

Principal Asia Pacific Dynamic Income Fund

Interim Report

For The Six Months Financial Period Ended 30 September 2021

PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND

INTERIM REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

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INVESTORS' LETTER

Dear Valued Investor,

Greetings from Principal Asset Management Berhad and thank you for investing with us!

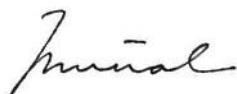
We are pleased to bring you a copy of the Interim Fund Report of the Principal Asia Pacific Dynamic Income Fund for the financial period ended 30 September 2021. You may also download this report from our website at www.principal.com.my.

We are happy to share that we recently won the Most Innovative New Money Market Fund – Principal e-Cash Fund at the Global Business Outlook Awards 2021. Principal was also recognised as the Best Online & Mobile Platform (Asset Manager) Malaysia 2021 at the World Business Outlook Annual Awards 2021.

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) and follow us on our Instagram account (@principalassetmanagement_my) for the latest updates, market insights and investment articles.

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

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



Munirah Khairuddin
Chief Executive Officer

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to provide regular income by investing primarily in the Asia Pacific ex Japan region and at the same time aims to achieve capital appreciation over the medium to long term.

Has the Fund achieved its objective?

For the financial period under review, the Fund has underperformed its benchmark but is still in line with its medium to long-term objective

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 Asia Pacific ex Japan, i.e. companies that are domiciled in, listed in, and/or have significant operations in the Asia Pacific ex Japan 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 business/operations in Thailand but listed on the New York Stock Exchange ("NYSE"). The threshold for 'significant operations' would be if more than 25% of total group revenue is derived from countries in the Asia Pacific ex Japan region. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). The term "medium to long term" refers to a period of three (3) years and more. With effect from 31 March 2021, the Fund may also invest up to 20% of its NAV in companies that are listed globally with some business/operations within the Asia Pacific ex Japan region to capture growth opportunities.

Under general market conditions, the Fund's investment will focus on high dividend yielding equities of companies, which the Sub-Manager believes will offer attractive yields*, sustainable dividend payments and/or will exhibit above average growth potential when compared to its industry or the overall market at the point of purchase. In addition, the Fund may also invest in companies with good growth potential[^], which the Sub-Manager foresees may adopt a strong dividend payout[#] policy. 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 Fund's investments in debt securities will generally be restricted to debt securities with a minimum credit rating of "BBB" by an international rating agency as prescribed under the Standard of Qualifying collective investment scheme or its equivalent rating by other international rating agencies. The Fund may also opt to access into the equities and/or debt securities market via the investment in units of other collective investment scheme that is in line with the Fund's objectives, subject to the requirements of the Securities Commission Malaysia ("SC") Guidelines and the Standards of Qualifying collective investment scheme.

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;
- up to 20% of the Fund's NAV may be invested in units of other CIS that is in line with the Fund's objectives; and
- at least 2% of its NAV will be invested in liquid assets for liquidity purpose.

* Higher than the average equity yields in the respective country.

[^] Companies that have a better growth than the gross domestic products ("GDP") of the respective country and reasonably priced based on our estimate. Reasonably priced means when the intrinsic value is higher than the current market price.

[#] Higher than the average dividend yields of companies in the respective country.

Base Currency

US Dollar ("USD")

Fund category/type

Equity/Income & Growth

FUND OBJECTIVE AND POLICY (CONTINUED)

When was the Fund launched?

Name of Class	Launch Date
Class MYR	25 April 2011
Class SGD	9 September 2015
Class USD	9 September 2015

What was the size of the Fund as at 30 September 2021?

USD1,299.96 million (18,517.07 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 eight percent (8%) 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?

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

What was the net income distribution for the six months financial period ended 30 September 2021?

The Fund distributed a total net income of USD21.16 million to unit holders for the six months financial period ended 30 September 2021.

The Fund's NAV per unit were as follows:

Date	NAV per unit (before distribution) USD	NAV per unit (after distribution) USD
21.04.2021		
Class MYR	0.0647	0.0642
Class SGD	0.6909	0.6858
Class USD	0.9899	0.9825
23.07.2021		
Class MYR	0.0630	0.0625
Class SGD	0.6737	0.6679
Class USD	0.9650	0.9567

FUND OBJECTIVE AND POLICY (CONTINUED)

PERFORMANCE DATA

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

	30.09.2021	30.09.2020	30.09.2019
	%	%	%
Quoted securities			
- Communication Services	8.68	8.92	9.85
- Consumer Discretionary	10.63	18.70	9.12
- Energy	6.81	7.22	3.79
- Financials	14.21	12.87	14.54
- Health Care	8.18	1.87	1.25
- Industrials	11.92	14.11	11.11
- Information Technology	21.79	18.18	11.45
- Materials	10.21	11.25	3.65
- Real Estate	1.27	3.56	18.56
- Utilities	-	-	1.76
Cash and other net assets	6.31	5.92	14.92
Liabilities	(0.01)	(1.03)	(2.79)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Note: The Fund had applied the Global Industry Classification Standard ("GICS") sectors classification.

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

	30.09.2021	30.09.2020	30.09.2019
NAV (USD Million)			
- Class MYR	1,117.96	704.26	855.80
- Class SGD	60.05	37.06	41.20
- Class USD	121.95	87.87	109.11
Units in circulation (Million)			
- Class MYR	18,294.90	7,562.71	9,969.38
- Class SGD	91.89	37.36	45.17
- Class USD	130.28	61.83	83.51
NAV per unit (USD)			
- Class MYR	0.0611	0.0931	0.0858
- Class SGD	0.6534	0.9920	0.9120
- Class USD	0.9360	1.4211	1.3065

PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND

PERFORMANCE DATA (CONTINUED)

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

	01.04.2021 to 30.09.2021	01.04.2020 to 30.09.2020	01.04.2019 to 30.09.2019
Highest NAV per unit (USD)			
- Class MYR	0.0659	0.0963	0.0910
- Class SGD	0.7044	1.0261	0.9669
- Class USD	1.0090	1.4701	1.3848
Lowest NAV per unit (USD)			
- Class MYR	0.0601	0.0693	0.0832
- Class SGD	0.6431	0.7376	0.8844
- Class USD	0.9212	1.0566	1.2668
Total return (%)			
- Class MYR	(1.55)	27.85	1.18
- Class SGD	(1.16)	27.61	0.71
- Class USD	(2.37)	33.02	(1.23)
Capital growth (%)			
- Class MYR	(3.14)	26.41	0.48
- Class SGD	(2.73)	26.15	0.02
- Class USD	(3.93)	31.51	(1.91)
Income distribution (%)			
- Class MYR	1.65	1.12	0.70
- Class SGD	1.62	1.16	0.71
- Class USD	1.63	1.16	0.70
Management Expense Ratio ("MER") %	0.93	0.93	0.93
Portfolio Turnover Ratio ("PTR") (times) #	0.25	0.64	0.37

The Fund's PTR reduced from 0.64 times to 0.25 times due to less trading activities during the financial period under review

	01.04.2021 to 30.09.2021	01.04.2020 to 30.09.2020	01.04.2019 to 30.09.2019
Gross/Net distribution per unit (cent)			
Date of distribution 21.04.2021			
- Class MYR	0.05	-	-
- Class SGD	0.51	-	-
- Class USD	0.74	-	-
Date of distribution 23.07.2021			
- Class MYR	0.05	-	-
- Class SGD	0.58	-	-
- Class USD	0.83	-	-

PERFORMANCE DATA (CONTINUED)

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

	01.04.2021 to 30.09.2021	01.04.2020 to 30.09.2020	01.04.2019 to 30.09.2019
Date of distribution 15.04.2020			
- Class MYR	-	0.04	-
- Class SGD	-	0.45	-
- Class USD	-	0.64	-
Date of distribution 07.07.2020			
- Class MYR	-	0.05	-
- Class SGD	-	0.54	-
- Class USD	-	0.77	-
Date of distribution 09.07.2019			
- Class MYR	-	-	0.06
- Class SGD	-	-	0.67
- Class USD	-	-	0.94

	30.09.2021	30.09.2020	30.09.2019	30.09.2018	30.09.2017
	%	%	%	%	%
Annual total return					
- Class MYR	19.52	10.91	0.44	3.89	19.36

(Launch date: 25 April 2011)

Annual total return					
- Class SGD	18.24	11.13	0.55	7.08	16.60
- Class USD	19.05	12.07	(0.46)	6.29	17.28

(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 period have been extracted from Lipper.

MARKET REVIEW (1 APRIL 2021 TO 30 SEPTEMBER 2021)

During the period under review, Asian equities as measured by the MSCI AC Asia Pacific ex Japan Index fell 6% in USD terms. Resurgence in Coronavirus Disease 2019 (“COVID-19”) cases in April 2021 in India and subsequently in ASEAN countries led to various lockdown measures in the region and economic activities slowed. At that time, the vaccination rates across Asian region were still low. However, we saw the vaccination pace has improved in ASEAN since then with most countries expected to achieve herd immunity from a few months up to a maximum of a year. US bond yields started to retrace in April after rising sharply in the preceding months. However, the question of whether the stronger than expected inflation in the US was transitory or not, lingered throughout the financial period under review. The US Federal Reserve (the “Fed”) remain steadfast in its assessment that any inflation pressure is likely to be transitory in nature. One of the factors that weighed on the markets during this period was China policies, such as heightened scrutiny on internet names which then spread to education sector in July 2021 and sparked fears of more widespread actions across other sectors. China also attempted to clamp down on rising industrial metal prices with a barrage of measures including releasing its reserves since May 2021.

MARKET REVIEW (1 APRIL 2021 TO 30 SEPTEMBER 2021) (CONTINUED)

We saw initial signs of the Chinese Government paying a bit more attention to the effects of the various tightening measures as observed with the Reserve Requirement Ratio (“RRR”) in July 2021 where People’s Bank of China (“PBOC”) announced 50 basis points (“bps”) RRR cut.

Asian markets rebounded in August 2021 with India and Southeast Asia being top performers while developed markets such as Singapore, Korea and China were detractors. Several developments such as the Fed’s signalling of the potential tapering of its bond buying program this year and Bank of Korea raising interest rates indicate that monetary policy normalisation path is starting to happen globally. However, the gradual manner of monetary policy normalisation and separation of tapering versus interest rate hikes should provide some leeway for Asian countries to get the pandemic under control and return their economies to normalcy.

In China, we expect more regulatory intervention in areas such as residential property in tandem with the country’s Common Prosperity drive. We saw further regulations on tech companies with data privacy and curbing gaming time for minors, but the pace of new regulations seemed to have abated versus the previous month. In September, most Asian markets fell as we approach the beginning of the US bond tapering program towards year end.

FUND PERFORMANCE

Class MYR

	6 months to 30.09.2021	1 year to 30.09.2021	3 years to 30.09.2021	5 years to 30.09.2021	Since inception to 30.09.2021
	%	%	%	%	%
Income Distribution	1.65	3.37	8.39	14.75	37.08
Capital Growth	(3.14)	15.63	22.83	43.88	156.37
Total Return	(1.55)	19.52	33.14	65.10	251.43
Benchmark	3.92	8.00	25.97	46.93	122.93
Average Total Return	N/A	19.52	10.01	10.55	12.55

Class SGD

	6 months to 30.09.2021	1 year to 30.09.2021	3 years to 30.09.2021	5 years to 30.09.2021	Since inception to 30.09.2021
	%	%	%	%	%
Income Distribution	1.62	3.30	8.47	14.89	14.89
Capital Growth	(2.73)	14.47	21.79	43.58	58.46
Total Return	(1.16)	18.24	32.11	64.96	82.06
Total Return (inclusive of application fee)*	(6.10)	12.33	25.51	56.71	69.82
Benchmark	3.92	8.00	25.97	46.93	58.69
Average Total Return	N/A	18.24	9.73	10.53	10.15

FUND PERFORMANCE (CONTINUED)

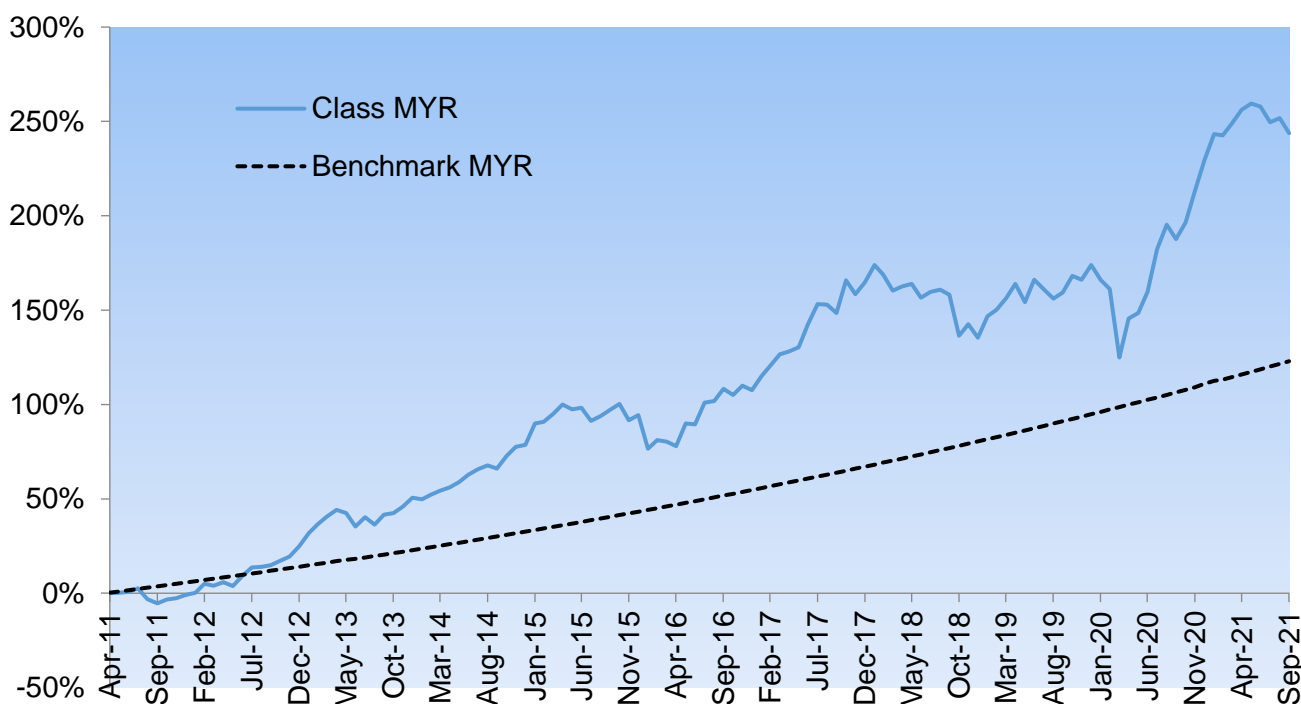
Class USD

	6 months to 30.09.2021	1 year to 30.09.2021	3 years to 30.09.2021	5 years to 30.09.2021	Since inception to 30.09.2021
	%	%	%	%	%
Income Distribution	1.63	3.31	8.25	14.66	14.66
Capital Growth	(3.93)	15.24	22.69	44.38	68.61
Total Return	(2.37)	19.05	32.81	65.55	93.55
Total Return (inclusive of application fee)*	(7.25)	13.10	26.17	57.27	78.42
Benchmark	3.92	8.00	25.97	46.93	58.69
Average Total Return	N/A	19.05	9.92	10.61	11.06

During the financial period under review, the Fund has provided a return of -1.55%, -1.16% and -2.37% in Class MYR, Class SGD and Class USD respectively, which have fallen short of target. This is due to the difficult market conditions where volatility picked up on a confluence of factors such as concerns over US inflation and effects of tapering, resurgence of COVID-19 in Asia and the heightened regulatory risk in China.

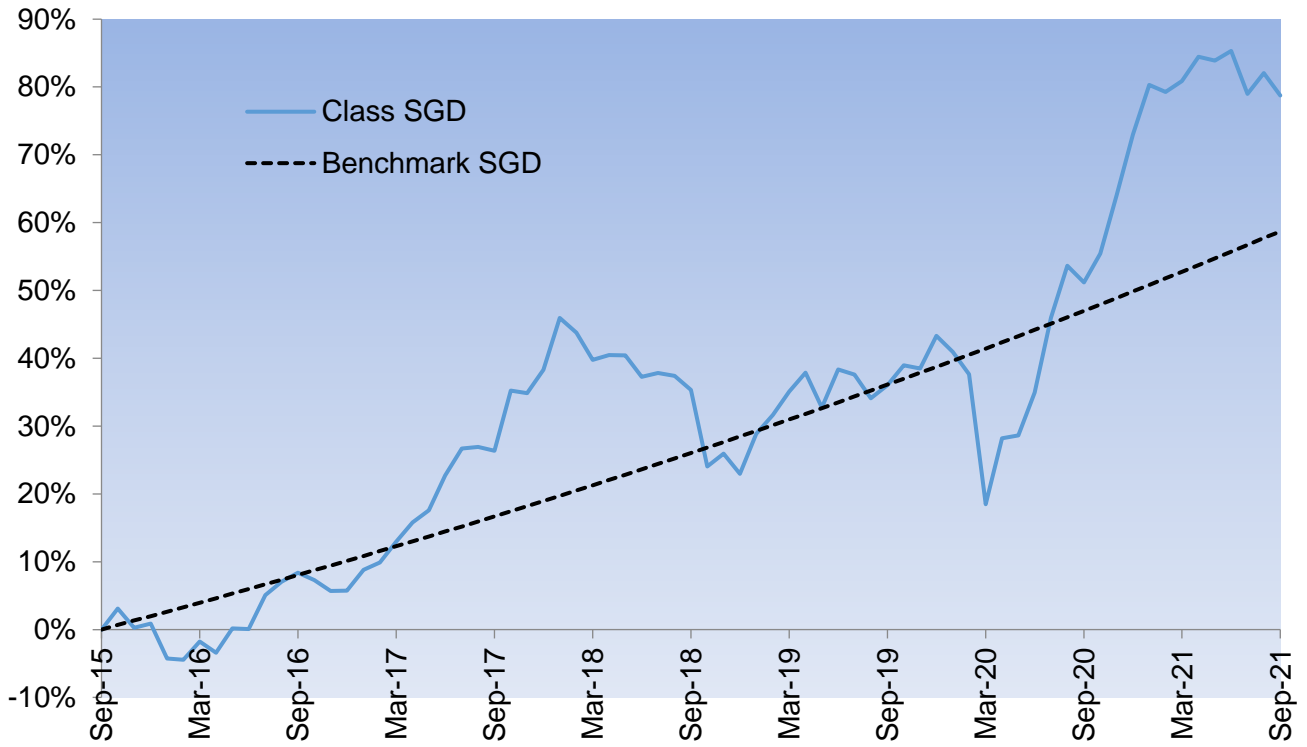
*The performance of the Class SGD and Class USD is computed on a single pricing basis (NAV-NAV) (taking into account the maximum Application Fee of up to 5% and Withdrawal Fee / Redemption Fee (if any)) and with dividends and distributions (if any) reinvested. Note that a lower Application Fee may be charged when subscribing for Units.

Class MYR

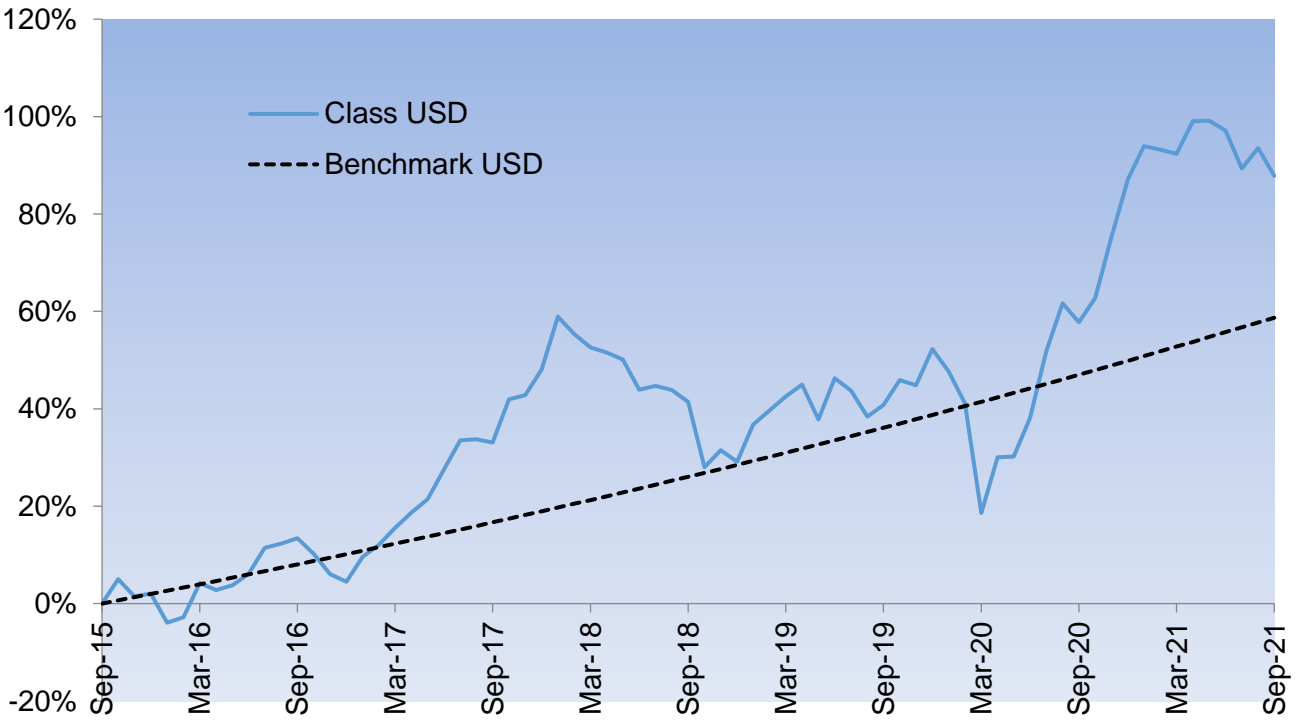


FUND PERFORMANCE (CONTINUED)

Class SGD



Class USD



FUND PERFORMANCE (CONTINUED)

Changes in NAV

CLASS MYR

	30.09.2021	31.03.2021 Audited	Changes %
NAV (USD Million)	1,117.96	1,060.29	5.44
NAV/Unit (USD)	0.0611	0.0637	(4.08)

CLASS SGD

	30.09.2021	31.03.2021 Audited	Changes %
NAV (USD Million)	60.05	59.86	0.32
NAV/Unit (USD)	0.6534	0.6802	(3.94)

CLASS USD

	30.09.2021	31.03.2021 Audited	Changes %
NAV (USD Million)	121.95	119.00	2.48
NAV/Unit (USD)	0.9360	0.9744	(3.94)

The NAV rose over the past 6 months by 5.44%, 0.32% and 2.48% for MYR, SGD and USD class respectively. The NAV per unit declined by 4.08%, 3.94% and 3.94% in MYR, SGD and USD class respectively. The increase in NAV was due to the new units creation, while the decline in NAV per unit is a result of the fall in value of the underlying assets.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	30.09.2021	31.03.2021 Audited
Quoted securities	93.70	95.04
Cash and other net assets	6.31	5.92
Liabilities	(0.01)	(0.96)
Total	100.00	100.00

As at 30 September 2021, the Fund held 93.7% in quoted securities, and the rest in cash. The cash level is slightly higher than the level at the end of March 2021.

MARKET OUTLOOK*

As communicated by the Fed, monetary policy normalization starting with bond tapering should begin towards year end. We expect tapering to wind down in mid 2022 with a lift-off in interest rates thereafter depending on the growth trajectory and labor market developments. Globally, the softness in Purchasing Managers Index (“PMI”) continued, but there was some sign of improvement in Asian countries recovering from the impact of the Delta variant. The power crunch in China is likely to last in the fourth quarter of 2021, leading to rising PPI, GDP growth downgrade and possibly earnings downgrade in 2022. The rising Producer Price Index (“PPI”) in China poses a risk to global inflation if it persists beyond this year. Nevertheless, global economy should continue to recover in 2022 as spending on services increases. With relatively lower vaccination rates in Asia, monetary policies should still remain accommodative to support the recovery from reopening of economies. We are cautiously optimistic about Asian equities over a 12-month horizon. Risks that could derail the positive fundamental outlook are (1) slower than expected economic recovery or fiscal drag in 2022, (2) US Treasury yields could rise more quickly than expected on inflation concerns, (3) stronger USD and (4) renewed US and China tension.

* 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

The Fund will focus on large cap, high quality stocks that exhibit strong growth potential or good earnings visibility. Our core focus for the portfolio continues to be (1) quality companies that have strong business moat and long-term winners, or market share gainers; (2) quality growth companies who are beneficiaries of the economic recovery, such as financials; and (3) companies with structural growth drivers such as green policies, e-commerce, cloud computing, internet of things, etc. We also prefer companies with pricing power to overcome cost pressures.

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 30 September 2021 are as follows:

CLASS MYR

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1,475	4.94	0.03
5,001-10,000	1,973	14.37	0.08
10,001-50,000	9,035	247.73	1.35
50,001-500,000	11,639	1,776.90	9.72
500,001 and above	1,222	16,250.96	88.82
Total	25,344	18,294.90	100.00

CLASS SGD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	-	-	-
5,001-10,000	-	-	-
10,001-50,000	5	0.14	0.15
50,001-500,000	8	1.32	1.44
500,001 and above	14	90.43	98.41
Total	27	91.89	100.00

UNIT HOLDINGS STATISTICS (CONTINUED)

Breakdown of unit holdings by size as at 30 September 2021 are as follows: (continued)

CLASS USD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00*	0.00
5,001-10,000	-	-	-
10,001-50,000	3	0.07	0.05
50,001-500,000	6	1.46	1.12
500,001 and above	16	128.75	98.83
Total	26	130.28	100.00

Note: 0.00* denotes unit less than 0.01 million

SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (the “Manager”) and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Principal Malaysia Funds (“Funds”) unless the soft commission received is retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. All dealings with brokers are executed on best available terms.

During the financial period under review, the Manager and the Trustee did not receive any rebates from the brokers or dealers but the Manager has retained soft commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND**

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 15 to 49 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 September 2021 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting.

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN

Chief Executive Officer/Executive Director

JUAN IGNACIO EYZAGUIRRE BARAONA

Director

Kuala Lumpur
15 November 2021

**TRUSTEE'S REPORT TO THE UNITHOLDERS OF
PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND**

We have acted as Trustee of Principal Asia Pacific Dynamic Income Fund ("the Fund") for the financial period ended 30 September 2021. To the best of our knowledge, Principal Asset Management Berhad ("the Manager"), has operated and managed the Fund in accordance with the following:

- a) limitations imposed on the investment powers of the Manager and the Trustee under the Deeds, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- b) valuation/pricing is carried out in accordance with the Deeds and any regulatory requirements; and
- c) creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirements.

During this financial period, a total distribution of 0.10 cent per unit (gross) for Class MYR, 1.09 cent per unit (gross) for Class SGD and 1.57 cent per unit (gross) for Class USD have been distributed to the unitholders of the Fund respectively. We are of the view that the distributions are not inconsistent with the objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
15 November 2021

PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	Note	01.04.2021 to 30.09.2021 USD	01.04.2020 to 30.09.2020 USD
(LOSS)/INCOME			
Dividend income		15,430,768	13,388,573
Interest income		1,096	6,996
Net (loss)/gain on financial assets at fair value through profit or loss	8	(34,620,605)	234,929,225
Net foreign exchange loss		<u>(1,223,715)</u>	<u>(794,428)</u>
		<u>(20,412,456)</u>	<u>247,530,366</u>
EXPENSES			
Management fee	4	11,634,172	7,325,821
Trustee and custodian fees	5	665,614	422,955
Audit fee		1,303	2,491
Tax agent's fee		4,987	1,478
Transaction costs		1,157,808	2,164,232
Other expenses		<u>1,092,892</u>	<u>1,057,066</u>
		<u>14,556,776</u>	<u>10,974,043</u>
(LOSS)/PROFIT BEFORE FINANCE COST AND TAXATION		(34,969,232)	236,556,323
Finance cost:			
- Class MYR		18,192,352	7,804,451
- Class SGD		987,191	427,935
- Class USD		<u>1,985,418</u>	<u>1,065,282</u>
	7	<u>21,164,961</u>	<u>9,297,668</u>
(LOSS)/PROFIT BEFORE TAXATION		(56,134,193)	227,258,655
Taxation	6	<u>836,444</u>	<u>-</u>
(LOSS)/PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD		<u>(56,970,637)</u>	<u>227,258,655</u>
(Loss)/Profit after taxation is made up as follows:			
Realised amount		4,399,849	(2,167,084)
Unrealised amount		<u>(61,370,486)</u>	<u>229,425,739</u>
		<u>(56,970,637)</u>	<u>227,258,655</u>

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

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

		30.09.2021	31.03.2021
	Note	USD	Audited USD
ASSETS			
Cash and cash equivalents	9	78,328,521	55,110,675
Financial assets at fair value through profit or loss	8	1,218,066,590	1,177,653,053
Amount due from stockbrokers		14,594,450	-
Amount due from Manager		3,984,572	15,969,382
Dividends receivable		1,287,568	2,279,948
TOTAL ASSETS		<u>1,316,261,701</u>	<u>1,251,013,058</u>
LIABILITIES			
Amount due to stockbrokers		11,931,821	6,176,696
Amount due to Manager		2,382,204	3,817,120
Accrued management fee		1,934,082	1,815,988
Amount due to Trustee		55,011	51,691
Other payables and accruals		3,452	4,369
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>16,306,570</u>	<u>11,865,864</u>
NET ASSET VALUE OF THE FUND		<u>1,299,955,131</u>	<u>1,239,147,194</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>1,299,955,131</u>	<u>1,239,147,194</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (USD)			
- Class MYR		1,117,963,324	1,060,287,368
- Class SGD		60,046,259	59,862,490
- Class USD		121,945,548	118,997,336
		<u>1,299,955,131</u>	<u>1,239,147,194</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class MYR		18,294,898,308	16,622,585,807
- Class SGD		91,893,957	88,003,694
- Class USD		130,282,334	122,116,974
	10	<u>18,517,074,599</u>	<u>16,832,706,475</u>
NET ASSET VALUE PER UNIT (USD) (EX-DISTRIBUTION)			
- Class MYR		0.0611	0.0637
- Class SGD		0.6534	0.6802
- Class USD		<u>0.9360</u>	<u>0.9744</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES (EX-DISTRIBUTION)			
- Class MYR		MYR0.2557	MYR0.2639
- Class SGD		SGD0.8891	SGD0.9142
- Class USD		<u>USD0.9360</u>	<u>USD0.9744</u>

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

PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	01.04.2021 to 30.09.2021 USD	01.04.2020 to 30.09.2020 USD
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>1,239,147,194</u>	<u>730,394,086</u>
Movement due to units created and cancelled during the financial period:		
Creation of units from applications		
- Class MYR	216,593,479	83,176,812
- Class SGD	9,183,760	4,266,286
- Class USD	19,540,222	6,555,512
	<u>245,317,461</u>	<u>93,998,610</u>
Creation of units from distributions		
- Class MYR	18,036,943	7,736,394
- Class SGD	973,527	423,276
- Class USD	822,270	348,303
	<u>19,832,740</u>	<u>8,507,973</u>
Cancellation of units		
- Class MYR	(127,577,833)	(193,808,979)
- Class SGD	(7,499,239)	(10,358,761)
- Class USD	(12,294,555)	(26,799,299)
	<u>(147,371,627)</u>	<u>(230,967,039)</u>
Total comprehensive (loss)/income for the financial period	<u>(56,970,637)</u>	<u>227,258,655</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	<u>1,299,955,131</u>	<u>829,192,285</u>

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

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	01.04.2021 to 30.09.2021	01.04.2020 to 30.09.2020
Note	USD	USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of quoted securities	283,066,602	587,173,780
Purchase of quoted securities	(367,829,293)	(494,734,151)
Dividend income received	12,872,368	13,170,077
Interest income received from deposits with licensed financial institutions and current account	1,096	6,996
Management fee paid	(11,516,078)	(7,264,250)
Trustee and custodian fees paid	(662,294)	(421,246)
Payments for other fees and expenses	(18,947)	(274,877)
Net realised exchange loss	(12,132,976)	(2,015,577)
Tax paid	(836,444)	-
Net cash (used in)/generated from operating activities	<u>(97,055,966)</u>	<u>95,640,752</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	258,529,700	91,137,659
Payments for cancellation of units	(148,996,732)	(229,338,664)
Distributions paid	(1,332,452)	(789,695)
Net cash generated from/(used in) financing activities	<u>108,200,516</u>	<u>(138,990,700)</u>
Net increase/(decrease) in cash and cash equivalents	11,144,550	(43,349,948)
Effect of foreign exchange differences	(3,854,362)	877,972
Cash and cash equivalents at the beginning of the financial period	<u>71,038,333</u>	<u>71,038,333</u>
Cash and cash equivalents at the end of the financial period	9 <u><u>78,328,521</u></u>	<u><u>28,566,357</u></u>
<u>Cash and cash equivalents comprised of:</u>		
Bank balances	<u>78,328,521</u>	<u>28,566,357</u>
Cash and cash equivalents at the end of the financial period	9 <u><u>78,328,521</u></u>	<u><u>28,566,357</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal Asia Pacific Dynamic Income Fund (the “Fund”) was governed by a Principal Master Deed dated 10 April 2015, a First Supplemental Deed dated 17 February 2016 and a Second Supplemental Deed dated 28 August 2019 (collectively referred to as the “Deeds”), between Principal Asset Management Berhad (the “Manager”) 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 Asia Pacific ex Japan, i.e. companies that are domiciled in, listed in, and/or have significant operations in the Asia Pacific ex Japan 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 business/operations in Thailand but listed on the NYSE. The threshold for ‘significant operations’ would be if more than 25% of total group revenue is derived from countries in the Asia Pacific ex Japan region. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). The term “medium to long term” refers to a period of three (3) years and more. With effect from 31 March 2021, the Fund may also invest up to 20% of its NAV in companies that are listed globally with some business/operations within the Asia Pacific ex Japan region to capture growth opportunities.

Under general market conditions, the Fund’s investment will focus on high dividend yielding equities of companies, which the Sub-Manager believes will offer attractive yields*, sustainable dividend payments and/or will exhibit above average growth potential when compared to its industry or the overall market at the point of purchase. In addition, the Fund may also invest in companies with good growth potential^, which the Sub-Manager foresees may adopt a strong dividend payout# policy. 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 Fund’s investments in debt securities will generally be restricted to debt securities with a minimum credit rating of “BBB” by an international rating agency as prescribed under the Standard of Qualifying collective investment scheme or its equivalent rating by other international rating agencies. The Fund may also opt to access into the equities and/or debt securities market via the investment in units of other collective investment scheme that is in line with the Fund’s objectives, subject to the requirements of the SC Guidelines and the Standards of Qualifying collective investment scheme.

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;
- up to 20% of the Fund’s NAV may be invested in units of other CIS that is in line with the Fund’s objectives; and
- at least 2% of its NAV will be invested in liquid assets for liquidity purpose.

* Higher than the average equity yields in the respective country.

^ Companies that have a better growth than the GDP of the respective country and reasonably priced based on our estimate. Reasonably priced means when the intrinsic value is higher than the current market price.

Higher than the average dividend yields of companies in the respective country.

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

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

The 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 International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

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

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

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

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

There are no other standards, amendments to standards or interpretations that are effective for financial period beginning on 1 April 2021 that have a material effect on the financial statements of the Fund.

There are no applicable standards, amendments to standards or interpretations that are effective for annual periods beginning on/after 1 October 2020 to the financial statements of the Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities

Classification

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

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

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

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.

The Fund classifies amount due to stockbrokers, amount due to Manager, accrued management fee, amount due to Trustee, and other payables and accruals as 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 liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Recognition and measurement (continued)

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

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

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

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(d) **Cash and cash equivalents**

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

(e) **Foreign currency**

Functional and presentation currency

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

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

- i) 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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Unit holders' contributions

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

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

Units are created and cancelled at the unit holders' option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to unit holders of respective classes with the total number of outstanding units of respective classes.

(g) Taxation

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

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

(h) 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.

(i) Distribution

A proposed distribution to the Fund's unit holders is recognised as a finance cost in the statement of comprehensive income and is recognised as a liability in the financial period in which it is approved by the Trustee.

(j) Amount due from/to stockbrokers

Amounts due from stockbrokers represent receivables for quoted securities sold that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The amount due from stockbrokers balance is held for collection.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

(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 judgement 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 SC Guidelines on Unit Trust Funds.

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund aims to provide regular income by investing primarily in the Asia Pacific ex Japan region and at the same time aims to achieve capital appreciation over the medium to long term.

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 Deeds and SC Guidelines on Unit Trust Funds.

(a) Market risk

(i) Price risk

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

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

3. 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 investment in money market instruments. 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.

As at the end of each financial period, 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.

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

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.

For amount due from Manager, the settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC Guidelines on Unit Trust Funds.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) **Liquidity risk**

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

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

(d) **Capital risk management**

The capital of the Fund is represented by net assets attributable to unit holders. The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) **Fair value estimation**

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

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial period end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

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

(i) **Fair value hierarchy**

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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
30.09.2021				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>1,218,066,590</u>	<u>-</u>	<u>-</u>	<u>1,218,066,590</u>
31.03.2021				
Audited				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>1,177,653,053</u>	<u>-</u>	<u>-</u>	<u>1,177,653,053</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 liabilities are a reasonable approximation of their fair values due to their short term nature.

4. MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to a maximum management fee of 3.00% per annum for each unit class, calculated daily based on the NAV of the Fund.

For the six months financial period ended 30 September 2021 and 30 September 2020, the management fee for the respective classes is recognised at the following rates:

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

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

5. TRUSTEE AND CUSTODIAN FEES

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.08% per annum, calculated daily based on the NAV of the Fund. The trustee fee includes local custodian fee but excludes the foreign sub-custodian fee (if any). The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears. For the six months financial period ended 30 September 2021, the foreign sub-custodian fee amounted to USD334,628 (30.09.2020: USD214,020).

For the six months financial period ended 30 September 2021, the Trustee fee is recognised at the rate of 0.05% per annum (30.09.2020: 0.05% per annum).

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

6. TAXATION

	01.04.2021 to 30.09.2021	01.04.2020 to 30.09.2020
	USD	USD
Tax charged for the financial period:		
- Capital gains tax	836,444	-
	<u>836,444</u>	<u>-</u>

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

	01.04.2021 to 30.09.2021	01.04.2020 to 30.09.2020
	USD	USD
((Loss)/ profit before taxation	<u>(56,134,193)</u>	<u>227,258,655</u>
Taxation at Malaysian statutory rate of 24% (2020: 24%)	(13,472,206)	54,542,077
Tax effects of:		
- Investment loss not deductible for tax purposes/(Income not subject to tax)	4,898,989	(59,407,288)
- Expenses not deductible for tax purposes	5,778,601	3,104,076
- Restriction on tax deductible expenses for Unit Trust Funds	2,794,616	1,761,135
Income subject to capital gains tax	836,444	-
Taxation	<u>836,444</u>	<u>-</u>

7. FINANCE COST

Distributions to unit holders are derived from the following sources:

	01.04.2021 to 30.09.2021	01.04.2020 to 30.09.2020
	USD	USD
Dividend income	7,614,136	4,613,265
Interest income	468	28,445
Net realised gain from disposal of quoted securities	6,954,985	6,153,728
Prior financial period's realised income	<u>12,708,809</u>	<u>4,776,166</u>
	27,278,398	15,571,604
Less:		
Expenses	<u>(6,113,437)</u>	<u>(6,273,936)</u>
Net distribution amount	<u><u>21,164,961</u></u>	<u><u>9,297,668</u></u>

Gross/Net distribution per unit (cent)

Distribution on 21 April 2021

- Class MYR	0.05	-
- Class SGD	0.51	-
- Class USD	0.74	-

Distribution on 23 July 2021

- Class MYR	0.05	-
- Class SGD	0.58	-
- Class USD	0.83	-

Distribution on 15 April 2020

- Class MYR	-	0.04
- Class SGD	-	0.45
- Class USD	-	0.64

Distribution on 7 July 2020

- Class MYR	-	0.05
- Class SGD	-	0.54
- Class USD	-	0.77
	<u>2.76</u>	<u>2.49</u>

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

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

During the six months financial period 30 September 2021, the Fund incurred unrealised loss of RM57,566,079.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.09.2021	31.03.2021
	USD	Audited USD
At fair value through profit or loss:		
- Quoted securities	<u>1,218,066,590</u>	<u>1,177,653,053</u>
	01.04.2021	01.04.2020
	to 30.09.2021	to 30.09.2020
	USD	USD
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised /gain on disposals	22,945,470	44,364,717
- Unrealised fair value (loss)/gain	<u>(57,566,075)</u>	<u>361,108,336</u>
	<u>(34,620,605)</u>	<u>405,473,053</u>

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
30.09.2021				
QUOTED SECURITIES				
AUSTRALIA				
Consumer Discretionary				
Aristocrat Leisure Ltd (BB+)	<u>828,532</u>	<u>15,391,415</u>	<u>28,012,714</u>	<u>2.15</u>
Energy				
Oil Search Ltd ³	<u>3,187,579</u>	<u>18,752,969</u>	<u>10,077,105</u>	<u>0.78</u>
Financials				
Macquarie Group Ltd (A3)	<u>10,320,240</u>	<u>19,499,737</u>	<u>19,616,533</u>	<u>1.51</u>
Health Care				
CSL Ltd ³	91,896	19,711,984	19,416,325	1.49
Ramsay Health Care Ltd ³	<u>402,672</u>	<u>20,150,388</u>	<u>20,188,115</u>	<u>1.55</u>
	<u>494,568</u>	<u>39,862,372</u>	<u>39,604,440</u>	<u>3.04</u>
Industrials				
ALS Ltd ³	3,066,122	16,108,597	28,019,563	2.16
Seven Group Holdings Ltd ³	<u>805,178</u>	<u>11,454,214</u>	<u>11,996,725</u>	<u>0.92</u>
	<u>3,871,300</u>	<u>27,562,811</u>	<u>40,016,288</u>	<u>3.08</u>
Materials				
BlueScope Steel Ltd ³	766,056	13,427,874	11,309,013	0.87
OZ Minerals Ltd ³	<u>1,022,533</u>	<u>18,029,247</u>	<u>16,575,367</u>	<u>1.28</u>
	<u>1,788,589</u>	<u>31,457,121</u>	<u>27,884,380</u>	<u>2.15</u>
TOTAL AUSTRALIA	<u>20,490,808</u>	<u>152,526,425</u>	<u>165,211,460</u>	<u>12.71</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 %
30.09.2021 (CONTINUED)				
QUOTED SECURITIES				
(CONTINUED)				
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd ³	<u>1,541,600</u>	<u>43,098,454</u>	<u>28,162,032</u>	<u>2.17</u>
TOTAL CAYMAN ISLANDS	<u>1,541,600</u>	<u>43,098,454</u>	<u>28,162,032</u>	<u>2.17</u>
CHINA				
Health Care				
WuXi AppTec Co Ltd (BBB-) ¹	<u>8,699,705</u>	<u>12,338,742</u>	<u>23,129,081</u>	<u>1.78</u>
Industrials				
Weichai Power Co Ltd (BBB+)	<u>6,668,000</u>	<u>21,009,996</u>	<u>13,860,114</u>	<u>1.07</u>
Information Technology				
LONGi Green Energy Technology – A ¹	<u>1,043,025</u>	<u>13,615,518</u>	<u>13,340,153</u>	<u>1.03</u>
TOTAL CHINA	<u>16,410,730</u>	<u>46,964,256</u>	<u>50,329,348</u>	<u>3.88</u>
GERMANY				
Consumer Discretionary				
Volkswagen AG (BBB+)	<u>41,313</u>	<u>11,621,521</u>	<u>12,839,999</u>	<u>0.99</u>
TOTAL GERMANY	<u>41,313</u>	<u>11,621,521</u>	<u>12,839,999</u>	<u>0.99</u>
HONG KONG, CHINA				
Communication Services				
Tencent Holdings Ltd (A+) ⁴	<u>811,500</u>	<u>46,593,759</u>	<u>48,101,521</u>	<u>3.70</u>
Consumer Discretionary				
Galaxy Entertainment Group Ltd ³	<u>1,823,000</u>	<u>16,265,476</u>	<u>9,367,838</u>	<u>0.72</u>
Li Ning Co Ltd ^{3,4}	<u>3,616,000</u>	<u>15,965,278</u>	<u>41,878,088</u>	<u>3.22</u>
Xinyi Glass Hldg Co. Ltd ³	<u>2,584,000</u>	<u>10,779,387</u>	<u>7,734,658</u>	<u>0.59</u>
	<u>8,023,000</u>	<u>43,010,141</u>	<u>58,980,584</u>	<u>4.53</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 %
30.09.2021 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
HONG KONG, CHINA (CONTINUED)				
Energy				
CNOOC Ltd ³	24,160,000	27,314,620	27,002,805	2.08
Financials				
AIA Group Ltd (AA-) ⁴	3,062,200	31,648,145	35,385,669	2.72
Hong Kong Exchanges & Clearing Ltd ^{3,4}	279,111,738	26,463,939	33,747,147	2.60
	282,173,938	58,112,084	69,132,816	5.32
Industrials				
Techtronic Industries Co Ltd ^{3,4}	2,310,500	16,750,270	46,037,365	3.54
Information Technology				
Kingboard Laminates Holdings Ltd ³	14,497,500	15,226,715	23,988,422	1.85
TOTAL HONG KONG, CHINA	331,976,438	207,007,589	273,243,513	21.02
INDIA				
Energy				
Reliance Industries Ltd ^{3,4}	1,538,986	29,676,359	51,393,355	3.95
Financials				
HDFC Bank Ltd (BBB-) ⁴	7,241,576	25,601,703	34,933,064	2.69
Health Care				
Apollo Hospitals Enterprises Ltd ³	469,385	15,624,842	28,346,148	2.18
Industrials				
Container Cop of India Ltd ³	2,479,436	20,245,001	23,531,106	1.81
Information Technology				
Tata Consultancy Services Ltd ³	596,383	19,544,764	30,341,513	2.33

PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND

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 %
30.09.2021 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
INDIA (CONTINUED)				
Materials				
Asian Paints Ltd ³	<u>531,995</u>	<u>18,174,286</u>	<u>23,259,864</u>	<u>1.79</u>
TOTAL INDIA	<u>12,857,761</u>	<u>128,866,955</u>	<u>191,805,050</u>	<u>14.75</u>
INDONESIA				
Communication Services				
Telekomunikasi TBK PT ³	<u>78,861,900</u>	<u>19,393,251</u>	<u>20,329,356</u>	<u>1.56</u>
Financials				
PT Bank Central Asia Tbk (BBB-)	<u>88,383,400</u>	<u>20,394,930</u>	<u>23,281,097</u>	<u>1.79</u>
TOTAL INDONESIA	<u>167,245,300</u>	<u>39,788,181</u>	<u>43,610,453</u>	<u>3.35</u>
JAPAN				
Health Care				
Hoya Corporation ³	<u>98,300</u>	<u>12,635,121</u>	<u>15,395,082</u>	<u>1.18</u>
TOTAL JAPAN	<u>98,300</u>	<u>12,635,121</u>	<u>15,395,082</u>	<u>1.18</u>
MALAYSIA				
Information Technology				
My Eg Services Bhd ³	<u>70,009,600</u>	<u>17,365,199</u>	<u>15,388,563</u>	<u>1.18</u>
TOTAL MALAYSIA	<u>70,009,600</u>	<u>17,365,199</u>	<u>15,388,563</u>	<u>1.18</u>
NETHERLANDS				
Information Technology				
ASML Holding N.V. (A-)	<u>30,940</u>	<u>16,126,010</u>	<u>23,053,703</u>	<u>1.77</u>
TOTAL NETHERLANDS	<u>30,940</u>	<u>16,126,010</u>	<u>23,053,703</u>	<u>1.77</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 %
30.09.2021 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
SINGAPORE				
Communication Services				
Singapore				
Telecommunications	7,460,500	13,510,256	13,487,828	1.04
Consumer Discretionary				
Jardine Cycle & Carriage Ltd ³	718,400	11,735,601	10,231,966	0.79
Financials				
DBS Group Holdings Ltd (AA1)	26,357,990	27,107,071	32,677,607	2.51
Industrials				
Singapore Technologies Engineering Ltd ³	9,075,600	26,855,746	25,412,027	1.95
Information Technology				
Venture Corporation Ltd ³	765,000	16,361,215	10,102,957	0.78
Real Estate				
CapitaLand Integrated Commercial Trust (A3)	690,490	169,083	1,030,131	0.08
Capitaland Investment Ltd (A-)	6,181,500	13,539,728	15,445,849	1.19
	6,871,990	13,708,811	16,475,980	1.27
TOTAL SINGAPORE	51,249,480	109,278,700	108,388,365	8.34
SOUTH KOREA				
Information Technology				
Samsung Electronics Co Ltd ^{3,4}	965,041	36,332,960	50,944,762	3.92
Materials				
LG Chem Ltd (BBB) ⁴	70,603	29,125,360	46,266,380	3.56
Posco (BBB+)	80,295	22,897,766	22,376,032	1.72
	150,898	52,023,126	68,642,412	5.28
TOTAL SOUTH KOREA	1,115,939	88,356,086	119,587,174	9.20

PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND

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 %
30.09.2021 (CONTINUED)				
QUOTED SECURITIES				
(CONTINUED)				
TAIWAN				
Industrials				
AirTac International Group ³	212,298	5,130,941	6,151,355	0.47
Information Technology				
Hon Hai Precision Industry Co Ltd (A-)	9,846,298	21,809,073	20,257,376	1.56
MediaTek Inc ³	590,000	13,182,778	19,186,735	1.48
Taiwan Semiconductor Manufacturing Co Ltd (AA-) ⁴	3,675,000	62,379,036	76,592,426	5.89
	<u>14,111,298</u>	<u>97,370,887</u>	<u>116,036,537</u>	<u>8.93</u>
TOTAL TAIWAN	<u>14,323,596</u>	<u>102,501,828</u>	<u>122,187,892</u>	<u>9.40</u>
THAILAND				
Financials				
Bangkok Bank PCL (BBB)	1,463,200	9,827,250	5,049,529	0.39
TOTAL THAILAND	<u>1,463,200</u>	<u>9,827,250</u>	<u>5,049,529</u>	<u>0.39</u>
UNITED STATES				
Communication Services				
Alphabet Inc ³	9,823	26,569,765	26,261,987	2.02
Tencent Music Entertainment Group ³	646,664	13,033,562	4,688,314	0.36
	<u>328,244</u>	<u>39,603,327</u>	<u>30,905,301</u>	<u>2.38</u>
Materials				
Linde PLC ³	700,335	13,818,709	12,864,126	0.99
TOTAL UNITED STATES	<u>1,356,822</u>	<u>53,422,036</u>	<u>43,814,427</u>	<u>3.37</u>

PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND

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 %
30.09.2021 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
TOTAL QUOTED SECURITIES	<u>690,211,827</u>	1,039,385,611	<u>1,218,066,590</u>	<u>93.70</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>178,680,979</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>1,218,066,590</u>		
Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
31.03.2021				
AUDITED QUOTED SECURITIES				
AUSTRALIA				
Consumer Discretionary				
Aristocrat Leisure Ltd (BB+)	<u>828,532</u>	<u>15,391,415</u>	<u>21,688,184</u>	<u>1.75</u>
Energy				
Beach Energy Ltd ³	12,370,130	15,842,065	16,166,855	1.31
Oil Search Ltd ³	<u>3,187,579</u>	<u>18,761,691</u>	<u>9,959,372</u>	<u>0.80</u>
	<u>15,557,709</u>	<u>34,603,756</u>	<u>26,126,227</u>	<u>2.11</u>
Industrials				
ALS Ltd ³	3,216,122	16,896,658	23,724,389	1.91
Seven Group Holdings Ltd ³	<u>1,012,944</u>	<u>14,409,829</u>	<u>17,406,808</u>	<u>1.41</u>
	<u>4,229,066</u>	<u>31,306,487</u>	<u>41,131,197</u>	<u>3.32</u>
Materials				
BHP Group Ltd (A)	944,770	25,096,363	32,614,555	2.63
OZ Minerals Ltd ³	<u>697,533</u>	<u>11,994,031</u>	<u>12,140,820</u>	<u>0.98</u>
	<u>1,642,303</u>	<u>37,090,394</u>	<u>44,755,375</u>	<u>3.61</u>
TOTAL AUSTRALIA	<u>22,257,610</u>	118,392,052	<u>133,700,983</u>	<u>10.79</u>

PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND

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 %
31.03.2021 (CONTINUED) AUDITED (CONTINUED) QUOTED SECURITIES (CONTINUED)				
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holdings Ltd ^{3,4}	1,456,900	40,645,640	41,234,877	3.33
TOTAL CAYMAN ISLANDS	1,456,900	40,645,640	41,234,877	3.33
CHINA				
Financials				
Ping An Insurance (Group) Company of China Ltd (BBB+) ¹	2,199,000	26,596,996	26,182,670	2.11
Health Care				
WuXi AppTec Co Ltd (BBB-) ¹	823,900	12,338,741	16,206,688	1.31
Industrials				
Sany Heavy Industry Co Ltd ²	5,180,910	15,747,471	26,929,965	2.17
Weichai Power Co Ltd (BBB+) ¹	6,668,000	21,009,996	16,470,588	1.33
	11,848,910	36,757,467	43,400,553	3.50
TOTAL CHINA	14,871,810	75,693,204	85,789,911	6.92
GERMANY				
Utilities				
Volkswagen AG (BBB+) ⁴	114,640	32,248,713	41,640,233	3.36
TOTAL GERMANY	114,640	32,248,713	41,640,233	3.36
HONG KONG, CHINA				
Communication Services				
Tencent Holdings Ltd (A+) ⁴	692,500	32,923,620	54,345,287	4.39

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 %
31.03.2021 (CONTINUED)				
AUDITED (CONTINUED)				
QUOTED SECURITIES				
(CONTINUED)				
HONG KONG, CHINA				
(CONTINUED)				
Consumer Discretionary				
Li Ning Co Ltd ³	<u>2,927,000</u>	<u>8,801,200</u>	<u>19,016,316</u>	<u>1.53</u>
Consumer Staples				
Budweiser Brewing Company APAC Ltd ³	<u>4,336,300</u>	<u>14,328,698</u>	<u>12,942,542</u>	<u>1.04</u>
Financials				
AIA Group Ltd (AA-) ⁴	3,062,200	31,648,145	37,149,889	3.00
Hong Kong Exchanges & Clearing Ltd ³	484,400	22,487,487	28,504,444	2.30
Techtronic Industries Co Ltd ^{3,4}	<u>2,310,500</u>	<u>16,744,870</u>	<u>39,533,921</u>	<u>3.19</u>
	<u>5,857,100</u>	<u>70,880,502</u>	<u>105,188,254</u>	<u>8.49</u>
Information Technology				
Kingboard Laminates Holdings Ltd ^{3,4}	<u>17,213,500</u>	<u>18,079,328</u>	<u>37,248,385</u>	<u>3.01</u>
TOTAL HONG KONG, CHINA	<u>31,026,400</u>	<u>145,013,348</u>	<u>228,740,784</u>	<u>18.46</u>
INDIA				
Energy				
Reliance Industries Ltd ³	1,154,372	20,170,108	31,647,413	2.55
Reliance Industries Ltd - Partly Paid ³	<u>97,421</u>	<u>403,786</u>	<u>1,453,940</u>	<u>0.12</u>
	<u>1,251,793</u>	<u>20,573,894</u>	<u>33,101,353</u>	<u>2.67</u>
Financial				
HDFC Bank Ltd (BBB-) ⁴	<u>1,873,987</u>	<u>27,491,362</u>	<u>38,307,476</u>	<u>3.09</u>
Health Care				
Apollo Hospitals Enterprises Ltd ³	<u>637,385</u>	<u>21,217,210</u>	<u>25,320,055</u>	<u>2.04</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 %
31.03.2021 (CONTINUED) AUDITED (CONTINUED) QUOTED SECURITIES (CONTINUED)				
Industrials				
Container Corp of India Ltd ³	750,000	6,201,606	6,138,052	0.50
Information Technology				
Tata Consultancy Services Ltd ³	596,383	19,544,760	25,937,420	2.09
Materials				
Asian Paints Ltd ³	531,995	18,174,290	18,474,156	1.49
TOTAL INDIA	5,641,543	113,203,122	147,278,512	11.88
INDONESIA				
Consumer Discretionary				
PT Astra International Tbk ³	35,890,700	15,228,669	13,032,838	1.05
Financials				
PT Bank Central Asia Tbk (BBB-)	9,521,500	20,395,172	20,368,127	1.64
TOTAL INDONESIA	45,412,200	35,623,841	33,400,965	2.69
JAPAN				
Health Care				
Hoya Corporation ³	147,500	18,959,107	17,360,906	1.40
Information Technology				
Murata Manufacturing Co Ltd ³	232,400	15,950,417	18,597,589	1.50
TOTAL JAPAN	379,900	34,909,524	35,958,495	2.90
MALAYSIA				
Information Technology				
My E.G. Services Bhd ³	36,086,900	17,902,007	17,159,351	1.39
TOTAL MALAYSIA	36,086,900	17,902,007	17,159,351	1.39

PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND

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 %
31.03.2021 (CONTINUED) AUDITED (CONTINUED) QUOTED SECURITIES (CONTINUED)				
NETHERLANDS				
Information Technology				
ASML Holding N.V. (A-)	30,940	16,126,010	19,101,118	1.54
TOTAL NETHERLANDS	30,940	16,126,010	19,101,118	1.54
SINGAPORE				
Consumer Discretionary				
Jardine Cycle & Carriage Ltd ³	718,400	11,735,601	12,032,173	0.97
Financials				
DBS Group Holdings Ltd (Aa1)	1,721,700	30,375,808	36,880,889	2.98
Information Technology				
Venture Corporation Ltd ³	765,000	16,361,174	11,418,120	0.92
Real Estate				
Keppel DC REIT ³	7,435,504	13,907,579	14,937,448	1.21
TOTAL SINGAPORE	10,640,604	72,380,162	75,268,630	6.08
SOUTH KOREA				
Information Technology				
Samsung Electronics Co Ltd (AA-) ⁴	1,047,511	46,783,813	75,320,562	6.08
Materials				
LG Chem Ltd (BBB) ⁴	75,603	31,187,998	53,760,768	4.34
Posco (BBB+)	58,125	15,373,953	16,430,224	1.33
	133,728	46,561,951	70,190,992	5.67
TOTAL SOUTH KOREA	1,181,239	93,345,764	145,511,554	11.75

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 %
31.03.2021 (CONTINUED)				
AUDITED (CONTINUED)				
QUOTED SECURITIES				
(CONTINUED)				
TAIWAN				
Industrials				
AirTac International Group ³	<u>893,000</u>	<u>23,864,222</u>	<u>31,475,179</u>	<u>2.54</u>
Information Technology				
Hon Hai Precision Industry Co Ltd (A-)	5,369,000	21,809,073	23,348,865	1.88
MediaTek Inc ³	742,000	16,986,135	25,216,126	2.03
Taiwan Semiconductor Manufacturing Co Ltd (AA-) ⁴	<u>3,675,000</u>	<u>62,379,037</u>	<u>75,656,479</u>	<u>6.11</u>
	<u>9,786,000</u>	<u>101,174,245</u>	<u>124,221,470</u>	<u>10.02</u>
TOTAL TAIWAN	<u>10,679,000</u>	<u>125,038,467</u>	<u>155,696,649</u>	<u>12.56</u>
THAILAND				
Financials				
Bangkok Bank PCL (BBB)	<u>1,463,200</u>	<u>9,827,330</u>	<u>5,901,491</u>	<u>0.48</u>
TOTAL THAILAND	<u>1,463,200</u>	<u>9,827,330</u>	<u>5,901,491</u>	<u>0.48</u>
UNITED STATES				
Communication Services				
Tencent Music Entertainment Group ³	550,000	11,056,815	11,269,500	0.91
TOTAL UNITED STATES	<u>550,000</u>	<u>11,056,815</u>	<u>11,269,500</u>	<u>0.91</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 %
31.03.2021 (CONTINUED)				
AUDITED (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
TOTAL QUOTED SECURITIES	<u>181,792,886</u>	<u>941,405,999</u>	<u>1,177,653,053</u>	<u>95.04</u>
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>236,247,054</u>		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>1,177,653,053</u>		

- 1 H shares refer to the shares of companies incorporated in the Chinese mainland that are listed on the Hong Kong Stock Exchange or other foreign exchange. H shares are regulated by Chinese law, but they are denominated in Hong Kong dollars and trade the same as other equities on the Hong Kong Stock Exchange.
- 2 A-shares trade on the two Chinese stock exchanges, the Shanghai Stock Exchange and the Shenzhen Stock Exchange. A-shares are shares of mainland China-based companies and are available for purchase to select foreign institutions through the stock connect system.
- 3 The quoted securities is not rated.
- 4 The quoted securities is one of the top 10 holdings of the Fund.

9. CASH AND CASH EQUIVALENTS

	30.09.2021	31.03.2021
	USD	Audited USD
Bank balances	<u>78,328,521</u>	<u>55,110,675</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.04.2021 to 30.09.2021	01.04.2020 to 31.03.2021 Audited
	<u>No. of units</u>	<u>No. of units</u>
Class MYR (i)	18,294,898,308	16,622,585,807
Class SGD (ii)	91,893,957	88,003,694
Class USD (iii)	130,282,334	122,116,974
	<u>18,517,074,599</u>	<u>16,832,706,475</u>

(i) Class MYR

	01.04.2021 to 30.09.2021	01.04.2020 to 31.03.2021 Audited
	<u>No. of units</u>	<u>No. of units</u>
At the beginning of the financial period/year	16,622,585,807	8,682,435,380
Add: Creation of units from applications	3,388,135,541	7,655,384,127
Add: Creation of units from distributions	285,079,230	274,769,007
Add: Creation of units from unit split	-	5,486,780,348
Less: Cancellation of units	<u>(2,000,902,270)</u>	<u>(5,476,783,055)</u>
At the end of the financial period/year	<u>18,294,898,308</u>	<u>16,622,585,807</u>

(ii) Class SGD

	01.04.2021 to 30.09.2021	01.04.2020 to 31.03.2021 Audited
	<u>No. of units</u>	<u>No. of units</u>
At the beginning of the financial period/year	88,003,694	43,032,082
Add: Creation of units from applications	13,436,220	42,636,297
Add: Creation of units from distributions	1,440,066	1,386,591
Add: Creation of units from unit split	-	27,853,832
Less: Cancellation of units	<u>(10,986,023)</u>	<u>(26,905,108)</u>
At the end of the financial period/year	<u>91,893,957</u>	<u>88,003,694</u>

(iii) Class USD

	01.04.2021 to 30.09.2021	01.04.2020 to 31.03.2021 Audited
	<u>No. of units</u>	<u>No. of units</u>
At the beginning of the financial period/year	122,116,974	75,990,005
Add: Creation of units from applications	19,918,160	55,580,139
Add: Creation of units from distributions	849,289	783,475
Add: Creation of units from unit split	-	48,795,423
Less: Cancellation of units	<u>(12,602,089)</u>	<u>(59,032,068)</u>
At the end of the financial period/year	<u>130,282,334</u>	<u>122,116,974</u>

11. MANAGEMENT EXPENSE RATIO (“MER”)

	01.04.2021 to 30.09.2021	01.04.2020 to 30.09.2020
	%	%
MER	0.93	0.93

MER is derived based on the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on a daily basis is USD1,321,648,993 (30.09.2020: USD834,765,582)

12. PORTFOLIO TURNOVER RATIO (“PTR”)

Under SC Guidelines

	01.04.2021 to 30.09.2021	01.04.2020 to 30.09.2020
PTR (times)	0.25	0.64

PTR is derived from the following calculation:

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

Under Monetary Authority of Singapore (“MAS”) Guidelines

	01.04.2021 to 30.09.2021	01.04.2020 to 30.09.2020
PTR (times)	0.23	0.64

PTR is derived from the following calculation:

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

where:

total acquisition for the financial period = USD373,612,554 (30.09.2020: USD491,483,627)
 total disposal for the financial period = USD298,578,412 (30.09.2020: USD462,211,906)

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

The related parties and their relationship with the Fund 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
PT Principal Asset Management	Subsidiary of the Manager
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the shareholder of the Manager
CIMB Bank Bhd	Fellow related party to the Manager
CIMB Investment Bank Bhd	Fellow related party to the Manager
CGS-CIMB Securities (Singapore) Pte Ltd	Fellow related party to the Manager

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

Units held by the Manager and parties related to the Manager

	30.09.2021		31.03.2021	
	No. of units	USD	No. of units	Audited USD
Manager				
Principal Asset Management Berhad				
- Class MYR	900,959	55,049	1,141,757	72,730
- Class SGD	25,342	16,559	24,354	16,566
- Class USD	<u>3,470</u>	<u>3,248</u>	<u>3,413</u>	<u>3,326</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 and balances. The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

	01.04.2021 to 30.09.2021	01.04.2020 to 30.09.2020
	USD	USD
<u>Significant related party transactions</u>		
Interest income from deposits with licensed financial institutions		
- CIMB Bank Bhd	-	3,058
- CIMB Islamic Bank Bhd	-	49
	<u>-</u>	<u>3,107</u>

There are no significant related party balances for the financial period/year ended 30 September 2021 and 31 March 2021, apart from those mentioned elsewhere in the financial statements.

14. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 30 September 2021 are as follows:

Brokers/Dealers	Values of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
Citigroup Global Markets Ltd	129,637,462	20.22	75,999	10.80
J.P. Morgan Securities LLC	84,500,274	13.18	31,420	4.47
Credit Suisse (HK) Ltd	81,196,979	12.66	115,085	16.36
CLSA Securities (M) Sdn Bhd	58,676,360	9.15	18,907	2.69
Instinet Pacific Ltd	44,067,107	6.87	33,530	4.77
UBS Securities Asia Ltd	42,902,945	6.69	42,626	6.06
DBS Vickers Securities (Singapore) Pte Ltd	41,445,497	6.46	64,960	9.23
JP Morgan Securities (Asia Pacific) Ltd	31,198,764	4.87	73,000	10.38
Sanford C. Bernstein & Co., LLC	29,744,266	4.64	49,250	7.00
Macquarie Securities Australia Ltd	23,081,786	3.60	57,536	8.18
Others #	74,803,625	11.66	141,146	20.06
	<u>641,255,065</u>	<u>100.00</u>	<u>703,459</u>	<u>100.00</u>

14. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 30 September 2020 are as follows:

Brokers/Dealers	Values of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
Citigroup Global Markets Ltd	284,108,124	26.59	191,726	16.63
CLSA Securities (M) Sdn Bhd	142,544,120	13.34	43,245	3.75
Credit Suisse (HK) Ltd	119,275,754	11.16	164,224	14.25
J.P. Morgan Securities LLC	114,390,415	10.71	38,317	3.32
CLSA Ltd	73,513,928	6.88	111,216	9.65
Macquarie Capital Securities (Singapore) Pte Ltd	66,005,309	6.18	33,003	2.86
DBS Vickers Securities (Singapore) Pte Ltd	54,640,645	5.11	85,526	7.42
Sanford C. Bernstein & Co., LLC	42,551,041	3.98	87,705	7.61
Macquarie Capital Securities (M) Sdn Bhd	39,888,862	3.73	103,455	8.97
Morgan Stanley Securities Ltd	34,083,395	3.19	85,208	7.39
Others #	97,538,064	9.13	209,200	18.15
	<u>1,068,539,657</u>	<u>100.00</u>	<u>1,152,825</u>	<u>100.00</u>

Included in the transactions are trades conducted with CGS-CIMB Securities (Singapore) Pte Ltd, fellow related party to the Manager amounting to USD19,773,306 (30.09.2020: USD23,388,568). The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

15. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

a) The COVID-19 pandemic and related lockdowns and movement restrictions have had, and will continue to have, a significant impact on global economic conditions and the environment in which the Fund operates. The Manager continues to closely monitor the macro-economic outlook as a result of COVID-19 pandemic and its impact to the Fund's performance and will be managing the risks to achieve the Fund's objective.

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