
Oversea-Chinese Banking Corporation Ltd (AA3)	104,100	893,685	946,997	4.39
United Overseas Bank Ltd (P1) ²	51,700	1,009,074	1,179,567	5.47
	204,500	3,036,280	3,379,780	15.67
Industrials				
Singapore Technologies Engineering Ltd ¹	123,800	312,914	310,522	1.44
Information Technology				
Venture Corporation Ltd ¹	20,600	255,640	260,610	1.21

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2022 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
SINGAPORE (CONTINUED)				
Real Estate				
Capitaland Investment Ltd ¹	132,600	328,440	355,867	1.65
TOTAL SINGAPORE	608,300	4,169,525	4,558,991	21.14
THAILAND				
Consumer Discretionary				
Siam Global House PCL - NVDR ¹	377,100	214,044	214,096	0.99
Energy				
PTT Explor & Prod PCL – NVDR ¹	9,800	45,368	52,301	0.24
Financials				
Bangkok Bank PCL - NVDR (BAA1)	115,300	428,192	471,319	2.19
Kasikorn Bank PCL – NVDR (AA)	115,700	461,439	474,596	2.20
	231,000	889,631	945,915	4.39
Health Care				
Bangkok Dusit Medical Service -NVDR	890,600	669,997	764,770	3.55
Industrials				
Airports Of Thailand – NVDR	473,700	944,354	1,008,527	4.68
Information Technology				
Delta Electronics Thai PCL - NVDR ¹	5,850	80,474	111,596	0.52
Materials				
SCG Packaging PCL – NVDR ¹	198,800	315,992	311,797	1.45
Real Estate				
WHA Corporation PCL - NVDR ¹	2,855,100	268,727	311,226	1.44

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2022 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
THAILAND (CONTINUED)				
TOTAL THAILAND	5,041,950	3,428,587	3,720,228	17.26
UNITED STATES				
Communication Services				
SEA LTD ¹	8,729	608,427	509,512	2.37
TOTAL UNITED STATES	8,729	608,427	509,512	2.37
VIETNAM				
Consumer Discretionary				
Phu Nhuan Jewelry JSC ¹	41,860	156,282	192,633	0.89
Financials				
Bank for Foreign Trade of Vietnam (BB3)	62,122	233,551	204,017	0.95
Military Commercial Joint Stock Bank (B1)	259,574	319,813	183,124	0.85
	321,696	553,364	387,141	1.80
Information Technology				
FPT Corporation ¹	26,000	95,518	78,641	0.36
TOTAL VIETNAM	389,556	805,164	658,415	3.05
TOTAL QUOTED SECURITIES	36,500,211	18,019,044	19,192,032	89.03
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		1,172,988		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		19,192,032		

¹ The quoted securities is not rated.

² The quoted securities is one of the top 10 holdings of the Fund.

9. CASH AND CASH EQUIVALENTS

	2023 USD	2022 USD
Deposits with licensed financial institutions	1,501,098	647,281
Bank balances	3,707,324	2,857,260
	<u>5,208,422</u>	<u>3,504,541</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2023 No. of units	2022 No. of units
Class MYR (i)	122,621,239	98,155,813
Class SGD (ii)	4,056,919	1,652,601
Class USD (iii)	849,391	510,324
	<u>127,527,549</u>	<u>100,318,738</u>

	2023 No. of units	2022 No. of units
(i) Class MYR		
At the beginning of the financial year	98,155,813	58,037,944
Add : Creation of units from applications	49,585,141	57,616,734
Add : Creation of units from distribution	1,251,752	1,421,607
Less: Cancellation of units	<u>(26,371,467)</u>	<u>(18,920,472)</u>
At the end of the financial year	<u>122,621,239</u>	<u>98,155,813</u>
(ii) Class SGD		
At the beginning of the financial year	1,652,601	434,466
Add : Creation of units from applications	4,767,927	1,491,808
Add : Creation of units from distribution	6,119	-
Less: Cancellation of units	<u>(2,369,728)</u>	<u>(273,673)</u>
At the end of the financial year	<u>4,056,919</u>	<u>1,652,601</u>
(iii) Class USD		
At the beginning of the financial year	510,324	446,681
Add : Creation of units from applications	582,132	323,700
Add : Creation of units from distribution	8,444	-
Less: Cancellation of units	<u>(251,509)</u>	<u>(260,057)</u>
At the end of the financial year	<u>849,391</u>	<u>510,324</u>

11. TOTAL EXPENSE RATIO (“TER”)

Pursuant to the SC Guidelines and to the Monetary Authority of Singapore (“MAS”) Guidelines

	2023	2022
	%	%
TER	2.06	2.25

TER is derived based on the following calculation:

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

A	=	Management fee
B	=	Trustee & custodian fee
C	=	Audit fee
D	=	Tax Agent’s fee
E	=	Other expenses excluding withholding tax and CDS transfer fee
F	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is USD26,324,505 (2022: USD17,490,946).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

Pursuant to the SC Guidelines

	2023	2022
PTR (times)	3.17	2.31

PTR is derived based on the following calculation:

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

Pursuant to the Monetary Authority of Singapore (“MAS”) Guidelines

	2023	2022
PTR (times)	3.05	2.09

PTR is derived from the following calculation:

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

where:

total acquisition for the financial year = USD86,743,828 (2022: USD44,139,862)
 total disposal for the financial year = USD80,205,439 (2022: USD36,524,816)

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
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
CIMB Bank Bhd	Fellow related party to the Manager
CGS-CIMB Securities Sdn Bhd	Fellow related party to the Manager
CGS-CIMB Securities (Singapore) Pte Ltd	Fellow related party to the Manager
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the shareholder of the Manager

Units held by the Manager and parties related to the Manager

	<u>2023</u>		<u>2022</u>	
	<u>No. of units</u>	<u>USD</u>	<u>No. of units</u>	<u>USD</u>
Manager				
Principal Asset Management Bhd				
- Class MYR	1,645	297	82,081	15,973
- Class SGD	10	12	90	113
- Class USD	9	6	503	370
	<u>9</u>	<u>6</u>	<u>503</u>	<u>370</u>

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

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

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions. 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.

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

There are no significant related party balances at the end of the financial year, other than those disclosed elsewhere in the financial statements.

14. TRANSACTIONS WITH BROKERS

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

Brokers	Value of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
CGS-CIMB Securities (Singapore) Pte Ltd #	24,165,020	14.50	54,709	13.32
Instinet Pacific Limited	18,770,666	11.26	52,654	12.82
UBS Securities Asia Ltd	12,179,575	7.31	34,078	8.29
CLSA Ltd	10,762,722	6.46	29,645	7.22
Citigroup Global Markets Ltd	10,701,808	6.42	23,944	5.83
JP Morgan Securities (Asia Pacific) Ltd Co.	9,262,019	5.56	26,593	6.47
Maybank Securities Pte Ltd	9,023,860	5.41	22,560	5.49
UOB Kay Hian Pte Ltd	8,197,192	4.92	22,219	5.41
Macquarie Securities AU Ltd	7,398,515	4.44	21,054	5.12
Maybank Investment Bank Bhd	7,171,453	4.30	14,991	3.65
Others #	49,073,785	29.42	108,401	26.38
	<u>166,706,615</u>	<u>100.00</u>	<u>410,848</u>	<u>100.00</u>

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

Brokers	Value of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
CGS-CIMB Securities (Singapore) Pte Ltd #	9,987,619	12.38	24,916	12.90
Maybank Investment Bank Bhd	8,869,708	11.00	18,763	9.72
J.P. Morgan Securities (M) Sdn Bhd	5,355,979	6.64	12,083	6.26
Instinet Pacific Limited	5,202,887	6.45	14,342	7.43
Citigroup Global Markets Ltd	5,108,174	6.33	7,816	4.05
UOB Kay Hian Pte Ltd	4,863,598	6.03	12,965	6.71
Daiwa Capital Markets SG Ltd	4,676,192	5.80	11,690	6.05
CLSA Ltd	3,944,632	4.89	10,248	5.31
UBS Securities Asia Ltd	3,645,890	4.52	9,974	5.16

14. TRANSACTIONS WITH BROKERS (CONTINUED)

Details of transactions with the top 10 brokers for financial year ended 30 November 2022 are as follows (continued):

Brokers (continued)	Value of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
JP Morgan Securities (Asia Pacific) Ltd Co.	3,596,339	4.46	10,212	5.29
Others #	<u>25,407,784</u>	<u>31.50</u>	<u>60,118</u>	<u>31.12</u>
	<u>80,658,802</u>	<u>100.00</u>	<u>193,127</u>	<u>100.00</u>

Included in the transactions are trades conducted with CGS-CIMB Securities (Singapore) Pte Ltd and CGS-CIMB Securities Sdn Bhd, fellow related parties to the Manager amounting to USD24,165,020 (2022: USD9,987,619) and USD1,598,598 (2022: USD845,972) respectively. 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.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 17 January 2024.

DIRECTORY

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