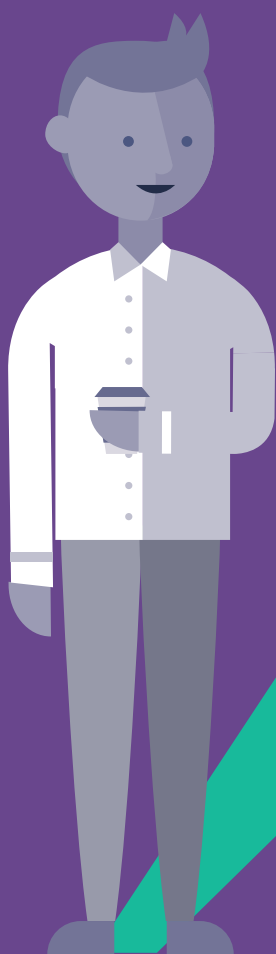


Principal Asset Management Company (Asia) Limited

Unaudited Semi-Annual Report
For the six months ended 31 December 2020



PRINCIPAL PROSPERITY SERIES

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ADMINISTRATION

Manager

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

Sub-Delegate of the Manager

(for Principal Asia Pacific High Dividend Equity Fund)
Principal Global Investors (Hong Kong) Limited
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18 Harbour Road
Wanchai, Hong Kong

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

Binay Chandgothia
Cheong Wee Yee

Auditor

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

Legal Advisors to the Manager

Baker & McKenzie
14/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

MANAGER'S REPORT

Principal Prosperity Series - Principal Asia Pacific High Dividend Equity Fund (the "Sub-Fund")

Market Review

Equity markets advanced sharply higher over the fourth quarter accounting for much of the double-digit returns for the year. With 2020 leaving investors to deal with abrupt changes, volatility and an elevated number of macro-driven items, we remain confident that fundamentals will reassert themselves and earnings will continue to drive share prices higher. Many of the companies which performed well earlier in the current year saw a positive tailwind from work at home and lockdowns. Some of the changes we see will be more permanent in nature, others less so. We are unlikely to see some economies fully re-open before the spring, even then we will not be returning to 2019 conditions.

Strategy and Outlook

Markets will continue to face some risk due to de-risking and rebalancing pressures by pension funds and sovereign institutions though this has waned recently amid under allocations to equities at this point. Other key risks, as always, include geopolitical uncertainty and potential policy missteps, whether monetary, fiscal and/or regulatory in nature. As always, we find bottom-up analysis of credit conditions and earnings trends to be much more reliable guides than top-down attempts to forecasts macro variables.

Principal Asset Management Company (Asia) Limited

26 January 2021

STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2020

(Expressed in United States dollars)

Principal Asia Pacific High Dividend Equity Fund			1 July 2020 to 31 December 2020	1 July 2019 to 31 December 2019
Income				
Dividend income	\$	1,381,944	\$	1,968,711
Interest income		420		788
	\$	1,382,364	\$	1,969,499
Expenses				
Auditor's remuneration	\$	(13,090)	\$	(16,461)
Bank charges and safe custody fees		(27,885)		(25,769)
Legal and professional fees		(17,363)		(12,669)
Manager's fee		(893,020)		(809,931)
Miscellaneous expenses		(10,481)		(11,095)
Net foreign exchange loss		(94,879)		(120,548)
Transaction fees		(49,169)		(30,905)
Trustee's fee		(69,146)		(63,600)
Valuation fee		(6,300)		(6,350)
	\$	(1,181,333)	\$	(1,097,328)
Income before gain/(loss) on investments	\$	201,031	\$	872,171
Gain/(loss) on investments				
Net realised gain/(loss) on sale of investments	\$	13,010,196	\$	(331,555)
Net change in unrealised gain on investments		26,085,905		6,598,995
	\$	39,096,101	\$	6,267,440
Profit for the period before taxation	\$	39,297,132	\$	7,139,611
Taxation		(269,961)		(386,600)
Profit for the period	\$	39,027,171	\$	6,753,011
Distributions to unitholders		(155,992)		(233,995)
Profit and total comprehensive income for the period	\$	38,871,179	\$	6,519,016

STATEMENT OF FINANCIAL POSITION

As at 31 December 2020
(Expressed in United States dollars)

Principal Asia Pacific High Dividend Equity Fund	31 December 2020	30 June 2020
Assets		
Investments measured at fair value through profit or loss	\$ 162,048,950	\$ 139,396,729
Dividend and other receivables	82,475	373,413
Amounts receivable from brokers	1,528,932	1,620,522
Amounts receivable on subscription of units	6,704	616
Cash and cash equivalents	2,095,609	1,786,928
Total assets	\$ 165,762,670	\$ 143,178,208
Liabilities		
Amounts payable on redemption of units	\$ 12,670	\$ 55,457
Amounts payable to brokers	1,132,528	2,105,892
Distributions payable	12,521	73,981
Accrued expenses and other payables	300,464	117,156
Total liabilities (excluding net assets attributable to unitholders classified as financial liabilities)	\$ 1,458,183	\$ 2,352,486
Net assets attributable to unitholders	\$ 164,304,487	\$ 140,825,722

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the six months ended 31 December 2020

(Expressed in United States dollars)

Principal Asia Pacific High Dividend Equity Fund		
	1 July 2020 to 31 December 2020	1 July 2019 to 31 December 2019
Balance at the beginning of the period	\$ 140,825,722	\$ 134,573,562
Subscriptions by unitholders		
- Income Class Units	1,188,908	476,596
- Accumulation Class Units - Institutional	4,673,104	6,797,300
Redemptions by unitholders		
- Income Class Units	(2,877,149)	(1,069,453)
- Accumulation Class Units - Institutional	(18,377,277)	(5,014,181)
	\$ 125,433,308	\$ 135,763,824
Profit and total comprehensive income for the period	38,871,179	6,519,016
Balance at the end of the period	\$ 164,304,487	\$ 142,282,840
Total number of units in issue		
	As at 1 July 2020	As at 1 July 2019
Income Class Units	30.98	31.03
Accumulation Class Units - Institutional	13.62	13.30
	As at 31 December 2020	As at 31 December 2019
Income Class Units	39.91	32.24
Accumulation Class Units - Institutional	17.67	13.97

STATEMENT OF CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies and basis of preparation adopted in preparation of these financial statements are consistent with those of the previous financial period. Adoption of new and revised HKFRSs in the current year has had no significant effect on these financial statements.

INVESTMENT PORTFOLIO AS AT 31 DECEMBER 2020

Principal Asia Pacific High Dividend Equity Fund			
	<i>Holdings</i>	<i>Fair value</i> US\$/ US\$ equivalent	<i>% of net assets</i>
Listed investments (cost: US\$115,836,882)			
Equities			
<i>Australia</i>			
Afterpay Ltd	2,432	\$ 221,158	0.13
Appen Ltd	4,037	76,813	0.05
Aristocrat Leisure Ltd	5,523	131,945	0.08
Australia & New Zealand Banking Group Ltd	62,544	1,094,129	0.67
Beach Energy Ltd	235,106	327,038	0.20
BHP Group Ltd	68,149	2,228,382	1.36
Charter Hall Group	71,930	815,417	0.50
Commonwealth Bank of Australia	32,577	2,061,410	1.25
CSL Ltd	9,859	2,151,556	1.31
Flight Centre Travel Group Ltd	96,126	1,174,160	0.71
Fortescue Metals Group Ltd	61,838	1,116,567	0.68
Goodman Group	33,068	481,900	0.29
Macquarie Group Ltd	11,352	1,211,481	0.74
Megaport Ltd	8,370	91,917	0.06
National Australia Bank Ltd	55,897	973,541	0.59
NRW Holdings Ltd	102,812	231,358	0.14
Omni Bridgeway Ltd	105,558	349,798	0.21
OZ Minerals Ltd	84,802	1,233,858	0.75
Qantas Airways Ltd	262,383	980,696	0.60
QBE Insurance Group Ltd	17,790	116,945	0.07
Rio Tinto Ltd	355	31,142	0.02
Santos Ltd	208,973	1,009,752	0.61
Saracen Mineral Holdings Ltd	45,039	164,869	0.10
Seven Group Holdings Ltd	35,180	633,053	0.39
Silver Lake Resources Ltd	126,698	174,775	0.11
Sydney Airport Ltd	245,018	1,210,356	0.74
The GPT Group	225,693	782,686	0.48
Westpac Banking Corp	58,520	873,557	0.53
Woolworths Group Ltd	32,876	995,954	0.61
Xero Ltd	2,308	261,143	0.16
		\$ 23,207,356	14.14
<i>China</i>			
Alibaba Group Holding Ltd-ADR	38,534	\$ 8,968,017	5.46
ANTA Sports Products Ltd	43,000	681,712	0.41
Baidu Inc-ADR	5,521	1,193,861	0.73
BYD Co Ltd-H	30,500	799,474	0.49
China Aoyuan Group Ltd	113,000	109,908	0.07
China Construction Bank Corp-H	1,502,620	1,141,682	0.69
China Feihe Ltd	365,000	855,046	0.52

INVESTMENT PORTFOLIO AS AT 31 DECEMBER 2020 (continued)

Principal Asia Pacific High Dividend Equity Fund			
	Holdings	Fair value US\$/ US\$ equivalent	% of net assets
<i>China (continued)</i>			
China Lesso Group Holdings Ltd	334,000	\$ 523,053	0.32
China Meidong Auto Holdings Ltd	120,000	487,610	0.30
China Merchants Bank Co Ltd-H	74,500	470,905	0.29
China Resources Cement Holdings Ltd	354,000	395,459	0.24
China Shenhua Energy Co Ltd-H	165,500	311,696	0.19
ENN Energy Holdings Ltd	42,000	616,556	0.38
Ever Sunshine Lifestyle Services Group Ltd	256,000	562,057	0.34
Fuyao Glass Industry Group Co Ltd-H	175,200	962,774	0.59
Haier Smart Home Co Ltd	138,200	500,951	0.30
Industrial & Commercial Bank of China Ltd-H	790,000	512,597	0.31
JD.com Inc-ADR	39,313	3,455,613	2.10
Kweichow Moutai Co Ltd-A	2,097	641,349	0.39
KWG Group Holdings Ltd	463,000	631,898	0.38
Lens Technology Co Ltd-A	98,398	461,052	0.28
Li Ning Co Ltd	201,500	1,385,425	0.84
Meituan Dianping-B	57,100	2,169,949	1.32
NetEase Inc-ADR	18,794	1,799,901	1.10
New Oriental Education & Technology Group Inc-ADR	7,571	1,406,768	0.86
NIO Inc-ADR	13,585	662,133	0.40
Pharmaron Beijing Co Ltd-H	48,800	824,654	0.50
Pinduoduo Inc-ADR	4,826	857,435	0.52
Ping An Insurance (Group) Co of China Ltd-H	203,000	2,487,713	1.51
Shimao Group Holdings Ltd	139,500	444,480	0.27
TAL Education Group-ADR	2,913	208,309	0.13
Tencent Holdings Ltd	123,900	9,014,279	5.49
Tencent Music Entertainment Group-ADR	24,882	478,730	0.29
Tsingtao Brewery Co Ltd-H	36,000	377,085	0.23
Weichai Power Co Ltd-H	258,000	517,857	0.32
Wuxi Biologics (Cayman) Inc	106,500	1,412,288	0.86
Xiaomi Corp	453,600	1,942,637	1.18
Zhongsheng Group Holdings Ltd	167,500	1,193,789	0.73
		\$ 51,466,702	31.33
<i>Hong Kong</i>			
AIA Group Ltd	301,800	\$ 3,698,481	2.25
BOC Hong Kong (Holdings) Ltd	109,000	330,427	0.20
CK Hutchison Holdings Ltd	24,000	167,490	0.10
Galaxy Entertainment Group Ltd	41,000	318,656	0.19
Hong Kong Exchanges & Clearing Ltd	14,000	767,534	0.47
Hongkong Land Holdings Ltd	219,718	907,435	0.55
Hysan Development Co Ltd	203,000	745,005	0.45
Link REIT	147,900	1,346,956	0.82
Man Wah Holdings Ltd	380,000	824,499	0.50
NagaCorp Ltd	232,000	304,062	0.19

INVESTMENT PORTFOLIO AS AT 31 DECEMBER 2020 (continued)

Principal Asia Pacific High Dividend Equity Fund			
	<i>Holdings</i>	<i>Fair value</i> US\$/ US\$ equivalent	<i>% of</i> <i>net assets</i>
<i>Hong Kong (continued)</i>			
SITC International Holdings Co Ltd	78,000	\$ 168,434	0.10
Sun Hung Kai Properties Ltd	44,500	574,038	0.35
Swire Properties Ltd	169,800	493,929	0.30
Techtronic Industries Co Ltd	75,000	1,070,033	0.65
Xinyi Solar Holdings Ltd	510,000	1,332,220	0.81
		\$ 13,049,199	7.93
<i>India</i>			
Aamber Enterprises India Ltd	35,880	\$ 1,155,599	0.70
Asian Paints Ltd	24,293	919,322	0.56
Astral Poly Technik Ltd	33,267	811,892	0.49
CreditAccess Grameen Ltd	19,694	203,770	0.12
Escorts Ltd	20,110	346,969	0.21
HDFC Bank Ltd	45,495	894,497	0.54
Hindustan Unilever Ltd	35,529	1,165,013	0.71
Housing Development Finance Corp Ltd	46,845	1,640,756	1.00
ICICI Bank Ltd	226,565	1,659,423	1.01
ICICI Lombard General Insurance Co Ltd	34,183	711,650	0.43
Infosys Ltd	69,303	1,191,358	0.73
Ipca Laboratories Ltd	23,285	697,673	0.42
Maruti Suzuki India Ltd	7,071	740,439	0.45
Navin Fluorine International Ltd	19,505	697,465	0.42
Nestle India Ltd	2,930	737,607	0.45
Pidilite Industries Ltd	31,228	754,777	0.46
Reliance Industries Ltd	79,128	2,150,434	1.31
Voltas Ltd	66,115	747,250	0.45
WNS (Holdings) Ltd-ADR	10,070	725,544	0.44
		\$ 17,951,438	10.90
<i>Indonesia</i>			
PT Bank Central Asia Tbk	470,300	\$ 1,132,683	0.69
PT Bank Rakyat Indonesia (Persero) Tbk	1,919,700	569,566	0.35
		\$ 1,702,249	1.04
<i>Malaysia</i>			
CIMB Group Holdings Bhd	971,300	\$ 1,039,729	0.63
Frontken Corp Bhd	787,200	695,683	0.42
		\$ 1,735,412	1.05

INVESTMENT PORTFOLIO AS AT 31 DECEMBER 2020 (continued)

Principal Asia Pacific High Dividend Equity Fund				
	<i>Holdings</i>	<i>Fair value</i> US\$/ US\$ equivalent	<i>% of</i> <i>net assets</i>	
<i>New Zealand</i>				
Auckland International Airport Ltd	146,026	\$ 799,774	0.49	
		\$ 799,774	0.49	
<i>Singapore</i>				
AEM Holdings Ltd	156,500	\$ 408,663	0.25	
BOC Aviation Ltd	68,300	590,305	0.36	
DBS Group Holdings Ltd	70,900	1,343,730	0.82	
Frencken Group Ltd	97,900	97,811	0.06	
Keppel DC REIT	324,795	690,792	0.42	
Mapletree Industrial Trust	310,200	678,533	0.41	
Mapletree Logistics Trust	459,700	699,362	0.43	
SATS Ltd	127,600	384,384	0.23	
Sea Ltd-ADR	951	189,297	0.12	
United Overseas Bank Ltd	26,800	458,229	0.28	
UOL Group Ltd	99,800	582,393	0.35	
		\$ 6,123,499	3.73	
<i>South Korea</i>				
Celltrion Inc	1,408	\$ 465,089	0.28	
Ecopro BM Co Ltd	6,280	983,165	0.60	
Hana Financial Group Inc	19,463	618,004	0.38	
Hyundai Motor Co	5,573	984,811	0.60	
KB Financial Group Inc	19,454	777,072	0.47	
Kia Motors Corp	29,846	1,714,088	1.04	
Leeno Industrial Inc	4,030	500,727	0.30	
LG Chem Ltd	1,011	766,727	0.47	
NAVER Corp	3,877	1,043,720	0.64	
NCSOFT Corp	1,424	1,220,175	0.74	
NICE Information Service Co Ltd	39,548	902,690	0.55	
Samsung Biologics Co Ltd	490	372,511	0.23	
Samsung Electronics Co Ltd	8,667	587,096	0.36	
Samsung Electronics Co Ltd	137,558	10,254,944	6.25	
SK Hynix Inc	18,169	1,981,581	1.21	
		\$ 23,172,400	14.12	
<i>Taiwan</i>				
Accton Technology Corp	78,000	\$ 877,309	0.53	
Aspeed Technology Inc	2,000	122,086	0.07	
Elite Material Co Ltd	232,000	1,296,458	0.79	
Feng Tay Enterprises Co Ltd	100,000	710,091	0.43	
Flexium Interconnect Inc	141,000	607,261	0.37	

INVESTMENT PORTFOLIO AS AT 31 DECEMBER 2020 (continued)

Principal Asia Pacific High Dividend Equity Fund			
	<i>Holdings</i>	<i>Fair value</i> US\$/ US\$ equivalent	<i>% of</i> <i>net assets</i>
<i>Taiwan (continued)</i>			
Hon Hai Precision Industry Co Ltd	162,320	\$ 531,534	0.32
MediaTek Inc	68,000	1,808,008	1.10
Realtek Semiconductor Corp	49,000	681,064	0.41
Taiwan Semiconductor Manufacturing Co Ltd	639,169	12,057,645	7.35
		\$ 18,691,456	11.37
<i>Thailand</i>			
Bangkok Bank Pcl	224,000	\$ 889,928	0.54
PTT Exploration & Production Pcl	104,800	343,759	0.21
TISCO Financial Group Pcl	303,500	896,730	0.55
		\$ 2,130,417	1.30
<i>The Philippines</i>			
BDO Unibank Inc	517,200	\$ 1,150,051	0.70
Wilcon Depot Inc	2,469,700	868,997	0.53
		\$ 2,019,048	1.23
Total equities		\$ 162,048,950	98.63
Total listed investments		\$ 162,048,950	98.63
Other net assets		2,255,537	1.37
Total net assets		\$ 164,304,487	100.00

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS

Principal Asia Pacific High Dividend Equity Fund		
	% of net assets as at 31 December 2020	% of net assets as at 30 June 2020
Listed investments (by country/by region)		
<i>Equities</i>		
Australia	14.14	15.32
China	31.33	36.20
Hong Kong	7.93	6.49
India	10.90	8.66
Indonesia	1.04	0.85
Malaysia	1.05	1.08
New Zealand	0.49	0.60
Singapore	3.73	4.16
South Korea	14.12	10.80
Taiwan	11.37	12.62
Thailand	1.30	1.62
The Philippines	1.23	0.59
Total listed investments	98.63	98.99
Other net assets	1.37	1.01
Total net assets	100.00	100.00



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