

Principal Islamic Lifetime Sukuk Fund (formerly known as CIMB Islamic Sukuk Fund)

28 February 2021

Available under the EPF Members Investment Scheme.



Fund Objective

To gain higher than average income over the medium to long-term by investing in a diversified portfolio consisting principally of Sukuk, certificates of deposit, short-term money market instruments and other permissible investments under the Shariah principles.

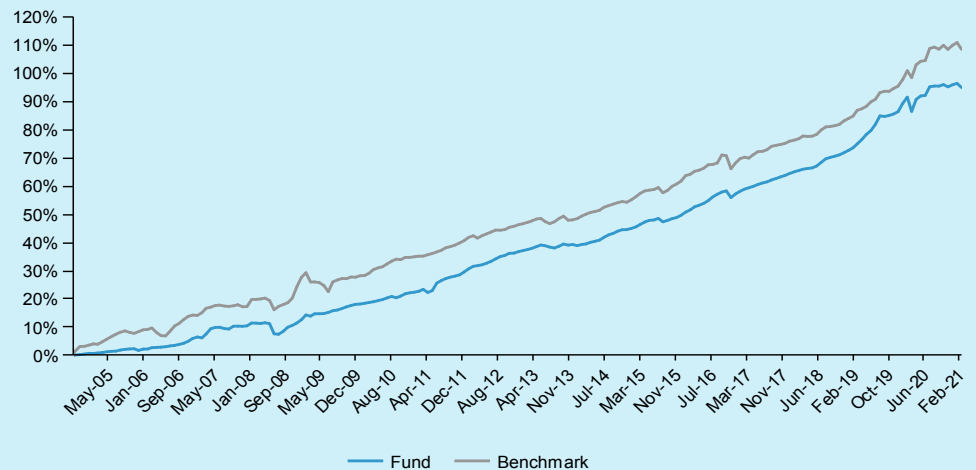
Currency: MYR ISIN Code: MYU1000AY007

Bloomberg Ticker: SBBHFZ MK

Fund Information

| | |
|-----------------|---|
| Location | Malaysia |
| Domicile | Malaysia |
| Fund Currency | Ringgit Malaysia |
| Fund Size (MYR) | MYR 743.45 million |
| Fund Unit | 548.80 million units |
| Fund Launch | 8 October 2004 |
| Benchmark | Quantshop GII Medium Index |
| Dealing | Daily (as per Bursa Malaysia trading day) |
| Application Fee | IUTAs: 2.00% of the NAV per unit Principal Agency Distributor: 2.00% of the NAV per unit |
| Management Fee | 0.95% p.a. of the NAV |
| Trustee Fee | 0.06% p.a. of the NAV of the Fund |
| Unit NAV (MYR) | MYR 1.3546 |

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 | -0.51 | -0.77 | -0.15 | -0.29 | 1.76 | 17.77 | 28.59 | 95.01 |
| Benchmark | -0.70 | -1.16 | -0.02 | -0.40 | 3.77 | 17.90 | 26.94 | 108.57 |

Calendar Year Returns (%)

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|-----------|------|------|------|------|------|------|
| Fund | 5.11 | 8.48 | 4.47 | 4.65 | 5.04 | 3.53 |
| Benchmark | 7.41 | 6.74 | 4.08 | 4.62 | 3.95 | 4.87 |

Most Recent Fund Distributions

| | 2020 Apr | 2019 Apr | 2018 Apr | 2017 Apr | 2016 Apr |
|----------------------|----------|----------|----------|----------|----------|
| Gross (Sen/Unit) | 3.42 | 7.00 | 6.80 | 6.50 | 6.50 |
| Annualised Yield (%) | 2.56 | 5.48 | 5.28 | 4.96 | 5.03 |

Note: October 2004 to February 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

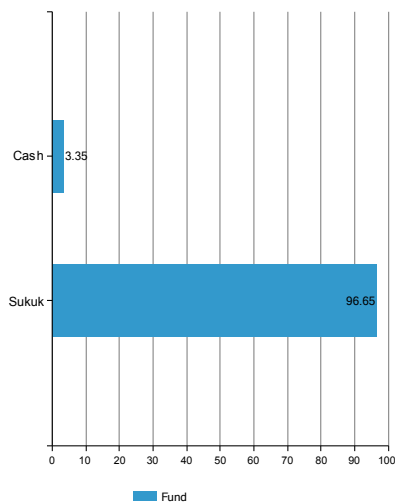
| | Country | % of net assets |
|-------------------------------|----------|-----------------|
| DRB-Hicom Bhd | Malaysia | 9.86 |
| Edra Energy Sdn Bhd | Malaysia | 4.93 |
| Quantum Solar Park | Malaysia | 4.63 |
| UEM Sunrise Bhd | Malaysia | 4.62 |
| Mah Sing Group Bhd | Malaysia | 4.29 |
| GII Murabahah | Malaysia | 4.25 |
| Tenaga Nasional Bhd | Malaysia | 4.20 |
| Bank Pembangunan Malaysia Bhd | Malaysia | 3.46 |
| YTL Power International Bhd | Malaysia | 3.42 |
| Lafarge Cement Sdn Bhd | Malaysia | 2.83 |

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.

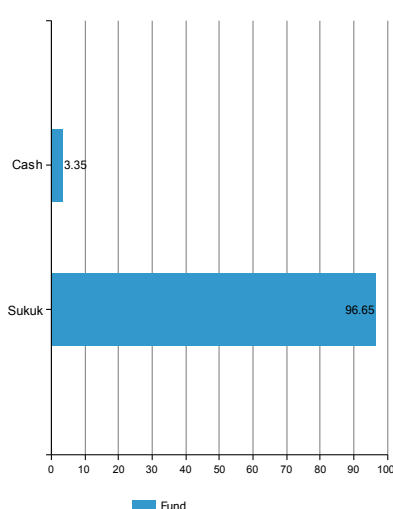
Fund Risk Statistics

| | |
|----------------------|-------|
| Beta | 0.98 |
| Information Ratio | -0.03 |
| Sharpe Ratio | 0.87 |
| 3 years monthly data | |

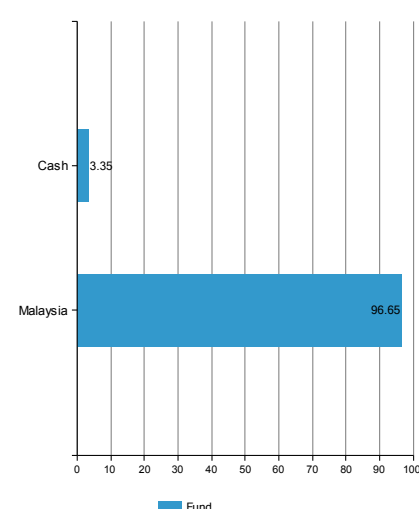
Asset Allocation (%)



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

The Fund reported a return of -0.77% outperformed its benchmark by 39bps in February 2021.

The Government Investment Issues ("GII") yield curve bear steepened yields rising by 17bps to 57bps amidst thin liquidity tracking the US Treasuries relation trades. The sell-off in the domestic sovereign bonds has resulted in a narrower credit spreads across tenors and rating segments.

Malaysia's 4Q2020 GDP registered a contraction of 3.4% y-o-y compared to a decline of 2.7% in 3Q2020. This brings the full year 2020 GDP to a contraction of 5.6%, lower than Ministry of Finance's projections of -3.5%-5.5% for 2020. The deflation rate eased further to -0.2% y-o-y in January 2021 (December 2020: -1.4% y-o-y), mainly on continued slower decline in transport and electricity costs. Though the government bonds appear attractive following the February sell-off, we remain caution that the sovereign bonds will continue to be volatile given the bearish sentiment on the US Treasuries. Hence, we continue to overweight on the corporate segment with our preference on issuances with stable financial metrics for better yield pick up.

⁴Based on the fund's portfolio returns as at 15 February 2021, the Volatility Factor (VF) for this fund is 2.680 and is classified as "Very 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 country risk, credit and default risk, currency risk, interest rate risk, risk of investing in emerging markets and risks associated with investment in warrants. 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.

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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