

Principal Prosperity Series

30 June 2022

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Administration

Manager

Principal Asset Management Company (Asia) Limited
30/F, Millennium City 6
392 Kwun Tong Road
Kwun Tong, Kowloon
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 Asia Pacific High Dividend Equity Fund and Principal Sustainable Asian Allocation Fund)

Principal Global Investors (Hong Kong) Limited
Unit 1001-2, Central Plaza
18 Harbour Road
Wanchai,
Hong Kong

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
Derek Ho Yin Ching
Kenneth Kirk West

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 2022.

Principal Asia Pacific High Dividend Equity Fund

Market Review

Many parts of the equity market moved into bear territory in the second quarter as equities closed out the first half of 2022 with the market's worst returns since the 1970's. Using the MSCI All Country World Index (USD) as a proxy, global equities fell 15.5% during second quarter with emerging markets outperforming developed markets, down 11.4% vs. down 16.1%. The ongoing swath of negative headlines and economic data points further weighed on investor sentiment as selling ratcheted up. 40-year-high inflation, aggressive tightening from central banks, and the war in Europe remained the catalysts to pricing in a recession. While less in the headlines, COVID still remained an issue in parts of the world, in particular China. The region up until now has stuck with their zero-COVID policy. This has created an environment of underwhelming growth, albeit positive, as manufacturing and consumer spending have all sputtered in relation. Headwinds to the property market have further slowed the growth prospects amid elevated debt and higher rates.

Strategy and Outlook

Moving forward, we believe that company specific fundamentals will reassert themselves as the key driver of stock specific performance as investors deal with the constant fluidity of geopolitical events and disruption risks. With the path to recovery likely uneven across the globe, our analysts remain hyper-focused on the duration of the change they can identify. Various companies have seen an increased dislocation between consensus earnings expectations and our own forecasts.

Principal Sustainable Asian Income Fund

Market Review

Asia Dollar Index spreads were 0.21% wider on the month of June with investment grade (IG) spreads 0.12% wider primarily led by BBBs which were 0.25% wider. As with the prior months, lower beta parts of the IG market outperformed with state-owned enterprises of China (China SOEs), Singapore and Korea IG outperforming with low single digit spread widening. Asia high-yield bond (HY) saw ongoing impact of defaults and debt exchanges in China property sector as well as impact of the global risk off sentiment leading to outflows – spreads were 1.73% wider during June. With COVID outbreak in Macau and outflows from Asia HY funds, non-China HY sectors also saw underperformance towards the second half of June. Additionally, June saw a few fallen angles – with erstwhile investment grade rated issuers such as Country Garden and Sands China downgraded to sub investment grade space causing some underperformance in these names due to poor technical.

Manager's report Principal Prosperity Series (continued)

Strategy and Outlook

Moving forward, we believe that company specific fundamentals will reassert themselves as the key driver of stock specific performance as investors deal with the constant fluidity of geopolitical events and disruption risks. With the path to recovery likely uneven across the globe, our analysts remain hyper-focused on the duration of the change they can identify. Various companies have seen an increased dislocation between consensus earnings expectations and our own forecasts.

Principal Sustainable Asian Allocation Fund

Market Review

Global equity markets dropped in June and ended the worst first half year in decades on lingering concerns over slower global economic growth, higher inflation and tighter monetary policies. MSCI AC Asia Pacific ex Japan Index (USD) and ICE BofA ML Asian Dollar Index (USD) fell by 5.74% and 2.45% respectively. Within Asian equities, China equities ended June in positive on expectation of policy support and an end of the latest COVID wave while South Korea, Taiwan and Australia underperformed. Defensive sectors such as healthcare and consumer staples outperformed. Within fixed income space, US 10-year yield climbed 0.17% to 3.01% while credit spread widened on increasing odds of economic slowdown. Asian high-yield bond (HY) underperformed investment-grade bond (IG) in which frontier markets, property developers in mainland China and lodging operators in Macau detracted. Portfolio returned -5.03% 1 month and -9.27% over the quarter in Jun 2022 underperforming the benchmark. Marginal equities overweight dragged on performance. Within the asset allocation sleeve, our tactical increase in China equity added values while our modest overweight in US equities and US technology detracted. Both equity and fixed income sleeve underperformed the benchmark.

Strategy and Outlook

Global economic growth is expected to normalize towards the trend line with rising odds of economic slowdown. We are neutral on equities and will be nimble in our positioning given higher market volatility on monetary policies' normalization by global central banks, potential headwinds to earnings by elevating cost of production and slowing consumer demand, geopolitical risks as well as uncertainty about the development of COVID situation in China. We continue to believe that US structural growth exceptionalism may continue despite short term volatility. We, therefore, maintain a modest off benchmark overweight to US equity and US technology. Over June 2022, we increased our allocation to China equity on decisive change in policy stance to meet the growth target this year. We will continue to monitor the situation closely and adjust our asset allocation.



Principal Asset Management Company (Asia) Limited

31 OCT 2022



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 64, which comprise the statement of financial position as at 30 June 2022, 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 2022 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.

Certified Public Accountants

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

31 OCT 2022

Statement of comprehensive income for the year/period ended 30 June 2022 (Expressed in United States dollars)

		Principal Asia Pacific High Dividend Equity Fund		Principal Sustainable Asian Income Fund For the period from 15 December 2021 (date of commencemen t of operation) to 30 June 2022	Principal Sustainable Asian Allocation Fund For the period from 10 January 2022 (date of commencemen t of operation) to 30 June 2022
	Notes	2022	2021		
Income					
Dividend income		\$ 3,134,170	\$ 3,072,517	\$ -	\$ 164,492
Interest income from cash and cash equivalents		864	1,090	-	-
Interest income from financial assets at fair value through profit or loss		-	-	368,309	227,134
Other income		2,152	-	72	51
		<u>\$ 3,137,186</u>	<u>\$ 3,073,607</u>	<u>\$ 368,381</u>	<u>\$ 391,677</u>
Expenses					
Manager's fee	6(a)	(1,796,602)	(1,873,493)	(56,017)	(86,352)
Trustee's fee	6(b)	(139,269)	(144,091)	(29,864)	(38,978)
Auditor's remuneration		\$ (26,018)	\$ (29,950)	\$ (11,780)	\$ (17,661)
Bank charges and safe custody fees		(60,476)	(60,070)	(4,081)	(5,063)
Establishment cost		-	-	(80,000)	(80,000)
Legal and professional fees		(46,178)	(41,147)	-	(1,694)
Miscellaneous expenses	6(b)	(20,848)	(20,819)	(1,816)	(4,721)
Net foreign exchange (loss)/gain		(328,551)	(245,449)	1,820	(31,776)
Transaction costs	4	(977,362)	(719,120)	-	(20,533)
Valuation fee	6(b)	(12,300)	(12,350)	(13,019)	(11,244)
		<u>\$ (3,407,604)</u>	<u>\$ (3,146,489)</u>	<u>\$ (194,757)</u>	<u>\$ (298,022)</u>
(Loss)/income before (loss)/gain on investments		<u>\$ (270,418)</u>	<u>\$ (72,882)</u>	<u>\$ 173,624</u>	<u>\$ 93,655</u>
Loss/gain on investments					
Net realised (loss)/gain on sale of investments		\$ (6,160,040)	\$ 33,727,718	\$ (1,462,585)	\$ (1,056,495)
Net change in unrealised (loss)/gain on investments		(37,555,173)	16,272,490	(1,748,763)	(3,448,195)
		<u>\$ (43,715,213)</u>	<u>\$ 50,000,208</u>	<u>\$ (3,211,348)</u>	<u>\$ (4,504,690)</u>

The notes on pages 20 to 64 form part of these financial statements.

Statement of comprehensive income for the year/period ended 30 June 2022 (continued)

(Expressed in United States dollars)

		<i>Principal Asia Pacific High Dividend Equity Fund</i>	<i>Principal Sustainable Asian Income Fund For the period from 15 December 2021 to 30 June 2022</i>	<i>Principal Sustainable Asian Allocation Fund For the period from 10 January 2022 to 30 June 2022</i>
	<i>Notes</i>	<i>2022</i>	<i>2021</i>	
(Loss)/Profit for the year before taxation		\$ (43,985,631)	\$ 49,927,326	\$ (3,037,724) \$ (4,411,035)
Taxation	7	<u>(742,660)</u>	<u>(548,915)</u>	<u>-</u> <u>(13,533)</u>
(Loss)/Profit for the year		\$ (44,728,291)	\$ 49,378,411	(3,037,724) (4,424,568)
Distributions to unitholders	8	<u>(332,588)</u>	<u>(385,227)</u>	<u>(29,862)</u> <u>(8,882)</u>
(Loss)/Profit and total comprehensive income for the year		<u>\$ (45,060,879)</u>	<u>\$ 48,993,184</u>	<u>(3,067,586)</u> <u>(4,433,450)</u>

The notes on pages 20 to 64 form part of these financial statements.

Statement of financial position as at 30 June 2022

(Expressed in United States dollars unless otherwise indicated)

	Notes	<i>Principal Asia Pacific High Dividend Equity Fund</i> 2022	2021	<i>Principal Sustainable Asian Income Fund</i> 2022	<i>Principal Sustainable Asian Allocation Fund</i> 2022
Assets					
Investments measured at fair value through profit or loss	16(e)	\$ 122,507,764	\$ 164,444,752	\$ 16,172,282	\$ 24,134,486
Dividend and other receivables		524,246	347,149	-	45,828
Interest receivables		-	-	159,291	120,033
Amounts receivable from brokers		1,489,147	665,788	561,215	424,199
Amounts receivable on subscription of units		189,330	1,746	-	-
Cash and cash equivalents	5	6,469,136	2,216,508	496,526	1,239,076
Total assets		<u>\$ 131,179,623</u>	<u>\$ 167,675,943</u>	<u>\$ 17,389,314</u>	<u>\$ 25,963,622</u>
Liabilities					
Investments measured at fair value through profit or loss	16(d),16(e)	\$ -	\$ -	\$ 8,273	\$ 8,551
Amounts payable on redemption of units		112,796	22,004	-	-
Amounts payable to brokers		1,737,085	444,566	300,000	248,426
Distributions payable	8	80,828	53,973	4,883	1,883
Accrued expenses and other payables	6(a), 6(b)	275,302	264,017	118,802	131,246
Total liabilities (excluding net assets attributable to unitholders classified as financial liabilities)		<u>\$ 2,206,011</u>	<u>\$ 784,560</u>	<u>\$ 431,958</u>	<u>\$ 390,106</u>
Net assets attributable to unitholders		<u>\$ 128,973,612</u>	<u>\$ 166,891,383</u>	<u>\$ 16,957,356</u>	<u>\$ 25,573,516</u>

The notes on pages 20 to 64 form part of these financial statements.

Statement of financial position
as at 30 June 2022 (continued)
(Expressed in United States dollars unless otherwise indicated)

	Notes	Principal Asia Pacific High Dividend Equity Fund 2022	2021	Principal Sustainable Asian Income Fund 2022	Principal Sustainable Asian Allocation Fund 2022
Represented by:					
- Net assets attributable to unitholders		128,973,612	166,891,383	16,957,356	25,573,516
Total number of units in issue					
Income Class Units		577,345.04	599,701.23	-	-
Accumulation Class Units - Institutional		8,044,657.13	7,582,114.59	-	-
Income Plus (monthly) Class Unit-Retirement (HKD)		-	-	79,838.91	79,144.22
Accumulation Class Units-Institutional (USD)		-	-	1,820,000.00	2,920,000.00
Income (monthly) Class Units - Institutional (USD)		-	-	101,625.99	-
Accumulation Class Units-Retail (HKD)		-	-	78,020.77	77,969.00
Accumulation Class Units - Retail (RMB hedged)		-	-	63,784.05	63,837.39
Accumulation Class Units - Retail (USD)		-	-	10,000.00	10,000.00
Income (monthly) Class Units - Retail (HKD)		-	-	79,289.19	78,775.04
Income Plus (monthly) Class Units - Retail (HKD)		-	-	79,839.70	79,145.65
Income Plus (monthly) Class Units - Retail (RMB hedged)		-	-	65,953.67	65,339.17
Income Plus (monthly) Class Units - Retail (USD)		-	-	10,233.49	10,151.09

The notes on pages 20 to 64 form part of these financial statements.

Statement of financial position as at 30 June 2022 (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
		2022	2021	2022	2022
Income Class Units		US\$ 30.36	US\$ 41.79	-	-
Accumulation Class Units - Institutional		US\$ 13.85	US\$ 18.71	-	-
Income Plus (monthly) Class Unit-Retirement (HKD)		-	-	HK\$ 8.29	HK\$ 8.41
Accumulation Class Units- Institutional (USD)		-	-	US\$ 8.48	US\$ 8.52
Income (monthly) Class Units - Institutional (USD)		-	-	US\$ 8.32	-
Accumulation Class Units- Retail (HKD)		-	-	HK\$ 8.51	HK\$ 8.55
Accumulation Class Units - Retail (RMB hedged)		-	-	CNH 8.89	CNH8.92
Accumulation Class Units - Retail (USD)		-	-	US\$ 8.46	US\$ 8.50
Income (monthly) Class Units - Retail (HKD)		-	-	HK\$ 8.35	HK\$ 8.43
Income Plus (monthly) Class Units - Retail (HKD)		-	-	HK\$ 8.28	HK\$ 8.39
Income Plus (monthly) Class Units - Retail (RMB hedged)		-	-	CNH 8.54	CNH 8.67
Income Plus (monthly) Class Units - Retail (USD)		-	-	US\$ 8.23	US\$ 8.34

Approved and authorised for issue by the Trustee and the Manager on **31 OCT 2022**



)
) 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 64 form part of these financial statements.

Statement of changes in net assets attributable to unitholders for the year/period ended 30 June 2022 (Expressed in United States dollars)

	Notes	Principal Asia Pacific High Dividend Equity Fund	Principal Sustainable Asian Income Fund For the period from 15 December 2021 to 30 June 2022	Principal Sustainable Asian Allocation Fund For the period from 10 January 2022 to 30 June 2022
		2022	2021	
Balance brought forward		\$ 166,891,383	\$ 140,825,722	\$ -
Subscriptions by unitholders				
- Income Class Units		715,301	2,403,679	-
- Accumulation Class Units - Institutional		20,675,812	19,795,393	-
-Income Plus (monthly) Class Unit-Retirement (HKD)		-	-	102,053
-Accumulation Class Units-Institutional (USD)		-	-	18,200,000
-Income (monthly) Class Units - Institutional (USD)		-	-	1,014,368
-Accumulation Class Units-Retail (HKD)		-	-	100,000
-Accumulation Class Units - Retail (RMB hedged)		-	-	100,000
-Accumulation Class Units - Retail (USD)		-	-	100,000
-Income (monthly) Class Units - Retail (HKD)		-	-	101,434
-Income Plus (monthly) Class Units - Retail (HKD)		-	-	102,052
-Income Plus (monthly) Class Units - Retail (RMB hedged)		-	-	102,979
-Income Plus (monthly) Class Units - Retail (USD)		-	-	102,056
Redemptions by unitholders				
- Income Class Units		(1,552,088)	(5,215,590)	-
- Accumulation Class Units - Institutional		(12,695,917)	(39,911,005)	-
-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 64 form part of these financial statements.

Statement of changes in net assets attributable to unitholders for the year/period ended 30 June 2022 (continued)

(Expressed in United States dollars)

	Notes	<i>Principal Asia Pacific High Dividend Equity Fund</i>	<i>Principal Sustainable Asian Income Fund For the period from 15 December 2021 to 30 June 2022</i>	<i>Principal Sustainable Asian Allocation Fund For the period from 10 January 2022 to 30 June 2022</i>
		2022	2021	
-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>\$ 174,034,491</u>	<u>\$ 117,898,199</u>	<u>\$ 20,024,942</u>
Profit and total comprehensive income for the year		<u>(45,060,879)</u>	<u>48,993,184</u>	<u>(3,067,586)</u>
Balance carried forward		<u><u>\$ 128,973,612</u></u>	<u><u>\$ 166,891,383</u></u>	<u><u>\$ 16,957,356</u></u>
Total number of units in issue	9			
Income Class Units				
Balance brought forward		599,701.23	672,551.27	-
Issuance of redeemable units		19,303.69	62,067.34	-
Redemption of redeemable units		<u>(41,659.88)</u>	<u>(134,917.38)</u>	<u>-</u>
Balance carried forward		<u><u>577,345.04</u></u>	<u><u>599,701.23</u></u>	<u><u>-</u></u>
Accumulation Class Units - Institutional				
Balance brought forward		7,582,114.59	8,808,498.03	-
Issuance of redeemable units		1,217,377.23	1,114,209.70	-
Redemption of redeemable units		<u>(754,834.69)</u>	<u>(2,340,593.14)</u>	<u>-</u>
Balance carried forward		<u><u>8,044,657.13</u></u>	<u><u>7,582,114.59</u></u>	<u><u>-</u></u>

The notes on pages 20 to 64 form part of these financial statements.

Statement of changes in net assets attributable to unitholders for the year/period ended 30 June 2022 (continued)

(Expressed in United States dollars)

	<i>Notes</i>	<i>Principal Asia Pacific High Dividend Equity Fund</i>	<i>Principal Sustainable Asian Income Fund For the period from 15 December 2021 to 30 June 2022</i>	<i>Principal Sustainable Asian Allocation Fund For the period from 10 January 2022 to 30 June 2022</i>
	<i>2022</i>	<i>2021</i>	<i>30 June 2022</i>	<i>30 June 2022</i>
Income Plus (monthly) Class Unit-Retirement (HKD)				
Balance brought forward	-	-	-	-
Issuance of redeemable units	-	-	79,838.91	79,144.22
Redemption of redeemable units	-	-	-	-
Balance carried forward	-	-	79,838.91	79,144.22
Accumulation Class Units- Institutional (USD)				
Balance brought forward	-	-	-	-
Issuance of redeemable units	-	-	1,820,000.00	1,820,000.00
Redemption of redeemable units	-	-	-	-
Balance carried forward	-	-	1,820,000.00	1,820,000.00
Income (monthly) Class Units - Institutional (USD)				
Balance brought forward	-	-	-	-
Issuance of redeemable units	-	-	101,625.99	-
Redemption of redeemable units	-	-	-	-
Balance carried forward	-	-	101,625.99	-
Accumulation Class Units- Retail (HKD)				
Balance brought forward	-	-	-	-
Issuance of redeemable units	-	-	78,020.77	77,969.0
Redemption of redeemable units	-	-	-	-
Balance carried forward	-	-	78,020.77	77,969.00

The notes on pages 20 to 64 form part of these financial statements.

Statement of changes in net assets attributable to unitholders for the year/period ended 30 June 2022 (continued)

(Expressed in United States dollars)

Notes	Principal Asia Pacific High Dividend Equity Fund	Principal Sustainable Asian Income Fund For the period from 15 December 2021 to 30 June 2022	Principal Sustainable Asian Allocation Fund For the period from 10 January 2022 to 30 June 2022
	2022	2021	
Accumulation Class Units - Retail (RMB hedged)			
Balance brought forward	-	-	-
Issuance of redeemable units	-	-	63,784.05
Redemption of redeemable units	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Balance carried forward	<u>-</u>	<u>-</u>	<u>63,784.05</u>
Accumulation Class Units - Retail (USD)			
Balance brought forward	-	-	-
Issuance of redeemable units	-	-	10,000.00
Redemption of redeemable units	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Balance carried forward	<u>-</u>	<u>-</u>	<u>10,000.00</u>
Income (monthly) Class Units - Retail (HKD)			
Balance brought forward	-	-	-
Issuance of redeemable units	-	-	79,289.19
Redemption of redeemable units	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Balance carried forward	<u>-</u>	<u>-</u>	<u>79,289.19</u>
Income Plus (monthly) Class Units - Retail (HKD)			
Balance brought forward	-	-	-
Issuance of redeemable units	-	-	79,839.70
Redemption of redeemable units	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Balance carried forward	<u>-</u>	<u>-</u>	<u>79,839.70</u>

The notes on pages 20 to 64 form part of these financial statements.

Statement of changes in net assets attributable to unitholders for the year/period ended 30 June 2022 (continued)

(Expressed in United States dollars)

	<i>Notes</i>	<i>Principal Asia Pacific High Dividend Equity Fund</i>	<i>Principal Sustainable Asian Income Fund For the period from 15 December 2021 to 30 June 2022</i>	<i>Principal Sustainable Asian Allocation Fund For the period from 10 January 2022 to 30 June 2022</i>
		2022	2021	
Income Plus (monthly) Class Units - Retail (RMB hedged)				
Balance brought forward		-	-	-
Issuance of redeemable units		-	-	65,953.67
Redemption of redeemable units		-	-	-
Balance carried forward		-	-	65,953.67
Income Plus (monthly) Class Units - Retail (USD)				
Balance brought forward		-	-	-
Issuance of redeemable units		-	-	10,233.49
Redemption of redeemable units		-	-	-
Balance carried forward		-	-	10,233.49

The notes on pages 20 to 64 form part of these financial statements.

Cash flow statement

for the year/period ended 30 June 2022

(Expressed in United States dollars)

		<i>Principal Asia Pacific High Dividend Equity Fund</i>		<i>Principal Sustainable Asian Income Fund For the period from 15 December 2021 to 30 June 2022</i>	<i>Principal Sustainable Asian Allocation Fund For the period from 10 January 2022 to 30 June 2022</i>
	<i>Notes</i>	<i>2022</i>	<i>2021</i>		
Operating activities					
Dividends received	\$	2,924,273	\$ 3,091,568	\$ -	\$ 118,664
Withholding tax paid		(368,253)	(541,702)	-	(13,533)
Capital gains tax paid		(337,288)	(7,368)	-	-
Interest received		864	1,090	209,018	107,101
Other income received		-	-	72	51
Operating expenses paid		(3,398,486)	(2,992,260)	(75,954)	(166,776)
Proceeds from sale of investments		248,480,322	216,962,720	16,733,711	13,048,805
Payments on purchase of investments		(249,789,387)	(192,717,127)	(36,370,284)	(41,855,203)
Net cash (used in)/ generated from operating activities	\$	(2,487,955)	\$ 23,796,921	\$ (19,503,437)	\$ (28,760,891)
Financing activities					
Proceeds from issuance of units	\$	21,203,529	\$ 22,197,942	\$ 20,024,942	\$ 30,006,966
Payments on redemption of units		(14,157,213)	(45,160,048)	-	-
Payments on distributions		(305,733)	(405,235)	(24,979)	(6,999)
Net cash generated from/ (used in) financing activities	\$	6,740,583	\$ (23,367,341)	\$ 19,999,963	\$ 29,999,967
Net increase in cash and cash equivalents	\$	4,252,628	\$ 429,580	\$ 496,526	\$ 1,239,076
Cash and cash equivalents at the beginning of the year/period		2,216,508	1,786,928	-	-
Cash and cash equivalents at the end of the year/period	5	\$ 6,469,136	\$ 2,216,508	\$ 496,526	\$ 1,239,076

The notes on pages 20 to 64 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.

2 Significant accounting policies (continued)

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.

(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>
	2022	2021	2022	2022
Cash at banks	\$ 6,469,136	\$ 2,216,508	\$ 496,526	\$ 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 \$1,796,602 (2021: \$1,873,493). The Manager's fee payable as at 30 June 2022 amounted to \$128,176 (2021: \$161,661).

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 period from 15 December 2021 (date of first valuation) to 30 June 2022 amounted to \$56,017. The Manager's fee payable as at 30 June 2022 amounted to \$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 the period from 11 January 2022 (date of first valuation) to 30 June 2022 amounted \$86,352. The Manager's fee payable as at 30 June 2022 amounted to \$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 \$151,569 (2021: \$156,441). The total fees payable to the Trustee as at 30 June 2022 amounted to \$11,188 (2021: \$13,419).

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 2022 (2021: \$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 period from 15 December 2021 (date of first valuation) to 30 June 2022 amounted to \$29,864. The total fees payable to the Trustee as at 30 June 2022 amounted to \$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 period from 15 December 2021 to 30 June 2022, the total valuation and registrar fee charged was \$13,019 and all of the the fee remained payable as at 30 June 2022.

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 period from 11 January 2022 (date of first valuation) to 30 June 2022 amounted to \$38,978. The total fees payable to the Trustee as at 30 June 2022 amounted to \$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 period from 11 January 2022 to 30 June 2022, the total valuation and registrar fee charged was \$11,244 and all of the fee remained payable as at 30 June 2022.

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>	
	2022	2021	2022	2021	<i>For the period from 15 December 2021 to 30 June 2022</i>		<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>
Directors of the Manager	\$ 98,450.99	\$ 115,634.89	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<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	3,228.96	2,761.76	-	-	-	-	-	-

7 Taxation

	<i>Principal Asia Pacific High Dividend Equity Fund</i>		<i>Principal Sustainable Asian Income Fund For the period from 15 December 2021 to 30 June 2022</i>	<i>Principal Sustainable Asian Allocation Fund For the period from 10 January 2022 to 30 June 2022</i>
	2022	2021		
Capital gains tax	\$ 341,607	\$ -	\$ -	\$ -
Overseas taxation withheld	401,053	548,915	-	13,533
	<u>\$ 742,660</u>	<u>\$ 548,915</u>	<u>\$ -</u>	<u>\$ 13,533</u>

8 Distributions

Principal Asia Pacific High Dividend Equity Fund

	2022 US\$	2021 US\$
Income Class Units		
Income distribution for July 2021 - USD0.03 on 597,544.80 units declared on 30 July 2021 and paid on 13 August 2021 (2021: USD0.05 on 660,120.73 units declared on 31 July 2020 and paid on 13 August 2020)	17,926	33,006
Income distribution for August 2021 - USD0.06 on 594,911.66 units declared on 31 August 2021 and paid on 13 September 2021 (2021: USD0.04 on 653,336.42 units declared on 31 August 2020 and paid on 14 September 2020)	35,695	26,133
Income distribution for September 2021 - USD0.06 on 586,340.29 units declared on 30 September 2021 and paid on 15 October 2021 (2021: USD0.05 on 650,426.19 units declared on 30 September 2020 and paid on 14 October 2020)	35,181	32,521
Income distribution for October 2021 - USD0.02 on 588,222.50 units declared on 31 October 2021 and paid on 15 November 2021 (2021: USD0.04 on 657,703.30 units declared on 31 October 2020 and paid on 13 November 2020)	11,765	26,308
Income distribution for November 2021 - USD0.03 on 586,277.60 units declared on 30 November 2021 and paid on 13 December 2021 (2021: USD0.04 on 637,539.03 units declared on 30 November 2020 and paid on 14 December 2020)	17,588	25,502

8 Distributions (continued)

Principal Asia Pacific High Dividend Equity Fund (continued)

	2022 US\$	2021 US\$
Income Class Units (continued)		
Income distribution for December 2021		
- USD0.02 on 583,514.83 units declared on 31 December 2021 and paid on 17 January 2022 (2021: USD0.02 on 626,064.84 units declared on 31 December 2020 and paid on 13 January 2021)	11,670	12,521
Income distribution for January 2022		
- USD0.02 on 581,967.30 units declared on 31 January 2022 and paid on 14 February 2022 (2021: USD0.05 on 622,076.27 units declared on 29 January 2021 and paid on 16 February 2021)	11,639	31,104
Income distribution for February 2022		
- USD0.03 on 582,757.87 units declared on 28 February 2022 and paid on 14 March 2022 (2021: USD0.03 on 606,032.55 units declared on 26 February 2021 and paid on 15 March 2021)	17,483	18,181
Income distribution for March 2022		
- USD0.05 on 583,091.88 units declared on 31 March 2022 and paid on 13 April 2022 (2021: USD0.06 on 600,547.79 units declared on 31 March 2021 and paid on 13 April 2021)	29,155	36,033
Income distribution for April 2022		
- USD0.03 on 579,208.77 units declared on 29 April 2022 and paid on 13 May 2022 (2021: USD0.06 on 600,593.79 units declared on 30 April 2021 and paid on 13 May 2021)	17,376	36,036
Income distribution for May 2022		
- USD0.08 on 578,526.54 units declared on 31 May 2022 and paid on 13 June 2022 (2021: USD0.09 on 598,988.07 units declared on 31 May 2021 and paid on 15 June 2021)	46,282	53,909
Income distribution for June 2022		
- USD0.14 on 577,345.04 units declared on 30 June 2022 and paid on 13 July 2022 (2021: USD0.09 on 599,701.23 units declared on 30 June 2021 and paid on 13 July 2021)	80,828	53,973
	\$ 332,588	\$ 385,227

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

8 Distributions (continued)

Principal Sustainable Asian Income Fund

	2022 US\$
Income Plus (monthly) Class Unit-Retirement (HKD)	
Income distribution for January 2022	
- HKD0.04 on 78,020.77 units declared on 31 January 2022 and paid on 14 February 2022	400
Income distribution for February 2022	
- HKD0.04 on 78,349.62 units declared on 28 February 2022 and paid on 14 March 2022	401
Income distribution for March 2022	
- HKD0.04 on 78,699.79 units declared on 31 March 2022 and paid on 13 April 2022	402
Income distribution for April 2022	
- HKD0.0425 on 79,054.29 units declared on 29 April 2022 and paid on 13 May 2022	428
Income distribution for May 2022	
- HKD0.0419 on 79,444.51 units declared on 31 May 2022 and paid on 13 June 2022	424
Income distribution for June 2022	
- HKD0.0405 on 79,838.91 units declared on 30 June 2022 and paid on 13 July 2022	412
	412
	\$ 2,467

8 Distributions (continued)

Principal Sustainable Asian Income Fund (continued)

	2022 US\$
Income (monthly) Class Units - Institutional (USD)	
Income distribution for January 2022	
- USD0.03 on 100,000 units declared on 31 January 2022 and paid on 14 February 2022	3,000
Income distribution for February 2022	
- USD0.02 on 100,315.46 units declared on 28 February 2022 and paid on 14 March 2022	2,006
Income distribution for March 2022	
- USD0.02 on 100,539.38 units declared on 31 March 2022 and paid on 13 April 2022	2,011
Income distribution for April 2022	
- USD0.0439 on 100,765.82 units declared on 29 April 2022 and paid on 13 May 2022	4,424
Income distribution for May 2022	
- USD0.0289 on 101,279.6 units declared on 31 May 2022 and paid on 13 June 2022	2,927
Income distribution for June 2022	
- USD0.0275 on 101,625.99 units declared on 30 June 2022 and paid on 13 July 2022	2,795
	2,795
	\$ 17,163

8 Distributions (continued)

Principal Sustainable Asian Income Fund (continued)

	2022 US\$
Income (monthly) Class Units - Retail (HKD)	
Income distribution for January 2022	
- HKD0.03 on 78,020.77 units declared on 31 January 2022 and paid on 14 February 2022	300
Income distribution for February 2022	
- HKD0.02 on 78,267.15 units declared on 28 February 2022 and paid on 14 March 2022	200
Income distribution for March 2022	
- HKD0.02 on 78,441.46 units declared on 31 March 2022 and paid on 13 April 2022	200
Income distribution for April 2022	
- HKD0.0441 on 78,617.54 units declared on 29 April 2022 and paid on 13 May 2022	442
Income distribution for May 2022	
- HKD0.0291 on 79,018.35 units declared on 31 May 2022 and paid on 13 June 2022	293
Income distribution for June 2022	
- HKD0.0276 on 79,289.19 units declared on 30 June 2022 and paid on 13 July 2022	279
	279
	\$ 1,714

8 Distributions (continued)

Principal Sustainable Asian Income Fund (continued)

	2022 US\$
Income Plus (monthly) Class Units - Retail (HKD)	
Income distribution for January 2022	
- HKD0.04 on 78,020.77 units declared on 31 January 2022 and paid on 14 February 2022	401
Income distribution for February 2022	
- HKD0.04 on 78,349.62 units declared on 28 February 2022 and paid on 14 March 2022	401
Income distribution for March 2022	
- HKD0.04 on 78,699.79 units declared on 31 March 2022 and paid on 13 April 2022	402
Income distribution for April 2022	
- HKD0.0425 on 79,055.09 units declared on 29 April 2022 and paid on 13 May 2022	428
Income distribution for May 2022	
- HKD0.0418 on 79,445.77 units declared on 31 May 2022 and paid on 13 June 2022	423
Income distribution for June 2022	
- HKD0.0404 on 79,839.7 units declared on 30 June 2022 and paid on 13 July 2022	411
	\$ 2,466

8 Distributions (continued)

Principal Sustainable Asian Income Fund (continued)

	2022 US\$
Income Plus (monthly) Class Units - Retail (RMB hedged)	
Income distribution for January 2022	
- CNH0.06 on 63,784.05 units declared on 31 January 2022 and paid on 14 February 2022	601
Income distribution for February 2022	
- CNH0.06 on 64,189.46 units declared on 28 February 2022 and paid on 14 March 2022	609
Income distribution for March 2022	
- CNH0.06 on 64,622.2 units declared on 31 March 2022 and paid on 13 April 2022	609
Income distribution for April 2022	
- CNH0.0611 on 65,064.82 units declared on 29 April 2022 and paid on 13 May 2022	595
Income distribution for May 2022	
- CNH0.0604 on 65,504.58 units declared on 31 May 2022 and paid on 13 June 2022	595
Income distribution for June 2022	
- CNH0.0585 on 65,953.67 units declared on 30 June 2022 and paid on 13 July 2022	575
	\$ 3,584

8 Distributions (continued)

Principal Sustainable Asian Income Fund (continued)

	2022 US\$
Income Plus (monthly) Class Units - Retail (USD)	
Income distribution for January 2022 - USD0.04 on 10,000 units declared on 31 January 2022 and paid on 14 February 2022	400
Income distribution for February 2022 - USD0.04 on 10,042.15 units declared on 28 February 2022 and paid on 14 March 2022	402
Income distribution for March 2022 - USD0.04 on 10,087.18 units declared on 31 March 2022 and paid on 13 April 2022	403
Income distribution for April 2022 - USD0.0422 on 10,132.93 units declared on 29 April 2022 and paid on 13 May 2022	428
Income distribution for May 2022 - USD0.0416 on 10,182.94 units declared on 31 May 2022 and paid on 13 June 2022	424
Income distribution for June 2022 - USD0.0402 on 10,233.49 units declared on 30 June 2022 and paid on 13 July 2022	411
	\$ 2,468
 Total distributions for the year	 \$ 29,862

During the period from 15 December 2021 (date of commencement of operation) to 30 June 2022, 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

	2022 US\$
Income Plus (monthly) Class Unit-Retirement (HKD)	
Income distribution for February 2022	
- HKD0.03 on 77,969 units declared on 28 February 2022 and paid on 14 March 2022	299
Income distribution for March 2022	
- HKD0.03 on 78,227.46 units declared on 31 March 2022 and paid on 13 April 2022	299
Income distribution for April 2022	
- HKD0.0368 on 78,482.27 units declared on 29 April 2022 and paid on 13 May 2022	368
Income distribution for May 2022	
- HKD0.0363 on 78,813.48 units declared on 31 May 2022 and paid on 13 June 2022	365
Income distribution for June 2022	
- HKD0.0343 on 79,144.22 units declared on 30 June 2022 and paid on 13 July 2022	346
	346
	\$ 1,677

8 Distributions (continued)

Principal Sustainable Asian Allocation Fund (continued)

	2022 US\$
Income (monthly) Class Units - Retail (HKD)	
Income distribution for February 2022	
- HKD0.01 on 77,969 units declared on 28 February 2022 and paid on 14 March 2022	100
Income distribution for March 2022	
- HKD0.02 on 78,054.96 units declared on 31 March 2022 and paid on 13 April 2022	199
Income distribution for April 2022	
- HKD0.0302 on 78,224.09 units declared on 29 April 2022 and paid on 13 May 2022	301
Income distribution for May 2022	
- HKD0.031 on 78,494.38 units declared on 31 May 2022 and paid on 13 June 2022	310
Income distribution for June 2022	
- HKD0.0334 on 78,775.04 units declared on 30 June 2022 and paid on 13 July 2022	335
	335
	\$ 1,245

8 Distributions (continued)

Principal Sustainable Asian Allocation Fund (continued)

	2022 US\$
Income Plus (monthly) Class Units - Retail (HKD)	
Income distribution for February 2022	
- HKD0.03 on 77,969 units declared on 28 February 2022 and paid on 14 March 2022	299
Income distribution for March 2022	
- HKD0.03 on 78,227.46 units declared on 31 March 2022 and paid on 13 April 2022	300
Income distribution for April 2022	
- HKD0.0368 on 78,482.27 units declared on 29 April 2022 and paid on 13 May 2022	368
Income distribution for May 2022	
- HKD0.0363 on 78,814.52 units declared on 31 May 2022 and paid on 13 June 2022	365
Income distribution for June 2022	
- HKD0.343 on 79,145.65 units declared on 30 June 2022 and paid on 13 July 2022	346
	\$ 1,678

Income Plus (monthly) Class Units - Retail (RMB hedged)

Income distribution for February 2022	
- CNH0.05 on 63,837.39 units declared on 28 February 2022 and paid on 14 March 2022	505
Income distribution for March 2022	
- CNH0.05 on 64,192.04 units declared on 31 March 2022 and paid on 13 April 2022	504
Income distribution for April 2022	
- CNH0.0561 on 64,544.74 units declared on 29 April 2022 and paid on 13 May 2022	542
Income distribution for May 2022	
- CNH0.0555 on 64,940.04 units declared on 31 May 2022 and paid on 13 June 2022	542
Income distribution for June 2022	
- CNH0.0525 on 65,339.17 units declared on 30 June 2022 and paid on 13 July 2022	511
	\$ 2,604

8 Distributions (continued)

Principal Sustainable Asian Allocation Fund (continued)

	2022 US\$
Income Plus (monthly) Class Units - Retail (USD)	
Income distribution for February 2022	
- USD0.03 on 10,000 units declared on 28 February 2022 and paid on 14 March 2022	300
Income distribution for March 2022	
- USD0.03 on 10,033.3 units declared on 31 March 2022 and paid on 13 April 2022	301
Income distribution for April 2022	
- USD0.0365 on 10,066.2 units declared on 29 April 2022 and paid on 13 May 2022	368
Income distribution for May 2022	
- USD0.036 on 10,108.68 units declared on 31 May 2022 and paid on 13 June 2022	364
Income distribution for June 2022	
- USD0.034 on 10,151.09 units declared on 30 June 2022 and paid on 13 July 2022	345
	\$ 1,678
 Total distributions for the year	 \$ 8,882

During the period from 10 January 2022 (date of commencement of operation) to 30 June 2022, 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 2022 and 2021 has been distributed as above.

	<i>Principal Asia Pacific High Dividend Equity Fund</i>		<i>Principal Sustainable Asian Income Fund*</i>	<i>Principal Sustainable Asian Allocation Fund*</i>
	2022	2021	<i>For the period from 15 December 2021 to 30 June 2022</i>	<i>For the period from 10 January 2022 to 30 June 2022</i>
Amount available for distribution brought forward	\$ -	\$ -	\$ -	\$ -
Profit for the year available for distribution #	337,809	387,755	17,565	2,465
Distributions to unitholders	(332,588)	(385,227)	(29,862)	(8,882)
Transfer (to)/from capital	(5,221)	(2,528)	12,297	6,417
Amount available for distribution carried forward	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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-Fund 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-Fund 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-Fund as well as industry peer data relevant to the Sub-Fund. 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 2022</i>	<i>Principal Sustainable Asian Allocation Fund 2022</i>
	2022	2021		
Income Class Units				
Number of units in issue brought forward	599,701.23	672,551.27	-	-
Units issued during the year	19,303.69	62,067.34	-	-
Units redeemed during the year	(41,659.88)	(134,917.38)	-	-
	<u>599,701.23</u>	<u>672,551.27</u>	<u>-</u>	<u>-</u>
Number of units in issue carried forward	<u>577,345.04</u>	<u>599,701.23</u>	<u>-</u>	<u>-</u>
Net asset value per unit	\$ 30.36	\$ 41.79	\$ -	\$ -
Accumulation Class Units - Institutional				
Number of units in issue brought forward	7,582,114.59	8,808,498.03	-	-
Units issued during the year	1,217,377.23	1,114,209.70	-	-
Units redeemed during the year	(754,834.69)	(2,340,593.14)	-	-
	<u>7,582,114.59</u>	<u>8,808,498.03</u>	<u>-</u>	<u>-</u>
Number of units in issue carried forward	<u>8,044,657.13</u>	<u>7,582,114.59</u>	<u>-</u>	<u>-</u>
Net asset value per unit	\$ 13.85	\$ 18.71	\$ -	\$ -
Income Plus (monthly) Class Unit-Retirement (HKD)				
Number of units in issue brought forward	-	-	-	-
Units issued during the year	-	-	79,838.91	79,144.22
Units redeemed during the year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>79,838.91</u>	<u>79,144.22</u>
Number of units in issue carried forward	<u>-</u>	<u>-</u>	<u>79,838.91</u>	<u>79,144.22</u>
Net asset value per unit	\$ -	\$ -	HK\$ 8.29	HK\$ 8.41
Accumulation Class Units-Institutional (USD)				
Number of units in issue brought forward	-	-	-	-
Units issued during the year	-	-	1,820,000.00	2,920,000.00
Units redeemed during the year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1,820,000.00</u>	<u>2,920,000.00</u>
Number of units in issue carried forward	<u>-</u>	<u>-</u>	<u>1,820,000.00</u>	<u>2,920,000.00</u>

9 Total number of units in issue (continued)

	<i>Principal Asia Pacific High Dividend Equity Fund</i>		<i>Principal Sustainable Asian Income Fund 2022</i>	<i>Principal Sustainable Asian Allocation Fund 2022</i>
	2022	2021		
Accumulation Class Units- Institutional (USD) (continued)				
Net asset value per unit	\$ -	\$ -	\$ 8.48	\$ 8.52
Income (monthly) Class Units - Institutional (USD)				
Number of units in issue brought forward	-	-	-	-
Units issued during the year	-	-	101,625.99	-
Units redeemed during the year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>101,625.99</u>	<u>-</u>
Number of units in issue carried forward	<u>-</u>	<u>-</u>	<u>101,625.99</u>	<u>-</u>
Net asset value per unit	\$ -	\$ -	\$ 8.32	\$ -
Accumulation Class Units- Retail (HKD)				
Number of units in issue brought forward	-	-	-	-
Units issued during the year	-	-	78,020.77	77,969.00
Units redeemed during the year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>78,020.77</u>	<u>77,969.00</u>
Number of units in issue carried forward	<u>-</u>	<u>-</u>	<u>78,020.77</u>	<u>77,969.00</u>
Net asset value per unit	\$ -	\$ -	HK\$ 8.51	HK\$ 8.55
Accumulation Class Units - Retail (RMB hedged)				
Number of units in issue brought forward	-	-	-	-
Units issued during the year	-	-	63,784.05	63,837.39
Units redeemed during the year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>63,784.05</u>	<u>63,837.39</u>
Number of units in issue carried forward	<u>-</u>	<u>-</u>	<u>63,784.05</u>	<u>63,837.39</u>
Net asset value per unit	\$ -	\$ -	CNH 8.89	CNH 8.92
Accumulation Class Units - Retail (USD)				
Number of units in issue brought forward	-	-	-	-
Units issued during the year	-	-	10,000.00	10,000.00
Units redeemed during the year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>10,000.00</u>	<u>10,000.00</u>

9 Total number of units in issue (continued)

	<i>Principal Asia Pacific High Dividend Equity Fund</i>		<i>Principal Sustainable Asian Income Fund 2022</i>	<i>Principal Sustainable Asian Allocation Fund 2022</i>
	2022	2021		
Accumulation Class Units - Retail (USD) (continued)				
Number of units in issue carried forward	-	-	10,000.00	10,000.00
Net asset value per unit	\$ -	\$ -	\$ 8.46	\$ 8.50
Income (monthly) Class Units - Retail (HKD)				
Number of units in issue brought forward	-	-	-	-
Units issued during the year	-	-	79,289.19	78,775.04
Units redeemed during the year	-	-	-	-
Number of units in issue carried forward	-	-	79,289.19	78,775.04
Net asset value per unit	\$ -	\$ -	HK\$ 8.35	HK\$ 8.43
Income Plus (monthly) Class Units - Retail (HKD)				
Number of units in issue brought forward	-	-	-	-
Units issued during the year	-	-	79,839.70	79,145.65
Units redeemed during the year	-	-	-	-
Number of units in issue carried forward	-	-	79,839.70	79,145.65
Net asset value per unit	\$ -	\$ -	HK\$ 8.28	HK\$ 8.39
Income Plus (monthly) Class Units - Retail (RMB hedged)				
Number of units in issue brought forward	-	-	-	-
Units issued during the year	-	-	65,953.67	65,339.17
Units redeemed during the year	-	-	-	-
Number of units in issue carried forward	-	-	65,953.67	65,339.17
Net asset value per unit	\$ -	\$ -	CNH 8.54	CNH 8.67

9 Total number of units in issue (continued)

	<i>Principal Asia Pacific High Dividend Equity Fund</i>		<i>Principal Sustainable Asian Income Fund</i>	<i>Principal Sustainable Asian Allocation Fund</i>
	2022	2021	2022	2022
Income Plus (monthly) Class Units - Retail (USD)				
Number of units in issue brought forward	-	-	-	-
Units issued during the year	-	-	10,233.49	10,151.09
Units redeemed during the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Number of units in issue carried forward	<u>-</u>	<u>-</u>	<u>10,233.49</u>	<u>10,151.09</u>
Net asset value per unit	\$ -	\$ -	\$ 8.23	\$ 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\$1,199,775 (2020: Nil) of business with the brokers on behalf of the Sub-funds and commission of US\$2,359 (2020: Nil) 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 2022 (2021: Nil).

12 Security lending arrangements

During the year/period ended 30 June 2022, the Sub-Funds did not enter into any security lending arrangements (2021: Nil).

13 Negotiability of assets

As at 30 June 2022, there was no statutory or contractual requirement restricting the negotiability of the assets of the Sub-Funds (2021: Nil).

14 Commitments

The Sub-Funds had no commitments as at 30 June 2022 (2021: Nil).

15 Contingent liabilities

The Sub-Funds had no contingent liabilities as at 30 June 2022 (2021: 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 93 to 95.

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.

(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.

16 Financial instruments and associated risks (continued)

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):

<i>Currency</i>	<i>Principal Asia Pacific High Dividend Equity Fund</i>		<i>Principal Sustainable Asian Income Fund</i>	<i>Principal Sustainable Asian Allocation Fund</i>
	<i>United States dollar</i>		<i>United States dollar</i>	<i>United States dollar</i>
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2022</i>
Australian dollar	\$ 17,177,820	\$ 20,371,663	\$ -	\$ 1,977,825
Chinese yuan	1,692,911	2,710,581	172,011	171,962
European Monetary Unit	-	-	71	50
Indian rupee	12,483,796	20,668,634	-	-
Indonesian rupiah	4,624,941	1,638,141	-	625,320
Malaysian ringgit	1,504,331	1,402,528	-	359,204
New Taiwan dollar	11,290,149	18,177,096	-	954,131
New Zealand dollar	-	1,118,233	-	-
Philippines peso	2,125,527	2,321,971	-	-
Singapore dollar	5,700,617	6,177,327	-	1,626,329
South Korean won	10,798,862	24,010,661	-	106,109
Thai baht	2,426,797	559,821	-	301,877
Total	\$ 69,825,751	\$ 99,156,656	\$ 172,082	\$ 6,122,807

Currency risk sensitivity analysis

As at 30 June 2022, 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 2021.

16 Financial instruments and associated risks (continued)

Currency	<i>Principal Asia Pacific High Dividend Equity Fund</i>		<i>Principal Sustainable Asian Income Fund United States</i>	<i>Principal Sustainable Asian Allocation Fund United States</i>
	<i>United States dollar</i>		<i>dollar</i>	<i>dollar</i>
	2022	2021	2022	2022
Australian dollar	\$ 858,891	\$ 1,018,583	\$ -	\$ 98,891
Chinese yuan	84,646	135,529	8,601	8,598
European Monetary Unit	-	-	4	3
Indian rupee	624,190	1,033,432	-	-
Indonesian rupiah	231,247	81,907	-	31,266
Malaysian ringgit	75,217	70,126	-	17,960
New Taiwan dollar	564,507	908,855	-	47,707
New Zealand dollar	-	55,912	-	-
Philippines peso	106,276	116,099	-	-
Singapore dollar	285,031	308,866	-	81,316
South Korean won	539,943	1,200,533	-	5,305
Thai baht	121,340	27,991	-	15,094
Total	<u>\$ 3,491,288</u>	<u>\$ 4,957,833</u>	<u>\$ 8,605</u>	<u>\$ 306,140</u>

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 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		

Principal Sustainable Asian Allocation Fund

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	\$ 447,502	\$ 6,901,495	\$ 4,128,695	\$ 14,485,930	\$ 25,963,622
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	\$ -	\$ -	\$ -	\$ 390,106	\$ 390,106
Total interest sensitivity gap	\$ 447,502	\$ 6,901,495	\$ 4,128,695		

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.

*Decrease in net assets if interest
 rate increased by 100 basis points
 2022
 USD*

Principal Sustainable Asian Income Fund	1,663,272
Principal Sustainable Asian Allocation Fund	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 2022, 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 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>
As at 30 June 2021		
Equities	<u>\$ 164,444,752</u>	<u>-</u>
	<i>Principal Asia Pacific High Dividend Equity Fund</i>	<i>Principal Sustainable Asian Allocation Fund</i>
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>
As at 30 June 2021		
Equities	<u>\$ 16,444,475</u>	<u>-</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 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 2022 % of debt securities	
	Principal Sustainable Asian Income Fund	Principal Sustainable Asian Allocation Fund
AAA/Aaa	6.00%	1.96%
AA/Aa	4.63%	4.35%
A/A	34.85%	39.85%
BBB/Baa	33.69%	32.21%
BB/Ba	15.52%	16.18%
B/B	0.68%	3.11%
Not rated	4.63%	2.34%
Total	<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 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 2022 and 2021.

Principal Sustainable Asian Income Fund

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
			232
			232

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 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)
			<hr/>
			(8,273)
			<hr/> <hr/>

Principal Sustainable Asian Allocation Fund

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
			<hr/>
			215
			<hr/> <hr/>
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)
			<hr/>
			(8,551)
			<hr/> <hr/>

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.

16 Financial instruments and associated risks (continued)

(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>				
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 Asia Pacific High Dividend Equity Fund</i>				
2021				
	<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	\$ 164,444,752	\$ -	\$ -	\$ 164,444,752
	<u>\$ 164,444,752</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,444,752</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>				
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	\$ 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 2022 and 2021, 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.

(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.

Principal Sustainable Asian Allocation Fund:

As at 30 June 2022:

<i>Structured entities</i>	<i>Number of investment funds</i>	<i>Total net assets (in US\$ millions)</i> US\$	<i>Carrying amount included in financial assets at FVTPL</i> US\$
Listed investment funds	5	158,471	1,588,713
REITs	1	10,350	189,760
		168,821	1,778,473

During the period 10 January 2022 (date of commencement of operation) to 30 June 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 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 2022

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 2022 and which have not been adopted in these financial statements. These include the following which may be relevant to the Sub-Funds.

*Effective for
accounting periods
beginning on or after*

Amendments to HKAS 1, *Classification of Liabilities as Current or Non-current*

1 January 2023

The Sub-Funds are in the process of making an assessment of what the impact of these amendments, new standard and interpretations is expected to be in the period of initial application. So far the Sub-Funds has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.

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 2022.



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

Hong Kong,

31 OCT 2022

Investment portfolio as at 30 June 2022

Principal Asia Pacific High Dividend Equity Fund

	<i>Holdings</i>	<i>Fair value</i> USD/ USD equivalent	<i>% of net</i> <i>assets</i>
Listed investments			
(cost: USD121,172,653)			
<i>Equities</i>			
<i>Australia</i>			
Allkem Ltd	43,288	\$ 307,076	0.24
Ampol Ltd	24,108	567,790	0.44
Aristocrat Leisure Ltd	39,965	945,378	0.73
Australia and New Zealand Banking Group Ltd	74	1,122	0.00
BHP Group Ltd	101,950	2,893,551	2.24
Champion Iron Ltd	61,457	227,919	0.18
Charter Hall Social Infrastructure REIT	144,883	336,941	0.26
Cochlear Ltd	1,189	162,555	0.13
Coles Group Ltd	24,278	297,507	0.23
Collins Foods Ltd	206	1,405	0.00
Commonwealth Bank of Australia	12,030	748,097	0.58
Computershare Ltd	9,530	161,567	0.13
CSL Ltd	13,242	2,451,448	1.90
Dexus	21,839	133,434	0.10
Downer EDI Ltd	37,185	129,205	0.10
Endeavour Group Ltd	49,414	257,375	0.20
Goodman Group REIT	30,587	375,450	0.29
Graincorp Ltd-A	29,122	190,556	0.15
IDP Education Ltd	3,944	64,640	0.05
IGO Ltd	38,484	263,200	0.20
Insurance Australia Group Ltd	43,920	131,756	0.10
Integral Diagnostics Ltd	212,281	442,562	0.34
Johns Lyng Group Ltd	310	1,224	0.00
Karoon Energy Ltd	53,717	64,310	0.05
Lynas Rare Earths Ltd	40,889	245,607	0.19
Macquarie Group Ltd	2,244	254,001	0.20
Mirvac Group	248,447	337,614	0.26
National Australia Bank Ltd	93,584	1,763,655	1.37
NRW Holdings Ltd	217,538	253,703	0.20
OFX Group Ltd	153,683	242,148	0.19
Orora Ltd	210,327	528,212	0.41

Investment portfolio as at 30 June 2022 (continued)

Principal Asia Pacific High Dividend Equity Fund

	<i>Holdings</i>	<i>Fair value</i> USD/ USD equivalent	<i>% of net</i> <i>assets</i>
<i>Australia (continued)</i>			
Qantas Airways Ltd	4,633	\$ 14,249	0.01
QBE Insurance Group Ltd	8,149	68,124	0.05
Santos Ltd	60,344	308,076	0.24
South32 Ltd	3,936	10,670	0.01
Steadfast Group Ltd	56,335	194,582	0.15
Telstra Corp Ltd	75,827	200,865	0.16
The Lottery Corp Ltd	29,293	91,101	0.07
Webjet Ltd	50,967	187,262	0.15
Westpac Banking Corp	79	1,060	0.00
Woodside Energy Group Ltd	45,048	986,900	0.77
Woolworths Group Ltd	22,829	559,187	0.43
		<u>\$ 17,403,084</u>	<u>13.50</u>
<i>China</i>			
Alibaba Group Holding Ltd	281,500	\$ 4,014,869	3.11
A-Living Smart City Services Co Ltd-H	252,000	405,343	0.31
Angang Steel Co Ltd-H	2,224,000	830,549	0.64
ANTA Sports Products Ltd	70,400	864,993	0.67
Baidu Inc	41,850	792,109	0.61
Bosideng International Holdings Ltd	1,334,000	828,033	0.64
BYD Co Ltd-H	13,000	520,278	0.40
China Construction Bank Corp-H	1,703,620	1,144,316	0.89
China Lesso Group Holdings Ltd	456,000	688,144	0.53
China Longyuan Power Group Corp Ltd-H	288,000	556,486	0.43
China MeiDong Auto Holdings Ltd	202,000	635,933	0.49
China Mengniu Dairy Co Ltd	166,000	828,329	0.64
China Merchants Bank Co Ltd-H	145,500	973,610	0.75
China Overseas Land & Investment Ltd	263,500	832,904	0.65
China Resources Beer (Holdings) Co Ltd	30,000	223,687	0.17
China Resources Cement Holdings Ltd	794,000	533,327	0.41
China Resources Land Ltd	188,000	877,004	0.68
Grand Pharmaceutical Group Ltd	226,000	130,776	0.10
Country Garden Services Holdings Co Ltd	55,000	245,004	0.19
ENN Energy Holdings Ltd	5,700	93,646	0.07
Fuyao Glass Industry Group Co Ltd-H	167,200	848,168	0.66
Ganfeng Lithium Co Ltd-H	46,200	508,472	0.39

Investment portfolio as at 30 June 2022 (continued)

Principal Asia Pacific High Dividend Equity Fund

	<i>Holdings</i>	<i>Fair value</i> USD/ USD equivalent	<i>% of net</i> <i>assets</i>
<i>China (continued)</i>			
Geely Automobile Holdings Ltd	440,000	\$ 1,000,484	0.78
Haier Smart Home Co Ltd-H	250,400	927,136	0.72
JD Health International Inc	28,500	223,581	0.17
JD.Com Inc	67,400	2,171,700	1.68
Kweichow Moutai Co Ltd-A	3,397	1,037,573	0.80
Li Ning Co Ltd	117,500	1,088,767	0.84
Meituan	83,600	2,069,275	1.60
NARI Technology Co Ltd-A	160,052	645,440	0.50
NetEase Inc	12,000	220,398	0.17
Orient Securities Co Ltd-H	680,800	382,667	0.30
Pharmaron Beijing Co Ltd-H	20,700	207,243	0.16
PICC Property and Casualty Co Ltd-H	834,000	867,399	0.67
Ping An Insurance Group Co of China Ltd-H	123,500	839,777	0.65
Postal Savings Bank of China Co Ltd-H	1,467,000	1,164,879	0.90
Shenzhou International Group Holdings Ltd	2,000	24,230	0.02
Sunny Optical Technology Group Co Ltd	60,700	989,514	0.77
Tencent Holdings Ltd	117,800	5,321,105	4.14
Tsingtao Brewery Co Ltd-H	64,000	665,630	0.52
Weichai Power Co Ltd-H	479,000	760,705	0.59
WuXi AppTec Co Ltd-H	38,300	510,126	0.40
WuXi Biologics (Cayman) Inc	28,500	260,815	0.20
Xiaomi Corp	179,800	312,584	0.24
Yankuang Energy Group Co Ltd-H	26,000	81,521	0.06
Zhongsheng Group Holdings Ltd	112,000	790,130	0.61
ZIJIN MINING GROUP CO LTD-H	212,000	259,670	0.20
		<u>\$ 40,198,329</u>	<u>31.12</u>
<i>Hong Kong</i>			
AIA Group Ltd	468,000	\$ 5,073,212	3.93
BOC Hong Kong (Holdings) Ltd	66,000	260,776	0.20
CK Hutchison Holdings Ltd	114,500	774,201	0.60
Galaxy Entertainment Group Ltd	179,000	1,067,730	0.83
Hong Kong Exchanges and Clearing Ltd	23,800	1,170,919	0.91
Hongkong Land Holdings Ltd	175,342	880,217	0.68
Hysan Development Co Ltd	738,000	2,224,591	1.72
Link REIT	113,800	928,293	0.72
SITC International Holdings Co Ltd	30,000	84,886	0.07
Sun Hung Kai Properties Ltd	21,500	254,028	0.20

Investment portfolio as at 30 June 2022 (continued)

Principal Asia Pacific High Dividend Equity Fund

	<i>Holdings</i>	<i>Fair value</i> USD/ USD equivalent	<i>% of net</i> <i>assets</i>
<i>Hong Kong (continued)</i>			
Swire Pacific Ltd	30,500	\$ 181,737	0.14
Swire Properties Ltd	137,400	341,145	0.26
Techtronic Industries Co Ltd	26,500	276,457	0.21
		<u>\$ 13,518,192</u>	<u>10.47</u>
<i>India</i>			
Amber Enterprises India Ltd	25,728	\$ 732,233	0.57
APL Apollo Tubes Ltd	5,359	57,701	0.04
Asian Paints Ltd	1,405	47,971	0.04
Bajaj Finance Ltd	4,810	329,069	0.26
Caplin Point Laboratories Ltd	20,642	185,764	0.14
Hindustan Unilever Ltd	14,205	401,394	0.31
Housing Development Finance Corp Ltd	50,249	1,381,863	1.07
ICICI Bank Ltd	228,550	2,047,534	1.59
Indian Oil Corp Ltd	315,896	297,131	0.23
Infosys Ltd	26,911	498,374	0.39
KEI Industries Ltd	49,327	720,198	0.56
Maruti Suzuki India Ltd	3,466	371,927	0.29
Navin Fluorine International Ltd	4,326	200,114	0.16
Nestle India Ltd	2,948	652,421	0.51
Pidilite Industries Ltd	2,437	64,519	0.05
Polycab India Ltd	7,051	196,616	0.15
Power Grid Corp of India Ltd	128,818	345,792	0.27
Reliance Industries Ltd	56,146	1,846,174	1.43
Varun Beverages Ltd	214,269	2,145,835	1.66
WNS (Holdings) Ltd-ADR	7,410	553,082	0.43
		<u>\$ 13,075,712</u>	<u>10.15</u>
<i>Indonesia</i>			
PT AKR Corporindo Tbk	18,447,800	\$ 1,275,173	0.99
PT Bank Central Asia Tbk	2,343,900	1,140,419	0.88
PT Bank Rakyat Indonesia (Persero) Tbk	3,005,966	837,181	0.65
PT Adaro Energy Indonesia Tbk	1,580,600	303,372	0.24

Investment portfolio as at 30 June 2022 (continued)

Principal Asia Pacific High Dividend Equity Fund

	<i>Holdings</i>	<i>Fair value USD/ USD equivalent</i>	<i>% of net assets</i>
<i>Indonesia (continued)</i>			
PT Telkom Indonesia (Persero) Tbk	3,508,400	\$ 941,795	0.73
		<u>\$ 4,497,940</u>	<u>3.49</u>
<i>Malaysia</i>			
CIMB Group Holdings Bhd	544,400	\$ 612,643	0.48
Misc Bhd	317,400	511,297	0.40
Sime Darby Plantation Bhd	387,200	380,392	0.29
		<u>\$ 1,504,332</u>	<u>1.17</u>
<i>Singapore</i>			
Aem Holdings Ltd	434,800	\$ 1,294,085	1.00
BOC Aviation Ltd	4,200	35,304	0.03
CDL Hospitality Trusts	630,900	576,019	0.45
DBS Group Holdings Ltd	36,600	780,940	0.61
Frencken Group Ltd	169,000	134,860	0.10
Mapletree Industrial Trust	296,000	553,271	0.43
SATS Ltd	52,800	148,037	0.11
Sea Ltd-ADR	1,089	72,811	0.06
SIA Engineering Co Ltd	129,800	227,687	0.18
Singapore Telecommunications Ltd	369,800	672,605	0.52
United Overseas Bank Ltd	40,000	754,853	0.59
UOL Group Ltd	108,000	571,445	0.44
		<u>\$ 5,821,917</u>	<u>4.52</u>
<i>South Korea</i>			
Daeduck Electronics Co Ltd	15,052	\$ 302,993	0.23
EcoPro BM Co Ltd	8,056	703,853	0.55
Hana Financial Group Inc	21,138	640,288	0.50
Hana Materials Inc	5,959	219,723	0.17
Hansol Chemical Co Ltd	98	15,389	0.01
Hyundai Motor Co	3,563	495,062	0.38
KB Financial Group Inc	13,238	490,665	0.38
Kia Corp	15,652	931,357	0.72

Investment portfolio as at 30 June 2022 (continued)

Principal Asia Pacific High Dividend Equity Fund

	<i>Holdings</i>	<i>Fair value USD/ USD equivalent</i>	<i>% of net assets</i>
<i>South Korea (continued)</i>			
KoMiCo Ltd	1,793	\$ 64,801	0.05
Naver Corp	946	174,771	0.14
NCSOFT Corp	193	51,924	0.04
Osstem Implant.Co Ltd	6,148	474,681	0.37
Posco Holdings Inc	572	101,492	0.08
PSK Inc	8,484	242,946	0.19
Samsung Biologics Co Ltd	431	262,102	0.20
Samsung Electronics Co Ltd	88,070	3,864,288	3.00
Samsung Electronics Co Ltd	5,529	221,318	0.17
Samsung SDI Co Ltd	1,016	416,075	0.32
SK Hynix Inc	6,911	484,115	0.38
SK Telecom Co Ltd	16,014	641,017	0.50
		<u>\$ 10,798,860</u>	<u>8.38</u>
<i>Taiwan</i>			
Chailease Holding Co Ltd	37,590	\$ 263,517	0.20
CTBC Financial Holding Co Ltd	416,100	351,157	0.27
E.SUN Financial Holding Co Ltd	225,000	219,387	0.17
Elite Material Co Ltd	2,000	12,003	0.01
Feng Tay Enterprises Co Ltd	18,000	106,213	0.08
Fubon Financial Holding Co Ltd	32,000	64,340	0.05
Lotes Co Ltd	17,000	381,817	0.30
MediaTek Inc	53,000	1,160,077	0.90
Nuvoton Technology Corp	185,000	845,942	0.66
Sinopac Financial Holdings Co Ltd	195,300	110,317	0.09
Taiwan Semiconductor Manufacturing Co Ltd	454,169	7,268,660	5.65
Unimicron Technology Corp	67,000	357,054	0.28
		<u>\$ 11,140,484</u>	<u>8.66</u>
<i>Thailand</i>			
Bangkok Bank PCL	192,100	\$ 726,497	0.56
Kasikornbank PCL	129,500	555,786	0.43
PTT Exploration and Production PCL	253,300	1,144,514	0.89
		<u>\$ 2,426,797</u>	<u>1.88</u>

Investment portfolio as at 30 June 2022 (continued)

Principal Asia Pacific High Dividend Equity Fund

	<i>Holdings</i>	<i>Fair value USD/ USD equivalent</i>	<i>% of net assets</i>
<i>The Philippines</i>			
BDO Unibank Inc	869,640	\$ 1,747,663	1.36
Wilcon Depot Inc	865,100	374,454	0.29
		<u>\$ 2,122,117</u>	<u>1.65</u>
Total equities		<u>\$ 122,507,764</u>	<u>94.99</u>
Total listed investments		\$ 122,507,764	94.99
Other net assets		<u>\$ 6,465,848</u>	<u>5.01</u>
Total net assets		<u>\$ 128,973,612</u>	<u>100.00</u>

Investment portfolio as at 30 June 2022 (continued)

Principal Sustainable Asian Income Fund

	<i>Holdings</i>	<i>Fair value</i> USD/ USD equivalent	<i>% of net</i> <i>assets</i>
Listed investments			
(cost: USD17,912,773)			
<i>Debt securities</i>			
<i>United States</i>			
AAC Technologies Holdings Inc 2.625% 2 Jun 2026	600,000	\$ 513,402	3.03
Abja Investment Co Pte Ltd 5.95% 31 Jul 2024	300,000	299,625	1.77
Adani Electricity Mumbai Ltd 3.949% 12 Feb 2030	300,000	244,164	1.44
Adani Green Energy (UP) Ltd 6.25% 10 Dec 2024	400,000	382,000	2.25
AIA Group Ltd 3.375% 7 Apr 2030	400,000	375,196	2.21
Alibaba Group Holding Ltd 2.125% 9 Feb 2031	300,000	248,718	1.47
Baidu Inc 4.875% 14 Nov 2028	400,000	404,109	2.38
Bank Mandiri (Persero) Tbk PT 4.75% 13 May 2025	300,000	303,627	1.79
Bank of China Ltd (Hong Kong Branch) 2% 24 Feb 2025	275,000	265,382	1.56
Bank Rakyat Indonesia (Persero) Tbk PT 3.95% 28 Mar 2024	275,000	274,560	1.62
BOC Aviation (USA) Corp 1.625% 29 Apr 2024	600,000	575,190	3.39
CDBL Funding 2 3.125% 2 Mar 2027	300,000	284,574	1.68
China Cinda (2020) I Management Ltd 3.25% 28 Jan 2027	400,000	372,564	2.20
China Hongqiao Group Ltd 7.125% 22 Jul 2022	350,000	347,427	2.05
China Oil and Gas Group Ltd 4.7% 30 Jun 2026	300,000	263,250	1.55
CK Hutchison International (20) Ltd 3.375% 8 May 2050	300,000	245,378	1.45
CLP Power Hong Kong Financing Ltd 2.5% 30 Jun 2035	300,000	242,481	1.43

Investment portfolio as at 30 June 2022 (continued)

Principal Sustainable Asian Income Fund

	<i>Holdings</i>	<i>Fair value USD/ USD equivalent</i>	<i>% of net assets</i>
<i>United States (Continue)</i>			
CMT MTN Pte Ltd 3.609% 4 Apr 2029	300,000	\$ 288,656	1.70
Country Garden Holdings Co Ltd 5.125% 14 Jan 2027	300,000	131,144	0.77
DBS Group Holdings Ltd 1.822% 10 Mar 2031	400,000	363,428	2.14
Emirate of Abu Dhabi 3% 15 Sep 2051	300,000	226,370	1.34
GC Treasury Center Co Ltd 5.2% 30 Mar 2052	300,000	260,946	1.54
GLP Pte Ltd 3.875% 4 Jun 2025	200,000	192,840	1.14
Greentown China Holdings Ltd 5.65% 13 Jul 2025	200,000	158,000	0.93
HDFC Bank Ltd 3.7% Perpetual	300,000	249,000	1.47
ICBCIL Finance Co Ltd 1.75% 25 Aug 2025	420,000	392,097	2.31
Indian Railway Finance Corp Ltd 2.8% 10 Feb 2031	300,000	243,143	1.43
Industrial and Commercial Bank of China Ltd 3.2% Perpetual	300,000	284,227	1.68
KasikornBank PCL (Hong Kong Branch) 3.343% 2 Oct 2031	300,000	269,490	1.59
KB Kookmin Card Co Ltd 4% 9 Jun 2025	300,000	297,129	1.75
Kookmin Bank 2.375% 15 Feb 2027	300,000	280,307	1.65
Lenovo Group Ltd 3.421% 2 Nov 2030	300,000	256,031	1.51
Longfor Group Holdings Ltd 4.5% 16 Jan 2028	400,000	318,057	1.88
Melco Resorts Finance Ltd 5.75% 21 Jul 2028	200,000	128,000	0.75
Muthoot Finance Ltd 6.125% 31 Oct 2022	300,000	299,010	1.76
Oversea-Chinese Banking Corporation Ltd 4.602% 15 Jun 2032	300,000	299,457	1.77
Perusahaan Gas Negara Tbk PT 5.125% 16 May 2024	400,000	401,253	2.37
Power Finance Corporation Ltd 3.75% 18 Jun 2024	300,000	296,425	1.75
RKPF Overseas 2019 A Ltd 6.7% 30 Sep 2024	200,000	109,206	0.64
Santos Finance Ltd 5.25% 13 Mar 2029	300,000	288,787	1.70
Shinhan Financial Group Co Ltd 1.35% 10 Jan 2026	300,000	275,904	1.63
Shriram Transport Finance Company Ltd 5.1% 16 Jul 2023	300,000	287,250	1.69
Sinopec Group Overseas Development (2018) Ltd 3.68% 8 Aug 2049	300,000	239,364	1.41

Investment portfolio as at 30 June 2022 (continued)

Principal Sustainable Asian Income Fund

	<i>Holdings</i>	<i>Fair value USD/ USD equivalent</i>	<i>% of net assets</i>
<i>United States (Continue)</i>			
Sk Battery America Inc 2.125% 26 Jan 2026	300,000	\$ 270,858	1.60
Star Energy Geothermal (Wayang Windu) Ltd 6.75% 24 Apr 2033	300,000	232,125	1.37
Star Energy Geothermal Darajat II Ltd 4.85% 14 Oct 2038	400,000	339,000	2.00
Tencent Holdings Ltd 2.39% 3 Jun 2030	300,000	251,739	1.48
Tencent Holdings Ltd 3.84% 22 Apr 2051	300,000	234,184	1.38
Tower Bersama Infrastructure Tbk PT 2.75% 20 Jan 2026	300,000	270,878	1.60
TSMC Arizona Corp 3.125% 25 Oct 2041	300,000	247,432	1.46
United Overseas Bank Ltd 1.25% 14 Apr 2026	300,000	275,624	1.63
United States Treasury 0.125% 30 Sep 2022	475,000	473,023	2.79
United States Treasury 1.375% 15 Nov 2031	265,000	230,509	1.36
United States Treasury 2.875% 15 May 2052	280,000	266,656	1.57
Yanlord Land HK Co Ltd 5.125% 20 May 2026	300,000	226,830	1.34
Yongda Investment Ltd 2.25% 16 Jun 2025	400,000	376,024	2.22
<i>Bonds (total)</i>		<u>\$ 16,172,050</u>	<u>95.37</u>
<i>Forward Contracts</i>		<u>(8,041)</u>	<u>(0.05)</u>
		<u>\$ (8,041)</u>	<u>(0.05)</u>
Total investments		\$ 16,164,009	95.32
Other net assets		793,347	4.68
Total net assets		<u>\$ 16,957,356</u>	<u>100.00</u>

Investment portfolio as at 30 June 2022 (continued)

Principal Sustainable Asian Allocation Fund

	<i>Holdings</i>	<i>Fair value</i> USD/ USD equivalent	<i>% of net</i> <i>assets</i>
Listed investments (cost: USD27,574,130)			
<i>Equities</i>			
<i>Australia</i>			
ALS Ltd	21,995	\$ 161,534	0.63
Aristocrat Leisure Ltd	9,380	221,756	0.87
CSL Ltd	1,696	313,792	1.23
James Hardie Industries PLC	3,734	81,575	0.32
Macquarie Group Ltd	2,898	327,837	1.28
OZ Minerals Ltd	12,563	153,428	0.60
Ramsay Health Care Ltd	3,279	165,142	0.65
Santos Ltd	83,352	425,292	1.66
Seven Group Holdings Ltd	10,376	118,513	0.46
		<u>\$ 1,968,869</u>	<u>7.70</u>
<i>Hong Kong</i>			
AIA Group Ltd	46,400	\$ 502,911	1.97
Alibaba Group Holding Ltd	30,600	436,366	1.71
China Longyuan Power Group Corp Ltd	57,000	110,122	0.43
China Mengniu Dairy Co Ltd	35,000	174,622	0.68
Galaxy Entertainment Group Ltd	39,000	232,600	0.91
Hong Kong Exchanges and Clearing Ltd	8,100	398,448	1.56
Kingboard Laminates Holdings Ltd	113,000	139,397	0.55
Meituan	12,600	311,831	1.22
Shenzhou International Group Holdings Ltd	14,700	178,061	0.70
Techtronic Industries Co Ltd	26,500	276,416	1.08
Tencent Holdings Ltd	12,900	582,616	2.28
WuXi AppTec Co Ltd	22,000	292,980	1.15
Yum China Holdings Inc	5,000	243,916	0.95
		<u>\$ 3,880,286</u>	<u>15.19</u>

Investment portfolio as at 30 June 2022 (continued)

Principal Sustainable Asian Allocation Fund

	<i>Holdings</i>	<i>Fair value</i> USD/ USD equivalent	<i>% of net</i> <i>assets</i>
<i>Indonesia</i>			
Bank Central Asia Tbk PT	642,700	\$ 312,797	1.22
Bank Negara Indonesia (Persero) Tbk PT	107,400	56,597	0.22
Telkom Indonesia (Persero) Tbk PT	953,100	255,926	1.00
		<u>\$ 625,320</u>	<u>2.44</u>
<i>Malaysia</i>			
CIMB Group Holdings Bhd	151,700	\$ 170,716	0.67
IHH Healthcare Bhd	128,800	188,488	0.74
		<u>\$ 359,204</u>	<u>1.41</u>
<i>Singapore</i>			
Capitaland Investment Ltd	155,900	\$ 427,921	1.67
DBS Group Holdings Ltd	10,000	213,264	0.83
Singapore Technologies Engineering Ltd	123,600	362,354	1.42
Singapore Telecommunications Ltd	238,200	433,029	1.69
		<u>\$ 1,436,568</u>	<u>5.61</u>
<i>South Korea</i>			
LG Chem Ltd	267	\$ 106,109	0.42
		<u>\$ 106,109</u>	<u>0.42</u>
<i>Taiwan</i>			
E Ink Holdings Inc	20,000	\$ 126,793	0.50
MediaTek Inc	5,000	109,472	0.43
Taiwan Semiconductor Manufacturing Co Ltd	44,000	704,389	2.75
		<u>\$ 940,654</u>	<u>3.68</u>

Investment portfolio as at 30 June 2022 (continued)

Principal Sustainable Asian Allocation Fund

	<i>Holdings</i>	<i>Fair value USD/ USD equivalent</i>	<i>% of net assets</i>
<i>Thailand</i>			
Airports of Thailand PCL	31,200	\$ 62,657	0.25
Bangkok Dusit Medical Services PCL	338,300	239,220	0.94
		<u>\$ 301,877</u>	<u>1.19</u>
<i>United States</i>			
ICICI Bank Ltd	6,820	\$ 120,987	0.47
Linde PLC	609	175,106	0.68
Posco Holdings Inc	1,263	56,229	0.22
Reliance Industries Ltd	7,736	503,227	1.96
Samsung Electronics Co Ltd	370	403,670	1.58
		<u>\$ 1,259,219</u>	<u>4.91</u>
Total equities		<u>\$ 10,878,106</u>	<u>42.55</u>
Debt securities			
United States			
AAC Technologies Holdings Inc 2.625% 2 Jun 2026	400,000	\$ 342,268	1.34
Abja Investment Co Pte Ltd 5.95% 31 Jul 2024	200,000	199,750	0.78
Adani Electricity Mumbai Ltd 3.949% 12 Feb 2030	200,000	162,776	0.64
Adani Green Energy (UP) Ltd 6.25% 10 Dec 2024	250,000	238,750	0.93
AIA Group Ltd 3.375% 7 Apr 2030	275,000	257,947	1.01
Alibaba Group Holding Ltd 2.125% 9 Feb 2031	200,000	165,812	0.65
Baidu Inc 4.875% 14 Nov 2028	275,000	277,825	1.09
Bank Mandiri (Persero) Tbk PT 4.75% 13 May 2025	200,000	202,418	0.79
Bank of China Ltd (Hong Kong Branch) 2% 24 Feb 2025	225,000	217,130	0.85
Bank Rakyat Indonesia (Persero) Tbk PT 3.95% 28 Mar 2024	225,000	224,640	0.88

Investment portfolio as at 30 June 2022 (continued)

Principal Sustainable Asian Allocation Fund

	<i>Holdings</i>	<i>Fair value</i> USD/ USD equivalent	<i>% of net</i> <i>assets</i>
<i>United States (Continued)</i>			
BOC Aviation (USA) Corp 1.625% 29 Apr 2024	450,000	\$ 431,392	1.69
CDBL Funding 2 3.125% 2 Mar 2027	200,000	189,716	0.74
China Cinda (2020) I Management Ltd 3.25% 28 Jan 2027	275,000	256,138	1.00
China Hongqiao Group Ltd 7.125% 22 Jul 2022	250,000	248,162	0.97
China Oil and Gas Group Ltd 4.7% 30 Jun 2026	275,000	241,313	0.94
CK Hutchison International (20) Ltd 3.375% 8 May 2050	200,000	163,585	0.64
CLP Power Hong Kong Financing Ltd 2.5% 30 Jun 2035	200,000	161,654	0.63
CMT MTN Pte Ltd 3.609% 4 Apr 2029	200,000	192,437	0.75
Country Garden Holdings Co Ltd 5.125% 14 Jan 2027	200,000	87,429	0.34
DBS Group Holdings Ltd 1.822% 10 Mar 2031	275,000	249,857	0.98
Emirate of Abu Dhabi 3% 15 Sep 2051	200,000	150,913	0.59
GC Treasury Center Co Ltd 5.2% 30 Mar 2052	200,000	173,964	0.68
GLP Pte Ltd 3.875% 4 Jun 2025	200,000	192,840	0.75
Greentown China Holdings Ltd 5.65% 13 Jul 2025	200,000	158,000	0.62
HDFC Bank Ltd 3.7% Perpetual	200,000	166,000	0.65
ICBCIL Finance Co Ltd 1.75% 25 Aug 2025	475,000	443,443	1.73
Indian Railway Finance Corp Ltd 2.8% 10 Feb 2031	200,000	162,095	0.63
Industrial and Commercial Bank of China Ltd 3.2% Perpetual	200,000	189,485	0.74
KasikornBank PCL (Hong Kong Branch) 3.343% 2 Oct 2031	200,000	179,660	0.70
KB Kookmin Card Co Ltd 4% 9 Jun 2025	200,000	198,086	0.77
Kookmin Bank 2.375% 15 Feb 2027	200,000	186,871	0.73
Lenovo Group Ltd 3.421% 2 Nov 2030	200,000	170,688	0.67
Link Finance (Cayman) 2009 Ltd 2.875% 21 Jul 2026	275,000	264,412	1.03
Longfor Group Holdings Ltd 4.5% 16 Jan 2028	275,000	218,664	0.85

Investment portfolio as at 30 June 2022 (continued)

Principal Sustainable Asian Allocation Fund

	<i>Holdings</i>	<i>Fair value USD/ USD equivalent</i>	<i>% of net assets</i>
<i>United States (Continued)</i>			
Melco Resorts Finance Ltd 5.75% 21 Jul 2028	200,000	\$ 128,000	0.50
Muthoot Finance Ltd 6.125% 31 Oct 2022	200,000	199,340	0.78
Oversea-Chinese Banking Corporation Ltd 4.602% 15 Jun 2032	200,000	199,638	0.78
Perusahaan Gas Negara Tbk PT 5.125% 16 May 2024	275,000	275,862	1.08
Power Finance Corporation Ltd 3.75% 18 Jun 2024	200,000	197,617	0.77
RKPF Overseas 2019 A Ltd 6.7% 30 Sep 2024	200,000	109,206	0.43
Santos Finance Ltd 5.25% 13 Mar 2029	200,000	192,525	0.75
Shanghai Port Group (BVI) Development Co Ltd 2.85% 11 Sep 2029	275,000	250,393	0.98
Shinhan Financial Group Co Ltd 1.35% 10 Jan 2026	200,000	183,936	0.72
Shriram Transport Finance Company Ltd 5.1% 16 Jul 2023	200,000	191,500	0.75
Sinopec Group Overseas Development (2018) Ltd 3.68% 8 Aug 2049	200,000	159,576	0.62
Sk Battery America Inc 2.125% 26 Jan 2026	200,000	180,572	0.71
Star Energy Geothermal (Wayang Windu) Ltd 6.75% 24 Apr 2033	250,000	193,437	0.76
Star Energy Geothermal Darajat II Ltd 4.85% 14 Oct 2038	275,000	233,063	0.91
Tencent Holdings Ltd 2.39% 3 Jun 2030	200,000	167,826	0.66
Tencent Holdings Ltd 3.84% 22 Apr 2051	200,000	156,123	0.61
Tower Bersama Infrastructure Tbk PT 2.75% 20 Jan 2026	200,000	180,585	0.71
TSMC Arizona Corp 3.125% 25 Oct 2041	200,000	164,955	0.64
United Overseas Bank Ltd 1.25% 14 Apr 2026	200,000	183,749	0.72
United States Treasury 1.375% 15 Nov 2031	50,000	43,492	0.17
United States Treasury 2.875% 15 May 2052	190,000	180,945	0.71
Yanlord Land HK Co Ltd 5.125% 20 May 2026	200,000	151,220	0.59
Yongda Investment Ltd 2.25% 16 Jun 2025	200,000	188,012	0.74
		<u>\$ 11,477,692</u>	<u>44.87</u>

Investment portfolio as at 30 June 2022 (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>United States</i>			
HSBC Asia Ex Japan Sustainable Equity UCITS ETF	11,190	162,031	0.63
Invesco QQQ Trust	789	221,141	0.86
iShares MSCI Taiwan ETF	8,959	451,713	1.77
KraneShares MSCI China ESG Leaders UCITS ETF USD	9,282	264,723	1.04
SPDR S&P 500 ESG ETF	13,500	489,105	1.91
		<u>\$ 1,588,713</u>	<u>6.21</u>
<i>REITs</i>			
<i>Singapore</i>			
CapitaLand Integrated Commercial Trust	121,700	189,760	0.74
		<u>\$ 189,760</u>	<u>0.74</u>
<i>Forward Contract</i>			
Foreign exchange forward contracts		(8,336)	(0.03)
		<u>\$ (8,336)</u>	<u>(0.03)</u>
Total listed investments		<u>\$ 24,125,935</u>	<u>94.34</u>
Other net assets		1,447,581	5.66
Total net assets		<u>\$ 25,573,516</u>	<u>100.00</u>

Details in respect of financial derivative instruments

As at 30 June 2022

The financial derivative instruments held by the fund as at 30 June 2022 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 289,391	USD 45,197	14/07/2022	ANZ BANKING GROUP LTD	(2,040)
CNH 289,391	USD 45,191	14/07/2022	ROYAL BANK OF CANADA	(2,035)
CNH 287,121	USD 44,842	14/07/2022	ANZ BANKING GROUP LTD	(2,024)
CNH 287,121	USD 44,837	14/07/2022	ROYAL BANK OF CANADA	(2,019)
USD 2,126	CNH 13,593	14/07/2022	ANZ BANKING GROUP LTD	99
USD 2,003	CNH 12,808	14/07/2022	ANZ BANKING GROUP LTD	93
CNH 13,968	USD 2,167	14/07/2022	ANZ BANKING GROUP LTD	(84)
CNH 13,231	USD 1,996	14/07/2022	ROYAL BANK OF CANADA	(23)
CNH 12,869	USD 1,930	14/07/2022	ANZ BANKING GROUP LTD	(11)
CNH 16,049	USD 2,407	14/07/2022	ANZ BANKING GROUP LTD	(13)
USD 1,845	CNH 12,495	14/07/2022	ANZ BANKING GROUP LTD	(18)
CNH 12,922	USD 1,895	14/07/2022	ANZ BANKING GROUP LTD	32
USD 2,263	CNH 15,125	14/07/2022	ANZ BANKING GROUP LTD	8
USD 2,172	CNH 14,609	14/07/2022	ANZ BANKING GROUP LTD	(6)

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 301,692	USD 47,118	14/07/2022	ANZ BANKING GROUP LTD	(2,127)
CNH 301,692	USD 47,112	14/07/2022	ROYAL BANK OF CANADA	(2,121)
CNH 296,882	USD 46,367	14/07/2022	ANZ BANKING GROUP LTD	(2,093)
CNH 296,882	USD 46,361	14/07/2022	ROYAL BANK OF CANADA	(2,087)
USD 2,355	CNH 15,101	14/07/2022	ANZ BANKING GROUP LTD	103
USD 2,201	CNH 14,074	14/07/2022	ANZ BANKING GROUP LTD	103
CNH 13,142	USD 2,039	14/07/2022	ANZ BANKING GROUP LTD	(79)
CNH 14,047	USD 2,106	14/07/2022	ANZ BANKING GROUP LTD	(12)
USD 1,983	CNH 13,236	14/07/2022	ANZ BANKING GROUP LTD	9
CNH 15,022	USD 2,242	14/07/2022	ANZ BANKING GROUP LTD	(1)
USD 2,080	CNH 14,066	14/07/2022	ROYAL BANK OF CANADA	(18)
USD 2,089	CNH 14,045	14/07/2022	ANZ BANKING GROUP LTD	(5)
USD 2,338	CNH 15,736	14/07/2022	ANZ BANKING GROUP LTD	(8)

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 period from 15 December 2021 to 30 June 2022.

	<i>2022 % of Net asset value</i>
Lowest gross exposure	0.01%
Highest gross exposure	0.25%
Average gross exposure	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 period from 15 December 2021 to 30 June 2022.

	<i>2022 % of Net asset value</i>
Lowest net exposure	0%
Highest net exposure	0%
Average net exposure	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 period from 11 January 2022 to 30 June 2022.

	<i>2022 % of Net asset value</i>
Lowest gross exposure	0.01%
Highest gross exposure	0.17%
Average gross exposure	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 period from 11 January 2022 to 30 June 2022.

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

Statement of movements in portfolio holdings for the year/period ended 30 June 2022

	% of net assets			
	Principal Asia Pacific High Dividend Equity Fund 2022	2021	Principal Sustainable Asian Income Fund 2022	Principal Sustainable Asian Allocation Fund 2022
Listed investments				
Equities				
Australia	13.50	11.99	-	7.70
China	31.12	31.34	-	-
Hong Kong	10.47	8.40	-	15.19
India	10.15	12.64	-	-
Indonesia	3.49	0.96	-	2.44
Malaysia	1.17	0.84	-	1.41
New Zealand	-	0.67	-	-
Singapore	4.52	4.49	-	5.61
South Korea	8.38	14.58	-	0.42
Taiwan	8.66	10.89	-	3.68
Thailand	1.88	0.34	-	1.19
The Philippines	1.65	1.39	-	-
United States	-	-	-	4.91
Total equities	94.99	98.53		42.55
Investment funds	-	-	-	6.21
REITs	-	-	-	0.74
Debt securities	-	-	95.37	44.87
Forward contracts	-	-	(0.05)	(0.03)
Total investments	94.99	98.53	95.29	94.34
Other net assets	5.01	1.47	4.68	5.66
Total net assets	100.00	100.00	100.00	100.00

Performance table for the year/period ended 30 June 2022

Principal Asia Pacific High Dividend Equity Fund

(a) Total Net asset value:

	2022 USD	2021 USD	2020 USD
Total Net asset value			
- Income Class Units	\$ 17,525,352	\$ 25,060,766	\$ 20,837,636
- Accumulation Class Units - Institutional	111,448,260	141,830,617	119,988,086

(b) Net asset value per unit:

	<i>Domination Currency</i>	2022	2021	2020
Net asset value per unit				
- Income Class Units	USD	\$ 30.36	\$ 41.79	\$ 30.98
- Accumulation Class Units - Institutional	USD	13.85	18.71	13.62

(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

Performance table for the year/period ended 30 June 2022 (continued)

Principal Sustainable Asian Income Fund

(a) **Total Net asset value:**

	2022 USD
Total Net asset value	
- Income Plus (monthly) Class Unit-Retirement (HKD)	\$ 84,385
- Accumulation Class Units- Institutional (USD)	15,436,419
- Income (monthly) Class Units - Institutional (USD)	845,555
- Accumulation Class Units- Retail (HKD)	84,654
- Accumulation Class Units - Retail (RMB hedged)	84,654
- Accumulation Class Units - Retail (USD)	84,654
- Income (monthly) Class Units - Retail (HKD)	84,393
- Income Plus (monthly) Class Units - Retail (HKD)	84,272
- Income Plus (monthly) Class Units - Retail (RMB hedged)	84,096
- Income Plus (monthly) Class Units - Retail (USD)	84,274

(b) **Net asset value per unit:**

	<i>Domination Currency</i>	2022
Net asset value per unit		
- Income Plus (monthly) Class Unit-Retirement (HKD)	HK\$	8.29
- Accumulation Class Units- Institutional (USD)	US\$	8.48
- Income (monthly) Class Units - Institutional (USD)	US\$	8.32
- Accumulation Class Units- Retail (HKD)	HK\$	8.51
- Accumulation Class Units - Retail (RMB hedged)	CNH	8.89
- Accumulation Class Units - Retail (USD)	US\$	8.46
- Income (monthly) Class Units - Retail (HKD)	HK\$	8.35
- Income Plus (monthly) Class Units - Retail (HKD)	HK\$	8.28
- Income Plus (monthly) Class Units - Retail (RMB hedged)	CNH	8.54
- Income Plus (monthly) Class Units - Retail (USD)	US\$	8.23

(c) **Performance record:**

<i>For the period ended</i>	<i>Income Plus (monthly) Class Unit-Retirement (HKD)</i>	
	<i>Highest issue price</i>	<i>Lowest bid price</i>
	HK\$	HK\$
30 June 2022	9.99	8.34

Performance table for the year/period ended 30 June 2022 (continued)

Principal Sustainable Asian Income Fund (continued)

<i>For the period ended</i>	<i>Accumulation Class Units - Institutional (USD)</i>	
	<i>Highest issue price</i>	<i>Lowest bid price</i>
	<i>US\$</i>	<i>US\$</i>
30 June 2022	9.96	8.48

<i>For the period ended</i>	<i>Income (monthly) Class Units - Institutional (USD)</i>	
	<i>Highest issue price</i>	<i>Lowest bid price</i>
	<i>US\$</i>	<i>US\$</i>
30 June 2022	9.96	8.35

<i>For the period ended</i>	<i>Accumulation 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	8.52

<i>For the period 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

<i>For the period 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

Performance table for the year/period ended 30 June 2022 (continued)

Principal Sustainable Asian Income Fund (continued)

	<i>Income (monthly) Class Units - Retail (HKD)</i>	
<i>For the period ended</i>	<i>Highest issue price HK\$</i>	<i>Lowest bid price HK\$</i>
30 June 2022	9.99	8.38
	<i>Income Plus (monthly) Class Units - Retail (HKD)</i>	
<i>For the period ended</i>	<i>Highest issue price HK\$</i>	<i>Lowest bid price HK\$</i>
30 June 2022	9.99	8.33
	<i>Income Plus (monthly) Class Units - Retail (RMB hedged)</i>	
<i>For the period ended</i>	<i>Highest issue price CNH</i>	<i>Lowest bid price CNH</i>
30 June 2022	9.97	8.61
	<i>Income Plus (monthly) Class Units - Retail (USD)</i>	
<i>For the period ended</i>	<i>Highest issue price US\$</i>	<i>Lowest bid price US\$</i>
30 June 2022	9.96	8.28

Performance table for the year/period ended 30 June 2022 (continued)

Principal Sustainable Asian Allocation Fund

(a) Total Net asset value:

	2022 USD
Total Net asset value	
- Income Plus (monthly) Class Unit-Retirement (HKD)	\$ 84,869
- Accumulation Class Units- Institutional (USD)	24,894,929
- Accumulation Class Units- Retail (HKD)	85,016
- Accumulation Class Units - Retail (RMB hedged)	85,016
- Accumulation Class Units - Retail (USD)	85,016
- Income (monthly) Class Units - Retail (HKD)	84,706
- Income Plus (monthly) Class Units - Retail (HKD)	84,709
- Income Plus (monthly) Class Units - Retail (RMB hedged)	84,543
- Income Plus (monthly) Class Units - Retail (USD)	84,712

(b) Net asset value per unit:

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

Performance table for the year/period ended 30 June 2022 (continued)

Principal Sustainable Asian Allocation 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 period ended</i>		
30 June 2022	10.04	8.45
	<i>Accumulation Class Units- Institutional (USD)</i>	
	<i>Highest issue price US\$</i>	<i>Lowest bid price US\$</i>
<i>For the period ended</i>		
30 June 2022	10.05	8.53
	<i>Accumulation Class Units- Retail (HKD)</i>	
	<i>Highest issue price HK\$</i>	<i>Lowest bid price HK\$</i>
<i>For the period ended</i>		
30 June 2022	10.04	8.56
	<i>Accumulation Class Units - Retail (RMB hedged)</i>	
	<i>Highest issue price CNH</i>	<i>Lowest bid price CNH</i>
<i>For the period ended</i>		
30 June 2022	10.01	8.91
	<i>Accumulation Class Units - Retail (USD)</i>	
	<i>Highest issue price US\$</i>	<i>Lowest bid price US\$</i>
<i>For the period ended</i>		
30 June 2022	10.05	8.50

Performance table for the year/period ended 30 June 2022 (continued)

Principal Sustainable Asian Allocation Fund (continued)

<i>For the period ended</i>	<i>Income Plus (monthly) Class Units - Retail (RMB hedged)</i>	
	<i>Highest issue price CNH</i>	<i>Lowest bid price CNH</i>
30 June 2022	10.01	8.73

<i>For the period 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	10.05	8.38

<i>For the period ended</i>	<i>Income (monthly) Class Units - Retail (HKD)</i>	
	<i>Highest issue price HK\$</i>	<i>Lowest bid price HK\$</i>
30 June 2022	10.04	8.48

<i>For the period ended</i>	<i>Income Plus (monthly) Class Units - Retail (HKD)</i>	
	<i>Highest issue price HK\$</i>	<i>Lowest bid price HK\$</i>
30 June 2022	10.04	8.44

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

The primary investment objective of Principal Asia Pacific High Dividend Equity Fund is to achieve high current income through investing in a diversified portfolio of listed securities in the Asia Pacific region, including but not limited to the following countries and regions: Australia, China, Hong Kong, India, Indonesia, Malaysia, New Zealand, Singapore, South Korea, Taiwan, Thailand and The Philippines. The Manager does not currently intend to invest in Japan but may do so in the future if suitable investment opportunities arise. The Manager will focus on companies which demonstrate strong corporate fundamentals and offer the potential for superior dividend yields. The Principal Asia Pacific High Dividend Equity Fund will also seek to achieve capital appreciation with relatively moderate to high volatility commensurate with investing in equities.

The Principal Asia Pacific High Dividend Equity Fund may also on an ancillary basis from time to time hold cash, deposits and instruments with floating or fixed rates such as certificates of deposits, bankers' acceptances and commercial paper.

The Principal Asia Pacific High Dividend Equity Fund may enter into any financial futures contracts, financial option contracts and currency forward contracts for hedging purposes. The Principal Asia Pacific High Dividend Equity Fund's net derivative exposure may be up to 50% of its 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 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.

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 leaders as well as ESG-focused ETF/CIS. The aggregate investment of the Sub-Fund's investment in ETF and CIS (including ESG-focused ETF/CIS) will be less than 30% of the Sub-Fund's Net Asset Value.

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) 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 exchange traded funds ("ETF") and collective investment schemes ("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-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 leaders as well as ESG-focused ETF/CIS. 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 ETF and CIS (including ESG-focused ETF/CIS) will be less than 30% of the Sub-Fund's Net Asset Value.