



Principal Islamic Asset Management (Ireland) p.l.c.

Annual Report and Audited Financial Statements

For the financial year ended 31 December 2020

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

GENERAL INFORMATION

The following information is derived from and should be read in conjunction with the full text and definitions section of the master prospectus for the Funds (the “Prospectus”).

Principal Islamic Asset Management (Ireland) p.l.c. (the “Company”) was constituted on 24 November 2011 as an open-ended umbrella investment company established as an Undertaking for Collective Investment in Transferable Securities (“UCITS”) under the laws of Ireland with variable capital and segregated liability between funds under the registered number 506452. The Company has been authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the Companies Act 2014, as amended (the “Companies Act”), the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, (as amended) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, (as amended) (the “UCITS Regulations”).

At 31 December 2020 the Company comprised the following separate investment portfolios (each the “Fund” and collectively the “Funds”):

Fund	Type of Share class	Launch Date
Islamic ASEAN Equity Fund	A Class Accumulation USD	13 April 2012
	I Class Accumulation USD	13 April 2012
Islamic Asia Pacific Dynamic Income & Growth Fund	I Class Accumulation USD	19 October 2020
Global Sukuk Fund	A Class Accumulation USD	7 September 2016
	I Class Accumulation USD	7 September 2016
	I Class Income USD	12 June 2019

The Funds also have the possibility to issue B Class Shares and R Class Shares but as at 31 December 2020 none were in issue on either of the 3 sub-funds.

Investment Objective of the Company

The investment objective of the Company is to seek capital growth over the medium to long term to maximize total return based on Shariah investment guidelines.

Prices

The dealing day (“Dealing Day”) is any Business Day in Dublin and/or such other day as the Directors may determine and notify in advance to shareholders being any person, company or other institution that owns at least one share of a company’s stock (the “Shareholders”) provided that there is at least one Dealing Day per fortnight.

The price at which shares of any class will be issued or redeemed on a Dealing Day, after the initial issue, is based on the Net Asset Value per Share or Net Asset Value per Share of a relevant class (where there are more than one class in issue in a Fund) on the relevant Dealing Day.

Dealing

The valuation point (“Valuation Point”) is 10.00 a.m. (Irish time) on the relevant Dealing Day unless otherwise specified by the Directors and notified in advance to Shareholders. In relation to applications for subscription or redemptions of shares, notice must be given by 10.00 a.m. (Irish time) on the relevant Dealing Day or such other time, provided it is on or before the relevant Valuation Point (the “Dealing Deadline”), as the Directors may determine and notify Shareholders in advance. The Directors may agree to accept specific applications after the Dealing Deadline, but before the relevant Valuation Point, at their discretion in exceptional circumstances.

Minimum Subscription

The Minimum Initial Subscription amounts for A Class shares is 1,000 United States Dollars (“USD”), for B Class shares is USD1,000, for I Class shares is USD1,000,000 and for R Class shares is USD1,000 or its equivalent in other currency. The Directors may at their discretion waive the limits for minimum holdings and/or subscriptions.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

INVESTMENT MANAGER'S REPORT For the financial year ended 31 December 2020

Islamic ASEAN Equity Fund

For the 12 month period to 31 December 2020, the Islamic ASEAN Equity Fund reported net performance of -1.36% compared to +10.06% for the benchmark, Dow Jones Islamic Market ASEAN Index.

In 2020 the fund underperformed the benchmark. The underperformance was mainly attributed to SEA Ltd which was about 8% of index weight which the fund was not able to invest in because it is a stock listed in the US. The fund also did not have sufficient exposure in glove stocks namely Supermax and Kossan which rose sharply given the Covid-19 pandemic.

In 2020, the fund's underperformance was largely due to SEA Ltd but the barbell approach taken by the fund helped narrow the underperformance particularly in the fourth quarter. The fund was positioned in the post Covid-19 recovery plays namely Oil & Gas and Industrial sector which recovered with the announcement of vaccines towards year end. The fund has also continued to build positions in Technology which is a long term structural growth story.

The vaccination roll-out is underway. It is now being administered across nations around the world. It is expected to take a number of months for the world to reach herd immunity. Hence, 2021 is expected to be the first year of multi-years of economy and earnings recovery. In addition, agricultural prices continue to improve and countries such as Indonesia, Thailand, Malaysia and Philippines that are highly dependent on agriculture, will eventually start to see improving farm incomes. This will translate into better spending in the future.

Both Indonesia and Philippines cut interest rate by 25bps to 3.75% and 2.00% in November, respectively. The market continues to expect another cut by Bank Indonesia in the coming months. On the corporate side, results reported are better than expected especially from the financial sector followed by technology and plantation sectors. Hence, earnings were being revised upwards.

MSCI ASEAN is currently trading at 14.2x forward Price-to-Earnings Ratio which is now above the 10-year historical average of 13.6x. Earnings were being revised upwards. Meanwhile, in terms of P/BV, it is still trading below 10-year average.

We maintain a barbell approach through investing in high dividend yielders and companies with strong balance sheets to weather through the crisis. As sentiment continues to improve from vaccine development and rising economic activity, we have added into cyclical sectors namely infrastructure plays, coal miners and cement producers. Given that ASEAN is composed of more "value" sectors that are geared towards domestic recovery post-COVID 19, it stands a chance to outperform when effective vaccines are being administered to the mass.

Over the longer-term, we continue to like companies that benefit from rising consumption and infrastructure spending, technology (5G spending), tourism, trade diversion and high-dividend payout. Even though, in the immediate term, our investment thesis on tourism may take time to recover, pent-up demand is expected to drive recovery sharply. The rising middle income in China and rising affluent India consumers, ASEAN tourism will continue to benefit from these two major economies.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

**INVESTMENT MANAGER'S REPORT (continued)
For the financial year ended 31 December 2020**

Islamic Asia Pacific Dynamic Income & Growth Fund

Since inception of the Fund on 19 October 2020 to 31 December 2020, the Islamic Asia Pacific Dynamic Income and Growth Fund reported a net performance of +10.20%.

The diversified exposure to information technology was the main driver of performance as strong demand in the semiconductor supply chain led to strong share price performances of Samsung Electronics and Taiwan Semiconductor Manufacturing and other holdings. Our stock selection in industrial automation and structural themes such as electrification of vehicles boosted performance. LG Chem and Airtac are among the top 10 positive contributors. However, our investment in Chinese internet names detracted value due to anti-monopoly concerns which is currently being addressed by the large internet companies.

Since inception to 31 Dec 2020, the fund delivered strong positive performance. The focus on quality companies and market share gainers as well as structural themes such as electrification of vehicles, rising adoption of e-commerce in Asia, has led to the strong fund performance. Our exposure to energy and materials also added value on the back of expectations of improved economic activity in 2021 and higher commodities prices. Our preference in North Asia in our country allocation also contributed positively.

As Covid-19 cases remain under control and vaccination program gathers momentum throughout 2021, we expect economic activities to normalize further especially in the second half of the year. We expect monetary policies globally to remain accommodative as major Central Banks are wary of a premature exit from their ultra-loose monetary policies. The only exception is China where the economy has been less impacted by the pandemic and the PBOC has begun to withdraw liquidity. We think this is a healthy development as long as economic policies normalize in tandem with the economic recovery.

While there are reasons to be positive, the risks are: a) Rising inflation expectations leading to rising risk premiums could trigger a correction in risk assets b) The pace and degree of recovery in earnings and economic activities as market participants have priced in some of these. Nevertheless, we are of the opinion that the risk reward is still favourable for Asian Islamic equities.

We are fully invested and continue to favour North Asia. Our focus is on (1) innovators in their respective fields such as in internet (education, digital healthcare, ecommerce) and hardware (semiconductors and electric vehicle batteries), (2) market share gainers in subsectors such as consumer, industrial automation, semiconductor, etc and (3) companies with stable earnings growth and good dividend yield. As we think the rally will broaden out this year, we have been adding stocks beyond the well-known technology companies in the areas of Chinese industrial automation, power tools, and e-government services in Malaysia.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

INVESTMENT MANAGER'S REPORT (continued) For the financial year ended 31 December 2020

Global Sukuk Fund

For the 12 month period to 31 December 2020 the Global Sukuk Fund reported a net return of 4.70% compared to 4.34% for the benchmark, Dow Jones Sukuk Index.

The Global Sukuk asset class continued to deliver strong returns in 2020, driven by global interest rate cuts and massive asset purchases as governments and central banks globally supported their economies in response to the Covid-19 crisis. The Global Sukuk asset class also benefitted from an influx of funds into Emerging Markets as global investors searched for higher yields, driving prices higher.

The Fund benefited from its overweight position in GCC Sukuk, which rallied significantly in tandem with the sharp rebound in oil prices. Main contributors included Saudi Electricity, DP World, Bahrain sovereign and Tabreed. Detractors included Malaysian Sovereign Sukuk, due to its slow pace of spread compression vs. US Treasuries compared to GCC names.

The Fund performed well in 2020, driven by interest rate cuts globally amid the Covid-19 crisis. In 2020, the US Federal Reserve cut rates twice from 1.75% to almost zero percent, the lowest since 2008 and reinitiated its asset purchase program. Other major central banks followed suit, e.g. the Eurozone, UK, Japan and Australia. The Fund's performance was also fueled by massive inflows of funds into Emerging Market assets as investors searched for higher yields, coupled with a sharp rebound in oil prices after the OPEC+ committee announced a historic supply cut in April to support oil prices.

The outlook for the Global Sukuk market remains positive, anchored by expectations of continued fund inflows into Emerging Market assets. Global interest rates are expected to stay low for longer, with the US Fed pledging to keep interest rates near zero through 2023, and maintain its asset purchase program until there are signs of sustained economic improvements.

Meanwhile, the rollout of coronavirus vaccines has lifted the outlook for oil consumption, especially in logistics and travel. The world's largest oil importer, China remains a bright spot for global oil demand, with authorities raising the quota for use of foreign oil by non-state entities by more than 20% for 2021. On the supply side, oil prices are expected to be supported by OPEC+'s ongoing production cuts, which will remain in place until at least 2022. The positive outlook for oil bodes well for GCC Sukuk, which may push prices higher. Also, GCC countries now constitute about 17% of the JP Morgan Emerging Market Bond index, which may continue to sustain demand for GCC Sukuk.

We have taken profit on our holdings and reinvested into shorter-tenured sukuk to minimize duration risk. Going into 2021, we look to overweight corporate sukuk for yield pick-up, and continue to prefer blue-chip government-related companies, utility companies, as well as those with strong financials and robust cash buffers.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

DIRECTORS' REPORT For the financial year ended 31 December 2020

The Directors present, herewith, their report together with the audited financial statements for the financial year ended 31 December 2020.

Review of developments and performance of the Company

The Investment Manager's Report on pages 3, 4 and 5 contains a review of the factors which contributed to the performance for the financial year. The Directors do not anticipate any further change in the structure or investment objectives of the Funds. The results of operations are set out in the Statement of Comprehensive Income on page 25.

The financial statements are published on the www.principalislamic.com website. The Directors, together with the Investment Manager are responsible for the maintenance and integrity of the financial information included on this website.

Risk management objectives and policies

Descriptions of the risks associated with the Funds are contained in note 10 of the financial statements.

Dividends

The Directors' recommended payment of a quarterly dividend on Global Sukuk fund for the financial year ended 31 December 2020 was USD122,833. Global Sukuk Fund declared and paid annual distributions amounting to USD 67,643 for the year ended 31 December 2019.

The Directors and Company Secretary of the Company are as follows:

Mr. Mushtak Parker* (South African)
Mr. David Shubotham* (Irish)
Mr. Greg Thornton (British) (Chairman)
Mr. John O'Connell* (Irish)
Ms. Lum Joy Deng* (Malaysian) (Resigned 18 August 2020)
Ms. Chooi Wan Chong* (Malaysian) (Appointed 18 August 2020)

* Denotes independent non-executive Directors

Niamh Fox at MFD Secretaries Limited held the office of Company Secretary throughout the financial year.

Directors' and Company Secretary's interests in shares and contracts

The Directors and Company Secretary who held office on 31 December 2020 and at the date of approval of the financial statements and their respective spouses and families had no interests in the shares of the Company at these dates or at any time during the financial year. None of the Directors had a service contract with the Company at any time during the financial year. In addition, no consideration was paid to a third party for the services of any of the Directors of the Company during the financial year ended 31 December 2020.

Connected Persons

CBI UCITS Regulations, Section 43(1), Restrictions on transactions with connected persons - requires that any transaction carried out with a UCITS by a distributor, manager, administrator, depositary, investment adviser, sub-adviser and/or associated or group companies of these ("connected persons") must be carried out as if negotiated at arm's length. Transactions must be in the best interests of the Unitholders of the UCITS.

Having regard to confirmations from the Company's Designated Person for Capital and Financial Management and the Depositary, the Board of Directors is satisfied that there are arrangements (evidenced by written procedures) in place to ensure that the obligations set out in Regulation 43(1) of the Central Bank UCITS Regulations are applied to all transactions with connected persons, and is satisfied that transactions with connected persons entered into during the period complied with these obligations.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

DIRECTORS' REPORT (continued) For the financial year ended 31 December 2020

Accounting Records

The Directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act, with regard to the keeping of accounting records by appointing personnel with appropriate qualifications, experience and expertise and by providing adequate resources to the financial function to maintain adequate accounting records throughout the Company. The Company's accounting records are maintained in the office of the Administrator at: BNY Mellon Fund Services (Ireland) Designated Activity Company, One Dockland Central, Guild Street, International Financial Services Centre, Dublin 1, Ireland.

Corporate Governance Code

On 6 November 2012, the Board voluntarily adopted the 'Corporate Governance Code for Collective Investment Schemes and Management Companies' as published by the Irish Funds (formerly Irish Fund Industry Association) ("IF") in December 2011 (the "IF Code"), as the Company's corporate governance code with effect from the start of the 2013 accounting period. The Board of Directors applied all corporate governance practices and procedures in the Irish Funds Code for the year ended 31 December 2020.

Significant Events during the financial year

The UK left the EU on 31 January 2020, an event commonly known as Brexit. Following 31 January 2020 the UK entered a transition Period. The transition period ended at 23:00 GMT (00:00 CET) on 31 December 2020. On 24 December 2020, a permanent trade agreement was reached between the UK and EU. The Company does not believe that Brexit will present significant issues that cannot be mitigated.

The Company is part of a global group and has been committed for many years to meeting clients needs across Europe in both EU and non- EU countries. The change in the UK's status from and EU to an non-EU country will not change the group's focus or commitment to serve its clients across Europe. The Company continues to monitor development closely.

On February 11, 2020, the World Health Organization (the "WHO") named the disease "COVID-19" and on March 11, 2020, the WHO declared a pandemic. In early 2020 COVID 19 was already spreading widely. U.S. and global economic activity began a rapid decline in March and essentially fell off a cliff in April. The economic recovery and market rebound began as sharply as the downturn. COVID 19 did not have a significant adverse impact on the net asset value of the Funds for the year ended 31 December 2020. Descriptions of the related risks associated with the Funds are contained in note 10 of the financial statements.

The updated prospectus has been issued on 12 June 2020.

Significant updates to the prospectus and supplement include:

- In line with the Benchmark Regulation (2016/1011/EU), the Prospectus has been updated to include disclosure on the use of benchmarks.
- Updated to reflect the new depositary name The Bank of New York Mellon SA/NV.
- Asean Equity Fund - Investment Policy is updated to clarify the markets in which the Fund may invest.
- Tax disclosures within the Prospectus have been updated to account for the legislative updates.
- Anti-money laundering and counter terrorist financing measures disclosures have been updated.

On 18 August 2020, Ms. Lum Joy Deng resigned and Ms. Chooi Wan Chong was appointed as a Non-Executive Director.

The new supplement has been issued for Islamic Asia Pacific Dynamic Income & Growth Fund on 10 August 2020.

Islamic Asia Pacific Dynamic Income & Growth Fund was launched on 19 October 2020.

The Investment Manager has appointed Principal Asset Management (S) Pte Ltd to act as the Sub-Investment Adviser to Islamic Asia Pacific Dynamic Income & Growth Fund on 19 October 2020.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

DIRECTORS' REPORT (continued) For the financial year ended 31 December 2020

Significant Events during the financial year (continued)

There were no other significant events during the financial year that required disclosure in the audited annual financial statements

Significant Events after the financial year end

Islamic Global Multi Asset Fund launched on the 23 March 2021.

Since year end COVID 19 continues to rapidly spread around the world, however the global rollout of various vaccines is a reason for optimism. The ultimate economic fallout from the pandemic and the long-term impact on economies, markets, industries and individual issuers, are not known. The Company continues to monitor the situation closely.

Since year end significant redemptions with the aggregate value of USD36,793,923 and USD32,540,069 have occurred on the Global Sukuk Fund and Islamic ASEAN Equity Fund respectively.

There have been no other significant events affecting the Company since 31 December 2020 and up to the date of approval of the financial statements.

Going Concern

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to price, interest rate, depositary, currency, concentration, credit, liquidity and cyber security risk are described on pages 39 to 52. The Company has considerable financial resources in the form of highly liquid investments and cash balances. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Independent Auditors

PricewaterhouseCoopers, who were appointed during the reporting period, have expressed their willingness to remain in office and will be reappointed in accordance with Section 383(2) of the Companies Act.

Audit Information Statement

In accordance with Section 330 of the Companies Act, the Directors confirm that as at the date of this report:

(i) so far as the Directors are aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and

(ii) the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

Directors' Compliance Statement

The Directors acknowledge that they are responsible for securing the Company's compliance with the relevant obligations as set out in Section 225 of the Companies Act.

The Directors confirm that:

(i) a compliance policy document has been drawn up as defined in Section 225(3)(a) of the Companies Act that sets out policies, that in their opinion are appropriate to the Company, respecting compliance by the Company with its relevant obligations;

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

**DIRECTORS' REPORT (continued)
For the financial year ended 31 December 2020**

Directors' Compliance Statement (continued)

(ii) appropriate arrangements or structures are in place that are, in their opinion, designed to secure material compliance with the company's relevant obligations; and

(iii) during the financial year, the arrangements or structures referred to above have been reviewed.

In discharging their responsibilities under Section 225, the Directors relied upon, among other things, the services provided, advice and/or representations from third parties whom the Directors believe have the requisite knowledge and experience in order to secure material compliance with the Company's relevant obligations.



Director



Director

Date: 20 April 2021

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with accounting standards generally accepted in Ireland including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and in accordance with applicable law and regulations. Irish Company Law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the Company for the financial year. Under Company Law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position, of the Company for the financial year and otherwise comply with the Companies Act.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and reasons for any material departure from those standards; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements. The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' report comply with the Companies Act and enable the financial statements to be audited. To this end, they have appointed BNY Mellon Fund Services (Ireland) Designated Activity Company (the "Administrator") to provide the Company with (inter alia) fund accounting and administration services. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In fulfilment of this responsibility, they entrusted the assets of the Company to The Bank of New York Mellon SA/NV, Dublin Branch (the "Depositary") for safekeeping for the financial year ended 31 December 2020 in accordance with the Constitution of the Company.

The financial statements are published on the www.principalislamic.com website. The Directors, together with the Manager and Investment Manager are responsible for the maintenance and integrity of the financial information included on this website.

On behalf of the Board of Directors



Director



Director

Date: 20 April 2021



BNY MELLON

The Bank of New York Mellon SA/NV,
Dublin Branch
Riverside Two, Sir John Rogerson's Quay
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**REPORT FROM THE DEPOSITARY TO THE SHAREHOLDERS
DATED 20 APRIL 2021**

For the period ended 31 December 2020 (the “**Period**”)

The Bank of New York Mellon SA/NV, Dublin Branch (the “**Depositary**” “**us**”, “**we**”, or “**our**”) has enquired into the conduct of Principal Islamic Asset Management (Ireland) p.l.c. (the “**Company**”) for the Period, in its capacity as depositary to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company, in accordance with our role as depositary to the Company and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Depositary

Our duties and responsibilities are outlined in Regulation 34 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No 352 of 2011), as amended (“the UCITS Regulations”).

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company’s constitutional documentation and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not been so managed, we as depositary must state in what respects it has not been so managed and the steps which we have taken in respect thereof.

Basis of Depositary Opinion

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Company’s constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the Period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the constitutional documentation and the UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the constitutional documentation and the UCITS Regulations.

For and on behalf of The Bank of New York Mellon SA/NV, Dublin Branch
Riverside II
Sir John Rogerson's Quay,
Dublin 2,
Ireland.

Registered in Ireland No. 907126, VAT No. IE9578054E

The Bank of New York Mellon SA/NV, trading as The Bank of New York Mellon SA/NV, Dublin Branch is authorised by the National Bank of Belgium.

The Bank of New York Mellon SA/NV, 46 Rue Montoyerstraat, B-1000 Brussels, Belgium - Tel. (32) 2 545 81 11, V.A.T. BE 0806.743.159 - RPM-RPR Brussels Company No. 0806.743.159. The Bank of New York Mellon SA/NV is a Belgian limited liability company, authorized and regulated as a significant credit institution by the European Central Bank and the National Bank of Belgium under the Single Supervisory Mechanism and by the Belgian Financial Services and Markets Authority.



Independent auditors' report to the members of Principal Islamic Asset Management (Ireland) p.l.c

Report on the audit of the financial statements

Opinion

In our opinion, Principal Islamic Asset Management (Ireland) p.l.c's financial statements:

- give a true and fair view of the Company's and Funds' assets, liabilities and financial position as at 31 December 2020 and of their results for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law); and
- have been properly prepared in accordance with the requirements of the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

We have audited the financial statements, included within the Annual Report and Audited Financial Statements, which comprise:

- the Statement of Financial Position as at 31 December 2020;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders for the year then ended;
- the Portfolio of Investments for each of the Funds as at 31 December 2020; and
- the notes to the financial statements for the Company and for each of its Funds, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

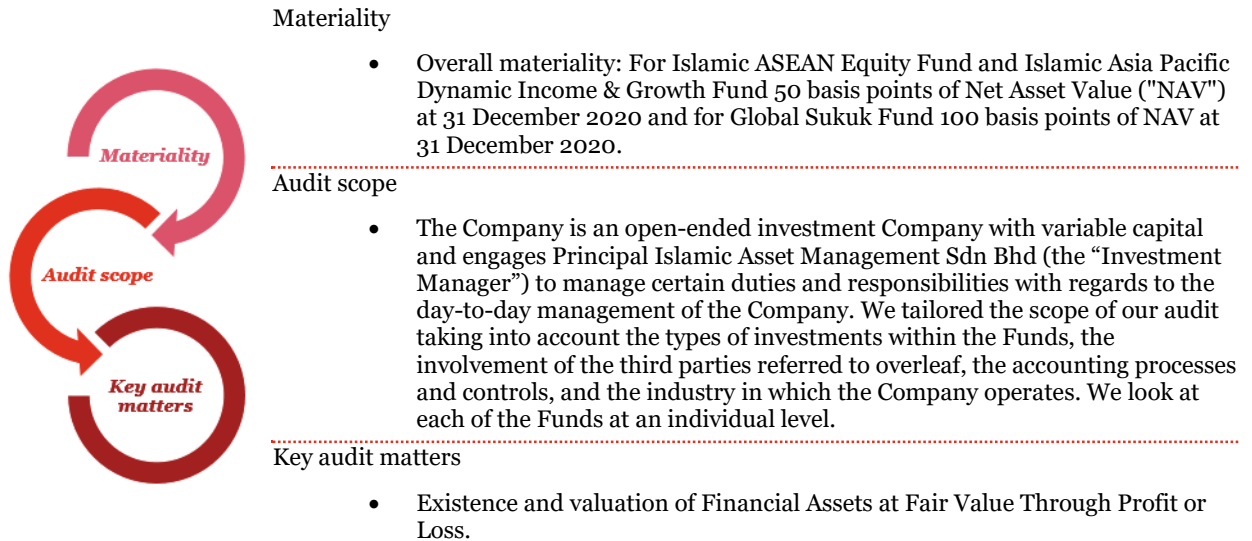
Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview



The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example the selection of pricing sources to value the investment portfolio. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
<p><i>Existence and valuation of Financial Assets at Fair Value Through Profit or Loss</i></p> <p>See the Portfolio of Investments for each Fund and refer to the Significant Accounting Policies of the financial statements of the Company and note 10 Financial Assets at Fair Value through Profit or Loss for further details. The Financial Assets at Fair Value Through Profit or Loss in the Statement of Financial Position of each Fund are held in the Funds' name at 31 December 2020 and are valued at fair value in line with Generally Accepted Accounting Practice in Ireland. These areas are considered key audit matters as they represent the principal elements of the financial statements.</p>	<p>We obtained independent confirmation of existence from the Depositary of the investments held at 31 December 2020, agreeing the amounts held to the accounting records. We tested the valuation of the Financial Assets at Fair Value Through Profit or Loss, by independently agreeing the valuation of the investments to third party vendor sources, where possible. No material issues were identified from the results of these procedures.</p>



How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

As at 31 December 2020 there are three Funds operating. The Company's Statement of Financial Position, Statement of Comprehensive Income, and Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders are an aggregation of the positions and results of the Funds.

The directors control the affairs of the Company and are responsible for the overall investment policy which is determined by them. The Company engages the Investment Manager to manage certain duties and responsibilities with regards to the day to day management of the Company. The Investment Manager has delegated certain responsibilities to BNY Mellon Fund Services (Ireland) Designated Activity Company (the 'Administrator'). The financial statements, which remain the responsibility of the directors, are prepared on their behalf by the Administrator. The Company has appointed The Bank of New York Mellon SA/NV (the "Depositary") to act as Depositary of the Company's assets. In establishing the overall approach to our audit we assessed the risk of material misstatement at a Fund level, taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the Company's interaction with the Administrator, and we assessed the control environment in place at the Administrator.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements of each of the Company's Funds as follows:

<i>Overall materiality and how we determined it</i>	For Islamic ASEAN Equity Fund and Islamic Asia Pacific Dynamic Income & Growth Fund 50 basis points of Net Asset Value ("NAV") at 31 December 2020 and for Global Sukuk Fund 100 basis points of NAV at 31 December 2020 (2019: For Islamic ASEAN Equity Fund 50 basis points of NAV and for Global Sukuk Fund 100 basis points of NAV).
<i>Rationale for benchmark applied</i>	We have applied this benchmark because the main objective of the Company is to provide investors with a total return at a Fund level, taking account of the capital and income returns.

We agreed with the Board of Directors that we would report to them misstatements identified during our audit above 10% of overall materiality for each Fund, for NAV per share impacting differences (2019: 10% of overall materiality for each Fund, for NAV per share impacting differences) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the Company's and Funds' ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding of the key indicators that are monitored with respect to the going concern assumption and management's future plans for the Fund's over the going concern period (being 12 months from the date of approval of the financial statements);
- Reviewing available board minutes during the period under audit and those available up to the date of this report;
- Considering post year end capital activity as recorded in the underlying accounting records;
- Making enquiries of management with respect to any planned significant redemptions of which they have been informed of;
- Considering the adequacy of the disclosures in the financial statements in respect of liquidity risk management techniques which are available to the Company.



Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's and Funds' ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's and Funds' ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report and Audited Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 10, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they 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 directors are responsible for assessing the Company's and Funds' ability to continue as going concerns, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.



A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2014 opinions on other matters

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.

Companies Act 2014 exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink, appearing to read 'Andrew O'Callaghan', written in a cursive style.

Andrew O'Callaghan
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
28 April 2021

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

PORTFOLIO OF INVESTMENTS AS AT 31 DECEMBER 2020

ISLAMIC ASEAN EQUITY FUND

Nominal	Security	Value USD	% Net Assets
TRANSFERABLE 95.26% (31 December 2019: 97.00%)			
INDONESIA 26.03% (31 December 2019: 20.81%)			
Agricultural Operations			
500,000	Astra Agro Lestari Tbk PT	438,612	0.96
350,000	First Resources Ltd	338,759	0.74
Cement & Aggregates			
1,150,000	Indocement Tunggal Prakarsa Tbk PT	1,184,786	2.58
Coal			
1,000,000	Indo Tambangraya Megah Tbk PT	985,765	2.15
Commercial Banks Non-US			
1,700,000	Bank BTPN Syariah Tbk PT	453,737	0.99
Machinery-Construction & Mining			
950,000	United Tractors Tbk PT	1,798,576	3.92
Medical-Drugs			
10,050,000	Kalbe Farma Tbk PT	1,058,648	2.31
Medical-Hospitals			
6,550,000	Mitra Keluarga Karyasehat Tbk PT	1,272,704	2.78
Non-Ferrous Metals			
1,300,000	Vale Indonesia Tbk PT	471,886	1.03
Soap & Cleaning Prepar			
1,700,000	Unilever Indonesia Tbk PT	889,324	1.94
Telecom Services			
12,900,000	Telkom Indonesia Persero Tbk PT	3,039,074	6.63
MALAYSIA 40.46% (31 December 2019: 39.10%)			
Agricultural Operations			
1,000,000	Sime Darby Plantation Bhd	1,240,518	2.71
Basic & Diversified Chemicals			
567,300	Petronas Chemicals Group Bhd	1,047,862	2.29
Beverages-Non-Alcoholic			
47,900	Fraser & Neave Holdings Bhd	382,008	0.83
Biometric & ID Systems			
3,500,000	Datasonic Group Bhd	456,804	1.00
Cellular Telecom			
650,000	Maxis Bhd	816,032	1.78
Commercial Banks Non-US			
802,500	BIMB Holdings Bhd	849,879	1.86
Computer Services			
600,000	Pentamaster Corp Bhd	753,260	1.64
Distribution/Wholesale			
2,700,000	Sime Darby Bhd	1,550,523	3.38
Engineering Services			
1,680,000	Serba Dinamik Holdings Bhd	735,063	1.60
Instruments-Controls			
700,000	Mi Technovation Bhd	685,641	1.50
Medical-Drugs			
900,000	Duopharma Biotech Bhd	756,244	1.65
Medical-Hospitals			
905,200	IHH Healthcare Bhd	1,237,684	2.70
Metal-Aluminium			
470,000	Press Metal Aluminium Holdings Bhd	980,308	2.14
Oil Company-Exploration & Production			
2,500,000	Hibiscus Petroleum Bhd	360,471	0.79
Oil-Field Services			
1,850,000	Dialog Group Bhd	1,586,695	3.46
Pastoral and Agricultural Operations			
300,000	QL Resources Bhd	432,565	0.94
Reits-Diversified			
1,138,100	Axis Real Estate Investment Trust (Units) (REIT)	574,353	1.25
Retail-Apparel/Shoe			
322,500	Padini Holdings Bhd	230,900	0.50

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

PORTFOLIO OF INVESTMENTS AS AT 31 DECEMBER 2020 (continued)

ISLAMIC ASEAN EQUITY FUND (continued)

Nominal	Security	Value USD	% Net Assets
MALAYSIA 40.46% (31 December 2019: 39.10%) (continued)			
Rubber/Plastic Products			
150,000	Hartalega Holdings Bhd	452,702	0.99
1,883,600	SKP Resources Bhd	1,006,768	2.19
400,000	Top Glove Corp Bhd	608,575	1.33
Semiconductor Equipment			
850,000	Inari Amertron Bhd	583,218	1.27
Telecom Services			
200,000	TIME dotCom Bhd	659,289	1.44
Warehousing and Harbor Transport Service			
523,400	Westports Holdings Bhd	559,506	1.22
PHILIPPINES 0.52% (31 December 2019: 0.72%)			
Food-Miscellaneous/Diversified			
1,500,000	D&L Industries Inc	240,507	0.52
SINGAPORE 10.73% (31 December 2019: 20.17%)			
Electronic Component-Miscellaneous			
130,000	Venture Corp Ltd	1,908,999	4.16
Telecom Services			
1,725,000	Singapore Telecommunications Ltd	3,013,105	6.57
THAILAND 17.52% (31 December 2019: 16.20%)			
Airport Development/Maintenance			
1,400,000	Airports of Thailand PCL	2,908,876	6.35
Building-Heavy Construction			
1,010,000	Sino-Thai Engineering & Construction PCL	428,137	0.93
Cellular Telecom			
285,000	Advanced Info Service PCL NVDR	1,674,231	3.65
Health Care Services			
2,200,000	Bangkok Dusit Medical Services PCL	1,527,369	3.33
Medical-Hospitals			
50,000	Bumrungrad Hospital PCL	200,267	0.44
Real Estate Owners & Developers			
238,100	Central Pattana PCL	379,481	0.83
Retail-Building Products			
2,000,000	Home Product Center PCL	914,552	1.99
Total Value of Transferable Securities		43,674,263	95.26
Total Investments (Cost: USD46,050,752)		43,674,263	95.26
Income Receivable on Transferable Securities		25,137	0.05
Total Investments		43,699,400	95.31
Cash		1,561,136	3.41
Net Current Assets		584,515	1.28
Net Assets Attributable to Redeemable Participating Shareholders		45,845,051	100.00
Analysis of Total Assets		% of Total Assets	
Transferable Securities and Money Market Instruments admitted to an official stock exchange listing or traded on a regulated market		95.09	
Other Assets		4.91	
Total Assets		100.00	

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

PORTFOLIO OF INVESTMENTS AS AT 31 DECEMBER 2020 (continued)

ISLAMIC ASIA PACIFIC DYNAMIC INCOME & GROWTH FUND*

Nominal	Security	Value USD	% Net Assets
TRANSFERABLE 97.32%			
	AUSTRALIA 5.97%		
	Diversified Minerals		
11,583	BHP Group Ltd	378,596	2.41
	Gold Mining		
24,998	Northern Star Resources Ltd	244,371	1.55
	Oil Company-Exploration & Production		
226,803	Beach Energy Ltd	315,361	2.01
	CHINA 35.54%		
	E-Commerce/Products		
34,500	Alibaba Group Holding Ltd	1,035,165	6.59
8,300	Meituan	315,422	2.01
	Food-Dairy Products		
28,000	China Mengniu Dairy Co Ltd	169,038	1.08
	Gas-Distribution		
30,000	China Resources Gas Group Ltd	159,635	1.02
	Internet Content-Information/News		
17,200	Tencent Holdings Ltd	1,251,378	7.96
	Medical Laboratories & Testing Services		
25,400	WuXi AppTec Co Ltd 'H' '144A'	497,378	3.17
	Miscellaneous Manufacturing		
17,000	Airtac International Group	544,523	3.47
	Non-Hazardous Waste Disposal		
29,500	China Conch Venture Holdings Ltd	143,464	0.91
	Retail-Apparel/Shoe		
54,000	Li Ning Co Ltd	371,280	2.36
	Retail-Drug Store		
56,000	Alibaba Health Information Technology Ltd	165,426	1.05
	Schools		
3,457	New Oriental Education & Technology Group Inc ADR	626,443	3.99
	Textile-Apparel		
15,500	Shenzhou International Group Holdings Ltd	303,918	1.93
	HONG KONG 3.78%		
	Chemicals-Specialty		
179,500	Kingboard Laminates Holdings Ltd	293,143	1.87
	Machinery Tools & Related Products		
21,000	Techtronic Industries Co Ltd	299,609	1.91
	INDIA 2.06%		
	Computer Services		
19,125	Infosys Ltd ADR	323,786	2.06
	INDONESIA 4.14%		
	Commercial Banks Non-US		
1,086,500	Bank BTPN Syariah Tbk PT	289,991	1.85
	Machinery-Construction & Mining		
190,500	United Tractors Tbk PT	360,662	2.29
	JAPAN 1.61%		
	Electronic Component-Miscellaneous		
2,800	Murata Manufacturing Co Ltd	253,322	1.61
	NETHERLANDS 3.07%		
	Semiconductor Equipment		
985	ASML Holding NV NY Reg Shrs	482,561	3.07
	SINGAPORE 6.46%		
	Electronic Component-Miscellaneous		
24,300	Venture Corp Ltd	356,836	2.27
	Telecom Services		
902,500	NetLink NBN Trust	658,548	4.19

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

PORTFOLIO OF INVESTMENTS AS AT 31 DECEMBER 2020 (continued)

ISLAMIC ASIA PACIFIC DYNAMIC INCOME & GROWTH FUND (continued)

Nominal	Security	Value USD	% Net Assets
	SOUTH KOREA 16.16%		
	Auto/Truck Parts & Equipment-Original		
1,045	Hyundai Mobis Co Ltd	245,786	1.56
	Electronic Component-Semiconductor		
5,365	Samsung Electronics Co Ltd	400,041	2.55
15,543	Samsung Electronics Co Ltd - Preference	1,053,084	6.70
2,943	SK Hynix Inc	321,040	2.04
	Petrochemicals		
685	LG Chem Ltd	519,599	3.31
	TAIWAN 13.73%		
	Electronic Component-Semiconductor		
18,000	MediaTek Inc	478,540	3.05
	Entertainment Software		
2,589	Sea Ltd ADR	509,386	3.24
	Semiconductor Component-Integrated Circuits		
62,000	Taiwan Semiconductor Manufacturing Co Ltd	1,169,478	7.44
	THAILAND 1.34%		
	Airport Development/Maintenance		
101,100	Airports of Thailand PCL (Foreign Market)	210,062	1.34
	UNITED STATES 3.46%		
	Electronic Component-Semiconductor		
1,035	NVIDIA Corp	544,234	3.46
Total Value of Transferable Securities		15,291,106	97.32
Total Investments (Cost: USD13,846,705)		15,291,106	97.32
Income Receivable on Transferable Securities		-	-
Total Investments		15,291,106	97.32
Cash		381,828	2.43
Net Current Assets		38,767	0.25
Net Assets Attributable to Redeemable Participating Shareholders		15,711,701	100.00

Analysis of Total Assets

% of Total Assets

Transferable Securities and Money Market Instruments admitted to an official stock exchange listing or traded on a regulated market	97.13
Other Assets	2.87
Total Assets	100.00

* Islamic Asia Pacific Dynamic Income & Growth Fund launched on 19 October 2020.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

PORTFOLIO OF INVESTMENTS AS AT 31 DECEMBER 2020 (continued)

GLOBAL SUKUK FUND

Nominal	Security	Coupon Rate	Maturity Date	Value USD	% Net Assets
TRANSFERABLE 96.89% (31 December 2019: 95.93%)					
BAHRAIN 3.01% (31 December 2019: 3.58%)					
Corporate Sukuk					
1,000,000	CBB International Sukuk Programme Co SPC 'REGS'	3.950%	16/09/2027	1,036,543	1.96
500,000	CBB International Sukuk Programme Co SPC 'REGS'	6.250%	14/11/2024	552,453	1.05
HONG KONG 0.00% (31 December 2019: 4.86%)					
INDONESIA 4.80% (31 December 2019: 12.24%)					
Government Sukuk					
2,250,000	Perusahaan Penerbit SBSN Indonesia III 'REGS'	4.350%	10/09/2024	2,530,091	4.80
KUWAIT 4.40% (31 December 2019: 4.55%)					
Corporate Sukuk					
1,500,000	KIB Tier 1 Sukuk Ltd FRN (Perpetual)	5.625%	Perpetual	1,548,750	2.94
750,000	Warba Tier 1 Sukuk Ltd FRN (Perpetual)	6.500%	Perpetual	770,625	1.46
MALAYSIA 0.00% (31 December 2019: 10.56%)					
OMAN 3.42% (31 December 2019: 0.00%)					
Corporate Sukuk					
1,750,000	Mazoon Assets Co SAOC 'REGS'	5.200%	08/11/2027	1,804,565	3.42
QATAR 5.98% (31 December 2019: 1.96%)					
Corporate Sukuk					
2,000,000	QIB Sukuk Ltd 'EMTN'	3.982%	26/03/2024	2,149,156	4.07
1,000,000	QIIB Tier 1 Sukuk Ltd FRN (Perpetual)	4.875%	Perpetual	1,007,500	1.91
SAUDI ARABIA 15.83% (31 December 2019: 14.77%)					
Corporate Sukuk					
2,250,000	Almarai Sukuk Ltd	4.311%	05/03/2024	2,423,137	4.59
1,720,000	Arab National Bank FRN	3.326%	28/10/2030	1,772,847	3.36
250,000	Riyad Bank FRN	3.174%	25/02/2030	255,785	0.48
400,000	Saudi Electricity Global Sukuk Co 2 'REGS'	5.060%	08/04/2043	509,133	0.96
2,100,000	Saudi Electricity Global Sukuk Co 3 'REGS'	5.500%	08/04/2044	2,797,549	5.30
500,000	Saudi Electricity Global Sukuk Co 4	4.723%	27/09/2028	598,934	1.14
TURKEY 0.00% (31 December 2019: 1.91%)					
UNITED ARAB EMIRATES 59.45% (31 December 2019: 41.50%)					
Corporate Sukuk					
1,000,000	Aldar Sukuk Ltd	4.750%	29/09/2025	1,119,729	2.12
2,750,000	Aldar Sukuk No 2 Ltd	3.875%	22/10/2029	2,981,693	5.65
2,750,000	DAE Sukuk Dific Ltd 'REGS'	3.750%	15/02/2026	2,832,500	5.37
650,000	DIB Sukuk Ltd 'EMTN'	2.950%	16/01/2026	680,324	1.29
1,750,000	DIB Tier 1 Sukuk 4 Ltd FRN (Perpetual)	4.625%	Perpetual	1,815,625	3.44
1,000,000	DP World Crescent Ltd 'EMTN'	3.875%	18/07/2029	1,098,140	2.08
1,950,000	DP World Crescent Ltd 'REGS'	4.848%	26/09/2028	2,270,921	4.30
1,550,000	DP World Salaam FRN (Perpetual)	6.000%	Perpetual	1,691,965	3.21
1,000,000	Dubai DOF Sukuk Ltd 'EMTN'	2.763%	09/09/2030	1,012,050	1.92
650,000	Esic Sukuk Ltd 'EMTN'	3.939%	30/07/2024	668,980	1.27
2,000,000	MAF Sukuk Ltd	4.638%	14/05/2029	2,255,592	4.27
2,500,000	MAF Sukuk Ltd 'EMTN'	3.933%	28/02/2030	2,694,012	5.11
2,250,000	Sharjah Sukuk Program Ltd 'EMTN'	3.854%	03/04/2026	2,453,272	4.65
2,000,000	Sharjah Sukuk Program Ltd 'EMTN'	4.226%	14/03/2028	2,241,152	4.24
2,000,000	SIB Tier 1 Sukuk Co FRN (Perpetual)	5.000%	Perpetual	2,055,000	3.89
3,000,000	Tabreed Sukuk Spc Ltd	5.500%	31/10/2025	3,507,807	6.64
Total Value of Transferable Securities				51,135,830	96.89
Total Value of Investments (Cost: USD49,073,712)				51,135,830	96.89
Income Receivable on Transferable Securities				520,008	0.99
Total Investments				51,655,838	97.88

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

PORTFOLIO OF INVESTMENTS AS AT 31 DECEMBER 2020 (continued)

GLOBAL SUKUK FUND (continued)

Nominal	Security	Value USD	% Net Assets
	Cash	1,229,199	2.33
	Net Current Liabilities	(108,980)	(0.21)
Net Assets Attributable to Redeemable Participating Shareholders		52,776,057	100.00

Analysis of Total Assets	% of Total Assets
Transferable Securities and Money Market Instruments admitted to an official stock exchange listing or traded on a regulated market	96.65
Other Assets	3.35
Total Assets	100.00

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

	Notes	Islamic ASEAN Equity Fund USD	Islamic Asia Pacific Dynamic Income & Growth Fund* USD	Global Sukuk Fund USD	Company Total USD
Current Assets					
Financial Assets at Fair Value Through Profit or Loss	2	43,699,400	15,291,106	51,655,838	110,646,344
Cash at Bank	2, 5	1,561,136	381,828	1,229,199	3,172,163
Due from Shareholders	7	2,063	–	–	2,063
Sale of Securities Receivable	2	470,290	–	–	470,290
Dividends Receivable	2	95,239	62,287	–	157,526
Rebate due to Fund Capping Receivable	3	65,019	–	–	65,019
Other Assets		37,683	8,482	23,010	69,175
Total Assets		45,930,830	15,743,703	52,908,047	114,582,580
Current Liabilities					
Payable for Shares Redeemed		–	–	(50,000)	(50,000)
Investment Management Fees Payable	3	(40,892)	(12,905)	(37,750)	(91,547)
Administration Fees Payable	3	(3,879)	(1,025)	(4,930)	(9,834)
Audit Fees Payable	3	(15,321)	(11,158)	(15,322)	(41,801)
Depository Fees Payable	3	(1,391)	(511)	(1,781)	(3,683)
Sub-Custody Fees Payable	3	(7,571)	(3,511)	(2,878)	(13,960)
Directors Fees Payable	3	(877)	–	(877)	(1,754)
Legal Fees Payable		(651)	(2,892)	–	(3,543)
Other Payables		(15,197)	–	(18,452)	(33,649)
Total Liabilities		(85,779)	(32,002)	(131,990)	(249,771)
Net Assets Attributable to Redeemable Participating Shareholders		45,845,051	15,711,701	52,776,057	114,332,809
Number of Redeemable Participating Shares in issue A Class					
Accumulation	7, 17	395,468	–	2,240,464	
Net Asset Value per Share A Class Accumulation		USD10.91	–	USD11.44	
Number of Redeemable Participating Shares in issue I Class					
Accumulation	7, 17	3,578,402	1,425,600	2,083,901	
Net Asset Value per Share I Class Accumulation		USD11.61	USD11.02	USD11.59	
Number of Redeemable Participating Shares in issue I Class Income					
Net Asset Value per Share I Class Income	7, 17	–	–	281,110	
		–	–	USD10.63	

* Islamic Asia Pacific Dynamic Income & Growth Fund launched on 19 October 2020.

The notes on pages 29 to 54 are an integral part of these financial statements.

Signed on behalf of Principal Islamic Asset Management (Ireland) p.l.c. on 20 April 2021.

Director:  Director: 

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Notes	Islamic ASEAN Equity Fund USD	Global Sukuk Fund USD	Company Total USD
Current Assets				
Financial Assets at Fair Value Through Profit or Loss	2	41,268,222	49,703,368	90,971,590
Cash at Bank	2, 5	1,421,429	1,268,901	2,690,330
Due from Shareholders	7	6,392	380,000	386,392
Sale of Securities Receivable	2	97,741	–	97,741
Dividends Receivable	2	103,374	–	103,374
Rebate due to Fund Capping Receivable	3	43,555	–	43,555
Other Assets		42,115	25,810	67,925
Total Assets		42,982,828	51,378,079	94,360,907
Current Liabilities				
Purchase of Securities Payable	2	(359,378)	–	(359,378)
Investment Management Fees Payable	3	(38,375)	(37,284)	(75,659)
Administration Fees Payable	3	(2,252)	(2,858)	(5,110)
Audit Fees Payable	3	(14,351)	(14,351)	(28,702)
Depository Fees Payable	3	(1,812)	(2,002)	(3,814)
Sub-Custody Fees Payable	3	(4,188)	(536)	(4,724)
Directors Fees Payable	3	(522)	(522)	(1,044)
Other Payables		(15,494)	(12,215)	(27,709)
Total Liabilities		(436,372)	(69,768)	(506,140)
Net Assets Attributable to Redeemable Participating Shareholders		42,546,456	51,308,311	93,854,767
Number of Redeemable Participating Shares in issue A Class Accumulation				
	7, 17	388,440	2,017,258	
Net Asset Value per Share A Class Accumulation		USD11.14	USD10.96	
Number of Redeemable Participating Shares in issue I Class Accumulation				
	7, 17	3,248,312	2,063,457	
Net Asset Value per Share I Class Accumulation		USD11.77	USD11.07	
Number of Redeemable Participating Shares in issue I Class Income				
	7, 17	–	609,413	
Net Asset Value per Share I Class Income		–	USD10.42	

The notes on pages 29 to 54 are an integral part of these financial statements.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2020

	Notes	Islamic ASEAN Equity Fund USD	Islamic Asia Pacific Dynamic Income & Growth Fund* USD	Global Sukuk Fund USD	Company Total USD
Income					
Dividend Income	2	1,084,372	84,441	–	1,168,813
Net (loss)/gain on Financial Assets at Fair Value Through Profit or Loss	2, 6	(887,361)	1,436,761	2,650,758	3,200,158
Other Income		24,960	17	50,264	75,241
Total Dividend Income and Net Gain		221,971	1,521,219	2,701,022	4,444,212
Expenses					
Investment Management Fees	3	(425,385)	(29,353)	(414,908)	(869,646)
Administration Fees	3	(14,841)	(1,025)	(18,620)	(34,486)
Audit Fees	3	(16,137)	(11,158)	(16,137)	(43,432)
Depository Fees	3	(8,724)	(646)	(10,940)	(20,310)
Sub-Custody Fees	3	(49,923)	(5,437)	(14,562)	(69,922)
Directors Fees	3	(14,742)	(3,301)	(14,742)	(32,785)
Legal Fees		(53,224)	(2,892)	(48,740)	(104,856)
Setup Costs		–	(1,596)	–	(1,596)
Other Expenses		(37,084)	(6,590)	(47,891)	(91,565)
Rebate to the Fund due to Capping by the Investment Manager	3	65,018	–	–	65,018
Total Operating Expenses		(555,042)	(61,998)	(586,540)	(1,203,580)
(Loss)/Profit before tax		(333,071)	1,459,221	2,114,482	3,240,632
Finance Costs					
Distributions	2	–	–	(122,833)	(122,833)
(Loss)/Profit after tax		(333,071)	1,459,221	1,991,649	3,117,799
Withholding taxes on dividends	4	(89,623)	(3,520)	–	(93,143)
Withholding taxes on coupon income	4	–	–	10,099	10,099
(Decrease)/Increase in Net Assets Attributable to Redeemable Participating Shareholders		(422,694)	1,455,701	2,001,748	3,034,755

* Islamic Asia Pacific Dynamic Income & Growth Fund launched on 19 October 2020.

The notes on pages 29 to 54 are an integral part of these financial statements.

Gains and losses arose solely from continuing investment activities. There were no gains and losses other than those within the Statement of Comprehensive Income.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2019

	Notes	Islamic ASEAN Equity Fund USD	Global Sukuk Fund USD	Company Total USD
Income				
Dividend Income	2	1,342,987	–	1,342,987
Net gain on Financial Assets at Fair Value Through Profit or Loss	2, 6	3,968,403	4,892,166	8,860,569
Other Income		11,699	109,912	121,611
Total Dividend Income and Net Gain		5,323,089	5,002,078	10,325,167
Expenses				
Investment Management Fees	3	(432,832)	(389,934)	(822,766)
Administration Fees	3	(12,605)	(8,062)	(20,667)
Audit Fees	3	(15,940)	(15,940)	(31,880)
Depositary Fees	3	(9,916)	(11,193)	(21,109)
Sub-Custody Fees	3	(43,918)	(12,271)	(56,189)
Directors Fees	3	(9,253)	(9,253)	(18,506)
Legal Fees		(28,018)	(34,549)	(62,567)
Setup Costs		–	(4,114)	(4,114)
Professional Fees	3	(44,258)	–	(44,258)
Other Expenses		–	(60,761)	(60,761)
Rebate to the Fund due to Capping by the Investment Manager	3	25,987	–	25,987
Total Operating Expenses		(570,753)	(546,077)	(1,116,830)
Profit before tax		4,752,336	4,456,001	9,208,337
Finance Costs				
Distributions	2	–	(67,643)	(67,643)
Profit after tax		4,752,336	4,388,358	9,140,694
Withholding taxes on dividends	4	(96,820)	–	(96,820)
Withholding taxes on coupon income	4	–	1,085	1,085
Increase in Net Assets Attributable to Redeemable Participating Shareholders		4,655,516	4,389,443	9,044,959

The notes on pages 29 to 54 are an integral part of these financial statements.

Gains and losses arose solely from continuing investment activities. There were no gains and losses other than those within the Statement of Comprehensive Income.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO
REDEEMABLE PARTICIPATING SHAREHOLDERS
For the financial year ended 31 December 2020**

	Islamic ASEAN Equity Fund USD	Islamic Asia Pacific Dynamic Income & Growth Fund* USD	Global Sukuk Fund USD	Company Total USD
Net Assets Attributable to Redeemable Participating Shareholders at the start of the financial year	42,546,456	–	51,308,311	93,854,767
Amounts Received on subscription of redeemable participating shares	4,204,645	14,256,000	21,670,881	40,131,526
Amounts Paid on redemption of redeemable participating shares	(483,356)	–	(22,204,883)	(22,688,239)
(Decrease)/Increase in Net Assets Attributable to Redeemable Participating Shareholders resulting from operations	(422,694)	1,455,701	2,001,748	3,034,755
Net Assets Attributable to Redeemable Participating Shareholders at end of financial year	45,845,051	15,711,701	52,776,057	114,332,809
Share Transactions	A Class Accumulation		A Class Accumulation	
Shares at start of financial year	388,440	–	2,017,258	
Shares issued during financial year	14,651	–	237,906	
Shares redeemed during financial year	(7,623)	–	(14,700)	
Shares at end of financial year	395,468	–	2,240,464	
Share Transactions	I Class Accumulation	I Class Accumulation	I Class Accumulation	
Shares at start of financial year	3,248,312	–	2,063,457	
Shares issued during financial year	371,555	1,425,600	20,931	
Shares redeemed during financial year	(41,465)	–	(487)	
Shares at end of financial year	3,578,402	1,425,600	2,083,901	
Share Transactions			I Class Income	
Shares at start of financial year	–	–	609,413	
Shares issued during financial year	–	–	1,824,596	
Shares redeemed during financial year	–	–	(2,152,899)	
Shares at end of financial year	–	–	281,110	

* Islamic Asia Pacific Dynamic Income & Growth Fund launched on 19 October 2020.

The notes on pages 29 to 54 are an integral part of these financial statements.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO
REDEEMABLE PARTICIPATING SHAREHOLDERS
For the financial year ended 31 December 2019

	Islamic ASEAN Equity Fund USD	Global Sukuk Fund USD	Company Total USD
Net Assets Attributable to Redeemable Participating Shareholders at the start of the financial year	37,852,561	40,487,935	78,340,496
Amounts Received on subscription of redeemable participating shares	425,852	12,977,216	13,403,068
Amounts Paid on redemption of redeemable participating shares	(387,473)	(6,546,283)	(6,933,756)
Increase in Net Assets Attributable to Redeemable Participating Shareholders resulting from operations	4,655,516	4,389,443	9,044,959
Net Assets Attributable to Redeemable Participating Shareholders at end of financial year	42,546,456	51,308,311	93,854,767
Share Transactions	A Class Accumulation	A Class Accumulation	
Shares at start of financial year	382,361	2,017,258	
Shares issued during financial year	31,304	–	
Shares redeemed during financial year	(25,225)	–	
Shares at end of financial year	388,440	2,017,258	
Share Transactions	I Class Accumulation	I Class Accumulation	
Shares at start of financial year	3,249,778	2,042,236	
Shares issued during financial year	8,092	21,221	
Shares redeemed during financial year	(9,558)	–	
Shares at end of financial year	3,248,312	2,063,457	
Shares at start of financial year	–	–	
Shares issued during financial year	–	1,241,320	
Shares redeemed during financial year	–	(631,907)	
Shares at end of financial year	–	609,413	

The notes on pages 29 to 54 are an integral part of these financial statements.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2020

1. STRUCTURE

Principal Islamic Asset Management (Ireland) p.l.c. (the “Company”) was constituted on 24 November 2011 as an open-ended umbrella investment company established as a UCITS under the laws of Ireland with variable capital and segregated liability between Funds under registered number 506452. The Company has been authorised by the Central Bank pursuant to the Companies Act 2014, as amended (the “Companies Act”), the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, (as amended) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2019, (the “UCITS Regulations”). The financial statements have been prepared for the financial year ended 31 December 2020.

The Funds comprising the Company as at 31 December 2020 are listed on page 2.

2. SIGNIFICANT ACCOUNTING POLICIES

Current Financial Year Accounting Policies

The significant accounting policies and estimation techniques adopted by the Company in preparation of these financial statements for the financial year ended 31 December 2020 unless otherwise stated, are as follows:

Accounting Convention and Basis of Accounting

These annual audited financial statements for the financial year ended 31 December 2020 have been prepared in accordance with accounting standards generally accepted in Ireland (“Irish GAAP”) including Financial Reporting Standard (“FRS”) 102 “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (“FRS 102”), Irish statute comprising the Companies Act and the UCITS Regulations. Irish GAAP used in preparing financial statements which present a true and fair view are those standards issued by the Financial Reporting Council (“FRC”).

New standards, amendments and interpretations effective after January 1, 2020 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2020, and have not been applied in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

There have been no changes to the significant accounting policies adopted by the Company since the last audited financial statements dated 31 December 2019.

The Company has availed of the exemption available to open-ended investment funds under Section 7 “Statement of Cash Flows” of FRS 102, not to prepare a cash flow statement on the basis that substantially all of the Company’s investments are highly liquid and carried at fair value, and the Company provides a Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shareholders.

The Company’s business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to price, credit, liquidity and cash flow risk are described on pages 39 to 52.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis for the Company under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss. The report has been prepared in USD for all Funds’ on the platform. The functional and presentation currency of the Company is the USD.

The format and certain wordings of the financial statements have been adapted from those contained in Irish statute so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company’s business as an investment fund.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2020 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Convention and Basis of Accounting (continued)

The information required by FRS 102, to be included in a single statement of comprehensive income for the reporting period displaying all items of income and expense recognised during the period including those items recognised in determining profit or loss and items of other comprehensive income and a Reconciliation of Movements in Shareholders' Funds are, in the opinion of the Directors, contained in the Statements of Comprehensive Income and the Statements of Changes in Net Assets Attributable to Redeemable Participating Shareholders on pages 27 and 28. In arriving at the results for the financial year, all amounts in the Statement of Comprehensive Income on page 25 relate to continuing activities. In the opinion of the Directors, the financial statements give, in all other respects, the information required by the UCITS Regulations and the Companies Act.

All gains or losses for the financial year are reflected in the Statements of Comprehensive Income on page 25.

The significant accounting policies adopted by the Company are set out below and overleaf. These policies have been consistently applied to the financial periods presented unless otherwise stated.

Going Concern

The Company has considerable financial resources in the form of highly liquid investments and cash balances. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Furthermore, the Investment Manager is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Please refer to the assessment of liquidity risk in note 10 and also the significant events after year end in note 16 to support this assessment to continue as a going concern. Therefore, the financial statements are prepared on the going concern basis.

Financial Instruments at Fair Value through Profit or Loss

Under FRS 102, in accounting for its financial instruments a reporting entity is required to apply either (a) the full provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS 102, (b) the recognition and measurement provisions of International Accounting Standards ("IAS") 39 "Financial Instruments: Recognition and Measurement" ("IAS 39") and only the disclosure requirements of Sections 11 and 12 of FRS 102; or (c) the recognition and measurement provisions of International Financial Reporting Standards ("IFRS") 9 "Financial Instruments" ("IFRS 9") and the disclosure requirements of Sections 11 and 12. The Company has elected to apply the recognition and measurement provisions of IAS 39 and the disclosure requirements of Sections 11 and 12.

This category has two sub-categories: financial assets and liabilities held for trading, and those designated at fair value through profit or loss at inception. All instruments on the Portfolios of Investments are classified as held at fair value through profit or loss. Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income. Financial assets are derecognised when the rights to receive the cash flow from the investments have expired or the Funds have transferred substantially all of the risks or rewards of ownership.

Accounting for Investments

Investments are accounted for at the trade date with debt securities and derivatives valued using mid prices and equities valued using last prices. Realised gains and losses on investment disposals are calculated using the average cost method.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2020 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Recognition and Derecognition

The Company recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the investment. Purchases and sales of financial assets and financial liabilities are recognised using trade date accounting. From trade date and subsequent to initial recognition, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded in the Statement of Comprehensive Income.

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

Valuation of Investments

The financial year end valuation was 31 December 2020 and 31 December 2019, the last business days of the financial years 2020 and 2019 respectively. Debt securities, listed on a recognised stock exchange or traded on any other organised market, are valued at the current mid price on the stock exchange or market which constitutes the principal market for such securities. Equities, listed on a recognised stock exchange or traded on any other organised market, are valued at the current last price on the stock exchange or market which constitutes the principal market for such securities. If for specific assets the current mid/last prices do not, in the opinion of the Directors, reflect their fair value or are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of that transaction.

In the case of any security not listed, quoted or dealt in on a regulated market or for which no quotation or value is available which would provide a fair valuation, or in respect of which the price is unrepresentative, the fair value of such security is determined on the basis of the probable realisation value and is determined by the Directors, a stockbroker or other competent person appointed by the Directors and approved for the purpose by the Depositary, using valuation techniques.

Unrealised gains and losses on investments arising during the financial year are included in Net gain/(loss) on financial assets at fair value through profit or loss in the Statement of Comprehensive Income.

Foreign Exchange Transaction

(a) Functional and Presentation Currency

In accordance with Section 30 "Foreign Currency Translation" of FRS 102, items included in the individual Fund's and Company financial statements are measured in USD the currency of the primary economic environment in which they operate ("functional currency"). The Funds' selection of the functional currency is attributable to the functional currency being (a) the major component of the Funds' benchmarks, and (b) the common proxy for most clients in the Funds' varied client base. The functional currency assessment was completed at a Fund level. The Funds' presentation currencies equated to their respective functional currencies when assessed under FRS 102. The presentation currency of each Fund and of the Company is also USD.

(b) Transactions and Balances

Assets and liabilities denominated in foreign currencies are translated into the reporting currency at the exchange rates ruling at the financial year end date. The foreign exchange gain or loss based on the translation of the original cost of investments is included in Net gains or losses on investments in the Statement of Comprehensive Income. The foreign exchange gain or loss on the translation of other assets or liabilities is included in Net gain/(loss) on financial assets at fair value through profit or loss in the Statement of Comprehensive Income. Foreign exchange gains and losses arising between the transaction and settlement dates on purchases and sales of non USD denominated investments are included in Net gain/(loss) on financial asset at fair value through profit or loss in the Statement of Comprehensive Income.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2020 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign Exchange Transaction (continued) (b) Transactions and Balances (continued)

For each Fund:

(i) Currency gains and losses realised on securities purchase and sales transactions are included in Net gain/(loss) on financial assets at fair value through profit and loss in the Statement of Comprehensive Income on pages 25 and 26.

(ii) Unrealised currency gains and losses on securities held at financial year end are included in Net gain/(loss) on investment activities in the Statement of Comprehensive Income on pages 25 and 26; and

(iii) Monetary assets and liabilities denominated in currencies other than the Fund's functional currency are translated at the rate of exchange ruling at the close of business on the Statement of Financial Position date and exchange differences are included in Net gain/(loss) on financial assets at fair value through profit or loss in the Statement of Comprehensive Income on pages 25 and 26.

Dividend Income

Dividends are credited to the Statement of Comprehensive Income on the dates on which the relevant securities are listed as "ex dividend". Income is shown gross of any non-recoverable withholding taxes, which are disclosed separately in the Statement of Comprehensive Income, and net of any tax credits.

Profit Income

Profit income is accounted for daily on an effective yield basis. Income is shown gross of any non-recoverable withholding taxes, which are disclosed separately in the Statement of Comprehensive Income, and net of any tax credits. Realised gains or losses on investment transactions in debt instruments are calculated using straight line amortisation.

Cash at Bank

Cash comprises of cash on hand and demand deposits and is held in a Shariah-compliant account. Cash is valued at amortised cost, which approximates fair value.

Redeemable Participating Shares

All redeemable participating shares issued by the Funds provide the Shareholders the right to require redemption for cash at the value proportionate to the investor's share in the Fund's net assets at the redemption date. Such instruments give rise to a financial liability for the present value of the redemption amount. In accordance with the issued Prospectus the Funds are contractually obliged to redeem shares at the traded Net Asset Value per share which is calculated by reference to the 10.00 a.m. (Irish time) valuation point for each relevant dealing day.

Transaction costs

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit and loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs when incurred are included in the purchase and sales price.

Receivables and Payables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition origination. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. The carrying amount of other receivables approximates to their fair values.

Payables are recognised initially at fair value and subsequently stated at amortised cost, using the effective interest method. The difference between the proceeds and the amount payable is recognised over the period of the payable. The carrying amount of payables approximates to their fair values.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2020 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Receivables and Payables (continued)

Securities sold receivable and securities purchased payable represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the Statement of Financial Position date respectively.

Purification of Income and Capital Gains

Procedures have been established for the identification and purification of any impure capital gains or income. Impure capital gains may arise; a) where a security is held that was Shariah compliant at the time of investment, but subsequently becomes non-Shariah compliant, or b) where a non-Shariah compliant security is purchased in error. Impure income could be derived from non Shariah-compliant sources such as interest income from conventional financing, interest bearing accounts or from dividend purification exercises. Amanie Advisors Sdn Bhd (the "Shariah Adviser") will conduct post review on the securities held and any income received and will identify any instances where income or capital gains are considered impure. Any impure income or capital gains so identified will be removed from the Funds and paid to charitable bodies as approved by the Shariah Adviser as soon as possible. Impure income was paid to the following charitable bodies for the financial year ended 31 December 2020: USD604 to UN Foundation, USD604 to Mercy Malaysia for Q1, USD814 to Hospis Malaysia, USD814 to CADS Centre and USD814 to Yayasan Jantung Malaysia for Q2, USD1,056 to Malaysian Association for the Prevention of Tuberculosis and USD1,056 to MAKNA for Q3, USD983 To The National Autism Society of Malaysia and USD983 to UN Foundation for Q4 2020. Impure income was paid to the following charitable bodies for the financial year ended 31 December 2019: USD627 to UN Foundation and USD627 to the CADS Enhancement Centre for Q1, USD1,022 to Malaysian Association for the Prevention of Tuberculosis, USD1,023 to the Hospis Malaysia and USD1,022 to the Mercy Malaysia for Q2, USD1,131 to Yayasan Jantung Malaysia and USD1,131 to The National Autism Society of Malaysia for Q3, USD1,964 to the National Kidney Foundation of Malaysia for Q4 2019.

Dividends Receivable

Dividends receivable are recognised in the Statement of Financial Position, dividends receivable for the financial year was USD157,526 (31 December 2019: USD 103,374).

Distributions

The Directors will be entitled to pay dividends only out of net income and/or realised gains net of realised losses of the Fund. Dividends will not be paid out of capital.

Dividends on the Income Shares will be declared as follows:

- For USD and SGD Income Shares, dividends will be declared quarterly every June, September, December and March for the Global Sukuk fund and will be declared annually at the end of the Fund's financial year for the ASEAN Equity Fund and Asia Pacific Dynamic Income & Growth Fund.
- For Euro and GBP Income Shares, dividends will be declared annually at the end of the Fund's financial year.

Dividends on all Income Shares will be paid within 30 days of the respective dividend declaration date. Such dividends may be paid in cash in which case they will be paid by telegraphic transfer to the nominated account of the Shareholder at its risk and expense. It is not the intention of the Directors to declare a dividend in respect of the Accumulation Shares. Any distributable amounts attributable to such Accumulation Shares will remain in the Fund's assets and be reflected in the Net Asset Value of the Accumulation Shares. I class income of Global Sukuk Fund declared and paid annual distributions amounting to USD122,833 and USD67,643 for the year ended 31 December 2020 and 31 December 2019 respectively.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2020 (continued)

3. SIGNIFICANT FEE AGREEMENTS & RELATED PARTY TRANSACTIONS

Depository and Sub-Custody

The Company has appointed The Bank of New York Mellon SA/NV, Dublin Branch (the “Depository”) as Depository of all of its assets pursuant to the Depository Agreement.

The Depository is entitled to a fee which is payable out of the assets of the relevant Fund and which shall not exceed 0.022% per annum of the average Net Asset Value of the Fund calculated as at each Valuation Point and payable monthly in arrears, subject to a minimum annual fee of US\$15,000 which may be waived.

Administrator

The Administrator, BNY Mellon Fund Services (Ireland) Designated Activity Company, is entitled to a fee, which shall not exceed 0.04% per annum of the average Net Asset Value of the Funds, calculated as at each Valuation Point and payable monthly in arrears, subject to an annual minimum fee of US\$45,000 which may be waived. The Administrator shall also be entitled to reimbursement out of the assets of the Funds of all agreed transaction charges relating to shareholder activity and out of pocket expenses properly incurred on behalf of the Funds.

Depository, Sub-Custody and Administration fees charged for the financial year ended 31 December 2020 and 31 December 2019 are disclosed in the Statements of Comprehensive Income on pages 25 and 26. Depository, Sub-Custody and Administration fees accrued as at 31 December 2020 and 31 December 2019 are disclosed in the Statements of Financial Position on pages 23 and 24.

Investment Manager

The Company has appointed Principal Islamic Asset Management Sdn Bhd as Investment Manager to the Company.

The Investment Manager is entitled under the terms of the Investment Management Agreement to an Investment Management Fee. The Investment Management Fee will accrue and be calculated on each Valuation Day and be payable monthly in arrears.

The Investment Manager will also be entitled to be reimbursed out of the assets of the Funds for all its own reasonable out of pocket costs and expenses. The Investment Manager has appointed Principal Asset Management Berhad (“PAM”) (the “Sub-Investment Adviser”) to act as discretionary Sub-Investment Adviser to the Islamic ASEAN Equity Fund and Global Sukuk Fund. The Investment Manager has also appointed Principal Asset Management (S) Pte Ltd (the “Sub-Investment Adviser”) to act as Sub-Investment Adviser to the Islamic Asia Pacific Dynamic Income & Growth Fund. The Investment Manager will also be responsible for the payment of the fees of the Sub-Investment Adviser.

Any other fees and expenses payable out of the assets of the Funds are set out in the Prospectus and supplement of the Funds under the heading Fees and Expenses. Holders of certain share classes with tiered management fee structures may be individually entitled to a reduction in the Investment Management Fee of the relevant Fund by way of a rebate to account for the different rates to be applied to the tranches of the Shareholder investment.

The management fee rates are payable at the Fund level and are set out in the tables below:

Islamic ASEAN Equity Fund

Share Class

Share Class	Investment Management Fee (% of NAV per annum)
A Class	1.50%
B Class	1.50%
I Class	1.00% on first USD5 million 0.70% between USD5 million and USD50 million 0.60% over USD50 million
R Class	0.80%

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2020 (continued)

3. SIGNIFICANT FEE AGREEMENTS & RELATED PARTY TRANSACTIONS (continued)

Investment Manager (continued)

**Islamic Asia Pacific Dynamic
Income & Growth Fund***

Share Class	Investment Management Fee (% of NAV per annum)
A Class	1.50%
B Class	1.50%
I Class	1.00%
R Class	0.80%

* Islamic Asia Pacific Dynamic Income & Growth Fund launched on 19 October 2020.

Global Sukuk Fund

Share Class	Investment Management Fee (% of NAV per annum)
A Class	1.00%
B Class	1.00%
I Class	0.70%
R Class	0.70%

Investment Management Fees charged for the financial year ended 31 December 2020 and 31 December 2019 are disclosed in the Statements of Comprehensive Income on pages 25 and 26. Investment Management Fees accrued as at 31 December 2020 and 31 December 2019 are disclosed in the Statements of Financial Position on pages 23 and 24.

The Investment Manager has agreed to cap total annual fees and expenses including Management Fees for each share class in the Islamic ASEAN Equity Fund. Please see detail below in relation to the cap.

Rebate to the Fund due to Capping by the Investment Manager

The expense cap including Management Fees during the financial year ended 31 December 2020 is detailed below. There is no expense cap applicable for the Islamic Asia Pacific Dynamic Income & Growth Fund and Global Sukuk Fund.

Islamic ASEAN Equity Fund

Share Class	Expense Cap as a Percentage of Average Daily Net Asset Value of Shares
A Class	2.1%
I Class	1.3%
R Class	-

Shariah Adviser

The Company and the Investment Manager have appointed Amanie Advisors Sdn Bhd as their Shariah Adviser pursuant to the Shariah Advisory Agreement.

The Shariah Adviser is entitled to an annual fee of USD3,000 (payable quarterly) in arrears, payable out of the assets of the Funds.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2020 (continued)

3. SIGNIFICANT FEE AGREEMENTS & RELATED PARTY TRANSACTIONS (continued)

Directors' Remuneration

Mr. Mushtak Parker, Mr. David Shubotham, Mr. John O'Connell, Ms. Joy Deng Lum (Resigned 18 August 2020) and Ms. Chooi Wan Chong (Appointed 18 August 2020) are independent non-executive Directors. The independent non-executive Directors have no executive function within the Investment Manager or its Related Party Companies. The Company pays each independent non-executive Director an annual fee for their services as a Director of the Company. Mr. Greg Thornton is an employee of Principal Global Investors (Europe) Limited hence a Related Party to the Company and receives no compensation from the Company. Ms. Joy Deng Lum (Resigned 18 August 2020) and Ms. Chooi Wan Chong (Appointed 18 August 2020) are employees of CIMB bank hence are Related Parties to the Company and receives no compensation from the Company. Director's total remuneration for the financial year was USD32,785 (31 December 2019: USD18,506). Directors' fees payable as at 31 December 2020 and 31 December 2019 are disclosed in the Statements of Financial Position on pages 23 and 24.

Related Party Transactions

Principal Islamic Asset Management Sdn Bhd, the Investment Manager is a Related Party to the Company and any transactions are included in the note above. Investment Management Fees are disclosed in the Statement of Comprehensive Income. CIMB Islamic and Principal Financial Services Inc. who own shares in the Fund are also Related Parties to the Company. The Directors of the Company are not aware of any other Related Party transactions.

Auditors Remuneration

The audit fee charged for the year ended 31 December 2020 was USD43,432 excluding VAT (31 December 2019: USD31,880 excluding VAT).

4. TAXATION

Under current law and practice, the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act 1997, as amended. On that basis, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation or transfer of shares and the holding of shares at the end of each 8 year period beginning with the acquisition of such shares.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

(a) a Shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Company; and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

(b) certain exempted Irish tax resident Shareholders who have provided the Company with the necessary signed statutory declarations.

Dividends and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its Shareholders.

5. CASH AT BANK

All cash and deposit balances of the Funds are held with The Bank of New York Mellon SA/NV, Dublin Branch as Depositary of the Funds.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2020 (continued)

6. NET (LOSS)/GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Realised/Unrealised (losses)/gains by security type for the financial year ended 31 December 2020 and 31 December 2019 are as follows:

	Islamic ASEAN Equity Fund 31 December 2020 USD	Islamic ASEAN Equity Fund 31 December 2019 USD	Islamic Asia Pacific Dynamic Income & Growth Fund* 31 December 2020 USD	Islamic Asia Pacific Dynamic Income & Growth Fund 31 December 2019 USD
Coupon Income	–	–	–	–
Net realised (loss)/gain on Investments	(1,277,160)	1,697,397	23,178	–
Net realised loss on other foreign exchange	(28,790)	(10,231)	(30,824)	–
Net realised gain/(loss) on Open Forward Foreign Currency Exchange Contracts	317	(5,709)	–	–
Net realised investment (loss)/gain	(1,305,633)	1,681,457	(7,646)	–
Net change in unrealised investment gain on Investments	420,882	2,279,670	1,444,401	–
Net change in unrealised investment (loss)/gain on other foreign exchange	(2,610)	6,757	6	–
Net change in unrealised investment gain on Open Forward Foreign Currency Exchange Contracts	–	519	–	–
Net change in unrealised investment gain	418,272	2,286,946	1,444,407	–
Net (loss)/gain on financial assets at fair value through profit or loss	(887,361)	3,968,403	1,436,761	–

* Islamic Asia Pacific Dynamic Income & Growth Fund launched on 19 October 2020.

	Global Sukuk Fund 31 December 2020 USD	Global Sukuk Fund 31 December 2019 USD
Coupon Income	1,680,141	1,707,022
Net realised gain on Investments	460,962	879,390
Net realised loss on other foreign exchange	–	(4,526)
Net realised gain/(loss) on Open Forward Foreign Currency Exchange Contracts	–	–
Net realised investment gain	2,141,103	2,581,886
Net change in unrealised investment gain on Investments	509,655	2,310,557
Net change in unrealised investment loss on other foreign exchange	–	(277)
Net change in unrealised investment gain/(loss) on Open Forward Foreign Currency Exchange Contracts	–	–
Net change in unrealised investment gain	509,655	2,310,280
Net gain on financial assets at fair value through profit or loss	2,650,758	4,892,166

The Net (losses)/gains on financial assets at fair value through profit and loss are taken into the Statement of Comprehensive Income.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2020 (continued)

7. SHARE CAPITAL

Redeemable Participating Shareholders' rights

Redeemable Participating Shares may be redeemed at the option of the Shareholders at a price per share equal to the Net Asset Value per Redeemable Participating Share on the relevant Dealing Day. Shares of the Funds are all freely transferable and are all entitled to participate equally in the profits and distributions of that Fund and in its assets in the event of termination. The shares, which are of no par value and which must be fully paid for upon issue, carry no preferential or pre-emptive rights.

Authorised

At the Statement of Financial Position date the authorised share capital of the Company is EUR300,002 subscriber shares. 2 subscriber shares were issued for the purposes of the incorporation of the Company at an issue price of EUR1 per share, one subscriber share being legally and beneficially owned by Principal Global Investors (Europe) Limited and one subscriber share being legally and beneficially owned by Principal Islamic Asset Management Sendirian Berhad. 1,000,000,000,000 shares of no par value were initially designated as unclassified shares and available for issue as shares. The subscriber shares do not form part of the Net Asset Value of the Company and are thus disclosed in the financial statements by way of this note only. In the opinion of the Directors, this disclosure reflects the nature of the Company's business as an investment fund.

The unclassified shares are available for issue as shares. The issue price is payable in full on acceptance. There are no rights of pre-emption attaching to the shares in the Company.

Each Redeemable Participating Share will represent an individual beneficial interest in the Company. The shares are not debt obligations or guaranteed by the Company. The return on an investment in the Company will depend solely upon the investment performance of the assets in the Company and the increase or decrease (as the case may be) in the Net Asset Value of the shares. The amount payable to a Shareholder in respect of each share upon liquidation of the Company will equal the Net Asset Value per share of the relevant fund. In accordance with the provisions of the Company's Prospectus, listed investments and investments with prices quoted in over the counter markets or by market makers are stated at the last traded price on the valuation day for the purpose of determining Net Asset Value per share for subscriptions and redemptions and for various fee calculations. Debt securities, listed on a recognised stock exchange or traded on any other organised market, are valued at the current mid price on the stock exchange or market which constitutes the principal market for such securities.

8. EFFICIENT PORTFOLIO MANAGEMENT

The Funds are denominated in USD but purchase assets denominated in a range of currencies. During the financial year, transactions were entered into which are economically appropriate to the reduction of relevant risks or costs to improve investment performance.

Subject to the conditions and within the limits from time to time laid down by the Central Bank, and except as otherwise stated in the investment objective and policies of a Funds, the Investment Manager and/or Sub-Investment Adviser may employ, for certain Funds, investment techniques and instruments such as Islamic forward foreign exchange currency contracts and Islamic profit rate swaps and futures for Efficient Portfolio Management ("EPM") purposes. Furthermore, new techniques and instruments may be developed which may be suitable for use by the Funds in the future, and the Funds may employ such techniques and instruments subject to the prior approval of, and any restrictions, conditions or limits imposed by the Central Bank.

For UCITS which have engaged in EPM techniques, certain disclosures are required under Chapter 4 of the Central Bank UCITS Regulations. The Investment Manager of the Funds has identified all financial derivative instruments which are used for EPM. A UCITS is required to disclose the revenues arising from EPM techniques for the entire financial period together with the direct and indirect operational costs and fees incurred.

The Investment Manager considers only repurchase agreements, reverse repurchase agreements and securities lending to be EPM techniques. The Funds did not hold repurchase agreements, reverse repurchase agreements or take part in securities lending for the financial year ended 31 December 2020 or 31 December 2019. Details of all open transactions at the financial year end are disclosed in the Portfolio of Investments.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2020 (continued)

9. DEALING COMMISSION ARRANGEMENTS

The Investment Manager and Sub-Investment Adviser appointed in relation to the Funds are responsible for the selection of brokers with whom they deal. The Investment Manager or Sub-Investment Adviser may enter into dealing commission arrangements with brokers whereby they obtain services or benefits from them, or from third parties – which are paid for out of commissions charged to the Funds. Such services or benefits relate primarily to research and portfolio management, and their purchase is compliant with relevant local regulation; including being a permitted service. The relevant Investment Manager or Sub-Investment Adviser must be satisfied that trades generating dealing commissions comply with the relevant local regulations requiring best execution – which requires consideration of relevant factors, including price and execution quality.

10. FINANCIAL RISK MANAGEMENT

Strategy in Using Financial Instruments

The activities of each Fund expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Funds overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Funds' financial performance. The general risk factors set out in the Prospectus apply to the Funds and risks specific to these Funds are set out below. These risk factors do not purport to be an exhaustive or complete explanation of all the risks associated with an investment in the Funds and persons considering purchasing Shares should inform themselves as to (i) the legal requirements within their own countries for the purchase of Shares, (ii) any foreign exchange restrictions which may be applicable, and (iii) the income and other tax consequences of the purchase and repurchase of Shares.

The Funds' investments in securities are subject to normal market fluctuations and other risks inherent in investing in securities. The value of investments and the income from them, and therefore the value and income from Shares relating to the funds can go down as well as up and an investor may not get back the amount they invest.

The Funds' market risk is affected by volatility in two main components, market prices and foreign currency exchange rates. Foreign currency movements are covered under currency risk.

ASEAN Equity Fund

The investment objective of the Fund is to seek capital growth over the medium to long term.

The Fund seeks to achieve its objective by investing principally in the equity securities and equity related securities comprising depository receipts of companies that are domiciled or with their core business in the ASEAN region, which the Investment Manager believe are mispriced by the market and have the potential for significant growth.

The Fund may also invest in ancillary liquid assets such as bank deposits, fixed or variable rate instruments including but not limited to commercial paper, variable rate notes, certificates of deposit and Sukuk issued by sovereign, quasi-sovereign or corporate entities. Such investments may or may not be of investment grade by a recognised rating agency such as Moody's or Standard & Poor's.

The Fund may also invest up to 10% of Net Asset Value in Shariah-compliant UCITS eligible collective investment schemes and Shariah-compliant exchange traded funds ("ETFs") the constituents of which will be the types of instruments in which the Fund may directly invest. There were no Shariah-compliant ETF's held at 31 December 2020.

All of the securities and other instruments acquired by the Fund will be subject to the guidelines specified in the Shariah Investment Guidelines. There are a number of investment restrictions which also apply to the Fund and these are explained in greater detail in the Fund's supplement.

As the Fund may invest more than 20% of Net Asset Value in emerging markets, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2020 (continued)

10. FINANCIAL RISK MANAGEMENT (continued)

Strategy in Using Financial Instruments (continued)

Islamic Asia Pacific Dynamic Income & Growth Fund

The investment objective of the Fund is to seek to provide a return consisting of income and, over the medium to long term, capital growth.

The Fund seeks to achieve its overall objective by investing at least 60% of Net Asset Value in a portfolio of Shariah-compliant equities, which have been issued by companies domiciled in, listed in, and/or having greater than 25% of total group revenue originating from the Asia Pacific ex Japan region.

The Fund's investment will focus on dividend yielding equities, selected by the Sub-Investment Adviser on the basis it believes such securities offer above average yields when compared to other companies in the Asia Pacific ex Japan region. The Fund will also invest in equities that exhibit growth potential above that of the gross domestic product (GDP) of the respective country in this region. The countries in this region are defined as those qualifying for inclusion within the MSCI AC Asia Pacific ex Japan Islamic Index, although the Sub-Investment Adviser may also invest in equities listed in other countries, provided such equities are deemed Shariah compliant by the Shariah Adviser and the issuer derives significant revenue from the Asia Pacific ex Japan region as defined above.

The Fund may also invest up to 20% of its Net Asset Value in Shariah-compliant fixed income securities ("Sukuk"), issued by government, government-related entities such as local authorities and public authorities, corporate or supranational entities located globally. Such securities may be rated or unrated, however the proportion of unrated securities shall not exceed 10% of the Fund's Net Asset Value.

The Fund may also invest up to 10% of Net Asset Value in Shariah-compliant UCITS eligible collective investment schemes and Shariah-compliant exchange traded funds ("ETFs") the constituents of which include the types of instruments in which the Fund may directly invest. There were no Shariah-compliant ETF's held at 31 December 2020.

The Fund will hold at least 2% of Net Asset Value in ancillary Shariah-compliant liquid assets such as cash, money market instruments and a range of instruments that can be readily converted to cash (including U.S. treasury bills and government bonds which may be fixed or floating rate but shall not embed FDI or leverage, commercial paper, short term money market deposits and certificates of deposit). The Fund will only invest in ancillary liquid assets where they are issued by entities which operate according to the requirements of Shariah law. However, no more than 20% of the Net Asset Value of the Fund may be held in aggregate in ancillary Shariah-compliant liquid assets with a single body registered in the EEA, reduced to 10% for non-EEA registered bodies.

All of the securities and other instruments acquired by the Fund will be subject to the guidelines specified in the Shariah Investment Guidelines. There are a number of investment restrictions which also apply to the Fund and these are explained in greater detail in the Fund's supplement.

Global Sukuk Fund

The investment objective of the Fund is to maximize total return over the medium to long term through a combination of capital growth and income.

The Fund seeks to achieve its objective by investing primarily in a diversified portfolio of Shariah-compliant fixed income securities ("Sukuk") issued by government, government-related entities such as their local authorities and public authorities, corporate or supranational entities located globally.

Sukuk are certificates of equal value which evidence undivided ownership or investment in the underlying assets using Shariah principles. The sakk (singular of Sukuk) is freely traded at par, premium or discount. Commonly the term Sukuk is used for fixed income securities and debt securities which comply with Shariah principals financial instruments. The Fund may also invest in Shariah-compliant UCITS eligible collective investment schemes and

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2020 (continued)

10. FINANCIAL RISK MANAGEMENT (continued)

Strategy in Using Financial Instruments (continued)

Global Sukuk Fund (continued)

Shariah-compliant exchange traded funds (“ETFs”) the constituents of which include the types of instruments in which the Fund may directly invest. There were no Shariah-compliant ETF’s held at 31 December 2020.

The Fund expects to invest a minimum of 70% of the Fund’s Net Asset Value in Sukuk that may be USD denominated and non-USD denominated, investment grade or below investment grade or non-rated and may be fixed or floating rate. Up to 20% of the Fund’s Net Asset Value may be invested in asset backed securities. The Fund may usually also invest up to 30% of its Net Asset Value in Shariah-compliant bank deposits and money market instruments comprising money market funds, commercial paper and treasury bills, save in the circumstances described below when it may hold up to 100%.

All of the securities and other instruments acquired by the Fund were subject to the guidelines specified in the Shariah Investment Guidelines. There are a number of investment restrictions which also apply to the Fund and these are explained in greater detail in the Fund’s supplement.

Market Risk

All securities and investments present a risk of loss of capital. The Investment Manager moderates this risk through diversification and a careful selection of securities and other financial instruments is determined by the fair value of the financial instruments. The Funds’ overall market positions are monitored on a daily basis by the Funds’ Investment Manager. The Depositary of the Funds also provides an independent analysis of financial instrument exposure by monitoring investment limits in accordance with the Regulations and the Prospectus.

The Investment Manager reviews the portfolio characteristic of Funds in its entirety. This review may include as appropriate a review of country allocations, country weights, capitalization, distribution, industry sector weights, price/book levels, currency exposure, portfolio maturity, portfolio duration, sector exposure, quality exposure and other key risk measures.

Investments in fixed income securities entail certain risks including adverse income fluctuation associated with general economic conditions affecting the fixed income securities market, as well as adverse interest rate changes and volatility of yields.

The Funds may employ investment techniques for EPM and/or investment purposes within the limits set out in the Prospectus.

At 31 December 2020 and 31 December 2019, the overall assets and liabilities exposed to market price risk are detailed in the Statements of Financial Position on pages 23 and 24 and in the Portfolios of Investments. The Funds market price risk is managed through investment selection and diversification in accordance with the UCITS Regulations and the limits set out in the Prospectus.

The market rate sensitivity information below and overleaf is a relative estimate of risk and is not intended to be a precise and accurate number. The calculation is based on historical data. Future price movements and correlations between the Funds’ and their benchmarks could vary significantly from those experienced in the past.

Islamic ASEAN Equity Fund	Fair Value USD	At 31 December 2020 % of Net Assets
Financial Assets at Fair Value Through Profit or Loss	43,699,400	95.31%
Financial Assets held for trading	43,699,400	95.31%
Net Asset Value	45,845,051	

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2020 (continued)

10. FINANCIAL RISK MANAGEMENT (continued)

Market Risk (continued)

Islamic Asia Pacific Dynamic Income & Growth Fund*	Fair Value USD	At 31 December 2020 % of Net Assets
Financial Assets at Fair Value Through Profit or Loss	15,291,106	97.32%
Financial Assets held for trading	15,291,106	97.32%
Net Asset Value	15,711,701	

* Islamic Asia Pacific Dynamic Income & Growth Fund launched on 19 October 2020.

Global Sukuk Fund	Fair Value USD	At 31 December 2020 % of Net Assets
Financial Assets at Fair Value Through Profit or Loss	51,655,838	97.88%
Financial Assets held for trading	51,655,838	97.88%
Net Asset Value	52,776,057	

Islamic ASEAN Equity Fund	Fair Value USD	At 31 December 2019 % of Net Assets
Financial Assets at Fair Value Through Profit or Loss	41,268,222	97.00%
Financial Assets held for trading	41,268,222	97.00%
Net Asset Value	42,546,456	

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2020 (continued)

10. FINANCIAL RISK MANAGEMENT (continued)

Market Risk (continued)

Global Sukuk Fund	Fair Value USD	At 31 December 2019 % of Net Assets
Financial Assets at Fair Value Through Profit or Loss	49,703,368	96.87%
Financial Assets held for trading	49,703,368	96.87%
Net Asset Value	51,308,311	

Sensitivity Analysis

Sensitivity Analysis is an indication based on historical data showing what an impact of a 5% movement in the Benchmark would do to the net assets of the Funds at the Statement of Financial Position date.

Limitations of Sensitivity Analysis:

Some limitations of sensitivity analysis are;

- the models are based on historical data and cannot take account of the fact that future market price movements, correlations between markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive; and
- future market conditions could vary significantly from those experienced in the past.

Change in Net Asset Value due to Increase or Decrease in Benchmark Return

As at 31 December 2020:

Fund Name	Benchmark	Currency	Change in Net Asset Value *	
			5% Increase	5% Decrease
Islamic ASEAN Equity Fund	Dow Jones Islamic Market ASEAN Index	USD	2,111,928	(2,111,928)
Islamic Asia Pacific Dynamic Income & Growth Fund**	N/A	USD	N/A	N/A
Global Sukuk Fund	Dow Jones Sukuk Total Return Index	USD	3,657,370	(3,657,370)

As at 31 December 2019:

Fund Name	Benchmark	Currency	Change in Net Asset Value *	
			5% Increase	5% Decrease
Islamic ASEAN Equity Fund	Dow Jones Islamic Market ASEAN Index	USD	2,470,457	(2,470,457)
Global Sukuk Fund	Dow Jones Sukuk Total Return Index	USD	2,700,055	(2,700,055)

* The changes in Net Asset Value have been calculated by applying a beta calculation based on performance for the financial year multiplied by a 5% increase/(decrease) in the index. The Investment Manager considers this movement to be reasonable.

** Islamic Asia Pacific Dynamic Income & Growth Fund launched on 19 October 2020 and as a result there was no sensitivity analysis prepared for this Fund.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2020 (continued)

10. FINANCIAL RISK MANAGEMENT (continued)

Financial Assets at Fair Value through Profit or Loss

Under FRS 102, the Company is required to classify fair value measurement using a fair value hierarchy that reflects the significance of inputs used in making measurements. This fair value hierarchy has the following levels:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

There were no securities held in Level 3 for the financial year ended 31 December 2020 or 31 December 2019. There were no transfers between levels for any of the securities held on the Funds for the financial year ended 31 December 2020 or 31 December 2019.

The following tables analyse the financial assets and liabilities of the Funds against the fair value hierarchy and measures them at fair value for 31 December 2020 and 31 December 2019 in accordance with FRS 102:

Islamic ASEAN Equity Fund

As at 31 December 2020	Level 1	Level 2	Level 3	Company Total
Description	USD	USD	USD	USD
Assets				
Financial Assets at Fair Value through Profit or Loss	43,674,263	–	–	43,674,263
Total Assets	43,674,263	–	–	43,674,263

Islamic Asia Pacific Dynamic Income & Growth

As at 31 December 2020	Level 1	Level 2	Level 3	Company Total
Description	USD	USD	USD	USD
Assets				
Financial Assets at Fair Value through Profit or Loss	15,291,106	–	–	15,291,106
Total Assets	15,291,106	–	–	15,291,106

* Islamic Asia Pacific Dynamic Income & Growth Fund launched on 19 October 2020.

Global Sukuk Fund

As at 31 December 2020	Level 1	Level 2	Level 3	Company Total
Description	USD	USD	USD	USD
Assets				
Financial Assets at Fair Value through Profit or Loss	–	51,135,830	–	51,135,830
Total Assets	–	51,135,830	–	51,135,830

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2020 (continued)

10. FINANCIAL RISK MANAGEMENT (continued)

Financial Assets at Fair Value through Profit or Loss (continued)

Islamic ASEAN Equity Fund As at 31 December 2019	Level 1	Level 2	Level 3	Company Total
Description	USD	USD	USD	USD
Assets				
Financial Assets at Fair Value through Profit or Loss	41,268,222	–	–	41,268,222
Total Assets	41,268,222	–	–	41,268,222

Global Sukuk Fund As at 31 December 2019	Level 1	Level 2	Level 3	Company Total
Description	USD	USD	USD	USD
Assets				
Financial Assets at Fair Value through Profit or Loss	–	49,220,573	–	49,220,573
Total Assets	–	49,220,573	–	49,220,573

Interest Rate Risk

The Islamic ASEAN Equity Fund and Islamic Asia Pacific Dynamic Income & Growth Fund's financial assets and liabilities are non-interest bearing, therefore as a result no sensitivity analysis is produced. Any excess cash and cash equivalents are invested in non-interest bearing accounts.

The Global Sukuk Fund is subject to interest rate risk. A fixed income security's value will generally increase in value when interest rates fall and decrease in value when interest rates rise. Interest rate risk is the chance that such movements in interest rates will negatively affect a security's value or, in the Funds case, its Net Asset Value. Fixed income securities with longer-term maturities tend to be more sensitive to interest rate changes than shorter-term securities. As a result, longer-term securities tend to offer higher yields for this added risk. While changes in interest rates may affect the Funds profit/coupon income, such changes may positively or negatively affect the Net Asset Value of the Funds Shares on a daily basis.

The following table summarises the exposure to interest rate risk for the Global Sukuk Fund for 31 December 2020 and 31 December 2019:

31 December 2020

Global Sukuk Fund	Up to 1 year USD	1- 5 years USD	Over 5 years USD	Non-interest bearing USD	Company Total USD
Assets					
Cash and cash equivalents	–	–	–	1,229,199	1,229,199
Financial Assets at Fair Value Through Profit or Loss	–	20,025,193	31,110,637	–	51,135,830
Income receivable on Transferable Securities	–	–	–	520,008	520,008
Other Assets	–	–	–	23,010	23,010
Total Assets	–	20,025,193	31,110,637	1,772,217	52,908,047
Liabilities					
Creditors	–	–	–	(131,990)	(131,990)
Total Liabilities	–	–	–	(131,990)	(131,990)
Total interest sensitivity gap	–	20,025,193	31,110,637		

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2020 (continued)

10. FINANCIAL RISK MANAGEMENT (continued)

Interest Rate Risk (continued)

31 December 2019

Global Sukuk Fund	Up to 1 year USD	1- 5 years USD	Over 5 years USD	Non-interest bearing USD	Company Total USD
Assets					
Cash and cash equivalents	–	–	–	1,268,901	1,268,901
Financial Assets at Fair Value Through Profit or Loss	–	10,216,597	39,003,976	–	49,220,573
Income receivable on Transferable Securities	–	–	–	482,795	482,795
Other Assets	–	–	–	405,810	405,810
Total Assets	–	10,216,597	39,003,976	2,157,506	51,378,079
Liabilities					
Creditors	–	–	–	(69,768)	(69,768)
Total Liabilities	–	–	–	(69,768)	(69,768)
Total interest sensitivity gap	–	10,216,597	39,003,976		

At 31 December 2020 and 31 December 2019, if market interest rates had been 1% higher/lower with all other variables held constant, the net assets attributable to redeemable participating shareholders would have been lower/higher by the following amounts:

Fund Name	Currency	Change in Net Asset Value* as at 31 December 2020	Change in Net Asset Value* as at 31 December 2019
Global Sukuk Fund	USD	522,560	504,895

* The changes in Net Asset Value have been calculated by applying a beta calculation based on performance for the financial year multiplied by a 1% increase/(decrease) in the market interest rates with all other variables held constant. The Investment Manager considers this movement to be reasonable.

Currency Risk

The Funds may hold assets denominated in currencies other than the functional currency of the Funds. They are therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

The following tables detail the monetary currency exposures as at 31 December 2020 and 31 December 2019.

31 December 2020
Islamic ASEAN Equity Fund

Foreign Currency Exposure	Cash USD	Non-Monetary Assets USD	Net Financial Assets USD
Indonesian Rupiah	570,128	12,063,401	12,633,529
Malaysian Ringgit	336,679	18,593,586	18,930,265
Philippines Peso	3,376	240,508	243,884
Pound Sterling	298	–	298
Singapore Dollar	271,429	5,327,386	5,598,815
Thailand Baht	–	8,040,048	8,040,048
US Dollar	379,226	18,986	398,212
	1,561,136	44,283,915	45,845,051

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2020 (continued)

10. FINANCIAL RISK MANAGEMENT (continued)

Currency Risk (continued)

31 December 2020

Islamic Asia Pacific Dynamic Income & Growth Fund*

Foreign Currency Exposure

	Cash USD	Non-Monetary Assets USD	Net Financial Assets USD
Australian Dollar	–	938,328	938,328
Hong Kong Dollar	–	5,051,166	5,051,166
Indonesian Rupiah	–	650,653	650,653
Japanese Yen	–	253,322	253,322
Singapore Dollar	–	1,015,384	1,015,384
South Korean Won	–	2,551,169	2,551,169
Taiwan Dollar	–	2,196,899	2,196,899
Thailand Baht	–	210,062	210,062
US Dollar	381,828	2,462,890	2,844,718
	381,828	15,329,873	15,711,701

* Islamic Asia Pacific Dynamic Income & Growth Fund launched on 19 October 2020.

31 December 2020

Global Sukuk Fund

Foreign Currency Exposure

	Cash USD	Non-Monetary Assets USD	Net Financial Assets USD
US Dollar	1,229,199	51,546,858	52,776,057
	1,229,199	51,546,858	52,776,057

31 December 2019

Islamic ASEAN Equity Fund

Foreign Currency Exposure

	Cash USD	Non-Monetary Assets USD	Net Financial Assets USD
Indonesian Rupiah	278,577	8,854,902	9,133,479
Malaysian Ringgit	357,087	16,735,096	17,092,183
Philippines Peso	3,366	306,245	309,611
Pound Sterling	287	–	287
Singapore Dollar	252,699	8,660,972	8,913,671
Thailand Baht	67,205	6,552,745	6,619,950
US Dollar	462,208	15,067	477,275
	1,421,429	41,125,027	42,546,456

31 December 2019

Global Sukuk Fund

Foreign Currency Exposure

	Cash USD	Non-Monetary Assets USD	Net Financial Assets USD
US Dollar	1,268,901	50,039,410	51,308,311
	1,268,901	50,039,410	51,308,311

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

**NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2020 (continued)**

10. FINANCIAL RISK MANAGEMENT (continued)

Currency Risk (continued)

The following table details the approximate increase or decrease in Net Assets Attributable to Redeemable Participating Shareholders had the exchange rate between the base currency of the relevant Fund and the relevant foreign currency increased by 5% (or 10% for emerging market currencies identified with an asterisk). The Investment Manager considers this movement to be reasonable.

Emerging market countries are those that have low or middle per capita income as determined by the World Bank for at least 2 consecutive financial years based on data lagging one financial year, or those countries that either had restructured external/local debt during the past 10 financial years or currently have restructured external/local debt outstanding. Investments denominated in emerging market currencies may experience more volatility, can be subject to significant depreciation and may not be freely convertible.

Foreign Currency Exposure	As at 31 December 2020			As at 31 December 2019		
	Cash USD	Non-	Financial	Cash USD	Non-	Financial
		Monetary	Assets		Assets	Monetary
	USD	USD	USD	USD	USD	USD
Islamic ASEAN Equity Fund	118,177	4,426,493	4,544,670	95,908	4,110,995	4,206,903
Islamic Asia Pacific Dynamic Income & Growth Fund	–	1,239,781	1,239,781	–	–	–

Depository Risk

The Company's Depository is The Bank of New York Mellon SA/NV, Dublin Branch (the "Depository"). Substantially, all of the cash and investments of the Company are held by the Depository. The Company is exposed to credit risk through the use of the Depository for their cash and investments. Bankruptcy or insolvency of the Depository may cause the Funds rights with respect to its cash and investments held by the Depository to be delayed or limited.

To mitigate the risks the Company is exposed to from the use of the Depository, the Investment Manager employs appropriate procedures to ensure that the counterparties are reputable institutions and that credit risk is acceptable to the Company. The Investment Manager ensures that the Company only transacts with depositaries that are regulated entities subject to prudential supervision, or with high credit-ratings assigned by international credit-rating agencies. In addition, the Company's non-cash assets are maintained by the Depository in segregated accounts. Thus in the event of insolvency or bankruptcy of the Depository, the Company's non-cash assets are segregated and protected and this further reduces counterparty risk. The Company will, however be exposed to the credit risk of the Depository or counterparty/sub-custodian used by the Depository, in relation to the Company's cash held by the Depository. In the event of the insolvency or bankruptcy of the Depository, the Company will be treated as a general creditor of the Depository in relation to cash holdings of the Company.

Credit Risk

The Funds will be exposed to credit risk, which is the risk that a counterparty or issuer will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred by the financial year end date, if any. The carrying amount of financial assets best represents its maximum exposure to credit risk at the reporting date.

The Company's main credit risk concentrations arise from trading equity securities in addition to cash balances held at the Depository. The Funds' Prospectus lists various investment restrictions with regard to issuer and counterparty concentration limits.

The Depository The Bank of New York Mellon SA/NV, Dublin Branch has a credit rating of AA- with Standards and Poor's, Aa2 with Moody's and AA+ with Fitch.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2020 (continued)

10. FINANCIAL RISK MANAGEMENT (continued)

Credit Risk (continued)

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet their obligation.

The Funds minimise concentration of credit risk by undertaking transactions with several counterparties. The Investment Manager maintains an approved list of counterparties that have been through a due diligence process, been subjected to in depth credit research and who are recognised on a reputable exchange.

In addition, the value of debt and preferred securities held by a Fund may be affected by factors such as the credit rating of the entity that issued the security and its maturity. Lower quality and longer maturity securities will be subject to greater credit risk and price fluctuations than higher quality and shorter maturity securities.

Fixed income securities that are not investment grade are commonly referred to as high yield securities. These securities offer a potentially higher yield than other, higher rated securities, but they carry a greater degree of risk and are considered speculative by the major credit rating agencies.

In relation to preferred securities, credit risk may manifest itself not only as a decline in the security's price, or its failure, but also as a failure to make dividend payments when due. Preferred securities are subordinated borrowing to bonds and other debt instruments in a company's capital structure, in terms of priority to corporate income, and therefore will be subject to greater credit risk than those debt instruments.

There can be no assurance that issuers of the securities or other instruments in which a Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments (as well as any appreciation of sums invested in such securities). There is no certainty in the credit worthiness of issuers of debt securities. Unstable market conditions may mean there are increased instances of default amongst issuers.

The Global Sukuk Fund had the following exposure to counterparty and issuer credit risk at 31 December 2020 and 31 December 2019:

31 December 2020

Credit Rating	Rating %
A	6.27%
A1	1.13%
A3	1.29%
B	3.01%
Ba2	3.21%
Ba3	3.42%
Baa1	7.77%
Baa2	4.79%
Baa3	23.51%
BBB	22.86%
NR	19.63%
Total Portfolio	96.89%

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2020 (continued)

10. FINANCIAL RISK MANAGEMENT (continued)

Credit Risk (continued)

31 December 2019

Credit Rating	Rating %
A	9.12%
AA	4.85%
B	3.58%
Baa1	9.98%
Baa3	2.92%
BB	3.81%
BBB	30.17%
NR	31.50%
Total Portfolio	95.93%

Liquidity Risk

Liquidity risk is the risk that the Funds will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with financial instruments. This arises when trading volume, lack of a market maker or legal restrictions impair the Funds' ability to sell particular securities at an advantageous time or price.

The Funds are exposed to daily cash redemptions by Shareholders. Therefore, the Funds invest the majority of their assets in investments that are traded in an active market and can be readily disposed of; only a limited proportion of the assets are invested in assets not actively traded on a stock exchange. In addition, as outlined in the prospectus, during extreme or unusual market conditions, the Company may place restrictions on redemptions such as by extending settlement, gating daily redemption to 10% of the Net Asset Value of the relevant Fund or suspending redemptions.

The Investment Manager monitors the liquidity of the portfolios on a daily basis and has fully implemented the liquidity stress testing requirements as outlined in the ESMA Guidelines on Liquidity Stress Testing in UCITS and AIFs.

As at 31 December 2020 and 31 December 2019, all of the Funds' financial liabilities were due or settled within 1 month of the Statement of Financial Position date with the exception of the Audit Fees Payable which will be due or settled within 3 months to 1 financial year of the Statement of Financial Position date. These fees payable are detailed on each individual Fund's Statement of Financial Position as at 31 December 2020 on page 23 and as at 31 December 2019 on page 24.

The following table shows the individual percentage holding, of each registered Shareholder, owning greater than 20% of the shares of each class of each Fund at the financial year end date.

	31 December 2020			31 December 2019	
	Shareholder %	Shareholder %	Shareholder %	Shareholder %	Shareholder %
Islamic ASEAN Equity Fund					
A Class Accumulation USD	98.86*	-	-	100.00*	-
I Class Accumulation USD	90.50	-	-	88.70	-
Islamic Asia Pacific Dynamic Income & Growth Fund**					
I Class Accumulation USD	48.67	24.33	24.33	-	-
Global Sukuk Fund					
A Class Accumulation USD	51.32*	38.05*	-	57.01*	42.26*
I Class Accumulation USD	55.18*	40.91*	-	55.73*	41.32*
I Class Income Accumulation USD	100.00	-	-	100.00	-

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2020 (continued)

10. FINANCIAL RISK MANAGEMENT (continued)

Liquidity Risk (continued)

* Related Party to Principal Islamic Asset Management (Ireland) p.l.c, Principal Asset Management Berhad and Principal Asset Management (S) Pte Ltd, the Sub-Investment Advisers to the Company.

** Islamic Asia Pacific Dynamic Income & Growth Fund launched on 19 October 2020.

Concentration Risk

Concentration risk arises when a fund has uneven distribution of exposures to a particular sector, region or industry. As at 31 December 2020 the Islamic ASEAN Equity Fund did not have exposure greater than 20% in any sector. As at 31 December 2019 the Islamic ASEAN Equity Fund did not have exposure greater than 20% in any sector. As at 31 December 2020 the Islamic Asia Pacific Dynamic Income & Growth Fund did not have exposure greater than 20% in any sector. As at 31 December 2020 the Global Sukuk Fund had 22.84% exposure to the Commercial Banks Non-US sector. As at 31 December 2019 the Global Sukuk Fund had 39.98% exposure to the Government sector.

Cybersecurity Risk

Cybersecurity breaches may occur allowing an unauthorised party to gain access to assets of the Funds, Shareholder data, or proprietary information, or may cause the Company, the Investment Manager/Sub-Investment Adviser, the Distributor, the Administrator or the Depository to suffer data corruption or lose operational functionality.

The Funds may be affected by intentional cybersecurity breaches which include unauthorised access to systems, networks, or devices (such as through "hacking" activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of Shareholder data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause the Company, the Investment Manager/Sub-Investment Adviser, the Distributor, the Administrator, the Depository, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. Consequently, Shareholders may lose some or all of their invested capital. In addition, such incidents could affect issuers in which a Fund invests, and thereby cause a Fund's investments to lose value, as a result of which investors, including the relevant Fund and its Shareholders, could potentially lose all or a portion of their investment with that issuer.

COVID-19 Risk

On February 11, 2020, the World Health Organization (the "WHO") named the disease "COVID-19" and on March 11, 2020, the WHO declared a pandemic. The ability to accurately forecast short, medium and long-term impact may be difficult and markets may be very volatile during epidemics and/or pandemics, as evidenced by COVID-19. Forecasts may range from prolonged and severe adverse societal and economic issues triggering a global recession to shorter periods of contagion potentially alleviated by medical treatments. However, a continued escalation in an epidemic/and or pandemic could see a continual decline in global economic growth. Many businesses around the world may have to curtail their travel and meeting plans. This is likely to slow business activity, including in particular international business activity. This may have an adverse impact on the Company and its delegates, service providers, advisers and other third parties to whom tasks and actions have been outsourced. The impact of a viral pandemic in certain areas with large and crowded cities may be especially severe. In consumer goods, for example, customers may delay discretionary spending and travel plans because of worry about the pandemic. The banking industry, and in particular, the consumer finance sector, may be significantly affected by credit losses resulting from financial difficulties of impacted borrowers. Epidemics and/or pandemics may trigger many employees of the Investment Adviser and certain of the other service providers to the Company to be absent from work or work remotely for prolonged periods of time.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2020 (continued)

10. FINANCIAL RISK MANAGEMENT (continued)

COVID-19 Risk (continued)

Notwithstanding, the implementation of disaster recovery and business continuity plans, the unprecedented scale of a global pandemic, may reduce the ability of the employees of the Investment Adviser and/or other service providers to the Company to work effectively on a remote basis may adversely impact the day to day operations of the Company.

11. TRANSACTION COSTS

Transaction costs which were incurred for the financial year relate to the purchase or sale of transferable securities or other eligible assets. Disclosed below are the transaction costs for the financial years ended 31 December 2020 and 31 December 2019. These include commission costs, settlement fees and broker fees. Transaction costs are included on the Portfolio of Investments as part of the cost of the Investments.

	31 December 2020	31 December 2019
Islamic ASEAN Equity Fund	USD113,849	USD201,209
Islamic Asia Pacific Dynamic Income & Growth Fund*	USD31,773	USDNil
Global Sukuk Fund	USDNil	USDNil

* Islamic Asia Pacific Dynamic Income & Growth Fund launched on 19 October 2020.

12. GLOBAL EXPOSURE

The Funds, the Investment Manager and the Sub-Investment Adviser employ a Risk Management Process which enables them to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the Funds.

If applicable, the Funds, the Investment Manager and the Sub-Investment Adviser employ a documented Risk Management Process in relation to the use of Financial Derivative Instruments, which ensures the risk associated with the positions is measured, monitored and managed.

The Sub-Investment Adviser will apply the commitment approach with respect to the determination of the global exposure of the Funds; which entails monitoring global exposure and counterparty exposure associated with the positions.

13. EXCHANGE RATES

The foreign exchange rates used in the audited report as at 31 December 2020 and audited report as at 31 December 2019 expressed as USD for Islamic ASEAN Equity Fund, Islamic Asia Pacific Dynamic Income & Growth Fund, Global Sukuk Fund and the Company are as follows:

31 December 2020

AUD	1.29813	IDR	14,050.00183	MYR	4.02251	THB	29.96002
GBP	0.73214	JPY	103.01501	PHP	48.02350	TWD	28.09800
HKD	7.75210	KRW	1086.30000	SGD	1.32247		

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2020 (continued)

13. EXCHANGE RATES (continued)

31 December 2019

GBP	0.75997	MYR	4.09051	SGD	1.34548
IDR	13,882.50047	PHP	50.64498	THB	29.95376

14. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2020, no commitments or contingent liabilities exist (31 December 2019: none).

15. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The UK left the EU on 31 January 2020, an event commonly known as Brexit. Following 31 January 2020 the UK entered a transition Period. The transition period ended at 23:00 GMT (00:00 CET) on 31 December 2020. On 24 December 2020, a permanent trade agreement was reached between the UK and EU. The Company does not believe that Brexit will present significant issues that cannot be mitigated.

The Company is part of a global group and has been committed for many years to meeting clients needs across Europe in both EU and non- EU countries. The change in the UK's status from an EU to a non-EU country will not change the group's focus or commitment to serve its clients across Europe. The Company continues to monitor development closely.

On February 11, 2020, the World Health Organization (the "WHO") named the disease "COVID-19" and on March 11, 2020, the WHO declared a pandemic. In early 2020 COVID 19 was already spreading widely. U.S. and global economic activity began a rapid decline in March and essentially fell off a cliff in April. The economic recovery and market rebound began as sharply as the downturn. COVID 19 did not have a significant adverse impact on the net asset value of the Funds for the year ended 31 December 2020. Descriptions of the related risks associated with the Funds are contained in note 10 of the financial statements.

The updated prospectus has been issued on 12 June 2020.

Significant updates to the prospectus and supplement include:

- In line with the Benchmark Regulation (2016/1011/EU), the Prospectus has been updated to include disclosure on the use of benchmarks.
- Updated to reflect the new depositary name The Bank of New York Mellon SA/NV.
- Asean Equity Fund - Investment Policy is updated to clarify the markets in which the Fund may invest.
- Tax disclosures within the Prospectus have been updated to account for the legislative updates.
- Anti-money laundering and counter terrorist financing measures disclosures have been updated.

On 18 August 2020, Ms. Lum Joy Deng resigned and Ms. Chooi Wan Chong was appointed as a Non-Executive Director.

The new supplement has been issued for Islamic Asia Pacific Dynamic Income & Growth Fund on 10 August 2020.

Islamic Asia Pacific Dynamic Income & Growth Fund was launched on 19 October 2020.

The Investment Manager has appointed Principal Asset Management (S) Pte Ltd to act as the Sub-Investment Adviser to Islamic Asia Pacific Dynamic Income & Growth Fund on 19 October 2020.

There were no other significant events during the financial year that required disclosure in the audited annual financial statements.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2020 (continued)

16. SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR END

Islamic Global Multi Asset Fund launched on the 23 March 2021.

Since year end COVID 19 continues to rapidly spread around the world, however the global rollout of various vaccines is a reason for optimism. The ultimate economic fallout from the pandemic and the long-term impact on economies, markets, industries and individual issuers, are not known. The Company continues to monitor the situation closely.

Since year end significant redemptions with the aggregate value of USD36,793,923 and USD32,540,069 have occurred on the Global Sukuk Fund and Islamic ASEAN Equity Fund respectively.

There have been no other significant events affecting the Company since 31 December 2020 and up to the date of approval of the financial statements.

17. NET ASSET VALUE HISTORY

Islamic ASEAN Equity Fund	Net Asset Value	Net Asset Value per share
31 December 2020 USD A Class Accumulation	USD4,316,405	USD10.91
31 December 2020 USD I Class Accumulation	USD41,528,646	USD11.61
31 December 2019 USD A Class Accumulation	USD4,326,702	USD11.14
31 December 2019 USD I Class Accumulation	USD38,219,754	USD11.77
31 December 2018 USD A Class Accumulation	USD3,813,014	USD9.97
31 December 2018 USD I Class Accumulation	USD34,039,547	USD10.47

Islamic Asia Pacific Dynamic Income & Growth Fund*	Net Asset Value	Net Asset Value per share
31 December 2020 USD I Class Accumulation	USD15,711,701	USD11.02

* Islamic Asia Pacific Dynamic Income & Growth Fund launched on 19 October 2020.

Global Sukuk Fund	Net Asset Value	Net Asset Value per share
31 December 2020 USD A Class Accumulation	USD25,633,979	USD11.44
31 December 2020 USD I Class Accumulation	USD24,153,010	USD11.59
31 December 2020 USD I Class Income	USD2,989,068	USD10.63
31 December 2019 USD A Class Accumulation	USD22,111,992	USD10.96
31 December 2019 USD I Class Accumulation	USD22,844,412	USD11.07
31 December 2019 USD I Class Income	USD6,351,907	USD10.42
31 December 2018 USD A Class Accumulation	USD20,049,160	USD9.94
31 December 2018 USD I Class Accumulation	USD20,438,775	USD10.01

18. STATEMENT OF PORTFOLIO CHANGES

A Statement of Portfolio Changes is available free of charge from the Administrator.

19. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Directors on 20 April 2021.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

**FUND PERFORMANCE (UNAUDITED)
For the financial year ended 31 December 2020**

**FUND PERFORMANCE
As at 31 December 2020**

Calculated in USD

Fund	One Year	Two Years	Three Years	Five Years	Since Inception*
Islamic ASEAN Equity Fund	-1.36%	10.85%	-1.77%	16.15%	16.10%
Islamic Asia Pacific Dynamic Income & Growth Fund	N/A	N/A	N/A	N/A	10.20%
Global Sukuk Fund	4.70%	15.73%	14.62%	N/A	15.90%

*Shows the cumulative performance since inception: launch date of ASEAN Equity Fund was 13 April 2012, launch date of Asia Pacific Dynamic Income & Growth Fund was 19 October 2020 and launch date of Global Sukuk Fund was 7 September 2016.

The data is based on the I share class of the Funds showing the total return over each time period.

Past performance is not indicative of future results.

The information above has been derived from sources believed to be accurate as of 31 December 2020. It contains general information only on investment matters and should not be considered as a comprehensive statement on any matter and should not be relied upon as such. The information it contains does not take account of any investor's investment objectives, particular needs or financial situation. Past performance is not a reliable indicator of future performance and should not be relied upon as a significant basis for an investment decision. Subject to any contrary provisions of applicable law, no company in the Principal Financial Group nor any of their employees or directors gives any warranty of reliability or accuracy nor accepts any responsibility arising in any other way (including by reason of negligence) for errors or omissions in this document. You should consider whether an investment fits your investment objectives, particular needs and financial situation before making any investment decision.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

**SUPPLEMENTARY INFORMATION (UNAUDITED)
For the financial year ended 31 December 2020**

TOTAL EXPENSE RATIOS

Outlined below are total expense ratios at 31 December 2020 and 31 December 2019 on a fund by fund basis. This disclosure is a requirement for funds regulated in Switzerland.

31 December 2020

	Average Monthly NAV (USD)	Total Expense Ratio %		
		A Class Accumulation	I Class Accumulation	I Class Income
Islamic ASEAN Equity Fund	40,625,633	2.0%	1.3%	N/A
Islamic Asia Pacific Dynamic Income & Growth Fund*	14,716,678	N/A	2.1%	N/A
Global Sukuk Fund	49,727,500	1.3%	1.0%	1.0%

* Islamic Asia Pacific Dynamic Income & Growth Fund launched on 19 October 2020.

31 December 2019

	Average Monthly NAV (USD)	Total Expense Ratio %		
		A Class Accumulation	I Class Accumulation	I Class Income
Islamic ASEAN Equity Fund	41,160,702	1.9%	1.3%	N/A
Global Sukuk Fund	49,450,421	1.3%	1.0%	1.1%

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

**SUPPLEMENTARY INFORMATION (UNAUDITED)
For the financial year ended 31 December 2020
STATEMENT OF MATERIAL PORTFOLIO CHANGES**

Islamic ASEAN Equity Fund

Nominal	Security Description	Major Purchases Cost USD
825,000	Airports of Thailand PCL	1,675,774
409,900	Hartalega Holdings Bhd	1,212,781
905,200	IHH Healthcare Bhd	1,159,211
10,050,000	Kalbe Farma Tbk PT	982,790
1,300,000	Bangkok Dusit Medical Services PCL	953,602
900,000	Duopharma Biotech Bhd	826,212
650,000	Maxis Bhd	805,862
275,000	PTT Exploration & Production PCL	730,896
470,000	Press Metal Aluminium Holdings Bhd	717,615
802,500	BIMB Holdings Bhd	698,753
700,000	Mi Technovation Bhd	694,177
1,883,600	SKP Resources Bhd	689,945
1,147,800	Sime Darby Bhd	681,719
934,400	Ayala Land Inc	652,986
510,000	Pentamaster Corp Bhd	633,179
480,000	Malaysia Airports Holdings Bhd	568,852
200,000	TIME dotCom Bhd	548,491
3,250,000	Mitra Keluarga Karyasehat Tbk PT	522,937
1,750,000	Vale Indonesia Tbk PT	501,853
961,900	Home Product Center PCL	486,395
2,150,000	Telkom Indonesia Persero Tbk PT	467,036
307,700	United Tractors Tbk PT	463,468
3,050,000	Datasonic Group Bhd	450,318
500,000	Indocement Tunggal Prakarsa Tbk PT	438,170
1,010,000	Sino-Thai Engineering & Construction PCL	425,960
1,300,000	Bank BTPN Syariah Tbk PT	387,317
217,300	Petronas Chemicals Group Bhd	320,867
242,900	Kossan Rubber Industries	292,610
126,800	Singapore Telecommunications Ltd	248,965
150,000	Top Glove Corp Bhd	235,470
3,500,000	Mitra Adiperkasa Tbk PT	235,095
35,000	Advanced Info Service PCL NVDR	222,642

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of the sales for the financial year.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

**SUPPLEMENTARY INFORMATION (UNAUDITED)
For the financial year ended 31 December 2020
STATEMENT OF MATERIAL PORTFOLIO CHANGES (continued)**

Islamic ASEAN Equity Fund (continued)

Nominal	Security Description	Major Sales Proceeds USD
1,380,000	Top Glove Corp Bhd	3,193,502
930,000	Malaysia Airports Holdings Bhd	1,344,813
402,000	PTT Exploration & Production PCL	1,092,845
2,500,000	IGB Real Estate Investment Trust (REIT)	1,042,158
181,931	Kuala Lumpur Kepong Bhd	1,015,716
259,900	Hartalega Holdings Bhd	905,032
571,300	PTT Global Chemical PCL	866,241
2,640,000	Bermaz Auto Bhd	813,910
1,150,000	Ayala Land Inc	799,500
392,900	Kossan Rubber Industries	775,762
600,000	ComfortDelGro Corp Ltd	725,975
1,364,400	Singapore Post Ltd	688,360
544,700	IOI Corp Bhd	585,227
560,200	DiGi.Com Bhd	563,169
550,000	Astra Agro Lestari Tbk PT	470,289
468,200	First Resources Ltd	434,002
726,600	Axis Real Estate Investment Trust (Units) (REIT)	359,968
350,000	Telekom Malaysia Bhd	327,413
200,000	Petronas Chemicals Group Bhd	321,162
3,464,500	Hibiscus Petroleum Bhd	306,784
350,000	Press Metal Aluminium Holdings Bhd	298,205
700,000	Cahaya Mata Sarawak Bhd	227,398

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of the sales for the financial year.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

**SUPPLEMENTARY INFORMATION (UNAUDITED)
For the financial year ended 31 December 2020
STATEMENT OF MATERIAL PORTFOLIO CHANGES (continued)**

Islamic Asia Pacific Dynamic Income & Growth Fund*

Nominal	Security Description	Major Purchases Cost USD
86,000	Taiwan Semiconductor Manufacturing Co Ltd	1,360,388
17,200	Tencent Holdings Ltd	1,352,932
34,500	Alibaba Group Holding Ltd	1,336,677
2,088	NVIDIA Corp	1,126,042
5,977	Sea Ltd ADR	989,883
41,000	MediaTek Inc	986,258
21,148	Samsung Electronics Co Ltd - Preference	963,461
2,406	ASML Holding NV NY Reg Shrs	922,099
902,500	NetLink NBN Trust	648,187
18,400	Meituan	636,919
3,457	New Oriental Education & Technology Group Inc ADR	605,246
41,000	Techtronic Industries Co Ltd	565,777
36,800	WuXi AppTec Co Ltd 'H' '144A'	563,628
30,600	Shenzhou International Group Holdings Ltd	562,330
16,731	BHP Group Ltd	429,147
17,000	Airtac International Group	426,504
27,600	Venture Corp Ltd	425,609
5,773	SK Hynix Inc	422,321
685	LG Chem Ltd	403,345
234,400	United Tractors Tbk PT	354,236
1,086,500	Bank BTPN Syariah Tbk PT	300,756
54,000	Li Ning Co Ltd	295,014
19,125	Infosys Ltd ADR	292,080
24,998	Northern Star Resources Ltd	286,400
179,500	Kingboard Laminates Holdings Ltd	285,913
4,100	Murata Manufacturing Co Ltd	285,107
5,365	Samsung Electronics Co Ltd	284,284
101,100	Airports of Thailand PCL (Foreign Market)	222,633
226,803	Beach Energy Ltd	216,166
1,045	Hyundai Mobis Co Ltd	212,261

* Islamic Asia Pacific Dynamic Income & Growth Fund launched on 19 October 2020.

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of the sales for the financial year.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

**SUPPLEMENTARY INFORMATION (UNAUDITED)
For the financial year ended 31 December 2020
STATEMENT OF MATERIAL PORTFOLIO CHANGES (continued)**

Islamic Asia Pacific Dynamic Income & Growth Fund* (continued)

Nominal	Security Description	All Sales Proceeds USD
3,388	Sea Ltd ADR	569,280
1,053	NVIDIA Corp	561,319
1,421	ASML Holding NV NY Reg Shrs	547,750
23,000	MediaTek Inc	544,640
24,000	Taiwan Semiconductor Manufacturing Co Ltd	378,627
10,100	Meituan	344,035
5,605	Samsung Electronics Co Ltd - Preference	295,836
15,100	Shenzhen International Group Holdings Ltd	270,802
20,000	Techtronic Industries Co Ltd	269,215
2,830	SK Hynix Inc	201,012
11,400	WuXi AppTec Co Ltd 'H' '144A'	187,989
5,148	BHP Group Ltd	122,367
1,300	Murata Manufacturing Co Ltd	108,805
43,900	United Tractors Tbk PT	60,836
3,300	Venture Corp Ltd	46,903

* Islamic Asia Pacific Dynamic Income & Growth Fund launched on 19 October 2020.

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of the sales for the financial year.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

**SUPPLEMENTARY INFORMATION (UNAUDITED)
For the financial year ended 31 December 2020
STATEMENT OF MATERIAL PORTFOLIO CHANGES (continued)**

Global Sukuk Fund

Nominal	Security Description	Major Purchases	Cost USD
3,250,000	QIB Sukuk Ltd 'EMTN' 3.982% 26/03/2024		3,439,750
3,000,000	Tabreed Sukuk Spc Ltd 5.500% 31/10/2025		3,336,500
2,750,000	Perusahaan Penerbit SBSN Indonesia III 'REGS' 4.350% 10/09/2024		3,077,475
2,750,000	DAE Sukuk Dific Ltd 'REGS' 3.750% 15/02/2026		2,744,005
2,100,000	Saudi Electricity Global Sukuk Co 3 'REGS' 5.500% 08/04/2044		2,711,980
2,250,000	Hong Kong Sukuk 2017 Ltd 3.132% 28/02/2027		2,558,550
2,250,000	Almarai Sukuk Ltd 4.311% 05/03/2024		2,430,000
2,000,000	Saudi Electricity Global Sukuk Co 2 'REGS' 5.060% 08/04/2043		2,356,250
2,250,000	Fab Sukuk Co Ltd 2.500% 21/01/2025		2,256,375
2,250,000	DIB Sukuk Ltd 'EMTN' 2.950% 16/01/2026		2,249,730
2,150,000	DP World Salaam FRN (Perpetual) 6.000% 01/10/2025		2,137,616
2,000,000	MAF Sukuk Ltd 'EMTN' 3.933% 28/02/2030		2,115,750
2,000,000	Perusahaan Penerbit SBSN Indonesia III 'REGS' 3.800% 23/06/2050		2,113,500
2,000,000	Riyad Bank FRN 3.174% 25/02/2030		2,000,000
2,000,000	CBB International Sukuk Programme Co SPC 'REGS' 6.250% 14/11/2024		2,000,000
1,750,000	MAF Sukuk Ltd 4.638% 14/05/2029		1,911,000
1,750,000	DIB Tier 1 Sukuk 4 Ltd FRN (Perpetual) 4.625% 19/05/2026		1,778,500
1,750,000	Mazoon Assets Co SAOC 'REGS' 5.200% 08/11/2027		1,778,438
1,720,000	Arab National Bank FRN 3.326% 28/10/2030		1,750,900
1,500,000	KSA Sukuk Ltd 'REGS' 2.969% 29/10/2029		1,606,875
1,150,000	Malaysia Sovereign Sukuk Bhd 'REGS' 4.236% 22/04/2045		1,580,225
1,450,000	NMC Healthcare Sukuk Ltd (Defaulted) 5.950% 21/11/2023		1,442,750
1,500,000	MAF Sukuk Ltd 4.500% 03/11/2025		1,413,750
1,250,000	EMG SUKUK Ltd 4.564% 18/06/2024		1,292,750
1,250,000	Perusahaan Penerbit SBSN Indonesia III 'REGS' 2.800% 23/06/2030		1,283,500
1,050,000	TNB Global Ventures Capital Bhd 4.851% 01/11/2028		1,239,850
1,200,000	DP World Crescent Ltd 'REGS' 4.848% 26/09/2028		1,228,750
1,000,000	Sharjah Sukuk Program Ltd 'EMTN' 4.226% 14/03/2028		1,103,750
1,000,000	Saudi Electricity Global Sukuk Co 4 4.222% 27/01/2024		1,091,250
1,000,000	TNB Global Ventures Capital Bhd 'EMTN' 3.244% 19/10/2026		1,072,100
1,000,000	CBB International Sukuk Programme Co SPC 'REGS' 3.950% 16/09/2027		1,030,000
1,000,000	Dubai DOF Sukuk Ltd 'EMTN' 2.763% 09/09/2030		1,000,000
1,000,000	Axiata SPV2 Bhd 'EMTN' 2.163% 19/08/2030		1,000,000
1,000,000	DP World Crescent Ltd 'REGS' 3.750% 30/01/2030		949,375
750,000	Malaysia Sukuk Global Bhd 'REGS' 4.080% 27/04/2046		873,125

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

SUPPLEMENTARY INFORMATION (UNAUDITED)
For the financial year ended 31 December 2020
STATEMENT OF MATERIAL PORTFOLIO CHANGES (continued)

Global Sukuk Fund (continued)

Nominal	Security Description	Major	Cost USD
		Purchases	
750,000	KSA Sukuk Ltd 'REGS' 4.303% 19/01/2029		843,000
750,000	Aldar Sukuk No 2 Ltd 3.875% 22/10/2029		807,500
750,000	Saudi Electricity Global Sukuk Co 5 2.413% 17/09/2030		750,000

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PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

**SUPPLEMENTARY INFORMATION (UNAUDITED)
For the financial year ended 31 December 2020
STATEMENT OF MATERIAL PORTFOLIO CHANGES (continued)**

Global Sukuk Fund (continued)

Nominal	Security Description	Major Sales Proceeds USD
4,650,000	Hong Kong Sukuk 2017 Ltd 3.132% 28/02/2027	5,006,318
3,750,000	EMG SUKUK Ltd 4.564% 18/06/2024	3,853,075
3,000,000	TNB Global Ventures Capital Bhd 4.851% 01/11/2028	3,514,195
2,350,000	Saudi Electricity Global Sukuk Co 2 'REGS' 5.060% 08/04/2043	2,790,225
2,200,000	Malaysia Sovereign Sukuk Bhd 'REGS' 4.236% 22/04/2045	2,594,200
2,250,000	KSA Sukuk Ltd 'REGS' 3.628% 20/04/2027	2,401,500
2,250,000	Fab Sukuk Co Ltd 2.500% 21/01/2025	2,272,500
2,000,000	Perusahaan Penerbit SBSN Indonesia III 'REGS' 4.450% 20/02/2029	2,220,688
2,000,000	MAF Sukuk Ltd 4.500% 03/11/2025	2,173,750
2,000,000	Perusahaan Penerbit SBSN Indonesia III 'REGS' 3.800% 23/06/2050	2,170,250
1,750,000	Saudi Electricity Global Sukuk Co 3 'REGS' 5.500% 08/04/2044	2,157,500
1,750,000	Perusahaan Penerbit SBSN Indonesia III 'REGS' 4.400% 01/03/2028	1,917,500
1,750,000	CBB International Sukuk Programme Co SPC 'REGS' 4.500% 30/03/2027	1,790,688
1,750,000	Riyad Bank FRN 3.174% 25/02/2030	1,763,675
1,750,000	DP World Crescent Ltd 'REGS' 3.750% 30/01/2030	1,715,500
1,500,000	KSA Sukuk Ltd 'REGS' 4.303% 19/01/2029	1,686,000
1,600,000	DIB Sukuk Ltd 'EMTN' 2.950% 16/01/2026	1,642,000
1,500,000	CBB International Sukuk Programme Co SPC 'REGS' 6.250% 14/11/2024	1,626,000
1,500,000	KSA Sukuk Ltd 'REGS' 2.969% 29/10/2029	1,624,500
1,500,000	TNB Global Ventures Capital Bhd 'EMTN' 3.244% 19/10/2026	1,594,500
1,130,000	Malaysia Sukuk Global Bhd 'REGS' 4.080% 27/04/2046	1,513,138
1,250,000	Saudi Electricity Global Sukuk Co 4 4.723% 27/09/2028	1,442,188
2,450,000	NMC Healthcare Sukuk Ltd (Defaulted) 5.950% 21/11/2023	1,433,250
1,250,000	Perusahaan Penerbit SBSN Indonesia III 'RegS' 4.150% 29/03/2027	1,420,750
1,250,000	Perusahaan Penerbit SBSN Indonesia III 'REGS' 4.350% 10/09/2024	1,384,425
1,250,000	QIB Sukuk Ltd 'EMTN' 3.982% 26/03/2024	1,324,525
1,250,000	Perusahaan Penerbit SBSN Indonesia III 'REGS' 2.800% 23/06/2030	1,313,325
1,250,000	DP World Crescent Ltd 'EMTN' 3.875% 18/07/2029	1,278,125
1,000,000	DP World Crescent Ltd 'REGS' 4.848% 26/09/2028	1,095,000
1,000,000	Saudi Electricity Global Sukuk Co 4 4.222% 27/01/2024	1,087,000
1,000,000	Axiata SPV2 Bhd 'EMTN' 2.163% 19/08/2030	1,008,000
1,000,000	Hazine Mustesarligi Varlik Kiralama AS 'REGS' 4.489% 25/11/2024	967,500
850,000	Esic Sukuk Ltd 'EMTN' 3.939% 30/07/2024	852,500
1,000,000	Emaar Sukuk Ltd 'EMTN' 3.875% 17/09/2029	820,000
750,000	Saudi Electricity Global Sukuk Co 5 2.413% 17/09/2030	766,500
1,000,000	SD International Sukuk II Ltd 6.997% 12/03/2025	740,000

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of the sales for the financial year.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

UCITS V Remuneration Policy (UNAUDITED)

UCITS V Remuneration Policy

Regulation 89(3A) of the UCITS Regulations (as introduced pursuant to the UCITS V Regulations on 21 March 2016) requires that the annual report of the Company contains certain disclosures on remuneration paid by the Company to its staff during the financial year and details of any material changes to the Company's remuneration policy made during the period. In this regard, the following points are to be noted:

The Company has prepared a remuneration policy outlining how it adheres to the remuneration requirements set out in the UCITS Regulations. This policy was adopted with effect from 18 March 2016.

An annual review was undertaken of the remuneration policy during the financial year and no material changes have been made to the remuneration policy during the financial year.

The Company has no employees or staff that it employs and pays directly. The Company has a Board of Directors, two of whom are employees of Principal and receive no remuneration from the Company. The remaining three directors, each of whom is independent, receive a fixed fee only for the year ended 31 December 2020: USDXXXX in aggregate and do not receive variable remuneration. These fees are set at a level that reflects the qualifications and contribution required taking into account the Company's size, internal organisation and the nature, scope and complexity of its activities.

The Company delegates certain portfolio management activities to Principal Islamic Asset Management Sdn Bhd, (the **"Delegate"**) and to Principal Asset Management Berhad (the **"Sub-Delegate"**)

The Delegate has calculated that, in aggregate, it pays its relevant staff the following in relation to the functions it performs in respect of the Company: An aggregate amount of \$26,546, with no received performance fees. This amount is applied across 4 members of staff at the Delegate and is apportioned as approximately \$18,562 in aggregate fixed remuneration and \$7,984 in aggregate variable remuneration. In accordance with applicable European regulation and guidance, these figures are calculated on the basis of fee income received by the Delegate in relation to the Company and how this correlates with the relevant staff's remuneration. Further, these figures relate only to the proportion of the relevant staff's remuneration that is estimated to be attributed, on a pro rata basis, to the functions such staff perform for the Delegate in relation to the Company.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

**Securities Financing Transactions Regulation (SFTR)
Annual Report Disclosures (UNAUDITED)**

Securities Financing Transactions Regulation (SFTR)

During the financial year ended 31 December 2020 to which this Report relates, the Company did not engage in transactions which are the subject of EU regulations No. 2015/2365 on the transparency of securities financing transactions of reuse. Accordingly, no global, concentration or transactions data, or information on the reuse or safekeeping of collateral is required to be reported.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

DIRECTORY (UNAUDITED)

DIRECTORS OF THE COMPANY

Mr. Mushtak Parker* (South African)
Mr. David Shubotham* (Irish)
Mr. Greg Thornton (British) (Chairman)
Mr. John O'Connell* (Irish)
Ms. Lum Joy Deng* (Malaysian) (Resigned 18 August 2020)
Ms. Chooi Wan Chong* (Malaysian) (Appointed 18 August 2020)

REGISTERED OFFICE

Principal Islamic Asset Management (Ireland) p.l.c
32 Molesworth Street
Dublin 2
Ireland

DEPOSITARY

The Bank of New York Mellon SA/NV, Dublin Branch
Riverside II
Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2
Ireland

INDEPENDENT AUDITOR

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

COMPANY SECRETARY

MFD Secretaries Limited
32 Molesworth Street
Dublin 2
Ireland

INVESTMENT MANAGER

Principal Islamic Asset Management Sdn Bhd
10th Floor Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Malaysia

ADMINISTRATOR

BNY Mellon Fund Services (Ireland) Designated Activity Company
One Dockland Central
Guild Street
International Financial Services Centre
Dublin 1
Ireland

LEGAL ADVISERS

Maples and Calder
75 St Stephens Green
Dublin 2
Ireland

SUB-INVESTMENT ADVISER

Principal Asset Management Berhad
10th Floor Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Malaysia

Principal Asset Management (S) Pte Ltd**
50 Raffles Place
#22-03A&B Singapore Land Tower
Singapore 048623

SHARIAH ADVISER

Amanie Advisors Sdn Bhd
Level 13A-2 Menara Tokio Marine Life
189, Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

* Denotes independent non-executive Director.

** The Investment Manager has appointed Principal Asset Management (S) Pte Ltd to act as the Sub-Investment Adviser to Islamic Asia Pacific Dynamic Income & Growth Fund on 19 October 2020.

PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) p.l.c.

DIRECTORY (UNAUDITED) (continued)

Information for investors in Switzerland

Principal Islamic Asset Management (Ireland) p.l.c. comprises investment funds set up under the laws of the Republic of Ireland. The Swiss Representative is ACOLIN Fund Services AG, Affolternstrasse 56, CH-8050 Zürich. The Swiss Paying Agent is Banque Cantonale de Genève, Case Postale 2251, Quai de l'Île 17 - CP 2251, 1211 Genève 2. The Fund related activities of the Representative and Paying Agent are Affolternstrasse 56, CH-8050 Zürich, Switzerland. Communications to the Swiss Representative are to be made to the Zurich branch. Payments to the Swiss Paying Agent are also to be addressed to the Genève branch. The Memorandum and Articles of Association, Prospectus, Supplements, key investor information documents ("KIID"), annual and semi-annual reports as well as a list of purchases and sales made on behalf of Principal Islamic Asset Management (Ireland) p.l.c. can be obtained free of charge at the Zurich branch of the Representative and Paying Agent during ordinary business hours.



principalislamic.com