

Principal Lifetime Enhanced Bond Fund

Unaudited Semi-Annual Report

For The Six Months Financial Period Ended 30 June 2024

PRINCIPAL LIFETIME ENHANCED BOND FUND

UNAUDITED SEMI-ANNUAL REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2024

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INVESTORS' LETTER

Dear Valued Investor,

Greetings from Principal Asset Management Berhad ("Principal Malaysia") and thank you for investing with us!

We are pleased to bring you a copy of the Unaudited Semi-Annual Fund Report of the Principal Lifetime Enhanced Bond Fund for the financial period ended 30 June 2024. You may also download this report from our website at www.principal.com.my.

We are proud to announce that Principal Malaysia has received numerous accolades in 2024. At the Asia Asset Management 2024 Best of the Best Awards, we won the Best of the Best Performance Award: China A-Share Equity (3 years) and Best Institutional House – Malaysia. At the 2024 Global Banking & Finance Awards, our CEO, Munirah Khairuddin, was named Asset Management CEO of the Year Malaysia, and we were recognized as Asset Management Company of the Year Malaysia. We also received the Best International Equity Fund Manager for MSCI EM Latin America 2023 at the EPF External Fund Managers Awards 2023.

At the Alpha Southeast Asia Fund Management Awards 2024, we won three awards: Best Absolute Return Strategy, Best Online & Mobile Platform (Asset Manager), and Best Asset Manager (Income Oriented, Money Market & Alternative Investment Funds). At the Triple A Sustainable Investing Awards 2024, we secured the Asset Management Company of the Year (Malaysia) award. The World Business Outlook magazine awarded us Best Investment Management and Solutions Provider Malaysia, Best Institutional House Malaysia, and Asset Management CEO (Munirah Khairuddin) of the Year Malaysia. Additionally, we received three awards at the iFast Awards 2024, seven at the LSEG Lipper Fund Awards 2024, and ten at the FSMOne Recommended Funds 2023/2024.

Digital innovation is central to our strategy, as we use data and technology to develop the right solutions for you. We will continue to advance our digital capabilities to provide easy access to your investment portfolio and enable you to carry out transactions seamlessly. Please continue to check out our website (www.principal.com.my), like our Facebook page (@PrincipalAssetMY), follow us on our Instagram account (@principalassetmanagement_my), and LinkedIn page (Principal Asset Management Berhad) for the latest updates, market insights and investment articles.

We appreciate your continuous support and the trust you place in us.

Yours faithfully,
for **Principal Asset Management Berhad**

Munirah Khairuddin
Chief Executive Officer,
Malaysia & Global Shariah & Managing Director,
Strategic Distribution & Institutional Client Relations
(Southeast Asia & Global Shariah)
Non-Independent Executive Director

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to provide growth to the value of Unit holders' investments over the medium-term in a medium to long-term bond portfolio as well as to provide a source of regular income.

Has the Fund achieved its objective?

The Fund has achieved its objective in investing in a diversified pool of fixed income securities which provided capital and regular income over the medium to long-term.

What are the Fund investment policy and principal investment strategy?

The Fund may invest between 70% to 98% (both inclusive) of its Net Asset Value ("NAV") in debt securities rated at least "BBB3" or "P3" by RAM Ratings ("RAM") or equivalent rating by Malaysian Rating Corporation Berhad ("MARC") or by local rating agency(ies) of the country of issuance or "BB" by Standard & Poor's ("S&P") or equivalent rating by any other international rating agencies. Nonetheless, the Fund may invest up to 40% of its NAV in Unrated Debt Securities; up to 28% of its NAV in other permissible investments; up to 10% of its NAV in equities; of which up to 10% of its NAV in warrants and options; and up to 10% of its NAV in Irredeemable Convertible Unsecured Loan Stock ("ICULS") and/or exchangeable bonds.

As a strategic bond fund, the Fund may also allocate part of its fixed income portfolio to be invested in ICULS and/or exchangeable bonds listed on Bursa Malaysia Securities Berhad ("Bursa Malaysia") and other eligible exchanges, but subject to a maximum of 10% of its NAV. In line with its objective, the investment strategy and policy of the Fund is to invest in a diversified portfolio of approved fixed income securities aimed to provide a steady stream of income while utilising warrants and options to provide added returns when appropriate. To achieve its objective, the Fund may also invest in structured products and/or derivatives such as forward contracts, options, futures contracts, and swap agreements, that are related/linked to fixed income securities. The Fund may also opt to seek investment exposure via collective investment scheme that is in line with the Fund's objective, subject to the requirement of the Guidelines on Unit Trust Fund issued by Securities Commission Malaysia ("GUTF").

The asset allocation strategy for this Fund is as follows:

- Between 70% to 98% (both inclusive) of the Fund's NAV may be invested in debt securities, out of which:
 - up to 98% of the Fund's NAV may be invested in Investment Grade debt instruments;
 - up to 40% of the Fund's NAV may be invested in Unrated Debt Securities;
- up to 28% of the Fund's NAV may be invested in other permissible investments such as structured products, derivatives and CIS;
- up to 10% of the Fund's NAV may be invested in warrants and options;
- up to 10% of the Fund's NAV may be invested in equities and
- up to 10% of the Fund's NAV may be invested in ICULS and/or exchangeable bonds.
- Minimum 2% of the Fund's NAV will be invested in liquid assets for liquidity purpose.

Fund category/ type

Bond/Income & Growth

When was the Fund launched?

23 March 2004

What was the size of the Fund as at 30 June 2024?

RM27.65 million (24.23 million units)

What is the Fund's benchmark?

Quant shop Malaysian Government Securities ("MGS") Bond Index (Medium Sub-Index)

Note: The benchmark is for performance comparison only. Investors are cautioned that the risk profile of the Fund is higher than benchmark. Information on the benchmark can be obtained from <http://www.quantshop.com>.

FUND OBJECTIVE AND POLICY (CONTINUED)

What is the Fund distribution policy?

Distribution (if any) is expected to be distributed once a year every January at the Manager's discretion.

What was the net income distribution for the six months financial period ended 30 June 2024?

The Fund distributed a total net income of RM0.19 million to unit holders for the six months financial period ended 30 June 2024.

Date	NAV per unit (Before distribution)	NAV per unit (After distribution)
Distribution on 12 January 2024	1.1155	1.1094
Distribution on 3 April 2024	1.1271	1.1237

Breakdown of distribution were as follows:

Source of distribution	30.06.2024		30.06.2023	
	RM	%	RM	%
Distribution out of current period's income	188,870	100.00	459,079	100.00
Distribution out of prior period's income/capital	-	-	-	-
Total	<u>188,870</u>	<u>100.00</u>	<u>459,079</u>	<u>100.00</u>

PERFORMANCE DATA

Details of portfolio composition of the Fund for the last three unaudited financial periods were as follows:

	30.06.2024	30.06.2023	30.06.2022
	%	%	%
Quoted securities			
- Construction	-	-	0.06
- Consumer products	1.16	-	0.55
- Energy	-	-	1.35
- Financial Services	0.07	-	1.26
- Health Care	-	-	-
- Industrials Products & Services	0.54	-	0.99
- Plantation	-	-	1.42
- Property	0.90	-	0.30
- Technology	1.76	-	2.74
- Telecommunications & Media	-	-	-
- Transportation/Logistics	0.98	-	0.29
Unquoted fixed income securities	87.63	99.54	85.97
Cash and other assets	9.67	0.68	5.34
Liabilities	(2.71)	(0.22)	(0.27)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Performance details of the Fund for the last three unaudited financial periods were as follows:

	30.06.2024	30.06.2023	30.06.2022
NAV (RM Million)	27.65	22.46	23.82
Units in circulation (Million)	24.23	20.27	22.20
NAV per unit (RM)	1.1412	1.1077	1.0729
	01.01.2024	01.01.2023	01.01.2022
	to 30.06.2024	to 30.06.2023	to 30.06.2022
Highest NAV per unit (RM)	1.1413	1.1077	1.1412
Lowest NAV per unit (RM)	1.1094	1.0866	1.0636

PERFORMANCE DATA (CONTINUED)

Performance details of the Fund for the last three unaudited financial periods were as follows (continued):

	01.01.2024 to 30.06.2024	01.01.2023 to 30.06.2023	01.01.2022 to 30.06.2022
- Total return (%)	3.23	3.47	(3.86)
- Capital growth (%)	2.36	1.44	(5.79)
- Income distribution (%)	0.85	2.01	2.04
Total Expense Ratio (“TER”) (%) ^	0.56	0.80	0.56
Portfolio Turnover Ratio (“PTR”) (times) #	0.26	0.44	0.19

^The Fund's TER decreased from 0.80% to 0.56% mainly due to decreased in expenses during the financial period under review.

#The Fund's PTR declined to 0.26 times in the first half of 2024 from 0.44 times in the first half 2023 as there were a lower number of transactions during the financial period under review.

	01.01.2024 to 30.06.2024	01.01.2023 to 30.06.2023	01.01.2022 to 30.06.2022
Gross/Net distribution per unit (sen)			
Distribution on 12 January 2024	0.61	-	-
Distribution on 3 April 2024	0.34	-	-
Distribution on 11 January 2023	-	1.08	-
Distribution on 12 April 2023	-	1.10	-
Distribution on 13 January 2022	-	-	1.13
Distribution on 12 April 2022	-	-	1.12

	30.06.2024	30.06.2023	30.06.2022	30.06.2021	30.06.2020
	%	%	%	%	%
Annual total return	6.27	7.46	(2.43)	3.47	7.20

(Launch date: 23 March 2004)

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up. All performance figures for the financial period have been extracted from Lipper.

MARKET REVIEW (1 JANUARY 2024 TO 30 JUNE 2024)

Prime Minister Anwar Ibrahim announced a new minimum monthly income for civil servants at RM2,000 (previously RM1,765 translating to a >13% hike) World Economy Forum December 2024 – which would benefit approximately 1.6 million civil servants. This is expected to cost the Government more than RM10 billion annually, and further details will be announced in the tabling of Budget 2025 in October 2024.

Malaysia's Gross Domestic Product (“GDP”) grew by 4.2% in the first quarter of 2024, surpassing the consensus and advanced estimate of 3.9%. This marks the first upward revision from the advanced estimate since its introduction in third quarter of 2023. The accelerated growth was driven by a faster expansion in the services sector, which grew by 4.7% (advanced estimate: 4.4%, fourth quarter of 2023: 4.1%).

Malaysia's inflation climbed to 2.0% in May 2024 compared to a 1.8% hike in April 2024. This was driven by price increases in the main groups of housing, water, electricity, gas and other fuels (“HWEG”) (May 2024: 3.2%, April 2024: 3.0%) and a hike in restaurant & accommodation services. The HWEG increase was attributable to higher housing and water tariff hikes. Core inflation increased by 1.9% in May 2024, similar to April 2024.

MARKET REVIEW (1 JANUARY 2024 TO 30 JUNE 2024) (CONTINUED)

Bank Negara Malaysia (“BNM”) held its Sasana Symposium in mid-June 2024 whereby three key findings were noted. These were 1) a robust outlook on Malaysia’s GDP growth and Malaysian Ringgit (“MYR/RM”) for 2024; 2) The structural reforms would focus on fiscal sustainability, social protection enhancement and quality investment promotion; and 3) inflation rate will remain aligned with the official inflation target of 2% to 3.5% in 2024.

The blanket diesel subsidy in Malaysia ended on 10th June 2024 with diesel prices increasing by 56% to RM3.35 per litre. Diesel prices will thus be ‘free float’ and updated every Wednesday, 5pm. The tiered subsidised diesel prices will remain unchanged at a) RM2.15 per litre for 400k logistic vehicles from 23 commercial sectors; b) RM2.15 per litre for diesel users in East Malaysia; c) RM1.88 per litre for public transport vehicles and d) RM1.65 per litre for fishermen.

The Ministry of Finance (“MoF”) reported that a total of RM10.86 billion (involving 3.45 million members) has been transferred to into Employee Provident Fund (“EPF”)’s Flexible Account 3 as of 10 June 2024. As for members below 55, the total sum was RM6.98 billion (i.e. 23% of EPF members below 55). Members are allowed to transfer a portion of their Account 2 to the Flexible Account (Account 3) from 12 May 2024 to 31 August 2024, hence the final sum will be higher.

BNM held the Overnight Policy Rate (“OPR”) at 3.00% at its July 2024 Monetary Policy Committee (“MPC”) meeting as widely expected – and appears to be upbeat on the domestic growth for 2024, which is to be supported by the recovery in exports and tourism activities, continued employment and wage growth, and investment activities from both the public and private sectors. BNM continues to deem the current monetary policy stance remains supportive of the economy.

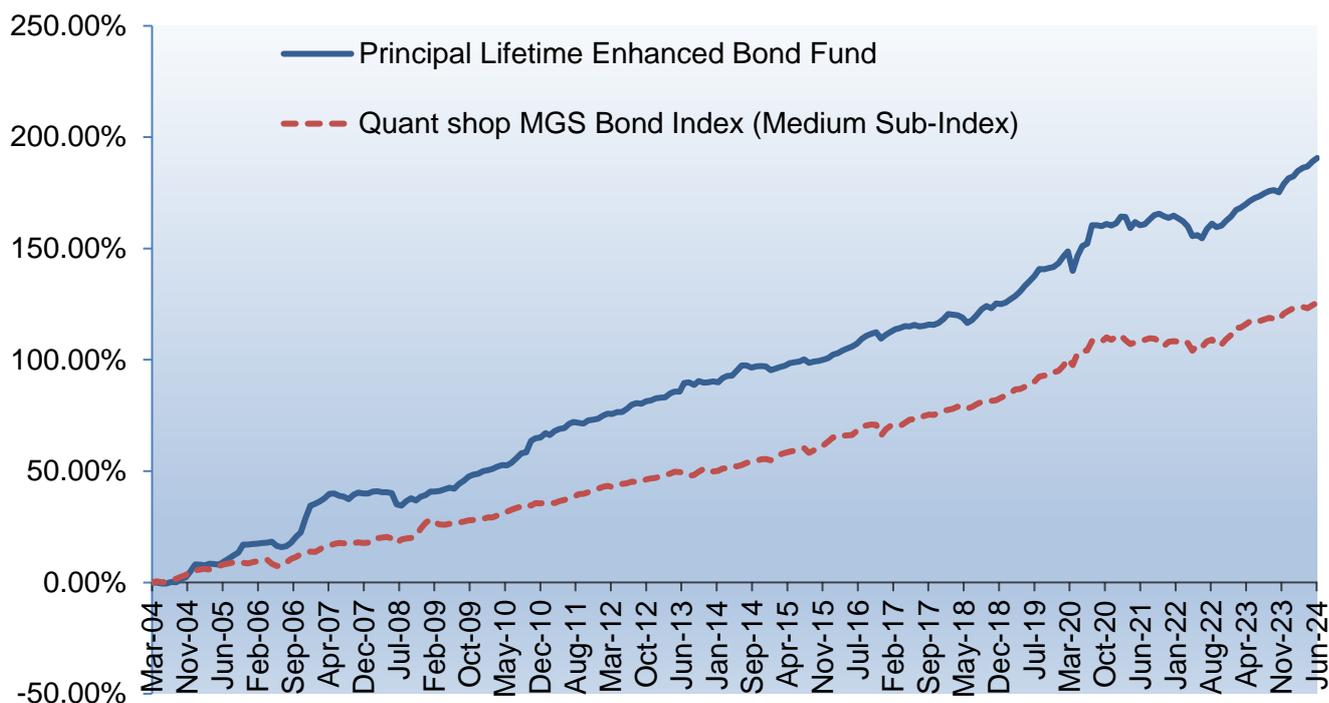
FUND PERFORMANCE

	6 months	1 year	3 years	5 years	Since
	to 30.06.2024	to 30.06.2024	to 30.06.2024	to 30.06.2024	inception
	%	%	%	%	%
Income distribution	0.85	3.15	11.78	21.84	154.69
Capital growth	2.36	3.02	(0.32)	1.43	14.12
Total Return	3.23	6.27	11.42	23.58	190.65
Benchmark	1.67	3.80	7.99	19.12	125.72
Average Total Return	6.59	6.27	3.67	4.32	5.40

As at 30 June 2024, the total return for the Fund came in at 3.23%, 6.27%, 11.42% and 23.58% on a 6-months, 1-year, 3-year and 5-year rolling basis, outperforming the Benchmark by 1.56%, 2.47%, 3.43% and 4.46%, respectively. Since inception, the Fund has achieved a total return of 154.69%, with an average total return of 5.40% p.a.

FUND PERFORMANCE (CONTINUED)

Since Inception



Changes in NAV

	30.06.2024	31.12.2023 Audited	Changes %
NAV (RM Million)	27.65	20.73	33.38
NAV/Unit (RM)	1.1412	1.1150	2.35

The Fund's NAV as at 30 June 2024 increased by 33.38% to RM27.65 million from RM20.73 million on 31 December 2023. Meanwhile, the NAV per unit increased by 2.35% to RM1.1412 per unit from RM1.1150 per unit.

Performance data represents the combined income and capital return as a result of holding units in the Fund for the specified length of time, based on NAV to NAV price. The performance data assumes that all earnings from the Fund are reinvested and are net of management and trustee fees. Past performance is not reflective of future performance and income distributions are not guaranteed. Unit prices and income distributions, if any, may fall and rise. All performance figures for the financial period have been extracted from Lipper.

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	30.06.2024	31.12.2023 Audited
Quoted securities	5.41	1.19
Unquoted fixed income securities	87.63	96.64
Cash and other assets	9.67	4.05
Liabilities	(2.71)	(1.88)
TOTAL	100.00	100.00

As at 30 June 2024, the Fund is 87.63% invested in unquoted fixed income securities, 5.41% invested in quoted securities and 9.67% in cash and other assets holding as liquidity for redemption purposes.

MARKET OUTLOOK*

We remain positive on the local bond markets as we believe the tightening trend on monetary policies has reached its peak with the last rate hike by MPC in May 2023. While we remain cautious on global bond market volatility, we plan to capitalize on any market corrections as periods of market weakness can present strategic opportunities to acquire bonds at more attractive prices, thereby improving the overall yield of our portfolio. Our approach will be to carefully monitor market movements and act accordingly when these opportunities arise.

* This market outlook does not constitute an offer, invitation, commitment, advice or recommendation to make a purchase of any investment. The information given in this article represents the views of Principal Asset Management Berhad ("Principal Malaysia") or based on data obtained from sources believed to be reliable by Principal Malaysia. Whilst every care has been taken in preparing this, Principal Malaysia makes no guarantee, representation or warranty and is under no circumstances liable for any loss or damage caused by reliance on, any opinion, advice or statement made in this market outlook.

INVESTMENT STRATEGY

We will maintain an overweight position in corporate bonds relative to government securities, as we anticipate credit spreads will remain compressed as domestic interest rate outlook remains unchanged in the near term. We will also pursue opportunities to engage in selective trading of government securities to generate additional alpha.

The current market environment continues to be favorable for an overweight duration position due to positive supply-demand dynamics and stable interest rate outlook.

SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (the "Manager") and the Trustee will not retain any form of rebate or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Principal Malaysia Funds ("Funds"). Accordingly, any rebates or shared commission will be directed to the account of the Fund. The Manager may retain goods and services (soft commission) provided by any broker or dealer if the following conditions are met:

- (a) the soft commission bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- (b) any dealings with the broker or dealer is executed on terms which are the most favourable for the Funds; and
- (c) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and the Manager will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

During the financial period under review, the Manager and the Trustee did not receive any rebates from the brokers or dealers, but the Manager has retained soft commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. The Manager confirms that the goods and services received were for the benefit of the Fund, the trades were made on a best execution basis and there was no churning of trades.

SECURITIES FINANCING TRANSACTIONS

The Fund has not undertaken any securities lending or repurchase transactions during the financial period under review.

STATE OF AFFAIR OF THE FUND

There were no significant changes in the state of affairs of the Fund during the period and up to the date of Manager's report, not otherwise disclosed in the financial statements.

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

There were no circumstances that had materially affected the interest of the unit holders during the financial period under review.

CROSS TRADE

No cross-trade transactions have been carried out during the financial period under review.

UNIT SPLIT

No unit split exercise have been carried out during the financial period under review.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL LIFETIME ENHANCED BOND FUND**

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 3 to 32 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 June 2024 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting.

For and on behalf of the Manager

Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))

MUNIRAH KHAIRUDDIN

Chief Executive Officer,
Malaysia & Global Shariah & Managing Director,
Strategic Distribution & Institutional Client Relations
(Southeast Asia & Global Shariah)
Non-Independent Executive Director

UDAY JAYARAM

Executive Managing Director,
Head of Southeast Asia
Non-Independent Executive Director

Kuala Lumpur
16 August 2024

TRUSTEE'S REPORT

**TO THE UNIT HOLDERS OF
PRINCIPAL LIFETIME ENHANCED BOND FUND ("Fund")**

We have acted as Trustee of the Fund for the financial period ended 30 June 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management Company under the Deeds, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

We are of the opinion that the distributions of income by the Fund are appropriate and reflects the investment objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
16 August 2024

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2024**

	Note	01.01.2024 to 30.06.2024 RM	01.01.2023 to 30.06.2023 RM
INCOME/(LOSS)			
Interest income from unquoted fixed income securities at fair value through profit or loss		502,798	526,736
Interest income from deposits with licensed financial Institution at amortised cost		31,552	11,829
Dividend income		5,748	-
Net gain on financial assets at fair value through profit or loss	8	398,797	449,526
Net foreign exchange loss		(119)	-
		<u>938,776</u>	<u>988,091</u>
EXPENSES			
Management fee	4	123,634	117,182
Trustee and custodian fees	5	3,709	59,157
Audit fee		4,131	4,165
Tax agent's fee		2,459	2,638
Transaction costs		6,986	-
Other expenses		6,050	6,397
		<u>146,969</u>	<u>189,539</u>
PROFIT BEFORE TAXATION		791,807	798,552
Taxation	7	-	-
PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>791,807</u>	<u>798,552</u>
Profit after taxation is made up as follows:			
Realised amount		514,484	399,462
Unrealised amount		277,323	399,090
		<u>791,807</u>	<u>798,552</u>

The accompanying notes to the financial statements form an integral part of the unaudited financial statements.

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

		30.06.2024	31.12.2023
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents	9	2,541,828	820,592
Financial assets at fair value through profit or loss	8	25,728,617	20,277,095
Amount due from Manager		128,981	18,661
Dividend receivable		4,082	-
TOTAL ASSETS		<u>28,403,508</u>	<u>21,116,348</u>
LIABILITIES			
Amount due to stockbrokers		20,812	309,720
Amount due to Manager		689,834	43,862
Accrued management fee		22,567	17,579
Amount due to Trustee		677	527
Other payables and accruals		15,990	17,800
TOTAL LIABILITIES		<u>749,880</u>	<u>389,488</u>
NET ASSET VALUE OF THE FUND		<u>27,653,628</u>	<u>20,726,860</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	10	<u>27,653,628</u>	<u>20,726,860</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	11	<u>24,230,255</u>	<u>18,589,014</u>
NET ASSET VALUE PER UNIT (RM)		<u>1.1412</u>	<u>1.1150</u>

The accompanying notes to the financial statements form an integral part of the unaudited financial statements.

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2024**

	Note	01.01.2024 to 30.06.2024 RM	01.01.2023 to 30.06.2023 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD		<u>20,726,860</u>	<u>23,200,026</u>
Movement due to units created and cancelled during the financial period:			
Creation of units from applications		13,251,891	7,495,379
Creation of units from distributions		186,864	454,236
Cancellation of units		<u>(7,114,924)</u>	<u>(9,030,138)</u>
		<u>6,323,831</u>	<u>(1,080,523)</u>
Total comprehensive income for the financial period		791,807	798,552
Distribution	6	<u>(188,870)</u>	<u>(459,079)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	10	<u>27,653,628</u>	<u>22,458,976</u>

The accompanying notes to the financial statements form an integral part of the unaudited financial statements.

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2024**

	01.01.2024 to 30.06.2024	01.01.2023 to 30.06.2023
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of unquoted fixed income securities	3,586,517	10,585,885
Purchase of unquoted fixed income securities	(7,900,092)	(10,151,648)
Proceeds from sale of quoted investments	510,582	-
Purchase of quoted securities	(1,550,584)	-
Dividend received	1,666	-
Interest income received from deposits with licensed financial institutions and current account	31,552	11,830
Interest income received from unquoted fixed income securities	507,756	449,049
Management fee paid	(118,646)	(117,231)
Trustee and custodian fees paid	(3,559)	(59,160)
Payments for other fees and expenses	(14,450)	(20,555)
Payment of other foreign exchange loss	(238)	-
Net cash (used in)/generated from operating activities	(4,949,496)	698,170
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	13,141,571	7,541,379
Payments for cancellation of units	(6,468,952)	(9,295,179)
Distribution paid	(2,006)	(4,843)
Net cash generated from/(used in) financing activities	6,670,613	(1,758,643)
Net increase/(decrease) in cash and cash equivalents	1,721,117	(1,060,473)
Effects of foreign exchange differences	119	-
Cash and cash equivalents at the beginning of the financial period	820,592	1,183,864
Cash and cash equivalents at the end of the financial period	2,541,828	123,391
<u>Cash and cash equivalents comprised of:</u>		
Deposits with licensed financial institutions	2,516,684	102,008
Bank balances	25,144	21,383
Cash and cash equivalents at the end of the financial period	2,541,828	123,391

The accompanying notes to the financial statements form an integral part of the unaudited financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2024**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

Principal Lifetime Enhanced Bond Fund (the “Fund”) is governed by a Principal Master Deed dated 15 May 2008, an Eighth Supplemental Master Deed date 14 June 2010, a Thirteenth Supplemental Master Deed dated 26 June 2012, an Eighteenth Supplemental Master Deed dated 25 March 2015, Twentieth Supplemental Master Deed dated 21 October 2019, Twenty Third Supplemental Master Deed dated 27 June 2022, Twenty Fourth Supplemental Master Deed dated 13 January 2023 (collectively referred to as the “Deeds”), between Principal Asset Management Berhad (the “Manager”) and Maybank Trustees Berhad (the “Previous Trustee”) and Twenty Fifth Supplemental Master Deed dated 26 May 2023 (collectively referred to as the “Deeds”) between the Manager and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund may invest between 70% to 98% (both inclusive) of its NAV in debt securities. The Fund may invest up to 98% of its NAV in debt securities rated at least “BBB3” or “P3” by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance or “BB” by S&P or equivalent rating by any other international rating agencies. Nonetheless, the Fund may invest up to 40% of its NAV in Unrated Debt Securities; up to 28% of its NAV in other permissible investments; up to 10% of its NAV in equities, of which up to 10% of its NAV in warrants and options; and up to 10% of its NAV in ICULS and/or exchangeable bonds.

The Fund may invest up to 30% of its NAV in Eligible Markets.

As a strategic bond fund, the Fund may also allocate part of its fixed income portfolio to be invested in ICULS and/or exchangeable bonds listed on Bursa Malaysia and other eligible exchanges, but subject to a maximum of 10% of its NAV. In line with its objective, the investment strategy and policy of the Fund is to invest in a diversified portfolio of approved fixed income securities aimed to provide a steady stream of income while utilizing warrants and options to provide added returns when appropriate. To achieve its objective, the Fund may also invest in structured products and/or derivatives such as forward contracts, options, futures contracts and swap agreements, that are related/linked to fixed income securities. The Fund may also opt to seek investment exposure via CIS that is in line with the Fund’s objective, subject to the requirement of the GUTF.

The asset allocation strategy for this Fund is as follows:

- Between 70% to 98% (both inclusive) of the Fund’s NAV may be invested in debt securities, out of which:
 - up to 98% of the Fund’s NAV may be invested in Investment Grade debt instruments;
 - up to 40% of the Fund’s NAV may be invested in Unrated Debt Securities;
- up to 28% of the Fund’s NAV may be invested in other permissible investments such as structured products, derivatives and CIS;
- up to 10% of the Fund’s NAV may be invested in warrants and options;
- up to 10% of the Fund’s NAV may be invested in equities and
- up to 10% of the Fund’s NAV may be invested in ICULS and/or exchangeable bonds.
- Minimum 2% of the Fund’s NAV will be invested in liquid assets for liquidity purpose.

All investments are subjected to the GUTF, SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

The Manager is a joint venture between Principal Financial Group®, a member of the FORTUNE 500® and a Nasdaq-listed global financial services and CIMB Group Holdings Berhad, one of Southeast Asia’s leading universal banking groups. The principal activities of the Manager are the establishment and management of unit trust funds and fund management activities.

2. MATERIAL ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements:

(a) Basis of preparation

The financial statements have been prepared in accordance with the provisions of the MFRS as issued by the Malaysian Accounting Standards Board (“MASB”) and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The financial statements have been prepared under the historical cost convention, as modified by financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial period.

It also requires the Manager to exercise their judgement in the process of applying the Fund’s accounting policies. Although these estimates and assumptions are based on the Manager’s best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(j).

There are no other standards, amendments to standards or interpretations that are effective for financial periods beginning on 1 January 2024 that have a material effect on the financial statements of the Fund.

None of the standards, amendments to standards or interpretations that are effective for the financial period beginning on/after 1 July 2024 are applicable to the Fund.

(b) Financial assets and financial liabilities

Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those to be measured at amortised cost.

The Fund classifies its investments based on both the Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income (“OCI”).

The contractual cash flows of the Fund’s debt securities are solely principal and interest (“SPPI”). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments are measured at fair value through profit or loss.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Classification (continued)

The Fund classifies cash and cash equivalents and amount due from Manager as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

All of the Fund's financial liabilities are measured at amortised cost.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

Financial instruments are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

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

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Unrealised gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the statement of comprehensive financial income within net gain or loss on financial assets at fair value through profit or loss in the financial period which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income when the Fund's right to receive payments is established.

Quoted securities in Malaysia are valued at the last done market price quoted on Bursa Malaysia at the date of the statement of financial position.

If a valuation based on the market price does not represent the fair value of the quoted securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the investments for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the investments are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

Unquoted fixed income securities denominated in MYR are revalued on a daily basis based on fair value prices quoted by a Bond Pricing Agency ("BPA") registered with the SC as per the GUTF. Refer to Note 2(I) for further explanation.

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest method over the period from the date of placement to the date of maturity of the respective deposits.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Recognition and measurement (continued)

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective interest method.

Impairment for assets carried at amortised cost

The Fund measures credit risk and expected credit losses (“ECL”) using probability of default, exposure at default and loss given default. The Manager consider both historical analysis and forward looking information in determining any ECL. The Manager consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month ECL as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by the Manager as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

Any contractual payment which is more than 90 days past due is considered credit impaired.

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor’s sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial period.

(c) Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in MYR, which is the Fund’s functional and presentation currency.

(d) Income recognition

Dividend income is recognised on the ex-dividend date when the right to receive payment is established.

Interest income from deposits with licensed financial institutions and unquoted fixed income securities are recognised on a time proportionate basis using the effective interest rate method on an accrual basis.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**(d) Income recognition (continued)**

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Realised gain or loss on disposal of quoted securities is accounted for as the difference between the net disposal proceeds and the carrying amount of quoted securities, determined on a weighted average cost basis.

Realised gain or loss on disposal of unquoted fixed income securities is accounted for as the difference between the net disposal proceeds and the carrying amount of unquoted fixed income securities, determined on cost adjusted for accretion of discount or amortisation of premium.

(e) Taxation

Current tax expense is determined according to Malaysian tax laws at the current rate based upon the taxable profit earned during the financial period.

Withholding taxes on investment income from investment are based on tax regime of the respective countries that the Fund invests in. They are presented within other expenses line in the statement of comprehensive income.

(f) Distribution

A proposed distribution to the Fund's unit holders is recognised in the statement of comprehensive income and is recognised as a liability in the financial period in which it is approved by the Trustee.

(g) Transaction costs

Transaction costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

(h) Unit holders' contributions

The unit holders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "*Financial Instruments: Presentation*". Those criteria include:

- the units entitle the holder to a proportionate share of the Fund's NAV;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial period if unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**(i) Realised and unrealised portions of profit or loss after tax**

The analysis of realised and unrealised portions of profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with GUTF.

(j) Critical accounting estimates and judgements in applying accounting policies

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgement are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimate of fair value of unquoted fixed income securities

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the GUTF.

Ringgit-denominated unquoted fixed income securities are valued using fair value prices quoted by a BPA. Where the Manager is of the view that the price quoted by BPA for a specific unquoted fixed income securities differs from the market price by more than 20 bps, the Manager may use market price, provided that the Manager records its basis for using a non-BPA price, obtains necessary internal approvals to use the non-BPA price, and keeps an audit trail of all decisions and basis for adopting the use of non-BPA price.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is to provide growth to the value of Unit holders' investments over the medium-term in a medium to long-term bond portfolio as well as to provide a source of regular income.

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk and interest rate risk), credit risk and liquidity risk.

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated in the Deeds and GUTF.

(a) Market risk**(i) Price risk**

This is the risk that the fair value of an investment in quoted securities and unquoted fixed income securities will fluctuate because of changes in market prices (other than those arising from interest rate risk). The value of investments in quoted securities and unquoted fixed income securities may fluctuate according to the activities of individual companies, sector and overall political and economic conditions. Such fluctuation may cause the Fund's NAV and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.

The price risk is managed through diversification and selection of quoted securities and unquoted fixed income securities and other financial instruments within specified limits according to the Deeds.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(a) Market risk (continued)****(i) Price risk (continued)**

In general, when interest rates rise, unquoted fixed income securities prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund holds an unquoted fixed income securities till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

(ii) Interest rate risk

Investors should note that the movement in prices of unquoted fixed income securities and money market instruments are benchmarked against interest rates. As such, the investments are exposed to the movement of the interest rates.

This risk is crucial since unquoted fixed income securities portfolio management depends on forecasting interest rate movements. Prices of unquoted fixed income securities move inversely to interest rate movements, therefore as interest rates rise, the prices of unquoted fixed income securities decrease and vice versa. Furthermore, unquoted fixed income securities with longer maturity and lower yield coupon rates are more susceptible to interest rate movements.

Such investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuers to meet the obligation under the instrument, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.

The Fund's exposure to interest rate risk associated with deposits with licensed financial institutions is not material as the deposits are held on short-term basis.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Fund.

Investment in unquoted fixed income securities may involve a certain degree of credit/default risk with regards to the issuers. Generally, credit risk or default risk is the risk of loss due to the issuer's non-payment or untimely payment of the investment amount as well as the returns on investment. This will cause a decline in value of the defaulted unquoted fixed income securities and subsequently depress the NAV of the Fund. Usually credit risk is more apparent for an investment with a longer tenure, i.e. the longer the duration, the higher the credit risk.

Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer. In addition, the Manager imposes a minimum rating requirement as rated by either local and/or foreign rating agencies and manages the duration of the investment in accordance with the objective of the Fund. For this Fund, the unquoted fixed income securities must satisfy a minimum credit rating of "BBB3" or "P3" by RAM or equivalent rating by MARC or by local rating agency (ies) of the country of issuance or "BB" by S&P or equivalent rating by Moody's or Fitch.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(b) Credit risk (continued)**

The credit risk arising from bank balance and placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

For amount due from Manager, the settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the GUTF.

For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective stock exchange. The credit risk is minimal as all transactions in unquoted fixed income securities are settled or paid upon delivery using approved stockbrokers.

(c) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations.

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balance, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 business days. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

(d) Capital risk management

The capital of the Fund is represented by net asset attributable to unit holders. The amount of capital can change significantly on a daily basis as the Fund is subjected to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holder and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

The fair values of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial period end date. The Fund utilises the last traded market price for financial assets where the last traded market price falls within the bid-ask spread. In circumstances where the last traded market price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

(i) Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

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.

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
30.06.2024				
Financial assets at fair value through profit or loss:				
- Quoted securities	1,495,390	-	-	1,495,390
- Unquoted fixed income securities	-	24,233,227	-	24,233,227
	1,495,390	24,233,227	-	25,728,617

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.12.2023				
Audited				
Financial assets at fair value through profit or loss:				
- Quoted securities	246,100	-	-	246,100
- Unquoted fixed income securities	-	20,030,995	-	20,030,995
	<u>246,100</u>	<u>20,277,095</u>	<u>-</u>	<u>20,277,095</u>

Investments which values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted fixed income securities. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

- (ii) The carrying values of cash and cash equivalents, amount due from Manager and all current liabilities are a reasonable approximation of their fair values due to their short-term nature.

4. MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to a maximum management fee of 1.50% per annum, calculated daily based on the NAV of the Fund.

For the six months financial period ended 30 June 2024, the management fee was recognised at a rate of 1.00% per annum (30.06.2023: 1.00% per annum).

There was no further liability to the Manager in respect of management fee other than the amount recognised above.

5. TRUSTEE AND CUSTODIAN FEES

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.05% per annum calculated daily based on the NAV of the Fund. The Trustee fee includes the local custodian fee but excludes the foreign sub-custodian fee (if any). The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears.

For the six months financial period ended 30 June 2024, the Trustee fee was recognised at a rate of 0.03% per annum (30.06.2023: 0.05% per annum).

5. TRUSTEE AND CUSTODIAN FEES (CONTINUED)

There was no further liability to the Trustee and custodian in respect of Trustee and custodian fees other than the amount recognised above.

6. DISTRIBUTION

Distribution to unit holders was derived from the following sources (assessed up to distribution declaration date):

Breakdown of distribution were as follows:

Source of distribution	30.06.2024		30.06.2023	
	RM	%	RM	%
Distribution out of current period's income	188,870	100.00	459,079	100.00
Distribution out of prior period's income/capital*	-	-	-	-
Total	188,870	100.00	459,079	100.00

Gross/Net distribution per unit (sen)	01.01.2024 to 30.06.2024	01.01.2023 to 30.06.2023
	RM	RM
Distribution on 12 January 2024	0.61	-
Distribution on 3 April 2024	0.34	-
Distribution on 11 January 2023	-	1.08
Distribution on 12 April 2023	-	1.10
	0.95	2.18

Gross distribution was derived using total income less total expenses. Net distribution above is mainly sourced from current and prior financial periods' realised income.

Gross distribution per unit was derived from gross realised income less expense, divided by the number of units in circulation. Net distribution per unit is derived from gross realised income less expenses and taxation, divided by the number of units in circulation.

There are no unrealised losses for the six months financial period ended 30 June 2024 (30.06.2023: NIL).

7. TAXATION

	01.01.2024 to 30.06.2024	01.01.2023 to 30.06.2023
	RM	RM
Tax charged for the financial period:		
- Current taxation	-	-

7. TAXATION (CONTINUED)

A numerical reconciliation between the profit before taxation multiplied by the Malaysian statutory income tax rate and tax expense of the Fund was as follows:

	01.01.2024 to 30.06.2024 RM	01.01.2023 to 30.06.2023 RM
Profit before taxation	791,807	798,552
Taxation at Malaysian statutory rate of 24% (30.06.2023: 24%)	190,034	191,653
Tax effects of:		
loss not deductible for tax purpose	(225,306)	(237,142)
Expenses not deductible for tax purposes	4,393	2,995
Restriction on tax deductible expenses for Unit Trust Funds	30,879	42,494
Taxation	-	-

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.06.2024 RM	31.12.2023 Audited RM
At fair value through profit or loss:		
- Quoted securities	1,495,390	246,100
- Unquoted fixed income securities	24,233,227	20,030,995
	<u>25,728,617</u>	<u>20,277,095</u>
	01.01.2024 to 30.06.2024 RM	01.01.2023 to 30.06.2023 RM
Net gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	121,473	50,442
- Unrealised fair value gain	277,324	399,084
	<u>398,797</u>	<u>449,526</u>

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
30.06.2024				
QUOTED SECURITIES				
Consumer products				
RGB International Bhd	680,400	221,130	319,788	1.16
Financial Services				
Well Chip Group Bhd	18,000	20,700	20,700	0.07
Industrials Products & Services				
P.I.E. Industrial Bhd	23,800	126,074	148,988	0.54
Property				
SP Setia Bhd	179,800	260,710	248,124	0.90

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
30.06.2024				
QUOTED SECURITIES				
Technology				
Greotech Technology Bhd	26,000	129,231	136,500	0.49
IFCA MSC Bhd	171,200	128,896	132,680	0.48
SMRT Holdings Bhd	230,000	212,359	217,350	0.79
	<u>427,200</u>	<u>470,486</u>	<u>486,530</u>	<u>1.76</u>
Transportation/Logistics				
Malaysia Airports Holding Bhd	27,400	275,098	271,260	0.98
	<u>27,400</u>	<u>275,098</u>	<u>271,260</u>	<u>0.98</u>
TOTAL QUOTED SECURITIES	<u>1,356,600</u>	<u>1,374,198</u>	<u>1,495,390</u>	<u>5.41</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>121,192</u>		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>1,495,390</u>		
UNQUOTED FIXED INCOME SECURITIES				
7-Eleven Malaysia Holdings Bhd 4.28% 26/06/2026 (AA3)	150,000	150,192	150,054	0.54
Aeon Co. M Bhd 4.28% 03/07/2026 (AA2)	230,000	234,823	236,569	0.86
Aeon Credit Service M Bhd 4.45% 01/12/2028 (AA3)	170,000	170,966	174,017	0.63
AmBank Bhd 4.58% 28/03/2033 (AA3)	500,000	505,898	515,033	1.86
AmBank Islamic Bhd 4.53% 28/03/2033 (AA3)	300,000	303,500	309,134	1.12
Ara Bintang Bhd 5.50% 17/03/2026 (AAA)	1,000,000	1,001,959	1,002,389	3.62
Azrb Capital Sdn Bhd 5.00% 24/12/2026 (AA3)	330,000	330,226	331,513	1.20
Bank Pembangunan Malaysia Bhd IMTN 4.02% 01/12/2028 (AAA)	150,000	150,446	151,300	0.55
Dialog Group Bhd 4.53% 28/01/2032 (AA2)	320,000	326,116	334,843	1.21
DIGI Telecomm Sdn Bhd 4.05% 30/05/2030 (AAA)	90,000	90,320	91,094	0.33
DRB-Hicom Bhd 4.85% 11/12/2026 (A1)	450,000	451,136	457,094	1.65

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
30.06.2024 (CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
DRB-Hicom Bhd 5.10% 12/12/2029 (A1)	700,000	701,858	718,196	2.60
Edotco Malaysia Sdn Bhd 4.44% 07/09/2029 (AA1)	60,000	60,817	62,316	0.23
Edra Energy Sdn Bhd IMTN 6.71% 05/01/2038 (AA3)	1,000,000	1,182,309	1,278,113	4.62
Gamuda Bhd 4.31% 20/06/2030 (AA3)	50,000	50,065	50,915	0.18
Gamuda Land (T12) Sdn Bhd 4.40% 11/10/2028 (AA3)	100,000	100,964	102,612	0.37
Genm Capital Bhd 5.35% 03/05/2030 (AA1)	130,000	131,067	135,625	0.49
Genm Capital Bhd 5.52% 05/05/2033 (AA1)	130,000	131,101	137,220	0.50
Genm Capital Bhd MTN 1824D 4.92% 08/06/2029 (AA1)	380,000	381,076	386,714	1.41
Genm Capital Bhd MTN 1826D 4.92% 31/05/2029 (AA1)	375,000	376,567	382,106	1.39
Genm Capital Bhd MTN 2922D 5.07% 31/05/2032 (AA1)	600,000	602,584	613,402	2.22
Genm Capital Bhd MTN 3652D 5.15% 31/05/2034 (AA1)	300,000	301,312	306,874	1.11
Genting Capital Bhd 4.86% 08/06/2027 (AA1)	350,000	353,860	354,668	1.28
Genting RMTN Bhd 4.18% 08/11/2029 (AA1)	500,000	503,092	492,742	1.78
Genting RMTN Bhd 5.19% 25/3/2027 (AA1)	700,000	721,576	722,837	2.61
GII Murabahah 4.63% 15/11/2049 (GG) #	150,000	175,134	160,337	0.58
Hong Leong Bank Bhd 4.25% 30/11/2117 (A1)	100,000	101,141	101,621	0.37
IJM Land Bhd 4.73% 17/03/2119 (A2)	300,000	304,060	303,021	1.10
IJM Land Bhd Perpetual Sukuk 5.65% 17/03/2119 (A2)	300,000	304,830	310,089	1.12
Intiaz Sukuk II bhd 4.97% 08/11/2027 (AA2)	40,000	40,294	41,614	0.15
Johor Corporation 4.45% 05/07/2030 (AAA)	70,000	71,493	73,656	0.27
Johor Port Bhd 5.10% 04/10/2027 (AA3)	110,000	111,353	115,104	0.42

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
30.06.2024 (CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
Konsortium KAJV Sdn Bhd IMTN 5.90% 13/05/2031 (AA3)	130,000	131,723	135,370	0.49
Konsortium KAJV Sdn Bhd IMTN18 6.00% 13/05/2030 (AA3)	250,000	252,608	260,949	0.94
Konsortium KAJV Sdn Bhd IMTN19 6.10% 13/05/2031 (AA3)	250,000	252,720	263,252	0.95
Kuala Lumpur Kepong Bhd 4.17% 16/03/2032 (AA1)	165,000	166,979	169,397	0.61
LBS Bina Group Bhd 5.00% 23/01/2029 (AA3)	250,000	255,479	257,814	0.93
LBS Bina Group Bhd 6.80% 29/03/2120 (NR(LT))	400,000	406,910	405,942	1.47
Mah Sing Group Bhd 4.35% 13/03/2025 (NR)	1,000,000	1,013,110	1,009,620	3.65
Malakoff Power Bhd 6.05% 17/12/2029 (AA3)	200,000	208,914	212,973	0.77
Malayan Cement Bhd 5.05% 26/06/2028 (AA3)	330,000	330,819	342,409	1.24
Malayan Cement Bhd IMTN 5.07% 11/12/2029 (AA3)	610,000	613,134	639,145	2.31
Malaysia Government Securities 3.75% 22/05/2040 (GB) #	100,000	102,291	96,758	0.35
Malaysia Government Securities 4.06% 15/06/2050 (GB) #	500,000	497,877	489,040	1.77
Malaysian Government 4.64% 07/11/2033 (GB) #	1,900,000	2,026,376	2,029,082	7.34
Malaysian Resources Corp Bhd 5.09% 18/10/2028 (AA3)	350,000	354,249	362,565	1.31
Malaysian Resources Corp Bhd 5.19% 27/02/2026 (AA3)	250,000	256,641	257,855	0.93
Malaysian Resources Corp Bhd 5.26% 26/02/2027 (AA3)	110,000	112,041	114,504	0.41
MMC Port Holdings Sdn Bhd 4.40% 08/04/2027 (AA3)	30,000	30,304	30,703	0.11
MMC Port Holdings Sdn Bhd 4.66% 06/04/2029 (AA3)	40,000	40,429	41,637	0.15
OCK Group Bhd IMTN 5.21% 24/11/2028 (AA3)	50,000	50,463	50,984	0.18

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
30.06.2024 (CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
OCK Group Bhd IMTN 5.38% 22/11/2030 (AA3)	180,000	181,987	185,244	0.67
OSK Rated Bond Sdn Bhd 4.49% 13/09/2030 (AA3)	130,000	131,727	135,079	0.49
OSK Rated Bond Sdn Bhd 4.59% 15/09/2033 (AA3)	90,000	91,222	94,465	0.34
Penang Port Sdn Bhd 4.30% 24/12/2026 (AA3)	50,000	50,024	50,534	0.18
Penang Port Sdn Bhd 4.48% 27/12/2029 (AA3)	100,000	100,049	102,334	0.37
Penang Port Sdn Bhd 4.68% 26/12/2031 (AA3)	200,000	200,103	207,281	0.75
Pengurusan Air SPV Bhd 4.30% 03/06/2026 (AAA)	200,000	200,636	202,446	0.73
Pengurusan Air SPV Bhd 4.51% 04/04/2031 (AAA)	120,000	121,305	125,150	0.45
Pengurusan Air SPV Bhd 4.56% 31/01/2030 (AAA)	500,000	509,182	524,657	1.90
Pengurusan Air SPV Bhd IMTN 4.07% 07/02/2031 (AAA)	180,000	182,910	184,044	0.67
Perbadanan Kemajuan Pertanian Negeri Pahang 4.36% 29/10/2027 (AA3)	250,000	252,223	248,324	0.90
Point Zone M Sdn Bhd 4.50% 13/03/2028 (AA3)	100,000	101,356	103,523	0.37
Point Zone M Sdn Bhd 4.69% 13/03/2030 (AA3)	30,000	30,424	31,589	0.11
Point Zone M Sdn Bhd 4.86% 11/03/2033 (AA3)	40,000	40,586	42,848	0.15
Ponsb Capital Bhd 4.96% 28/12/2028 (AA2)	70,000	70,029	73,188	0.26
Projek Lebuhraya Usahasama Bhd Sukuk Plus 4.88% 12/01/2028 (AAA)	100,000	110,230	105,598	0.38
RHB Bank Bhd 3.65% 28/04/2031 (AA2)	180,000	181,134	180,668	0.65
Sabah Credit Corp 4.33% 14/09/2029 (AA1)	170,000	172,408	174,876	0.63
Sabah Development Bank - Bhd 5.50% 27/02/2026 (AA1)	110,000	114,204	114,318	0.41
Sabah Development Bank Bhd 4.55% 21/08/2025 (AA1)	220,000	224,470	224,616	0.81
Sabah Development Bank Bhd 4.85% 05/10/2029 (AA1)	110,000	113,382	113,600	0.41

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
30.06.2024 (CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
Sabah Development Bank Bhd 5.50% 24/4/2026 (AA1)	410,000	421,725	423,467	1.53
Sabah Development Bank Bhd 4.55% 15/08/2025 (AA1)	110,000	112,295	112,370	0.41
SEGI Astana Sdn Bhd 5.70% 07/01/2028 (A1)	600,000	626,144	622,085	2.25
Sime Darby Property Bhd 4.14% 21/08/2028 (AA1)	20,000	20,297	20,457	0.07
Solarvest Holdings Bhd 5.50% 04/09/2026 (A1)	150,000	152,866	153,771	0.56
SP Setia Bhd 4.22% 21/04/2027 (AA3)	120,000	120,971	122,075	0.44
SP Setia Bhd 4.30% 23/06/2026 (AA3)	110,000	110,091	111,079	0.40
STM Lottery Sdn Bhd MTN 4.94% 28/06/2029 (AA3)	210,000	210,818	210,820	0.76
Toyota Capital (M) Sdn Bhd IMTN 4.28% 22/03/2029 (AAA)	130,000	133,004	134,300	0.49
UEM Sunrise Bhd 4.30% 16/02/2026 (AA3)	250,000	254,300	255,580	0.92
UEM Sunrise Bhd 5.39% 05/03/2026 (AA3)	250,000	254,465	260,360	0.94
UMW Holdings Bhd 3.88% 24/11/2026 (AA1)	100,000	100,546	100,508	0.36
YTL Power International Bhd 4.99% 24/03/2033 (AA1)	165,000	167,777	178,740	0.66
YTL Power International Bhd MTN 3653D 4.99% 24.08.2028 (AA1)	500,000	515,903	530,412	1.93
TOTAL UNQUOTED FIXED INCOME SECURITIES	<u>23,305,000</u>	23,905,995	<u>24,233,227</u>	<u>87.63</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>327,232</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>24,233,227</u>		

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.12.2023				
QUOTED SECURITIES				
Technology				
SMRT Holdings Bhd	230,000	212,359	246,100	1.19
TOTAL QUOTED SECURITIES	230,000	212,359	246,100	1.19
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		33,741		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		246,100		
Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.12.2023				
UNQUOTED FIXED INCOME SECURITIES				
7-Eleven Malaysia Holdings Bhd 4.28% 26/06/2026 (AA3)	150,000	150,243	149,612	0.72
Aeon Co. M Bhd 4.28% 03/07/2026 (AA2)	230,000	234,883	236,518	1.14
Aeon Co. M Bhd 4.41% 05/07/2028 (AA2)	80,000	81,754	82,952	0.40
Aeon Credit Service M Bhd 4.45% 01/12/2028 (AA3)	170,000	171,089	172,115	0.83
AmBank Bhd 4.58% 28/03/2033 (AA3)	500,000	505,898	513,248	2.48
AmBank Islamic 4.53% 28/03/2033 (AA3)	300,000	303,500	308,033	1.49
Ara Bintang Bhd 5.50% 17/03/2026 (NR)	1,000,000	1,002,110	1,002,550	4.84
Azrb Capital Sdn Bhd 5.00% 24/12/2026 (AA3)	330,000	330,271	330,700	1.60
Bank Pembangunan Malaysia Bhd IMTN 4.02% 01/12/2028 (AAA)	150,000	150,512	151,385	0.73
DanaInfra Nasional Bhd 4.46% 18/08/2037 (GG) #	80,000	81,329	84,777	0.41
DanaInfra Nasional Bhd IMTN 5.06% 12.02.2049 (GG) #	50,000	62,128	56,694	0.27
Dialog Group Bhd 4.53% 28/01/2032 (AA2)	320,000	326,235	332,094	1.60
DIGI Telecomm Sdn Bhd 4.05% 30/05/2030 (AAA)	90,000	90,320	90,736	0.44

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.12.2023 (Continued)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
DRB-Hicom Bhd 4.85% 11/12/2026 (A1)	450,000	451,196	454,035	2.19
DRB-Hicom Bhd 5.10% 12/12/2029 (A1)	700,000	701,956	703,104	3.39
Eco World Capital Bhd 4.90% 10/08/2028 (AA3)	120,000	122,320	125,843	0.61
Edotco Malaysia Sdn Bhd 4.44% 07/09/2029 (AA1)	60,000	60,817	62,043	0.30
Edra Energy Sdn Bhd IMTN 6.71% 05/01/2038 (AA3)	1,000,000	1,186,462	1,240,490	5.98
Gamuda Bhd 4.31% 20/06/2030 (AA3)	50,000	50,071	50,794	0.25
Gamuda Bhd 4.40% 20/06/2033 (AA3)	90,000	90,130	91,389	0.44
Gamuda Land (T12) Sdn Bhd 4.40% 11/10/2028 (AA3)	100,000	100,988	102,470	0.50
Genm Capital Bhd 5.07% 05/05/2028 (AA1)	130,000	131,011	132,592	0.64
Genm Capital Bhd 5.35% 03/05/2030 (AA1)	130,000	131,067	133,242	0.64
Genm Capital Bhd 5.52% 05/05/2033 (AA1)	130,000	131,101	133,493	0.64
Genting RMTN Bhd 4.18% 08/11/2029 (AA1)	500,000	503,092	483,327	2.33
GII Murabahah 4.29% 14/08/2043 (GB) #	700,000	720,262	730,600	3.52
GII Murabahah 4.63% 15/11/2049 (GB) #	150,000	175,432	158,776	0.78
Guan Chong Bhd 3.84% 03/12/2027 (AA3)	310,000	312,122	305,484	1.47
IJM Land Bhd 4.73% 17/03/2119 (A2)	300,000	304,099	300,744	1.45
IJM Land Bhd 5.65% 17/03/2119 (A2)	300,000	304,830	310,563	1.50
Imtiaz Sukuk II Bhd 4.97% 08/11/2027 (AA2)	40,000	40,294	41,663	0.20
Johor Corporation 4.45% 05/07/2030 (AAA)	70,000	71,528	73,563	0.35
Johor Corporation 4.54% 06/07/2033 (AAA)	200,000	204,453	212,377	1.02
Johor Port Bhd 5.10% 04/10/2027 (AA3)	110,000	111,368	115,121	0.56
Konsortium KAJV Sdn Bhd IMTN18 6.00% 13/05/2030 (AA3)	250,000	252,612	260,225	1.26
Konsortium KAJV Sdn Bhd IMTN19 6.10% 13/05/2031 (AA3)	250,000	252,720	261,780	1.26
Kuala Lumpur Kepong Bhd 4.17% 16/03/2032 (AA1)	165,000	166,979	167,930	0.81

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.12.2023 (Continued)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
LBS Bina Group Bhd 6.80% 29/03/2120 (NR)	400,000	407,024	404,816	1.95
Mah Sing Group Bhd 4.35% 13/03/2025 (NR)	1,000,000	1,013,110	1,005,040	4.85
Malakoff Power Bhd 6.05% 17/12/2029 (AA3)	200,000	209,610	211,350	1.02
Malayan Cement Bhd 5.05% 26/06/2028 (AA3)	330,000	330,930	333,165	1.61
Malayan Cement Bhd IMTN 5.07% 11/12/2029 (AA3)	610,000	613,333	616,299	2.97
Malaysia Government Securities 3.757% 22/05/2040 (GB) #	100,000	102,339	96,556	0.47
Malaysia Government Securities 4.065% 15/06/2050 (GB) #	500,000	498,045	492,964	2.38
Malaysian Resources Corp Bhd 5.09% 18/10/2028 (AA3)	350,000	354,366	358,127	1.73
Malaysian Resources Corp Bhd 5.19% 27/02/2026 (AA3)	80,000	81,474	82,260	0.40
Malaysian Resources Corp Bhd 5.26% 26/02/2027 (AA3)	110,000	112,087	113,763	0.55
Malaysian Resources Corp Bhd 5.43% 28/02/2029 (AA3)	250,000	254,995	261,724	1.26
MMC Port Holdings Sdn Bhd 4.40% 08/04/2027 (AA3)	30,000	30,304	30,595	0.15
MMC Port Holdings Sdn Bhd 4.66% 06/04/2029 (AA3)	40,000	40,429	41,285	0.20
OCK Group Bhd IMTN 5.21% 24/11/2028 (AA3)	50,000	50,483	50,812	0.25
OCK Group Bhd IMTN 5.38% 22/11/2030 (AA3)	180,000	182,051	183,811	0.89
OSK Rated Bond Sdn Bhd 4.49% 13/09/2030 (AA)	230,000	233,056	235,896	1.14
OSK Rated Bond Sdn Bhd 4.59% 15/09/2033 (AA)	90,000	91,222	92,555	0.45
Penang Port Sdn Bhd 4.30% 24/12/2026 (AA3)	50,000	50,029	50,514	0.24
Penang Port Sdn Bhd 4.48% 27/12/2029 (AA3)	100,000	100,061	101,989	0.49
Penang Port Sdn Bhd 4.68% 26/12/2031 (AA3)	200,000	200,128	205,242	0.99
Pengurusan Air SPV Bhd 4.30% 03/06/2026 (AAA)	200,000	200,660	202,980	0.98
Pengurusan Air SPV Bhd 4.51% 04/04/2031 (AAA)	120,000	121,320	124,927	0.60
Pengurusan Air SPV Bhd 4.56% 31/01/2030 (AAA)	500,000	509,432	525,007	2.53

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.12.2023 (Continued)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
Perbadanan Kemajuan Pertanian Negeri Pahang 4.36% 29/10/2027 (AA3)	250,000	252,306	246,634	1.19
Point Zone M Sdn Bhd 4.50% 13/03/2028 (AA3)	100,000	101,356	103,265	0.50
Point Zone M Sdn Bhd 4.69% 13/03/2030 (AA3)	30,000	30,424	31,409	0.15
Point Zone M Sdn Bhd 4.86% 11/03/2033 (AA3)	40,000	40,586	42,408	0.20
Ponsb Capital Bhd 4.96% 28/12/2028 (AA3)	70,000	70,038	72,552	0.35
Prasarana Malaysia Bhd 3.44% 24/02/2040 (GG) #	150,000	151,824	139,629	0.67
Projek Lebuhraya Usahasama Bhd Sukuk Plus 4.88% 12/01/2028 (AAA)	100,000	111,322	105,983	0.51
RHB Bank Bhd 3.65% 28/04/2031 (AA2)	180,000	181,134	179,728	0.87
Sabah Credit Corp 4.33% 14/09/2029 (AA1)	170,000	172,429	173,055	0.83
Sabah Development Bank Bhd 5.50% 24/4/2026 (AA1)	300,000	309,720	309,807	1.49
SEGI Astana Sdn Bhd 5.70% 07/01/2028 (AA3)	600,000	627,578	620,311	2.99
Sime Darby Property Bhd 4.14% 21/08/2028 (AA1)	20,000	20,302	20,488	0.10
Solarvest Holdings Bhd 5.50% 04/09/2026 (A1)	150,000	152,911	153,479	0.74
SP Setia Bhd 4.22% 21/04/2027 (AA)	120,000	120,971	121,534	0.59
SP Setia Bhd 4.30% 23/06/2026 (AA)	110,000	110,078	110,795	0.53
Toyota Capital (M) Sdn Bhd 4.35% 29/08/2028 (AAA)	120,000	122,029	123,376	0.60
UEM Olive Capital Bhd IMTN 4.30% 06/12/2028 (AA1)	270,000	271,166	272,261	1.31
UEM Sunrise Bhd 4.30% 16/02/2026 (AA3)	250,000	254,502	253,320	1.22
UEM Sunrise Bhd 5.39% 05/03/2026 (AA3)	250,000	254,522	259,115	1.25
YTL Power International Bhd 4.99% 24/03/2033 (AA1)	165,000	167,803	178,091	0.86
YTL Power International Bhd MTN 3653D 4.99% 24.08.2028 (AA1)	500,000	516,965	529,016	2.55

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.12.2023 (Continued) UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
TOTAL UNQUOTED FIXED INCOME SECURITIES	<u>19,420,000</u>	19,893,636	<u>20,030,995</u>	<u>96.64</u>
ACCUMULATED UNREALISED GAIN ON UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>137,359</u>		
TOTAL UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>20,030,995</u>		
# GG – Government Guaranteed GB – Government Bond				

9. CASH AND CASH EQUIVALENTS

	30.06.2024 RM	31.12.2023 Audited RM
Deposits with licensed financial institutions	2,516,684	800,211
Bank balances	25,144	20,381
	<u>2,541,828</u>	<u>820,592</u>

10. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

Net assets attributable to unit holders as at the reporting date comprises of:

	30.06.2024 RM	31.12.2023 Audited RM
Unit holders' contributions	24,849,910	18,526,079
Retained earnings	2,803,718	2,200,781
	<u>27,653,628</u>	<u>20,726,860</u>

10. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS (CONTINUED)

The movement in the components of net assets attributable to unit holders for the financial period were as follows:

	Unit holders' contributions RM	Retained earnings RM	Total RM
Balance as at 1 January 2024	18,526,079	2,200,781	20,726,860
Movements in unit holders' contributions:			
- Creation of units from applications	13,251,891	-	13,251,891
- Creation of units from distributions	186,864	-	186,864
- Cancellation of units	(7,114,924)	-	(7,114,924)
Total comprehensive income for the financial period	-	791,807	791,807
Distributions	-	(188,870)	(188,870)
Balance at 30 June 2024	<u>24,849,910</u>	<u>2,803,718</u>	<u>27,653,628</u>
Balance as at 1 January 2023	21,464,436	1,735,590	23,200,026
Movement in unit holders' contributions:			
- Creation of units from applications	7,495,379	-	7,495,379
- Creation of units from distribution	454,236	-	454,236
- Cancellation of units	(9,030,138)	-	(9,030,138)
Total comprehensive income for the financial period	-	798,552	798,552
Distribution	-	(459,079)	(459,079)
Balance as at 30 June 2023	<u>20,383,913</u>	<u>2,075,063</u>	<u>22,458,976</u>

11. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.01.2024 to 30.06.2024	01.01.2023 to 31.12.2023 Audited
	No. of units	No. of units
At the beginning of the financial period/year	18,589,014	21,241,725
Add : Creation of units from applications	11,771,802	11,504,362
Add : Creation of units from distribution	167,580	858,175
Less : Cancellation of units	(6,298,141)	(15,015,248)
At the end of the financial period/year	<u>24,230,255</u>	<u>18,589,014</u>

12. TOTAL EXPENSE RATIO ("TER")

	01.01.2024 to 30.06.2024	01.01.2023 to 30.06.2023
TER	<u>0.56</u>	<u>0.80</u>

12. TOTAL EXPENSE RATIO (“TER”) (CONTIINUED)

TER is derived based on the following calculation:

$$\text{TER} = \frac{(A + B + C + D + E) \times 100}{F}$$

A	=	Management fee
B	=	Trustee and custodian fees
C	=	Audit fee
D	=	Tax agent's fee
E	=	Other expenses excluding CDS transfer fee
F	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on daily basis was RM24,893,132 (30.06.2023: RM23,617,415).

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.01.2024 to 30.06.2024	01.01.2023 to 30.06.2023
PTR (times)	<u>0.26</u>	<u>0.44</u>

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial period} + \text{total disposal for the financial period}) \div 2}{\text{Average NAV of the Fund for the financial period calculated on a daily basis}}$$

where:

total acquisition for the financial period	=	RM9,102,486 (30.06.2023: RM10,094,683)
total disposal for the financial period	=	RM4,053,362 (30.06.2023: RM10,460,367)

14. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER, AND SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

The related parties and their relationship with the Fund were as follows:

Related parties	Relationship
Principal Asset Management Berhad	The Manager
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the Manager
Principal International (Asia) Ltd	Shareholder of the Manager
Subsidiaries and associates of Principal Financial Group Inc., other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the Manager
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the Manager
CIMB Group Sdn Bhd	Shareholder of the Manager
CIMB Bank Bhd	Fellow related party to the Manager
CGS-CIMB Securities Sdn Bhd	Fellow related party to the Manager

14. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER, AND SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

The related parties and their relationship with the Fund were as follows (continued):

Related parties	Relationship
CIMB Islamic Bank Bhd	Fellow related party to the Manager
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the shareholder of the Manager

Units held by the Manager and parties related to the Manager

	30.06.2024		31.12.2023	
	No. of units	RM	No. of units	Audited RM
Manager				
Principal Asset Management Berhad	59	67	17	19

In the opinion of the Manager, the above units were transacted at the prevailing market price.

The units are held beneficially by the Manager for booking purposes. Other than the above, there were no units held by the Directors or parties related to the Manager.

15. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 30 June 2024 were as follows:

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Hong Leong Investment Bank Bhd	4,980,220	37.86	-	-
Citi Bank Bhd	2,297,500	17.46	-	-
Malayan Banking Bhd	985,208	7.49	-	-
Hong Leong Bank Bhd	951,258	7.23	-	-
Affin Hwang Investment Bank Bhd	806,931	6.13	1,106	25.75
Maybank Investment Bank Bhd	644,415	4.90	1,450	33.75
J.P. Morgan Sec (M) Sdn Bhd	451,897	3.43	542	12.62
Macquarie Capital Sec (M) Sdn Bhd	356,598	2.71	802	18.68
CIMB Bank Bhd #	341,333	2.59	-	-
United Overseas Bank Malaysia	305,133	2.32	-	-
Others #	1,035,355	7.88	395	9.20
	<u>13,155,848</u>	<u>100.00</u>	<u>4,295</u>	<u>100.00</u>

15. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 30 June 2023 were as follows:

Brokers/ Dealers*	Value of trades RM	Percentage of total trades %
RHB Bank Bhd	4,850,393	23.60
RHB Investment Bank Bhd	3,849,925	18.73
Malayan Banking Bhd	3,827,250	18.62
CIMB Bank Bhd #	2,097,654	10.21
Affin Hwang Investment Bank Bhd	1,391,969	6.77
Hong Leong Investment Bank Bhd	1,351,870	6.58
CIMB Islamic Bank Bhd #	810,778	3.94
Citi Bank Bhd	512,625	2.49
Standard Chartered Bank	502,027	2.44
AmlInvestment Bank Bhd	500,000	2.43
Others	860,559	4.19
	20,555,050	100.00

* No brokerage fee is charged for unquoted fixed income securities transaction.

Included in the transactions are trades conducted with CIMB Bank Bhd, CGS-CIMB Securities Sdn Bhd and CIMB Islamic Bank berhad, fellow related parties to the Manager amounting to RM341,333 (30.06.2023: RM2,097,654), RM150,449 (30.06.2023: NIL) and NIL (30.06.2023: RM810,778) are respectively. The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

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