

Principal Islamic Lifetime Balanced Growth Fund (formerly known as CIMB Islamic Balanced Growth Fund)

31 May 2021

Available under the EPF Members Investment Scheme.



Fund Objective

To grow the value of the Unit holders' investments over the long-term in a diversified mix of Malaysian assets in approved Shariah instruments while providing consistent income.

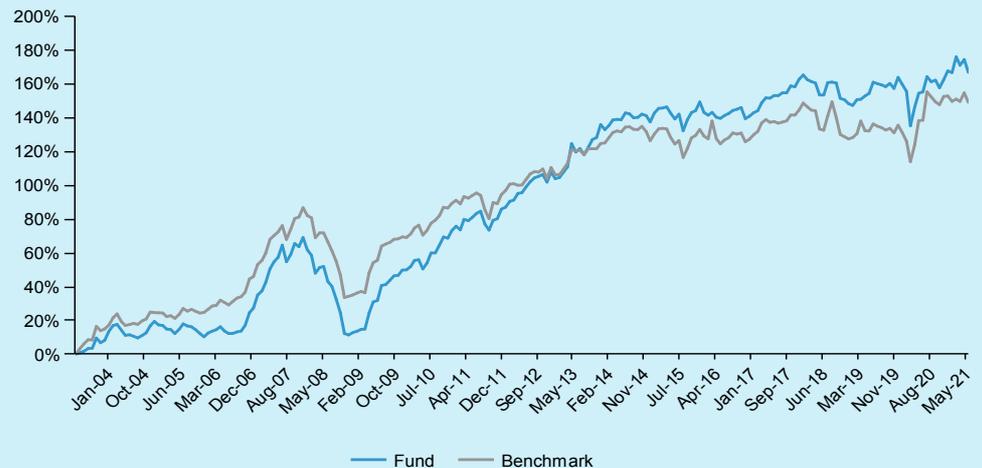
Currency: MYR ISIN Code: MYU1000AK006

Bloomberg Ticker: COMDBAR MK

Fund Information

| | |
|-----------------|--|
| Location | Malaysia |
| Domicile | Malaysia |
| Fund Currency | Ringgit Malaysia |
| Fund Size (MYR) | MYR 318.39 million |
| Fund Unit | 520.24 million units |
| Fund Launch | 26 May 2003 |
| Benchmark | 60% FBM EMAS Shariah Index + 40% CIMB Islamic 1-Month Fixed Return Income Account-i (FRIA-I) |
| Dealing | Daily (as per Bursa Malaysia trading day) |
| Application Fee | IUTAs: 5.00% of the NAV per unit Principal Agency Distributor: 6.00% of NAV per unit |
| Management Fee | 1.50% p.a. of the NAV |
| Trustee Fee | 0.07% p.a. of the NAV |
| Unit NAV (MYR) | MYR 0.6120 |

Fund Performance



Past performance does not guarantee future results. Asset allocation and diversification do not ensure a profit or protect against a loss.

Cumulative Performance (%)

| | YTD | 1 Month | 3 Months | 6 Months | 1-Year | 3-Year | 5-Year | Since Inception |
|-----------|-------|---------|----------|----------|--------|--------|--------|-----------------|
| Fund | -0.30 | -2.75 | -3.32 | 1.68 | 4.89 | 5.32 | 11.40 | 167.04 |
| Benchmark | -1.49 | -2.21 | -0.77 | -1.36 | 4.63 | 6.88 | 11.03 | 149.22 |

Calendar Year Returns (%)

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|-----------|------|------|-------|------|-------|------|
| Fund | 1.46 | 6.26 | -5.49 | 9.05 | -3.36 | 4.96 |
| Benchmark | 7.42 | 3.59 | -6.99 | 7.60 | -2.49 | 2.72 |

Most Recent Fund Distributions

| | 2021 Jan | 2020 Jan | 2019 Jan | 2018 Jan | 2017 Jan | 2016 Jan |
|----------------------|----------|----------|----------|----------|----------|----------|
| Gross (Sen/Unit) | 0.92 | 2.66 | 1.55 | 2.65 | 2.50 | 2.65 |
| Annualised Yield (%) | 1.47 | 4.13 | 2.51 | 3.89 | 3.85 | 3.79 |

Note: May 2003 to May 2021.

Performance data represents the combined income & capital return as a result of holding units in the fund for the specified length of time, based on bid to bid prices. Earnings are assumed to be reinvested.

Annualised yield is calculated as the most recent monthly dividend distribution multiplied by the Fund's dividend frequency and divided by the latest NAV.

Source : Lipper

Top 10 Holdings

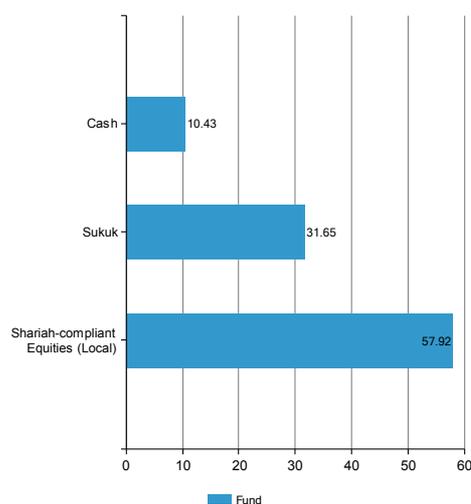
| | Country | % of net assets |
|--------------------------------|----------|-----------------|
| Press Metal Aluminium Hldg Bhd | Malaysia | 6.16 |
| Mah Sing Group Bhd | Malaysia | 3.84 |
| Edra Energy Sdn Bhd | Malaysia | 3.66 |
| Petronas Chemicals Group Bhd | Malaysia | 3.59 |
| Quantum Solar Park | Malaysia | 3.36 |
| My Eg Services Bhd | Malaysia | 2.75 |
| Tenaga Nasional Bhd | Malaysia | 2.75 |
| DRB-Hicom Bhd | Malaysia | 2.41 |
| Mr D.I.Y. Group (M) Bhd | Malaysia | 2.38 |
| IJM Corp Bhd | Malaysia | 2.36 |

The holdings listed do not constitute a recommendation to purchase or sell a particular security. Cash and/or derivative positions that are not part of the core investment strategy will not be reflected in the top holdings list.

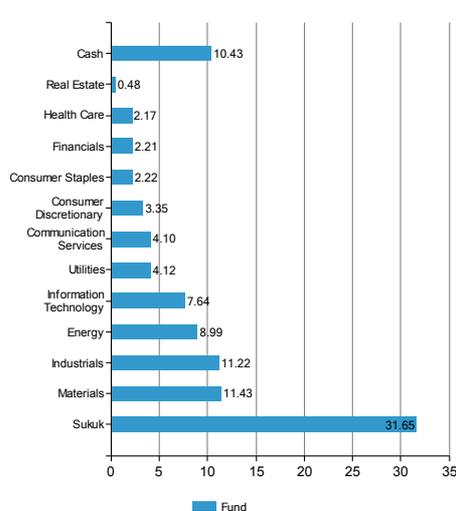
Fund Risk Statistics

| | |
|----------------------|-------|
| Beta | 0.80 |
| Information Ratio | 0.05 |
| Sharpe Ratio | -0.12 |
| 3 years monthly data | |

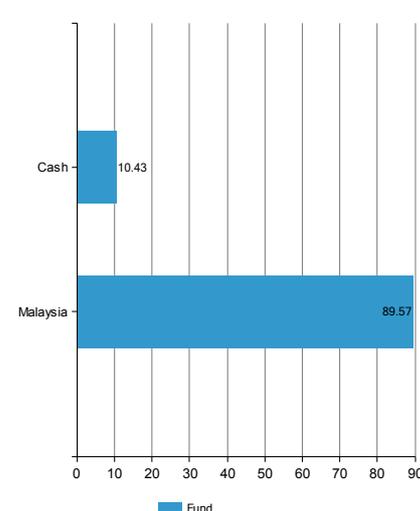
Asset Allocation (%)



Sector Allocation (%)



Regional Allocation (%)



Source: Factset. Fund holdings and allocations shown are unaudited and may not be representative of current or future investments. Percentages may not add up to 100% due to rounding and/or inclusion or exclusion of cash will not be reflected in the top holdings list.

Fund Manager's Report

In May-21, the fund fell 2.75% in MYR terms, underperforming the Benchmark by 54 bps. Performance of Malaysia equity dragged by stock selection in Industrials, Energy, Utilities and Information Technology. On a YTD basis, the fund outperformed the benchmark by 119 basis points.

The FTSE Bursa Malaysia Emas Shariah Index ("FBMS") declined 499.59pts or -3.76% to 12,772.91 pts in May. Investors were spooked by the surge in US CPI reading for the month of April which came in at 4.2%, the sharpest increase since the GFC, while Malaysia instituted much stricter movement controls due the surge in COVID-19 cases domestically. Most sectors were in the red led by Energy (-9%), Construction (-8%), Tech (-8%). Healthcare was also not spared, down 3%, with gloves the hardest hit.

Malaysia's manufacturing PMI eased from April's record of 53.9pts to 51.3pts in May, given the stricter measures imposed to combat COVID-19 infections, but the measure suggested that the manufacturing sector was still expanding. It was also the first time back-to-back monthly improvements were reported since mid-2018. Manufacturing output could be dampened in the months ahead, as the country goes into 'full lockdown', but firms surveyed by IHS Markit remained optimistic that output would increase over the coming 12 months.

We stay Neutral on Malaysia equity. Despite the near-term headwinds, we remain proponents of the reopening theme and thus constructive on Cyclical, Consumer Discretionary and select Transport sectors. We turned cautious on some commodities but remain positive on energy and aluminum. The former will benefit from rising air travel activities and the latter due green infrastructure spending. We are very selective on Tech and maintain our underweight stance on Gloves as earnings seem to have peaked despite ESG issues waning.

For MYR Sukuk strategy, the new round of nationwide lockdown is clearly a growth dampener, and it may shift BNM's policy tone to slightly dovish. This may temporary steepen the short-end yield curve and provide a good trading opportunity before the next meeting in July-2021. For longer term fixed income strategy, we remain overweight on corporates for better yield pick-up. Credit supply continues to be vibrant, and we aim to move to new credits when possible.

*Based on the fund's portfolio returns as at 15 May 2021, the Volatility Factor (VF) for this fund is 8.070 and is classified as "Low" (source: FIMM). The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by FIMM based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC.

We recommend that you read and understand the contents of the Master Prospectus (Islamic Funds) dated 31 December 2019, which has been duly registered with the Securities Commission Malaysia, before investing and that you keep the said Master Prospectus (Shariah-Compliant Funds) for your records. Any issue of units to which the Master Prospectus (Shariah-Compliant Funds) relates will only be made upon receipt of the completed application form referred to in and accompanying the Master Prospectus (Shariah-Compliant Funds), subject to the terms and conditions therein. Investments in the Fund are exposed to credit and default risk, interest rate risk and stock specific risk. You can obtain a copy of the Master Prospectus (Shariah-Compliant Funds) from the head office of Principal Asset Management Berhad or from any of our approved distributors. Product Highlight Sheet ("PHS") is available and that investors have the right to request for a PHS; and the PHS and any other product disclosure document should be read and understood before making any investment decision. There are fees and charges involved in investing in the funds. We suggest that you consider these fees and charges carefully prior to making an investment. Unit prices and income distributions, if any, may fall or rise. Past performance is not reflective of future performance and income distributions are not guaranteed. You are also advised to read and understand the contents of the Financing for Investment in Unit Trust Risk Disclosure Statement before deciding to obtain financing to purchase units. Where a unit split/distribution is declared, you are advised that following the issue of additional units/distribution, the NAV per unit will be reduced from pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV; and where a unit split is declared, the value of your investment in Malaysian ringgit will remain unchanged after the distribution of the additional units.

*Note: The Fund does not invest in interest bearing instruments; the interest rate referred herein is to the general interest rate of the country, which may affect the value of the investments of the Fund.

Carefully consider a fund's objective, risks, charges and expenses.

Visit www.principal.com.my for a prospectus containing this and other information. Please read it carefully before investing.

Principal Asset Management Berhad

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