

Principal Prosperity Series

30 June 2023

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Administration

Manager

Principal Asset Management Company (Asia) Limited
29/F, Sun Hung Kai Centre,
30 Harbour Road
Wanchai
Hong Kong

Delegate of the Manager

Principal Global Investors, LLC
801 Grand Avenue, Des Moines,
Iowa 50392, USA

Sub-Delegate of the Manager

(for Principal Sustainable Asian Allocation Fund and Principal Sustainable Asian Income Fund)

Principal Global Investors (Singapore) Limited
1 Raffles Quay,
19-01/04 North Tower,
Singapore 048583

Sub-Delegate of the Manager

(for Principal Sustainable Asian Allocation Fund)
Principal Asset Management (S) Pte Ltd
50 Raffles Place,
#22-03 A/B Singapore Land Tower,
Singapore 048623

Administration (continued)

Trustee and Registrar

Principal Trust Company (Asia) Limited
30/F, Millennium City 6
392 Kwun Tong Road
Kwun Tong, Kowloon
Hong Kong

Directors of Principal Asset Management Company (Asia) Limited

Alejandro Elias Echegarri Rodriguez (Resigned on 31 December 2022)
Barbara Ann McKenzie (Appointed on 1 January 2023) (Resigned on 1 March 2023)
Derek Ho Yin Ching (Resigned on 1 March 2023)
West, Kenneth Kirk
Paul McConomy (Appointed on 1 January 2023) (Resigned on 1 March 2023)
Chiu, Siu Po Steve (Appointed on 1 March 2023)
Zhong, Rongsa (Appointed on 1 March 2023)
Vohra, Rohit (Appointed on 1 March 2023)

Auditor

KPMG
8/F, Prince's Building
10 Chater Road
Central, Hong Kong

Legal Advisors to the Manager

Deacons
5/F, Alexandra House
18 Charter Road Central
Hong Kong

Manager's report

Principal Prosperity Series

Principal Asset Management Company (Asia) Limited (the "Manager") has pleasure in presenting the Manager's report together with the performance of Principal Asia Pacific High Dividend Equity Fund, Principal Sustainable Asian Income Fund and Principal Sustainable Asian Allocation Fund (Sub-Funds of Principal Prosperity Series and referred to individually or collectively as the "Sub-Funds") for the year ended 30 June 2023.

Principal Asia Pacific High Dividend Equity Fund

Market Review

Equity markets continued their 2023 ascent in the second quarter. Using the MSCI All Country World Index (USD) as a proxy, global equities advanced 6.4% during the quarter with developed markets outperforming emerging markets, up 7.0% vs. 0.9%. Global Central Banks broadly struck a more hawkish and cautionary tone surrounding inflation and monetary policy outlooks. This hurt risk appetite, as well as growing concerns economic outlook is weakening. Commodity prices moved lower during the quarter as the economic recovery from China re-opening is progressing slower than previously expected. The U.S. dollar nudged higher during the quarter as increased rhetoric from U.S. policymakers hinted additional rate hikes could be warranted to further get inflation under control. The Asia Pacific ex-Japan Index fell 1.0% during the quarter. The best performing sectors were information technology, energy, and industrials while communication services, consumer discretionary, and real estate fared the worst.

Strategy and Outlook

Moving forward, over the long-term, inflation is going to be pushed higher by near-shoring initiatives. The war in Ukraine and escalating geopolitics elsewhere has many countries reassessing their supply chains and trading partners. We see opportunities within the ASEAN countries as well as Mexico and Latin America for this structural change. Additionally, we like countries that are less export driven, and for sectors we prefer consumer and travel related companies where earnings outlook is strong, and visibility remains high. We remain laser focused on assessing company earnings, which should move to the forefront once these macro concerns subside and be the main driver of equity prices.

Principal Sustainable Asian Income Fund

Market Review

Economic data seen during the second quarter of 2023 was essentially mixed and painted a picture of persistent inflation but strong labor markets. In all, a soft landing may be possible given signs of easing inflation amid pockets of strength seen in the economy. On top of this, the US government successfully negotiated a suspension of the debt ceiling that was cross in January of this year. Growth over in China appeared to be more modest than expectations. The recent data coming out of the country has led to further tempering of expectations but also the hope that the government would step in with policy support to help prop up the economy. Emerging market sovereigns Pakistan and Sri Lanka outperformed. India and Indonesia credit markets performed in line with overall markets.

Manager's report Principal Prosperity Series (continued)

Strategy and Outlook

Moving forward, we believe the lagged effect of higher rates may yet to be fully felt in the market, meaning that deterioration in economic data will likely come towards the end of 2023. It will be prudent not to lose sight of recessionary risks. We expect lower quality credits in the crossover BBB space to underperform, and therefore we need to continue being discerning and selective among these. Given the flattening or even inverting yield curve, our preference would be to position on the front end for carry. In China, we will look to sector rotation as a key returns driver given the developments, we observe on the part of supportive policies being enacted by the government. We will look to attractive valuations to solidify prospective opportunities.

Principal Sustainable Asian Allocation Fund

Market Review

Global inflation eased with 9 out of 11 Asian major economies under our coverage printing lower readings. Core inflation in the developed economies remains sticky and above policymakers' targets driven by services. In June 2023 policy meetings, the US Fed paused the interest rate hikes as market expected but signaled additional hikes in the new dot plot. While inflation dynamics are relatively benign in Asia compared to developed economies, central banks in Asia such as India, Indonesia, Philippines and Taiwan kept their benchmark rates unchanged in the policy meeting in June 2023. Global financial conditions eased on narrower credit spreads, stronger equity markets and lower volatility. Economic activities continued to show divergence between contractionary manufacturing and expansionary service activities. Our Global Manufacturing PMI slid to 47.6 with 77% of the covered countries being in contraction. In the asset allocation sleeve, our US technology, US equity and China equity allocation contributed positively.

Strategy and Outlook

Global economic data released recently confirmed a slowing but resilient economy with a still strong labor market. We expect central banks are nearing the end of their tightening cycles to evaluate the lagged impact of monetary tightening on the economies and to contain the financial stability risks. Against the backdrop of tightening financial conditions and headwinds from corporate earnings weakness, we maintain a slightly cautious stance on equity for the later half of the year, but we are neutral to slightly overweight equities in the very near term as market sentiments are improving. We took some profit from US technology allocation on its YTD outperformance. We will be nimble in our positioning in response to changing market conditions.



Principal Asset Management Company (Asia) Limited

31 October 2023



Independent auditor's report to the unitholders of Principal Prosperity Series

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Principal Asia Pacific High Dividend Equity Fund, Principal Sustainable Asian Income Fund and Principal Sustainable Asian Allocation Fund (each a separate sub-fund of Principal Prosperity Series and referred to individually or collectively as the "Sub-Funds") set out on pages 9 to 71 which comprise the statement of financial position as at 30 June 2023, the statement of comprehensive income, the statement of changes in net assets attributable to unitholders, the cash flow statement and the distribution statement for the year/period then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Funds as at 30 June 2023 and of its financial performance and its cash flows for the year/period then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accounts ("HKICPA").

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Sub-Funds in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Manager and the Trustee of the Sub-Funds are responsible for the other information. The other information comprises all the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements 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, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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.



Independent auditor's report to the unitholders of Principal Prosperity Series (continued)

Report on the Audit of Financial Statements (continued)

Responsibilities of the Manager and the Trustee of the Sub-Funds for the Financial Statements

The Manager and the Trustee of the Sub-Funds are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and for such internal control as the Manager and the Trustee of the Sub-Funds determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager and the Trustee of the Sub-Funds are responsible for assessing the Sub-Funds' 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 and the Trustee of the Sub-Funds either intend to liquidate the Sub-Funds or to cease operations, or have no realistic alternative but to do so.

In addition, the Manager and the Trustee of the Sub-Funds are required to ensure that the financial statements have been properly prepared in accordance with the relevant provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the Code on Unit Trusts and Mutual Funds (the "SFC Code") issued by the Hong Kong Securities and Futures Commission.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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. In addition, we are required to assess whether the financial statements of the Sub-Funds have been properly prepared, in all material respects, in accordance with the relevant provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code.



Independent auditor's report to the unitholders of Principal Prosperity Series (continued)

Report on the Audit of Financial Statements (continued)

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 Sub-Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager and the Trustee of the Sub-Funds.
- Conclude on the appropriateness of the Manager's and the Trustee'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 Sub-Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 auditor's report. However, future events or conditions may cause the Sub-Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager and the Trustee of the Sub-Funds 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 auditor's report to the unitholders of Principal Prosperity Series (continued)

Report on matters under the relevant provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code.

A handwritten signature in black ink, appearing to be 'G. Wong'.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

31 October 2023

Statement of comprehensive income for the year ended 30 June 2023 (Expressed in United States dollars)

| | Notes | Principal Asia Pacific High Dividend Equity Fund | | Principal Sustainable Asian Income Fund | | Principal Sustainable Asian Allocation Fund | |
|--|-------|---|------------------------|--|--|--|---|
| | | 2023 | 2022 | 2023 | For the period from 15 December 2021 (date of commencement of operation) to 30 June 2022 | 2023 | For the period from 10 January 2022 (date of commencement of operation) to 30 June 2022 |
| Income | | | | | | | |
| Dividend income | | \$ 3,592,490 | \$ 3,134,170 | \$ - | \$ - | \$ 258,906 | \$ 164,492 |
| Interest income from cash and cash equivalents | | 12,258 | 864 | 4,030 | - | 4,375 | - |
| Interest income from financial assets at fair value through profit or loss | | - | - | 640,353 | 368,309 | 464,047 | 227,134 |
| Other income | | 167,163 | 2,152 | 460 | 72 | 390 | 51 |
| | | <u>\$ 3,771,911</u> | <u>\$ 3,137,186</u> | <u>\$ 644,843</u> | <u>\$ 368,381</u> | <u>\$ 727,718</u> | <u>\$ 391,677</u> |
| Expenses | | | | | | | |
| Auditor's remuneration | | \$ (25,900) | \$ (26,018) | \$ (11,761) | \$ (11,780) | \$ (17,641) | \$ (17,661) |
| Bank charges and safe custody fees | | (101,477) | (60,476) | (12,160) | (4,081) | (12,846) | (5,063) |
| Establishment cost | | - | - | - | (80,000) | - | (80,000) |
| Legal and professional fees | | (57,479) | (46,178) | (6,651) | - | (11,435) | (1,694) |
| Manager's fee | 6(a) | (1,463,537) | (1,796,602) | (95,337) | (56,017) | (167,608) | (86,352) |
| Miscellaneous expenses | 6(b) | (39,955) | (20,848) | (8,444) | (1,816) | (24,627) | (4,721) |
| Net foreign exchange (loss)/gain | | (222,661) | (328,551) | (2,707) | 1,820 | (14,335) | (31,776) |
| Transaction costs | 4 | (626,177) | (977,362) | - | - | (49,000) | (20,533) |
| Trustee's fee | 6(b) | (116,864) | (139,269) | (50,813) | (29,864) | (75,692) | (38,978) |
| Valuation fee | 6(b) | (12,550) | (12,300) | (23,999) | (13,019) | (23,999) | (11,244) |
| | | <u>\$ (2,666,600)</u> | <u>\$ (3,407,604)</u> | <u>\$ (211,872)</u> | <u>\$ (194,757)</u> | <u>\$ (397,183)</u> | <u>\$ (298,022)</u> |
| Income/(loss) before (loss)/gain on investments | | <u>\$ 1,105,311</u> | <u>\$ (270,418)</u> | <u>\$ 432,971</u> | <u>\$ 173,624</u> | <u>\$ 330,535</u> | <u>\$ 93,655</u> |
| Loss on investments | | | | | | | |
| Net realised loss on sale of investments | | \$ (6,982,975) | \$ (6,160,040) | \$ (1,405,409) | \$ (1,462,585) | \$ (3,017,117) | \$ (1,056,495) |
| Net change in unrealised gain/(loss) on investments | | 5,448,469 | (37,555,173) | 1,133,144 | (1,748,763) | 2,420,352 | (3,448,195) |
| | | <u>\$ (1,534,506)</u> | <u>\$ (43,715,213)</u> | <u>\$ (272,265)</u> | <u>\$ (3,211,348)</u> | <u>\$ (596,765)</u> | <u>\$ (4,504,690)</u> |

The notes on pages 20 to 71 form part of these financial statements.

Statement of comprehensive income for the year ended 30 June 2023 (continued) (Expressed in United States dollars)

| | Notes | Principal Asia Pacific High Dividend Equity Fund | | Principal Sustainable Asian Income Fund | | Principal Sustainable Asian Allocation Fund | |
|--|-------|---|------------------------|--|--|--|---|
| | | 2023 | 2022 | 2023 | For the period from 15 December 2021 (date of commencement of operation) to 30 June 2022 | 2023 | For the period from 10 January 2022 (date of commencement of operation) to 30 June 2022 |
| (Loss)/Profit for the year before taxation | | \$ (429,195) | \$ (43,985,631) | \$ 160,706 | \$ (3,037,724) | \$ (266,230) | \$ (4,411,035) |
| Taxation | 7 | (360,753) | (742,660) | - | - | (19,007) | (13,533) |
| (Loss)/Profit for the year | | \$ (789,948) | \$ (44,728,291) | \$ 160,706 | \$ (3,037,724) | \$ (285,237) | \$ (4,424,568) |
| Distributions to unitholders | 8 | (640,069) | (332,588) | (58,020) | (29,862) | (21,302) | (8,882) |
| (Loss)/Profit and total comprehensive income for the year | | \$ <u>(1,430,017)</u> | \$ <u>(45,060,879)</u> | \$ <u>102,686</u> | \$ <u>(3,067,586)</u> | \$ <u>(306,539)</u> | \$ <u>(4,433,450)</u> |

The notes on pages 20 to 71 form part of these financial statements.

Statement of financial position as at 30 June 2023 (Expressed in United States dollars unless otherwise indicated)

| | Notes | Principal Asia Pacific High Dividend Equity Fund | | Principal Sustainable Asian Income Fund | | Principal Sustainable Asian Allocation Fund | |
|---|-----------------|---|-----------------------|--|----------------------|--|----------------------|
| | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Assets | | | | | | | |
| Investments measured at fair value through profit or loss | 16(e) | \$ 118,450,267 | \$ 122,507,764 | \$ 16,297,314 | \$ 16,172,282 | \$ 24,574,055 | \$ 24,134,486 |
| Dividend and other receivables | | 675,711 | 524,246 | - | - | 37,916 | 45,828 |
| Interest receivables | | - | - | 173,421 | 159,291 | 118,173 | 120,033 |
| Amounts receivable from brokers | | 644,003 | 1,489,147 | - | 561,215 | 1,798 | 424,199 |
| Amounts receivable on subscription of units | | 13,367 | 189,330 | - | - | - | - |
| Cash and cash equivalents | 5 | 5,185,665 | 6,469,136 | 1,205,033 | 496,526 | 889,449 | 1,239,076 |
| Total assets | | \$ 124,969,013 | \$ 131,179,623 | \$ 17,675,768 | \$ 17,389,314 | \$ 25,621,391 | \$ 25,963,622 |
| Liabilities | | | | | | | |
| Investments measured at fair value through profit or loss | 16(d), 16(e) | \$ - | \$ - | \$ 8,315 | \$ 8,273 | \$ 8,260 | \$ 8,551 |
| Amounts payable on redemption of units | | 107,036 | 112,796 | - | - | - | - |
| Amounts payable to brokers | | 1,104,144 | 1,737,085 | 351,653 | 300,000 | 168,965 | 248,426 |
| Distributions payable | 8 | 83,482 | 80,828 | 5,113 | 4,883 | 1,737 | 1,883 |
| Accrued expenses and other payables | 6(a), 6(b) | 428,683 | 275,302 | 122,932 | 118,802 | 145,603 | 131,246 |
| Total liabilities (excluding net assets attributable to unitholders classified as financial liabilities) | | \$ 1,723,345 | \$ 2,206,011 | \$ 488,013 | \$ 431,958 | \$ 324,565 | \$ 390,106 |
| Net assets attributable to unitholders | | \$ 123,245,668 | \$ 128,973,612 | \$ 17,187,755 | \$ 16,957,356 | \$ 25,296,826 | \$ 25,573,516 |

The notes on pages 20 to 71 form part of these financial statements.

Statement of financial position
as at 30 June 2023 (continued)
(Expressed in United States dollars unless otherwise indicated)

| Notes | Principal Asia Pacific High Dividend Equity Fund | | Principal Sustainable Asian Income Fund | | Principal Sustainable Asian Allocation Fund | |
|---|---|--------------|--|--------------|--|--------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Represented by: | | | | | | |
| - Net assets attributable to unitholders | 123,245,668 | 128,973,612 | 17,187,755 | 16,957,356 | 25,296,826 | 25,573,516 |
| Total number of units in issue | | | | | | |
| Income Class Units | 556,550.73 | 577,345.04 | - | - | - | - |
| Accumulation Class Units - Institutional | 7,762,570.09 | 8,044,657.13 | - | - | - | - |
| Income Plus (monthly) Class Unit-Retirement (HKD) | - | - | 84,902.68 | 79,838.91 | 89,537.87 | 79,144.22 |
| Accumulation Class Units-Institutional (USD) | - | - | 1,820,000.00 | 1,820,000.00 | 2,920,000.00 | 2,920,000.00 |
| Income (monthly) Class Units - Institutional (USD) | - | - | 105,558.77 | 101,625.99 | - | - |
| Accumulation Class Units-Retail (HKD) | - | - | 78,020.77 | 78,020.77 | 79,831.61 | 77,969.00 |
| Accumulation Class Units - Retail (RMB hedged) | - | - | 63,784.05 | 63,784.05 | 63,837.39 | 63,837.39 |
| Accumulation Class Units - Retail (USD) | - | - | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 |
| Income (monthly) Class Units - Retail (HKD) | - | - | 142,526.69 | 79,289.19 | 81,141.28 | 78,775.04 |
| Income Plus (monthly) Class Units - Retail (HKD) | - | - | 91,082.75 | 79,839.70 | 83,354.42 | 79,145.65 |
| Income Plus (monthly) Class Units - Retail (RMB hedged) | - | - | 71,698.20 | 65,953.67 | 70,325.19 | 65,339.17 |
| Income Plus (monthly) Class Units - Retail (USD) | - | - | 10,882.68 | 10,233.49 | 10,690.60 | 10,151.09 |

The notes on pages 20 to 71 form part of these financial statements.

Statement of financial position
as at 30 June 2023 (continued)
(Expressed in United States dollars unless otherwise indicated)

| Net asset value per unit | Notes | Principal Asia Pacific High Dividend Equity Fund | | Principal Sustainable Asian Income Fund | | Principal Sustainable Asian Allocation Fund | |
|--|-------|---|------------|--|-----------|--|-----------|
| | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Income Class Units | | US\$ 29.29 | US\$ 30.36 | - | - | - | - |
| Accumulation Class Units - Institutional | | US\$ 13.77 | US\$ 13.85 | - | - | - | - |
| Income Plus (monthly) Class Unit-Retirement (HKD) | | - | - | HK\$ 7.86 | HK\$ 8.29 | HK\$ 7.88 | HK\$ 8.41 |
| Accumulation Class Units- Institutional (USD) | | - | - | US\$ 8.57 | US\$ 8.48 | US\$ 8.43 | US\$ 8.52 |
| Income (monthly) Class Units - Institutional (USD) | | - | - | US\$ 8.09 | US\$ 8.32 | - | - |
| Accumulation Class Units- Retail (HKD) | | - | - | HK\$ 8.56 | HK\$ 8.51 | HK\$ 8.40 | HK\$ 8.55 |
| Accumulation Class Units - Retail (RMB hedged) | | - | - | CNH 8.59 | CNH 8.89 | CNH 8.25 | CNH 8.92 |
| Accumulation Class Units - Retail (USD) | | - | - | US\$ 8.52 | US\$ 8.46 | US\$ 8.36 | US\$ 8.50 |
| Income (monthly) Class Units - Retail (HKD) | | - | - | HK\$ 8.10 | HK\$ 8.35 | HK\$ 8.05 | HK\$ 8.43 |
| Income Plus (monthly) Class Units - Retail (HKD) | | - | - | HK\$ 7.83 | HK\$ 8.28 | HK\$ 7.83 | HK\$ 8.39 |
| Income Plus (monthly) Class Units - Retail (RMB hedged) | | - | - | CNH 7.52 | CNH 8.54 | CNH 7.50 | CNH 8.67 |
| Income Plus (monthly) Class Units - Retail (USD) | | - | - | US\$ 7.79 | US\$ 8.23 | US\$ 7.79 | US\$ 8.34 |

Approved and authorised for issue by the Trustee and the Manager on 31 October 2023

)
) For and on behalf of
) Principal Trust Company
) (Asia) Limited
)

)
) For and on behalf of
) Principal Asset Management
) Company (Asia) Limited
)

The notes on pages 20 to 71 form part of these financial statements.

Statement of changes in net assets attributable to unitholders for the year ended 30 June 2023 (Expressed in United States dollars)

| | Notes | Principal Asia Pacific High Dividend Equity Fund | | Principal Sustainable Asian Income Fund | | Principal Sustainable Asian Allocation Fund | |
|---|-------|---|----------------|--|--|--|---|
| | | 2023 | 2022 | 2023 | For the period from 15 December 2021 (date of commencement of operation) to 30 June 2022 | 2023 | For the period from 10 January 2022 (date of commencement of operation) to 30 June 2022 |
| Balance brought forward | | \$ 128,973,612 | \$ 166,891,383 | \$ 16,957,356 | \$ - | \$ 25,573,516 | \$ - |
| Subscriptions by unitholders | | | | | | | |
| - Income Class Units | | 965,669 | 715,301 | - | - | - | - |
| - Accumulation Class Units - Institutional | | 6,566,358 | 20,675,812 | - | - | - | - |
| - Income Plus (monthly) Class Unit-Retirement (HKD) | | - | - | 5,203 | 102,053 | 10,999 | 101,330 |
| - Accumulation Class Units- Institutional (USD) | | - | - | - | 18,200,000 | - | 29,200,000 |
| - Income (monthly) Class Units - Institutional (USD) | | - | - | 32,173 | 1,014,368 | - | - |
| - Accumulation Class Units- Retail (HKD) | | - | - | - | 100,000 | 2,027 | 100,000 |
| - Accumulation Class Units - Retail (RMB hedged) | | - | - | - | 100,000 | - | 100,000 |
| - Accumulation Class Units - Retail (USD) | | - | - | - | 100,000 | - | 100,000 |
| -Income (monthly) Class Units - Retail (HKD) | | - | - | 67,213 | 101,434 | 2,486 | 100,909 |
| - Income Plus (monthly) Class Units - Retail (HKD) | | - | - | 11,468 | 102,052 | 4,348 | 101,330 |
| - Income Plus (monthly) Class Units - Retail (RMB hedged) | | - | - | 6,464 | 102,979 | 5,642 | 102,065 |
| - Income Plus (monthly) Class Units - Retail (USD) | | - | - | 5,192 | 102,056 | 4,347 | 101,332 |
| Redemptions by unitholders | | | | | | | |
| - Income Class Units | | (1,562,988) | (1,552,088) | - | - | - | - |
| - Accumulation Class Units - Institutional | | (10,266,966) | (12,695,917) | - | - | - | - |
| - Income Plus (monthly) Class Unit-Retirement (HKD) | | - | - | - | - | - | - |
| - Accumulation Class Units- Institutional (USD) | | - | - | - | - | - | - |
| - Income (monthly) Class Units - Institutional (USD) | | - | - | - | - | - | - |
| - Accumulation Class Units- Retail (HKD) | | - | - | - | - | - | - |
| - Accumulation Class Units - Retail (RMB hedged) | | - | - | - | - | - | - |
| - Accumulation Class Units - Retail (USD) | | - | - | - | - | - | - |

The notes on pages 20 to 71 form part of these financial statements.

Statement of changes in net assets attributable to unitholders for the year ended 30 June 2023 (continued) (Expressed in United States dollars)

| | Notes | Principal Asia Pacific High Dividend Equity Fund | | Principal Sustainable Asian Income Fund | | Principal Sustainable Asian Allocation Fund | |
|---|-------|---|-----------------------|--|--|--|---|
| | | 2023 | 2022 | 2023 | For the period from 15 December 2021 (date of commencement of operation) to 30 June 2022 | 2023 | For the period from 10 January 2022 (date of commencement of operation) to 30 June 2022 |
| - Income (monthly) Class Units - Retail (HKD) | | - | - | - | - | - | - |
| - Income Plus (monthly) Class Units - Retail (HKD) | | - | - | - | - | - | - |
| - Income Plus (monthly) Class Units - Retail (RMB hedged) | | - | - | - | - | - | - |
| - Income Plus (monthly) Class Units - Retail (USD) | | - | - | - | - | - | - |
| | | <u>\$ 124,675,685</u> | <u>\$ 174,034,491</u> | <u>\$ 17,085,069</u> | <u>\$ 20,024,942</u> | <u>\$ 25,603,365</u> | <u>\$ 30,006,966</u> |
| (Loss)/profit and total comprehensive income for the year | | <u>(1,430,017)</u> | <u>(45,060,879)</u> | <u>102,686</u> | <u>(3,067,586)</u> | <u>(306,539)</u> | <u>(4,433,450)</u> |
| Balance carried forward | | <u>\$ 123,245,668</u> | <u>\$ 128,973,612</u> | <u>\$ 17,187,755</u> | <u>\$ 16,957,356</u> | <u>\$ 25,296,826</u> | <u>\$ 25,573,516</u> |
| Total number of units in issue | 9 | | | | | | |
| Income Class Units (USD) | | | | | | | |
| Balance brought forward | | 577,345.04 | 599,701.23 | - | - | - | - |
| Issuance of redeemable units | | 66,205.49 | 19,303.69 | - | - | - | - |
| Redemption of redeemable units | | (86,999.80) | (41,659.88) | - | - | - | - |
| Balance carried forward | | <u>556,550.73</u> | <u>577,345.04</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Accumulation Class Units - Institutional (USD) | | | | | | | |
| Balance brought forward | | 8,044,657.13 | 7,582,114.59 | - | - | - | - |
| Issuance of redeemable units | | 482,256.31 | 1,217,377.23 | - | - | - | - |
| Redemption of redeemable units | | (764,343.35) | (754,834.69) | - | - | - | - |
| Balance carried forward | | <u>7,762,570.09</u> | <u>8,044,657.13</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

The notes on pages 20 to 71 form part of these financial statements.

Statement of changes in net assets attributable to unitholders for the year ended 30 June 2023 (continued) (Expressed in United States dollars)

| | Notes | Principal Asia Pacific High Dividend Equity Fund | | Principal Sustainable Asian Income Fund | | Principal Sustainable Asian Allocation Fund | |
|---|-------|---|------|--|--|--|---|
| | | 2023 | 2022 | 2023 | For the period from 15 December 2021 (date of commencement of operation) to 30 June 2022 | 2023 | For the period from 10 January 2022 (date of commencement of operation) to 30 June 2022 |
| Income Plus (monthly) Class Unit-Retirement (HKD) | | | | | | | |
| Balance brought forward | | - | - | 79,838.91 | - | 79,144.22 | - |
| Issuance of redeemable units | | - | - | 5,063.77 | 79,838.91 | 10,393.65 | 79,144.22 |
| Redemption of redeemable units | | - | - | - | - | - | - |
| Balance carried forward | | - | - | 84,902.68 | 79,838.91 | 89,537.87 | 79,144.22 |
| Accumulation Class Units- Institutional (USD) | | | | | | | |
| Balance brought forward | | - | - | 1,820,000.00 | - | 2,920,000.00 | - |
| Issuance of redeemable units | | - | - | - | 1,820,000.00 | - | 2,920,000.00 |
| Redemption of redeemable units | | - | - | - | - | - | - |
| Balance carried forward | | - | - | 1,820,000.00 | 1,820,000.00 | 2,920,000.00 | 2,920,000.00 |
| Income (monthly) Class Units - Institutional (USD) | | | | | | | |
| Balance brought forward | | - | - | 101,625.99 | - | - | - |
| Issuance of redeemable units | | - | - | 3,932.78 | 101,625.99 | - | - |
| Redemption of redeemable units | | - | - | - | - | - | - |
| Balance carried forward | | - | - | 105,558.77 | 101,625.99 | - | - |
| Accumulation Class Units- Retail (HKD) | | | | | | | |
| Balance brought forward | | - | - | 78,020.77 | - | 77,969.00 | - |
| Issuance of redeemable units | | - | - | - | 78,020.77 | 1,862.61 | 77,969.00 |
| Redemption of redeemable units | | - | - | - | - | - | - |
| Balance carried forward | | - | - | 78,020.77 | 78,020.77 | 79,831.61 | 77,969.00 |

The notes on pages 20 to 71 form part of these financial statements.

Statement of changes in net assets attributable to unitholders for the year ended 30 June 2023 (continued) (Expressed in United States dollars)

| | Notes | Principal Asia Pacific High Dividend Equity Fund | | Principal Sustainable Asian Income Fund | | Principal Sustainable Asian Allocation Fund | |
|---|-------|---|------|--|--|--|---|
| | | 2023 | 2022 | 2023 | For the period from 15 December 2021 (date of commencement of operation) to 30 June 2022 | 2023 | For the period from 10 January 2022 (date of commencement of operation) to 30 June 2022 |
| Accumulation Class Units - Retail (RMB hedged) | | | | | | | |
| Balance brought forward | | - | - | 63,784.05 | - | 63,837.39 | - |
| Issuance of redeemable units | | - | - | - | 63,784.05 | - | 63,837.39 |
| Redemption of redeemable units | | - | - | - | - | - | - |
| Balance carried forward | | - | - | 63,784.05 | 63,784.05 | 63,837.39 | 63,837.39 |
| Accumulation Class Units - Retail (USD) | | | | | | | |
| Balance brought forward | | - | - | 10,000.00 | - | 10,000.00 | - |
| Issuance of redeemable units | | - | - | - | 10,000.00 | - | 10,000.00 |
| Redemption of redeemable units | | - | - | - | - | - | - |
| Balance carried forward | | - | - | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 |
| Income (monthly) Class Units - Retail (HKD) | | | | | | | |
| Balance brought forward | | - | - | 79,289.19 | - | 78,775.04 | - |
| Issuance of redeemable units | | - | - | 63,237.50 | 79,289.19 | 2,366.24 | 78,775.04 |
| Redemption of redeemable units | | - | - | - | - | - | - |
| Balance carried forward | | - | - | 142,526.69 | 79,289.19 | 81,141.28 | 78,775.04 |
| Income Plus (monthly) Class Units - Retail (HKD) | | | | | | | |
| Balance brought forward | | - | - | 79,839.70 | - | 79,145.65 | - |
| Issuance of redeemable units | | - | - | 11,243.05 | 79,839.70 | 4,208.77 | 79,145.65 |
| Redemption of redeemable units | | - | - | - | - | - | - |
| Balance carried forward | | - | - | 91,082.75 | 79,839.70 | 83,354.42 | 79,145.65 |

The notes on pages 20 to 71 form part of these financial statements.

Statement of changes in net assets attributable to unitholders for the year ended 30 June 2023 (continued)

(Expressed in United States dollars)

| | Notes | Principal Asia Pacific High Dividend Equity Fund | | Principal Sustainable Asian Income Fund | | Principal Sustainable Asian Allocation Fund | |
|--|-------|---|------|--|--|--|---|
| | | 2023 | 2022 | 2023 | For the period from 15 December 2021 (date of commencement of operation) to 30 June 2022 | 2023 | For the period from 10 January 2022 (date of commencement of operation) to 30 June 2022 |
| Income Plus (monthly) Class Units - Retail (RMB hedged) | | | | | | | |
| Balance brought forward | | - | - | 65,953.67 | - | 65,339.17 | - |
| Issuance of redeemable units | | - | - | 5,744.53 | 65,953.67 | 4,986.02 | 65,339.17 |
| Redemption of redeemable units | | - | - | - | - | - | - |
| Balance carried forward | | - | - | 71,698.20 | 65,953.67 | 70,325.19 | 65,339.17 |
| Income Plus (monthly) Class Units - Retail (USD) | | | | | | | |
| Balance brought forward | | - | - | 10,233.49 | - | 10,151.09 | - |
| Issuance of redeemable units | | - | - | 649.19 | 10,233.49 | 539.51 | 10,151.09 |
| Redemption of redeemable units | | - | - | - | - | - | - |
| Balance carried forward | | - | - | 10,882.68 | 10,233.49 | 10,690.60 | 10,151.09 |

The notes on pages 20 to 71 form part of these financial statements.

Cash flow statement for the year ended 30 June 2023 (Expressed in United States dollars)

| | Notes | Principal Asia Pacific High Dividend Equity Fund | | Principal Sustainable Asian Income Fund | | Principal Sustainable Asian Allocation Fund | |
|--|-------|---|----------------------------|--|--|--|---|
| | | 2023 | 2022 | 2023 | For the period from 15 December 2021 (date of commencement of operation) to 30 June 2022 | 2023 | For the period from 10 January 2022 (date of commencement of operation) to 30 June 2022 |
| Operating activities | | | | | | | |
| Dividends received | \$ | 3,600,681 | \$ 2,924,273 | \$ - | \$ - | \$ 266,818 | \$ 118,664 |
| Withholding tax paid | | (324,732) | (368,253) | - | - | (19,007) | (13,533) |
| Capital gains tax paid | | (36,021) | (337,288) | - | - | - | - |
| Interest received | | 12,258 | 864 | 630,253 | 209,018 | 470,282 | 107,101 |
| Other income received | | 7,507 | - | 460 | 72 | 390 | 51 |
| Operating expenses paid | | (2,513,219) | (3,398,486) | (207,742) | (75,954) | (382,826) | (166,776) |
| Proceeds from sale of investments | | 134,822,921 | 248,480,322 | 24,666,343 | 16,733,711 | 27,223,129 | 13,048,805 |
| Payments on purchase of investments | | (132,087,727) | (249,789,387) | (24,450,730) | (36,370,284) | (27,916,814) | (41,855,203) |
| Net cash generated from/ (used in) operating activities | \$ | <u>3,481,668</u> | <u>\$ (2,487,955)</u> | <u>\$ 638,584</u> | <u>\$ (19,503,437)</u> | <u>\$ (358,028)</u> | <u>\$ (28,760,891)</u> |
| Financing activities | | | | | | | |
| Proceeds from issuance of units | \$ | 7,707,990 | \$ 21,203,529 | \$ 127,713 | \$ 20,024,942 | \$ 29,849 | \$ 30,006,966 |
| Payments on redemption of units | | (11,835,714) | (14,157,213) | - | - | - | - |
| Payments on distributions | | (637,415) | (305,733) | (57,790) | (24,979) | (21,448) | (6,999) |
| Net cash (used in)/ generated from financing activities | \$ | <u>(4,765,139)</u> | <u>\$ 6,740,583</u> | <u>\$ 69,923</u> | <u>\$ 19,999,963</u> | <u>\$ 8,401</u> | <u>\$ 29,999,967</u> |
| Net (decrease)/increase in cash and cash equivalents | \$ | <u>(1,283,471)</u> | <u>\$ 4,252,628</u> | <u>\$ 708,507</u> | <u>\$ 496,526</u> | <u>\$ (349,627)</u> | <u>\$ 1,239,076</u> |
| Cash and cash equivalents at the beginning of the year/period | | <u>6,469,136</u> | <u>2,216,508</u> | <u>496,526</u> | <u>-</u> | <u>1,239,076</u> | <u>-</u> |
| Cash and cash equivalents at the end of the year/period | \$ | <u><u>5,185,665</u></u> | <u><u>\$ 6,469,136</u></u> | <u><u>\$ 1,205,033</u></u> | <u><u>\$ 496,526</u></u> | <u><u>\$ 889,449</u></u> | <u><u>\$ 1,239,076</u></u> |

The notes on pages 20 to 71 form part of these financial statements.

Notes to the financial statements

(Expressed in United States dollars unless otherwise indicated)

1 Background

Principal Prosperity Series (the “Fund”) is an open-ended umbrella unit trust originally established as an exempted trust under the laws of the Cayman Islands by a trust deed dated 24 October 2002, as amended (the “Trust Deed”). The Fund currently consists of three sub-funds, namely the Principal Asia Pacific High Dividend Equity Fund, Principal Sustainable Asian Income Fund and Principal Sustainable Asian Allocation Fund (the “Sub-Funds”).

The Fund and the Sub-Funds are authorised by the Hong Kong Securities and Futures Commission (the “SFC”) under section 104 of the Hong Kong Securities and Futures Ordinance.

Taking into account various factors including the market outlook in Hong Kong and in the Cayman Islands, the potential effect of reducing the operating costs of a fund domiciled overseas, and the ease of administration of the Fund and the Sub-Funds if they are domiciled in the place where Principal Trust Company (Asia) Limited (the “Trustee”) was incorporated, the Trustee has decided that it would be beneficial to the Fund and the Sub-Funds and in the interests of the unitholders of the Fund and the Sub-Funds to change the domicile of the Fund from the Cayman Islands to Hong Kong (the “Change”). As a result, the Trustee has applied to the Cayman Islands Monetary Authority for the de-registration of the Fund as an administered mutual fund. The SFC approved the Change on 30 October 2015. The Change took effect on 30 November 2015 (date of redomiciliation) and the costs associated with the Change were borne by Principal Asset Management Company (Asia) Limited (the “Manager”).

The primary investment objective of the Principal Asia Pacific High Dividend Equity Fund is to provide investors with high current income through investing in a diversified portfolio of listed securities in the Asia Pacific region. The Sub-Fund will also seek to achieve capital appreciation with relatively moderate to high volatility commensurate with investing in equities.

For Principal Sustainable Asian Income Fund, it will primarily (i.e. at least 70% of the Sub-Fund’s net asset value) invest in a diversified portfolio of fixed income securities and fixed income-related securities of companies and issuers in Asia which are considered to be outperforming their peers with respect to sustainability performance based on environmental, social and governance (“ESG”) factors (“ESG leaders”) as well as ESG-focused exchange traded funds (“ETF”) and other collective investment schemes (“CIS”) which primarily invest in debt securities and companies or issuers that maintain better ESG profiles than their corresponding traditional counterparts (collectively “ESG-focused ETF/CIS”), and provide a return consisting of income and capital growth over medium to long term.

1 Background (continued)

For Principal Sustainable Asian Allocation Fund, it will primarily (i.e. at least 70% of the Sub-Fund's net asset value) invest in a diversified range of assets and securities (including equities, equity related securities and debt securities) of companies and issuers in Asia Pacific (ex-Japan) which are considered to be outperforming their peers with respect to sustainability performance based on ESG factors as well as ETF and CIS, which primarily invest in equity or debt securities and companies or issuers that maintain better ESG profiles than their corresponding traditional counterparts (collectively "ESG-focused ETF/CIS"), and provide capital growth and income over medium to long term.

The Sub-Funds do not have any externally imposed capital requirements.

2 Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong, the relevant provisions of the Trust Deed and the relevant provisions of the Code on Unit Trusts and Mutual Funds (the "SFC Code") issued by the SFC. A summary of the significant accounting policies adopted by the Sub-Funds is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Sub-Funds. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Sub-Funds for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is historical cost basis except that investments are stated at their fair value as explained in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 Significant accounting policies (continued)

For Principal Sustainable Asian Income Fund and Principal Sustainable Asian Allocation Fund, the Sub-Funds were commenced operations on 15 December 2021 and 10 January 2022 respectively, with first annual financial period ended on 30 June 2022. Consequently, the comparative amounts shown on the statements of comprehensive income, statements of changes in net assets attributable to unitholders, and cash flow statements and the relevant notes are not comparable insofar as they are related to a shorter period than the current year.

(c) *Change in accounting policies*

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Sub-Funds. None of these standards or amendments impact on the accounting policies of the Sub-Funds.

The Sub-Funds have not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 19).

(d) *Financial instruments*

(i) Classification

On initial recognition, the Sub-Funds classify financial assets as measured at amortised cost or fair value through profit or loss ("FVTPL").

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI").

All other financial assets of the Sub-Funds are measured at FVTPL.

Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Sub-Funds consider all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sales of the assets;
- how the performance of the portfolio is evaluated and reported to the Sub-Funds' management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

2 Significant accounting policies (continued)

- how the manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Sub-Funds' continuing recognition of the assets.

The Sub-Funds have determined that they have two business models.

- Held-to-collect business model: this includes dividend and other receivables, amounts receivable from brokers, amounts receivable on subscription of units and cash and cash equivalents. These financial assets are held to collect contractual cash flow.
- Other business model: this includes equity instruments. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

Assessment whether contractual cash flows are SPPI

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Sub-Funds consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Sub-Funds consider:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Sub-Funds' claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration for of the time value of money (e.g. periodical reset of interest rates).

2 Significant accounting policies (continued)

The Sub-Funds classify their investments based on the business model and contractual cash flows assessment. Accordingly, the Sub-Funds classify all their equity instruments into financial assets at FVTPL category. Financial assets measured at amortised cost include dividend and other receivables, amounts receivable from brokers, amounts receivable on subscription of units and cash and cash equivalents.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Sub-Funds were to change their business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

Financial liabilities

Financial liabilities measured at amortised cost

The Sub-Funds include in this category short-term payables including amounts payable on redemption of units, amounts payable to brokers, distributions payable and accrued expenses and other payables.

(ii) Recognition

The Sub-Funds recognise financial assets and financial liabilities on the date they become a party to the contractual provisions of the instrument.

Purchases of financial assets are recognised using trade date accounting. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

Financial liabilities are not recognised unless one of the parties has performed their obligations under the contract or the contract is a derivative contract.

(iii) Measurement

Financial instruments are measured initially at fair value (transaction price). Transaction costs of financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

Subsequent to initial recognition, all financial instruments are measured at fair value with changes in fair value recognised in the statement of comprehensive income.

Financial assets, other than those measured at fair value through profit or loss, are carried at amortised cost using the effective interest rate method, less allowance for expected credit losses ("ECLs"), if any.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate.

2 Significant accounting policies (continued)

(iv) Fair value measurement principles

“Fair value” is 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 in the principal or, in its absence, the most advantageous market to which the Sub-Funds have access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Sub-Funds measure the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as “active” if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Sub-Funds measure instruments quoted in an active market at last traded price because the price provides a reasonable approximation of the exit price.

If there is no quoted price in an active market, then the Sub-Funds use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Sub-Funds recognise transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

(v) Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(vi) Impairment

The Sub-Funds recognise loss allowances for ECLs on financial assets measured at amortised cost.

The Sub-Funds measure loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Sub-Funds consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Sub-Funds’ historical experience and informed credit assessment and including forward-looking information.

2 Significant accounting policies (continued)

The Sub-Funds assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Sub-Funds consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Sub-Funds in full, without recourse by the Sub-Funds to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Sub-Funds consider a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'. The Sub-Funds consider this to be Baa3 or higher per Moody's or BBB- or higher per Standard & Poor's.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Sub-Funds are exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Sub-Funds expect to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Sub-Funds assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

2 Significant accounting policies (continued)

Write-off

The gross carrying amount of a financial asset is written off when the Sub-Funds have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(vii) Derecognition

The Sub-Funds derecognise a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Sub-Fund neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Sub-Funds are recognised as a separate asset or liability.

The Sub-Funds derecognise a financial liability when its contractual obligations are discharged or cancelled, or expired.

(viii) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when the Sub-Funds have a legally enforceable right to offset the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(e) **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(f) **Income recognition**

Revenue is recognised in the statement of comprehensive income as follows:

- Dividend income from equity investments is recognised in the statement of comprehensive income on the ex-dividend date.
- Interest income is recognised as it accrues using the effective interest rate method.

2 Significant accounting policies (continued)

(g) Translation of foreign currencies

Foreign currency transactions during the year are translated into the United States dollar at the exchange rates ruling at the transaction dates. Monetary assets and liabilities in foreign currencies are translated into the United States dollar at the closing exchange rates ruling at the reporting date. Foreign exchange gains and losses on financial assets and financial liabilities at fair value through profit or loss are recognised together with other changes in fair value. Foreign exchange gains and losses on monetary financial assets and financial liabilities other than those classified at fair value through profit or loss are dealt with in the statement of comprehensive income.

(h) Related parties

- (a) A person, or a close member of that person's family, is related to the Sub-Funds if that person:
- (i) has control or joint control over the Sub-Funds;
 - (ii) has significant influence over the Sub-Funds; or
 - (iii) is a member of the key management personnel of the Sub-Funds.
- (b) An entity is related to the Sub-Funds if any of the following conditions applies:
- (i) The entity and the Sub-Funds are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Sub-Funds or an entity related to the Sub-Funds;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Sub-Funds or to the Sub-Funds' parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2 Significant accounting policies (continued)

(i) Units in issue

The Sub-Funds classify financial instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

A puttable financial instrument that includes a contractual obligation for the Sub-Funds to repurchase or redeem that instrument for cash or another financial assets is classified as equity instruments if it has all of the following conditions:

- it entitles the holder to a pro rata share of the Sub-Funds' net assets in the event of the Sub-Funds' liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- apart from the contractual obligation for the Sub-Funds to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Funds over the life of the instrument.

All Sub-Funds have multiple classes of redeemable units in issue. All the classes are the most subordinate classes of financial instruments in the respective Sub-Funds and rank *pari passu* in all material respects but with different management fee rates and distribution policies, etc. The redeemable units provide unitholders with the right to require redemption for cash at a value proportionate to the unitholders' share in the Sub-Funds' net assets at each daily redemption date, and also in the event of the Sub-Funds' liquidation. The redeemable units of the Sub-Funds are classified as financial liabilities and are measured at the present value of the redemption amounts.

(j) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments has been identified as Principal Asset Management Company (Asia) Limited.

(k) Distribution to holders of redeemable units

Distributions to holders of redeemable units classified as financial liabilities are recognised in profit or loss as finance costs when they are authorised and no longer at the discretion of the Sub-Funds.

(l) Subscriptions and redemptions

The Sub-Funds recognise unitholders' subscriptions and allots units upon receipt of a valid subscription application and derecognises them upon receipt of valid redemption application.

3 Income tax

No provision for Hong Kong profits tax has been made in the financial statements as the income of the Sub-Funds are exempt from taxation under section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

Dividend income, interest and any capital gains received by the Sub-Funds may be subject to non-recoverable withholding tax in the countries of origin. The income and related withholding taxes are shown gross in the statement of comprehensive income.

4 Transaction costs

The costs represent commission fee and handling fee to broker, transaction fees and charges paid to bank.

5 Cash and cash equivalents

| | <i>Principal Asia Pacific High Dividend Equity Fund</i> | | <i>Principal Sustainable Asian Income Fund</i> | | <i>Principal Sustainable Asian Allocation Fund</i> | |
|---------------|---|--------------|--|------------|--|--------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Cash at banks | \$ 5,185,665 | \$ 6,469,136 | \$ 1,205,033 | \$ 496,526 | \$ 889,449 | \$ 1,239,076 |

6 Related party transactions

The following is a summary of significant related party transactions or transactions entered into during the year between the Trust and the Trustee, the Manager and their Connected Persons. Connected Persons are those as defined in the SFC Code issued by the SFC. All transactions during the year between the Trust and the Manager and its Connected Persons were entered into in the ordinary course of business and under normal commercial terms. To the best of the knowledge of the Trustee and the Manager, the Trust did not have any other transactions with Connected Persons except for those disclosed below.

(a) **Manager**

The Sub-Funds are managed by Principal Asset Management Company (Asia) Limited.

The Manager is incorporated in Hong Kong and is a related party of the Trustee as they share the same ultimate parent company, Principal Financial Group, Inc.

Principal Asia Pacific High Dividend Equity Fund:

In respect of the Income Class Units, the Manager is entitled to receive in arrears a monthly management fee in relation to the sub-funds, accrued on and calculated as at each dealing day, at the rate of 1.4% per annum of the net asset value ("NAV") of such class of units in the sub-funds.

6 Related party transactions (continued)

In respect of the Accumulation Class Units - Institutional, the Manager is entitled to receive in arrears a monthly management fee in relation to the sub-fund, accrued on and calculated as at each dealing day, at the rate of 1.15% per annum of the NAV of such class of units in the sub-fund.

The Manager's fee for the year amounted to \$1,463,537 (2022: \$1,796,602). The Manager's fee payable as at 30 June 2023 amounted to \$124,577 (2022: \$128,176).

Principal Sustainable Asian Income Fund:

The Manager is entitled to receive in arrears a monthly management fee in relation to the sub-fund, accrued on and calculated as at each dealing day, at the following current rates (per annum of the NAV of such class of units in the sub-fund):

- Accumulation Class Units – Retail: 0.90%
- Income (monthly) Class Units – Retail: 0.90%
- Income Plus (monthly) Class Units – Retail: 0.90%
- Accumulation Class Units – Institutional: 0.55%
- Income (monthly) Class Units – Institutional: 0.55%
- Income Plus (monthly) Class Units – Institutional: 0.55%
- Accumulation Class Units – Retirement: 0.65%
- Income (monthly) Class Units – Retirement: 0.65%
- Income Plus (monthly) Class Units – Retirement: 0.65%

The Manager's fee for the year amounted to \$95,337 (For the period from 15 December 2021 (date of first valuation) to 30 June 2022: \$56,017). The Manager's fee payable as at 30 June 2023 amounted to \$ 8,026 (2022: \$7,958).

Principal Sustainable Asian Allocation Fund:

The Manager is entitled to receive in arrears a monthly management fee in relation to the sub-fund, accrued on and calculated as at each dealing day, at the following current rates (per annum of the NAV of such class of units in the sub-fund):

- Accumulation Class Units – Retail: 1.25%
- Income (monthly) Class Units – Retail: 1.25%
- Income Plus (monthly) Class Units – Retail: 1.25%
- Accumulation Class Units – Institutional: 0.65%
- Income (monthly) Class Units – Institutional: 0.65%
- Income Plus (monthly) Class Units – Institutional: 0.65%
- Accumulation Class Units – Retirement: 0.85%
- Income (monthly) Class Units – Retirement: 0.85%
- Income Plus (monthly) Class Units – Retirement: 0.85%

The Manager's fee for year amounted \$167,608 (For the period from 11 January 2022 (date of first valuation) to 30 June 2022: \$86,352). The Manager's fee payable as at 30 June 2023 amounted to \$13,976 (2022: \$14,322).

6 Related party transactions (continued)

(b) Trustee

Principal Trust Company (Asia) Limited acts as the trustee and registrar of the Sub-Funds.

Principal Asia Pacific High Dividend Equity Fund:

The Trustee receives a trustee's fee equivalent to 0.125% per annum of the NAV of the sub-funds on the first \$40 million and 0.08% per annum on the excess above \$40 million.

The total Trustee's fee and valuation fee for the year amounted to \$129,414 (2022: \$151,569). The total fees payable to the Trustee as at 30 June 2023 amounted to \$11,095 (2022: \$11,188).

The Trustee is entitled to receive a valuation fee and an annual registrar fee of \$2,000 payable on a pro-rate basis at the end of each month. No registrar fee was charged for the year ended 30 June 2023 (2022: \$Nil).

Principal Sustainable Asian Income Fund:

The Trustee is entitled to receive a trustee fee calculated and accrued as at each dealing day and payable monthly in arrears, equal to 0.3% percentage of the NAV of the sub-fund but subject to a minimum fee of USD15,000 per annum.

The total trustee fee for the year ended 30 June 2023 amounted to \$50,813 (For the period from 15 December 2021 (date of first valuation) to 30 June 2022: \$29,864). The total fees payable to the Trustee as at 30 June 2023 amounted to \$4,272 (2022: \$4,243).

The Trustee is entitled to receive a valuation fee and an annual registrar fee of \$2,000 payable on a pro-rate basis at the end of each month. For the year ended 30 June 2023, the total valuation and registrar fee charged was \$23,999 (For the period from 15 December 2021 (date of first valuation) to 30 June 2022: \$13,019). The total fees payable to the Trustee as at 30 June 2023 amounted to \$1,973 (2022: \$13,019).

Principal Sustainable Asian Allocation Fund:

The Trustee is entitled to receive a trustee fee calculated and accrued as at each dealing day and payable monthly in arrears, equal to 0.3% percentage of the NAV of the sub-fund but subject to a minimum fee of USD15,000 per annum.

The total trustee fee for the year ended 30 June 2023 amounted to \$75,692 (For the period from 11 January 2022 (date of first valuation) to 30 June 2022: \$38,978). The total fees payable to the Trustee as at 30 June 2023 amounted to \$6,313 (2022: \$6,465).

The Trustee is entitled to receive a valuation fee and an annual registrar fee of \$2,000 payable on a pro-rate basis at the end of each month. For the year ended 30 June 2023, the total valuation and registrar fee charged was \$23,999 (For the period from 11 January 2022 (date of first valuation) to 30 June 2022: \$11,244). The total fees payable to the Trustee as at 30 June 2023 amounted to \$1,973 (2022: \$11,244).

6 Related party transactions (continued)

(c) Manager's and its related party's holding in the Sub-Funds

Amount and number of units held by the related party of the Manager are listed out below:

| | <i>Principal Asia Pacific High Dividend Equity Fund</i> | | | | <i>Principal Sustainable Asian Income Fund</i> | | | | <i>Principal Sustainable Asian Allocation Fund</i> | | | |
|--------------------------|---|---|---|---|--|---|---|---|--|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | <i>For the period from 15 December 2021 to 30 June 2022</i> | | 2023 | <i>For the period from 10 January 2022 to 30 June 2022</i> | | | |
| | <i>Amount of Income Class Units</i> | <i>Amount of Accumulation Class Units - Institutional</i> | <i>Amount of Income Class Units</i> | <i>Amount of Accumulation Class Units - Institutional</i> | <i>Amount of Income Class Units</i> | <i>Amount of Accumulation Class Units - Institutional</i> | <i>Amount of Income Class Units</i> | <i>Amount of Accumulation Class Units - Institutional</i> | <i>Amount of Income Class Units</i> | <i>Amount of Accumulation Class Units - Institutional</i> | <i>Amount of Income Class Units</i> | <i>Amount of Accumulation Class Units - Institutional</i> |
| Directors of the Manager | \$ 114,216.60 | \$ 98,450.99 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | <i>Number of Income Class units</i> | <i>Number of Accumulation Class Units - Institutional</i> | <i>Number of Income Class units</i> | <i>Number of Accumulation Class Units - Institutional</i> | <i>Number of Income Class units</i> | <i>Number of Accumulation Class Units - Institutional</i> | <i>Number of Income Class units</i> | <i>Number of Accumulation Class Units - Institutional</i> | <i>Number of Income Class units</i> | <i>Number of Accumulation Class Units - Institutional</i> | <i>Number of Income Class units</i> | <i>Number of Accumulation Class Units - Institutional</i> |
| Directors of the Manager | 3,879.64 | 3,228.96 | - | - | - | - | - | - | - | - | - | - |

7 Taxation

| | <i>Principal Asia Pacific High Dividend Equity Fund</i> | | <i>Principal Sustainable Asian Income Fund</i> | | <i>Principal Sustainable Asian Allocation Fund</i> | |
|----------------------------|---|-------------------|--|--|--|---|
| | 2023 | 2022 | 2023 | For the period from 15 December 2021 (date of commencement of operation) to 30 June 2022 | 2023 | For the period from 10 January 2022 (date of commencement of operation) to 30 June 2022 |
| Capital gains tax | \$ 36,021 | \$ 341,607 | \$ - | \$ - | \$ - | \$ - |
| Overseas taxation withheld | 324,732 | 401,053 | - | - | 19,007 | 13,533 |
| | <u>\$ 360,753</u> | <u>\$ 742,660</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 19,007</u> | <u>\$ 13,533</u> |

8 Distributions

Principal Asia Pacific High Dividend Equity Fund

| | 2023 US\$ | 2022 US\$ |
|---|--------------|--------------|
| Income Class Units | | |
| Income distribution for July 2022 | | |
| - USD0.04 on 577,954.69 units declared on 29 July 2022 and paid on 15 August 2022 (2022: USD0.03 on 597,544.80 units declared on 30 July 2021 and paid on 13 August 2021) | 23,118 | 17,926 |
| Income distribution for August 2022 | | |
| - USD0.04 on 585,756.22 units declared on 31 August 2022 and paid on 13 September 2022 (2022: USD0.06 on 594,911.66 units declared on 31 August 2021 and paid on 13 September 2021) | 23,430 | 35,695 |
| Income distribution for September 2022 | | |
| - USD0.13 on 583,620.87 units declared on 30 September 2022 and paid on 13 October 2022 (2022: USD0.06 on 586,340.29 units declared on 30 September 2021 and paid on 15 October 2021) | 75,871 | 35,181 |
| Income distribution for October 2022 | | |
| - USD0.12 on 577,700.86 units declared on 31 October 2022 and paid on 14 November 2022 (2022: USD0.02 on 588,222.50 units declared on 31 October 2021 and paid on 15 November 2021) | 69,324 | 11,765 |
| Income distribution for November 2022 | | |
| - USD0.14 on 570,664.29 units declared on 30 November 2022 and paid on 13 December 2022 (2022: USD0.03 on 586,277.60 units declared on 30 November 2021 and paid on 13 December 2021) | 79,893 | 17,588 |

8 Distributions (continued)

Principal Asia Pacific High Dividend Equity Fund (continued)

| | 2023 US\$ | 2022 US\$ |
|---|--------------|--------------|
| Income Class Units (continued) | | |
| Income distribution for December 2022 | | |
| - USD0.15 on 572,388.32 units declared on 30 December 2022 and paid on 13 January 2023 (2022: USD0.02 on 583,514.83 units declared on 31 December 2021 and paid on 17 January 2022) | 85,858 | 11,670 |
| Income distribution for January 2023 | | |
| - USD0.01 on 571,511.09 units declared on 31 January 2023 and paid on 13 February 2023 (2022: USD0.02 on 581,967.30 units declared on 31 January 2022 and paid on 14 February 2022) | 5,715 | 11,639 |
| Income distribution for February 2023 | | |
| - USD0.06 on 568,811.03 units declared on 28 February 2023 and paid on 13 March 2023 (2022: USD0.03 on 582,757.87 units declared on 28 February 2022 and paid on 14 March 2022) | 34,129 | 17,483 |
| Income distribution for March 2023 | | |
| - USD0.12 on 569,815.11 units declared on 31 March 2023 and paid on 13 April 2023 (2022: USD0.05 on 583,091.88 units declared on 31 March 2022 and paid on 13 April 2022) | 68,378 | 29,155 |
| Income distribution for April 2023 | | |
| - USD0.05 on 571,339.69 units declared on 28 April 2023 and paid on 15 May 2023 (2022: USD0.03 on 579,208.77 units declared on 29 April 2022 and paid on 13 May 2022) | 28,567 | 17,376 |
| Income distribution for May 2023 | | |
| - USD0.11 on 566,392.17 units declared on 31 May 2023 and paid on 13 June 2023 (2022: USD0.08 on 578,526.54 units declared on 31 May 2022 and paid on 13 June 2022) | 62,303 | 46,282 |
| Income distribution for June 2023 | | |
| - USD0.15 on 556,550.73 units declared on 30 June 2023 and paid on 13 July 2023 (2022: USD0.14 on 577,345.04 units declared on 30 June 2022 and paid on 13 July 2022) | 83,483 | 80,828 |
| | \$ 640,069 | \$ 332,588 |

8 Distributions (continued)

Principal Asia Pacific High Dividend Equity Fund (continued)

During the year, no distributions were made to the unitholders of Accumulation Class Units – Institutional.

Principal Sustainable Asian Income Fund

| | 2023 US\$ | 2022 US\$ |
|---|--------------|--------------|
| Income Plus (monthly) Class Unit-Retirement (HKD) | | |
| Income distribution for July 2022 | | |
| - HKD0.0404 on 80,231.32 units declared on 29 July 2022 and paid on 15 August 2022 (2022: Nil) | 413 | - |
| Income distribution for August 2022 | | |
| - HKD0.0401 on 80,623.26 units declared on 31 August 2022 and paid on 13 September 2022 (2022: Nil) | 412 | - |
| Income distribution for September 2022 | | |
| - HKD0.0413 on 81,018.97 units declared on 30 September 2022 and paid on 13 October 2022 (2022: Nil) | 426 | - |
| Income distribution for October 2022 | | |
| - HKD0.0396 on 81,449.06 units declared on 31 October 2022 and paid on 14 November 2022 (2022: Nil) | 411 | - |
| Income distribution for November 2022 | | |
| - HKD0.0412 on 81,868.49 units declared on 30 November 2022 and paid on 13 December 2022 (2022: Nil) | 434 | - |
| Income distribution for December 2022 | | |
| - HKD0.0417 on 82,290.64 units declared on 30 December 2022 and paid on 13 January 2023 (2022: Nil) | 439 | - |
| Income distribution for January 2023 | | |
| - HKD0.0432 on 82,711.69 units declared on 31 January 2023 and paid on 13 February 2023 (2022: HKD0.04 on 78,020.77 units declared on 31 January 2022 and paid on 14 February 2022) | 455 | 400 |
| Income distribution for February 2023 | | |
| - HKD0.042 on 83,151.19 units declared on 28 February 2023 and paid on 13 March 2023 (2022: HKD0.04 on 78,349.62 units declared on 28 February 2022 and paid on 14 March 2022) | 445 | 401 |

8 Distributions (continued)

Principal Sustainable Asian Income Fund (continued)

| | 2023 US\$ | 2022 US\$ |
|---|--------------|--------------|
| Income Plus (monthly) Class Unit-Retirement (HKD) (continued) | | |
| Income distribution for March 2023 | | |
| - HKD0.0424 on 83,582.34 units declared on 31 March 2023 and paid on 13 April 2023 (2022: HKD0.04 on 78,699.79 units declared on 31 March 2022 and paid on 13 April 2022) | 452 | 402 |
| Income distribution for April 2023 | | |
| - HKD0.0425 on 84,017.71 units declared on 28 April 2023 and paid on 15 May 2023 (2022: HKD0.0425 on 79,054.29 units declared on 29 April 2022 and paid on 13 May 2022) | 455 | 428 |
| Income distribution for May 2023 | | |
| - HKD0.0416 on 84,461.83 units declared on 31 May 2023 and paid on 13 June 2023 (2022: HKD0.0419 on 79,444.51 units declared on 31 May 2022 and paid on 13 June 2022) | 448 | 424 |
| Income distribution for June 2023 | | |
| - HKD0.0415 on 84,902.68 units declared on 30 June 2023 and paid on 13 July 2023 (2022: HKD0.0405 on 79,838.91 units declared on 30 June 2022 and paid on 13 July 2022) | 451 | 412 |
| | \$ 5,241 | \$ 2,467 |
| | \$ 5,241 | \$ 2,467 |

Income (monthly) Class Units - Institutional (USD)

| | | |
|---|-------|---|
| Income distribution for July 2022 | | |
| - USD0.0253 on 101,964.33 units declared on 29 July 2022 and paid on 15 August 2022 (2022: Nil) | 2,580 | - |
| Income distribution for August 2022 | | |
| - USD0.025 on 102,274.02 units declared on 31 August 2022 and paid on 13 September 2022 (2022: Nil) | 2,557 | - |
| Income distribution for September 2022 | | |
| - USD0.0292 on 102,584.69 units declared on 30 September 2022 and paid on 13 October 2022 (2022: Nil) | 2,996 | - |
| Income distribution for October 2022 | | |
| - USD0.0254 on 102,966.77 units declared on 31 October 2022 and paid on 14 November 2022 (2022: Nil) | 2,615 | - |

8 Distributions (continued)

Principal Sustainable Asian Income Fund (continued)

| | 2023 US\$ | 2022 US\$ |
|--|--------------|--------------|
| Income (monthly) Class Units - Institutional (USD) (continued) | | |
| Income distribution for November 2022 | | |
| - USD0.0206 on 103,302.93 units declared on 30 November 2022 and paid on 13 December 2022 (2022: Nil) | 2,128 | - |
| Income distribution for December 2022 | | |
| - USD0.0287 on 103,563.40 units declared on 30 December 2022 and paid on 13 January 2023 (2022: Nil) | 2,972 | - |
| Income distribution for January 2023 | | |
| - USD0.02 on 103,920.64 units declared on 31 January 2023 and paid on 13 February 2023 (2022: USD0.03 on 100,000 units declared on 31 January 2022 and paid on 14 February 2022) | 2,078 | 3,000 |
| Income distribution for February 2023 | | |
| - USD0.02 on 104,171.66 units declared on 28 February 2023 and paid on 13 March 2023 (2022: USD0.02 on 100,315.46 units declared on 28 February 2022 and paid on 14 March 2022) | 2,084 | 2,006 |
| Income distribution for March 2023 | | |
| - USD0.027 on 104,423.28 units declared on 31 March 2023 and paid on 13 April 2023 (2022: USD0.02 on 100,539.38 units declared on 31 March 2022 and paid on 13 April 2022) | 2,819 | 2,011 |
| Income distribution for April 2023 | | |
| - USD0.033 on 104,762.15 units declared on 28 April 2023 and paid on 15 May 2023 (2022: USD0.0439 on 100,765.82 units declared on 29 April 2022 and paid on 13 May 2022) | 3,457 | 4,424 |
| Income distribution for May 2023 | | |
| - USD0.0294 on 105,181.20 units declared on 31 May 2023 and paid on 13 June 2023 (2022: USD0.0289 on 101,279.6 units declared on 31 May 2022 and paid on 13 June 2022) | 3,092 | 2,927 |
| Income distribution for June 2023 | | |
| - USD0.027 on 105,558.77 units declared on 30 June 2023 and paid on 13 July 2023 (2022: USD0.0275 on 101,625.99 units declared on 30 June 2022 and paid on 13 July 2022) | 2,850 | 2,795 |
| | \$ 32,228 | \$ 17,163 |

8 Distributions (continued)

Principal Sustainable Asian Income Fund (continued)

| | 2023 US\$ | 2022 US\$ |
|---|--------------|--------------|
| Income (monthly) Class Units - Retail (HKD) | | |
| Income distribution for July 2022 | | |
| - HKD0.0253 on 79,553.17 units declared on 29 July 2022 and paid on 15 August 2022 (2022: Nil) | 256 | - |
| Income distribution for August 2022 | | |
| - HKD0.025 on 79,794.21 units declared on 31 August 2022 and paid on 13 September 2022 (2022: Nil) | 254 | - |
| Income distribution for September 2022 | | |
| - HKD0.0294 on 80,036.01 units declared on 30 September 2022 and paid on 13 October 2022 (2022: Nil) | 300 | - |
| Income distribution for October 2022 | | |
| - HKD0.0255 on 80,355.38 units declared on 31 October 2022 and paid on 14 November 2022 (2022: Nil) | 261 | - |
| Income distribution for November 2022 | | |
| - HKD0.0205 on 80,598.35 units declared on 30 November 2022 and paid on 13 December 2022 (2022: Nil) | 213 | - |
| Income distribution for December 2022 | | |
| - HKD0.0286 on 80,802.08 units declared on 30 December 2022 and paid on 13 January 2023 (2022: Nil) | 296 | - |
| Income distribution for January 2023 | | |
| - HKD0.02 on 81,080.84 units declared on 31 January 2023 and paid on 13 February 2023 (2022: HKD0.03 on 78,020.77 units declared on 31 January 2022 and paid on 14 February 2022) | 207 | 300 |
| Income distribution for February 2023 | | |
| - HKD0.02 on 81,276.22 units declared on 28 February 2023 and paid on 13 March 2023 (2022: HKD0.02 on 78,267.15 units declared on 28 February 2022 and paid on 14 March 2022) | 207 | 200 |
| Income distribution for March 2023 | | |
| - HKD0.027 on 81,472.54 units declared on 31 March 2023 and paid on 13 April 2023 (2022: HKD0.02 on 78,441.46 units declared on 31 March 2022 and paid on 13 April 2022) | 280 | 200 |

8 Distributions (continued)

Principal Sustainable Asian Income Fund (continued)

| | 2023 US\$ | 2022 US\$ |
|---|--------------|--------------|
| Income (monthly) Class Units - Retail (HKD) (continued) | | |
| Income distribution for April 2023 | | |
| - HKD0.028 on 141,544.59 units declared on 28 April 2023 and paid on 15 May 2023 (2022: HKD0.0441 on 78,617.54 units declared on 29 April 2022 and paid on 13 May 2022) | 505 | 442 |
| Income distribution for May 2023 | | |
| - HKD0.029 on 142,024.40 units declared on 31 May 2023 and paid on 13 June 2023 (2022: HKD0.0291 on 79,018.35 units declared on 31 May 2022 and paid on 13 June 2022) | 526 | 293 |
| Income distribution for June 2023 | | |
| - HKD0.027 on 142,526.69 units declared on 30 June 2023 and paid on 13 July 2023 (2022: HKD0.0276 on 79,289.19 units declared on 30 June 2022 and paid on 13 July 2022) | 492 | 279 |
| | \$ 3,797 | \$ 1,714 |
| | \$ 3,797 | \$ 1,714 |

Income Plus (monthly) Class Units - Retail (HKD)

| | | |
|--|-----|---|
| Income distribution for July 2022 | | |
| - HKD0.0403 on 80,231.62 units declared on 29 July 2022 and paid on 15 August 2022 (2022: Nil) | 412 | - |
| Income distribution for August 2022 | | |
| - HKD0.04 on 80,623.06 units declared on 31 August 2022 and paid on 13 September 2022 (2022: Nil) | 411 | - |
| Income distribution for September 2022 | | |
| - HKD0.0412 on 81,018.27 units declared on 30 September 2022 and paid on 13 October 2022 (2022: Nil) | 425 | - |
| Income distribution for October 2022 | | |
| - HKD0.0395 on 81,448.42 units declared on 31 October 2022 and paid on 14 November 2022 (2022: Nil) | 410 | - |
| Income distribution for November 2022 | | |
| - HKD0.0411 on 81,867.87 units declared on 30 November 2022 and paid on 13 December 2022 (2022: Nil) | 433 | - |
| Income distribution for December 2022 | | |
| - HKD0.0416 on 82,290.05 units declared on 30 December 2022 and paid on 13 January 2023 (2022: Nil) | 438 | - |

8 Distributions (continued)

Principal Sustainable Asian Income Fund (continued)

| | 2023 US\$ | 2022 US\$ |
|---|--------------|--------------|
| Income Plus (monthly) Class Units - Retail (HKD) (continued) | | |
| Income distribution for January 2023 | | |
| - HKD0.0431 on 82,711.12 units declared on 31 January 2023 and paid on 13 February 2023 (2022: HKD0.04 on 78,020.77 units declared on 31 January 2022 and paid on 14 February 2022) | 454 | 401 |
| Income distribution for February 2023 | | |
| - HKD0.0419 on 83,150.68 units declared on 28 February 2023 and paid on 13 March 2023 (2022: HKD0.04 on 78,349.62 units declared on 28 February 2022 and paid on 14 March 2022) | 444 | 401 |
| Income distribution for March 2023 | | |
| - HKD0.0423 on 83,582.40 units declared on 31 March 2023 and paid on 13 April 2023 (2022: HKD0.04 on 78,699.79 units declared on 31 March 2022 and paid on 13 April 2022) | 451 | 402 |
| Income distribution for April 2023 | | |
| - HKD0.0423 on 84,018.35 units declared on 28 April 2023 and paid on 15 May 2023 (2022: HKD0.0425 on 79,055.09 units declared on 29 April 2022 and paid on 13 May 2022) | 453 | 428 |
| Income distribution for May 2023 | | |
| - HKD0.0415 on 84,462.04 units declared on 31 May 2023 and paid on 13 June 2023 (2022: HKD0.0418 on 79,445.77 units declared on 31 May 2022 and paid on 13 June 2022) | 447 | 423 |
| Income distribution for June 2023 | | |
| - HKD0.0413 on 91,082.75 units declared on 30 June 2023 and paid on 13 July 2023 (2022: HKD0.0404 on 79,839.7 units declared on 30 June 2022 and paid on 13 July 2022) | 481 | 411 |
| | \$ 5,259 | \$ 2,466 |
| | \$ 5,259 | \$ 2,466 |

8 Distributions (continued)

Principal Sustainable Asian Income Fund (continued)

| | 2023 US\$ | 2022 US\$ |
|---|--------------|--------------|
| Income Plus (monthly) Class Units - Retail (RMB hedged) | | |
| Income distribution for July 2022 | | |
| - CNH0.0586 on 66,407.59 units declared on 29 July 2022 and paid on 15 August 2022 (2022: Nil) | 575 | - |
| Income distribution for August 2022 | | |
| - CNH0.0593 on 66,858.51 units declared on 31 August 2022 and paid on 13 September 2022 (2022: Nil) | 571 | - |
| Income distribution for September 2022 | | |
| - CNH0.0584 on 67,312.66 units declared on 30 September 2022 and paid on 13 October 2022 (2022: Nil) | 556 | - |
| Income distribution for October 2022 | | |
| - CNH0.0574 on 67,771.36 units declared on 31 October 2022 and paid on 14 November 2022 (2022: Nil) | 530 | - |
| Income distribution for November 2022 | | |
| - CNH0.0579 on 68,240.61 units declared on 30 November 2022 and paid on 13 December 2022 (2022: Nil) | 568 | - |
| Income distribution for December 2022 | | |
| - CNH0.0571 on 68,703.27 units declared on 30 December 2022 and paid on 13 January 2023 (2022: Nil) | 570 | - |
| Income distribution for January 2023 | | |
| - CNH0.0575 on 69,172.52 units declared on 31 January 2023 and paid on 13 February 2023 (2022: CNH0.06 on 63,784.05 units declared on 31 January 2022 and paid on 14 February 2022) | 586 | 601 |
| Income distribution for February 2023 | | |
| - CNH0.0558 on 69,644.34 units declared on 28 February 2023 and paid on 13 March 2023 (2022: CNH0.06 on 64,189.46 units declared on 28 February 2022 and paid on 14 March 2022) | 562 | 609 |
| Income distribution for March 2023 | | |
| - CNH0.053 on 70,112.55 units declared on 31 March 2023 and paid on 13 April 2023 (2022: CNH0.06 on 64,622.2 units declared on 31 March 2022 and paid on 13 April 2022) | 540 | 609 |

8 Distributions (continued)

Principal Sustainable Asian Income Fund (continued)

| | 2023 US\$ | 2022 US\$ |
|---|--------------|--------------|
| Income Plus (monthly) Class Units - Retail (RMB hedged) (continued) | | |
| Income distribution for April 2023 | | |
| - CNH0.0408 on 70,587.13 units declared on 28 April 2023 and paid on 15 May 2023 (2022: CNH0.0611 on 65,064.82 units declared on 29 April 2022 and paid on 13 May 2022) | 416 | 595 |
| Income distribution for May 2023 | | |
| - CNH0.04 on 71,324.77 units declared on 31 May 2023 and paid on 13 June 2023 (2022: CNH0.0604 on 65,504.58 units declared on 31 May 2022 and paid on 13 June 2022) | 401 | 595 |
| Income distribution for June 2023 | | |
| - CNH0.0397 on 71,698.20 units declared on 30 June 2023 and paid on 13 July 2023 (2022: CNH0.0585 on 65,953.67 units declared on 30 June 2022 and paid on 13 July 2022) | 392 | 575 |
| | \$ 6,267 | \$ 3,584 |
| | | |

Income Plus (monthly) Class Units - Retail (USD)

| | | |
|---|-----|---|
| Income distribution for July 2022 | | |
| - USD0.0401 on 10,283.78 units declared on 29 July 2022 and paid on 15 August 2022 (2022: Nil) | 413 | - |
| Income distribution for August 2022 | | |
| - USD0.0398 on 10,333.95 units declared on 31 August 2022 and paid on 13 September 2022 (2022: Nil) | 411 | - |
| Income distribution for September 2022 | | |
| - USD0.041 on 10,384.66 units declared on 30 September 2022 and paid on 13 October 2022 (2022: Nil) | 426 | - |
| Income distribution for October 2022 | | |
| - USD0.0393 on 10,439.88 units declared on 31 October 2022 and paid on 14 November 2022 (2022: Nil) | 410 | - |
| Income distribution for November 2022 | | |
| - USD0.0411 on 10,493.58 units declared on 30 November 2022 and paid on 13 December 2022 (2022: Nil) | 431 | - |
| Income distribution for December 2022 | | |
| - USD0.0416 on 10,547.56 units declared on 30 December 2022 and paid on 13 January 2023 (2022: Nil) | 439 | - |

8 Distributions (continued)

Principal Sustainable Asian Income Fund (continued)

| | 2023 US\$ | 2022 US\$ |
|--|------------------|------------------|
| Income Plus (monthly) Class Units - Retail (USD) (continued) | | |
| Income distribution for January 2023 | | |
| - USD0.0429 on 10,601.60 units declared on 31 January 2023 and paid on 13 February 2023 (2022: USD0.04 on 10,000 units declared on 31 January 2022 and paid on 14 February 2022) | 455 | 400 |
| Income distribution for February 2023 | | |
| - USD0.0417 on 10,658.03 units declared on 28 February 2023 and paid on 13 March 2023 (2022: USD0.04 on 10,042.15 units declared on 28 February 2022 and paid on 14 March 2022) | 445 | 402 |
| Income distribution for March 2023 | | |
| - USD0.042 on 10,713.38 units declared on 31 March 2023 and paid on 13 April 2023 (2022: USD0.04 on 10,087.18 units declared on 31 March 2022 and paid on 13 April 2022) | 450 | 403 |
| Income distribution for April 2023 | | |
| - USD0.0421 on 10,769.21 units declared on 28 April 2023 and paid on 15 May 2023 (2022: USD0.0422 on 10,132.93 units declared on 29 April 2022 and paid on 13 May 2022) | 453 | 428 |
| Income distribution for May 2023 | | |
| - USD0.0414 on 10,826.02 units declared on 31 May 2023 and paid on 13 June 2023 (2022: USD0.0416 on 10,182.94 units declared on 31 May 2022 and paid on 13 June 2022) | 448 | 424 |
| Income distribution for June 2023 | | |
| - USD0.0411 on 10,882.68 units declared on 30 June 2023 and paid on 13 July 2023 (2022: USD0.0402 on 10,233.49 units declared on 30 June 2022 and paid on 13 July 2022) | 447 | 411 |
| | <u>\$ 5,228</u> | <u>\$ 2,468</u> |
| Total distributions for the year | <u>\$ 58,020</u> | <u>\$ 29,862</u> |

During the year, no distributions were made to the unitholders of class Accumulation Class Units- Institutional (USD), Accumulation Class Units- Retail (HKD), Accumulation Class Units - Retail (RMB hedged) and Accumulation Class Units - Retail (USD).

8 Distributions (continued)

Principal Sustainable Asian Allocation Fund

| | 2023 US\$ | 2022 US\$ |
|--|--------------|--------------|
| Income Plus (monthly) Class Unit-Retirement (HKD) | | |
| Income distribution for July 2022 | | |
| - HKD0.0342 on 79,470.89 units declared on 29 July 2022 and paid on 15 August 2022 (2022: Nil) | 346 | - |
| Income distribution for August 2022 | | |
| - HKD0.034 on 85,715.95 units declared on 31 August 2022 and paid on 13 September 2022 (2022: Nil) | 371 | - |
| Income distribution for September 2022 | | |
| - HKD0.0342 on 86,068.77 units declared on 30 September 2022 and paid on 13 October 2022 (2022: Nil) | 375 | - |
| Income distribution for October 2022 | | |
| - HKD0.0328 on 86,460.20 units declared on 31 October 2022 and paid on 14 November 2022 (2022: Nil) | 361 | - |
| Income distribution for November 2022 | | |
| - HKD0.0357 on 86,821.92 units declared on 30 November 2022 and paid on 13 December 2022 (2022: Nil) | 399 | - |
| Income distribution for December 2022 | | |
| - HKD0.0357 on 87,204.10 units declared on 30 December 2022 and paid on 13 January 2023 (2022: Nil) | 399 | - |
| Income distribution for January 2023 | | |
| - HKD0.0377 on 87,575.61 units declared on 31 January 2023 and paid on 13 February 2023 (2022: Nil) | 421 | - |
| Income distribution for February 2023 | | |
| - HKD0.0359 on 87,970.54 units declared on 28 February 2023 and paid on 13 March 2023 (2022: HKD0.03 on 77,969 units declared on 28 February 2022 and paid on 14 March 2022) | 402 | 299 |
| Income distribution for March 2023 | | |
| - HKD0.0364 on 88,363.35 units declared on 31 March 2023 and paid on 13 April 2023 (2022: HKD0.03 on 78,227.46 units declared on 31 March 2022 and paid on 13 April 2022) | 410 | 299 |
| Income distribution for April 2023 | | |
| - HKD0.0361 on 88,755.12 units declared on 28 April 2023 and paid on 15 May 2023 (2022: HKD0.0368 on 78,482.27 units declared on 29 April 2022 and paid on 13 May 2022) | 408 | 368 |

8 Distributions (continued)

Principal Sustainable Asian Allocation Fund

| | 2023 US\$ | 2022 US\$ |
|---|-----------------|-----------------|
| Income Plus (monthly) Class Unit-Retirement (HKD) (continued) | | |
| Income distribution for May 2023 | | |
| - HKD0.035 on 89,152.65 units declared on 31 May 2023 and paid on 13 June 2023 (2022: HKD0.0363 on 78,813.48 units declared on 31 May 2022 and paid on 13 June 2022) | 398 | 365 |
| Income distribution for June 2023 | | |
| - HKD0.0353 on 89,537.87 units declared on 30 June 2023 and paid on 13 July 2023 (2022: HKD0.0343 on 79,144.22 units declared on 30 June 2022 and paid on 13 July 2022) | 404 | 346 |
| | <u>\$ 4,694</u> | <u>\$ 1,677</u> |
| Income (monthly) Class Units - Retail (HKD) | | |
| Income distribution for July 2022 | | |
| - HKD 0.0135 on 79,090.90 units declared on 29 July 2022 and paid on 15 August 2022 (2022: Nil) | 136 | - |
| Income distribution for August 2022 | | |
| - HKD 0.025 on 79,216.37 units declared on 31 August 2022 and paid on 13 September 2022 (2022: Nil) | 252 | - |
| Income distribution for September 2022 | | |
| - HKD 0.0219 on 79,454.97 units declared on 30 September 2022 and paid on 13 October 2022 (2022: Nil) | 222 | - |
| Income distribution for October 2022 | | |
| - HKD 0.0126 on 79,684.83 units declared on 31 October 2022 and paid on 14 November 2022 (2022: Nil) | 128 | - |
| Income distribution for November 2022 | | |
| - HKD 0.0114 on 79,811.76 units declared on 30 November 2022 and paid on 13 December 2022 (2022: Nil) | 117 | - |
| Income distribution for December 2022 | | |
| - HKD 0.0336 on 79,922.72 units declared on 30 December 2022 and paid on 13 January 2023 (2022: Nil) | 344 | - |
| Income distribution for January 2023 | | |
| - HKD 0.01 on 80,239.77 units declared on 31 January 2023 and paid on 13 February 2023 (2022: Nil) | 102 | - |

8 Distributions (continued)

Principal Sustainable Asian Allocation Fund (continued)

| | 2023 US\$ | 2022 US\$ |
|--|--------------|--------------|
| Income (monthly) Class Units - Retail (HKD) (continued) | | |
| Income distribution for February 2023 | | |
| - HKD 0.015 on 80,334.39 units declared on 28 February 2023 and paid on 13 March 2023 (2022: HKD0.01 on 77,969 units declared on 28 February 2022 and paid on 14 March 2022) | 154 | 100 |
| Income distribution for March 2023 | | |
| - HKD 0.025 on 80,481.88 units declared on 31 March 2023 and paid on 13 April 2023 (2022: HKD0.02 on 78,054.96 units declared on 31 March 2022 and paid on 13 April 2022) | 256 | 199 |
| Income distribution for April 2023 | | |
| - HKD 0.0188 on 80,722.56 units declared on 28 April 2023 and paid on 15 May 2023 (2022: HKD0.0302 on 78,224.09 units declared on 29 April 2022 and paid on 13 May 2022) | 193 | 301 |
| Income distribution for May 2023 | | |
| - HKD 0.0239 on 80,907.18 units declared on 31 May 2023 and paid on 13 June 2023 (2022: HKD0.031 on 78,494.38 units declared on 31 May 2022 and paid on 13 June 2022) | 247 | 310 |
| Income distribution for June 2023 | | |
| - HKD 0.0252 on 81,141.28 units declared on 30 June 2023 and paid on 13 July 2023 (2022: HKD0.0334 on 78,775.04 units declared on 30 June 2022 and paid on 13 July 2022) | 262 | 335 |
| | \$ 2,413 | \$ 1,245 |
| | ----- | ----- |

Income Plus (monthly) Class Units - Retail (HKD)

| | | |
|---|-----|---|
| Income distribution for July 2022 | | |
| - HKD 0.0341 on 79,473.12 units declared on 29 July 2022 and paid on 15 August 2022 (2022: Nil) | 345 | - |
| Income distribution for August 2022 | | |
| - HKD 0.0339 on 79,793.83 units declared on 31 August 2022 and paid on 13 September 2022 (2022: Nil) | 345 | - |
| Income distribution for September 2022 | | |
| - HKD 0.0341 on 80,122.11 units declared on 30 September 2022 and paid on 13 October 2022 (2022: Nil) | 348 | - |

8 Distributions (continued)

Principal Sustainable Asian Allocation Fund (continued)

| | 2023 US\$ | 2022 US\$ |
|---|--------------|--------------|
| Income Plus (monthly) Class Units - Retail (HKD) (continued) | | |
| Income distribution for October 2022 | | |
| - HKD 0.0327 on 80,486.40 units declared on 31 October 2022 and paid on 14 November 2022 (2022: Nil) | 335 | - |
| Income distribution for November 2022 | | |
| - HKD 0.0356 on 80,823.39 units declared on 30 November 2022 and paid on 13 December 2022 (2022: Nil) | 370 | - |
| Income distribution for December 2022 | | |
| - HKD 0.0356 on 81,179.49 units declared on 30 December 2022 and paid on 13 January 2023 (2022: Nil) | 370 | - |
| Income distribution for January 2023 | | |
| - HKD 0.0375 on 81,526.01 units declared on 31 January 2023 and paid on 13 February 2023 (2022: Nil) | 390 | - |
| Income distribution for February 2023 | | |
| - HKD 0.0358 on 81,893.47 units declared on 28 February 2023 and paid on 13 March 2023 (2022: HKD0.03 on 77,969 units declared on 28 February 2022 and paid on 14 March 2022) | 373 | 299 |
| Income distribution for March 2023 | | |
| - HKD 0.0362 on 82,259.94 units declared on 31 March 2023 and paid on 13 April 2023 (2022: HKD0.03 on 78,227.46 units declared on 31 March 2022 and paid on 13 April 2022) | 379 | 300 |
| Income distribution for April 2023 | | |
| - HKD 0.0359 on 82,624.87 units declared on 28 April 2023 and paid on 15 May 2023 (2022: HKD0.0368 on 78,482.27 units declared on 29 April 2022 and paid on 13 May 2022) | 378 | 368 |
| Income distribution for May 2023 | | |
| - HKD 0.0348 on 82,995.19 units declared on 31 May 2023 and paid on 13 June 2023 (2022: HKD0.0363 on 78,814.52 units declared on 31 May 2022 and paid on 13 June 2022) | 369 | 365 |
| Income distribution for June 2023 | | |
| - HKD 0.035 on 83,354.42 units declared on 30 June 2023 and paid on 13 July 2023 (2022: HKD0.343 on 79,145.65 units declared on 30 June 2022 and paid on 13 July 2022) | 373 | 346 |
| | \$ 4,375 | \$ 1,678 |

8 Distributions (continued)

Principal Sustainable Asian Allocation Fund (continued)

| | 2023 US\$ | 2022 US\$ |
|---|--------------|--------------|
| Income Plus (monthly) Class Units - Retail (RMB hedged) | | |
| Income distribution for July 2022 | | |
| - CNH 0.0526 on 65,738.97 units declared on 29 July 2022 and paid on 15 August 2022 (2022: Nil) | 511 | - |
| Income distribution for August 2022 | | |
| - CNH 0.0532 on 66,130.57 units declared on 31 August 2022 and paid on 13 September 2022 (2022: Nil) | 507 | - |
| Income distribution for September 2022 | | |
| - CNH 0.0504 on 66,529.45 units declared on 30 September 2022 and paid on 13 October 2022 (2022: Nil) | 474 | - |
| Income distribution for October 2022 | | |
| - CNH 0.0496 on 66,934.41 units declared on 31 October 2022 and paid on 14 November 2022 (2022: Nil) | 452 | - |
| Income distribution for November 2022 | | |
| - CNH 0.0524 on 67,327.30 units declared on 30 November 2022 and paid on 13 December 2022 (2022: Nil) | 507 | - |
| Income distribution for December 2022 | | |
| - CNH 0.051 on 67,734.68 units declared on 30 December 2022 and paid on 13 January 2023 (2022: Nil) | 501 | - |
| Income distribution for January 2023 | | |
| - CNH 0.0523 on 68,137.30 units declared on 31 January 2023 and paid on 13 February 2023 (2022: Nil) | 525 | - |
| Income distribution for February 2023 | | |
| - CNH 0.0497 on 68,549.27 units declared on 28 February 2023 and paid on 13 March 2023 (2022: CNH0.05 on 63,837.39units declared on 28 February 2022 and paid on 14 March 2022) | 493 | 505 |
| Income distribution for March 2023 | | |
| - CNH 0.0472 on 68,963.73 units declared on 31 March 2023 and paid on 13 April 2023 (2022: CNH0.05 on 64,192.04 units declared on 31 March 2022 and paid on 13 April 2022) | 473 | 504 |
| Income distribution for April 2023 | | |
| - CNH 0.0345 on 69,377.34 units declared on 28 April 2023 and paid on 15 May 2023 (2022: CNH0.0561 on 64,544.74 units declared on 29 April 2022 and paid on 13 May 2022) | 346 | 542 |

8 Distributions (continued)

Principal Sustainable Asian Allocation Fund (continued)

| | 2023 US\$ | 2022 US\$ |
|--|--------------|--------------|
| Income Plus (monthly) Class Units - Retail (RMB hedged) (continued) | | |
| Income distribution for May 2023 | | |
| - CNH 0.0334 on 70,022.63 units declared on 31 May 2023 and paid on 13 June 2023 (2022: CNH0.0555 on 64,940.04 units declared on 31 May 2022 and paid on 13 June 2022) | 329 | 542 |
| Income distribution for June 2023 | | |
| - CNH 0.0336 on 70,325.19 units declared on 30 June 2023 and paid on 13 July 2023 (2022: CNH0.0525 on 65,339.17 units declared on 30 June 2022 and paid on 13 July 2022) | 325 | 511 |
| | <u>325</u> | <u>511</u> |
| | \$ 5,443 | \$ 2,604 |
| | ----- | ----- |

Income Plus (monthly) Class Units - Retail (USD)

| | | |
|--|-----|---|
| Income distribution for July 2022 | | |
| - USD 0.0339 on 10,193.03 units declared on 29 July 2022 and paid on 15 August 2022 (2022: Nil) | 346 | - |
| Income distribution for August 2022 | | |
| - USD 0.0337 on 10,234.17 units declared on 31 August 2022 and paid on 13 September 2022 (2022: Nil) | 345 | - |
| Income distribution for September 2022 | | |
| - USD 0.0339 on 10,276.33 units declared on 30 September 2022 and paid on 13 October 2022 (2022: Nil) | 348 | - |
| Income distribution for October 2022 | | |
| - USD 0.0325 on 10,323.15 units declared on 31 October 2022 and paid on 14 November 2022 (2022: Nil) | 337 | - |
| Income distribution for November 2022 | | |
| - USD 0.0356 on 10,366.33 units declared on 30 November 2022 and paid on 13 December 2022 (2022: Nil) | 369 | - |
| Income distribution for December 2022 | | |
| - USD 0.0355 on 10,411.89 units declared on 30 December 2022 and paid on 13 January 2023 (2022: Nil) | 370 | - |
| Income distribution for January 2023 | | |
| - USD 0.0374 on 10,456.26 units declared on 31 January 2023 and paid on 13 February 2023 (2022: Nil) | 391 | - |

8 Distributions (continued)

Principal Sustainable Asian Allocation Fund (continued)

| | 2023 US\$ | 2022 US\$ |
|---|--------------|--------------|
| Income Plus (monthly) Class Units - Retail (USD) (continued) | | |
| Income distribution for February 2023 | | |
| - USD 0.0355 on 10,503.55 units declared on 28 February 2023 and paid on 13 March 2023 (2022: USD0.03 on 10,000 units declared on 28 February 2022 and paid on 14 March 2022) | 373 | 300 |
| Income distribution for March 2023 | | |
| - USD 0.036 on 10,550.45 units declared on 31 March 2023 and paid on 13 April 2023 (2022: USD0.03 on 10,033.3 units declared on 31 March 2022 and paid on 13 April 2022) | 380 | 301 |
| Income distribution for April 2023 | | |
| - USD 0.0356 on 10,597.28 units declared on 28 April 2023 and paid on 15 May 2023 (2022: USD0.0365 on 10,066.2 units declared on 29 April 2022 and paid on 13 May 2022) | 377 | 368 |
| Income distribution for May 2023 | | |
| - USD 0.0346 on 10,644.62 units declared on 31 May 2023 and paid on 13 June 2023 (2022: USD0.036 on 10,108.68 units declared on 31 May 2022 and paid on 13 June 2022) | 368 | 364 |
| Income distribution for June 2023 | | |
| - USD 0.0349 on 10,690.60 units declared on 30 June 2023 and paid on 13 July 2023 (2022: USD0.034 on 10,151.09 units declared on 30 June 2022 and paid on 13 July 2022) | 373 | 345 |
| | \$ 4,377 | \$ 1,678 |
| | \$ 21,302 | \$ 8,882 |

During the year, no distributions were made to the unitholders of class Accumulation Class Units- Institutional (USD), Accumulation Class Units- Retail (HKD), Accumulation Class Units – Retail (RMB hedged) and Accumulation Class Units – Retail (USD).

8 Distributions (continued)

According to Clause 15.3 of the Trust Deed, the amount available for distribution includes any interest, dividend or other receipts deemed by the Manager and after making such provisions, if any, for taxation or otherwise attributable to the Sub-Funds. The resulting figure may be adjusted at the discretion of the Manager after consulting the Trustee. The level and frequency of the income distributed by the Sub-Funds do not necessarily indicate the total return and income of the Sub-Funds. All distributable income earned during the year/period ended 30 June 2023 and 2022 has been distributed as above.

| | Principal Asia Pacific High Dividend Equity Fund | | Principal Sustainable Asian Income Fund* | | Principal Sustainable Asian Allocation Fund* | |
|--|---|-----------|---|--|---|---|
| | 2023 | 2022 | 2023 | For the period from 15 December 2021 (date of commencement of operation) to 30 June 2022 | 2023 | For the period from 10 January 2022 (date of commencement of operation) to 30 June 2022 |
| Amount available for distribution brought forward | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Profit for the year available for distribution # | 641,673 | 337,809 | 49,021 | 17,565 | 12,196 | 2,465 |
| Distributions to unitholders | (640,069) | (332,588) | (58,020) | (29,862) | (21,302) | (8,882) |
| Transfer (to)/from capital | (1,604) | (5,221) | 8,999 | 12,297 | 9,106 | 6,417 |
| Amount available for distribution carried forward | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Profit for the year available for distribution is the adjusted total comprehensive income for the year, for which the calculation basis is in accordance with the relevant clauses of the Trust Deed.

* For Income Plus Class Units, the Manager at present intends to distribute all income (other than realised gain on sale of investments, unrealised gain on investment and foreign exchange gain) or any part thereof received by the Sub-Funds attributable to such Units on a monthly basis. It is intended, although not guaranteed, that Income Plus Class Units will distribute a set level of net income (the "Target Income") determined by the Manager on a regular basis. In order to calculate the Target Income, the Manager and/or its delegates will, on a best efforts basis, calculate the amount of net income to be received by the Sub-Funds over the course of the accounting period and calculate a prorated amount to be distributed to the Income Plus Class Units on each distribution date. The levels of Target Income will take into account the actual dividend yield, which will be constantly adjusted to reflect the latest information pertaining to the underlying assets of the Sub-Funds as well as industry peer data relevant to the Sub-Funds. In the event that the pro rata net income attributable to the Income Plus Class Units is less than the Target Income at the distribution date, the Manager may, in its absolute discretion, pay dividend out of the capital of such Units.

9 Total number of units in issue

| | <i>Principal Asia Pacific High Dividend Equity Fund</i> | | <i>Principal Sustainable Asian Income Fund</i> | | <i>Principal Sustainable Asian Allocation Fund</i> | |
|---|---|---------------------|--|---------------------|--|---------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Income Class Units (USD) | | | | | | |
| Number of units in issue brought forward | 577,345.04 | 599,701.23 | - | - | - | - |
| Units issued during the year | 66,205.49 | 19,303.69 | - | - | - | - |
| Units redeemed during the year | (86,999.80) | (41,659.88) | - | - | - | - |
| Number of units in issue carried forward | <u>556,550.73</u> | <u>577,345.04</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net asset value per unit | \$ 29.29 | \$ 30.36 | \$ - | \$ - | \$ - | \$ - |
| Accumulation Class Units – Institutional (USD) | | | | | | |
| Number of units in issue brought forward | 8,044,657.13 | 7,582,114.59 | - | - | - | - |
| Units issued during the year | 482,256.31 | 1,217,377.23 | - | - | - | - |
| Units redeemed during the year | (764,343.35) | (754,834.69) | - | - | - | - |
| Number of units in issue carried forward | <u>7,762,570.09</u> | <u>8,044,657.13</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net asset value per unit | \$ 13.77 | \$ 13.85 | \$ - | \$ - | \$ - | \$ - |
| Income Plus (monthly) Class Unit-Retirement (HKD) | | | | | | |
| Number of units in issue brought forward | - | - | 79,838.91 | - | 79,144.22 | - |
| Units issued during the year | - | - | 5,063.77 | 79,838.91 | 10,393.65 | 79,144.22 |
| Units redeemed during the year | - | - | - | - | - | - |
| Number of units in issue carried forward | <u>-</u> | <u>-</u> | <u>84,902.68</u> | <u>79,838.91</u> | <u>89,537.87</u> | <u>79,144.22</u> |
| Net asset value per unit | HK\$ - | HK\$ - | HK\$ 7.86 | HK\$ 8.29 | HK\$ 7.88 | HK\$ 8.41 |
| Accumulation Class Units-Institutional (USD) | | | | | | |
| Number of units in issue brought forward | - | - | 1,820,000.00 | - | 2,920,000.00 | - |
| Units issued during the year | - | - | - | 1,820,000.00 | - | 2,920,000.00 |
| Units redeemed during the year | - | - | - | - | - | - |
| Number of units in issue carried forward | <u>-</u> | <u>-</u> | <u>1,820,000.00</u> | <u>1,820,000.00</u> | <u>2,920,000.00</u> | <u>2,920,000.00</u> |
| Net asset value per unit | \$ - | \$ - | \$ 8.57 | \$ 8.48 | \$ 8.43 | \$ 8.52 |
| Income (monthly) Class Units - Institutional (USD) | | | | | | |
| Number of units in issue brought forward | - | - | 101,625.99 | - | - | - |
| Units issued during the year | - | - | 3,932.78 | 101,625.99 | - | - |
| Units redeemed during the year | - | - | - | - | - | - |
| Number of units in issue carried forward | <u>-</u> | <u>-</u> | <u>105,558.77</u> | <u>101,625.99</u> | <u>-</u> | <u>-</u> |
| Net asset value per unit | \$ - | \$ - | \$ 8.09 | \$ 8.32 | \$ - | \$ - |
| Accumulation Class Units- Retail (HKD) | | | | | | |
| Number of units in issue brought forward | - | - | 78,020.77 | - | 77,969.00 | - |
| Units issued during the year | - | - | - | 78,020.77 | 1,862.61 | 77,969.00 |
| Units redeemed during the year | - | - | - | - | - | - |
| Number of units in issue carried forward | <u>-</u> | <u>-</u> | <u>78,020.77</u> | <u>78,020.77</u> | <u>79,831.61</u> | <u>77,969.00</u> |
| Net asset value per unit | HK\$ - | HK\$ - | HK\$ 8.56 | HK\$ 8.51 | HK\$ 8.40 | HK\$ 8.55 |

9 Total number of units in issue (continued)

| | Principal Asia Pacific High Dividend Equity Fund | | Principal Sustainable Asian Income Fund | | Principal Sustainable Asian Allocation Fund | |
|--|---|--------|--|-----------|--|-----------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Accumulation Class Units - Retail (RMB hedged) | | | | | | |
| Number of units in issue brought forward | - | - | 63,784.05 | - | 63,837.39 | - |
| Units issued during the year | - | - | - | 63,784.05 | - | 63,837.39 |
| Units redeemed during the year | - | - | - | - | - | - |
| Number of units in issue carried forward | - | - | 63,784.05 | 63,784.05 | 63,837.39 | 63,837.39 |
| Net asset value per unit | CNH - | CNH - | CNH 8.59 | CNH 8.89 | CNH 8.25 | CNH 8.92 |
| Accumulation Class Units - Retail (USD) | | | | | | |
| Number of units in issue brought forward | - | - | 10,000.00 | - | 10,000.00 | - |
| Units issued during the year | - | - | - | 10,000.00 | - | 10,000.00 |
| Units redeemed during the year | - | - | - | - | - | - |
| Number of units in issue carried forward | - | - | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 |
| Net asset value per unit | \$ - | \$ - | \$ 8.52 | \$ 8.46 | \$ 8.36 | \$ 8.50 |
| Income (monthly) Class Units - Retail (HKD) | | | | | | |
| Number of units in issue brought forward | - | - | 79,289.19 | - | 78,775.04 | - |
| Units issued during the year | - | - | 63,237.50 | 79,289.19 | 2,366.24 | 78,775.04 |
| Units redeemed during the year | - | - | - | - | - | - |
| Number of units in issue carried forward | - | - | 142,526.69 | 79,289.19 | 81,141.28 | 78,775.04 |
| Net asset value per unit | HK\$ - | HK\$ - | HK\$ 8.10 | HK\$ 8.35 | HK\$ 8.05 | HK\$ 8.43 |
| Income Plus (monthly) Class Units - Retail (HKD) | | | | | | |
| Number of units in issue brought forward | - | - | 79,839.70 | - | 79,145.65 | - |
| Units issued during the year | - | - | 11,243.05 | 79,839.70 | 4,208.77 | 79,145.65 |
| Units redeemed during the year | - | - | - | - | - | - |
| Number of units in issue carried forward | - | - | 91,082.75 | 79,839.70 | 83,354.42 | 79,145.65 |
| Net asset value per unit | HK\$ - | HK\$ - | HK\$ 7.83 | HK\$ 8.28 | HK\$ 7.83 | HK\$ 8.39 |
| Income Plus (monthly) Class Units - Retail (RMB hedged) | | | | | | |
| Number of units in issue brought forward | - | - | 65,953.67 | - | 65,339.17 | - |
| Units issued during the year | - | - | 5,744.53 | 65,953.67 | 4,986.02 | 65,339.17 |
| Units redeemed during the year | - | - | - | - | - | - |
| Number of units in issue carried forward | - | - | 71,698.20 | 65,953.67 | 70,325.19 | 65,339.17 |
| Net asset value per unit | CNH - | CNH - | CNH 7.52 | CNH 8.54 | CNH 7.50 | CNH 8.67 |
| Income Plus (monthly) Class Units - Retail (USD) | | | | | | |
| Number of units in issue brought forward | - | - | 10,233.49 | - | 10,151.09 | - |
| Units issued during the year | - | - | 649.19 | 10,233.49 | 539.51 | 10,151.09 |
| Units redeemed during the year | - | - | - | - | - | - |
| Number of units in issue carried forward | - | - | 10,882.68 | 10,233.49 | 10,690.60 | 10,151.09 |
| Net asset value per unit | \$ - | \$ - | \$ 7.79 | \$ 8.23 | \$ 7.79 | \$ 8.34 |

10 Soft commission arrangements

During the year, the Manager, delegate and sub-delegates of the Manager, and/or their connected parties, had soft commission arrangements with brokers in respect of which certain goods and services used to support investment decision making were received. The Manager, delegate and sub-delegates of the Manager, and/or their connected parties, do not make direct payment for these services but transacts an agreed amount of US\$164,454,849 (2022: US\$1,199,775) of business with the brokers on behalf of the Sub-funds and commission of US\$124,717 (2022: US\$2,359) is paid on these transactions.

The services utilised for the Sub-Funds include research and trading related items.

The Manager is satisfied that such soft commission arrangements comply with the relevant requirements under the SFC Code.

11 Banking facilities, bank loans, overdrafts and other borrowings

The Sub-Funds had no bank loans, overdrafts or other borrowings as at 30 June 2023 (2022: Nil).

12 Security lending arrangements

During the year ended 30 June 2023, the Sub-Funds did not enter into any security lending arrangements (2022: Nil).

13 Negotiability of assets

As at 30 June 2023, there was no statutory or contractual requirement restricting the negotiability of the assets of the Sub-Funds (2022: Nil).

14 Commitments

The Sub-Funds had no commitments as at 30 June 2023 (2022: Nil).

15 Contingent liabilities

The Sub-Funds had no contingent liabilities as at 30 June 2023 (2022: Nil).

16 Financial instruments and associated risks

The Sub-Funds' investing activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risks to which the Sub-Funds are exposed are market risk, credit risk and liquidity risk.

Asset allocation is determined by the Manager who manages the distribution of the assets to achieve the investment objective and policy of the Sub-Funds, as stated on pages 101 to 103.

Divergence from target asset allocations and the composition of the portfolio is monitored by the Manager. In instances where the Sub-Funds have diverged from the target asset allocations, the Manager will arrange to rebalance the portfolio to fall in line with the target asset allocations.

16 Financial instruments and associated risks (continued)

(a) Market risk

Market risk embodies the potential for both loss and gain and includes currency risk, interest rate risk and other price risk. To control risk, investment decisions are based on risk/reward analysis, with the adoption of diversification policies. Investment decisions are taken in accordance with the investment objective and policy of the Sub-Funds so that unwarranted deviations (risks) are controlled.

The Sub-Funds are also subject to the risk of concentration of investments in issuers located in a particular country or region which may be susceptible to adverse securities markets, exchange rates and social, political, regulatory or economic events which may occur in that country or region.

(i) Currency risk

The Sub-Funds may invest in financial instruments denominated in currencies other than the functional currency. Consequently, the portfolio is exposed to the risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the portfolio's assets or liabilities denominated in currencies other than the functional currency.

Currency exposures are generally left unhedged even though the investment guidelines may allow hedging of such exposures. A part of the reason for such is that the portfolio designates the various investment markets in their geographical allocations (contained in the Explanatory Memorandum of the Sub-Funds) and currency risk is considered to be a part of the overall risk taken by investing into these geographical regions.

At the reporting date the Sub-Funds had the following currency exposures (in United States dollar equivalent):

| Currency | Principal Asia Pacific High Dividend Equity Fund United States dollar | | Principal Sustainable Asian Income Fund United States dollar | | Principal Sustainable Asian Allocation Fund United States dollar | |
|------------------------|---|----------------------|--|-------------------|--|---------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Australian dollar | \$ 19,737,026 | \$ 17,177,820 | \$ - | \$ - | \$ 1,291,472 | \$ 1,977,825 |
| Chinese yuan | 572,826 | 1,692,911 | 150,325 | 172,011 | 311,125 | 171,962 |
| European Monetary Unit | - | - | 7 | 71 | 23 | 50 |
| Indian rupee | 18,526,289 | 12,483,796 | - | - | - | - |
| Indonesian rupiah | 4,330,105 | 4,624,941 | - | - | 477,758 | 625,320 |
| Malaysian ringgit | 850,750 | 1,504,331 | - | - | 107,894 | 359,204 |
| New Taiwan dollar | 13,928,719 | 11,290,149 | - | - | 913,288 | 954,131 |
| Philippines peso | 3,269,884 | 2,125,527 | - | - | - | - |
| Pound Sterling | - | - | - | - | 339,478 | - |
| Singapore dollar | 3,050,869 | 5,700,617 | - | - | 733,283 | 1,626,329 |
| South Korean won | 13,437,373 | 10,798,862 | - | - | 1,385,972 | 106,109 |
| Thai baht | 2,998,315 | 2,426,797 | - | - | 709,495 | 301,877 |
| Total | <u>\$ 80,702,156</u> | <u>\$ 69,825,751</u> | <u>\$ 150,332</u> | <u>\$ 172,082</u> | <u>\$ 6,269,788</u> | <u>\$ 6,122,807</u> |

Currency risk sensitivity analysis

As at 30 June 2023, had the USD strengthened (or weakened) by 5% in relation to all currencies, with all other variables held constant, the NAV of the Sub-Funds and the profit and total comprehensive income for the year as recorded in the statement of comprehensive income would have decreased (or increased) by the amounts shown below. The analysis was performed on the same basis for 2022.

16 Financial instruments and associated risks (continued)

| Currency | Principal Asia Pacific High Dividend Equity Fund United States dollar | | Principal Sustainable Asian Income Fund United States dollar | | Principal Sustainable Asian Allocation Fund United States dollar | |
|------------------------|---|--------------|--|----------|--|------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Australian dollar | \$ 986,851 | \$ 858,891 | \$ - | \$ - | \$ 64,574 | \$ 98,891 |
| Chinese yuan | 28,641 | 84,646 | 7,516 | 8,601 | 15,556 | 8,598 |
| European Monetary Unit | - | - | - | 4 | 1 | 3 |
| Indian rupee | 926,314 | 624,190 | - | - | - | - |
| Indonesian rupiah | 216,505 | 231,247 | - | - | 23,888 | 31,266 |
| Malaysian ringgit | 42,538 | 75,217 | - | - | 5,395 | 17,960 |
| New Taiwan dollar | 696,436 | 564,507 | - | - | 45,664 | 47,707 |
| Philippines peso | 163,494 | 106,276 | - | - | - | - |
| Pound Sterling | - | - | - | - | 16,974 | - |
| Singapore dollar | 152,543 | 285,031 | - | - | 36,664 | 81,316 |
| South Korean won | 671,869 | 539,943 | - | - | 69,299 | 5,305 |
| Thai baht | 149,916 | 121,340 | - | - | 35,475 | 15,094 |
| Total | \$ 4,035,107 | \$ 3,491,288 | \$ 7,516 | \$ 8,605 | \$ 313,490 | \$ 306,140 |

As the Hong Kong dollar (“HKD”) is pegged to the USD, the risk of movement in exchange rates between HKD and USD is considered to be insignificant.

(ii) Interest rate risk

Interest rate risks arises from changes in interest rates which may affect the value of debt instruments and therefore result in potential gain or loss to the Sub-Funds. The Sub-Funds’ interest rate risk is managed on an ongoing basis by the Manager.

The following table illustrates the interest rate risk exposure of Principal Sustainable Asian Income Fund and Principal Sustainable Asian Allocation Fund. It includes their interest rate sensitivity gaps and the period in which the interest rates of interest-bearing assets and interest-bearing liabilities reprice (the earlier of contractual re-pricing or maturity date) as at period end. Principal Asia Pacific High Dividend Equity Fund did not hold any debt or interest-bearing securities. Its only direct exposure to interest rate is via its bank accounts. Therefore, it has negligible interest rate risk.

16 Financial instruments and associated risks (continued)

Principal Sustainable Asian Income Fund

As at 30 June 2023

| | Up to 1 year | 1 - 5 years | Over 5 years | Non-interest bearing | Total |
|--|---------------------|---------------------|---------------------|-------------------------|----------------------|
| Assets | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ 1,205,033 | \$ 1,205,033 |
| Financial assets at FVTPL | 1,467,025 | 8,237,133 | 6,593,064 | 92 | 16,297,314 |
| Interest receivable | - | - | - | 173,421 | 173,421 |
| Total assets | \$ 1,467,025 | \$ 8,237,133 | \$ 6,593,064 | \$ 1,378,546 | \$ 17,675,768 |
| Liabilities (excluding net assets attributable to holders of redeemable shares) | | | | | |
| Financial liabilities at fair value through profit or loss | \$ - | \$ - | \$ - | \$ 8,315 | \$ 8,315 |
| Amounts due to brokers | - | - | - | 351,653 | 351,653 |
| Distribution payable | - | - | - | 5,113 | 5,113 |
| Other payables | - | - | - | 122,932 | 122,932 |
| Total liabilities | \$ - | \$ - | \$ - | \$ 488,013 | \$ 488,013 |
| Total interest sensitivity gap | \$ 1,467,025 | \$ 8,237,133 | \$ 6,593,064 | | |

As at 30 June 2022

| | Up to 1 year | 1 - 5 years | Over 5 years | Non-interest bearing | Total |
|--|---------------------|---------------------|---------------------|-------------------------|----------------------|
| Assets | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ 496,526 | \$ 496,526 |
| Financial assets at FVTPL | 1,119,460 | 9,241,545 | 5,811,045 | 232 | 16,172,282 |
| Interest receivable | - | - | - | 159,291 | 159,291 |
| Amounts due from brokers | - | - | - | 561,215 | 561,215 |
| Total assets | \$ 1,119,460 | \$ 9,241,545 | \$ 5,811,045 | \$ 1,217,264 | \$ 17,389,314 |
| Liabilities (excluding net assets attributable to holders of redeemable shares) | | | | | |
| Financial liabilities at fair value through profit or loss | \$ - | \$ - | \$ - | \$ 8,273 | \$ 8,273 |
| Amounts due to brokers | - | - | - | 300,000 | 300,000 |
| Distribution payable | - | - | - | 4,883 | 4,883 |
| Other payables | - | - | - | 118,802 | 118,802 |
| Total liabilities | \$ - | \$ - | \$ - | \$ 431,958 | \$ 431,958 |
| Total interest sensitivity gap | \$ 1,119,460 | \$ 9,241,545 | \$ 5,811,045 | | |

16 Financial instruments and associated risks (continued)

Principal Sustainable Asian Allocation Fund

As at 30 June 2023

| | Up to 1 year | 1 - 5 years | Over 5 years | Non-interest bearing | Total |
|--|---------------------|---------------------|---------------------|-------------------------|----------------------|
| Assets | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ 889,449 | \$ 889,449 |
| Financial assets at FVTPL | 1,176,739 | 5,797,323 | 4,217,908 | 13,382,085 | 24,574,055 |
| Dividend receivable | - | - | - | 37,916 | 37,916 |
| Interest receivable | - | - | - | 118,173 | 118,173 |
| Amounts due from brokers | - | - | - | 1,798 | 1,798 |
| Total assets | <u>\$ 1,176,739</u> | <u>\$ 5,797,323</u> | <u>\$ 4,217,908</u> | <u>\$ 14,429,421</u> | <u>\$ 25,621,391</u> |
| Liabilities (excluding net assets attributable to holders of redeemable shares) | | | | | |
| Financial liabilities at fair value through profit or loss | \$ - | \$ - | \$ - | \$ 8,260 | \$ 8,260 |
| Amounts due to brokers | - | - | - | 168,965 | 168,965 |
| Distribution payable | - | - | - | 1,737 | 1,737 |
| Other payables | - | - | - | 145,603 | 145,603 |
| Total liabilities | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 324,565</u> | <u>\$ 324,565</u> |
| Total interest sensitivity gap | <u>\$ 1,176,739</u> | <u>\$ 5,797,323</u> | <u>\$ 4,217,908</u> | | |

As at 30 June 2022

| | Up to 1 year | 1 - 5 years | Over 5 years | Non-interest bearing | Total |
|--|-------------------|---------------------|---------------------|-------------------------|----------------------|
| Assets | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ 1,239,076 | \$ 1,239,076 |
| Financial assets at FVTPL | 447,502 | 6,901,495 | 4,128,695 | 12,656,794 | 24,134,486 |
| Dividend receivable | - | - | - | 45,828 | 45,828 |
| Interest receivable | - | - | - | 120,033 | 120,033 |
| Amounts due from brokers | - | - | - | 424,199 | 424,199 |
| Total assets | <u>\$ 447,502</u> | <u>\$ 6,901,495</u> | <u>\$ 4,128,695</u> | <u>\$ 14,485,930</u> | <u>\$ 25,963,622</u> |
| Liabilities (excluding net assets attributable to holders of redeemable shares) | | | | | |
| Financial liabilities at fair value through profit or loss | \$ - | \$ - | \$ - | \$ 8,551 | \$ 8,551 |
| Amounts due to brokers | - | - | - | 248,426 | 248,426 |
| Distribution payable | - | - | - | 1,883 | 1,883 |
| Other payables | - | - | - | 131,246 | 131,246 |
| Total liabilities | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 390,106</u> | <u>\$ 390,106</u> |
| Total interest sensitivity gap | <u>\$ 447,502</u> | <u>\$ 6,901,495</u> | <u>\$ 4,128,695</u> | | |

16 Financial instruments and associated risks (continued)

Interest rate sensitivity

At the date of the statement of assets and liabilities, assuming all other factors remain unchanged, it is estimated that an increase in interest rate of 100 basis points would result in decrease in the net assets attributable to the unitholders and the profit for the period as set out in the below table; an equal change in the opposite direction would result in increase in the net assets attributable to unitholders by an equal amount.

| | <i>Decrease in net assets if interest rate increased by 100 basis points 2023 USD</i> | <i>Decrease in net assets if interest rate increased by 100 basis points 2022 USD</i> |
|---|---|---|
| Principal Sustainable Asian Income Fund | 1,691,961 | 1,663,272 |
| Principal Sustainable Asian Allocation Fund | 472,678 | 555,585 |

(iii) Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment (stock-specific) or its issuer, or factors affecting all instruments (generic risks) traded in the market. This risk can be mitigated by constructing a diversified portfolio of investments across different issuers, different sectors or traded on different markets.

The Manager manages such risks by regularly monitoring portfolio exposures, both on an absolute basis and relative to underlying benchmarks, if any. For example, if the Sub-Funds' benchmark has an exposure of x% in a particular stock and of y% in a particular country, the Manager may manage exposure to that stock in his portfolio within x+/-z% and to the country at y+/-z%. Other risks relating to liquidity, sector exposures etc. are also managed in a similar manner.

An analysis of the investments held by the Sub-Funds is shown in the investment portfolio and statement of movements in portfolio holdings enclosed with these financial statements.

16 Financial instruments and associated risks (continued)

Other price risk sensitivity analysis

The impact of a 10% increase in value of the investments on 30 June 2023, with all other variables held constant, is shown below. An equal change in the opposite direction would have increased the NAV by an equal but opposite amount.

| | <i>Principal Asia Pacific High Dividend Equity Fund</i> | <i>Principal Sustainable Asian Allocation Fund</i> |
|--------------------|---|--|
| As at 30 June 2023 | | |
| Equities | \$ 114,393,621 | \$ 9,614,674 |
| Investment funds | 655,546 | 2,811,347 |
| REITs | 3,401,100 | 955,839 |
| | <u>\$ 118,450,267</u> | <u>\$ 13,381,860</u> |
| As at 30 June 2022 | | |
| Equities | \$ 122,507,764 | \$ 10,878,106 |
| Investment funds | - | 1,588,713 |
| REITs | - | 189,760 |
| | <u>\$ 122,507,764</u> | <u>\$ 12,656,579</u> |
| | | |
| | <i>Principal Asia Pacific High Dividend Equity Fund</i> | <i>Principal Sustainable Asian Allocation Fund</i> |
| As at 30 June 2023 | | |
| Equities | \$ 11,439,362 | \$ 961,467 |
| Investment funds | 65,555 | 281,135 |
| REITs | 340,110 | 95,584 |
| | <u>\$ 11,845,027</u> | <u>\$ 1,338,186</u> |
| As at 30 June 2022 | | |
| Equities | \$ 12,250,776 | \$ 1,087,811 |
| Investment funds | - | 158,871 |
| REITs | - | 18,976 |
| | <u>\$ 12,250,776</u> | <u>\$ 1,265,658</u> |

16 Financial instruments and associated risks (continued)

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment to pay dues in time. The Manager has a credit review process in place. This ensures review and monitoring of credit quality and credit risk exposure on an ongoing basis, which helps protect portfolios from anticipated negative credit events. The Manager performs this review on a regular basis. The Sub-Funds' credit risk is also mitigated through diversification and control on exposure to any single issuer in the Sub-Funds.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. At the reporting date, the Sub-Funds' financial assets exposed to credit risk have been shown on the statement of financial position in which the figures are based on the carrying value of each financial asset item.

Credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered small due to the short settlement period involved and the good credit quality of the brokers used. The Manager monitors the credit rating and financing positions of the brokers used to further mitigate this risk.

Substantially all the securities and cash of the Sub-Funds are held by Citibank N.A., as the custodian of the Sub-Funds. Bankruptcy or insolvency of the custodian may cause the Sub-Funds' rights with respect to securities and cash held by the custodian to be delayed or limited. The Trustee monitors credit risk by monitoring the credit quality and financial positions of the custodian.

As at 30 June 2023 and 2022, Principal Sustainable Asian Income Fund and Principal Sustainable Asian Allocation invested in debt securities with the following credit quality expressed as a percentage of debt securities.

| Rating (Moody's/S&P) | As at 30 June 2023 % of debt securities | | As at 30 June 2022 % of debt securities | |
|----------------------|---|---|---|---|
| | Principal Sustainable Asian Income Fund | Principal Sustainable Asian Allocation Fund | Principal Sustainable Asian Income Fund | Principal Sustainable Asian Allocation Fund |
| AAA/Aaa | 4.09% | 1.80% | 6.00% | 1.96% |
| AA/Aa | 9.12% | 8.86% | 4.63% | 4.35% |
| A/A | 43.51% | 41.96% | 34.85% | 39.85% |
| BBB/Baa | 34.02% | 37.32% | 33.69% | 32.21% |
| BB/Ba | 6.69% | 7.13% | 15.52% | 16.18% |
| B/B | 2.57% | 2.93% | 0.68% | 3.11% |
| Not rated | 0.00% | 0.00% | 4.63% | 2.34% |
| Total | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> |

16 Financial instruments and associated risks (continued)

(c) Liquidity risk

The Sub-Funds are exposed to daily liquidity risk on redemptions of units. This arises from the risk that the Manager may not be able to convert investments into cash to meet liquidity needs in a timely manner. To guard against this risk, stock selection considerations include analysis of factors like daily trading volumes, bid-offer spreads, availability of prices from brokers at short notice etc. The Sub-Funds' financial instruments include mainly investments in listed equity securities. They are mainly traded on stock exchanges and are generally liquid. As a result, for most cases, the Sub-Funds should be able to liquidate its investments quickly in these instruments at close to their fair value in order to meet its liquidity requirements. Under extreme market conditions, liquidation of instruments may have to be done at lower prices.

The Sub-Funds are not exposed to other activities which will give rise to significant liquidity risk.

Amounts payable on redemption of units, amounts payable to brokers and distributions payable of the Sub-Funds mature within one month while its accrued expenses and other payables mature within one year.

(d) Specific instruments

Derivatives

Under normal circumstances, the Sub-Funds would not hedge against its currency exposure to investing markets. The Sub-Funds may use options, futures or other derivatives instruments in order to optimise portfolio performance.

As at 30 June 2023 and 2022, the Sub-Funds' holding in foreign exchange forward contracts are summarized in the following table. The Manager did not undertake any derivative transactions for Principal Asia Pacific High Dividend Equity Fund during the years ended 30 June 2023 and 2022.

Principal Sustainable Asian Income Fund

As at 30 June 2023

| <i>Buy</i> | <i>Sell</i> | <i>Settlement date</i> | <i>Fair value assets/(liabilities) US\$</i> |
|------------|-------------|------------------------|---|
| USD 1,687 | CNH 11,865 | 12/09/2023 | 45 |
| USD 1,741 | CNH 12,247 | 12/09/2023 | 47 |
| | | | 92 |

16 Financial instruments and associated risks (continued)

| <i>Buy</i> | <i>Sell</i> | <i>Settlement date</i> | <i>Fair value assets/(liabilities) US\$</i> |
|--------------------|-------------|------------------------|---|
| CNH 276,968 | USD 40,402 | 12/09/2023 | (2,089) |
| CNH 276,967 | USD 40,401 | 12/09/2023 | (2,089) |
| CNH 272,545 | USD 39,757 | 12/09/2023 | (2,056) |
| CNH 272,545 | USD 39,756 | 12/09/2023 | (2,055) |
| CNH 11,809 | USD 1,659 | 12/09/2023 | (26) |
| | | | <u>(8,315)</u> |
| As at 30 June 2022 | | | |
| <i>Buy</i> | <i>Sell</i> | <i>Settlement date</i> | <i>Fair value assets/(liabilities) US\$</i> |
| USD 2,126 | CNH 13,593 | 14/07/2022 | 99 |
| USD 2,003 | CNH 12,808 | 14/07/2022 | 93 |
| CNH 12,922 | USD 1,895 | 14/07/2022 | 32 |
| USD 2,263 | CNH 15,125 | 14/07/2022 | 8 |
| | | | <u>232</u> |
| CNH 289,391 | USD 45,197 | 14/07/2022 | (2,040) |
| CNH 289,391 | USD 45,191 | 14/07/2022 | (2,035) |
| CNH 287,121 | USD 44,842 | 14/07/2022 | (2,024) |
| CNH 287,121 | USD 44,837 | 14/07/2022 | (2,019) |
| CNH 13,968 | USD 2,167 | 14/07/2022 | (84) |
| CNH 13,231 | USD 1,996 | 14/07/2022 | (23) |
| CNH 12,869 | USD 1,930 | 14/07/2022 | (11) |
| CNH 16,049 | USD 2,407 | 14/07/2022 | (13) |
| USD 1,845 | CNH 12,495 | 14/07/2022 | (18) |
| USD 2,172 | CNH 14,609 | 14/07/2022 | (6) |
| | | | <u>(8,273)</u> |

16 Financial instruments and associated risks (continued)

Principal Sustainable Asian Allocation Fund

As at 30 June 2023

| <i>Buy</i> | <i>Sell</i> | <i>Settlement date</i> | <i>Fair value assets/(liabilities) US\$</i> |
|-------------|-------------|------------------------|---|
| USD 1,735 | CNH 11,924 | 12/09/2023 | 86 |
| USD 1,850 | CNH 12,714 | 12/09/2023 | 91 |
| USD 1,699 | CNH 11,984 | 12/09/2023 | 41 |
| USD 1,895 | CNH 13,648 | 12/09/2023 | 7 |
| | | | 225 |
| CNH 271,854 | USD 39,656 | 12/09/2023 | (2,051) |
| CNH 271,854 | USD 39,655 | 12/09/2023 | (2,050) |
| CNH 271,813 | USD 39,650 | 12/09/2023 | (2,050) |
| CNH 271,813 | USD 39,649 | 12/09/2023 | (2,050) |
| CNH 13,202 | USD 1,859 | 12/09/2023 | (33) |
| CNH 11,861 | USD 1,667 | 12/09/2023 | (26) |
| | | | (8,260) |

As at 30 June 2022

| <i>Buy</i> | <i>Sell</i> | <i>Settlement date</i> | <i>Fair value assets/(liabilities) US\$</i> |
|-------------|-------------|------------------------|---|
| USD 2,355 | CNH 15,101 | 14/07/2022 | 103 |
| USD 2,201 | CNH 14,074 | 14/07/2022 | 103 |
| USD 1,983 | CNH 13,236 | 14/07/2022 | 9 |
| | | | 215 |
| CNH 301,692 | USD 47,118 | 14/07/2022 | (2,127) |
| CNH 301,692 | USD 47,112 | 14/07/2022 | (2,121) |
| CNH 296,882 | USD 46,367 | 14/07/2022 | (2,093) |
| CNH 296,882 | USD 46,361 | 14/07/2022 | (2,087) |
| CNH 13,142 | USD 2,039 | 14/07/2022 | (79) |
| CNH 14,047 | USD 2,106 | 14/07/2022 | (12) |
| CNH 15,022 | USD 2,242 | 14/07/2022 | (1) |
| USD 2,080 | CNH 14,066 | 14/07/2022 | (18) |
| USD 2,089 | CNH 14,045 | 14/07/2022 | (5) |
| USD 2,338 | CNH 15,736 | 14/07/2022 | (8) |
| | | | (8,551) |

16 Financial instruments and associated risks (continued)

(e) Fair value information

(i) Valuation of financial instruments

The Sub-Funds' accounting policy on fair value measurements is discussed in note 2(d)(iv).

The Sub-Funds measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

(ii) Fair value hierarchy - Financial instruments measured at fair value

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

| <i>Principal Asia Pacific High Dividend Equity Fund</i> | | | | |
|---|-----------------------|----------------|----------------|-----------------------|
| <i>2023</i> | | | | |
| | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i> |
| Assets | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Equities | \$ 114,393,621 | \$ - | \$ - | \$ 114,393,621 |
| - Investment funds | 655,546 | - | - | 655,546 |
| - REITs | 3,401,100 | - | - | 3,401,100 |
| | <u>\$ 118,450,267</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 118,450,267</u> |

16 Financial instruments and associated risks (continued)

| <i>Principal Asia Pacific High Dividend Equity Fund</i> | | | | |
|---|-----------------------|----------------|----------------|-----------------------|
| 2022 | | | | |
| | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i> |
| Assets | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Equities | \$ 122,507,764 | \$ - | \$ - | \$ 122,507,764 |
| | <u>\$ 122,507,764</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 122,507,764</u> |

| <i>Principal Sustainable Asian Income Fund</i> | | | | |
|--|-------------------|----------------------|----------------|----------------------|
| 2023 | | | | |
| | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i> |
| Assets | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Debt securities | \$ 763,278 | \$ 15,533,944 | \$ - | \$ 16,297,222 |
| - Forward contracts | - | 92 | - | 92 |
| | <u>\$ 763,278</u> | <u>\$ 15,534,036</u> | <u>\$ -</u> | <u>\$ 16,297,314</u> |

| | | | | |
|---|-------------|-----------------|-------------|-----------------|
| Liabilities | | | | |
| Financial liabilities at fair value through profit or loss: | | | | |
| - Forward contracts | \$ - | \$ 8,315 | \$ - | \$ 8,315 |
| | <u>\$ -</u> | <u>\$ 8,315</u> | <u>\$ -</u> | <u>\$ 8,315</u> |

| <i>Principal Sustainable Asian Income Fund</i> | | | | |
|--|----------------|----------------------|----------------|----------------------|
| 2022 | | | | |
| | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i> |
| Assets | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Debt securities | \$ - | \$ 16,172,050 | \$ - | \$ 16,172,050 |
| - Forward contracts | - | 232 | - | 232 |
| | <u>\$ -</u> | <u>\$ 16,172,282</u> | <u>\$ -</u> | <u>\$ 16,172,282</u> |

| | | | | |
|---|-------------|-----------------|-------------|-----------------|
| Liabilities | | | | |
| Financial liabilities at fair value through profit or loss: | | | | |
| - Forward contracts | \$ - | \$ 8,273 | \$ - | \$ 8,273 |
| | <u>\$ -</u> | <u>\$ 8,273</u> | <u>\$ -</u> | <u>\$ 8,273</u> |

16 Financial instruments and associated risks (continued)

| <i>Principal Sustainable Asian Allocation Fund</i> | | | | |
|---|----------------------|----------------------|-------------|----------------------|
| 2023 | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Equities | \$ 9,614,674 | \$ - | \$ - | \$ 9,614,674 |
| - Investment funds | 2,811,347 | - | - | 2,811,347 |
| - REITs | 955,839 | - | - | 955,839 |
| - Debt securities | 230,756 | 10,961,214 | - | 11,191,970 |
| - Forward contracts | - | 225 | - | 225 |
| | <u>\$ 13,612,616</u> | <u>\$ 10,961,439</u> | <u>\$ -</u> | <u>\$ 24,574,055</u> |
| Liabilities | | | | |
| Financial liabilities at fair value through profit or loss: | | | | |
| - Forward contracts | \$ - | \$ 8,260 | \$ - | \$ 8,260 |
| | <u>\$ -</u> | <u>\$ 8,260</u> | <u>\$ -</u> | <u>\$ 8,260</u> |

| <i>Principal Sustainable Asian Allocation Fund</i> | | | | |
|---|----------------------|----------------------|-------------|----------------------|
| 2022 | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Equities | \$ 10,878,106 | \$ - | \$ - | \$ 10,878,106 |
| - Investment funds | 1,588,713 | - | - | 1,588,713 |
| - REITs | 189,760 | - | - | 189,760 |
| - Debt securities | - | 11,477,692 | - | 11,477,692 |
| - Forward contracts | - | 215 | - | 215 |
| | <u>\$ 12,656,579</u> | <u>\$ 11,477,907</u> | <u>\$ -</u> | <u>\$ 24,134,486</u> |
| Liabilities | | | | |
| Financial liabilities at fair value through profit or loss: | | | | |
| - Forward contracts | \$ - | \$ 8,551 | \$ - | \$ 8,551 |
| | <u>\$ -</u> | <u>\$ 8,551</u> | <u>\$ -</u> | <u>\$ 8,551</u> |

During the year/period ended 30 June 2023 and 2022, there were no transfers between instruments in Level 1, Level 2 and Level 3. The Sub-Funds' policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

16 Financial instruments and associated risks (continued)

(iii) Financial instruments not measured at fair value

The financial instruments not measured at fair value through profit or loss are short-term financial assets and financial liabilities whose carrying amounts approximate fair value.

The financial assets and liabilities not measured at fair value through profit or loss include:

- i Cash and cash equivalents, dividend receivables, interest receivables, amounts receivable from brokers, amounts receivable on subscription of units, amounts payable on redemption of units, amounts payable to brokers, distributions payable and accrued expenses and other payables. These are short-term financial assets and liabilities whose carrying amounts approximate fair value, because of their short-term nature and the high credit quality of counterparties. They are categorised into Level 2 of fair value hierarchy; and
- ii Net assets attributable to unitholders. The Sub-Funds routinely redeem and issue the units at the amount equal to the proportionate share of net assets of the Sub-Funds at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets attributable to the unitholders approximately their fair value. They are categorised into Level 2 of the fair value hierarchy.

17 Involvement with unconsolidated structured entities

The Sub-Funds have concluded that the investment funds in which it invests, but that it does not consolidate, meet the definition of structured entities because:

- the voting rights in the funds are not dominant rights in deciding who controls them because they relate to administrative tasks only;
- each fund's activities are restricted by its prospectus; and
- the funds have narrow and well defined objectives to provide investment opportunities to investors.

The table below describes the types of structured entities that the Sub-Funds do not consolidate but in which they hold an interest.

| <i>Type of structured entities</i> | <i>Nature and purpose</i> | <i>Interest held by the Sub-Funds</i> |
|------------------------------------|--|--|
| Open-ended investment funds | To manage assets on behalf of third party investors and generate fees for the manager. These vehicles are financed through the issue of shares to investors. | Investment in shares issued by the funds |

The table below sets out interests held by the Sub-Funds in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the financial assets held by the Fund.

17 Involvement with unconsolidated structured entities (continued)

Principal Asia Pacific High Dividend Equity Fund:

As at 30 June 2023:

| <i>Structured entities</i> | <i>Number of investment funds</i> | <i>Total net assets (in US\$ millions) US\$</i> | <i>Carrying amount included in financial assets at FVTPL US\$</i> |
|----------------------------|-----------------------------------|---|---|
| Listed investment funds | 5 | 1,120,601,377 | 655,546 |
| REITs | 1 | <u>24,705,713,584</u> | <u>3,401,100</u> |

During the year ended 30 June 2023, apart from the holding in the investment funds, the sub-fund did not provide any other financial support to it and has no intention of providing further financial or other support. The Sub-fund did not hold any investment fund as at 30 June 2022.

Principal Sustainable Asian Allocation Fund:

As at 30 June 2023:

| <i>Structured entities</i> | <i>Number of investment funds</i> | <i>Total net assets (in US\$ millions) US\$</i> | <i>Carrying amount included in financial assets at FVTPL US\$</i> |
|----------------------------|-----------------------------------|---|---|
| Listed investment funds | 7 | 246,290,719,135 | 2,811,347 |
| REITs | 4 | <u>57,411,527,088</u> | <u>955,839</u> |

As at 30 June 2022:

| <i>Structured entities</i> | <i>Number of investment funds</i> | <i>Total net assets (in US\$ millions) US\$</i> | <i>Carrying amount included in financial assets at FVTPL US\$</i> |
|----------------------------|-----------------------------------|---|---|
| Listed investment funds | 5 | 158,471 | 1,588,713 |
| REITs | 1 | <u>10,350</u> | <u>189,760</u> |

During the year/period ended 30 June 2023 and 2022, apart from the holding in the investment funds, the sub-fund did not provide any other financial support to it and has no intention of providing further financial or other support.

18 Segment reporting

The Manager makes strategic resource allocation and assesses performance on behalf of the Sub-Fund and has determined the operating segments based on the internal reporting which is used to make strategic decisions.

The Manager considers that the Sub-Funds have a single operating segment which is investing in a diversified portfolio of listed equities, debt securities, listed investment funds, REITs and forward contracts in accordance with the investment objective and policy of the Sub-Funds.

All gains and losses generated from investments of the Sub-Funds are disclosed in the statement of comprehensive income. The segment information provided to the Manager is the same as that disclosed in the statement of comprehensive income and statement of financial position.

19 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 30 June 2023

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 30 June 2023 and which have not been adopted in these financial statements. These include the following which may be relevant to the Sub-Funds.

| | <i>Effective for accounting periods beginning on or after</i> |
|--|---|
| Amendments to HKAS 1, Presentation of financial statements and HKFRS Practice Statement 2, Making materiality judgement: <i>Disclosure of accounting policies</i> | 1 January 2023 |
| Amendments to HKAS 8, Accounting policies, changes in accounting estimates and errors: <i>Definition of accounting estimates</i> | 1 January 2023 |
| Amendments to HKAS 1, Presentation of financial statement: <i>Classification of Liabilities as Current or Non-current</i> | 1 January 2024 |

The Fund is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.

20 Subsequent events

Effective from 31 July 2023 (the "Effective Date"), the "Principal Asia Pacific High Dividend Equity Fund" has been renamed to "Principal Sustainable Asia Equity Income Fund", the previous "Income Class Units" and "Accumulation Class Units - Institutional" have been renamed to "Income (monthly) Class Units - Retail - USD" and "Accumulation Class Units - Institutional - USD" respectively from the Effective Date. For all Sub-funds, the investment objective and policies have been changed and stated from page 101 to 103 respectively from the Effective Date.

Report of the Trustee to the unitholders

We hereby confirm that, in our opinion, the Manager of Principal Prosperity Series (“the Fund”) has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 24 October 2002, as subsequently amended from time to time for the year ended 30 June 2023.



)
) For and on behalf of
) Principal Trust Company
) (Asia) Limited
)

Hong Kong, 31 October 2023

Investment portfolio as at 30 June 2023

Principal Asia Pacific High Dividend Equity Fund

| | <i>Holdings</i> | <i>Fair value USD/ USD equivalent</i> | <i>% of net assets</i> |
|---|-----------------|---|----------------------------|
| Listed investments | | | |
| (cost: USD 111,666,687) | | | |
| <i>Equities</i> | | | |
| <i>Australia</i> | | | |
| Australia and New Zealand Banking Group Ltd | 53,353 | \$ 842,047 | 0.68% |
| BHP Group Ltd | 87,886 | 2,631,974 | 2.14% |
| Coles Group Ltd | 76,102 | 933,107 | 0.76% |
| Collins Foods Ltd | 83,918 | 549,104 | 0.45% |
| CSL Ltd | 12,032 | 2,221,564 | 1.80% |
| Data#3 Ltd | 131,112 | 628,378 | 0.51% |
| Deterra Royalties Ltd | 442,549 | 1,355,081 | 1.10% |
| Endeavour Group Ltd | 31,862 | 133,828 | 0.11% |
| Flight Centre Travel Group Ltd | 74,147 | 940,231 | 0.76% |
| Insurance Australia Group Ltd | 132,825 | 503,965 | 0.41% |
| Integral Diagnostics Ltd | 310,423 | 677,756 | 0.55% |
| Macquarie Group Ltd | 1,466 | 173,329 | 0.14% |
| Mineral Resources Ltd | 5,146 | 244,679 | 0.20% |
| National Australia Bank Ltd | 37,486 | 657,999 | 0.53% |
| Orora Ltd | 291,710 | 638,843 | 0.52% |
| Qube Holdings Ltd | 192,912 | 365,974 | 0.30% |
| Rio Tinto Ltd | 1,172 | 89,474 | 0.07% |
| Santos Ltd | 60,906 | 304,876 | 0.25% |
| Steadfast Group Ltd | 111,051 | 443,527 | 0.36% |
| Telstra Group Ltd | 497,881 | 1,425,082 | 1.16% |
| Transurban Group | 76,879 | 729,237 | 0.59% |
| Treasury Wine Estates Ltd | 15,274 | 114,177 | 0.09% |
| Woodside Energy Group Ltd | 55,888 | 1,281,232 | 1.04% |
| Woolworths Group Ltd | 10,188 | 269,435 | 0.22% |
| | | <u>\$ 18,154,899</u> | <u>14.74%</u> |
| <i>China</i> | | | |
| Kweichow Moutai Co Ltd-A | 1,297 | \$ 301,483 | 0.24% |
| NARI Technology Co Ltd-A | 84,302 | 267,688 | 0.22% |
| | | <u>\$ 569,171</u> | <u>0.46%</u> |

Investment portfolio as at 30 June 2023 (continued)

Principal Asia Pacific High Dividend Equity Fund

| | Holdings | Fair value USD/ USD equivalent | % of net assets |
|---|-----------|--------------------------------------|--------------------|
| <i>Hong Kong</i> | | | |
| AIA Group Ltd | 270,000 | \$ 2,725,281 | 2.21% |
| Alibaba Group Holding Ltd | 251,500 | 2,605,944 | 2.11% |
| Angang Steel Co Ltd-H | 1,150,000 | 300,831 | 0.24% |
| ANTA Sports Products Ltd | 69,200 | 706,868 | 0.57% |
| Bank of Communications Co Ltd-H | 1,057,000 | 700,025 | 0.57% |
| Bosideng International Holdings Ltd | 1,452,000 | 611,437 | 0.50% |
| BYD Co Ltd-H | 25,000 | 797,538 | 0.65% |
| China CITIC Bank Corp Ltd-H | 1,259,000 | 591,214 | 0.48% |
| China Construction Bank Corp-H | 1,728,620 | 1,118,352 | 0.91% |
| China Overseas Land & Investment Ltd | 86,000 | 187,438 | 0.15% |
| China Pacific Insurance Group Co Ltd-H | 282,000 | 728,694 | 0.59% |
| China Petroleum & Chemical Corp-H | 1,494,000 | 875,053 | 0.71% |
| China Resources Beer (Holdings) Co Ltd | 34,000 | 223,872 | 0.18% |
| China Resources Cement Holdings Ltd | 148,000 | 61,001 | 0.05% |
| China Resources Gas Group Ltd | 94,200 | 322,149 | 0.26% |
| China Resources Land Ltd | 154,000 | 652,424 | 0.53% |
| China Resources Pharmaceutical Group Ltd | 1,485,500 | 1,292,790 | 1.05% |
| CK Hutchison Holdings Ltd | 76,000 | 464,052 | 0.38% |
| CRRC Corp Ltd-H | 792,000 | 433,564 | 0.35% |
| Fuyao Glass Industry Group Co Ltd-H | 86,000 | 355,561 | 0.29% |
| Ganfeng Lithium Co Ltd-H | 21,000 | 136,934 | 0.11% |
| Grand Pharmaceutical Group Ltd | 675,500 | 380,995 | 0.31% |
| Hong Kong Exchanges and Clearing Ltd | 16,800 | 632,844 | 0.51% |
| Hysan Development Co Ltd | 241,000 | 587,998 | 0.48% |
| JD.com Inc | 40,150 | 678,336 | 0.55% |
| Jiangsu Expressway Co Ltd-H | 642,000 | 591,484 | 0.48% |
| Li Ning Co Ltd | 39,500 | 212,454 | 0.17% |
| Meituan | 46,900 | 731,931 | 0.59% |
| NetEase Inc | 52,400 | 1,020,368 | 0.83% |
| New Oriental Education & Technology Group Inc | 162,800 | 638,808 | 0.52% |
| PetroChina Co Ltd-H | 378,000 | 261,434 | 0.21% |
| PICC Property and Casualty Co Ltd-H | 260,000 | 288,977 | 0.23% |
| Ping An Insurance Group Co of China Ltd-H | 113,000 | 718,811 | 0.58% |
| Power Assets Holdings Ltd | 158,500 | 830,259 | 0.67% |
| Sinopharm Group Co Ltd-H | 320,400 | 1,001,682 | 0.81% |
| Sun Hung Kai Properties Ltd | 26,000 | 327,463 | 0.27% |
| Sunny Optical Technology Group Co Ltd | 12,500 | 124,655 | 0.10% |
| Techtronic Industries Co Ltd | 6,500 | 70,627 | 0.06% |
| Tencent Holdings Ltd | 139,800 | 5,915,518 | 4.80% |

Investment portfolio as at 30 June 2023 (continued)

Principal Asia Pacific High Dividend Equity Fund

| | Holdings | Fair value USD/ USD equivalent | % of net assets |
|--|------------|--------------------------------------|--------------------|
| <i>Hong Kong (continued)</i> | | | |
| Tsingtao Brewery Co Ltd-H | 154,000 | \$ 1,399,174 | 1.15% |
| Weichai Power Co Ltd-H | 259,000 | 379,413 | 0.31% |
| WuXi AppTec Co Ltd-H | 20,700 | 165,090 | 0.13% |
| Xinyi Glass Holdings Ltd | 72,000 | 112,089 | 0.09% |
| Zhongsheng Group Holdings Ltd | 27,000 | 103,190 | 0.08% |
| Zijin Mining Group Co Ltd-H | 186,000 | 272,949 | 0.22% |
| ZTE Corp-H | 129,200 | 517,682 | 0.42% |
| | | <u>\$ 33,855,253</u> | <u>27.46%</u> |
| <i>India</i> | | | |
| Axis Bank Ltd | 86,309 | \$ 1,038,903 | 0.84% |
| HDFC Bank Ltd | 31,868 | 660,944 | 0.54% |
| Hindustan Aeronautics Ltd | 25,495 | 1,178,650 | 0.96% |
| Housing Development Finance Corp Ltd | 52,517 | 1,806,562 | 1.47% |
| ICICI Bank Ltd | 251,320 | 2,863,232 | 2.32% |
| KEI Industries Ltd | 100,852 | 2,846,766 | 2.31% |
| Max Healthcare Institute Ltd | 216,176 | 1,579,662 | 1.28% |
| Navin Fluorine International Ltd | 15,260 | 837,459 | 0.68% |
| Nestle India Ltd | 1,184 | 330,433 | 0.27% |
| Power Grid Corp of India Ltd | 656,936 | 2,043,254 | 1.66% |
| Sun Pharmaceutical Industries Ltd | 28,018 | 359,163 | 0.29% |
| Supreme Industries Ltd | 16,704 | 651,121 | 0.53% |
| Varun Beverages Ltd | 238,202 | 2,330,350 | 1.89% |
| | | <u>\$ 18,526,499</u> | <u>15.04%</u> |
| <i>Indonesia</i> | | | |
| Bank Negara Indonesia Persero Tbk PT | 106,200 | \$ 64,814 | 0.05% |
| Mitra Adiperkasa Tbk PT | 17,104,800 | 1,928,104 | 1.56% |
| PT AKR Corporindo Tbk | 2,644,500 | 250,471 | 0.20% |
| PT Bank Central Asia Tbk | 1,476,200 | 900,932 | 0.73% |
| PT Bank Rakyat Indonesia (Persero) Tbk | 3,379,266 | 1,222,779 | 0.99% |
| | | <u>\$ 4,367,100</u> | <u>3.53%</u> |

Investment portfolio as at 30 June 2023 (continued)

Principal Asia Pacific High Dividend Equity Fund

| | Holdings | Fair value USD/ USD equivalent | % of net assets |
|---------------------------------------|-----------|--------------------------------------|--------------------|
| <i>Malaysia</i> | | | |
| CIMB Group Holdings Bhd | 134,700 | \$ 146,027 | 0.12% |
| MISC Bhd | 459,400 | 704,724 | 0.57% |
| | | <u>\$ 850,751</u> | <u>0.69%</u> |
| <i>Philippines</i> | | | |
| BDO Unibank Inc | 909,206 | \$ 2,268,081 | 1.84% |
| Security Bank Corp | 140,730 | 212,880 | 0.17% |
| Wilcon Depot Inc | 1,782,700 | 779,934 | 0.63% |
| | | <u>\$ 3,260,895</u> | <u>2.64%</u> |
| <i>Singapore</i> | | | |
| DBS Group Holdings Ltd | 27,100 | \$ 630,968 | 0.51% |
| Singapore Telecommunications Ltd | 148,500 | 274,319 | 0.22% |
| United Overseas Bank Ltd | 15,600 | 322,755 | 0.26% |
| Yangzijiang Shipbuilding Holdings Ltd | 648,400 | 718,661 | 0.58% |
| Hongkong Land Holdings Ltd | 19,644 | 76,612 | 0.06% |
| | | <u>\$ 2,023,315</u> | <u>1.63%</u> |
| <i>South Korea</i> | | | |
| Hana Financial Group Inc | 10,737 | \$ 319,426 | 0.26% |
| Hyundai Motor Co | 2,742 | 429,724 | 0.35% |
| KB Financial Group Inc | 18,600 | 674,044 | 0.55% |
| Kia Corp | 14,550 | 977,255 | 0.79% |
| KT Corp | 10,320 | 233,398 | 0.19% |
| LG Chem Ltd | 3,271 | 1,655,801 | 1.34% |
| POSCO Holdings Inc | 2,341 | 689,342 | 0.56% |
| PSK Inc | 36,944 | 636,462 | 0.52% |
| Samsung Electronics Co Ltd | 83,554 | 4,578,320 | 3.71% |
| Samsung Electronics Co Ltd | 14,337 | 647,406 | 0.54% |
| Samsung SDI Co Ltd | 2,186 | 1,109,885 | 0.90% |
| SK Hynix Inc | 9,529 | 833,108 | 0.68% |
| Youngone Corp | 13,344 | 653,202 | 0.53% |
| | | <u>\$ 13,437,373</u> | <u>10.92%</u> |

Investment portfolio as at 30 June 2023 (continued)

Principal Asia Pacific High Dividend Equity Fund

| | <i>Holdings</i> | <i>Fair value USD/ USD equivalent</i> | <i>% of net assets</i> |
|---|-----------------|---|----------------------------|
| <i>Taiwan</i> | | | |
| Accton Technology Corp | 49,000 | \$ 549,079 | 0.45% |
| Alchip Technologies Ltd | 8,000 | 461,071 | 0.37% |
| CTBC Financial Holding Co Ltd | 978,100 | 780,410 | 0.63% |
| Delta Electronics Inc | 69,000 | 763,223 | 0.62% |
| Elite Material Co Ltd | 50,000 | 390,915 | 0.32% |
| Feng Tay Enterprises Co Ltd | 117,000 | 738,179 | 0.60% |
| Lotes Co Ltd | 12,415 | 342,814 | 0.28% |
| MediaTek Inc | 24,000 | 530,167 | 0.43% |
| Sinbon Electronics Co Ltd | 109,000 | 1,293,166 | 1.05% |
| Taiwan Semiconductor Manufacturing Co Ltd | 429,169 | 7,937,142 | 6.44% |
| Wiwynn Corp | 1,000 | 45,593 | 0.04% |
| | | <u>\$ 13,831,759</u> | <u>11.23%</u> |
| <i>Thailand</i> | | | |
| Bangkok Bank Pcl | 488,200 | \$ 2,395,924 | 1.94% |
| Bumrungrad Hospital PCL | 85,000 | 541,818 | 0.44% |
| Krung Thai Bank PCL | 110,700 | 60,572 | 0.05% |
| | | <u>\$ 2,998,314</u> | <u>2.43%</u> |
| <i>United States</i> | | | |
| Yum China Holdings Inc | 25,208 | 1,424,252 | 1.16% |
| ZTO Express Cayman Inc-ADR | 43,622 | \$ 1,094,040 | 0.89% |
| | | <u>\$ 2,518,292</u> | <u>2.05%</u> |
| Total Equities | | <u>\$ 114,393,621</u> | <u>92.82%</u> |
| Investment fund | | | |
| <i>Singapore</i> | | | |
| CDL Hospitality Trusts | 727,200 | \$ 655,546 | 0.53% |
| Total Investment fund | | <u>\$ 655,546</u> | <u>0.53%</u> |

Investment portfolio as at 30 June 2023 (continued)

Principal Asia Pacific High Dividend Equity Fund

| | <i>Holdings</i> | <i>Fair value USD/ USD equivalent</i> | <i>% of net assets</i> |
|--------------------------------------|-----------------|---|----------------------------|
| REITS | | | |
| <i>Australia</i> | | | |
| HomeCo Daily Needs REIT | 772,967 | \$ 604,567 | 0.49% |
| Mirvac Group | 587,724 | 884,154 | 0.72% |
| | | <u>\$ 1,488,721</u> | <u>1.21%</u> |
| <i>Hong Kong</i> | | | |
| Link REIT | 86,000 | \$ 477,374 | 0.39% |
| | | <u>\$ 477,374</u> | <u>0.39%</u> |
| <i>Singapore</i> | | | |
| Digital Core REIT Management Pte Ltd | 2,076,600 | \$ 986,385 | 0.80% |
| Keppel REIT | 674,600 | 448,620 | 0.36% |
| | | <u>\$ 1,435,005</u> | <u>1.16%</u> |
| Total REITS | | <u>\$ 3,401,100</u> | <u>2.76%</u> |
| Total listed investments | | \$ 118,450,267 | 96.11% |
| Other net assets | | <u>4,795,401</u> | <u>3.89%</u> |
| Total net assets | | <u>\$ 123,245,668</u> | <u>100.00%</u> |

Investment portfolio as at 30 June 2023 (continued)

Principal Sustainable Asian Income Fund

| | <i>Holdings</i> | <i>Fair value USD/ USD equivalent</i> | <i>% of net assets</i> |
|--|-----------------|---|----------------------------|
| Listed investments (cost: USD 16,904,619) | | | |
| Debt securities | | | |
| <i>United States</i> | | | |
| AIA Group Ltd 4.95% 4 Apr 2033 | 300,000 | \$ 300,078 | 1.75% |
| Alibaba Group Holding Ltd 3.15% 9 Feb 2051 | 300,000 | 194,126 | 1.13% |
| Alibaba Group Holding Ltd 3.4% 6 Dec 2027 | 450,000 | 418,263 | 2.43% |
| Bangkok Bank Public Co Ltd (Hong Kong Branch) 3.466% 23 Sep 2036 | 300,000 | 244,160 | 1.42% |
| Bangkok Bank Public Co Ltd (Hong Kong Branch) 4.3% 15 Jun 2027 | 200,000 | 194,351 | 1.13% |
| Bank of China Ltd (Hong Kong Branch) 2% 24 Feb 2025 | 275,000 | 259,734 | 1.51% |
| Bharti Airtel International Netherlands BV 5.35% 20 May 2024 | 300,000 | 298,084 | 1.73% |
| Bank of East Asia Ltd 6.75% 15 Mar 2027 | 250,000 | 246,761 | 1.44% |
| BOC Aviation (USA) Corp 1.625% 29 Apr 2024 | 600,000 | 578,897 | 3.37% |
| BOC Aviation (USA) Corp 4.875% 3 May 2033 | 300,000 | 291,961 | 1.70% |
| CCBL (Cayman) 1 Corporation Ltd 1.99% 21 Jul 2025 | 300,000 | 276,443 | 1.61% |
| CDBL Funding 2 3.125% 2 Mar 2027 | 300,000 | 278,735 | 1.62% |
| CIMB Bank Bhd 2.125% 20 Jul 2027 | 550,000 | 491,805 | 2.86% |
| CK Hutchison International (23) Ltd 4.75% 21 Apr 2028 | 300,000 | 296,688 | 1.73% |
| CLP Power Hong Kong Financing Ltd 2.5% 30 Jun 2035 | 300,000 | 224,272 | 1.30% |
| CMT MTN Pte Ltd 3.609% 4 Apr 2029 | 300,000 | 277,362 | 1.61% |
| Country Garden Holdings Co Ltd 3.125% 22 Oct 2025 | 300,000 | 93,045 | 0.54% |

Investment portfolio as at 30 June 2023 (continued)

Principal Sustainable Asian Income Fund

| | Holdings | | Fair value USD/ USD equivalent | % of net assets |
|--|----------|----|--------------------------------------|--------------------|
| <i>United States (continued)</i> | | | | |
| DBS Group Holdings Ltd 1.822% 10 Mar 2031 | 250,000 | \$ | 223,457 | 1.30% |
| ENN Energy Holdings Ltd 4.625% 17 May 2027 | 300,000 | | 290,907 | 1.69% |
| Export Import Bank Of India 5.5% 18 Jan 2033 | 300,000 | | 297,931 | 1.73% |
| GC Treasury Center Co Ltd 5.2% 30 Mar 2052 | 300,000 | | 254,146 | 1.48% |
| HDFC Bank Ltd (Gandhinagar Branch) 5.686% 2 Mar 2026 | 300,000 | | 299,059 | 1.74% |
| Hongkong Electric Finance Ltd 1.875% 27 Aug 2030 | 550,000 | | 443,859 | 2.58% |
| Hong Kong Special Administrative Region Government 4% 7 Jun 2028 | 300,000 | | 294,569 | 1.71% |
| Hong Kong Special Administrative Region Government 5.25% 11 Jan 2053 | 300,000 | | 333,433 | 1.94% |
| ICBCIL Finance Co Ltd 1.75% 25 Aug 2025 | 420,000 | | 385,185 | 2.24% |
| Indonesia, Republic of (Government) 4.3% 31 Mar 2052 | 300,000 | | 257,324 | 1.50% |
| KasikomBank PCL (Hong Kong Branch) 5.458% 7 Mar 2028 | 300,000 | | 299,883 | 1.74% |
| KB Kookmin Card Co Ltd 4% 9 Jun 2025 | 300,000 | | 288,002 | 1.68% |
| Kookmin Bank 2.375% 15 Feb 2027 | 300,000 | | 273,585 | 1.59% |
| Korea Development Bank 3.75% 22 Jan 2024 | 300,000 | | 296,964 | 1.73% |
| KT Corp 4% 8 Aug 2025 | 300,000 | | 290,893 | 1.69% |
| Lenovo Group Ltd 3.421% 2 Nov 2030 | 300,000 | | 252,824 | 1.47% |
| MGM China Holdings Ltd 4.75% 1 Feb 2027 | 300,000 | | 273,000 | 1.59% |
| Oversea-Chinese Banking Corporation Ltd 4.602% 15 Jun 2032 | 300,000 | | 290,504 | 1.69% |
| Philippines, Republic of the (Government) 5.95% 13 Oct 2047 | 300,000 | | 323,949 | 1.88% |
| PLDT Inc 2.5% 23 Jan 2031 | 300,000 | | 245,400 | 1.43% |
| Power Finance Corporation Ltd 3.75% 18 Jun 2024 | 300,000 | | 293,080 | 1.71% |
| Renew Power Pvt Ltd 5.875% 5 Mar 2027 | 300,000 | | 279,150 | 1.62% |
| RKPF Overseas 2019 A Ltd 6.7% 30 Sep 2024 | 200,000 | | 146,368 | 0.85% |
| Sands China Ltd 4.3% 8 Jan 2026 | 250,000 | | 235,065 | 1.37% |
| Santos Finance Ltd 5.25% 13 Mar 2029 | 300,000 | | 281,885 | 1.64% |
| Shinhan Bank 4.5% 12 Apr 2028 | 300,000 | | 292,344 | 1.70% |

Investment portfolio as at 30 June 2023 (continued)

Principal Sustainable Asian Income Fund

| | <i>Holdings</i> | <i>Fair value USD/ USD equivalent</i> | <i>% of net assets</i> |
|--|-----------------|---|----------------------------|
| <i>United States (continued)</i> | | | |
| Shinhan Financial Group Co Ltd 1.35% 10 Jan 2026 | 300,000 | \$ 270,142 | 1.57% |
| Sinopec Group Overseas Development (2018) Ltd 3.68% 8 Aug 2049 | 300,000 | 236,456 | 1.38% |
| SK Broadband Co Ltd 4.875% 28 Jun 2028 | 300,000 | 295,500 | 1.72% |
| Star Energy Geothermal Darajat II Ltd 4.85% 14 Oct 2038 | 400,000 | 361,812 | 2.10% |
| Star Energy Geothermal (Wayang Windu) Ltd 6.75% 24 Apr 2033 | 243,240 | 238,139 | 1.39% |
| State Bank of India (London Branch) 4.875% 5 May 2028 | 200,000 | 195,830 | 1.14% |
| Swire Properties MTN Financing Ltd 3.625% 13 Jan 2026 | 300,000 | 287,053 | 1.67% |
| United States of America (Government) 3.625% 15 Feb 2053 | 490,000 | 470,247 | 2.74% |
| Tencent Holdings Ltd 2.39% 3 Jun 2030 | 250,000 | 207,683 | 1.21% |
| Tower Bersama Infrastructure Tbk PT 2.75% 20 Jan 2026 | 300,000 | 274,654 | 1.60% |
| United Overseas Bank Ltd 1.25% 14 Apr 2026 | 300,000 | 269,484 | 1.57% |
| United States of America (Government) 3.5% 15 Feb 2033 | 100,000 | 97,406 | 0.57% |
| United States of America (Government) 3.625% 31 May 2028 | 200,000 | 195,625 | 1.14% |
| Vanke Real Estate Hong Kong Co Ltd 3.5% 12 Nov 2029 | 300,000 | 244,650 | 1.42% |
| Yanlord Land HK Co Ltd 5.125% 20 May 2026 | 300,000 | 245,010 | 1.43% |
| Total Bonds | | <u>\$ 16,297,222</u> | <u>94.82%</u> |
| Forward Contracts | | | |
| Foreign exchange forward contracts | | <u>\$ (8,223)</u> | <u>-0.05%</u> |
| | | <u>\$ (8,223)</u> | <u>-0.05%</u> |
| Total investments | | <u>\$ 16,288,999</u> | <u>94.77%</u> |
| Other net assets | | <u>898,756</u> | <u>5.23%</u> |
| Total net assets | | <u><u>\$ 17,187,755</u></u> | <u><u>100.00%</u></u> |

Investment portfolio as at 30 June 2023 (continued)

Principal Sustainable Asian Allocation Fund

| | Holdings | Fair value USD/ USD equivalent | % of net assets |
|---|----------|--------------------------------------|--------------------|
| Listed investments | | | |
| (cost: USD 25,593,638) | | | |
| Equities | | | |
| <i>Australia</i> | | | |
| ALS Ltd | 15,893 | \$ 118,064 | 0.47% |
| Aristocrat Leisure Ltd | 6,222 | 160,117 | 0.63% |
| BHP Group Ltd | 2,140 | 64,088 | 0.25% |
| CSL Ltd | 765 | 141,248 | 0.56% |
| Macquarie Group Ltd | 937 | 110,784 | 0.44% |
| Northern Star Resources Ltd | 28,243 | 227,103 | 0.90% |
| Santos Ltd | 24,095 | 120,612 | 0.48% |
| Seven Group Holdings Ltd | 10,376 | 170,252 | 0.67% |
| | | <u>\$ 1,112,268</u> | <u>4.40%</u> |
| <i>China</i> | | | |
| Shanghai International Airport Co Ltd-A | 26,300 | \$ 164,203 | 0.65% |
| | | <u>\$ 164,203</u> | <u>0.65%</u> |
| <i>Hong Kong</i> | | | |
| AIA Group Ltd | 39,200 | \$ 395,670 | 1.56% |
| Alibaba Group Holding Ltd | 17,700 | 183,400 | 0.72% |
| China Longyuan Power Group Corp Ltd | 10,000 | 10,298 | 0.04% |
| China Mengniu Dairy Co Ltd | 42,000 | 158,104 | 0.62% |
| China Overseas Land & Investment Ltd | 51,000 | 111,155 | 0.44% |
| China Resources Gas Group Ltd | 43,900 | 150,131 | 0.59% |
| Chow Tai Fook Jewellery Group Ltd | 116,000 | 208,416 | 0.82% |
| Galaxy Entertainment Group Ltd | 39,000 | 247,339 | 0.98% |
| Hong Kong Exchanges and Clearing Ltd | 3,400 | 128,076 | 0.51% |
| Meituan | 10,920 | 170,420 | 0.67% |
| Ping An Insurance Group Co of China Ltd-H | 33,500 | 213,099 | 0.84% |
| Techtronic Industries Co Ltd | 10,000 | 108,657 | 0.43% |
| Tencent Holdings Ltd | 12,700 | 537,390 | 2.12% |
| Yum China Holdings Inc | 5,000 | 281,754 | 1.11% |
| | | <u>\$ 2,903,909</u> | <u>11.45%</u> |

Investment portfolio as at 30 June 2023 (continued)

Principal Sustainable Asian Allocation Fund

| | Holdings | Fair value USD/ USD equivalent | % of net assets |
|---|-----------|--------------------------------------|--------------------|
| <i>Indonesia</i> | | | |
| Bank Mandiri Persero Tbk PT | 388,900 | \$ 134,886 | 0.53% |
| Mitra Adiperkasa Tbk PT | 2,203,900 | 248,430 | 0.98% |
| Telkom Indonesia (Persero) Tbk PT | 342,500 | 91,379 | 0.36% |
| | | <u>\$ 474,695</u> | <u>1.87%</u> |
| <i>Malaysia</i> | | | |
| IHH Healthcare Bhd | 85,500 | \$ 107,894 | 0.43% |
| | | <u>\$ 107,894</u> | <u>0.43%</u> |
| <i>Singapore</i> | | | |
| Capitaland Investment Ltd | 42,300 | \$ 103,457 | 0.41% |
| DBS Group Holdings Ltd | 3,900 | 90,804 | 0.36% |
| | | <u>\$ 194,261</u> | <u>0.77%</u> |
| <i>South Korea</i> | | | |
| Kia Corp | 1,648 | \$ 110,688 | 0.44% |
| LG Chem Ltd | 412 | 208,557 | 0.82% |
| LG Energy Solution Ltd | 550 | 230,829 | 0.91% |
| Samsung Electronics Co Ltd | 9,292 | 509,153 | 2.01% |
| Samsung SDI Co Ltd | 175 | 88,852 | 0.35% |
| SK Hynix Inc | 2,721 | 237,894 | 0.94% |
| | | <u>\$ 1,385,973</u> | <u>5.47%</u> |
| <i>Taiwan</i> | | | |
| E Ink Holdings Inc | 58,000 | \$ 419,009 | 1.66% |
| MediaTek Inc | 1,000 | 22,090 | 0.09% |
| Taiwan Semiconductor Manufacturing Co Ltd | 25,000 | 462,355 | 1.83% |
| | | <u>\$ 903,454</u> | <u>3.58%</u> |

Investment portfolio as at 30 June 2023 (continued)

Principal Sustainable Asian Allocation Fund

| | <i>Holdings</i> | <i>Fair value USD/ USD equivalent</i> | <i>% of net assets</i> |
|--|-----------------|---|----------------------------|
| <i>Thailand</i> | | | |
| Advanced Info Service PCL | 43,600 | \$ 263,164 | 1.04% |
| Airports of Thailand PCL | 61,900 | 125,704 | 0.50% |
| Bangkok Dusit Medical Services PCL | 193,800 | 151,685 | 0.60% |
| Central Retail Corp PCL | 63,200 | 69,520 | 0.27% |
| CP ALL PCL | 56,400 | 99,423 | 0.39% |
| | | <u>\$ 709,496</u> | <u>2.80%</u> |
| <i>United Kingdom</i> | | | |
| Reliance Industries Ltd | 10,425 | \$ 649,478 | 2.57% |
| Samsung Electronics Co Ltd | 192 | 266,112 | 1.05% |
| Shell PLC | 11,399 | 339,478 | 1.34% |
| | | <u>\$ 1,255,068</u> | <u>4.96%</u> |
| <i>United States</i> | | | |
| HDFC Bank Ltd-ADR | 3,796 | \$ 264,581 | 1.05% |
| ICICI Bank Ltd | 6,017 | 138,872 | 0.55% |
| | | <u>\$ 403,453</u> | <u>1.60%</u> |
| Total Equities | | <u>\$ 9,614,674</u> | <u>37.98%</u> |
| Debt securities | | | |
| <i>United States</i> | | | |
| AIA Group Ltd 4.95% 4 Apr 2033 | 200,000 | \$ 200,052 | 0.79% |
| Alibaba Group Holding Ltd 3.15% 9 Feb 2051 | 200,000 | 129,418 | 0.51% |
| Alibaba Group Holding Ltd 3.4% 6 Dec 2027 | 300,000 | 278,842 | 1.10% |
| Bangkok Bank Public Co Ltd (Hong Kong Branch) 3.466% 23 Sep 2036 | 200,000 | 162,774 | 0.64% |
| Bangkok Bank Public Co Ltd (Hong Kong Branch) 4.3% 15 Jun 2027 | 200,000 | 194,351 | 0.77% |
| Bank of China Ltd (Hong Kong Branch) 2% 24 Feb 2025 | 225,000 | 212,510 | 0.84% |
| Bharti Airtel International Netherlands BV 5.35% 20 May 2024 | 400,000 | 397,445 | 1.57% |

Investment portfolio as at 30 June 2023 (continued)

Principal Sustainable Asian Allocation Fund

| | Holdings | Fair value USD/ USD equivalent | % of net assets |
|--|----------|--------------------------------------|--------------------|
| <i>United States (continued)</i> | | | |
| Bank of East Asia Ltd 6.75% 15 Mar 2027 | 250,000 | \$ 246,761 | 0.98% |
| BOC Aviation (USA) Corp 1.625% 29 Apr 2024 | 400,000 | 385,932 | 1.53% |
| BOC Aviation (USA) Corp 4.875% 3 May 2033 | 200,000 | 194,641 | 0.77% |
| CCBL (Cayman) 1 Corporation Ltd 1.99% 21 Jul 2025 | 400,000 | 368,590 | 1.46% |
| CDBL Funding 2 3.125% 2 Mar 2027 | 200,000 | 185,823 | 0.73% |
| CIMB Bank Bhd 2.125% 20 Jul 2027 | 250,000 | 223,548 | 0.88% |
| CK Hutchison International (23) Ltd 4.75% 21 Apr 2028 | 200,000 | 197,792 | 0.78% |
| CLP Power Hong Kong Financing Ltd 2.5% 30 Jun 2035 | 200,000 | 149,515 | 0.59% |
| CMT MTN Pte Ltd 3.609% 4 Apr 2029 | 200,000 | 184,908 | 0.73% |
| Country Garden Holdings Co Ltd 3.125% 22 Oct 2025 | 200,000 | 62,030 | 0.25% |
| DBS Group Holdings Ltd 1.822% 10 Mar 2031 | 200,000 | 178,766 | 0.71% |
| ENN Energy Holdings Ltd 4.625% 17 May 2027 | 200,000 | 193,938 | 0.77% |
| Export Import Bank Of India 5.5% 18 Jan 2033 | 200,000 | 198,621 | 0.79% |
| GC Treasury Center Co Ltd 5.2% 30 Mar 2052 | 200,000 | 169,431 | 0.67% |
| HDFC Bank Ltd (Gandhinagar Branch) 5.686% 2 Mar 2026 | 200,000 | 199,373 | 0.79% |
| Hongkong Electric Finance Ltd 1.875% 27 Aug 2030 | 200,000 | 161,403 | 0.64% |
| Hong Kong Special Administrative Region Government 4% 7 Jun 2028 | 200,000 | 196,379 | 0.78% |
| Hong Kong Special Administrative Region Government 5.25% 11 Jan 2053 | 200,000 | 222,289 | 0.88% |
| ICBCIL Finance Co Ltd 1.75% 25 Aug 2025 | 200,000 | 183,421 | 0.73% |
| Indonesia, Republic of (Government) 4.3% 31 Mar 2052 | 200,000 | 171,549 | 0.68% |
| KasikornBank PCL (Hong Kong Branch) 5.458% 7 Mar 2028 | 200,000 | 199,922 | 0.79% |
| KB Kookmin Card Co Ltd 4% 9 Jun 2025 | 200,000 | 192,001 | 0.76% |
| Kookmin Bank 2.375% 15 Feb 2027 | 200,000 | 182,390 | 0.72% |
| Korea Development Bank 3.75% 22 Jan 2024 | 200,000 | 197,976 | 0.78% |

Investment portfolio as at 30 June 2023 (continued)

Principal Sustainable Asian Allocation Fund

| | Holdings | Fair value USD/ USD equivalent | % of net assets |
|---|----------|--------------------------------------|--------------------|
| <i>United States (continued)</i> | | | |
| KT Corp 4% 8 Aug 2025 | 200,000 | \$ 193,929 | 0.77% |
| Lenovo Group Ltd 3.421% 2 Nov 2030 | 200,000 | 168,549 | 0.67% |
| MGM China Holdings Ltd 4.75% 1 Feb 2027 | 200,000 | 182,000 | 0.72% |
| Oversea-Chinese Banking Corporation Ltd 4.602% 15 Jun 2032 | 200,000 | 193,669 | 0.77% |
| Philippines, Republic of the (Government) 5.95% 13 Oct 2047 | 200,000 | 215,966 | 0.85% |
| PLDT Inc 2.5% 23 Jan 2031 | 200,000 | 163,600 | 0.65% |
| Power Finance Corporation Ltd 3.75% 18 Jun 2024 | 200,000 | 195,386 | 0.77% |
| ReNew Power Pvt Ltd 5.875% 5 Mar 2027 | 200,000 | 186,100 | 0.74% |
| RKPF Overseas 2019 A Ltd 6.7% 30 Sep 2024 | 200,000 | 146,368 | 0.58% |
| Sands China Ltd 4.3% 8 Jan 2026 | 200,000 | 188,052 | 0.74% |
| Santos Finance Ltd 5.25% 13 Mar 2029 | 200,000 | 187,923 | 0.74% |
| Shinhan Bank 4.5% 12 Apr 2028 | 200,000 | 194,896 | 0.77% |
| Shinhan Financial Group Co Ltd 1.35% 10 Jan 2026 | 200,000 | 180,094 | 0.71% |
| Sinopec Group Overseas Development (2018) Ltd 3.68% 8 Aug 2049 | 200,000 | 157,637 | 0.62% |
| SK Broadband Co Ltd 4.875% 28 Jun 2028 | 200,000 | 197,000 | 0.78% |
| Star Energy Geothermal Darajat II Ltd 4.85% 14 Oct 2038 | 275,000 | 248,746 | 0.98% |
| Star Energy Geothermal (Wayang Windu) Ltd 6.75% 24 Apr 2033 | 202,700 | 198,449 | 0.78% |
| State Bank of India (London Branch) 4.875% 5 May 2028 | 300,000 | 293,745 | 1.16% |
| Swire Properties MTN Financing Ltd 3.625% 13 Jan 2026 | 200,000 | 191,369 | 0.76% |
| Tencent Holdings Ltd 2.39% 3 Jun 2030 | 200,000 | 166,146 | 0.66% |
| Tower Bersama Infrastructure Tbk PT 2.75% 20 Jan 2026 | 200,000 | 183,103 | 0.72% |
| United States of America (Government) 3.625% 15 Feb 2053 | 210,000 | 201,534 | 0.80% |
| United Overseas Bank Ltd 1.25% 14 Apr 2026 | 200,000 | 179,656 | 0.71% |
| United States of America (Government) 3.5% 15 Feb 2033 | 30,000 | 29,222 | 0.12% |
| Vanke Real Estate Hong Kong Co Ltd 3.5% 12 Nov 2029 | 200,000 | 163,100 | 0.64% |
| Yanlord Land HK Co Ltd 5.125% 20 May 2026 | 200,000 | 163,340 | 0.65% |
| Total Bonds | | \$ 11,191,970 | 44.27% |

Investment portfolio as at 30 June 2023 (continued)

Principal Sustainable Asian Allocation Fund

| | <i>Holdings</i> | <i>Fair value USD/ USD equivalent</i> | <i>% of net assets</i> |
|---|-----------------|---|----------------------------|
| <i>Investment funds</i> | | | |
| <i>Switzerland</i> | | | |
| Lyxor MSCI China ESG Leaders Extra DR UCITS ETF | 4,312 | \$ 392,306 | 1.55% |
| | | <u>\$ 392,306</u> | <u>1.55%</u> |
| <i>United States</i> | | | |
| Amundi Msci China Esg Leaders Select Ucits Etf Dr | 14,974 | \$ 474,039 | 1.87% |
| HSBC Asia Ex Japan Sustainable Equity UCITS ETF | 62,665 | 932,518 | 3.69% |
| Invesco QQQ Trust | 540 | 199,487 | 0.79% |
| iShares 20+ Year Treasury Bond ETF | 4,228 | 435,230 | 1.72% |
| iShares MSCI Taiwan ETF | 3,254 | 153,003 | 0.60% |
| SPDR S&P 500 ESG ETF | 5,221 | 224,764 | 0.89% |
| | | <u>\$ 2,419,041</u> | <u>9.56%</u> |
| <i>Total Investment funds</i> | | <u>\$ 2,811,347</u> | <u>11.11%</u> |
| <i>REITs</i> | | | |
| <i>Australia</i> | | | |
| Goodman Group | 12,997 | \$ 173,635 | 0.69% |
| | | <u>\$ 173,635</u> | <u>0.69%</u> |
| <i>Hong Kong</i> | | | |
| Link REIT | 44,360 | \$ 246,236 | 0.97% |
| | | <u>\$ 246,236</u> | <u>0.97%</u> |

Investment portfolio as at 30 June 2023 (continued)

Principal Sustainable Asian Allocation Fund

| | <i>Holdings</i> | <i>Fair value USD/ USD equivalent</i> | <i>% of net assets</i> |
|--|-----------------|---|----------------------------|
| <i>Singapore</i> | | | |
| CapitaLand Integrated Commercial Trust | 264,700 | \$ 373,574 | 1.48% |
| CapitaLand Ascendas REIT | 80,800 | 162,394 | 0.64% |
| | | <u>\$ 535,968</u> | <u>2.12%</u> |
| Total REITS | | <u>\$ 955,839</u> | <u>3.78%</u> |
| Forward Contracts | | | |
| Foreign exchange forward contracts | | \$ (8,035) | -0.03% |
| | | <u>\$ (8,035)</u> | <u>-0.03%</u> |
| Total listed investments | | \$ 24,565,795 | 97.11% |
| Other net assets | | <u>731,031</u> | <u>2.89%</u> |
| Total net assets | | <u>\$ 25,296,826</u> | <u>100.00%</u> |

Details in respect of financial derivative instruments

As at 30 June 2023

The financial derivative instruments held by the fund as at 30 June 2023 are summarized below:

Foreign exchange forward contracts

Principal Sustainable Asian Income Fund

| <i>Currency/ Amount bought</i> | <i>Currency/ Amount sold</i> | <i>Settlement date</i> | <i>Counterparty</i> | <i>Fair value assets/(liabilities) US\$</i> |
|------------------------------------|----------------------------------|------------------------|-----------------------|---|
| CNH 276,968 | USD 40,402 | 12/09/2023 | ANZ BANKING GROUP LTD | (2,089) |
| CNH 276,967 | USD 40,401 | 12/09/2023 | ROYAL BANK OF CANADA | (2,089) |
| CNH 272,545 | USD 39,757 | 12/09/2023 | ANZ BANKING GROUP LTD | (2,056) |
| CNH 272,545 | USD 39,756 | 12/09/2023 | ROYAL BANK OF CANADA | (2,055) |
| USD 1,741 | CNH 12,247 | 12/09/2023 | ROYAL BANK OF CANADA | 47 |
| USD 1,687 | CNH 11,865 | 12/09/2023 | ROYAL BANK OF CANADA | 45 |
| CNH 11,809 | USD 1,659 | 12/09/2023 | ROYAL BANK OF CANADA | (26) |

Principal Sustainable Asian Allocation Fund

| <i>Currency/ Amount bought</i> | <i>Currency/ Amount sold</i> | <i>Settlement date</i> | <i>Counterparty</i> | <i>Fair value assets/(liabilities) US\$</i> |
|------------------------------------|----------------------------------|------------------------|-----------------------|---|
| CNH 271,854 | USD 39,656 | 12/09/2023 | ANZ BANKING GROUP LTD | (2,051) |
| CNH 271,854 | USD 39,655 | 12/09/2023 | ROYAL BANK OF CANADA | (2,050) |
| CNH 271,813 | USD 39,650 | 12/09/2023 | ANZ BANKING GROUP LTD | (2,050) |
| CNH 271,813 | USD 39,649 | 12/09/2023 | ROYAL BANK OF CANADA | (2,050) |
| USD 1,850 | CNH 12,714 | 12/09/2023 | ANZ BANKING GROUP LTD | 91 |
| USD 1,735 | CNH 11,924 | 12/09/2023 | ANZ BANKING GROUP LTD | 86 |
| USD 1,699 | CNH 11,984 | 12/09/2023 | ROYAL BANK OF CANADA | 41 |
| CNH 13,202 | USD 1,859 | 12/09/2023 | ANZ BANK SYD | (33) |
| CNH 11,861 | USD 1,667 | 12/09/2023 | ROYAL BANK OF CANADA | (26) |
| USD 1,895 | CNH 13,648 | 12/09/2023 | ANZ BANKING GROUP LTD | 7 |

Information on exposure arising from financial derivative instruments

Principal Sustainable Asian Income Fund

The table below analyses the lowest, highest and average gross exposure arising from the use of financial derivative instruments for any purpose as a proportion to the sub-funds' total net asset value for the year/period ended 30 June 2023 and 2022.

| | <i>2023</i> <i>% of Net</i> <i>asset value</i> | <i>2022</i> <i>% of Net</i> <i>asset value</i> |
|------------------------|--|--|
| Lowest gross exposure | 0.95% | 0.01% |
| Highest gross exposure | 5.39% | 0.25% |
| Average gross exposure | 2.91% | 0.10% |

The table below analyses the lowest, highest and average net exposure arising from the use of financial derivative instruments for any purpose as a proportion to the sub-funds' total net asset value for the year/period ended 30 June 2023 and 2022.

| | <i>2023</i> <i>% of Net</i> <i>asset value</i> | <i>2022</i> <i>% of Net</i> <i>asset value</i> |
|----------------------|--|--|
| Lowest net exposure | 0% | 0% |
| Highest net exposure | 0% | 0% |
| Average net exposure | 0% | 0% |

Information on exposure arising from financial derivative instruments (continued)

Principal Sustainable Asian Allocation Fund

The table below analyses the lowest, highest and average gross exposure arising from the use of financial derivative instruments for any purpose as a proportion to the sub-funds' total net asset value for the year/period ended 30 June 2023 and 2022.

| | <i>2023</i> <i>% of Net</i> <i>asset value</i> | <i>2022</i> <i>% of Net</i> <i>asset value</i> |
|------------------------|--|--|
| Lowest gross exposure | 0.65% | 0.01% |
| Highest gross exposure | 3.67% | 0.17% |
| Average gross exposure | 1.97% | 0.07% |

The table below analyses the lowest, highest and average net exposure arising from the use of financial derivative instruments for any purpose as a proportion to the sub-funds' total net asset value for the year/period ended 30 June 2023 and 2022.

| | <i>2023</i> <i>% of Net</i> <i>asset value</i> | <i>2022</i> <i>% of Net</i> <i>asset value</i> |
|----------------------|--|--|
| Lowest net exposure | 0% | 0% |
| Highest net exposure | 0% | 0% |
| Average net exposure | 0% | 0% |

Statement of movements in portfolio holdings for the year ended 30 June 2023

| Listed investments | Principal Asia Pacific High Dividend Equity Fund | | % of net assets Principal Sustainable Asian Income Fund | | Principal Sustainable Asian Allocation Fund | |
|--------------------------|---|---------------|---|---------------|--|---------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Equities | | | | | | |
| Australia | 14.74 | 13.50 | - | - | 4.40 | 7.70 |
| China | 0.46 | 31.12 | - | - | 0.65 | - |
| Hong Kong | 27.46 | 10.47 | - | - | 11.45 | 15.19 |
| India | 15.04 | 10.15 | - | - | - | - |
| Indonesia | 3.53 | 3.49 | - | - | 1.87 | 2.44 |
| Malaysia | 0.69 | 1.17 | - | - | 0.43 | 1.41 |
| Philippines | 2.64 | 1.65 | - | - | - | - |
| Singapore | 1.63 | 4.52 | - | - | 0.77 | 5.61 |
| South Korea | 10.92 | 8.38 | - | - | 5.47 | 0.42 |
| Taiwan | 11.23 | 8.66 | - | - | 3.58 | 3.68 |
| Thailand | 2.43 | 1.88 | - | - | 2.80 | 1.19 |
| United Kingdom | - | - | - | - | 4.96 | - |
| United States | 2.05 | - | - | - | 1.60 | 4.91 |
| Total equities | 92.82 | 94.99 | - | - | 37.98 | 42.55 |
| Investment funds | 0.53 | - | - | - | 11.11 | 6.21 |
| REITs | 2.76 | - | - | - | 3.78 | 0.74 |
| Debt securities | - | - | 94.82 | 95.37 | 44.27 | 44.87 |
| Forward contracts | - | - | (0.05) | (0.05) | (0.03) | (0.03) |
| Total investments | 96.11 | 94.99 | 94.77 | 95.32 | 97.11 | 94.34 |
| Other net assets | 3.89 | 5.01 | 5.23 | 4.68 | 2.89 | 5.66 |
| Total net assets | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

Performance table for the year ended 30 June 2023

Principal Asia Pacific High Dividend Equity Fund

(a) Total Net asset value:

| | 2023 USD | 2022 USD | 2021 USD |
|--|---------------|---------------|---------------|
| Total Net asset value | | | |
| - Income Class Units | \$ 16,304,046 | \$ 17,525,352 | \$ 25,060,766 |
| - Accumulation Class Units - Institutional | 106,941,622 | 111,448,260 | 141,830,617 |

(b) Net asset value per unit:

| | <i>Domination Currency</i> | 2023 | 2022 | 2021 |
|--|--------------------------------|----------|----------|----------|
| Net asset value per unit | | | | |
| - Income Class Units | USD | \$ 29.29 | \$ 30.36 | \$ 41.79 |
| - Accumulation Class Units - Institutional | USD | 13.77 | 13.85 | 18.71 |

(c) Performance record:

| <i>For the year ended</i> | <i>Income Class Units</i> | | <i>Accumulation Class Units - Institutional</i> | |
|---------------------------|--------------------------------|-----------------------------|---|-----------------------------|
| | <i>Highest issue price</i> | <i>Lowest bid price</i> | <i>Highest issue price</i> | <i>Lowest bid price</i> |
| 30 June 2013 | \$ 30.25 | \$ 24.19 | \$ - | \$ - |
| 30 June 2014 | 29.48 | 25.57 | - | - |
| 30 June 2015 | 32.46 | 27.55 | - | - |
| 30 June 2016 | 29.37 | 21.98 | 10.00 | 8.43 |
| 30 June 2017 | 30.67 | 24.98 | 12.28 | 9.77 |
| 30 June 2018 | 37.20 | 30.12 | 15.16 | 12.12 |
| 30 June 2019 | 33.35 | 27.26 | 13.84 | 11.48 |
| 30 June 2020 | 33.42 | 22.19 | 14.50 | 9.66 |
| 30 June 2021 | 44.85 | 31.92 | 19.90 | 14.03 |
| 30 June 2022 | 41.42 | 29.97 | 18.54 | 13.61 |
| 30 June 2023 | 32.73 | 25.55 | 14.98 | 11.70 |

Performance table for the year ended 30 June 2023 (continued)

Principal Sustainable Asian Income Fund

(a) Total Net asset value:

| | 2023 USD | 2022 USD |
|---|-------------|-------------|
| Total Net asset value | | |
| - Income Plus (monthly) Class Unit-Retirement (HKD) \$ | 85,186 | \$ 84,385 |
| - Accumulation Class Units- Institutional (USD) | 15,604,522 | 15,436,419 |
| - Income (monthly) Class Units - Institutional (USD) | 854,722 | 845,555 |
| - Accumulation Class Units- Retail (HKD) | 85,275 | 84,654 |
| - Accumulation Class Units - Retail (RMB hedged) | 75,346 | 84,654 |
| - Accumulation Class Units - Retail (USD) | 85,275 | 84,654 |
| - Income (monthly) Class Units - Retail (HKD) | 147,416 | 84,393 |
| - Income Plus (monthly) Class Units - Retail (HKD) | 91,030 | 84,272 |
| - Income Plus (monthly) Class Units - Retail (RMB hedged) | 74,125 | 84,096 |
| - Income Plus (monthly) Class Units - Retail (USD) | 84,858 | 84,274 |

(b) Net asset value per unit:

| | <i>Domination Currency</i> | 2023 | 2022 |
|---|--------------------------------|------|------|
| Net asset value per unit | | | |
| - Income Plus (monthly) Class Unit-Retirement (HKD) | HK\$ | 7.86 | 8.29 |
| - Accumulation Class Units- Institutional (USD) | US\$ | 8.57 | 8.48 |
| - Income (monthly) Class Units - Institutional (USD) | US\$ | 8.09 | 8.32 |
| - Accumulation Class Units- Retail (HKD) | HK\$ | 8.56 | 8.51 |
| - Accumulation Class Units - Retail (RMB hedged) | CNH | 8.59 | 8.89 |
| - Accumulation Class Units - Retail (USD) | US\$ | 8.52 | 8.46 |
| - Income (monthly) Class Units - Retail (HKD) | HK\$ | 8.10 | 8.35 |
| - Income Plus (monthly) Class Units - Retail (HKD) | HK\$ | 7.83 | 8.28 |
| - Income Plus (monthly) Class Units - Retail (RMB hedged) | CNH | 7.52 | 8.54 |
| - Income Plus (monthly) Class Units - Retail (USD) | US\$ | 7.79 | 8.23 |

Performance table for the year ended 30 June 2023 (continued)

Principal Sustainable Asian Income Fund (continued)

(c) **Performance record:**

| | | |
|---------------------------|---|--------------------------------------|
| | <i>Income Plus (monthly) Class Unit-Retirement (HKD)</i> | |
| | <i>Highest issue price HK\$</i> | <i>Lowest bid price HK\$</i> |
| <i>For the year ended</i> | | |
| 30 June 2022 | 9.99 | 8.34 |
| 30 June 2023 | 8.39 | 7.49 |
| | <i>Accumulation Class Units - Institutional (USD)</i> | |
| | <i>Highest issue price US\$</i> | <i>Lowest bid price US\$</i> |
| <i>For the year ended</i> | | |
| 30 June 2022 | 9.96 | 8.48 |
| 30 June 2023 | 8.74 | 7.82 |
| | <i>Income (monthly) Class Units - Institutional (USD)</i> | |
| | <i>Highest issue price US\$</i> | <i>Lowest bid price US\$</i> |
| <i>For the year ended</i> | | |
| 30 June 2022 | 9.96 | 8.35 |
| 30 June 2023 | 8.41 | 7.57 |
| | <i>Accumulation Class Units - Retail (HKD)</i> | |
| | <i>Highest issue price HK\$</i> | <i>Lowest bid price HK\$</i> |
| <i>For the year ended</i> | | |
| 30 June 2022 | 9.99 | 8.52 |
| 30 June 2023 | 8.75 | 7.84 |

Performance table for the year ended 30 June 2023 (continued)

Principal Sustainable Asian Income Fund (continued)

| <i>For the year ended</i> | <i>Accumulation Class Units - Retail (RMB hedged)</i> | |
|---------------------------|---|-------------------------|
| | <i>Highest issue price</i> | <i>Lowest bid price</i> |
| | <i>CNH</i> | <i>CNH</i> |
| 30 June 2022 | 9.97 | 8.85 |
| 30 June 2023 | 9.33 | 8.56 |

| <i>For the year ended</i> | <i>Accumulation Class Units - Retail (USD)</i> | |
|---------------------------|--|-------------------------|
| | <i>Highest issue price</i> | <i>Lowest bid price</i> |
| | <i>US\$</i> | <i>US\$</i> |
| 30 June 2022 | 9.96 | 8.47 |
| 30 June 2023 | 8.70 | 7.79 |

| <i>For the year ended</i> | <i>Income (monthly) Class Units - Retail (HKD)</i> | |
|---------------------------|--|-------------------------|
| | <i>Highest issue price</i> | <i>Lowest bid price</i> |
| | <i>HK\$</i> | <i>HK\$</i> |
| 30 June 2022 | 9.99 | 8.38 |
| 30 June 2023 | 8.44 | 7.59 |

| <i>For the year ended</i> | <i>Income Plus (monthly) Class Units - Retail (HKD)</i> | |
|---------------------------|---|-------------------------|
| | <i>Highest issue price</i> | <i>Lowest bid price</i> |
| | <i>HK\$</i> | <i>HK\$</i> |
| 30 June 2022 | 9.99 | 8.33 |
| 30 June 2023 | 8.38 | 7.47 |

| <i>For the year ended</i> | <i>Income Plus (monthly) Class Units - Retail (RMB hedged)</i> | |
|---------------------------|--|-------------------------|
| | <i>Highest issue price</i> | <i>Lowest bid price</i> |
| | <i>CNH</i> | <i>CNH</i> |
| 30 June 2022 | 9.97 | 8.61 |
| 30 June 2023 | 8.81 | 7.58 |

Performance table for the year ended 30 June 2023 (continued)

Principal Sustainable Asian Income Fund (continued)

| <i>For the year ended</i> | <i>Income Plus (monthly) Class Units - Retail (USD)</i> | |
|---------------------------|---|--------------------------------------|
| | <i>Highest issue price US\$</i> | <i>Lowest bid price US\$</i> |
| 30 June 2022 | 9.96 | 8.28 |
| 30 June 2023 | 8.34 | 7.43 |

Performance table for the year ended 30 June 2023 (continued)

Principal Sustainable Asian Allocation Fund

(a) Total Net asset value:

| | | 2023 USD | | 2022 USD |
|---|----|-------------|----|-------------|
| Total Net asset value | | | | |
| - Income Plus (monthly) Class Unit-Retirement (HKD) | \$ | 90,060 | \$ | 84,869 |
| - Accumulation Class Units- Institutional (USD) | | 24,642,445 | | 24,894,929 |
| - Accumulation Class Units- Retail (HKD) | | 85,649 | | 85,016 |
| - Accumulation Class Units - Retail (RMB hedged) | | 72,453 | | 85,016 |
| - Accumulation Class Units - Retail (USD) | | 83,649 | | 85,016 |
| - Income (monthly) Class Units - Retail (HKD) | | 83,407 | | 84,706 |
| - Income Plus (monthly) Class Units - Retail (HKD) | | 83,301 | | 84,709 |
| - Income Plus (monthly) Class Units - Retail (RMB hedged) | | 72,558 | | 84,543 |
| - Income Plus (monthly) Class Units - Retail (USD) | | 83,304 | | 84,712 |

(b) Net asset value per unit:

| | <i>Domination Currency</i> | 2023 USD | 2022 USD |
|---|--------------------------------|-------------|-------------|
| Net asset value per unit | | | |
| - Income Plus (monthly) Class Unit-Retirement (HKD) | HK\$ | 7.88 | 8.41 |
| - Accumulation Class Units- Institutional (USD) | US\$ | 8.43 | 8.52 |
| - Accumulation Class Units- Retail (HKD) | HK\$ | 8.40 | 8.55 |
| - Accumulation Class Units - Retail (RMB hedged) | CNH | 8.25 | 8.92 |
| - Accumulation Class Units - Retail (USD) | US\$ | 8.36 | 8.50 |
| - Income (monthly) Class Units - Retail (HKD) | HK\$ | 8.05 | 8.43 |
| - Income Plus (monthly) Class Units - Retail (HKD) | HK\$ | 7.83 | 8.39 |
| - Income Plus (monthly) Class Units - Retail (RMB hedged) | CNH | 7.50 | 8.67 |
| - Income Plus (monthly) Class Units - Retail (USD) | US\$ | 7.79 | 8.34 |

Performance table for the year ended 30 June 2023 (continued)

Principal Sustainable Asian Allocation Fund (continued)

(c) **Performance record:**

| <i>For the year ended</i> | <i>Income Plus (monthly) Class Unit-Retirement (HKD)</i> | |
|---------------------------|--|--------------------------------------|
| | <i>Highest issue price HK\$</i> | <i>Lowest bid price HK\$</i> |
| 30 June 2022 | 10.04 | 8.45 |
| 30 June 2023 | 8.55 | 7.36 |
| <i>For the year ended</i> | <i>Accumulation Class Units- Institutional (USD)</i> | |
| | <i>Highest issue price US\$</i> | <i>Lowest bid price US\$</i> |
| 30 June 2022 | 10.05 | 8.53 |
| 30 June 2023 | 8.90 | 7.55 |
| <i>For the year ended</i> | <i>Accumulation Class Units- Retail (HKD)</i> | |
| | <i>Highest issue price HK\$</i> | <i>Lowest bid price HK\$</i> |
| 30 June 2022 | 10.04 | 8.56 |
| 30 June 2023 | 8.90 | 7.56 |
| <i>For the year ended</i> | <i>Accumulation Class Units - Retail (RMB hedged)</i> | |
| | <i>Highest issue price CNH</i> | <i>Lowest bid price CNH</i> |
| 30 June 2022 | 10.01 | 8.91 |
| 30 June 2023 | 9.37 | 8.20 |

Performance table for the year ended 30 June 2023 (continued)

Principal Sustainable Asian Allocation Fund (continued)

| | | |
|---------------------------|--|--------------------------------------|
| | <i>Accumulation Class Units - Retail (USD)</i> | |
| | <i>Highest issue price US\$</i> | <i>Lowest bid price US\$</i> |
| <i>For the year ended</i> | | |
| 30 June 2022 | 10.05 | 8.50 |
| 30 June 2023 | 8.85 | 7.51 |
| | <i>Income Plus (monthly) Class Units - Retail (RMB hedged)</i> | |
| | <i>Highest issue price CNH</i> | <i>Lowest bid price CNH</i> |
| <i>For the year ended</i> | | |
| 30 June 2022 | 10.01 | 8.73 |
| 30 June 2023 | 8.92 | 7.52 |
| | <i>Income Plus (monthly) Class Units - Retail (USD)</i> | |
| | <i>Highest issue price US\$</i> | <i>Lowest bid price US\$</i> |
| <i>For the year ended</i> | | |
| 30 June 2022 | 10.05 | 8.38 |
| 30 June 2023 | 8.46 | 7.28 |
| | <i>Income (monthly) Class Units - Retail (HKD)</i> | |
| | <i>Highest issue price HK\$</i> | <i>Lowest bid price HK\$</i> |
| <i>For the year ended</i> | | |
| 30 June 2022 | 10.04 | 8.48 |
| 30 June 2023 | 8.65 | 7.40 |
| | <i>Income Plus (monthly) Class Units - Retail (HKD)</i> | |
| | <i>Highest issue price HK\$</i> | <i>Lowest bid price HK\$</i> |
| <i>For the year ended</i> | | |
| 30 June 2022 | 10.04 | 8.44 |
| 30 June 2023 | 8.51 | 7.33 |

Investment objective and policy of Principal Asia Pacific High Dividend Equity Fund

Prior to 31 July 2023, the Sub-fund was to provide investors with high current income through investing in a diversified portfolio of listed securities in the Asia Pacific region. The Sub-Fund seek to achieve capital appreciation with relatively moderate to high volatility commensurate with investing in equities.

Effective from 31 July 2023, the Sub-Fund will primarily (i.e. at least 70% of the Sub-Fund's Net Asset Value) invest in a diversified portfolio of listed securities of companies and issuers in the Asia Pacific (ex-Japan) region which are considered to be outperforming their peers with respect to sustainability performance based on environmental, social and governance ("ESG") factors ("ESG achievers") as well as exchange traded funds ("ETFs") and collective investment schemes ("CISs"), which primarily invest in equity securities of companies and issuers that maintain better ESG profiles than their corresponding traditional counterparts (collectively "ESG achiever ETFs/CISs"). The Sub-Fund will also seek to achieve high current income and capital appreciation with a focus on high dividend yielding stocks.

The Sub-Fund will invest in a diversified portfolio of listed securities in the Asia Pacific (ex-Japan) region, including but not limited to the following: Australia, Greater China (including PRC, Hong Kong, Macau and Taiwan), Indonesia, India, Malaysia, New Zealand, the Philippines, Singapore, South Korea and Thailand. The Sub-Fund will focus on ESG achievers which demonstrate strong corporate fundamentals and offer the potential for superior dividend yields. The Sub-Fund will also seek to achieve capital appreciation with relatively moderate to high volatility commensurate with investing in equities. The Sub-Fund aims to maintain a minimum of 70% of the Sub-Fund's Net Asset Value invested in listed securities issued by ESG achievers as well as ESG achiever ETFs/CISs. The aggregate investment of the Sub-Fund's investment in ETFs and CISs (including ESG achiever ETFs/CISs) will be less than 30% of the Sub-Fund's Net Asset Value.

Investment objective and policy of Principal Sustainable Asian Income Fund

The Sub-Fund will primarily (i.e. at least 70% of the Sub-Fund's Net Asset Value) invest in a diversified portfolio of fixed income securities and fixed income-related securities of companies and issuers in Asia which are considered to be outperforming their peers with respect to sustainability performance based on environmental, social and governance ("ESG") factors ("ESG achievers") as well as exchange traded funds ("ETFs") and other collective investment schemes ("CISs") which primarily invest in debt securities of companies or issuers that maintain better ESG profiles than their corresponding traditional counterparts (collectively "ESG achiever ETFs/CISs"), and provide a return consisting of income and capital growth over medium to long term.

The Sub-Fund aims to maintain a minimum of 70% of the Sub-Fund's Net Asset Value invested in fixed income securities and fixed income-related securities issued by ESG achievers as well as ESG achiever ETFs/CISs. The aggregate investment of the Sub-Fund's investment in ETFs and CISs (including ESG achiever ETFs and CISs) will be less than 30% of the Sub-Fund's Net Asset Value.

The Sub-Fund will exclude companies that (i) are classified by GICS Industry Sector classification to fall within the tobacco, aerospace and defense sub-industries; (ii) have more than 10% of the revenue derived from nuclear sources based on the data from third-party providers (including but not limited to MSCI); and (iii) are deemed to have governance concerns through discovery during engagement process and company research.

Investment objective and policy of Principal Sustainable Asian Allocation Fund

The Sub-Fund will primarily (i.e. at least 70% of the Sub-Fund's Net Asset Value) invest in a diversified range of assets and securities (including equities, equity related securities and debt securities) of companies and issuers in Asia Pacific (ex-Japan) region which are considered to be outperforming their peers with respect to sustainability performance based on environmental, social and governance ("ESG") factors ("ESG achievers") as well as exchange traded funds ("ETFs") and collective investment schemes ("CISs"), which primarily invest in equity or debt securities of companies or issuers that maintain better ESG profiles than their corresponding traditional counterparts (collectively "ESG achiever ETFs/CISs"), and provide capital growth and income over medium to long term.

The Sub-Fund aims to maintain a minimum of 70% of the Sub-Fund's Net Asset Value invested in (i) equity and equity related securities and/or (ii) debt securities issued by ESG achievers as well as ESG achiever ETFs/CISs. The Sub-Fund adopts a dynamic asset allocation strategy, and may invest up to 85% of its latest Net Asset Value in either equities or debt securities. The aggregate investment of the Sub-Fund's investment in ETFs and CISs (including ESG achiever ETFs/CISs) will be less than 30% of the Sub-Fund's Net Asset Value.

The Sub-Fund will exclude companies that (i) are classified by the GICS Industry Sector classification to fall within the tobacco sub-industry; (ii) have more than 10% of the revenue derived from direct manufacturing and production of controversial weapons (including but not limited to landmines, cluster munition, bio-weapons and nuclear weapons) or their key component, based on the data from third-party providers (including but not limited to MSCI); and (iii) are deemed to have governance concerns through discovery during engagement process and company research.