



## Principal Prosperity Series

30 June 2024

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# Administration

## **Manager**

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

## **Delegate of the Manager**

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

## **Sub-Delegate of the Manager**

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

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

## **Sub-Delegate of the Manager**

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

## Administration (continued)

### **Trustee and Registrar**

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

### **Directors of Principal Asset Management Company (Asia) Limited**

CHIU, Siu Po Steve  
ZHONG, Rongsa  
VOHRA, Rohit  
WEST, Kenneth Kirk (Resigned on 21 June 2024)

### **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 Sustainable Asia Equity Income Fund (Formerly known as 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 2024.

#### **Principal Sustainable Asia Equity Income Fund (Formerly known as Principal Asia Pacific High Dividend Equity Fund)**

##### **Market Review**

Although prospects for interest rate cuts were an important driver of the market rally in the first half of 2024, the set-up for equities remains positive even after most of those rate cuts have been priced out. Looking ahead, the rationale for the delay in Fed rate cuts is critical to the equity outlook. Solid economic growth is also supporting a broadening out of risk appetite and earnings growth, adding an additional positive dimension to equity markets. Last year, the equity market's stellar performance was primarily driven by the Magnificent Seven. Today, there is a growing opportunity set, including non-tech sectors of the U.S., as well as in international markets. Outside the U.S., central bank policies have begun to diverge, highlighting potential global diversification opportunities. The People's Bank of China has made it clear that more liberal credit conditions are here to stay as they look to rejuvenate China's economy. Following on the footsteps of improved corporate governance and capital allocation in Japan, Korea has embarked on their own measures to improve corporate performance. Investor skepticism remains given the lack of details and voluntary nature, but the re-rating potential over the coming years should provide a favorable stock picking environment.

##### **Strategy and Outlook**

Artificial Intelligence is here to stay, but earnings growth will remain the key over the long run. Asia remains at the epicenter of this structural change and should experience meaningful growth for several years to come. The long-term structural change remains relevant, but key will be picking the winners from the losers. Following a period of valuation improvement, earnings remain a key catalyst to further upside. Bottom-up stock selection will be key amidst uneven global economy recoveries, fluid central bank policies, and unexpected political election results.

## Manager's report Principal Prosperity Series (continued)

### **Principal Sustainable Asian Income Fund**

#### **Market Review**

In June, the US continued to show gradual economic cooling. With updated Fed dot plot projections, one 25-bps rate cut may be realized by the end of the year. Meanwhile, the stock market continues to test new highs, advancing 3.58% in June. IG spreads widened by 9bps and HY spreads remained largely flat. China saw modest growth in June with a slightly positive CPI YoY print and upside surprises for retail sales and PMI. Despite this, a breakthrough in its recovery is yet to be realized. Externally, China saw some negative news in tariffs imposed by the EU on electric vehicles, hot on the heels of US tariff increases enacted a few weeks prior. In all, the Hang Seng Index fell 1.08% during the month, with high yield spreads widening 37bps and investment grade spreads remaining largely flat.

#### **Strategy and Outlook**

The gradual road to disinflation continues to be a key theme in the US, where progress is seen towards the Fed's 2% inflation target albeit at a slow pace given that it is currently hovering around the 3.3% level. Markets, however, have been keen to price in rate cuts later in the year amid decreased recession expectations. It will be crucial to watch economic data to continue trending downwards lest inflation concerns resurface. If data shifts, a shift in expectations may follow which will become a source of volatility in the market. China has seen some recent repricing from the market given supportive policies, but a strong turnaround has yet to be seen given lackluster sentiment. In addition, exogenous risks such as recent tariffs on some sectors may cause some additional pressure on markets. Despite these, we see China benefit from recent market movements, such as the continued support of higher quality names by onshore participants and the positive BBB move in tandem with global credit markets.

We will continue to leverage credit selection, sector rotation, and duration positioning in the current market context. Some of the key things we watch for include favorable valuations and improving liquidity in assessing opportunities.

## Manager's report Principal Prosperity Series (continued)

### Principal Sustainable Asian Allocation Fund

#### Market Review

16 out of 29 major economies under our coverage printing higher inflation. The cooler than expected US CPI report supported the disinflation narrative. In June, policy divergence across major central banks globally took place in which ex US central banks such as ECB, BOC and SNB cut their benchmark rates while US Fed kept the policy rates unchanged and reiterated more confidence is needed prior to rate cuts. Global equity markets extended the rally in June 24 primarily on the back of gains across large cap technology companies on the AI enthusiasm. Market breadth further narrowed with growth outperforming value. Political election was the key theme driving market performance in June where election results in South Africa, Mexico, India and EU surprised the markets. Emerging markets ended the month positively supported by major semiconductor manufacturers in Taiwan and South Korea despite the selloff in China and Latin America.

#### Strategy and Outlook

Global economic data released recently suggested further signs of slowdown in global economy. While US economy remains relatively resilient, we expect economic outlook in Europe remains challenged. India's economic growth thesis remains intact despite reduced majority for the incumbent government in the recent election. We believe India's long term structural case on strong demographics, infrastructure spending and recalibration of global supply chains remain intact. China continued to see tepid economic growth data and we expect the Chinese government will continue to introduce more supportive policies to fix the economic problems. We believe the lagged impact of monetary tightening will eventually pose headwinds to corporate earnings and economic activities. We will be nimble in overall equities positioning upon unfolding inflation, growth and policy dynamics.



Principal Asset Management Company (Asia) Limited

28 October 2024

# 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 Sustainable Asia Equity Income Fund (Formerly known as 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 10 to 75 which comprise the statement of financial position as at 30 June 2024, 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 then ended and notes to the financial statements, comprising material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Funds as at 30 June 2024 and of its financial performance and its cash flows for the year 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 HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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



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

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

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

A handwritten signature in black ink, appearing to be 'J. Man' or similar, written over a faint, illegible printed name.

Certified Public Accountants

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

28 October 2024

# Statement of comprehensive income for the year ended 30 June 2024 (Expressed in United States dollars)

	Notes	Principal Sustainable Asia Equity Income Fund		Principal Sustainable Asian Income Fund		Principal Sustainable Asian Allocation Fund	
		2024	2023	2024	2023	2024	2023
<b>Income</b>							
Dividend income		\$ 3,201,547	\$ 3,592,490	\$ -	\$ -	\$ 340,985	\$ 258,906
Interest income from cash and cash equivalents		64,856	12,258	13,939	4,030	21,091	4,375
Interest income from financial assets at fair value through profit or loss		-	-	722,005	640,353	487,141	464,047
Other income		3,580	167,163	11	460	64	390
		<u>\$ 3,269,983</u>	<u>\$ 3,771,911</u>	<u>\$ 735,955</u>	<u>\$ 644,843</u>	<u>\$ 849,281</u>	<u>\$ 727,718</u>
<b>Expenses</b>							
Auditor's remuneration		\$ (46,327)	\$ (25,900)	\$ (11,787)	\$ (11,761)	\$ (17,680)	\$ (17,641)
Bank charges and safe custody fees		(166,079)	(101,477)	(10,475)	(12,160)	(11,132)	(12,846)
Legal and professional fees		(48,997)	(57,479)	(1,576)	(6,651)	(4,860)	(11,435)
Manager's fee	6(a)	(1,427,378)	(1,463,537)	(97,975)	(95,337)	(169,358)	(167,608)
Miscellaneous expenses	6(b)	(40,892)	(39,955)	(10,696)	(8,444)	(25,656)	(24,627)
Net foreign exchange gain/(loss)		(186,937)	(222,661)	636	(2,707)	(31,358)	(14,335)
Transaction costs	4	(301,496)	(626,177)	-	-	(70,712)	(49,000)
Trustee's fee	6(b)	(114,746)	(116,864)	(52,191)	(50,813)	(76,435)	(75,692)
Valuation fee and registrar fee	6(b)	(12,450)	(12,550)	(23,999)	(23,999)	(23,999)	(23,999)
		<u>\$ (2,345,302)</u>	<u>\$ (2,666,600)</u>	<u>\$ (208,063)</u>	<u>\$ (211,872)</u>	<u>\$ (431,190)</u>	<u>\$ (397,183)</u>
<b>Income before gain on investments</b>		<u>\$ 924,681</u>	<u>\$ 1,105,311</u>	<u>\$ 527,892</u>	<u>\$ 432,971</u>	<u>\$ 418,091</u>	<u>\$ 330,535</u>
<b>Gain/(loss) on investments</b>							
Net realised gain/(loss) on sale of investments		\$ 648,388	\$ (6,982,975)	\$ (335,037)	\$ (1,405,409)	\$ (1,337,677)	\$ (3,017,117)
Net change in unrealised gain on investments		16,045,214	5,448,469	509,788	1,133,144	2,920,645	2,420,352
		<u>\$ 16,693,602</u>	<u>\$ (1,534,506)</u>	<u>\$ 174,751</u>	<u>\$ (272,265)</u>	<u>\$ 1,582,968</u>	<u>\$ (596,765)</u>

The notes on pages 20 to 75 form part of these financial statements.

# Statement of comprehensive income for the year ended 30 June 2024 (continued) (Expressed in United States dollars)

	Notes	Principal Sustainable Asia Equity Income Fund		Principal Sustainable Asian Income Fund		Principal Sustainable Asian Allocation Fund	
		2024	2023	2024	2023	2024	2023
<b>Profit/(loss) for the year before taxation</b>		\$ 17,618,283	\$ (429,195)	\$ 702,643	\$ 160,706	\$ 2,001,059	\$ (266,230)
Taxation	7	<u>(1,019,855)</u>	<u>(360,753)</u>	<u>-</u>	<u>-</u>	<u>(28,318)</u>	<u>(19,007)</u>
<b>Profit/(loss) for the year</b>		\$ 16,598,428	\$ (789,948)	\$ 702,643	\$ 160,706	\$ 1,972,741	\$ (285,237)
Distributions to unitholders	8	<u>(342,283)</u>	<u>(640,069)</u>	<u>(62,883)</u>	<u>(58,020)</u>	<u>(19,770)</u>	<u>(21,302)</u>
<b>Profit/(loss) and total comprehensive income for the year</b>		<u>\$ 16,256,145</u>	<u>\$ (1,430,017)</u>	<u>\$ 639,760</u>	<u>\$ 102,686</u>	<u>\$ 1,952,971</u>	<u>\$ (306,539)</u>

The notes on pages 20 to 75 form part of these financial statements.

# Statement of financial position as at 30 June 2024 (Expressed in United States dollars unless otherwise indicated)

	Notes	Principal Sustainable Asia Equity Income Fund		Principal Sustainable Asian Income Fund		Principal Sustainable Asian Allocation Fund	
		2024	2023	2024	2023	2024	2023
<b>Assets</b>							
Investments measured at fair value through profit or loss	16(e)	\$ 127,543,133	\$ 118,450,267	\$ 17,489,820	\$ 16,297,314	\$ 26,484,977	\$ 24,574,055
Dividend and other receivables		486,685	675,711	-	-	36,915	37,916
Interest receivables		-	-	182,232	173,421	121,159	118,173
Amounts receivable from brokers		25,919	644,003	-	-	354,923	1,798
Amounts receivable on subscription of units		35,144	13,367	-	-	-	-
Cash and cash equivalents	5	6,166,173	5,185,665	956,228	1,205,033	821,255	889,449
<b>Total assets</b>		<b>\$ 134,257,054</b>	<b>\$ 124,969,013</b>	<b>\$ 18,628,280</b>	<b>\$ 17,675,768</b>	<b>\$ 27,819,229</b>	<b>\$ 25,621,391</b>
<b>Liabilities</b>							
Investments measured at fair value through profit or loss	16(d), 16(e)	\$ -	\$ -	\$ 1,820	\$ 8,315	\$ 1,800	\$ 8,260
Amounts payable on redemption of units		5,962	107,036	-	-	-	-
Amounts payable to brokers		12,986	1,104,144	298,137	351,653	391,472	168,965
Distributions payable	8	66,753	83,482	6,090	5,113	1,614	1,737
Accrued expenses and other payables	6(a), 6(b)	397,666	428,683	132,060	122,932	159,558	145,603
<b>Total liabilities (excluding net assets attributable to unitholders classified as financial liabilities)</b>		<b>\$ 483,367</b>	<b>\$ 1,723,345</b>	<b>\$ 438,107</b>	<b>\$ 488,013</b>	<b>\$ 554,444</b>	<b>\$ 324,565</b>
<b>Net assets attributable to unitholders</b>		<b>\$ 133,773,687</b>	<b>\$ 123,245,668</b>	<b>\$ 18,190,173</b>	<b>\$ 17,187,755</b>	<b>\$ 27,264,785</b>	<b>\$ 25,296,826</b>

The notes on pages 20 to 75 form part of these financial statements.

# Statement of financial position as at 30 June 2024 (continued) (Expressed in United States dollars unless otherwise indicated)

	Notes	Principal Sustainable Asia Equity Income Fund 2024	2023	Principal Sustainable Asian Income Fund 2024	2023	Principal Sustainable Asian Allocation Fund 2024	2023
<b>Represented by:</b>							
- Net assets attributable to unitholders		<u>133,773,687</u>	<u>123,245,668</u>	<u>18,190,173</u>	<u>17,187,755</u>	<u>27,264,785</u>	<u>25,296,826</u>
<b>Total number of units in issue</b>							
Income (monthly) Class Units - Retail (USD)*		476,805.63	556,550.73	-	-	-	-
Income Plus (monthly) Class Unit - Retirement (HKD)		-	-	90,758.52	84,902.68	87,916.15	89,537.87
Accumulation Class Units - Institutional (USD)*		7,498,469.31	7,762,570.09	1,860,794.30	1,820,000.00	2,920,000.00	2,920,000.00
Income (monthly) Class Units - Institutional (USD)		-	-	109,989.96	105,558.77	-	-
Accumulation Class Units - Retail (HKD)		-	-	78,020.77	78,020.77	82,692.61	79,831.61
Accumulation Class Units - Retail (RMB hedged)		-	-	63,784.05	63,784.05	63,837.39	63,837.39
Accumulation Class Units - Retail (USD)		-	-	10,000.00	10,000.00	10,000.00	10,000.00
Income (monthly) Class Units - Retail (HKD)		-	-	85,757.09	142,526.69	83,581.15	81,141.28
Income Plus (monthly) Class Units - Retail (HKD)		-	-	97,365.41	91,082.75	87,922.76	83,354.42
Income Plus (monthly) Class Units - Retail (RMB hedged)		-	-	75,092.87	71,698.20	72,657.14	70,325.19
Income Plus (monthly) Class Units - Retail (USD)		-	-	11,632.64	10,882.68	11,276.00	10,690.60

\* For Principal Sustainable Asia Equity Income Fund, Income (monthly) Class Units - Retail (USD) and Accumulation Class Units - Institutional (USD) are formerly known as Income Class Units and Accumulation Class Units - Institutional respectively.

The notes on pages 20 to 75 form part of these financial statements.

# Statement of financial position as at 30 June 2024 (continued) (Expressed in United States dollars unless otherwise indicated)

Net asset value per unit	Notes	Principal Sustainable Asia Equity Income Fund		Principal Sustainable Asian Income Fund		Principal Sustainable Asian Allocation Fund	
		2024	2023	2024	2023	2024	2023
Income (monthly) Class Units - Retail (USD)*		US\$ 32.68	US\$ 29.29	-	-	-	-
Income Plus (monthly) Class Unit - Retirement (HKD)		-	-	HK\$ 7.61	HK\$ 7.86	HK\$ 8.01	HK\$ 7.88
Accumulation Class Units - Institutional (USD)*		US\$ 15.76	US\$ 13.77	US\$ 8.92	US\$ 8.57	US\$ 9.09	US\$ 8.43
Income (monthly) Class Units - Institutional (USD)		-	-	US\$ 8.08	US\$ 8.09	-	-
Accumulation Class Units - Retail (HKD)		-	-	HK\$ 8.85	HK\$ 8.56	HK\$ 8.97	HK\$ 8.40
Accumulation Class Units - Retail (RMB hedged)		-	-	CNH8.70	CNH8.59	CNH8.63	CNH8.25
Accumulation Class Units - Retail (USD)		-	-	US\$ 8.84	US\$ 8.52	US\$ 8.96	US\$ 8.36
Income (monthly) Class Units - Retail (HKD)		-	-	HK\$ 8.03	HK\$ 8.10	HK\$ 8.35	HK\$ 8.05
Income Plus (monthly) Class Units - Retail (HKD)		-	-	HK\$ 7.56	HK\$ 7.83	HK\$ 7.93	HK\$ 7.83
Income Plus (monthly) Class Units - Retail (RMB hedged)		-	-	CNH7.28	CNH7.52	CNH7.61	CNH7.50
Income Plus (monthly) Class Units - Retail (USD)		-	-	US\$ 7.56	US\$ 7.79	US\$ 7.91	US\$ 7.79

\* For Principal Sustainable Asia Equity Income Fund, Income (monthly) Class Units - Retail (USD) and Accumulation Class Units - Institutional (USD) are formerly known as Income Class Units and Accumulation Class Units - Institutional respectively.

Approved and authorised for issue by the Trustee and the Manager on 28 October 2024.



)  
) 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 75 form part of these financial statements.



# Statement of changes in net assets attributable to unitholders for the year ended 30 June 2024

(Expressed in United States dollars)

Notes	Principal Sustainable Asia Equity Income Fund		Principal Sustainable Asian Income Fund		Principal Sustainable Asian Allocation Fund	
	2024	2023	2024	2023	2024	2023
<b>Balance brought forward</b>	\$ 123,245,668	\$ 128,973,612	\$ 17,187,755	\$ 16,957,356	\$ 25,296,826	\$ 25,573,516
Subscriptions by unitholders						
- Income (monthly) Class Units - Retail (USD)*	453,383	965,669	-	-	-	-
- Income Plus (monthly) Class Unit - Retirement (HKD)	-	-	5,764	5,203	4,772	10,999
- Accumulation Class Units - Institutional (USD)*	13,875,538	6,566,358	378,343	-	-	-
- Income (monthly) Class Units - Institutional (USD)	-	-	35,610	32,173	-	-
- Accumulation Class Units - Retail (HKD)	-	-	22,615	-	3,069	2,027
- Accumulation Class Units - Retail (RMB hedged)	-	-	-	-	-	-
- Accumulation Class Units - Retail (USD)	-	-	-	-	-	-
- Income (monthly) Class Units - Retail (HKD)	-	-	5,200	67,213	2,463	2,486
- Income Plus (monthly) Class Units - Retail (HKD)	-	-	6,152	11,468	105,928	4,348
- Income Plus (monthly) Class Units - Retail (RMB hedged)	-	-	3,454	6,464	2,363	5,642
- Income Plus (monthly) Class Units - Retail (USD)	-	-	5,731	5,192	4,456	4,347
Redemptions by unitholders						
- Income (monthly) Class Units - Retail (USD)*	(2,815,739)	(1,562,988)	-	-	-	-
- Income Plus (monthly) Class Unit - Retirement (HKD)	-	-	-	-	(6,278)	-
- Accumulation Class Units - Institutional (USD)*	(17,241,308)	(10,266,966)	(13,243)	-	-	-
- Income (monthly) Class Units - Institutional (USD)	-	-	-	-	-	-
- Accumulation Class Units - Retail (HKD)	-	-	(23,148)	-	-	-
- Accumulation Class Units - Retail (RMB hedged)	-	-	-	-	-	-
- Accumulation Class Units - Retail (USD)	-	-	-	-	-	-

\* For Principal Sustainable Asia Equity Income Fund, Income (monthly) Class Units - Retail (USD) and Accumulation Class Units - Institutional (USD) are formerly known as Income Class Units and Accumulation Class Units - Institutional respectively.

The notes on pages 20 to 75 form part of these financial statements.

# Statement of changes in net assets attributable to unitholders for the year ended 30 June 2024 (continued) (Expressed in United States dollars)

Notes	Principal Sustainable Asia Equity Income Fund		Principal Sustainable Asian Income Fund		Principal Sustainable Asian Allocation Fund	
	2024	2023	2024	2023	2024	2023
- Income (monthly) Class Units - Retail (HKD)	-	-	(63,820)	-	-	-
- Income Plus (monthly) Class Units - Retail (HKD)	-	-	-	-	(101,785)	-
- Income Plus (monthly) Class Units - Retail (RMB hedged)	-	-	-	-	-	-
- Income Plus (monthly) Class Units - Retail (USD)	-	-	-	-	-	-
	<u>\$ 117,517,542</u>	<u>\$ 124,675,685</u>	<u>\$ 17,550,413</u>	<u>\$ 17,085,069</u>	<u>\$ 25,311,814</u>	<u>\$ 25,603,365</u>
Profit/(loss) and total comprehensive income for the year	16,256,145	(1,430,017)	639,760	102,686	1,952,971	(306,539)
<b>Balance carried forward</b>	<u><b>\$ 133,773,687</b></u>	<u><b>\$ 123,245,668</b></u>	<u><b>\$ 18,190,173</b></u>	<u><b>\$ 17,187,755</b></u>	<u><b>\$ 27,264,785</b></u>	<u><b>\$ 25,296,826</b></u>
<b>Total number of units in issue</b>	9					
<b>Income (monthly) Class Units - Retail (USD)*</b>						
Balance brought forward	556,550.73	577,345.04	-	-	-	-
Issuance of redeemable units	15,428.93	66,205.49	-	-	-	-
Redemption of redeemable units	(95,174.03)	(86,999.80)	-	-	-	-
<b>Balance carried forward</b>	<u><b>476,805.63</b></u>	<u><b>556,550.73</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>
<b>Income Plus (monthly) Class Unit - Retirement (HKD)</b>						
Balance brought forward	-	-	84,902.68	79,838.91	89,537.87	79,144.22
Issuance of redeemable units	-	-	5,855.84	5,063.77	4,848.75	10,393.65
Redemption of redeemable units	-	-	-	-	(6,470.47)	-
<b>Balance carried forward</b>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>90,758.52</b></u>	<u><b>84,902.68</b></u>	<u><b>87,916.15</b></u>	<u><b>89,537.87</b></u>
<b>Accumulation Class Units - Institutional (USD)*</b>						
Balance brought forward	7,762,570.09	8,044,657.13	1,820,000.00	1,820,000.00	2,920,000.00	2,920,000.00
Issuance of redeemable units	979,640.37	482,256.31	42,273.96	-	-	-
Redemption of redeemable units	(1,243,741.15)	(764,343.35)	(1,479.66)	-	-	-
<b>Balance carried forward</b>	<u><b>7,498,469.31</b></u>	<u><b>7,762,570.09</b></u>	<u><b>1,860,794.30</b></u>	<u><b>1,820,000.00</b></u>	<u><b>2,920,000.00</b></u>	<u><b>2,920,000.00</b></u>
<b>Income (monthly) Class Units - Institutional (USD)</b>						
Balance brought forward	-	-	105,558.77	101,625.99	-	-
Issuance of redeemable units	-	-	4,431.19	3,932.78	-	-
Redemption of redeemable units	-	-	-	-	-	-
<b>Balance carried forward</b>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>109,989.96</b></u>	<u><b>105,558.77</b></u>	<u><b>-</b></u>	<u><b>-</b></u>
<b>Accumulation Class Units - Retail (HKD)</b>						
Balance brought forward	-	-	78,020.77	78,020.77	79,831.61	77,969.00
Issuance of redeemable units	-	-	21,289.72	-	2,861.00	1,862.61
Redemption of redeemable units	-	-	(21,289.72)	-	-	-
<b>Balance carried forward</b>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>78,020.77</b></u>	<u><b>78,020.77</b></u>	<u><b>82,692.61</b></u>	<u><b>79,831.61</b></u>

\* For Principal Sustainable Asia Equity Income Fund, Income (monthly) Class Units - Retail (USD) and Accumulation Class Units - Institutional (USD) are formerly known as Income Class Units and Accumulation Class Units - Institutional respectively.

The notes on pages 20 to 75 form part of these financial statements.

# Statement of changes in net assets attributable to unitholders for the year ended 30 June 2024 (continued) (Expressed in United States dollars)

	Notes	Principal Sustainable Asia Equity Income Fund		Principal Sustainable Asian Income Fund		Principal Sustainable Asian Allocation Fund	
		2024	2023	2024	2023	2024	2023
<b>Accumulation Class Units - Retail (RMB hedged)</b>							
Balance brought forward		-	-	63,784.05	63,784.05	63,837.39	63,837.39
Issuance of redeemable units		-	-	-	-	-	-
Redemption of redeemable units		-	-	-	-	-	-
Balance carried forward		-	-	63,784.05	63,784.05	63,837.39	63,837.39
<b>Accumulation Class Units - Retail (USD)</b>							
Balance brought forward		-	-	10,000.00	10,000.00	10,000.00	10,000.00
Issuance of redeemable units		-	-	-	-	-	-
Redemption of redeemable units		-	-	-	-	-	-
Balance carried forward		-	-	10,000.00	10,000.00	10,000.00	10,000.00
<b>Income (monthly) Class Units - Retail (HKD)</b>							
Balance brought forward		-	-	142,526.69	79,289.19	81,141.28	78,775.04
Issuance of redeemable units		-	-	5,081.74	63,237.50	2,439.87	2,366.24
Redemption of redeemable units		-	-	(61,851.34)	-	-	-
Balance carried forward		-	-	85,757.09	142,526.69	83,581.15	81,141.28
<b>Income Plus (monthly) Class Units - Retail (HKD)</b>							
Balance brought forward		-	-	91,082.75	79,839.70	83,354.42	79,145.65
Issuance of redeemable units		-	-	6,282.66	11,243.05	109,744.92	4,208.77
Redemption of redeemable units		-	-	-	-	(105,176.58)	-
Balance carried forward		-	-	97,365.41	91,082.75	87,922.76	83,354.42

The notes on pages 20 to 75 form part of these financial statements.

# Statement of changes in net assets attributable to unitholders for the year ended 30 June 2024 (continued)

(Expressed in United States dollars)

	Notes	Principal Sustainable Asia Equity Income Fund		Principal Sustainable Asian Income Fund		Principal Sustainable Asian Allocation Fund	
		2024	2023	2024	2023	2024	2023
<b>Income Plus (monthly) Class</b>							
<b>Units - Retail (RMB hedged)</b>							
Balance brought forward		-	-	71,698.20	65,953.67	70,325.19	65,339.17
Issuance of redeemable units		-	-	3,394.67	5,744.53	2,331.95	4,986.02
Redemption of redeemable units		-	-	-	-	-	-
Balance carried forward		-	-	75,092.87	71,698.20	72,657.14	70,325.19
<b>Income Plus (monthly) Class</b>							
<b>Units - Retail (USD)</b>							
Balance brought forward		-	-	10,882.68	10,233.49	10,690.60	10,151.09
Issuance of redeemable units		-	-	749.96	649.19	585.40	539.51
Redemption of redeemable units		-	-	-	-	-	-
Balance carried forward		-	-	11,632.64	10,882.68	11,276.00	10,690.60

The notes on pages 20 to 75 form part of these financial statements.

# Cash flow statement

## for the year ended 30 June 2024

(Expressed in United States dollars)

	Notes	Principal Sustainable Asia Equity Income Fund		Principal Sustainable Asian Income Fund		Principal Sustainable Asian Allocation Fund	
		2024	2023	2024	2023	2024	2023
<b>Operating activities</b>							
Dividends received	\$	3,294,788	\$ 3,600,681	\$ -	\$ -	\$ 341,986	\$ 266,818
Withholding tax paid		(230,174)	(324,732)	-	-	(28,318)	(19,007)
Capital gains tax paid		(789,681)	(36,021)	-	-	-	-
Interest received		64,856	12,258	727,133	630,253	505,246	470,282
Other income received		99,365	7,507	11	460	64	390
Operating expenses paid		(2,376,319)	(2,513,219)	(198,935)	(207,742)	(417,235)	(382,826)
Proceeds from sale of investments		118,230,238	134,822,921	27,522,611	24,666,343	31,571,301	27,223,129
Payments on purchase of investments		(111,102,576)	(132,087,727)	(28,600,377)	(24,450,730)	(32,036,333)	(27,916,814)
<b>Net cash generated from/ (used in) operating activities</b>	\$	<u>7,190,497</u>	<u>3,481,668</u>	<u>(549,557)</u>	<u>638,584</u>	<u>(63,289)</u>	<u>(358,028)</u>
<b>Financing activities</b>							
Proceeds from issuance of units	\$	14,307,144	\$ 7,707,990	\$ 462,869	\$ 127,713	\$ 123,051	\$ 29,849
Payments on redemption of units		(20,158,121)	(11,835,714)	(100,211)	-	(108,063)	-
Payments on distributions		(359,012)	(637,415)	(61,906)	(57,790)	(19,893)	(21,448)
<b>Net cash generated from/ (used in) financing activities</b>	\$	<u>(6,209,989)</u>	<u>(4,765,139)</u>	<u>300,752</u>	<u>69,923</u>	<u>(4,905)</u>	<u>8,401</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	\$	<u>980,508</u>	<u>(1,283,471)</u>	<u>(248,805)</u>	<u>708,507</u>	<u>(68,194)</u>	<u>(349,627)</u>
<b>Cash and cash equivalents at the beginning of the year</b>		<u>5,185,665</u>	<u>6,469,136</u>	<u>1,205,033</u>	<u>496,526</u>	<u>889,449</u>	<u>1,239,076</u>
<b>Cash and cash equivalents at the end of the year</b>	\$	<u>6,166,173</u>	<u>5,185,665</u>	<u>956,228</u>	<u>1,205,033</u>	<u>821,255</u>	<u>889,449</u>

The notes on pages 20 to 75 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”). Effective from 31 July 2023 (the “Effective Date”), the “Principal Asia Pacific High Dividend Equity Fund” has been renamed to “Principal Sustainable Asia Equity Income Fund”.

The 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”).

Primary investment objective of the Principal Sustainable Asia Equity Income Fund (Formerly known as 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 Material 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 material 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. None of the developments have had a material effect on how the Sub-Funds' results and financial position for the current or prior periods have been prepared or presented. The Sub-Funds have not applied any new standard or interpretation that is not yet effective for the current accounting period (note 19).

### (b) Basis of preparation of the financial statements

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

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

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

## 2 Material accounting policies (continued)

### (c) *Change in accounting policies*

New and amended HKFRSs

The Sub-Funds have applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 1, *Presentation of financial statements* and HKFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International tax reform - Pillar Two model rules*

The adoption of the above-mentioned standards and amendments does not have a material impact on the comprehensive income, or financial position of the Sub-Funds.

### (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.



## 2 Material accounting policies (continued)

### *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;
- 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.

## 2 Material accounting policies (continued)

### *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).

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.

## 2 Material accounting policies (continued)

### (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.

### (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.

## 2 Material accounting policies (continued)

### (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.

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).

## 2 Material accounting policies (continued)

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.

### *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.

## 2 Material accounting policies (continued)

### (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; and
- Interest income is recognised as it accrues using the effective interest rate method.

### (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.

## 2 Material accounting policies (continued)

- (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.

### (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.

## 2 Material accounting policies (continued)

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

	Principal Sustainable Asia Equity Income Fund		Principal Sustainable Asian Income Fund		Principal Sustainable Asian Allocation Fund	
	2024	2023	2024	2023	2024	2023
Cash at banks	\$ 6,166,173	\$ 5,185,665	\$ 956,228	\$ 1,205,033	\$ 821,255	\$ 889,449



## 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 Sustainable Asia Equity Income Fund:**

In respect of the Income (monthly) Class Units - Retail (USD), 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.

In respect of the Accumulation Class Units - Institutional (USD), 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 \$1,427,378 (2023: \$1,463,537). The Manager's fee payable as at 30 June 2024 amounted to \$131,192 (2023: \$124,577).

#### **Principal Sustainable Asian Income Fund:**

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

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

The Manager's fee for the year amounted to \$97,975 (2023: \$95,337). The Manager's fee payable as at 30 June 2024 amounted to \$8,384 (2023: \$8,026).

## 6 Related party transactions (continued)

### Principal Sustainable Asian Allocation Fund:

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

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

The Manager's fee for year amounted \$169,358 (2023: \$167,608). The Manager's fee payable as at 30 June 2024 amounted to \$14,756 (2023: \$13,976).

### (b) Trustee

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

### Principal Sustainable Asia Equity Income 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 for the year amounted to \$114,746 (2023: \$116,864). The total fees payable to the Trustee as at 30 June 2024 amounted to \$10,113 (2023: \$11,095).

The Trustee is entitled to receive a valuation fee and an annual registrar fee of \$2,000 payable on a pro-rate basis at the end of each month. For the year ended 30 June 2024, the total valuation and registrar fee charged was \$12,450 (2023: \$12,550). The total fees payable to the Trustee as at 30 June 2024 amounted to \$1,500 (2023: \$Nil).

### Principal Sustainable Asian Income Fund:

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

The total trustee fee for the year ended 30 June 2024 amounted to \$52,191 (2023: \$50,813). The total fees payable to the Trustee as at 30 June 2024 amounted to \$4,475 (2023: \$4,272).

The Trustee is entitled to receive a valuation fee and an annual registrar fee of \$2,000 payable on a pro-rate basis at the end of each month. For the year ended 30 June 2024, the total valuation and registrar fee charged was \$23,999 (2023: \$23,999). The total fees payable to the Trustee as at 30 June 2024 amounted to \$1,967 (2023: \$1,973).

## 6 Related party transactions (continued)

### Principal Sustainable Asian Allocation Fund:

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

The total trustee fee for the year ended 30 June 2024 amounted to \$76,435 (2023: \$75,692). The total fees payable to the Trustee as at 30 June 2024 amounted to \$6,667 (2023: \$6,313).

The Trustee is entitled to receive a valuation fee and an annual registrar fee of \$2,000 payable on a pro-rate basis at the end of each month. For the year ended 30 June 2024, the total valuation and registrar fee charged was \$23,999 (2023: \$23,999). The total fees payable to the Trustee as at 30 June 2024 amounted to \$1,967 (2023: \$1,973).

## 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:

	Principal Sustainable Asia Equity Income Fund				Principal Sustainable Asian Income Fund				Principal Sustainable Asian Allocation Fund			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Amount of Income (monthly) Class Units - Retail (USD)		Amount of Accumulation Class Units - Institutional (USD)		Amount of Income Class Units	Amount of Accumulation Class Units - Institutional	Amount of Income Class Units	Amount of Accumulation Class Units - Institutional	Amount of Income Class Units	Amount of Accumulation Class Units - Institutional	Amount of Income Class Units	Amount of Accumulation Class Units - Institutional
Directors of the Manager	\$ 147,575.13	\$ 114,216.60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Number of Income (monthly) Class Units - Retail (USD)		Number of Accumulation Class Units - Institutional (USD)		Number of Income Class units	Number of Accumulation Class Units - Institutional	Number of Income Class units	Number of Accumulation Class Units - Institutional	Number of Income Class units	Number of Accumulation Class Units - Institutional	Number of Income Class units	Number of Accumulation Class Units - Institutional
Directors of the Manager	4,496.50	3,879.64	-	-	-	-	-	-	-	-	-	-

## 7 Taxation

	<i>Principal Sustainable Asia Equity Income Fund</i>		<i>Principal Sustainable Asian Income Fund</i>		<i>Principal Sustainable Asian Allocation Fund</i>	
	2024	2023	2024	2023	2024	2023
Capital gains tax	\$ 789,681	\$ 36,021	\$ -	\$ -	\$ -	\$ -
Overseas taxation withheld	230,174	324,732	-	-	28,318	19,007
	<u>\$ 1,019,855</u>	<u>\$ 360,753</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,318</u>	<u>\$ 19,007</u>

## 8 Distributions

### *Principal Sustainable Asia Equity Income Fund*

	2024 US\$	2023 US\$
<b>Income (monthly) Class Units - Retail (USD)</b>		
Income distribution for July 2023		
- USD0.06 on 539,163.65 units declared on 31 July 2023 and paid on 14 August 2023 (2023: USD0.04 on 577,954.69 units declared on 29 July 2022 and paid on 15 August 2022)	32,350	23,118
Income distribution for August 2023		
- USD0.10 on 534,327.54 units declared on 31 August 2023 and paid on 08 September 2023 (2023: USD0.04 on 585,756.22 units declared on 31 August 2022 and paid on 13 September 2022)	53,433	23,430
Income distribution for September 2023		
- USD0.09 on 516,952.69 units declared on 29 September 2023 and paid on 10 October 2023 (2023: USD0.13 on 583,620.87 units declared on 30 September 2022 and paid on 13 October 2022)	46,526	75,871
Income distribution for October 2023		
- USD0.02 on 509,753.03 units declared on 31 October 2023 and paid on 08 November 2023 (2023: USD0.12 on 577,700.86 units declared on 31 October 2022 and paid on 14 November 2022)	10,195	69,324
Income distribution for November 2023		
- USD0.04 on 509,668.43 units declared on 30 November 2023 and paid on 08 December 2023 (2023: USD0.14 on 570,664.29 units declared on 30 November 2022 and paid on 13 December 2022)	20,387	79,893

## 8 Distributions (continued)

	2024 US\$	2023 US\$
<b>Income (monthly) Class Units - Retail (USD) (continued)</b>		
Income distribution for December 2023		
- USD0.03 on 508,359.38 units declared on 29 December 2023 and paid on 09 January 2024 (2023: USD0.15 on 572,388.32 units declared on 30 December 2022 and paid on 13 January 2023)	15,251	85,858
Income distribution for January 2024		
- USD0.01 on 507,743.91 units declared on 31 January 2024 and paid on 07 February 2024 (2023: USD0.01 on 571,511.09 units declared on 31 January 2023 and paid on 13 February 2023)	5,077	5,715
Income distribution for February 2024		
- USD0.01 on 505,245.96 units declared on 29 February 2024 and paid on 07 March 2024 (2023: USD0.06 on 568,811.03 units declared on 28 February 2023 and paid on 13 March 2023)	5,052	34,129
Income distribution for March 2024		
- USD0.05 on 498,485.93 units declared on 28 March 2024 and paid on 09 April 2024 (2023: USD0.12 on 569,815.11 units declared on 31 March 2023 and paid on 13 April 2023)	24,924	68,378
Income distribution for April 2024		
- USD0.01 on 486,991.85 units declared on 30 April 2024 and paid on 08 May 2024 (2023: USD0.05 on 571,339.69 units declared on 28 April 2023 and paid on 15 May 2023)	4,870	28,567
Income distribution for May 2024		
- USD0.12 on 478,875.95 units declared on 31 May 2024 and paid on 07 June 2024 (2023: USD0.11 on 566,392.17 units declared on 31 May 2023 and paid on 13 June 2023)	57,465	62,303
Income distribution for June 2024		
- USD0.14 on 476,805.63 units declared on 28 June 2024 and paid on 08 July 2024 (2023: USD0.15 on 556,550.73 units declared on 30 June 2023 and paid on 13 July 2023)	66,753	83,483
	<u>\$ 342,283</u>	<u>\$ 640,069</u>

## 8 Distributions (continued)

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

### **Principal Sustainable Asian Income Fund**

	2024 US\$	2023 US\$
<b>Income Plus (monthly) Class Unit - Retirement (HKD)</b>		
Income distribution for July 2023		
- HKD0.0409 on 85,349.25 units declared on 31 July 2023 and paid on 14 August 2023 (2023: HKD0.0404 on 80,231.32 units declared on 29 July 2022 and paid on 15 August 2022)	447	413
Income distribution for August 2023		
- HKD0.0406 on 85,800.26 units declared on 31 August 2023 and paid on 08 September 2023 (2023: HKD0.0401 on 80,623.26 units declared on 31 August 2022 and paid on 13 September 2022)	444	412
Income distribution for September 2023		
- HKD0.0396 on 86,255.02 units declared on 29 September 2023 and paid on 10 October 2023 (2023: HKD0.0413 on 81,018.97 units declared on 30 September 2022 and paid on 13 October 2022)	436	426
Income distribution for October 2023		
- HKD0.0389 on 86,711.05 units declared on 31 October 2023 and paid on 08 November 2023 (2023: HKD0.0396 on 81,449.06 units declared on 31 October 2022 and paid on 14 November 2022)	431	411
Income distribution for November 2023		
- HKD0.0402 on 87,159.00 units declared on 30 November 2023 and paid on 08 December 2023 (2023: HKD0.0412 on 81,868.49 units declared on 30 November 2022 and paid on 13 December 2022)	448	434
Income distribution for December 2023		
- HKD0.0411 on 87,613.45 units declared on 29 December 2023 and paid on 09 January 2024 (2023: HKD0.0417 on 82,290.64 units declared on 30 December 2022 and paid on 13 January 2023)	461	439
Income distribution for January 2024		
- HKD0.047 on 88,076.89 units declared on 31 January 2024 and paid on 07 February 2024 (2023: HKD0.0432 on 82,711.69 units declared on 31 January 2023 and paid on 13 February 2023)	529	455

## 8 Distributions (continued)

	2024 US\$	2023 US\$
<b>Income Plus (monthly) Class Unit - Retirement (HKD) (continued)</b>		
Income distribution for February 2024		
- HKD0.0466 on 88,610.34 units declared on 29 February 2024 and paid on 07 March 2024 (2023: HKD0.042 on 83,151.19 units declared on 28 February 2023 and paid on 13 March 2023)	528	445
Income distribution for March 2024		
- HKD0.0467 on 89,141.77 units declared on 28 March 2024 and paid on 09 April 2024 (2023: HKD0.0424 on 83,582.34 units declared on 31 March 2023 and paid on 13 April 2023)	532	452
Income distribution for April 2024		
- HKD0.0456 on 89,681.71 units declared on 30 April 2024 and paid on 08 May 2024 (2023: HKD0.0425 on 84,017.71 units declared on 28 April 2023 and paid on 15 May 2023)	523	455
Income distribution for May 2024		
- HKD0.0461 on 90,216.98 units declared on 31 May 2024 and paid on 07 June 2024 (2023: HKD0.0416 on 84,461.83 units declared on 31 May 2023 and paid on 13 June 2023)	532	448
Income distribution for June 2024		
- HKD0.0461 on 90,758.52 units declared on 28 June 2024 and paid on 08 July 2024 (2023: HKD0.0415 on 84,902.68 units declared on 30 June 2023 and paid on 13 July 2023)	536	451
	<u>\$ 5,847</u>	<u>\$ 5,241</u>

### Income (monthly) Class Units - Institutional (USD)

Income distribution for July 2023		
- USD0.027 on 105,908.47 units declared on 31 July 2023 and paid on 14 August 2023 (2023: USD0.0253 on 101,964.33 units declared on 29 July 2022 and paid on 15 August 2022)	2,860	2,580
Income distribution for August 2023		
- USD0.027 on 106,265.91 units declared on 31 August 2023 and paid on 08 September 2023 (2023: USD0.025 on 102,274.02 units declared on 31 August 2022 and paid on 13 September 2022)	2,869	2,557



## 8 Distributions (continued)

	2024 US\$	2023 US\$
<b>Income (monthly) Class Units - Institutional (USD) (continued)</b>		
Income distribution for September 2023		
- USD0.028 on 106,627.72 units declared on 29 September 2023 and paid on 10 October 2023 (2023: USD0.0292 on 102,584.69 units declared on 30 September 2022 and paid on 13 October 2022)	2,986	2,996
Income distribution for October 2023		
- USD0.027 on 107,011.47 units declared on 31 October 2023 and paid on 08 November 2023 (2023: USD0.0254 on 102,966.77 units declared on 31 October 2022 and paid on 14 November 2022)	2,889	2,615
Income distribution for November 2023		
- USD0.028 on 107,380.48 units declared on 30 November 2023 and paid on 08 December 2023 (2023: USD0.0206 on 103,302.93 units declared on 30 November 2022 and paid on 13 December 2022)	3,007	2,128
Income distribution for December 2023		
- USD0.025 on 107,754.44 units declared on 29 December 2023 and paid on 09 January 2024 (2023: USD0.0287 on 103,563.40 units declared on 30 December 2022 and paid on 13 January 2023)	2,694	2,972
Income distribution for January 2024		
- USD0.025 on 108,086.61 units declared on 31 January 2024 and paid on 07 February 2024 (2023: USD0.02 on 103,920.64 units declared on 31 January 2023 and paid on 13 February 2023)	2,702	2,078
Income distribution for February 2024		
- USD0.027 on 108,418.98 units declared on 29 February 2024 and paid on 07 March 2024 (2023: USD0.02 on 104,171.66 units declared on 28 February 2023 and paid on 13 March 2023)	2,927	2,084
Income distribution for March 2024		
- USD0.028 on 108,777.72 units declared on 28 March 2024 and paid on 09 April 2024 (2023: USD0.027 on 104,423.28 units declared on 31 March 2023 and paid on 13 April 2023)	3,046	2,819

## 8 Distributions (continued)

	2024 US\$	2023 US\$
<b>Income (monthly) Class Units - Institutional (USD) (continued)</b>		
Income distribution for April 2024		
- USD0.027 on 109,153.28 units declared on 30 April 2024 and paid on 08 May 2024 (2023: USD0.033 on 104,762.15 units declared on 28 April 2023 and paid on 15 May 2023)	2,947	3,457
Income distribution for May 2024		
- USD0.035 on 109,518.48 units declared on 31 May 2024 and paid on 07 June 2024 (2023: USD0.0294 on 105,181.20 units declared on 31 May 2023 and paid on 13 June 2023)	3,833	3,092
Income distribution for June 2024		
- USD0.0341 on 109,989.96 units declared on 28 June 2024 and paid on 08 July 2024 (2023: USD0.027 on 105,558.77 units declared on 30 June 2023 and paid on 13 July 2023)	3,751	2,850
	<u>\$ 36,511</u>	<u>\$ 32,228</u>
<b>Income (monthly) Class Units - Retail (HKD)</b>		
Income distribution for July 2023		
- HKD0.027 on 142,999.45 units declared on 31 July 2023 and paid on 14 August 2023 (2023: HKD0.0253 on 79,553.17 units declared on 29 July 2022 and paid on 15 August 2022)	495	256
Income distribution for August 2023		
- HKD0.027 on 143,482.67 units declared on 31 August 2023 and paid on 08 September 2023 (2023: HKD0.025 on 79,794.21 units declared on 31 August 2022 and paid on 13 September 2022)	494	254
Income distribution for September 2023		
- HKD0.028 on 143,971.81 units declared on 29 September 2023 and paid on 10 October 2023 (2023: HKD0.0294 on 80,036.01 units declared on 30 September 2022 and paid on 13 October 2022)	515	300
Income distribution for October 2023		
- HKD0.027 on 144,491.30 units declared on 31 October 2023 and paid on 08 November 2023 (2023: HKD0.0255 on 80,355.38 units declared on 31 October 2022 and paid on 14 November 2022)	499	261

## 8 Distributions (continued)

	2024 US\$	2023 US\$
<b>Income (monthly) Class Units - Retail (HKD) (continued)</b>		
Income distribution for November 2023		
- HKD0.027 on 144,990.82 units declared on 30 November 2023 and paid on 08 December 2023 (2023: HKD0.0205 on 80,598.35 units declared on 30 November 2022 and paid on 13 December 2022)	501	213
Income distribution for December 2023		
- HKD0.025 on 145,479.55 units declared on 29 December 2023 and paid on 09 January 2024 (2023: HKD0.0286 on 80,802.08 units declared on 30 December 2022 and paid on 13 January 2023)	466	296
Income distribution for January 2024		
- HKD0.025 on 145,929.12 units declared on 31 January 2024 and paid on 07 February 2024 (2023: HKD0.02 on 81,080.84 units declared on 31 January 2023 and paid on 13 February 2023)	466	207
Income distribution for February 2024		
- HKD0.027 on 84,527.63 units declared on 29 February 2024 and paid on 07 March 2024 (2023: HKD0.02 on 81,276.22 units declared on 28 February 2023 and paid on 13 March 2023)	292	207
Income distribution for March 2024		
- HKD0.028 on 84,808.35 units declared on 28 March 2024 and paid on 09 April 2024 (2023: HKD0.027 on 81,472.54 units declared on 31 March 2023 and paid on 13 April 2023)	303	280
Income distribution for April 2024		
- HKD0.027 on 85,101.88 units declared on 30 April 2024 and paid on 08 May 2024 (2023: HKD0.028 on 141,544.59 units declared on 28 April 2023 and paid on 15 May 2023)	294	505
Income distribution for May 2024		
- HKD0.035 on 85,387.67 units declared on 31 May 2024 and paid on 07 June 2024 (2023: HKD0.029 on 142,024.40 units declared on 31 May 2023 and paid on 13 June 2023)	383	526
Income distribution for June 2024		
- HKD0.036 on 85,757.09 units declared on 28 June 2024 and paid on 08 July 2024 (2023: HKD0.027 on 142,526.69 units declared on 30 June 2023 and paid on 13 July 2023)	395	492
	<u>\$ 5,103</u>	<u>\$ 3,797</u>

## 8 Distributions (continued)

	2024 US\$	2023 US\$
<b>Income Plus (monthly) Class Units - Retail (HKD)</b>		
Income distribution for July 2023		
- HKD0.0408 on 91,561.34 units declared on 31 July 2023 and paid on 14 August 2023 (2023: HKD0.0403 on 80,231.62 units declared on 29 July 2022 and paid on 15 August 2022)	479	412
Income distribution for August 2023		
- HKD0.0404 on 92,045.86 units declared on 31 August 2023 and paid on 08 September 2023 (2023: HKD0.04 on 80,623.06 units declared on 31 August 2022 and paid on 13 September 2022)	474	411
Income distribution for September 2023		
- HKD0.0394 on 92,533.23 units declared on 29 September 2023 and paid on 10 October 2023 (2023: HKD0.0412 on 81,018.27 units declared on 30 September 2022 and paid on 13 October 2022)	466	425
Income distribution for October 2023		
- HKD0.0387 on 93,021.95 units declared on 31 October 2023 and paid on 08 November 2023 (2023: HKD0.0395 on 81,448.42 units declared on 31 October 2022 and paid on 14 November 2022)	460	410
Income distribution for November 2023		
- HKD0.04 on 93,502.59 units declared on 30 November 2023 and paid on 08 December 2023 (2023: HKD0.0411 on 81,867.87 units declared on 30 November 2022 and paid on 13 December 2022)	478	433
Income distribution for December 2023		
- HKD0.0409 on 93,990.22 units declared on 29 December 2023 and paid on 04 January 2024 (2023: HKD0.0416 on 82,290.05 units declared on 30 December 2022 and paid on 13 January 2023)	492	438
Income distribution for January 2024		
- HKD0.0467 on 94,487.53 units declared on 31 January 2024 and paid on 07 February 2024 (2023: HKD0.0431 on 82,711.12 units declared on 31 January 2023 and paid on 13 February 2023)	564	454

## 8 Distributions (continued)

	2024 US\$	2023 US\$
<b>Income Plus (monthly) Class Units - Retail (HKD) (continued)</b>		
Income distribution for February 2024		
- HKD0.0464 on 95,059.11 units declared on 29 February 2024 and paid on 07 March 2024 (2023: HKD0.0419 on 83,150.68 units declared on 28 February 2023 and paid on 13 March 2023)	564	444
Income distribution for March 2024		
- HKD0.0465 on 95,629.71 units declared on 28 March 2024 and paid on 09 April 2024 (2023: HKD0.0423 on 83,582.40 units declared on 31 March 2023 and paid on 13 April 2023)	568	451
Income distribution for April 2024		
- HKD0.0453 on 96,210.23 units declared on 30 April 2024 and paid on 08 May 2024 (2023: HKD0.0423 on 84,018.35 units declared on 28 April 2023 and paid on 15 May 2023)	558	453
Income distribution for May 2024		
- HKD0.0458 on 96,784.45 units declared on 31 May 2024 and paid on 07 June 2024 (2023: HKD0.0415 on 84,462.04 units declared on 31 May 2023 and paid on 13 June 2023)	567	447
Income distribution for June 2024		
- HKD0.0458 on 97,365.41 units declared on 28 June 2024 and paid on 08 July 2024 (2023: HKD0.0413 on 91,082.75 units declared on 30 June 2023 and paid on 13 July 2023)	571	481
	<u>\$ 6,241</u>	<u>\$ 5,259</u>
<b>Income Plus (monthly) Class Units - Retail (RMB hedged)</b>		
Income distribution for July 2023		
- CNH0.0275 on 72,074.71 units declared on 31 July 2023 and paid on 14 August 2023 (2023: CNH0.0586 on 66,407.59 units declared on 29 July 2022 and paid on 15 August 2022)	276	575
Income distribution for August 2023		
- CNH0.027 on 72,342.55 units declared on 31 August 2023 and paid on 08 September 2023 (2023: CNH0.0593 on 66,858.51 units declared on 31 August 2022 and paid on 13 September 2022)	267	571

## 8 Distributions (continued)

	2024 US\$	2023 US\$
<b>Income Plus (monthly) Class Units - Retail (RMB hedged) (continued)</b>		
Income distribution for September 2023		
- CNH0.0263 on 72,610.12 units declared on 29 September 2023 and paid on 10 October 2023 (2023: CNH0.0584 on 67,312.66 units declared on 30 September 2022 and paid on 13 October 2022)	261	556
Income distribution for October 2023		
- CNH0.0231 on 72,877.20 units declared on 31 October 2023 and paid on 08 November 2023 (2023: CNH0.0574 on 67,771.36 units declared on 31 October 2022 and paid on 14 November 2022)	231	530
Income distribution for November 2023		
- CNH0.0239 on 73,111.01 units declared on 30 November 2023 and paid on 08 December 2023 (2023: CNH0.0579 on 68,240.61 units declared on 30 November 2022 and paid on 13 December 2022)	244	568
Income distribution for December 2023		
- CNH0.0245 on 73,347.78 units declared on 29 December 2023 and paid on 09 January 2024 (2023: CNH0.0571 on 68,703.27 units declared on 30 December 2022 and paid on 13 January 2023)	251	570
Income distribution for January 2024		
- CNH0.0302 on 73,589.97 units declared on 31 January 2024 and paid on 07 February 2024 (2023: CNH0.0575 on 69,172.52 units declared on 31 January 2023 and paid on 13 February 2023)	308	586
Income distribution for February 2024		
- CNH0.03 on 73,889.89 units declared on 29 February 2024 and paid on 07 March 2024 (2023: CNH0.0558 on 69,644.34 units declared on 28 February 2023 and paid on 13 March 2023)	307	562
Income distribution for March 2024		
- CNH0.03 on 74,188.64 units declared on 28 March 2024 and paid on 09 April 2024 (2023: CNH0.053 on 70,112.55 units declared on 31 March 2023 and paid on 13 April 2023)	307	540
Income distribution for April 2024		
- CNH0.0293 on 74,491.86 units declared on 30 April 2024 and paid on 08 May 2024 (2023: CNH0.0408 on 70,587.13 units declared on 28 April 2023 and paid on 15 May 2023)	303	416

## 8 Distributions (continued)

	2024 US\$	2023 US\$
<b>Income Plus (monthly) Class Units - Retail (RMB hedged) (continued)</b>		
Income distribution for May 2024		
- CNH0.0296 on 74,791.26 units declared on 31 May 2024 and paid on 07 June 2024 (2023: CNH0.04 on 71,324.77 units declared on 31 May 2023 and paid on 13 June 2023)	305	401
Income distribution for June 2024		
- CNH0.0297 on 75,092.87 units declared on 28 June 2024 and paid on 08 July 2024 (2023: CNH0.0397 on 71,698.20 units declared on 30 June 2023 and paid on 13 July 2023)	306	392
	<u>\$ 3,366</u>	<u>\$ 6,267</u>
<b>Income Plus (monthly) Class Units - Retail (USD)</b>		
Income distribution for July 2023		
- USD0.0408 on 10,939.73 units declared on 31 July 2023 and paid on 14 August 2023 (2023: USD0.0401 on 10,283.78 units declared on 29 July 2022 and paid on 15 August 2022)	446	413
Income distribution for August 2023		
- USD0.0402 on 10,997.77 units declared on 31 August 2023 and paid on 08 September 2023 (2023: USD0.0398 on 10,333.95 units declared on 31 August 2022 and paid on 13 September 2022)	442	411
Income distribution for September 2023		
- USD0.0392 on 11,055.94 units declared on 29 September 2023 and paid on 10 October 2023 (2023: USD0.041 on 10,384.66 units declared on 30 September 2022 and paid on 13 October 2022)	433	426
Income distribution for October 2023		
- USD0.0386 on 11,114.19 units declared on 31 October 2023 and paid on 08 November 2023 (2023: USD0.0393 on 10,439.88 units declared on 31 October 2022 and paid on 14 November 2022)	429	410
Income distribution for November 2023		
- USD0.0399 on 11,171.54 units declared on 30 November 2023 and paid on 08 December 2023 (2023: USD0.0411 on 10,493.58 units declared on 30 November 2022 and paid on 13 December 2022)	446	431

## 8 Distributions (continued)

	2024 US\$	2023 US\$
<b>Income Plus (monthly) Class Units - Retail (USD) (continued)</b>		
Income distribution for December 2023		
- USD0.0409 on 11,229.65 units declared on 29 December 2023 and paid on 09 January 2024 (2023: USD0.0416 on 10,547.56 units declared on 30 December 2022 and paid on 13 January 2023)	459	439
Income distribution for January 2024		
- USD0.0466 on 11,289.22 units declared on 31 January 2024 and paid on 07 February 2024 (2023: USD0.0429 on 10,601.60 units declared on 31 January 2023 and paid on 13 February 2023)	526	455
Income distribution for February 2024		
- USD0.0462 on 11,357.45 units declared on 29 February 2024 and paid on 07 March 2024 (2023: USD0.0417 on 10,658.03 units declared on 28 February 2023 and paid on 13 March 2023)	525	445
Income distribution for March 2024		
- USD0.0463 on 11,425.51 units declared on 28 March 2024 and paid on 09 April 2024 (2023: USD0.042 on 10,713.38 units declared on 31 March 2023 and paid on 13 April 2023)	529	450
Income distribution for April 2024		
- USD0.0452 on 11,494.75 units declared on 30 April 2024 and paid on 08 May 2024 (2023: USD0.0421 on 10,769.21 units declared on 28 April 2023 and paid on 15 May 2023)	520	453
Income distribution for May 2024		
- USD0.0457 on 11,563.29 units declared on 31 May 2024 and paid on 07 June 2024 (2023: USD0.0414 on 10,826.02 units declared on 31 May 2023 and paid on 13 June 2023)	528	448
Income distribution for June 2024		
- USD0.0457 on 11,632.64 units declared on 28 June 2024 and paid on 08 July 2024 (2023: USD0.0411 on 10,882.68 units declared on 30 June 2023 and paid on 13 July 2023)	532	447
	<u>\$ 5,815</u>	<u>\$ 5,228</u>
Total distributions for the year	<u>\$ 62,883</u>	<u>\$ 58,020</u>

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



## 8 Distributions (continued)

### Principal Sustainable Asian Allocation Fund

	2024 US\$	2023 US\$
<b>Income Plus (monthly) Class Unit - Retirement (HKD)</b>		
Income distribution for July 2023		
- HKD0.0357 on 89,930.99 units declared on 31 July 2023 and paid on 14 August 2023 (2023: HKD0.0342 on 79,470.89 units declared on 29 July 2022 and paid on 15 August 2022)	411	346
Income distribution for August 2023		
- HKD0.0343 on 90,346.86 units declared on 31 August 2023 and paid on 08 September 2023 (2023: HKD0.034 on 85,715.95 units declared on 31 August 2022 and paid on 13 September 2022)	395	371
Income distribution for September 2023		
- HKD0.0331 on 90,754.07 units declared on 29 September 2023 and paid on 10 October 2023 (2023: HKD0.0342 on 86,068.77 units declared on 30 September 2022 and paid on 13 October 2022)	383	375
Income distribution for October 2023		
- HKD0.0321 on 91,161.11 units declared on 31 October 2023 and paid on 08 November 2023 (2023: HKD0.0328 on 86,460.20 units declared on 31 October 2022 and paid on 14 November 2022)	374	361
Income distribution for November 2023		
- HKD0.0335 on 91,558.16 units declared on 30 November 2023 and paid on 08 December 2023 (2023: HKD0.0357 on 86,821.92 units declared on 30 November 2022 and paid on 13 December 2022)	392	399
Income distribution for December 2023		
- HKD0.0347 on 91,967.12 units declared on 29 December 2023 and paid on 09 January 2024 (2023: HKD0.0357 on 87,204.10 units declared on 30 December 2022 and paid on 13 January 2023)	409	399
Income distribution for January 2024		
- HKD0.034 on 92,387.02 units declared on 31 January 2024 and paid on 07 February 2024 (2023: HKD0.0377 on 87,575.61 units declared on 31 January 2023 and paid on 13 February 2023)	402	421
Income distribution for February 2024		
- HKD0.0346 on 92,796.03 units declared on 29 February 2024 and paid on 07 March 2024 (2023: HKD0.0359 on 87,970.54 units declared on 28 February 2023 and paid on 13 March 2023)	410	402

## 8 Distributions (continued)

	2024 US\$	2023 US\$
<b>Income Plus (monthly) Class Unit - Retirement (HKD) (continued)</b>		
Income distribution for March 2024		
- HKD0.0351 on 93,204.01 units declared on 28 March 2024 and paid on 09 April 2024 (2023: HKD0.0364 on 88,363.35 units declared on 31 March 2023 and paid on 13 April 2023)	418	410
Income distribution for April 2024		
- HKD0.0342 on 87,149.76 units declared on 30 April 2024 and paid on 08 May 2024 (2023: HKD0.0361 on 88,755.12 units declared on 28 April 2023 and paid on 15 May 2023)	381	408
Income distribution for May 2024		
- HKD0.0349 on 87,532.37 units declared on 31 May 2024 and paid on 07 June 2024 (2023: HKD0.035 on 89,152.65 units declared on 31 May 2023 and paid on 13 June 2023)	391	398
Income distribution for June 2024		
- HKD0.0358 on 87,916.15 units declared on 28 June 2024 and paid on 08 July 2024 (2023: HKD0.0353 on 89,537.87 units declared on 30 June 2023 and paid on 13 July 2023)	403	404
	\$ 4,769	\$ 4,694
<b>Income (monthly) Class Units - Retail (HKD)</b>		
Income distribution for July 2023		
- HKD0.022 on 81,390.34 units declared on 31 July 2023 and paid on 14 August 2023 (2023: HKD0.0135 on 79,090.90 units declared on 29 July 2022 and paid on 15 August 2022)	229	136
Income distribution for August 2023		
- HKD0.022 on 81,617.00 units declared on 31 August 2023 and paid on 08 September 2023 (2023: HKD0.025 on 79,216.37 units declared on 31 August 2022 and paid on 13 September 2022)	229	252
Income distribution for September 2023		
- HKD0.03 on 81,847.20 units declared on 29 September 2023 and paid on 10 October 2023 (2023: HKD0.0219 on 79,454.97 units declared on 30 September 2022 and paid on 13 October 2022)	313	222
Income distribution for October 2023		
- HKD0.021 on 82,171.99 units declared on 31 October 2023 and paid on 08 November 2023 (2023: HKD0.0126 on 79,684.83 units declared on 31 October 2022 and paid on 14 November 2022)	221	128

## 8 Distributions (continued)

	2024 US\$	2023 US\$
<b>Income (monthly) Class Units - Retail (HKD) (continued)</b>		
Income distribution for November 2023		
- HKD0.018 on 82,399.94 units declared on 30 November 2023 and paid on 08 December 2023 (2023: HKD0.0114 on 79,811.76 units declared on 30 November 2022 and paid on 13 December 2022)	190	117
Income distribution for December 2023		
- HKD0.019 on 82,592.31 units declared on 29 December 2023 and paid on 09 January 2024 (2023: HKD0.0336 on 79,922.72 units declared on 30 December 2022 and paid on 13 January 2023)	201	344
Income distribution for January 2024		
- HKD0.015 on 82,792.73 units declared on 31 January 2024 and paid on 07 February 2024 (2023: HKD0.01 on 80,239.77 units declared on 31 January 2023 and paid on 13 February 2023)	159	102
Income distribution for February 2024		
- HKD0.018 on 82,949.53 units declared on 29 February 2024 and paid on 07 March 2024 (2023: HKD0.015 on 80,334.39 units declared on 28 February 2023 and paid on 13 March 2023)	191	154
Income distribution for March 2024		
- HKD0.019 on 83,132.96 units declared on 28 March 2024 and paid on 09 April 2024 (2023: HKD0.025 on 80,481.88 units declared on 31 March 2023 and paid on 13 April 2023)	202	256
Income distribution for April 2024		
- HKD0.01 on 83,327 units declared on 30 April 2024 and paid on 08 May 2024 (2023: HKD0.0188 on 80,722.56 units declared on 28 April 2023 and paid on 15 May 2023)	107	193
Income distribution for May 2024		
- HKD0.015 on 83,430.01 units declared on 31 May 2024 and paid on 07 June 2024 (2023: HKD0.0239 on 80,907.18 units declared on 31 May 2023 and paid on 13 June 2023)	160	247
Income distribution for June 2024		
- HKD0.021 on 83,581.15 units declared on 28 June 2024 and paid on 08 July 2024 (2023: HKD0.0252 on 81,141.28 units declared on 30 June 2023 and paid on 13 July 2023)	225	262
	<u>\$ 2,427</u>	<u>\$ 2,413</u>

## 8 Distributions (continued)

	2024 US\$	2023 US\$
<b>Income Plus (monthly) Class Units - Retail (HKD)</b>		
Income distribution for July 2023		
- HKD0.0355 on 83,720.01 units declared on 31 July 2023 and paid on 14 August 2023 (2023: HKD0.0341 on 79,473.12 units declared on 29 July 2022 and paid on 15 August 2022)	381	345
Income distribution for August 2023		
- HKD0.034 on 84,107.50 units declared on 31 August 2023 and paid on 08 September 2023 (2023: HKD0.0339 on 79,793.83 units declared on 31 August 2022 and paid on 13 September 2022)	365	345
Income distribution for September 2023		
- HKD0.0329 on 84,486.26 units declared on 29 September 2023 and paid on 10 October 2023 (2023: HKD0.0341 on 80,122.11 units declared on 30 September 2022 and paid on 13 October 2022)	355	348
Income distribution for October 2023		
- HKD0.0318 on 84,865.99 units declared on 31 October 2023 and paid on 08 November 2023 (2023: HKD0.0327 on 80,486.40 units declared on 31 October 2022 and paid on 14 November 2022)	345	335
Income distribution for November 2023		
- HKD0.0333 on 85,234.67 units declared on 30 November 2023 and paid on 08 December 2023 (2023: HKD0.0356 on 80,823.39 units declared on 30 November 2022 and paid on 13 December 2022)	363	370
Income distribution for December 2023		
- HKD0.0344 on 85,616.16 units declared on 29 December 2023 and paid on 09 January 2024 (2022: HKD0.0356 on 81,179.49 units declared on 30 December 2022 and paid on 13 January 2023)	377	370
Income distribution for January 2024		
- HKD0.0337 on 191,183.87 units declared on 31 January 2024 and paid on 07 February 2023 (2022: HKD0.0375 on 81,526.01 units declared on 31 January 2023 and paid on 13 February 2023)	824	390
Income distribution for February 2024		
- HKD0.0343 on 191,564.74 units declared on 29 February 2024 and paid on 07 March 2024 (2023: HKD0.0358 on 81,893.47 units declared on 28 February 2023 and paid on 13 March 2023)	840	373

## 8 Distributions (continued)

	2024 US\$	2023 US\$
<b>Income Plus (monthly) Class Units - Retail (HKD) (continued)</b>		
Income distribution for March 2024		
- HKD0.0348 on 191,944.63 units declared on 28 March 2024 and paid on 09 April 2024 (2023: HKD0.0362 on 82,259.94 units declared on 31 March 2023 and paid on 13 April 2023)	853	379
Income distribution for April 2024		
- HKD0.0339 on 87,155.67 units declared on 30 April 2024 and paid on 08 May 2024 (2023: HKD0.0359 on 82,624.87 units declared on 28 April 2023 and paid on 15 May 2023)	378	378
Income distribution for May 2024		
- HKD0.0346 on 87,538.39 units declared on 31 May 2024 and paid on 07 June 2024 (2023: HKD0.0348 on 82,995.19 units declared on 31 May 2023 and paid on 13 June 2023)	388	369
Income distribution for June 2024		
- HKD0.0355 on 87,922.76 units declared on 28 June 2024 and paid on 08 July 2024 (2023: HKD0.035 on 83,354.42 units declared on 30 June 2023 and paid on 13 July 2023)	400	373
	<u>\$ 5,869</u>	<u>\$ 4,375</u>
<b>Income Plus (monthly) Class Units - Retail (RMB hedged)</b>		
Income distribution for July 2023		
- CNH0.0219 on 70,633.67 units declared on 31 July 2023 and paid on 14 August 2023 (2023: CNH0.0526 on 65,738.97 units declared on 29 July 2022 and paid on 15 August 2022)	215	511
Income distribution for August 2023		
- CNH0.0209 on 70,844.13 units declared on 31 August 2023 and paid on 08 September 2023 (2023: CNH0.0532 on 66,130.57 units declared on 31 August 2022 and paid on 13 September 2022)	202	507
Income distribution for September 2023		
- CNH0.0201 on 71,049.20 units declared on 29 September 2023 and paid on 10 October 2023 (2023: CNH0.0504 on 66,529.45 units declared on 30 September 2022 and paid on 13 October 2022)	195	474
Income distribution for October 2023		
- CNH0.0168 on 71,252.92 units declared on 31 October 2023 and paid on 08 November 2023 (2023: CNH0.0496 on 66,934.41 units declared on 31 October 2022 and paid on 14 November 2022)	164	452

## 8 Distributions (continued)

	2024 US\$	2023 US\$
<b>Income Plus (monthly) Class Units - Retail (RMB hedged)</b>		
Income distribution for November 2023		
- CNH0.0176 on 71,423.68 units declared on 30 November 2023 and paid on 08 December 2023 (2023: CNH0.0524 on 67,327.30 units declared on 30 November 2022 and paid on 13 December 2022)	175	507
Income distribution for December 2023		
- CNH0.0182 on 71,599.74 units declared on 29 December 2023 and paid on 09 January 2024 (2023: CNH0.051 on 67,734.68 units declared on 30 December 2022 and paid on 13 January 2023)	182	501
Income distribution for January 2024		
- CNH0.0178 on 71,780.23 units declared on 31 January 2024 and paid on 07 February 2024 (2023: CNH0.0523 on 68,137.30 units declared on 31 January 2023 and paid on 13 February 2023)	177	525
Income distribution for February 2024		
- CNH0.0181 on 71,955.50 units declared on 29 February 2024 and paid on 07 March 2024 (2023: CNH0.0497 on 68,549.27 units declared on 28 February 2023 and paid on 13 March 2023)	181	493
Income distribution for March 2024		
- CNH0.0183 on 72,129.85 units declared on 28 March 2024 and paid on 09 April 2024 (2023: CNH0.0472 on 68,963.73 units declared on 31 March 2023 and paid on 13 April 2023)	182	473
Income distribution for April 2024		
- CNH0.0179 on 72,307.27 units declared on 30 April 2024 and paid on 08 May 2024 (2023: CNH0.0345 on 69,377.34 units declared on 28 April 2023 and paid on 15 May 2023)	180	346
Income distribution for May 2024		
- CNH0.0182 on 72,482.65 units declared on 31 May 2024 and paid on 07 June 2024 (2023: CNH0.0334 on 70,022.63 units declared on 31 May 2023 and paid on 13 June 2023)	182	329
Income distribution for June 2024		
- CNH0.0188 on 72,657.14 units declared on 28 June 2024 and paid on 08 July 2024 (2023: CNH0.0336 on 70,325.19 units declared on 30 June 2023 and paid on 13 July 2023)	187	325
	<u>\$ 2,222</u>	<u>\$ 5,443</u>

## 8 Distributions (continued)

	2024 US\$	2023 US\$
<b>Income Plus (monthly) Class Units - Retail (USD)</b>		
Income distribution for July 2023		
- USD0.0354 on 10,737.47 units declared on 31 July 2023 and paid on 14 August 2023 (2023: USD0.0339 on 10,193.03 units declared on 29 July 2022 and paid on 15 August 2022)	380	346
Income distribution for August 2023		
- USD0.0339 on 10,787.16 units declared on 31 August 2023 and paid on 08 September 2023 (2023: USD0.0337 on 10,234.17 units declared on 31 August 2022 and paid on 13 September 2022)	366	345
Income distribution for September 2023		
- USD0.0327 on 10,835.79 units declared on 29 September 2023 and paid on 10 October 2023 (2023: USD0.0339 on 10,276.33 units declared on 30 September 2022 and paid on 13 October 2022)	354	348
Income distribution for October 2023		
- USD0.0317 on 10,884.33 units declared on 31 October 2023 and paid on 08 November 2023 (2023: USD0.0325 on 10,323.15 units declared on 31 October 2022 and paid on 14 November 2022)	345	337
Income distribution for November 2023		
- USD0.0332 on 10,931.59 units declared on 30 November 2023 and paid on 08 December 2023 (2023: USD0.0356 on 10,366.33 units declared on 30 November 2022 and paid on 13 December 2022)	363	369
Income distribution for December 2023		
- USD0.0344 on 10,980.44 units declared on 29 December 2023 and paid on 09 January 2024 (2023: USD0.0355 on 10,411.89 units declared on 30 December 2022 and paid on 13 January 2023)	378	370
Income distribution for January 2024		
- USD0.0336 on 11,030.67 units declared on 31 January 2024 and paid on 07 February 2024 (2023: USD0.0374 on 10,456.26 units declared on 31 January 2023 and paid on 13 February 2023)	371	391

## 8 Distributions (continued)

	2024 US\$	2023 US\$
<b>Income Plus (monthly) Class Units - Retail (USD) (continued)</b>		
Income distribution for February 2024		
- USD0.0341 on 11,079.50 units declared on 29 February 2024 and paid on 07 March 2024 (2023: USD0.0355 on 10,503.55 units declared on 28 February 2023 and paid on 13 March 2023)	378	373
Income distribution for March 2024		
- USD0.0346 on 11,128.06 units declared on 28 March 2024 and paid on 09 April 2024 (2023: USD0.036 on 10,550.45 units declared on 31 March 2023 and paid on 13 April 2023)	385	380
Income distribution for April 2024		
- USD0.0338 on 11,177.74 units declared on 30 April 2024 and paid on 08 May 2024 (2023: USD0.0356 on 10,597.28 units declared on 28 April 2023 and paid on 15 May 2023)	378	377
Income distribution for May 2024		
- USD0.0344 on 11,226.87 units declared on 31 May 2024 and paid on 07 June 2024 (2023: USD0.0346 on 10,644.62 units declared on 31 May 2023 and paid on 13 June 2023)	386	368
Income distribution for June 2024		
- USD0.0354 on 11,276.00 units declared on 28 June 2024 and paid on 08 July 2024 (2023: USD0.0349 on 10,690.60 units declared on 30 June 2023 and paid on 13 July 2023)	399	373
	<u>\$ 4,483</u>	<u>\$ 4,377</u>
	<u>\$ 19,770</u>	<u>\$ 21,302</u>

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



## 8 Distributions (continued)

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 years ended 30 June 2024 and 2023 has been distributed as above.

	Principal Sustainable Asia Equity Income Fund		Principal Sustainable Asian Income Fund*		Principal Sustainable Asian Allocation Fund*	
	2024	2023	2024	2023	2024	2023
<b>Amount available for distribution brought forward</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Profit for the year available for distribution #	406,849	641,673	56,335	49,021	14,611	12,196
Distributions to unitholders	(342,283)	(640,069)	(62,883)	(58,020)	(19,770)	(21,302)
Transfer from/(to) capital	(64,566)	(1,604)	6,548	8,999	5,159	9,106
<b>Amount available for distribution carried forward</b>	<u>\$ -</u>	<u>\$ -</u>	<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-Funds attributable to such Units on a monthly basis. It is intended, although not guaranteed, that Income Plus Class Units will distribute a set level of net income (the "Target Income") determined by the Manager on a regular basis. In order to calculate the Target Income, the Manager and/or its delegates will, on a best efforts basis, calculate the amount of net income to be received by the Sub-Funds over the course of the accounting period and calculate a prorated amount to be distributed to the Income Plus Class Units on each distribution date. The levels of Target Income will take into account the actual dividend yield, which will be constantly adjusted to reflect the latest information pertaining to the underlying assets of the Sub-Funds as well as industry peer data relevant to the Sub-Funds. In the event that the pro rata net income attributable to the Income Plus Class Units is less than the Target Income at the distribution date, the Manager may, in its absolute discretion, pay dividend out of the capital of such Units.

## 9 Total number of units in issue

	Principal Sustainable Asia Equity Income Fund		Principal Sustainable Asian Income Fund		Principal Sustainable Asian Allocation Fund	
	2024	2023	2024	2023	2024	2023
<b>Income (monthly) Class Units - Retail (USD)*</b>						
Number of units in issue brought forward	556,550.73	577,345.04	-	-	-	-
Units issued during the year	15,428.93	66,205.49	-	-	-	-
Units redeemed during the year	(95,174.03)	(86,999.80)	-	-	-	-
Number of units in issue carried forward	476,805.63	556,550.73	-	-	-	-
Net asset value per unit	\$ 32.68	\$ 29.29	\$ -	\$ -	\$ -	\$ -
<b>Income Plus (monthly) Class Unit - Retirement (HKD)</b>						
Number of units in issue brought forward	-	-	84,902.68	79,838.91	89,537.87	79,144.22
Units issued during the year	-	-	5,855.84	5,063.77	4,848.75	10,393.65
Units redeemed during the year	-	-	-	-	(6,470.47)	-
Number of units in issue carried forward	-	-	90,758.52	84,902.68	87,916.15	89,537.87
Net asset value per unit	HK\$ -	HK\$ -	HK\$ 7.61	HK\$ 7.86	HK\$ 8.01	HK\$ 7.88
<b>Accumulation Class Units - Institutional (USD)*</b>						
Number of units in issue brought forward	7,762,570.09	8,044,657.13	1,820,000.00	1,820,000.00	2,920,000.00	2,920,000.00
Units issued during the year	979,640.37	482,256.31	42,273.96	-	-	-
Units redeemed during the year	(1,243,741.15)	(764,343.35)	(1,479.66)	-	-	-
Number of units in issue carried forward	7,498,469.31	7,762,570.09	1,860,794.30	1,820,000.00	2,920,000.00	2,920,000.00
Net asset value per unit	\$ 15.76	\$ 13.77	\$ 8.92	\$ 8.57	\$ 9.09	\$ 8.43
<b>Income (monthly) Class Units - Institutional (USD)</b>						
Number of units in issue brought forward	-	-	105,558.77	101,625.99	-	-
Units issued during the year	-	-	4,431.19	3,932.78	-	-
Units redeemed during the year	-	-	-	-	-	-
Number of units in issue carried forward	-	-	109,989.96	105,558.77	-	-
Net asset value per unit	\$ -	\$ -	\$ 8.08	\$ 8.09	\$ -	\$ -
<b>Accumulation Class Units - Retail (HKD)</b>						
Number of units in issue brought forward	-	-	78,020.77	78,020.77	79,831.61	77,969.00
Units issued during the year	-	-	21,289.72	-	2,861.00	1,862.61
Units redeemed during the year	-	-	(21,289.72)	-	-	-
Number of units in issue carried forward	-	-	78,020.77	78,020.77	82,692.61	79,831.61
Net asset value per unit	HK\$ -	HK\$ -	HK\$ 8.85	HK\$ 8.56	HK\$ 8.97	HK\$ 8.40

\* For Principal Sustainable Asia Equity Income Fund, Income (monthly) Class Units - Retail (USD) and Accumulation Class Units - Institutional (USD) are formerly known as Income Class Units and Accumulation Class Units - Institutional respectively.

## 9 Total number of units in issue (continued)

	Principal Sustainable Asia Equity Income Fund				Principal Sustainable Asian Income Fund				Principal Sustainable Asian Allocation Fund			
	2024		2023		2024		2023		2024		2023	
Accumulation Class Units - Retail (RMB hedged)												
Number of units in issue brought forward	-		-		63,784.05		63,784.05		63,837.39		63,837.39	
Units issued during the year	-		-		-		-		-		-	
Units redeemed during the year	-		-		-		-		-		-	
Number of units in issue carried forward	-		-		63,784.05		63,784.05		63,837.39		63,837.39	
Net asset value per unit	CNH	-	CNH	-	CNH	8.70	CNH	8.59	CNH	8.63	CNH	8.25
Accumulation Class Units - Retail (USD)												
Number of units in issue brought forward	-		-		10,000.00		10,000.00		10,000.00		10,000.00	
Units issued during the year	-		-		-		-		-		-	
Units redeemed during the year	-		-		-		-		-		-	
Number of units in issue carried forward	-		-		10,000.00		10,000.00		10,000.00		10,000.00	
Net asset value per unit	\$	-	\$	-	\$	8.84	\$	8.52	\$	8.96	\$	8.36
Income (monthly) Class Units - Retail (HKD)												
Number of units in issue brought forward	-		-		142,526.69		79,289.19		81,141.28		78,775.04	
Units issued during the year	-		-		5,081.74		63,237.50		2,439.87		2,366.24	
Units redeemed during the year	-		-		(61,851.34)		-		-		-	
Number of units in issue carried forward	-		-		85,757.09		142,526.69		83,581.15		81,141.28	
Net asset value per unit	HK\$	-	HK\$	-	HK\$	8.03	HK\$	8.10	HK\$	8.35	HK\$	8.05
Income Plus (monthly) Class Units - Retail (HKD)												
Number of units in issue brought forward	-		-		91,082.75		79,839.70		83,354.42		79,145.65	
Units issued during the year	-		-		6,282.66		11,243.05		109,744.92		4,208.77	
Units redeemed during the year	-		-		-		-		(105,176.58)		-	
Number of units in issue carried forward	-		-		97,365.41		91,082.75		87,922.76		83,354.42	
Net asset value per unit	HK\$	-	HK\$	-	HK\$	7.56	HK\$	7.83	HK\$	7.93	HK\$	7.83
Income Plus (monthly) Class Units - Retail (RMB hedged)												
Number of units in issue brought forward	-		-		71,698.20		65,953.67		70,325.19		65,339.17	
Units issued during the year	-		-		3,394.67		5,744.53		2,331.95		4,986.02	
Units redeemed during the year	-		-		-		-		-		-	
Number of units in issue carried forward	-		-		75,092.87		71,698.20		72,657.14		70,325.19	
Net asset value per unit	CNH	-	CNH	-	CNH	7.28	CNH	7.52	CNH	7.61	CNH	7.50
Income Plus (monthly) Class Units - Retail (USD)												
Number of units in issue brought forward	-		-		10,882.68		10,233.49		10,690.60		10,151.09	
Units issued during the year	-		-		749.96		649.19		585.40		539.51	
Units redeemed during the year	-		-		-		-		-		-	
Number of units in issue carried forward	-		-		11,632.64		10,882.68		11,276.00		10,690.60	
Net asset value per unit	\$	-	\$	-	\$	7.56	\$	7.79	\$	7.91	\$	7.79

## **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\$119,296,351 (2023: US\$164,454,849) of business with the brokers on behalf of the Sub-funds and commission of US\$72,689 (2023: US\$124,717) 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 2024 (2023: Nil).

## **12 Security lending arrangements**

During the year ended 30 June 2024, the Sub-Funds did not enter into any security lending arrangements (2023: Nil).

## **13 Negotiability of assets**

As at 30 June 2024, there was no statutory or contractual requirement restricting the negotiability of the assets of the Sub-Funds (2023: Nil).

## **14 Commitments**

The Sub-Funds had no commitments as at 30 June 2024 (2023: Nil).

## **15 Contingent liabilities**

The Sub-Funds had no contingent liabilities as at 30 June 2024 (2023: 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 104 to 115.

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

## 16 Financial instruments and associated risks (continued)

### (a) Market risk

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

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

#### (i) Currency risk

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

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

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

Currency	Principal Sustainable Asia Equity Income Fund United States dollar		Principal Sustainable Asian Income Fund United States dollar		Principal Sustainable Asian Allocation Fund United States dollar	
	2024	2023	2024	2023	2024	2023
Australian dollar	\$ 20,116,300	\$ 19,737,026	\$ -	\$ -	\$ 1,114,130	\$ 1,291,472
Chinese yuan	40,148	572,826	150,910	150,325	668,743	311,125
European Monetary Unit	5,359	-	17	7	37	23
Indian rupee	21,568,101	18,526,289	-	-	93,966	-
Indonesian rupiah	1,692,046	4,330,105	-	-	-	477,758
Japanese Yen	-	-	-	-	460,914	-
Malaysian ringgit	765,981	850,750	-	-	110,708	107,894
New Taiwan dollar	20,097,059	13,928,719	-	-	1,778,982	913,288
Philippines peso	1,866,828	3,269,884	-	-	-	-
Pound Sterling	-	-	-	-	-	339,478
Singapore dollar	3,666,332	3,050,869	(1,864)	-	169,656	733,283
South Korean won	19,054,655	13,437,373	-	-	1,406,991	1,385,972
Thai baht	815,351	2,998,315	-	-	47,818	709,495
Total	\$ 89,688,160	\$ 80,702,156	\$ 149,063	\$ 150,332	\$ 5,851,945	\$ 6,269,788

## 16 Financial instruments and associated risks (continued)

### Currency risk sensitivity analysis

As at 30 June 2024, 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 2023.

Currency	Principal Sustainable Asia Equity Income Fund United States dollar		Principal Sustainable Asian Income Fund United States dollar		Principal Sustainable Asian Allocation Fund United States dollar	
	2024	2023	2024	2023	2024	2023
Australian dollar	\$ 1,005,815	\$ 986,851	\$ -	\$ -	\$ 55,707	\$ 64,574
Chinese yuan	2,007	28,641	7,546	7,516	33,437	15,556
European Monetary Unit	268	-	1	-	2	1
Indian rupee	1,078,405	926,314	-	-	-	-
Indonesian rupiah	84,602	216,505	-	-	4,698	23,888
Japanese Yen	-	-	-	-	23,046	-
Malaysian ringgit	38,299	42,538	-	-	5,535	5,395
New Taiwan dollar	1,004,853	696,436	-	-	88,949	45,664
Philippines peso	93,341	163,494	-	-	-	-
Pound Sterling	-	-	-	-	-	16,974
Singapore dollar	183,317	152,543	(93)	-	8,483	36,664
South Korean won	952,733	671,869	-	-	70,350	69,299
Thai baht	40,768	149,916	-	-	2,391	35,475
Total	\$ 4,484,408	\$ 4,035,107	\$ 7,454	\$ 7,516	\$ 292,598	\$ 313,490

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 by maturity dates of Principal Sustainable Asian Income Fund and Principal Sustainable Asian Allocation Fund. The investments classified within 1-5 years and over 5 years categories comprise floating rate bonds and fixed rate resettable bonds, which have a repricing date that occur before the maturity date. Principal Sustainable Asia Equity Income 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 2024

	Up to 1 year	1 - 5 years	Over 5 years	Non-interest bearing	Total
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 956,228	\$ 956,228
Financial assets at FVTPL	598,602	6,324,320	10,563,780	3,118	17,489,820
Interest receivable	-	-	-	182,232	182,232
<b>Total assets</b>	<b>\$ 598,602</b>	<b>\$ 6,324,320</b>	<b>\$ 10,563,780</b>	<b>\$ 1,141,578</b>	<b>\$ 18,628,280</b>
<b>Liabilities (excluding net assets attributable to holders of redeemable shares)</b>					
Financial liabilities at fair value through profit or loss	\$ -	\$ -	\$ -	\$ 1,820	\$ 1,820
Amounts due to brokers	-	-	-	298,137	298,137
Distribution payable	-	-	-	6,090	6,090
Other payables	-	-	-	132,060	132,060
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 438,107</b>	<b>\$ 438,107</b>
<b>Total interest sensitivity gap</b>	<b>\$ 598,602</b>	<b>\$ 6,324,320</b>	<b>\$ 10,563,780</b>		

As at 30 June 2023

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

## 16 Financial instruments and associated risks (continued)

### Principal Sustainable Asian Allocation Fund

As at 30 June 2024

	Up to 1 year	1 - 5 years	Over 5 years	Non-interest bearing	Total
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 821,255	\$ 821,255
Financial assets at FVTPL	399,067	4,408,963	6,927,794	14,749,153	26,484,977
Dividend receivable	-	-	-	36,915	36,915
Interest receivable	-	-	-	121,159	121,159
Amounts due from brokers	-	-	-	354,923	354,923
<b>Total assets</b>	<b>\$ 399,067</b>	<b>\$ 4,408,963</b>	<b>\$ 6,927,794</b>	<b>\$ 16,083,405</b>	<b>\$ 27,819,229</b>
<b>Liabilities (excluding net assets attributable to holders of redeemable shares)</b>					
Financial liabilities at fair value through profit or loss	\$ -	\$ -	\$ -	\$ 1,800	\$ 1,800
Amounts due to brokers	-	-	-	391,472	391,472
Distribution payable	-	-	-	1,614	1,614
Other payables	-	-	-	159,558	159,558
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 554,444</b>	<b>\$ 554,444</b>
<b>Total interest sensitivity gap</b>	<b>\$ 399,067</b>	<b>\$ 4,408,963</b>	<b>\$ 6,927,794</b>		

As at 30 June 2023

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



## 16 Financial instruments and associated risks (continued)

### *Interest rate sensitivity*

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

	<i>Decrease in net assets if interest rate increased by 100 basis points 2024 USD</i>	<i>Decrease in net assets if interest rate increased by 100 basis points 2023 USD</i>
Principal Sustainable Asian Income Fund	1,077,481	1,691,961
Principal Sustainable Asian Allocation Fund	725,636	472,678

### (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 2024, 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 Sustainable Asian Equity Income Fund</i>	<i>Principal Sustainable Asian Allocation Fund</i>
As at 30 June 2024		
Equities	\$ 125,717,920	\$ 10,382,518
Investment funds	-	3,912,595
REITs	1,825,213	451,215
	<u>\$ 127,543,133</u>	<u>\$ 14,746,328</u>
As at 30 June 2023		
Equities	\$ 114,393,621	\$ 9,614,674
Investment funds	655,546	2,811,347
REITs	3,401,100	955,839
	<u>\$ 118,450,267</u>	<u>\$ 13,381,860</u>
	<i>Principal Sustainable Asian Equity Income Fund</i>	<i>Principal Sustainable Asian Allocation Fund</i>
As at 30 June 2024		
Equities	\$ 12,571,792	\$ 1,038,252
Investment funds	-	391,260
REITs	182,521	45,122
	<u>\$ 12,754,313</u>	<u>\$ 1,474,634</u>
As at 30 June 2023		
Equities	\$ 11,439,362	\$ 961,467
Investment funds	65,555	281,135
REITs	340,110	95,584
	<u>\$ 11,845,027</u>	<u>\$ 1,338,186</u>

## 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 2024 and 2023, 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 2024 % of debt securities		As at 30 June 2023 % of debt securities	
	Principal Sustainable Asian Income Fund	Principal Sustainable Asian Allocation Fund	Principal Sustainable Asian Income Fund	Principal Sustainable Asian Allocation Fund
AAA/Aaa	1.35%	1.83%	4.09%	1.80%
AA/Aa	6.31%	3.30%	9.12%	8.86%
A/A	31.85%	31.96%	43.51%	41.96%
BBB/Baa	44.65%	46.84%	34.02%	37.32%
BB/Ba	12.34%	12.60%	6.69%	7.13%
B/B	1.63%	1.62%	2.57%	2.93%
C/C	0.14%	0.14%	0.00%	0.00%
Not rated	1.73%	1.71%	0.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%

## 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 2024 and 2023, 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 Sustainable Asia Equity Income Fund during the years ended 30 June 2024 and 2023.

## 16 Financial instruments and associated risks (continued)

### Principal Sustainable Asian Income Fund

As at 30 June 2024

<i>Buy</i>	<i>Sell</i>	<i>Settlement date</i>	<i>Fair value assets/(liabilities) US\$</i>
USD186,977	SGD250,675	12/09/2024	1,343
USD185,916	SGD250,000	12/09/2024	784
USD186,682	SGD251,700	12/09/2024	293
USD185,830	SGD250,000	12/09/2024	698
			<hr/> 3,118 <hr/>
CNH272,407	USD37,891	14/08/2024	(448)
CNH276,540	USD38,466	14/08/2024	(455)
CNH272,408	USD37,899	14/08/2024	(455)
CNH276,540	USD38,474	14/08/2024	(462)
			<hr/> (1,820) <hr/>

As at 30 June 2023

<i>Buy</i>	<i>Sell</i>	<i>Settlement date</i>	<i>Fair value assets/(liabilities) US\$</i>
USD1,687	CNH11,865	12/09/2023	45
USD1,741	CNH12,247	12/09/2023	47
			<hr/> 92 <hr/>
CNH276,968	USD40,402	12/09/2023	(2,089)
CNH276,967	USD40,401	12/09/2023	(2,089)
CNH272,545	USD39,757	12/09/2023	(2,056)
CNH272,545	USD39,756	12/09/2023	(2,055)
CNH11,809	USD1,659	12/09/2023	(26)
			<hr/> (8,315) <hr/>

## 16 Financial instruments and associated risks (continued)

### Principal Sustainable Asian Allocation Fund

As at 30 June 2024

<i>Buy</i>	<i>Sell</i>	<i>Settlement date</i>	<i>Fair value assets/(liabilities) US\$</i>
USD186,977	SGD250,675	12/09/2024	1,343
USD185,830	SGD250,000	12/09/2024	698
USD185,916	SGD250,000	12/09/2024	784
			<hr/>
			2,825
			<hr/>
CNH11,029	USD1,525	14/08/2024	(9)
CNH14,525	USD2,022	14/08/2024	(26)
CNH263,141	USD36,602	14/08/2024	(432)
CNH266,858	USD37,119	14/08/2024	(439)
CNH12,680	USD1,747	14/08/2024	(4)
CNH13,106	USD1,805	14/08/2024	(4)
CNH263,141	USD36,610	14/08/2024	(440)
CNH266,858	USD37,127	14/08/2024	(446)
			<hr/>
			(1,800)
			<hr/>

As at 30 June 2023

<i>Buy</i>	<i>Sell</i>	<i>Settlement date</i>	<i>Fair value assets/(liabilities) US\$</i>
USD1,735	CNH11,924	12/09/2023	86
USD1,850	CNH12,714	12/09/2023	91
USD1,699	CNH11,984	12/09/2023	41
USD1,895	CNH13,648	12/09/2023	7
			<hr/>
			225
			<hr/>
CNH271,854	USD39,656	12/09/2023	(2,051)
CNH271,854	USD39,655	12/09/2023	(2,050)
CNH271,813	USD39,650	12/09/2023	(2,050)
CNH271,813	USD39,649	12/09/2023	(2,050)
CNH13,202	USD1,859	12/09/2023	(33)
CNH11,861	USD1,667	12/09/2023	(26)
			<hr/>
			(8,260)
			<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.

#### (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 Sustainable Asia Equity Income Fund</i>				
<i>2024</i>				
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
<b>Assets</b>				
Financial assets at fair value through profit or loss:				
- Equities	\$ 125,717,920	\$ -	\$ -	\$ 125,717,920
- Investment funds	-	-	-	-
- REITs	1,825,213	-	-	1,825,213
	<u>\$ 127,543,133</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,543,133</u>

## 16 Financial instruments and associated risks (continued)

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

Principal Sustainable Asian Income Fund 2024				
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Financial assets at fair value through profit or loss:				
- Debt securities	\$ 235,929	\$ 17,250,773	\$ -	\$ 17,486,702
- Forward contracts	-	3,118	-	3,118
	<u>\$ 235,929</u>	<u>\$ 17,253,891</u>	<u>\$ -</u>	<u>\$ 17,489,820</u>

### Liabilities

Financial liabilities at fair value through profit or loss:				
- Forward contracts	\$ -	\$ 1,820	\$ -	\$ 1,820
	<u>\$ -</u>	<u>\$ 1,820</u>	<u>\$ -</u>	<u>\$ 1,820</u>

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

### Liabilities

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



## 16 Financial instruments and associated risks (continued)

Principal Sustainable Asian Allocation Fund 2024				
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Financial assets at fair value through profit or loss:				
- Equities	\$ 10,382,518	\$ -	\$ -	\$ 10,382,518
- Investment funds	3,912,595	-	-	3,912,595
- REITs	451,215	-	-	451,215
- Debt securities	214,142	11,521,682	-	11,735,824
- Forward contracts	-	2,825	-	2,825
	<u>\$ 14,960,470</u>	<u>\$ 11,524,507</u>	<u>\$ -</u>	<u>\$ 26,484,977</u>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss:				
- Forward contracts	\$ -	\$ 1,800	\$ -	\$ 1,800
	<u>\$ -</u>	<u>\$ 1,800</u>	<u>\$ -</u>	<u>\$ 1,800</u>
Principal Sustainable Asian Allocation Fund 2023				
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Financial assets at fair value through profit or loss:				
- Equities	\$ 9,614,674	\$ -	\$ -	\$ 9,614,674
- Investment funds	2,811,347	-	-	2,811,347
- REITs	955,839	-	-	955,839
- Debt securities	230,756	10,961,214	-	11,191,970
- Forward contracts	-	225	-	225
	<u>\$ 13,612,616</u>	<u>\$ 10,961,439</u>	<u>\$ -</u>	<u>\$ 24,574,055</u>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss:				
- Forward contracts	\$ -	\$ 8,260	\$ -	\$ 8,260
	<u>\$ -</u>	<u>\$ 8,260</u>	<u>\$ -</u>	<u>\$ 8,260</u>

During the years ended 30 June 2024 and 2023, there were no transfers between instruments in Level 1, Level 2 and Level 3. The Sub-Funds' policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

## 16 Financial instruments and associated risks (continued)

### (iii) Financial instruments not measured at fair value

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

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

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

## 17 Involvement with unconsolidated structured entities

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

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

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

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

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

## 17 Involvement with unconsolidated structured entities (continued)

### *Principal Sustainable Asia Equity Income Fund:*

#### *As at 30 June 2024:*

<i>Structured entities</i>	<i>Number of investment funds</i>	<i>Total net assets (in US\$ millions) US\$</i>	<i>Carrying amount included in financial assets at FVTPL US\$</i>
REITs	6	68,863	1,825,213

#### *As at 30 June 2023:*

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

During the year ended 30 June 2024, apart from the holding in the investment funds, the sub-fund did not provide any other financial support to it and has no intention of providing further financial or other support. The Sub-fund did not hold any investment fund as at 30 June 2023.

## 17 Involvement with unconsolidated structured entities (continued)

### *Principal Sustainable Asian Allocation Fund:*

#### *As at 30 June 2024:*

<i>Structured entities</i>	<i>Number of investment funds</i>	<i>Total net assets (in US\$ millions) US\$</i>	<i>Carrying amount included in financial assets at FVTPL US\$</i>
Listed investment funds	8	347,233	3,912,595
REITs	2	53,887	451,215

#### *As at 30 June 2023:*

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

During the years ended 30 June 2024 and 2023, apart from the holding in the investment funds, the sub-fund did not provide any other financial support to it and has no intention of providing further financial or other support.

## 18 Segment reporting

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

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

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

## 19 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 30 June 2024

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 2024 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, <i>Presentation of financial statements:</i> <i>Classification of liabilities as current or non-current</i>	1 January 2024
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Amendments to HKAS 21, <i>The effects of changes in foreign exchange rates: Lack of exchangeability</i>	1 January 2025
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The Sub-funds are in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.

## 20 Subsequent events

In preparing these financial statements, the Manager and the Trustee have evaluated all significant events up to the date the financial statements are approved and authorised for issue. There were no subsequent events that would require adjustment or disclosure to these 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 2024.



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

Hong Kong, 28 October 2024

## Investment portfolio as at 30 June 2024

### Principal Sustainable Asia Equity Income Fund

	Holdings	Fair value USD/ USD equivalent	% of net assets
<b>Listed investments (cost: USD104,714,339)</b>			
<b>Equities</b>			
<i>Australia</i>			
Ampol Ltd	9,164	\$ 197,927	0.15%
AUB Group Ltd	6,702	141,842	0.11%
Australia and New Zealand Banking Group Ltd	44,660	842,291	0.63%
BHP Group Ltd	84,477	2,407,919	1.80%
CAR Group Ltd	19,765	465,302	0.35%
Cochlear Ltd	1,451	321,870	0.24%
Coles Group Ltd	28,075	319,311	0.24%
Collins Foods Ltd	10,622	64,555	0.05%
Commonwealth Bank of Australia	26,335	2,240,338	1.67%
CSL Ltd	7,819	1,541,563	1.15%
Data#3 Ltd	24,101	134,722	0.10%
De Grey Mining Ltd	468,907	357,002	0.27%
Deterra Royalties Ltd	97,060	258,638	0.19%
Endeavour Group Ltd	40,684	137,213	0.10%
Flight Centre Travel Group Ltd	4,667	62,898	0.05%
Fortescue Ltd	20,094	287,317	0.21%
Insurance Australia Group Ltd	69,363	330,754	0.25%
Integral Diagnostics Ltd	9,247	16,489	0.01%
Macquarie Group Ltd	4,070	556,378	0.42%
Monash IVF Group Ltd	861,632	739,442	0.55%
National Australia Bank Ltd	51,870	1,255,057	0.94%
Orora Ltd	177,317	233,290	0.17%
Pro Medicus Ltd	2,864	274,017	0.20%
QBE Insurance Group Ltd	13,445	156,149	0.12%
Qube Holdings Ltd	110,129	268,456	0.20%
REA Group Ltd	3,416	448,655	0.33%
Rio Tinto Ltd	6,197	492,501	0.37%
Santos Ltd	41,669	213,167	0.16%
Sonic Healthcare Ltd	17,456	306,605	0.23%
Suncorp Group Ltd	20,876	242,731	0.18%
Technology One Ltd	11,909	147,934	0.11%
Telstra Group Ltd	69,701	168,510	0.13%
Transurban Group	21,334	176,674	0.13%
Treasury Wine Estates Ltd	22,187	184,331	0.14%
Ventia Services Group Pty Ltd	163,144	417,300	0.31%
Wesfarmers Ltd	16,167	703,757	0.53%
Westpac Banking Corp	37,253	677,466	0.51%
Woodside Energy Group Ltd	28,626	539,315	0.40%
Woolworths Group Ltd	17,018	384,039	0.29%
		<u>\$ 18,713,725</u>	<u>13.99%</u>

## Investment portfolio as at 30 June 2024 (continued)

### Principal Sustainable Asia Equity Income Fund (continued)

	Holdings	Fair value USD/ USD equivalent	% of net assets
<i>Hong Kong</i>			
Agricultural Bank of China Ltd-H	1,267,000	\$ 542,023	0.41%
AIA Group Ltd	222,800	1,512,467	1.13%
Alibaba Group Holding Ltd	259,500	2,343,265	1.75%
Anhui Conch Cement Co Ltd-H	76,000	181,060	0.14%
ANTA Sports Products Ltd	47,000	451,496	0.34%
Baidu Inc	20,000	218,383	0.16%
Bank of China Ltd-H	1,844,000	909,320	0.68%
Bosideng International Holdings Ltd	732,000	456,599	0.34%
BYD Co Ltd-H	17,000	505,163	0.38%
China Construction Bank Corp-H	812,620	600,562	0.45%
China Longyuan Power Group Corp Ltd-H	273,000	245,468	0.18%
China Mengniu Dairy Co Ltd	25,000	44,829	0.03%
China Merchants Bank Co Ltd-H	63,500	288,327	0.22%
China Mobile Ltd	179,000	1,765,382	1.32%
China Overseas Land & Investment Ltd	94,000	163,020	0.12%
China Pacific Insurance Group Co Ltd-H	149,200	364,239	0.27%
China Petroleum & Chemical Corp-H	524,000	339,607	0.25%
China Resources Land Ltd	144,000	489,691	0.37%
China Resources Pharmaceutical Group Ltd	959,500	711,571	0.53%
China Resources Power Holdings Co Ltd	96,000	294,491	0.22%
CK Hutchison Holdings Ltd	50,500	241,912	0.18%
CLP Holdings Ltd	71,000	573,829	0.43%
ENN Energy Holdings Ltd	20,900	172,262	0.13%
Fuyao Glass Industry Group Co Ltd-H	134,000	778,354	0.58%
Ganfeng Lithium Co Ltd-H	1,400	2,729	0.00%
Grand Pharmaceutical Group Ltd	295,000	175,699	0.13%
Haier Smart Home Co Ltd-H	106,800	357,032	0.27%
Hong Kong Exchanges and Clearing Ltd	15,600	499,927	0.37%
Industrial & Commercial Bank of China Ltd-H	183,000	108,759	0.08%
JD.com Inc	88,150	1,166,319	0.87%
Kunlun Energy Co Ltd	370,000	383,868	0.29%
Lenovo Group Ltd	272,000	383,924	0.29%
Meituan	44,000	626,126	0.47%
NetEase Inc	39,900	761,983	0.57%
New Oriental Education & Technology Group Inc	182,900	1,398,566	1.05%
PetroChina Co Ltd-H	486,000	491,766	0.37%
PICC Property and Casualty Co Ltd-H	426,000	529,269	0.40%
Ping An Insurance Group Co of China Ltd-H	83,500	378,603	0.28%
Power Assets Holdings Ltd	65,000	351,751	0.26%
Sinopharm Group Co Ltd-H	266,400	708,023	0.14%



## Investment portfolio as at 30 June 2024 (continued)

### Principal Sustainable Asia Equity Income Fund (continued)

	Holdings	Fair value USD/ USD equivalent	% of net assets
<i>Hong Kong (continued)</i>			
Sun Hung Kai Properties Ltd	21,500	\$ 186,020	3.89%
Tencent Holdings Ltd	109,200	5,208,674	0.69%
Trip.com Group Ltd	19,250	923,620	0.04%
Tsingtao Brewery Co Ltd-H	8,000	53,385	0.09%
Want Want China Holdings Ltd	188,000	113,657	0.15%
WH Group Ltd	314,500	207,052	0.07%
WuXi AppTec Co Ltd-H	26,100	97,615	0.10%
Xiaomi Corp	60,200	127,072	0.17%
Zhongsheng Group Holdings Ltd	159,500	233,304	0.32%
Zhuzhou CRRC Times Electric Co Ltd-H	109,700	432,765	0.43%
Zijin Mining Group Co Ltd-H	272,000	574,144	0.10%
Zoomlion Heavy Industry Science and Technology Co Ltd-H	196,600	127,166	0.14%
		<u>\$ 30,802,138</u>	<u>23.03%</u>
<i>India</i>			
Axis Bank Ltd	55,863	\$ 847,602	0.63%
Container Corp Of India Ltd	49,437	617,985	0.46%
CreditAccess Grameen Ltd	17,140	271,748	0.20%
HDFC Bank Ltd	40,611	820,023	0.61%
Hindustan Aeronautics Ltd	14,859	938,032	0.70%
Home First Finance Co India Ltd	127,363	1,581,558	1.18%
ICICI Bank Ltd	94,444	1,358,634	1.02%
JSW Infrastructure Ltd	224,502	884,128	0.66%
KEI Industries Ltd	35,256	1,868,689	1.40%
Mahindra & Mahindra Ltd	35,198	1,209,997	0.91%
Maruti Suzuki India Ltd	5,114	738,001	0.55%
Max Healthcare Institute Ltd	95,990	1,082,794	0.81%
Navin Fluorine International Ltd	337	14,445	0.01%
NTPC Ltd	431,835	1,959,310	1.47%
Power Grid Corp of India Ltd	514,352	2,041,336	1.53%
Reliance Industries Ltd	49,945	1,875,163	1.40%
Sun Pharmaceutical Industries Ltd	12,484	227,684	0.17%
Supreme Industries Ltd	230	16,427	0.01%
Titan Co Ltd	5,732	233,998	0.17%
UltraTech Cement Ltd	5,322	744,662	0.56%
Varun Beverages Ltd	113,785	2,223,469	1.66%
		<u>\$ 21,555,685</u>	<u>16.11%</u>

## Investment portfolio as at 30 June 2024 (continued)

### Principal Sustainable Asia Equity Income Fund (continued)

	Holdings	Fair value USD/ USD equivalent	% of net assets
<i>Indonesia</i>			
Mitra Adiperkasa Tbk PT	718,200	\$ 64,694	0.05%
PT AKR Corporindo Tbk	1,538,400	152,199	0.11%
PT Bank Central Asia Tbk	1,518,600	920,453	0.69%
PT Bank Rakyat Indonesia (Persero) Tbk	1,974,566	554,699	0.41%
		<u>\$ 1,692,045</u>	<u>1.26%</u>
<i>Malaysia</i>			
CIMB Group Holdings Bhd	245,900	\$ 354,451	0.26%
Malaysia Airports Holdings Bhd	196,100	411,530	0.31%
		<u>\$ 765,981</u>	<u>0.57%</u>
<i>Philippines</i>			
Ayala Land Inc	860,200	\$ 418,287	0.31%
BDO Unibank Inc	662,236	1,448,541	1.09%
		<u>\$ 1,866,828</u>	<u>1.40%</u>
<i>Singapore</i>			
DBS Group Holdings Ltd	34,550	\$ 912,410	0.68%
Hongkong Land Holdings Ltd	15,344	49,561	0.04%
SATS Ltd	680,300	1,430,625	1.07%
Singapore Telecommunications Ltd	105,500	214,075	0.16%
United Overseas Bank Ltd	200	4,623	0.00%
Yangzijiang Shipbuilding Holdings Ltd	487,200	884,347	0.66%
		<u>\$ 3,495,641</u>	<u>2.61%</u>
<i>South Korea</i>			
Celltrion Inc	1,470	\$ 186,139	0.14%
GS Holdings Corp	8,730	297,448	0.22%
Hana Financial Group Inc	15,266	673,190	0.50%
Hanwha Aerospace Co Ltd	5,086	921,872	0.69%
Hyundai Motor Co	5,276	702,189	0.52%
KB Financial Group Inc	20,661	1,178,270	0.88%
Kia Corp	11,763	1,104,944	0.83%
KT Corp	8,937	242,821	0.18%
LG Corp	4,831	282,876	0.21%
LIG Nex1 Co Ltd	8,520	1,361,714	1.02%
MegaStudyEdu Co Ltd	2,768	113,213	0.08%
NAVER Corp	2,152	260,929	0.20%

## Investment portfolio as at 30 June 2024 (continued)

### Principal Sustainable Asia Equity Income Fund (continued)

	Holdings	Fair value USD/ USD equivalent	% of net assets
<i>South Korea (continued)</i>			
PSK Inc	59,471	1,574,804	1.18%
Samsung Electronics Co Ltd	103,755	5,965,257	4.46%
Samsung Fire & Marine Insurance Co Ltd	1,320	373,033	0.28%
SK Hynix Inc	22,210	3,815,956	2.85%
		<u>\$ 19,054,655</u>	<u>14.24%</u>
<i>Taiwan</i>			
Alchip Technologies Ltd	5,000	\$ 378,377	0.28%
Cathay Financial Holding Co Ltd	342,000	621,987	0.47%
CTBC Financial Holding Co Ltd	770,100	898,496	0.67%
Delta Electronics Inc	7,000	83,613	0.06%
E.Sun Financial Holding Co Ltd	247,000	217,373	0.16%
Elite Material Co Ltd	23,000	336,763	0.25%
Feng Tay Enterprises Co Ltd	3,240	15,480	0.01%
First Financial Holding Co Ltd	330,724	286,467	0.22%
Fubon Financial Holding Co Ltd	278,400	680,527	0.51%
Gold Circuit Electronics Ltd	131,000	835,882	0.63%
MediaTek Inc	25,000	1,078,875	0.81%
Quanta Computer Inc	96,000	923,270	0.69%
Taiwan Semiconductor Manufacturing Co Ltd	429,169	12,779,344	9.55%
Wiwynn Corp	11,000	896,853	0.67%
		<u>\$ 20,033,307</u>	<u>14.98%</u>
<i>Thailand</i>			
Bangkok Bank PCL	87,100	\$ 309,738	0.23%
Home Product Center PCL	914,600	231,783	0.17%
Thai Oil PCL	189,600	273,830	0.21%
		<u>\$ 815,351</u>	<u>0.61%</u>
<i>United States</i>			
Axis Bank Ltd	13,154	\$ 999,704	0.75%
ICICI Bank Ltd-SPON ADR	73,254	2,110,448	1.58%
Infosys Ltd	52,163	971,275	0.73%
PDD Holdings Inc	20,154	2,679,474	2.00%
Yum China Holdings Inc	5,242	161,663	0.12%
		<u>\$ 6,922,564</u>	<u>5.18%</u>
<b>Total Equities</b>		<u><u>\$ 125,717,920</u></u>	<u><u>93.98%</u></u>

## Investment portfolio as at 30 June 2024 (continued)

### Principal Sustainable Asia Equity Income Fund (continued)

	<i>Holdings</i>	<i>Fair value USD/ USD equivalent</i>	<i>% of net assets</i>
<b>REITS</b>			
<i>Australia</i>			
Arena REIT	82,379	\$ 212,915	0.16%
Goodman Group	41,038	952,401	0.71%
Mirvac Group	117,058	146,191	0.11%
		<u>\$ 1,311,507</u>	<u>0.98%</u>
<i>Hong Kong</i>			
Link REIT	33,700	\$ 131,004	0.10%
		<u>\$ 131,004</u>	<u>0.10%</u>
<i>Singapore</i>			
CapitaLand Ascendas REIT	116,600	\$ 220,252	0.17%
Digital Core REIT Management Pte Ltd	285,000	162,450	0.12%
		<u>\$ 382,702</u>	<u>0.29%</u>
<b>Total REITS</b>		<u>\$ 1,825,213</u>	<u>1.37%</u>
<b>Total listed investments</b>		\$ 127,543,133	95.35%
Other net assets		<u>6,230,554</u>	<u>4.65%</u>
<b>Total net assets</b>		<u>\$ 133,773,687</u>	<u>100.00%</u>

## Investment portfolio as at 30 June 2024 (continued)

### Principal Sustainable Asian Income Fund

	<i>Holdings</i>	<i>Fair value USD/ USD equivalent</i>	<i>% of net assets</i>
<b>Listed investments (cost: USD17,593,831)</b>			
<b><i>Debt securities</i></b>			
<i>United States</i>			
AIA Group Ltd 4.95% 4 Apr 2033	300,000	\$ 292,584	1.61%
AIA Group Ltd 5.375% 5 Apr 2034	600,000	495,694	2.73%
Alibaba Group Holding Ltd 2.125% 9 Feb 2031	300,000	192,126	1.06%
Alibaba Group Holding Ltd 3.15% 9 Feb 2051	300,000	255,215	1.40%
Baidu Inc 2.375% 9 Oct 2030	300,000	292,100	1.61%
Bangkok Bank PCL/Hong Kong 5% Perpetual Callable - 23 Sep 2025	300,000	296,801	1.63%
Bharti Airtel Ltd 4.375% 10 Jun 2025	300,000	288,202	1.58%
BOC Aviation (USA) Corp 4.875% 3 May 2033	300,000	289,126	1.59%
CCBL (Cayman) 1 Corporation Ltd 1.99% 21 Jul 2025	300,000	300,621	1.65%
China Cinda 2020 I Management Ltd 5.75% 28 May 2029	300,000	301,801	1.66%
China Hongqiao Group Ltd 7.75% 27 Mar 2025	250,000	258,205	1.42%
China Overseas Finance Cayman VI Ltd 6.45% 11 Jun 2034	300,000	270,360	1.49%
China Overseas Grand Oceans Finance IV Cayman Ltd 2.45% 9 Feb 2026	300,000	300,119	1.65%
CK Hutchison International 24 Ltd 5.50% 26 Apr 2034	300,000	230,517	1.27%
CLP Power Hong Kong Financing Ltd 2.5% 30 Jun 2035	300,000	280,809	1.54%
CMT MTN Pte Ltd 3.609% 4 Apr 2029	300,000	270,226	1.49%
Commonwealth Bank of Australia 3.61% 12 Sep 2034	300,000	25,050	0.14%
DBS Group Holdings Ltd 1.822% 10 Mar 2031	250,000	234,876	1.29%
DBS Group Holdings Ltd 5.479% 12 Sep 2025	300,000	300,869	1.65%
ENN Energy Holdings Ltd 4.625% 17 May 2027	300,000	294,068	1.62%
Far East Horizon Ltd 6.625% 16 Apr 2027	300,000	301,128	1.66%
HDFC Bank Ltd 5.18% 15 Feb 2029	300,000	298,659	1.64%
Huarong Finance II Co Ltd 4.625% 3 Jun 2026	300,000	288,078	1.58%

## Investment portfolio as at 30 June 2024 (continued)

### Principal Sustainable Asian Income Fund (continued)

	Holdings	Fair value USD/ USD equivalent	% of net assets
<i>United States (continued)</i>			
India Clean Energy Holdings 4.5% 18 Apr 2027	300,000	\$ 275,284	1.51%
Indofood CBP Sukses Makmur Tbk PT 3.541% 27 Apr 2032	300,000	258,750	1.42%
Indonesia, Republic of (Government) 4.3% 31 Mar 2052	300,000	251,196	1.38%
Korea Development Bank 5.625% 23 Oct 2033	500,000	521,550	2.87%
Krakatau Posco PT 6.375% 11 Jun 2027	300,000	301,750	1.66%
Lenovo Group Ltd 3.421% 2 Nov 2030	200,000	176,699	0.97%
Meituan 2.125% 28 Oct 2025	300,000	286,479	1.57%
Meituan 3.05% 28 Oct 2030	300,000	258,517	1.42%
Melco Resorts Finance Ltd 5.75% 21 Jul 2028	300,000	280,566	1.54%
MGM China Holdings Ltd 4.75% 1 Feb 2027	300,000	285,786	1.57%
Muthoot Finance Ltd 7.125% 14 Feb 2028	300,000	302,639	1.66%
Oversea-Chinese Banking Corp Ltd 5.52% 21 May 2034	300,000	301,368	1.66%
Perusahaan Penerbit SBSN Indonesia III 5.6% 15 Nov 2033	600,000	615,766	3.39%
Perusahaan Perseroan Persero PT Perusahaan Listrik Negara 4% 30 Jun 2050	300,000	215,250	1.18%
Philippines, Republic of the (Government) 5.95% 13 Oct 2047	300,000	319,266	1.76%
PLDT Inc 2.5% 23 Jan 2031	300,000	251,519	1.38%
Reliance Industries Ltd 2.875% 12 Jan 2032	350,000	296,474	1.63%
Santos Finance Ltd 6.875% 19 Sep 2033	300,000	317,335	1.74%
Shinhan Bank Co Ltd 5.75% 15 Apr 2034	300,000	296,087	1.63%
Shinhan Financial Group Co Ltd 2.875% Perpetual Callable - 12 May 2026	300,000	282,234	1.55%
Shinhan Financial Group Co Ltd 5% 24 Jul 2028	300,000	297,097	1.63%
Shriram Finance Ltd 6.625% 22 Apr 2027	300,000	299,845	1.65%
Sinopec Group Overseas Development (2018) Ltd 3.68% 8 Aug 2049	600,000	474,396	2.61%
SK Hynix Inc 6.375% 17 Jan 2028	300,000	308,665	1.70%
Star Energy Geothermal (Wayang Windu) Ltd 6.75% 24 Apr 2033	234,900	236,316	1.30%
Star Energy Geothermal Darajat II Ltd 4.85% 14 Oct 2038	400,000	365,931	2.01%

## Investment portfolio as at 30 June 2024 (continued)

### Principal Sustainable Asian Income Fund (continued)

	Holdings	Fair value USD/ USD equivalent	% of net assets
<i>United States (continued)</i>			
Sun Hung Kai Properties Capital Market Ltd 2.75% 13 May 2030	600,000	526,588	2.89%
Swire Pacific Mtn Financing HK Ltd 5.125% 5 Jul 2029	300,000	298,635	1.64%
Tencent Holdings Ltd 2.39% 3 Jun 2030	250,000	214,757	1.18%
Tower Bersama Infrastructure Tbk PT 2.75% 20 Jan 2026	300,000	285,561	1.57%
United Overseas Bank Ltd 1.25% 14 Apr 2026	300,000	280,276	1.54%
United States Treasury Note/Bond 4.125% 15 Aug 2053	60,000	55,873	0.31%
United States Treasury Note/Bond 4.375% 15 May 2034	180,000	180,056	0.99%
Vanke Real Estate Hong Kong Co Ltd 3.975% 9 Nov 2027	300,000	190,266	1.05%
Wynn Macau Ltd 5.625% 26 Aug 2028	300,000	281,338	1.55%
		<u>\$ 16,747,349</u>	<u>92.07%</u>
<i>Singapore</i>			
HSBC Holdings PLC 5.25% Perpetual Callable - 14 Jun 2029	250,000	\$ 185,201	1.02%
Manulife Financial Corp 4.275% 19 Jun 2034	500,000	370,376	2.03%
UBS Group AG 5.60% Perpetual Callable - 21 Dec 2029	250,000	183,776	1.01%
		<u>\$ 739,353</u>	<u>4.06%</u>
<b>Total Bonds</b>		<u>\$ 17,486,702</u>	<u>96.13%</u>
<b>Forward Contracts</b>			
Foreign exchange forward contracts		\$ 1,298	0.01%
		<u>\$ 1,298</u>	<u>0.01%</u>
<b>Total investments</b>		<u>\$ 17,488,000</u>	<u>96.14%</u>
Other net assets		<u>702,173</u>	<u>3.86%</u>
<b>Total net assets</b>		<u>\$ 18,190,173</u>	<u>100.00%</u>

## Investment portfolio as at 30 June 2024 (continued)

### Principal Sustainable Asian Allocation Fund

	Holdings	Fair value USD/ USD equivalent	% of net assets
<b>Listed investments (cost: USD24,590,374)</b>			
<b>Equities</b>			
<i>Australia</i>			
BHP Group Ltd	6,314	\$ 179,973	0.66%
CAR Group Ltd	7,564	178,070	0.65%
CSL Ltd	56	11,041	0.04%
James Hardie Industries PLC	1,175	37,117	0.13%
Orica Ltd	8,835	105,441	0.39%
Seven Group Holdings Ltd	6,359	160,022	0.59%
		<u>\$ 671,664</u>	<u>2.46%</u>
<i>China</i>			
China Yangtze Power Co Ltd-A	71,600	\$ 283,620	1.04%
Contemporary Amperex Technology Co Ltd-A	9,340	230,312	0.84%
		<u>\$ 513,932</u>	<u>1.88%</u>
<i>Hong Kong</i>			
AIA Group Ltd	7,800	\$ 52,950	0.19%
Alibaba Group Holding Ltd	32,200	290,764	1.07%
China Resources Gas Group Ltd	66,500	232,956	0.86%
China Resources Land Ltd	12,000	40,808	0.15%
Galaxy Entertainment Group Ltd	16,000	74,596	0.27%
Hong Kong Exchanges & Clearing Ltd	2,900	92,935	0.34%
Meituan	23,400	332,985	1.22%
New Oriental Education & Technology Group Inc	33,060	252,797	0.93%
PetroChina Co Ltd-H	356,000	360,223	1.32%
Shenzhou International Group Holdings Ltd	5,700	55,815	0.21%
Techtronic Industries Co Ltd	1,000	11,425	0.04%
Tencent Holdings Ltd	11,500	548,533	2.01%
		<u>\$ 2,346,787</u>	<u>8.61%</u>



## Investment portfolio as at 30 June 2024 (continued)

### Principal Sustainable Asian Allocation Fund (continued)

	Holdings	Fair value USD/ USD equivalent	% of net assets
<i>Indonesia</i>			
Bank Central Asia Tbk PT	305,700	\$ 185,291	0.68%
		<u>\$ 185,291</u>	<u>0.68%</u>
<i>Japan</i>			
Fast Retailing Co Ltd	200	\$ 50,429	0.19%
Hitachi Ltd	10,500	235,052	0.86%
Keyence Corp	400	175,432	0.64%
		<u>\$ 460,913</u>	<u>1.69%</u>
<i>Malaysia</i>			
Tenaga Nasional Bhd	37,900	\$ 110,708	0.41%
		<u>\$ 110,708</u>	<u>0.41%</u>
<i>Singapore</i>			
DBS Group Holdings Ltd	6,050	\$ 159,771	0.59%
		<u>\$ 159,771</u>	<u>0.59%</u>
<i>South Korea</i>			
Hyundai Motor Co	1,143	\$ 244,958	0.90%
Samsung Electronics Co Ltd	7,897	467,567	1.71%
SK Hynix Inc	4,042	694,466	2.55%
		<u>\$ 1,406,991</u>	<u>5.16%</u>
<i>Taiwan</i>			
E Ink Holdings Inc	50,000	\$ 388,395	1.42%
MediaTek Inc	8,000	345,240	1.27%
Taiwan Semiconductor Manufacturing Co Ltd	35,000	1,042,193	3.82%
		<u>\$ 1,775,828</u>	<u>6.51%</u>

## Investment portfolio as at 30 June 2024 (continued)

### Principal Sustainable Asian Allocation Fund (continued)

	<i>Holdings</i>	<i>Fair value USD/ USD equivalent</i>	<i>% of net assets</i>
<i>Thailand</i>			
Bangkok Dusit Medical Services PCL	65,600	\$ 47,818	0.18%
		<u>\$ 47,818</u>	<u>0.18%</u>
<i>United Kingdom</i>			
Reliance Industries Ltd	13,540	\$ 1,010,084	3.70%
		<u>\$ 1,010,084</u>	<u>3.70%</u>
<i>United States</i>			
HDFC Bank Ltd-ADR	7,311	\$ 470,317	1.72%
ICICI Bank Ltd	4,912	141,515	0.52%
Infosys Ltd	1,102	20,519	0.08%
Mahindra & Mahindra Ltd	3,400	116,280	0.43%
Microsoft Corp	131	58,551	0.21%
NVIDIA Corp	3,640	449,686	1.65%
Reliance Industries Ltd	1,364	101,754	0.37%
Tencent Music Entertainment Group-ADR	23,780	334,109	1.23%
		<u>\$ 1,692,731</u>	<u>6.21%</u>
<b>Total Equities</b>		<u>\$ 10,382,518</u>	<u>38.08%</u>
<b>Debt securities</b>			
<i>Singapore</i>			
HSBC Holdings PLC 5.25% Perpetual Callable - 14 Jun 2029	250,000	\$ 185,201	0.68%
Manulife Financial Corp 4.275% 19 Jun 2034	250,000	185,188	0.68%
UBS Group AG 5.60% Perpetual Callable - 21 Dec 2029	250,000	183,776	0.67%
		<u>\$ 554,165</u>	<u>2.03%</u>

## Investment portfolio as at 30 June 2024 (continued)

### Principal Sustainable Asian Allocation Fund (continued)

	Holdings	Fair value USD/ USD equivalent	% of net assets
<i>United States</i>			
AIA Group Ltd 5.375% 5 Apr 2034	200,000	\$ 195,056	0.72%
Alibaba Group Holding Ltd 2.125% 9 Feb 2031	400,000	330,463	1.21%
Alibaba Group Holding Ltd 3.15% 9 Feb 2051	200,000	128,084	0.47%
Baidu Inc 2.375% 9 Oct 2030	200,000	170,143	0.62%
Bangkok Bank PCL/Hong Kong 5% Perpetual Callable - 23 Sep 2025	200,000	194,733	0.71%
Bharti Airtel Ltd 4.375% 10 Jun 2025	200,000	197,867	0.73%
BOC Aviation (USA) Corp 4.875% 3 May 2033	200,000	192,135	0.70%
CCBL Cayman 1 Corp Ltd 1.99% 21 Jul 2025	400,000	385,501	1.41%
China Cinda 2020 I Management Ltd 5.75% 28 May 2029	200,000	200,414	0.73%
China Hongqiao Group Ltd 7.75% 27 Mar 2025	200,000	201,200	0.74%
China Overseas Finance Cayman VI Ltd 6.45% 11 Jun 2034	200,000	206,564	0.76%
China Overseas Grand Oceans Finance IV Cayman Ltd 2.45% 9 Feb 2026	200,000	180,240	0.66%
CK Hutchison International 24 Ltd 5.50% 26 Apr 2034	200,000	200,079	0.73%
CLP Power Hong Kong Financing Ltd 2.5% 30 Jun 2035	200,000	153,678	0.56%
CMT MTN Pte Ltd 3.609% 4 Apr 2029	200,000	187,206	0.69%
Commonwealth Bank of Australia 3.61% 12 Sep 2034	200,000	180,151	0.66%
Country Garden Holdings Co Ltd 3.125% 22 Oct 2025	200,000	16,700	0.06%
DBS Group Holdings Ltd 5.479% 12 Sep 2025	200,000	200,579	0.74%
ENN Energy Holdings Ltd 4.625% 17 May 2027	200,000	196,046	0.72%
Far East Horizon Ltd 6.625% 16 Apr 2027	200,000	200,752	0.74%
HDFC Bank Ltd 5.18% 15 Feb 2029	200,000	199,106	0.73%
Huarong Finance II Co Ltd 4.625% 3 Jun 2026	200,000	192,052	0.70%
India Clean Energy Holdings 4.5% 18 Apr 2027	200,000	183,523	0.67%
Indofood CBP Sukses Makmur Tbk PT 3.541% 27 Apr 2032	200,000	172,500	0.63%
Indonesia Government International Bond 4.3% 31 Mar 2052	200,000	167,464	0.61%
Krakatau Posco PT 6.375% 11 Jun 2027	200,000	201,166	0.74%
Lenovo Group Ltd 3.421% 2 Nov 2030	300,000	265,049	0.97%
Meituan 2.125% 28 Oct 2025	200,000	190,986	0.70%
Meituan 3.05% 28 Oct 2030	200,000	172,344	0.63%
Melco Resorts Finance Ltd 5.75% 21 Jul 2028	200,000	187,044	0.69%
MGM China Holdings Ltd 4.75% 1 Feb 2027	200,000	190,524	0.70%
Muthoot Finance Ltd 7.125% 14 Feb 2028	200,000	201,759	0.74%
Oversea-Chinese Banking Corp Ltd 5.52% 21 May 2034	200,000	200,912	0.74%

## Investment portfolio as at 30 June 2024 (continued)

### Principal Sustainable Asian Allocation Fund (continued)

	Holdings	Fair value USD/ USD equivalent	% of net assets
<i>United States (continued)</i>			
Perusahaan Penerbit SBSN Indonesia III 5.6% 15 Nov 2033	400,000	\$ 410,511	1.51%
Perusahaan Perseroan Persero PT Perusahaan Listrik Negara 4% 30 Jun 2050	200,000	143,500	0.53%
Philippine Government International Bond 5.95% 13 Oct 2047	200,000	212,844	0.78%
PLDT Inc 2.5% 23 Jan 2031	200,000	167,679	0.61%
Reliance Industries Ltd 2.875% 12 Jan 2032	250,000	211,767	0.78%
Santos Finance Ltd 6.875% 19 Sep 2033	200,000	211,557	0.78%
Shinhan Bank Co Ltd 5.75% 15 Apr 2034	200,000	197,391	0.72%
Shinhan Financial Group Co Ltd 2.875% Perpetual Callable - 12 May 2026	200,000	188,156	0.69%
Shinhan Financial Group Co Ltd 5% 24 Jul 2028	200,000	198,064	0.73%
Shriram Finance Ltd 6.625% 22 Apr 2027	200,000	199,896	0.73%
Sinopec Group Overseas Development (2018) Ltd 3.68% 8 Aug 2049	400,000	316,264	1.16%
SK Hynix Inc 6.375% 17 Jan 2028	200,000	205,777	0.75%
Star Energy Geothermal (Wayang Windu) Ltd 6.75% 24 Apr 2033	195,750	196,930	0.72%
Star Energy Geothermal Darajat II Ltd 4.85% 14 Oct 2038	275,000	251,578	0.92%
Sun Hung Kai Properties Capital Market Ltd 2.75% 13 May 2030	400,000	351,059	1.29%
Swire Pacific Mtn Financing HK Ltd 5.125% 5 Jul 2029	200,000	199,090	0.73%
Tencent Holdings Ltd 2.39% 3 Jun 2030	200,000	171,806	0.63%
Tower Bersama Infrastructure Tbk PT 2.75% 20 Jan 2026	200,000	190,374	0.70%
United Overseas Bank Ltd 1.25% 14 Apr 2026	200,000	186,851	0.69%
United States Treasury Note/Bond 4.125% 15 Aug 2053	40,000	37,248	0.14%
United States Treasury Note/Bond 4.375% 15 May 2034	120,000	120,038	0.44%
United States Treasury Note/Bond 4.75% 15 Nov 2053	55,000	56,856	0.21%
Vanke Real Estate Hong Kong Co Ltd 3.975% 9 Nov 2027	200,000	126,844	0.47%
Wynn Macau Ltd 5.625% 26 Aug 2028	200,000	187,559	0.69%
		<u>\$ 11,181,659</u>	<u>41.01%</u>
<b>Total Bonds</b>		<u>\$ 11,735,824</u>	<u>43.04%</u>

## Investment portfolio as at 30 June 2024 (continued)

### Principal Sustainable Asian Allocation Fund (continued)

	Holdings	Fair value USD/ USD equivalent	% of net assets
<b>Investment funds</b>			
<i>Switzerland</i>			
Amundi MSCI China ESG Leaders Extra UCITS ETF	4,312	\$ 360,483	1.32%
		<u>\$ 360,483</u>	<u>1.32%</u>
<i>United States</i>			
Amundi MSCI China ESG Leaders Select UCITS ETF DR	14,974	\$ 420,769	1.54%
Franklin FTSE India ETF	17,883	712,816	2.62%
HSBC Asia Pacific ex Japan Sustainable Equity UCITS ETF	62,665	1,033,534	3.79%
Invesco QQQ Trust	540	258,719	0.95%
iShares 20+ Year Treasury Bond ETF	7,993	733,598	2.69%
iShares MSCI Taiwan ETF	3,254	176,334	0.65%
Xtrackers MSCI Taiwan UCITS ETF	3,189	216,342	0.79%
		<u>\$ 3,552,112</u>	<u>13.03%</u>
<b>Total Investment funds</b>		<u>\$ 3,912,595</u>	<u>14.35%</u>
<b>REITs</b>			
<i>Australia</i>			
Goodman Group	19,008	\$ 441,134	1.62%
		<u>\$ 441,134</u>	<u>1.62%</u>

## Investment portfolio as at 30 June 2024 (continued)

### Principal Sustainable Asian Allocation Fund (continued)

	<i>Holdings</i>	<i>Fair value USD/ USD equivalent</i>	<i>% of net assets</i>
<i>Singapore</i>			
CapitalLand Integrated Commercial Trust	6,900	\$ 10,081	0.04%
		<u>\$ 10,081</u>	<u>0.04%</u>
<b>Total REITS</b>		<u>\$ 451,215</u>	<u>1.66%</u>
<b>Forward Contracts</b>			
Foreign exchange forward contracts		\$ 1,025	0.00%
		<u>\$ 1,025</u>	<u>0.00%</u>
<b>Total listed investments</b>		\$ 26,483,177	97.13%
Other net assets		<u>781,608</u>	<u>2.87%</u>
<b>Total net assets</b>		<u>\$ 27,264,785</u>	<u>100.00%</u>

## Details in respect of financial derivative instruments

As at 30 June 2024

The financial derivative instruments held by the fund as at 30 June 2024 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>
USD186,977	SGD250,675	12/09/2024	ANZ BANK	1,343
USD185,916	SGD250,000	12/09/2024	BARCLAYS BANK	784
USD186,682	SGD251,700	12/09/2024	BARCLAYS BANK	293
USD185,830	SGD250,000	12/09/2024	ROYAL BANK OF CANADA	698
CNH272,407	USD37,891	14/08/2024	ANZ BANK	(448)
CNH276,540	USD38,466	14/08/2024	ANZ BANK	(455)
CNH272,408	USD37,899	14/08/2024	ROYAL BANK OF CANADA	(455)
CNH276,540	USD38,474	14/08/2024	ROYAL BANK OF CANADA	(462)

### **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>
USD186,977	SGD250,675	12/09/2024	ANZ BANK	1,343
USD185,830	SGD250,000	12/09/2024	ROYAL BANK OF CANADA	698
USD185,916	SGD250,000	12/09/2024	BARCLAYS BANK	784
CNH11,029	USD1,525	14/08/2024	ANZ BANK	(9)
CNH14,525	USD2,022	14/08/2024	ANZ BANK	(26)
CNH263,141	USD36,602	14/08/2024	ANZ BANK	(432)
CNH266,858	USD37,119	14/08/2024	ANZ BANK	(439)
CNH12,680	USD1,747	14/08/2024	ROYAL BANK OF CANADA	(4)
CNH13,106	USD1,805	14/08/2024	ROYAL BANK OF CANADA	(4)
CNH263,141	USD36,610	14/08/2024	ROYAL BANK OF CANADA	(440)
CNH266,858	USD37,127	14/08/2024	ROYAL BANK OF CANADA	(446)

## 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 years ended 30 June 2024 and 2023.

	<i>2024 % of Net asset value</i>	<i>2023 % of Net asset value</i>
Lowest gross exposure	0.01%	0.95%
Highest gross exposure	1.03%	5.39%
Average gross exposure	0.19%	2.91%

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 years ended 30 June 2024 and 2023.

	<i>2024 % of Net asset value</i>	<i>2023 % of Net asset value</i>
Lowest net exposure	0%	0%
Highest net exposure	0%	0%
Average net exposure	0%	0%



## Information on exposure arising from financial derivative instruments (continued)

### Principal Sustainable Asian Allocation Fund

The table below analyses the lowest, highest and average gross exposure arising from the use of financial derivative instruments for any purpose as a proportion to the sub-funds' total net asset value for the years ended 30 June 2024 and 2023.

	<i>2024 % of Net asset value</i>	<i>2023 % of Net asset value</i>
Lowest gross exposure	0.01%	0.65%
Highest gross exposure	0.69%	3.67%
Average gross exposure	0.08%	1.97%

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 years ended 30 June 2024 and 2023.

	<i>2024 % of Net asset value</i>	<i>2023 % of Net asset value</i>
Lowest net exposure	0%	0%
Highest net exposure	0%	0%
Average net exposure	0%	0%

## Statement of movements in portfolio holdings for the year ended 30 June 2024

	<i>Principal Sustainable Asia Equity Income Fund</i>		<i>% of net assets Principal Sustainable Asian Income Fund</i>		<i>Principal Sustainable Asian Allocation Fund</i>	
	2024	2023	2024	2023	2024	2023
<b>Listed investments</b>						
<b>Equities</b>						
Australia	13.99	14.74	-	-	2.46	4.40
China	-	0.46	-	-	1.88	0.65
Hong Kong	23.03	27.46	-	-	8.61	11.45
India	16.11	15.04	-	-	-	-
Indonesia	1.26	3.53	-	-	0.68	1.87
Japan	-	-	-	-	1.69	-
Malaysia	0.57	0.69	-	-	0.41	0.43
Philippines	1.40	2.64	-	-	-	-
Singapore	2.61	1.63	-	-	0.59	0.77
South Korea	14.24	10.92	-	-	5.16	5.47
Taiwan	14.98	11.23	-	-	6.51	3.58
Thailand	0.61	2.43	-	-	0.18	2.80
United Kingdom	-	-	-	-	3.70	4.96
United States	5.18	2.05	-	-	6.21	1.60
<b>Total equities</b>	<b>93.98</b>	<b>92.82</b>	<b>-</b>	<b>-</b>	<b>38.08</b>	<b>37.98</b>
<b>Investment funds</b>	<b>-</b>	<b>0.53</b>	<b>-</b>	<b>-</b>	<b>14.35</b>	<b>11.11</b>
<b>REITs</b>	<b>1.37</b>	<b>2.76</b>	<b>-</b>	<b>-</b>	<b>1.66</b>	<b>3.78</b>
<b>Debt securities</b>	<b>-</b>	<b>-</b>	<b>96.13</b>	<b>94.82</b>	<b>43.04</b>	<b>44.27</b>
<b>Forward contracts</b>	<b>-</b>	<b>-</b>	<b>0.01</b>	<b>(0.05)</b>	<b>0.00</b>	<b>(0.03)</b>
<b>Total investments</b>	<b>95.35</b>	<b>96.11</b>	<b>96.14</b>	<b>94.77</b>	<b>97.13</b>	<b>97.11</b>
<b>Other net assets</b>	<b>4.65</b>	<b>3.89</b>	<b>3.86</b>	<b>5.23</b>	<b>2.87</b>	<b>2.89</b>
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## Performance table for the year ended 30 June 2024

### Principal Sustainable Asia Equity Income Fund

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

	2024 USD	2023 USD	2022 USD
Total Net asset value			
- Income (monthly) Class Units - Retail (USD)*	\$ 15,586,428	\$ 16,304,046	\$ 17,525,352
- Accumulation Class Units - Institutional (USD)*	118,187,259	106,941,622	111,448,260

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

	Domination Currency	2024	2023	2022
Net asset value per unit				
- Income (monthly) Class Units - Retail (USD)*	USD	\$ 32.68	\$ 29.29	\$ 30.36
- Accumulation Class Units - Institutional (USD)*	USD	15.76	13.77	13.85

**(c) Performance record:**

For the year ended	Income (monthly) Class Units - Retail (USD)*		Accumulation Class Units - Institutional (USD)*	
	Highest issue price	Lowest bid price	Highest issue price	Lowest bid price
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 2023	41.42	29.97	18.54	13.61
30 June 2023	32.73	25.55	14.98	11.70
30 June 2024	32.98	26.72	15.83	12.68

\* For Principal Sustainable Asia Equity Income Fund, Income (monthly) Class Units - Retail (USD) and Accumulation Class Units - Institutional (USD) are formerly known as Income Class Units and Accumulation Class Units - Institutional respectively.

## Performance table for the year ended 30 June 2024 (continued)

### Principal Sustainable Asian Income Fund

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

	2024 USD	2023 USD	2022 USD
Total Net asset value			
- Income Plus (monthly) Class Unit - Retirement (HKD)	\$ 88,543	\$ 85,186	\$ 84,385
- Accumulation Class Units - Institutional (USD)	16,613,891	15,604,522	15,436,419
- Income (monthly) Class Units - Institutional (USD)	889,210	854,722	845,555
- Accumulation Class Units - Retail (HKD)	88,483	85,275	84,654
- Accumulation Class Units - Retail (RMB hedged)	76,032	75,346	84,654
- Accumulation Class Units - Retail (USD)	88,488	85,275	84,654
- Income (monthly) Class Units - Retail (HKD)	88,253	147,416	84,393
- Income Plus (monthly) Class Units - Retail (HKD)	94,381	91,030	84,272
- Income Plus (monthly) Class Units - Retail (RMB hedged)	74,912	74,125	84,096
- Income Plus (monthly) Class Units - Retail (USD)	87,980	84,858	84,274

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

	Domination Currency	2024	2023	2022
Net asset value per unit				
- Income Plus (monthly) Class Unit - Retirement (HKD)	HK\$	7.61	7.86	8.29
- Accumulation Class Units - Institutional (USD)	US\$	8.92	8.57	8.48
- Income (monthly) Class Units - Institutional (USD)	US\$	8.08	8.09	8.32
- Accumulation Class Units - Retail (HKD)	HK\$	8.85	8.56	8.51
- Accumulation Class Units - Retail (RMB hedged)	CNH	8.70	8.59	8.89
- Accumulation Class Units - Retail (USD)	US\$	8.84	8.52	8.46
- Income (monthly) Class Units - Retail (HKD)	HK\$	8.03	8.10	8.35
- Income Plus (monthly) Class Units - Retail (HKD)	HK\$	7.56	7.83	8.28
- Income Plus (monthly) Class Units - Retail (RMB hedged)	CNH	7.28	7.52	8.54
- Income Plus (monthly) Class Units - Retail (USD)	US\$	7.56	7.79	8.23

## Performance table for the year ended 30 June 2024 (continued)

### Principal Sustainable Asian Income Fund (continued)

(c) **Performance record:**

		<i>Income Plus (monthly) Class Unit - Retirement (HKD)</i>	
		<i>Highest issue</i>	
<i>For the year ended</i>		<i>price</i>	<i>Lowest bid price</i>
		HK\$	HK\$
30 June 2022		9.99	8.34
30 June 2023		8.39	7.49
30 June 2024		7.92	7.40
		<i>Accumulation Class Units - Institutional (USD)</i>	
		<i>Highest issue</i>	
<i>For the year ended</i>		<i>price</i>	<i>Lowest bid price</i>
		US\$	US\$
30 June 2022		9.96	8.48
30 June 2023		8.74	7.82
30 June 2024		8.99	8.21
		<i>Income (monthly) Class Units - Institutional (USD)</i>	
		<i>Highest issue</i>	
<i>For the year ended</i>		<i>price</i>	<i>Lowest bid price</i>
		US\$	US\$
30 June 2022		9.96	8.35
30 June 2023		8.41	7.57
30 June 2024		8.21	7.67
		<i>Accumulation Class Units - Retail (HKD)</i>	
		<i>Highest issue</i>	
<i>For the year ended</i>		<i>price</i>	<i>Lowest bid price</i>
		HK\$	HK\$
30 June 2022		9.99	8.52
30 June 2023		8.75	7.84
30 June 2024		8.92	8.18

## Performance table for the year ended 30 June 2024 (continued)

### Principal Sustainable Asian Income Fund (continued)

<i>For the year ended</i>	<i>Accumulation Class Units - Retail (RMB hedged)</i>	
	<i>Highest issue</i>	
	<i>price CNH</i>	<i>Lowest bid price CNH</i>
30 June 2022	9.97	8.85
30 June 2023	9.33	8.56
30 June 2024	8.78	8.14

<i>For the year ended</i>	<i>Accumulation Class Units - Retail (USD)</i>	
	<i>Highest issue</i>	
	<i>price US\$</i>	<i>Lowest bid price US\$</i>
30 June 2022	9.96	8.47
30 June 2023	8.70	7.79
30 June 2024	8.91	8.15

<i>For the year ended</i>	<i>Income (monthly) Class Units - Retail (HKD)</i>	
	<i>Highest issue</i>	
	<i>price HK\$</i>	<i>Lowest bid price HK\$</i>
30 June 2022	9.99	8.38
30 June 2023	8.44	7.59
30 June 2024	8.18	7.66

<i>For the year ended</i>	<i>Income Plus (monthly) Class Units - Retail (HKD)</i>	
	<i>Highest issue</i>	
	<i>price HK\$</i>	<i>Lowest bid price HK\$</i>
30 June 2022	9.99	8.33
30 June 2023	8.38	7.47
30 June 2024	7.89	7.36

<i>For the year ended</i>	<i>Income Plus (monthly) Class Units - Retail (RMB hedged)</i>	
	<i>Highest issue</i>	
	<i>price CNH</i>	<i>Lowest bid price CNH</i>
30 June 2022	9.97	8.61
30 June 2023	8.81	7.58
30 June 2024	7.57	7.05

## Performance table for the year ended 30 June 2024 (continued)

### Principal Sustainable Asian Income Fund (continued)

<i>For the year ended</i>	<i>Income Plus (monthly) Class Units - Retail (USD)</i>	
	<i>Highest issue</i>	<i>Lowest bid price</i>
	<i>price US\$</i>	<i>US\$</i>
30 June 2022	9.96	8.28
30 June 2023	8.34	7.43
30 June 2024	7.85	7.34

## Performance table for the year ended 30 June 2024 (continued)

### Principal Sustainable Asian Allocation Fund

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

	2024 USD	2023 USD	2022 USD
Total Net asset value			
- Income Plus (monthly) Class Unit - Retirement (HKD)	\$ 90,212	\$ 90,060	\$ 84,869
- Accumulation Class Units - Institutional (USD)	26,570,518	24,642,445	24,894,929
- Accumulation Class Units - Retail (HKD)	95,085	85,649	85,016
- Accumulation Class Units - Retail (RMB hedged)	75,475	72,453	85,016
- Accumulation Class Units - Retail (USD)	89,651	83,649	85,016
- Income (monthly) Class Units - Retail (HKD)	89,443	83,407	84,706
- Income Plus (monthly) Class Units - Retail (HKD)	89,360	83,301	84,709
- Income Plus (monthly) Class Units - Retail (RMB hedged)	75,766	72,558	84,543
- Income Plus (monthly) Class Units - Retail (USD)	89,275	83,304	84,712

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

	Domination Currency	2024	2023	2022
Net asset value per unit				
- Income Plus (monthly) Class Unit - Retirement (HKD)	HK\$	8.01	7.88	8.41
- Accumulation Class Units - Institutional (USD)	US\$	9.09	8.43	8.52
- Accumulation Class Units - Retail (HKD)	HK\$	8.97	8.40	8.55
- Accumulation Class Units - Retail (RMB hedged)	CNH	8.63	8.25	8.92
- Accumulation Class Units - Retail (USD)	US\$	8.96	8.36	8.50
- Income (monthly) Class Units - Retail (HKD)	HK\$	8.35	8.05	8.43
- Income Plus (monthly) Class Units - Retail (HKD)	HK\$	7.93	7.83	8.39
- Income Plus (monthly) Class Units - Retail (RMB hedged)	CNH	7.61	7.50	8.67
- Income Plus (monthly) Class Units - Retail (USD)	US\$	7.91	7.79	8.34



## Performance table for the year ended 30 June 2024 (continued)

### Principal Sustainable Asian Allocation Fund (continued)

(c) **Performance record:**

	<i>Income Plus (monthly) Class Unit - Retirement (HKD)</i>	
	<i>Highest issue</i>	
<i>For the year ended</i>	<i>price</i>	<i>Lowest bid price</i>
	HK\$	HK\$
30 June 2022	10.04	8.45
30 June 2023	8.55	7.36
30 June 2024	8.11	7.20
	<i>Accumulation Class Units - Institutional (USD)</i>	
	<i>Highest issue</i>	
<i>For the year ended</i>	<i>price</i>	<i>Lowest bid price</i>
	US\$	US\$
30 June 2022	10.05	8.53
30 June 2023	8.90	7.55
30 June 2024	9.18	7.83
	<i>Accumulation Class Units - Retail (HKD)</i>	
	<i>Highest issue</i>	
<i>For the year ended</i>	<i>price</i>	<i>Lowest bid price</i>
	HK\$	HK\$
30 June 2022	10.04	8.56
30 June 2023	8.90	7.56
30 June 2024	9.05	7.77
	<i>Accumulation Class Units - Retail (RMB hedged)</i>	
	<i>Highest issue</i>	
<i>For the year ended</i>	<i>price</i>	<i>Lowest bid price</i>
	CNH	CNH
30 June 2022	10.01	8.91
30 June 2023	9.37	8.20
30 June 2024	8.71	7.57

## Performance table for the year ended 30 June 2024 (continued)

### Principal Sustainable Asian Allocation Fund (continued)

<i>For the year ended</i>	<i>Accumulation Class Units - Retail (USD)</i>	
	<i>Highest issue</i>	<i>Lowest bid price</i>
	<i>price US\$</i>	<i>price US\$</i>
30 June 2022	10.05	8.50
30 June 2023	8.85	7.51
30 June 2024	9.04	7.74

<i>For the year ended</i>	<i>Income Plus (monthly) Class Units - Retail (RMB hedged)</i>	
	<i>Highest issue</i>	<i>Lowest bid price</i>
	<i>price CNH</i>	<i>price CNH</i>
30 June 2022	10.01	8.73
30 June 2023	8.92	7.52
30 June 2024	8.45	7.37

<i>For the year ended</i>	<i>Income Plus (monthly) Class Units - Retail (USD)</i>	
	<i>Highest issue</i>	<i>Lowest bid price</i>
	<i>price US\$</i>	<i>price US\$</i>
30 June 2022	10.05	8.38
30 June 2023	8.46	7.28
30 June 2024	8.04	7.14

<i>For the year ended</i>	<i>Income (monthly) Class Units - Retail (HKD)</i>	
	<i>Highest issue</i>	<i>Lowest bid price</i>
	<i>price HK\$</i>	<i>price HK\$</i>
30 June 2022	10.04	8.48
30 June 2023	8.65	7.40
30 June 2024	7.71	6.83

<i>For the year ended</i>	<i>Income Plus (monthly) Class Units - Retail (HKD)</i>	
	<i>Highest issue</i>	<i>Lowest bid price</i>
	<i>price HK\$</i>	<i>price HK\$</i>
30 June 2022	10.04	8.44
30 June 2023	8.51	7.33
30 June 2024	8.02	7.12

## Investment objective and policy of Principal Sustainable Asia Equity 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 listed securities of companies and issuers in the Asia Pacific (ex-Japan) region which are considered to be outperforming their peers with respect to sustainability performance based on environmental, social and governance ("ESG") factors ("ESG achievers") as well as exchange traded funds ("ETFs") and collective investment schemes ("CISs"), which primarily invest in equity securities of companies and issuers that maintain better ESG profiles than their corresponding traditional counterparts (collectively "ESG achiever ETFs/CISs"). The Sub-Fund will also seek to achieve high current income and capital appreciation with a focus on high dividend yielding stocks.

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

The Manager adopts a best-in-class strategy under which the Manager will screen all securities investable by the Sub-Fund (including ETFs and CISs) with the aim of identifying ESG achievers and ESG achiever ETFs/CISs.

## Investment objective and policy of Principal Sustainable Asia Equity Income Fund (continued)

The Manager will assign ESG scorings on potential companies/issuers by using a proprietary ESG methodology. Companies/issuers which are in the higher Quartile 1 or 2 within Asia Pacific (ex-Japan) region, or within their respective sectors of sub-regions (i.e. Greater China, Asia developed markets and Asia emerging markets (ex-Greater China)) based on ESG scores as ranked by the Manager's internal rating system will be considered to be ESG achievers. The ESG scores are measured through the use of proprietary research and ESG data from third-party providers (including but not limited to MSCI). The ESG scores from the Manager's internal rating system represent the Manager's ESG view based on key sustainability risks (i.e. climate change, human capital, corporate governance on ESG matters, etc.) associated with the specific companies/issuers. In order to calculate the ESG score of a potential company/issuer, the Manager will first identify the material risks and opportunities factors of the potential company/issuer based on its industry or sector which are spread across Environmental, Social and Governance categories ("ESG risks/opportunities factor(s)"). The weights assigned to each sector-specific ESG risks/opportunities factor will vary based on its contribution to making positive ESG impact. Governance is an important consideration for all institutions, and it is the one category that is universally applicable across all sectors. A potential company/issuer's exposure to each of the identified ESG risks/opportunities factor will be ranked against its peers and such level of exposure is translated into an underlying score. For each potential company/issuer, a weighted average score will be calculated based on the underlying scores and weights of the ESG risks/opportunities factors identified. The higher the scores a potential company/issuer receives for each of the ESG risks/opportunities factors, the higher the overall ESG score of a potential company/issuer will be.

The Manager supplements the ESG scores with qualitative assessment. In the event that ESG data are not available or comprehensive, the Manager would provide a subjective qualification of the company's/issuer's ESG outlook, based on case studies, publicly available information, company visits and relevant assessment reports. Companies/issuers demonstrating strong or improving ESG fundamentals or a propensity to address ESG issues, e.g. whose business principles or activities align with one or more sustainable investment themes associated with the UN Sustainable Development Goals, would be favoured over companies/issuers with deteriorating ESG outlook. As a result of all of the above ESG criteria for screening, except for ETFs and CISs, it is expected that the size of the investment universe of the Sub-Fund will be reduced by at least 20% in terms of number of companies/issuers. The Manager will then apply its own internal analysis based on fundamental analysis and valuation approach to select securities from the eligible investment universe. The Sub-Fund will exclude companies that (i) are classified by the GICS Industry Sector classification to fall within the tobacco, casinos and gaming sub-industries; (ii) have more than 10% of the revenue derived from direct manufacturing and production of controversial weapons (including but not limited to landmines, cluster munition, bio-weapons and nuclear weapons) or their key component, based on the data from third-party providers (including but not limited to MSCI); and (iii) are deemed to have governance concerns through discovery during engagement process and company research.

## Investment objective and policy of Principal Sustainable Asia Equity Income Fund (continued)

ESG achiever ETFs/CISs will be identified by using the Manager's internal screening process. Only ETFs/CISs with available information on full holdings of underlying securities will be eligible for the internal screening process. The Manager will first distinguish whether the eligible ETFs/CISs track an index with ESG focus or feature ESG related theme or focus, and select ETFs/CISs that incorporate the key ESG focus or feature ESG related theme or focus of the Sub-Fund and also adopt investment objectives or strategies that are consistent with the Sub-Fund's best-in-class approach. The Manager will then assess the ESG profiles of the selected ETFs/CISs and choose the ESG achiever ETFs/CISs with more than 70% of the underlying securities qualified as ESG achievers (as described above).

Up to 30% of the Sub-Fund's Net Asset Value may be invested in (a) equity securities of companies and issuers (i) outside the Asia Pacific (ex-Japan) region and/or (ii) not considered to be ESG achievers (as described above) but demonstrate improving sustainability attributes (e.g. companies/issuers which demonstrate the potential for improvement in sustainability practices and performance through the implementation and execution of a formal engagement plan), or whose business principles or activities align with one or more sustainable investment themes associated with the UN Sustainable Development Goals, or green/sustainable financing instruments, or securities issued by companies in the green sector such as renewable companies), and/or (b) ETFs/CISs (i) outside the Asia Pacific (ex-Japan) region and/or (ii) not considered to be ESG achiever ETFs/CISs (as described above) but demonstrate attributes consistent with a minimum ESG fund rating of BBB or its equivalent based on: (1) ESG fund rating from third-party providers (including but not limited to MSCI) or, (2) only in the circumstances when ESG fund rating from third-party providers is not available, the Manager's internal ESG fund quality scores which are calculated by using the ESG rating data of the relevant underlying investments derived from third-party providers (including but not limited to MSCI) and the Manager's factor adjustments based on the ESG rating trend and rating distribution of the underlying investments, and/or (c) cash and cash equivalents, such as deposits and instruments with floating or fixed rates such as certificates of deposits, bankers' acceptances and commercial paper.

The Sub-Fund may from time to time invest up to 50% of its Net Asset Value in equity securities issued in the PRC (including China A-shares) directly via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect or the Qualified Foreign Investor ("QFI") regime, and/or indirectly through access products or other ETFs/CISs.

The Sub-Fund may enter into financial futures contracts, financial option contracts and currency forward contracts for hedging purposes. The Sub-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 achievers") as well as exchange traded funds ("ETFs") and other collective investment schemes ("CISs") which primarily invest in debt securities of companies or issuers that maintain better ESG profiles than their corresponding traditional counterparts (collectively "ESG achiever ETFs/CISs"), and provide a return consisting of income and capital growth over medium to long term.

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

The Manager adopts a best-in-class strategy under which the Manager will screen all securities investable by the Sub-Fund (including ETFs and CISs) with the aim of identifying ESG achievers and ESG achiever ETFs/CISs.

The Manager will assign ESG scorings on potential companies/issuers by using a proprietary ESG methodology. Companies/issuers which are in the higher Quartile 1 or 2 within Asia, or within their respective sectors of sub-regions (i.e. Greater China, Asia developed markets and Asia emerging markets (ex-Greater China)) based on ESG scores as ranked by the Manager's internal rating system will be considered to be ESG achievers. The ESG scores are measured through the use of proprietary research and ESG data from third-party providers (including but not limited to MSCI). The ESG scores from the Manager's internal rating system represent the Manager's ESG view based on key sustainability risks (i.e. climate change, human capital, corporate governance on ESG matters, etc.) associated with the specific companies/issuers. In order to calculate the ESG score of a potential company/issuer, the Manager will first identify the material risks and opportunities factors of the potential company/issuer based on its industry or sector which are spread across Environmental, Social and Governance categories ("ESG risks/opportunities factor(s)"). The weights assigned to each sector specific ESG risks/opportunities factor will vary based on its contribution to making positive ESG impact. Governance is an important consideration for all institutions, and it is the one category that is universally applicable across all sectors. A potential company/issuer's exposure to each of the identified ESG risks/opportunities factor will be ranked against its peers and such level of exposure is translated into an underlying score. For each potential company/issuer, a weighted average score will be calculated based on the underlying scores and weights of the ESG risks/opportunities factors identified. The higher the scores a potential company/issuer receives for each of the ESG risks/opportunities factors, the higher the overall ESG score of a potential company/issuer will be.

## Investment objective and policy of Principal Sustainable Asian Income Fund (continued)

The Manager supplements the ESG scores with qualitative assessment. In the event that ESG data are not available or comprehensive, the Manager would provide a subjective qualification of the company's/issuer's ESG outlook, based on case studies, publicly available information, company visits and relevant assessment reports. Companies/issuers demonstrating strong or improving ESG fundamentals or a propensity to address ESG issues, e.g. whose business principles or activities align with one or more sustainable investment themes associated with the UN Sustainable Development Goals, would be favoured over companies/issuers with deteriorating ESG outlook. As a result of all of the above ESG criteria for screening, except for ETFs and CISs, it is expected that the size of the investment universe of the Sub-Fund will be reduced by at least 20% in terms of number of companies/issuers. The Manager will then apply its own internal analysis based on fundamental analysis and valuation approach to select securities from the eligible investment universe. The Sub-Fund will exclude companies that (i) are classified by GICS Industry Sector classification to fall within the tobacco, aerospace and defense industries; (ii) have more than 10% of the revenue derived from nuclear sources based on the data from third-party providers (including but not limited to MSCI); and (iii) are deemed to have governance concerns through discovery during engagement process and company research.

ESG achiever ETFs/CISs will be identified by using the Manager's internal screening process. Only ETFs/CISs with available information on full holdings of underlying securities will be eligible for the internal screening process. The Fund Manager will first distinguish whether the eligible ETFs/CISs track an index with ESG focus or feature ESG related theme or focus, and select ETFs/CISs that incorporate the key ESG focus or feature ESG related theme or focus of the Sub-Fund and also adopt investment objectives or strategies that are consistent with the Sub-Fund's best-in-class approach. The Fund Manager will then assess the ESG profiles of the selected ETFs/CISs and choose the ESG achiever ETFs/CISs with more than 70% of the underlying securities qualified as ESG achievers (as described above).

The Sub-Fund will primarily invest in a portfolio of fixed income and fixed income-related securities of companies domiciled in, traded in and/or with substantial business interests in Asia and/or governments and government-related issuers located in Asia, including but not limited to sovereign, quasi-sovereign, agency, such investments may include corporate bonds/debentures, floating rate notes, bills, commercial papers, certificates of deposit, and debt instruments with loss-absorption features, which may be denominated in USD or other currencies. The Sub-Fund may invest 30% or more of its Net Asset Value in fixed income and fixed income-related securities relating to emerging markets.

## Investment objective and policy of Principal Sustainable Asian Income Fund (continued)

Up to 30% of the Sub-Fund's Net Asset Value may be invested in (a) debt securities of companies and issuers (i) outside Asia and/or (ii) not considered to be ESG achievers (as described above) but demonstrate improving sustainability attributes (e.g. companies/issuers which demonstrate the potential for improvement in sustainability practices and performance through the implementation and execution of a formal engagement plan), or whose business principles or activities align with one or more sustainable investment themes associated with the UN Sustainable Development Goals, or green/sustainable financing instruments such as green bonds or sustainability linked bonds, or securities issued by companies in the green sector such as renewable companies, and/or (b) ETFs/CISs (i) outside the Asia and/or (ii) not considered to be ESG achiever ETFs/CISs (as described above) but demonstrate attributes consistent with a minimum ESG fund rating of BBB or its equivalent based on: (1) ESG fund rating from third-party providers (including but not limited to MSCI) or, (2) only in the circumstances when ESG fund rating from third-party providers is not available, the Manager's internal ESG fund quality scores which are calculated by using the ESG rating data of the relevant underlying investments derived from third-party providers (including but not limited to MSCI) and the Fund Manager's factor adjustments based on the ESG rating trend and rating distribution of the underlying investments, and/or (c) cash and cash equivalents.

The target ranges of asset allocation and geographic allocation of the Sub-Fund are as follows:

<i>Asset Type</i>	<i>Range (of the Sub-Fund's net asset value)</i>
Debt Securities and ETFs/CISs	70% to 100% but, the aggregate investment in ETFs/CISs will be less than 30% of the Sub-Fund's Net Asset Value
Cash & Time Deposits	0% to 30%
<i>Asset Type</i>	<i>Range (of the Sub-Fund's net asset value)</i>
Asia	70% to 100%
Others	0% to 30%

The Sub-Fund may invest up to 40% of its Net Asset Value in debt securities rated below investment grade (i.e. rated BB+ or below by Standard & Poor's or comparable ratings by Moody's Investors Services or Fitch Ratings) or in the case the credit rating is designated/assigned by a PRC credit rating agency, A+ and below, or unrated. For the purpose of the Sub-Fund, "unrated debt securities" is defined as debt securities which neither the debt securities nor their issuers have a credit rating. While these credit ratings provided by the relevant rating agencies serve as a point of reference, the Sub-Delegate of the Manager will conduct its own assessment on the credit quality based on various factors, such as leverage level, operating margin, return on capital, interest coverage, operating cash flows, industry outlook, competitive position in the market and corporate governance.



## Investment objective and policy of Principal Sustainable Asian Income Fund (continued)

The Sub-Fund may also invest up to 10% of its Net Asset Value in debt securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority) which is below investment grade.

The Sub-Fund may from time to time invest less than 30% of its Net Asset Value in RMB-denominated debt securities issued in the PRC, including through the Qualified Foreign Investor ("QFI") regime, the China interbank bond market direct access program and/or Bond Connect, as well as urban investment bonds which are debt instruments issued by local government financing vehicles ("LGFVs"). These LGFVs are separate legal entities established by local governments and/or their affiliates to raise financing for public welfare investment or infrastructure projects.

The Sub-Fund may invest up to 10% of its Net Asset Value in collateralized and/or securitized products such as asset-backed securities and mortgage-backed securities.

The Sub-Fund may also invest less than 30% of its net asset value in debt instruments with loss absorption features, which may include instruments classified as Additional Tier 1/Tier 2 capital instruments, contingent convertible bonds ("CoCos"), non-preferred senior bonds which may also be known as Tier 3 bonds and other instruments eligible to count as loss-absorbing capacity under the resolution regime for financial institution, in compliance with its investment policy and limits. These instruments may be subject to contingent write-down or contingent conversion to equity on the occurrence of trigger event(s).

The Sub-Fund aims to maintain a portfolio with higher ESG scores relative to the reference index (ICE BofA Merrill Lynch Asian Dollar Index) ("Benchmark") on an ongoing basis. The Sub-Delegate of the Manager will, when selecting investments for the Sub-Fund, reference the Benchmark as the Benchmark constituents best represent the characteristics the Sub-Fund is seeking to gain exposure to. However the Sub-Fund may invest in companies that are not included in the Benchmark. The Benchmark is not an index which integrates ESG considerations.

The Sub-Fund may use financial derivative instruments for hedging and investment purposes. The Sub-Fund's net derivative exposure may be up to 50% of its Net Asset Value.

The Sub-Fund may employ currency management and hedging techniques which includes active management of currency hedging decisions on the Sub-Fund's portfolio.

## Investment objective and policy of Principal Sustainable Asian Allocation Fund

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

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

The Manager adopts a best-in-class strategy under which the Manager will screen all securities investable by the Sub-Fund (including ETFs and CISs) with the aim of identifying ESG achievers and ESG achiever ETFs/CISs.

The Manager will assign ESG scorings on potential companies/issuers by using a proprietary ESG methodology. Companies/issuers which are in the higher Quartile 1 or 2 within Asia Pacific (ex-Japan) region, or within their respective sectors of sub-regions (i.e. Greater China, Asia developed markets and Asia emerging markets (ex-Greater China)) based on ESG scores as ranked by the Manager's internal rating system will be considered to be ESG achievers. The ESG scores are measured through the use of proprietary research and ESG data from third-party providers (including but not limited to MSCI). The ESG scores from the Manager's internal rating system represent the Manager's ESG view based on key sustainability risks (i.e. climate change, human capital, corporate governance on ESG matters, etc.) associated with the specific companies/issuers. In order to calculate the ESG score of a potential company/issuer, the Manager will first identify the material risks and opportunities factors of the potential company/issuer based on its industry or sector which are spread across Environmental, Social and Governance categories ("ESG risks/opportunities factor(s)"). The weights assigned to each sector-specific ESG risks/opportunities factor will vary based on its contribution to making positive ESG impact. Governance is an important consideration for all institutions, and it is the one category that is universally applicable across all sectors. A potential company/issuer's exposure to each of the identified ESG risks/opportunities factor will be ranked against its peers and such level of exposure is translated into an underlying score. For each potential company/issuer, a weighted average score will be calculated based on the underlying scores and weights of the ESG risks/opportunities factors identified. The higher the scores a potential company/issuer receives for each of the ESG risks/opportunities factors, the higher the overall ESG score of a potential company/issuer will be.

## Investment objective and policy of Principal Sustainable Asian Allocation Fund (continued)

The Manager supplements the ESG scores with qualitative assessment. In the event that ESG data are not available or comprehensive, the Manager would provide a subjective qualification of the company's/issuer's ESG outlook, based on case studies, publicly available information, company visits and relevant assessment reports. Companies/issuers demonstrating strong or improving ESG fundamentals or a propensity to address ESG issues, e.g. whose business principles or activities align with one or more sustainable investment themes associated with the UN Sustainable Development Goals, would be favoured over companies/issuers with deteriorating ESG outlook. As a result of all of the above ESG criteria for screening, except for ETFs and CISs, it is expected that the size of the investment universe of the Sub-Fund will be reduced by at least 20% in terms of number of companies/issuers. The Manager will then apply its own internal analysis based on fundamental analysis and valuation approach to select securities from the eligible investment universe. The Sub-Fund will exclude companies that (i) are classified by the GICS Industry Sector classification to fall within the tobacco sub-industry; (ii) have more than 10% of the revenue derived from direct manufacturing and production of controversial weapons (including but not limited to landmines, cluster munition, bio-weapons and nuclear weapons) or their key component, based on the data from third-party providers (including but not limited to MSCI); and (iii) are deemed to have governance concerns through discovery during engagement process and company research.

ESG achiever ETFs/CISs will be identified by using the Manager's internal screening process. Only ETFs/CISs with available information on full holdings of underlying securities will be eligible for the internal screening process. The Manager will first distinguish whether the eligible ETFs/CISs track an index with ESG focus or feature ESG related theme or focus, and select ETFs/CISs that incorporate the key ESG focus or feature ESG related theme or focus of the Sub-Fund and also adopt investment objectives or strategies that are consistent with the Sub-Fund's best-in-class approach. The Manager will then assess the ESG profiles of the selected ETFs/CISs and choose the ESG achiever ETFs/CISs with more than 70% of the underlying securities qualified as ESG achievers (as described above).

## Investment objective and policy of Principal Sustainable Asian Allocation Fund (continued)

Up to 30% of the Sub-Fund's Net Asset Value may be invested in (a) equities and debt securities of companies and issuers (i) outside the Asia Pacific (ex-Japan) region and/or (ii) not considered to be ESG achievers (as described above) but demonstrate improving sustainability attributes (e.g. companies/issuers which demonstrate the potential for improvement in sustainability practices and performance through the implementation and execution of a formal engagement plan), or whose business principles or activities align with one or more sustainable investment themes associated with the UN Sustainable Development Goals, or green/sustainable financing instruments such as green bonds or sustainability linked bonds, or securities issued by companies in the green sector such as renewable companies, and/or (b) ETFs/CISs (i) outside the Asia Pacific (ex-Japan) region and/or (ii) not considered to be ESG achiever ETFs/CISs (as described above) but demonstrate attributes consistent with a minimum ESG fund rating of BBB or its equivalent based on: (1) ESG fund rating from third-party providers (including but not limited to MSCI) or, (2) only in the circumstances when ESG fund rating from third-party providers is not available, the Manager's internal ESG fund quality scores which are calculated by using the ESG rating data of the relevant underlying investments derived from third-party providers (including but not limited to MSCI) and the Manager's factor adjustments based on the ESG rating trend and rating distribution of the underlying investments, and/or (c) cash and cash equivalents.

The target ranges of asset allocation of the Sub-Fund are as follows:

<i>Asset Type</i>	<i>Range (of the Sub-Fund's net asset value)</i>
Asia Pacific (ex-Japan) equities (including ETFs/CISs which invest primarily in equities)	Up to 85% but, the aggregate investment in ETFs/CISs will be less than 30% of the Sub-Fund's Net Asset Value
Asia Pacific (ex-Japan) debt securities (including, but not limited to, sovereign, quasi-sovereign, agency, corporate bonds, floating rate notes, bills, commercial papers, certificate of deposit, and debt instruments with loss-absorption features, which may be denominated in USD and/or other currencies; as well as ETFs/CISs which invest primarily in debt securities)	Up to 85% but, the aggregate investment in ETFs/CISs will be less than 30% of the Sub-Fund's Net Asset Value
Cash and cash equivalents	Up to 30%

The asset allocation of the Sub-Fund will change according to the Sub-Delegate of the Manager's views of fundamental economic and market conditions and investment trends across the globe, taking into consideration factors such as liquidity, costs, timing of execution, relative attractiveness of asset classes, securities available in the market and development across the ESG landscape.

## Investment objective and policy of Principal Sustainable Asian Allocation Fund (continued)

The Sub-Fund may invest up to 40% of its Net Asset Value in debt securities rated below investment grade (i.e. rated BB+ or below by Standard & Poor's or comparable ratings by Moody's Investors Services or Fitch Ratings) or in the case the credit rating is designated/assigned by a PRC credit rating agency, A+ and below, or unrated. For the purpose of the Sub-Fund, "unrated debt securities" is defined as debt securities which neither the debt securities nor their issuers have a credit rating. While these credit ratings provided by the relevant rating agencies serve as a point of reference, the Sub-Delegate of the Manager will conduct its own assessment on the credit quality based on various factors, such as leverage level, operating margin, return on capital, interest coverage, operating cash flows, industry outlook, competitive position in the market and corporate governance.

The Sub-Fund may also invest up to 10% of its Net Asset Value in debt securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority) which is below investment grade.

These investments may be denominated in various currencies. The Sub-Fund will not aim to focus its investments on any single country or market capitalisation. However, investments in any country or market capitalisation may be concentrated, depending on the Manager's Sub-Delegate's assessment of the market conditions at different times.

The Sub-Fund may from time to time invest less than 30% of its Net Asset Value in RMB-denominated debt securities and equity securities issued in the PRC (including China A-shares) directly via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the Qualified Foreign Investor ("QFI") regime, the China interbank bond market direct access program and/or Bond Connect, or indirectly through access products or other ETFs/CISs, as well as urban investment bonds which are debt instruments issued by local government financing vehicles ("LGFVs"). These LGFVs are separate legal entities established by local governments and/or their affiliates to raise financing for public welfare investment or infrastructure projects.

The Sub-Fund may invest less than 30% of its Net Asset Value in listed real estate investment trusts ("REITs").

The Sub-Fund may invest up to 10% of its Net Asset Value in collateralized and/or securitized products such as asset-backed securities and mortgage-backed securities.

The Sub-Fund may also invest up to 10% of its Net Asset Value in debt instruments with loss absorption features, which may include instruments classified as Additional Tier 1/Tier 2 capital instruments, contingent convertible bonds ("CoCos"), non-preferred senior bonds which may also be known as Tier 3 bonds and other instruments eligible to count as loss-absorbing capacity under the resolution regime for financial institution, in compliance with its investment policy and limits. These instruments may be subject to contingent write-down or contingent conversion to equity on the occurrence of trigger event(s).

## Investment objective and policy of Principal Sustainable Asian Allocation Fund (continued)

The Sub-Delegate of the Manager seeks to actively manage the Sub-Fund with reference to the asset allocation of 50% MSCI AC Asia Pacific ex Japan Index + 50% ICE BofA Merrill Lynch Asian Dollar Index ("Benchmark"), while seeking to achieve an ESG score greater than that of the Benchmark. The Sub-Delegate of the Manager will, when selecting investments for the Sub-Fund, reference the Benchmark as the Benchmark constituents best represent the characteristics the Sub-Fund is seeking to gain exposure to. However, the Sub-Fund may invest in companies that are not included in the Benchmark. The Benchmark is not an index which integrates ESG considerations.

The Sub-Fund may use financial derivative instruments for hedging and investment purposes. The Sub-Fund's net derivative exposure may be up to 50% of its Net Asset Value.

The Sub-Fund may employ currency management and hedging techniques which includes active management of currency hedging decisions on the Sub-Fund's portfolio.