

Principal Lifetime Balanced Fund (formerly known as CIMB-Principal Balanced Fund)

28 February 2021

Available under the EPF Members Investment Scheme.



Fund Objective

The objective of the Fund is to grow the value of investments over the long-term through investment in a diversified mix of Malaysian assets.

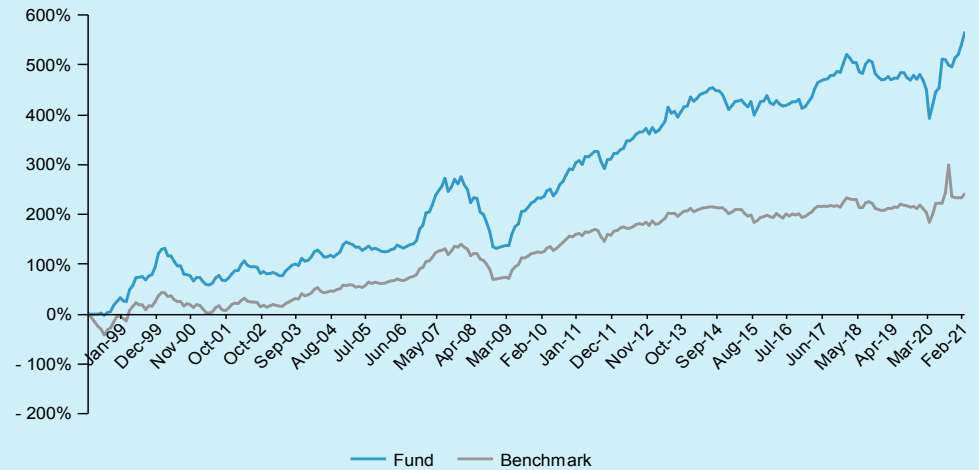
Currency: MYR ISIN Code: MYU1000AP005

Bloomberg Ticker: COMBALI MK

Fund Information

Location	Malaysia
Domicile	Malaysia
Fund Currency	Ringgit Malaysia
Fund Size (MYR)	MYR 58.23 million
Fund Unit	142.34 million units
Fund Launch	12 March 1998
Benchmark	70% FBM100 + 30% CIMB Bank 1-Month Fixed Deposit Rate
Dealing	Daily (as per Bursa Malaysia trading day)
Application Fee	5.00% of the NAV per unit
Management Fee	1.85% p.a. of the NAV
Trustee Fee	0.08% p.a. of the NAV
Unit NAV (MYR)	MYR 0.4090

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	7.16	3.86	8.26	8.96	20.88	8.42	27.74	565.49
Benchmark	-1.16	1.27	1.36	2.86	7.28	-6.52	4.77	241.24

Calendar Year Returns (%)

	2020	2019	2018	2017	2016	2015
Fund	6.90	1.88	-5.60	16.95	-4.08	5.45
Benchmark	2.98	-1.16	-5.60	9.77	-0.79	-1.08

Most Recent Fund Distributions

	2021 Jan	2020 Jan	2019 Jan	2018 Jan	2017 Jan	2016 Jan
Gross (Sen/Unit)	1.27	2.00	1.73	2.65	2.45	2.55
Annualised Yield (%)	3.13	5.13	4.34	5.92	6.01	5.66

Note: March 1998 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

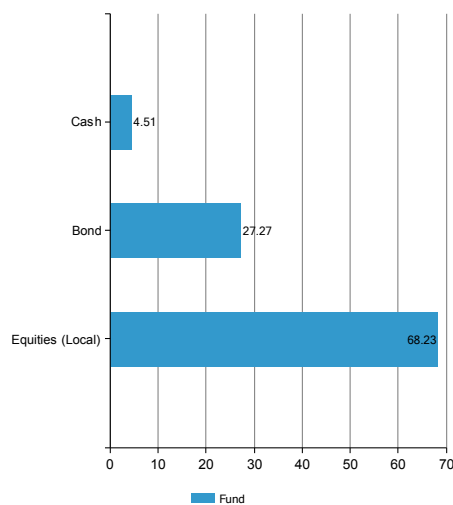
	Country	% of net assets
Mah Sing Group Bhd	Malaysia	7.94
Sabah Development Bank	Malaysia	6.39
Inari Amertron Bhd	Malaysia	5.56
D&O Green Technologies Bhd	Malaysia	5.52
Pentamaster Corp Bhd	Malaysia	4.54
Malayan Banking Bhd	Malaysia	3.65
Hibiscus Petroleum Bhd	Malaysia	2.97
Vitrox Corp Bhd	Malaysia	2.95
GREATECH TECHNOLOGY BERHAD	Malaysia	2.83
Starbright Capital Berhad	Malaysia	2.66

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.

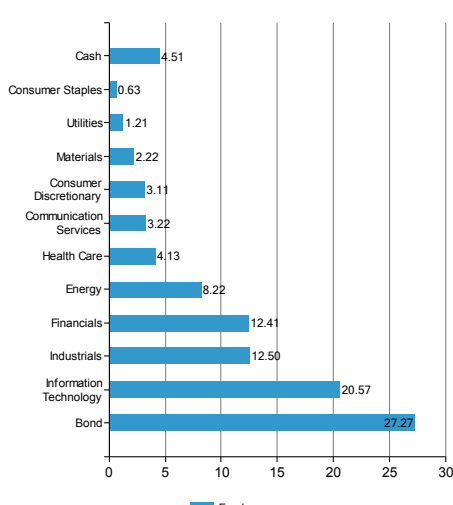
Fund Risk Statistics

Beta	1.08
Information Ratio	0.95
Sharpe Ratio	0.02
3 years monthly data	

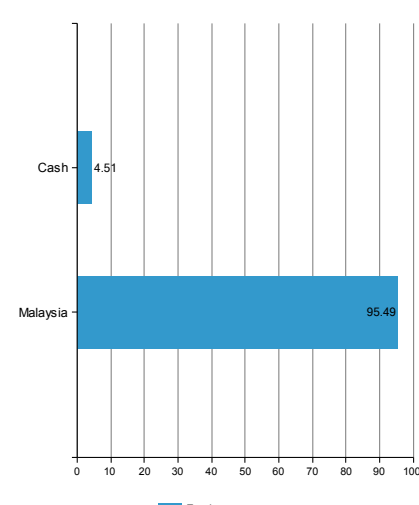
Asset Allocation (%)



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 February, the fund rose 7.16% in MYR terms, outperforming the benchmark by 832 bps YTD. The performance was mainly driven by tech, industrial & goods services and energy sectors on the equity portion.

The FTSE Bursa Malaysia Composite Index ("KLCI") gained marginally +0.72% for the month and -3.04% YTD. Despite better breath whereby most sector generated positive gains in February, KLCI performance was impacted by sell-down in healthcare sector. MCO 2.0 is being eased gradually as new cases stabilizes while recovery cases increases. The highlight for the country in the month of February also includes the arrival of vaccines (Pfizer and Sinovac) and the roll-out of the COVID immunisation programme starting with the 500,000 front-liners in the first Phase. While Regulated Short Selling ("RSS") resumed, intraday short selling ("IDSS") suspension was extended to 29 August 2021.

Malaysia's 4Q2020 real GDP shrank by -3.4% YoY and -0.3% seasonally-adjusted QoQ, as the CMCO 2.0 came into effect in mid-October 2020. For FY2020, real GDP contracted by -5.6%. BNM is currently forecasting a growth between +6.5% and +7.5% for 2021. Exports were up +6.6% YoY and imports were up +1.3% YoY in January 2021 (Dec-20: +10.8% and +1.6% YoY, respectively) with a trade surplus of +MYR1.6 billion. Malaysia's bond market were not spared from the global sell-off and coupled with our own domestic concerns, the MGS yield curve bear-steepened with term spreads trading above both its long-term and short-term averages. The long-end steepness now is still reflecting the underlying risks investing in Malaysia Ringgit Bond. The belly to the long-end curve experienced the most steepening, with the 15-year MGS closed +48bps from January's level. The 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS yields closed at 2.10% (+17bps), 2.43% (+31bps), 2.82% (+40bps), 3.07% (+40bps), 3.85% (+48bps), 3.96% (+38bps) and 4.32% (+37bps) respectively at the end of February.

For equity, we remain constructive on the market and look ahead towards normalization of the economy following the vaccine roll-out. With that, we maintain our high AA of 94-98% and focusing on post COVID-19 recovery theme; positioning in companies with high growth, resilient earnings and solid track record.

For fixed income, we continue to remain selective in our credit selection with a preference on issuers with stronger and more resilient credit metrics that can withstand this economic condition.

[^]Based on the fund's portfolio returns as at 15 February 2021, the Volatility Factor (VF) for this fund is 11.290 and is classified as "Moderate" (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 Issue No. 22 dated 17 April 2020, which has been duly registered with the Securities Commission Malaysia, before investing and that you keep the said Master Prospectus for your records. Any issue of units to which the Master Prospectus relates will only be made upon receipt of the completed application form referred to in and accompanying the Master Prospectus, 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 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/Unit Trust Loan Financing Risk Disclosure Statement before deciding to borrow 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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