

Principal Lifetime Balanced Income Fund

Annual Report

For The Financial Year Ended 31 Aug 2024

PRINCIPAL LIFETIME BALANCED INCOME FUND
ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 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 Annual Fund Report of Principal Lifetime Balanced Income Fund for the financial year ended 31 August 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?

To seek long-term growth in capital and income by investing in all types of investments.

Has the Fund achieved its objective?

The Fund has achieved its objective of providing long-term investment returns.

What are the Fund investment policy and its strategy?

The Fund aims to invest in a diversified portfolio of equities and fixed income investments. In line with the objective of the Fund, the investment policy and strategy of the Fund will be to maintain a balanced portfolio between equities and fixed income investments in the ratio of 60:40. The investments by the Fund in equity securities shall not exceed 60% of the Net Asset Value ("NAV") of the Fund and investments in fixed income securities and liquid assets shall not be less than 40% of the NAV of the Fund with a minimum credit rating of "BBB3" or "P2" by RAM Ratings ("RAM") or equivalent rating by Malaysia Rating Corporation Berhad ("MARC") or by local rating agency(ies) of the country of issuance or "BBB-" by Standard & Poor's ("S&P") or equivalent rating by any other international rating agencies. The Fund may invest up to 40% of its NAV in Unrated fixed income securities. The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The Fund may 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 Funds issued by the Securities Commission Malaysia ("SC") ("GUTF"). The Fund may invest up to 30% of its NAV in Eligible Markets.

The asset allocation strategy for this Fund is as follows:

- up to 60% of the Fund's NAV in equity securities;
- at least 40% of the Fund's NAV in fixed income securities and liquid asset;
- at least 2% of the Fund's NAV must be maintained in liquid asset; and
- up to 40% of the Fund's NAV may be in unrated fixed income securities.

Fund category/ type

Balanced/ Growth and Income

When was the Fund launched?

Name of Class	Launch Date
Class D	22 January 2024
Class MYR	10 August 1995

What was the size of the Fund as at 31 August 2024?

RM202.71 million (272.07 million units)

What is the Fund's benchmark?

60% FTSE Bursa Malaysia ("FBM") Top 100 ("FBM100") Index + 40% CIMB Bank 1-Month Fixed Deposit Rate

Note: The benchmark is for performance comparison only. The benchmark is customised as such to align it closer to the structure of the portfolio and objective of the Fund. Investors are cautioned that the risk profile of the Fund is higher than the benchmark.

What is the Fund distribution policy?

The Manager has the discretion to distribute part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.

FUND OBJECTIVE AND POLICY (CONTINUED)

What was the net income distribution for the financial year ended 31 August 2024?

The Fund distributed a total net income of RM3.42 million to unit holders for the financial year ended 31 August 2024.

The Fund's NAV per unit before and after distributions were as follows:

	NAV per unit (before distribution) RM	NAV per unit (after distribution) RM
Distribution on 23 October 2023	0.6374	0.6341
Distribution on 17 April 2024	0.7030	0.6928

Breakdown of distribution were as follows:

Source of distribution	RM	2024 %	RM	2023 %
Distribution out of current year's income	3,429,194	100.00	254,414	3.46
Distribution out of prior year's income/capital	-	-	7,096,008	96.54
Total	<u>3,429,194</u>	<u>100.00</u>	<u>7,350,422</u>	<u>100.00</u>

PERFORMANCE DATA

Details of portfolio composition of the Fund for the last three audited financial years were as follows:

	31.08.2024 %	31.08.2023 %	31.08.2022 %
Collective investment scheme	1.24	1.53	-
Quoted securities			
- Communication Services	1.04	0.18	-
- Consumer Discretionary	4.69	1.69	2.95
- Consumer Staples	2.12	0.61	3.76
- Energy	4.23	1.24	3.30
- Financials	14.45	6.60	16.44
- Health Care	2.19	3.65	1.20
- Industrials	9.16	9.53	5.80
- Information Technology	8.02	22.66	9.53
- Materials	-	-	0.45
- Real Estate	2.00	2.82	0.86
- Utilities	6.91	5.60	-
Unquoted fixed income securities	37.57	40.34	41.55
Cash and other assets	8.14	5.47	14.41
Liabilities	(1.76)	(1.92)	(0.25)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

PERFORMANCE DATA (CONTINUED)

Performance details of the Fund for the last three audited financial years were as follows:

	31.08.2024	31.08.2023	31.08.2022
NAV (RM Million)			
- Class D	1.02	-	-
- Class MYR	201.69	170.25	174.47
Units in circulation (Million)			
- Class D	0.90	-	-
- Class MYR	271.16	261.97	266.42
NAV per unit (RM)			
- Class D	1.1261	-	-
- Class MYR	0.7438	0.6499	0.6548
Highest NAV per unit (RM)			
- Class D	1.2039	-	-
- Class MYR	0.7474	0.6764	0.7373
Lowest NAV per unit (RM)			
- Class D	0.9928	-	-
- Class MYR	0.6332	0.6355	0.6262
-Total return (%)			
- Class D	-	-	-
- Class MYR	16.69	3.57	(3.66)
- Capital growth (%)			
- Class D	-	-	-
- Class MYR	14.40	(0.75)	(10.46)
- Income distribution (%)			
- Class D	-	-	-
- Class MYR	2.00	4.35	7.60
Total Expense Ratio ("TER") (%) ^	1.51	1.55	1.58
Portfolio Turnover Ratio ("PTR") (times) #	0.87	0.97	0.96

^ The Fund's TER decreased to 1.55 from 1.51 due to higher average NAV during the financial year under review.

The Fund's PTR decreased to 0.87 times from 0.97 times due to lower trading activities.

	31.08.2024	31.08.2023	31.08.2022
Gross/Net distribution per unit (sen)			
Distribution on 23 October 2023			
- Class MYR	0.33	-	-
Distribution on 17 April 2024			
- Class MYR	1.02	-	-
Date of distribution 26 October 2022			
- Class MYR	-	1.31	-
Date of distribution 18 April 2023			
- Class MYR	-	1.48	-
Date of distribution 22 September 2021			
- Class MYR	-	-	3.08
Date of distribution 21 April 2022			
- Class MYR	-	-	2.07

PERFORMANCE DATA (CONTINUED)

	31.08.2024 %	31.08.2023 %	31.08.2022 %	31.08.2021 %	31.08.2020 %
Annual total return - Class MYR (Launch date: 10 August 1995)	16.69	3.57	(3.66)	7.97	9.40

	Since Inception to 31.08.2024 %
Annual total return - Class D (Launch date: 22 January 2024)	12.60

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 year have been extracted from Lipper.

MARKET REVIEW (1 SEPTEMBER 2023 TO 31 AUGUST 2024)

Equity

The FBM100 Index fell to 2.7% in September 2023. The sell-off, which largely concentrated towards the last week of the month, was rather broad-based, led by Financials and Commodities. While there could be volatility caused by quarter-end rebalancing, investors were spooked by US treasury yields at a 16-year high and persistent US Dollar (“USD”) strength affecting Emerging Markets (“EM”), in addition to the Federal Reserve (the “Fed’s”) hawkish messaging on interest rates. Domestically, there also seems to be a lack of fresh leads and some political noises surrounding cabinet reshuffling.

The FBM100 Index rose by 0.1% in October 2023. There were bargain hunting in Financials and Commodities following the steep sell-off in the previous month, while Telcos (mainly mobile operators) were laggards. Within the broader market, Construction performed while Technology, Energy and Property languished. Overall sentiment remains clouded by the surge in US treasury yields which topped 5% last month and persistent USD strength affecting EM markets, coupled with tensions in the Middle East.

The FBM100 Index rose by 0.9% in November 2023. Investors bought into Utilities, Telcos, Commodities (mainly plantations) and Gaming, took profit on Financials following the previous month’s run-up as well as hard commodities. We also saw interest in Consumer names. Within the broader market, Technology and Healthcare did well, while Energy languished on the back of lower oil prices. Overall sentiment was lifted by expectations that the Fed may be done with rate hikes given the cooling inflation and recent economic data out of the US. The pullback in US treasury yields and the weaker USD lifted interest in EM markets.

The FBM100 Index rose by 0.9% December 2023. Investors rejoiced at Fed’s decision to hold rates and signaling the end of hikes given the cooling inflation data and recent economic data out of the US, coupled with the weaker USD and falling treasury yields, they were quick to lock in gains when the index rose to 1,470-point basis (“pts”) and ahead of the year-end holidays. Financials, Utilities, Healthcare and select Telcos saw gains, while select commodities and Consumer-related names were sold off. Within the broader market, Technology and Gloves did well, the latter spurred by recent surge in Corona Virus Disease (“COVID-19”) cases.

MARKET REVIEW (1 SEPTEMBER 2023 TO 31 AUGUST 2024) (CONTINUED)

Equity (continued)

The FBM100 Index rose by 4.0% January 2024. This marked the 4th consecutive month of gains, with Malaysia outperforming most ASEAN markets. Sentiment was lifted by Fed's communication on interest rates given the recent cooling inflation and economic data out of the US. The weaker USD and lower treasury yield that ensued favored EM. Utilities, Commodities, Telcos and Financials topped the gainers list. Within the broader market, Energy, Construction and Property did well, while Technology languished despite the sentiment on Fed rates.

The FBM100 Index rose by 2.3% February 2024. This marked the 5th consecutive month of gains, with Malaysia outperforming most ASEAN markets. This was also despite the stronger USD following stronger-than-expected inflation and economic data out of the US, and bets on rate cuts by the Fed pushed back. Financials, Utilities, Commodities and Telcos topped the gainers list. Within the broader market, Energy did well, and Technology rebounded strongly.

The FBM100 Index rose by 0.5% in March 2024. This marked the 6th consecutive month of gains. Bets on rate cuts by the Fed were pushed back given the persistent strong data out of the US, and there was an absence of fresh catalysts domestically. During the month, there were also distortions caused by FTSE rebalancing (as well as MSCI rebalancing in February 2024) and many index stocks going ex-dividends. Financials, Transport, Utilities and Commodities topped the gainers list while Telcos languished. Within the broader market, Property, Construction, Technology, Healthcare and Energy did well.

The FBM100 Index rose by 2.5% in April 2024. This marked the 7th consecutive month of gains. Local investors remain upbeat despite bets on rate cuts by the Fed pushed back given the persistent strong economic data out of the US and sticky inflation. The run-up was relatively broad-based but Utilities, Industrial, Healthcare and Transport led gains while Energy eased. Within the broader market, Property and Consumer did well.

The FBM100 Index rose by 2.3% in May 2024. This marked the 8th consecutive month of gains. This came amidst a slight distortion from MSCI May 2024 rebalancing, with investors staying upbeat despite bets on rate cuts by the Fed pushed back given the persistent strong economic data out of the US and sticky inflation. Utilities, Financials, Consumer and Industrial led gains while Telcos and Commodities lagged. Within the broader market, Construction, Property and Technology did well.

The FBM100 Index rose by 0.2% in June 2024. This marked the 9th consecutive month of gains. Investors took the opportunity to lock in gains during half-time but remained relatively upbeat considering recent weakness in US economic data and inflation moderating. Utilities and Healthcare rose while Consumer eased. Within the broader market, Construction and Technology posted strong gains, while other sectors were mixed.

The FBM100 Index rose by 2.6% in July 2024. This marked the 10th consecutive month of gains. This was in line with gains in regional markets and rebounding off the previous month's sell-off, spurred by Federal Open Market Committee ("FOMC") fed cut bets considering the recent weakness in US economic data and inflation moderating. Gainers were led by Banks, Utilities, Telcos, and Consumer, while Materials languished. Within the broader market, Construction and Property posted strong gains, while Technology and Healthcare yielded

The FBM100 Index rose by 0.6% in August 2024. This marked the 11th consecutive month of gains. This was also despite the sharp sell-off at the start of the month due to the massive unwinding of the Yen carry trade. Sentiment was helped by waning US recession fears given the more 'upbeat' economic data, and greater conviction on Fed cuts, coupled with the 5% appreciation in the Ringgit during the month. MSCI rebalancing also helped. Unfortunately, gains were largely concentrated on Banks and Plantations – all other sectors languished.

MARKET REVIEW (1 SEPTEMBER 2023 TO 31 AUGUST 2024) (CONTINUED)**Fixed Income**

During the financial year under review, the sovereign yield moved lower across the curve by 6 basis points (“bps”) to 17bps. The 3-year, 5-year, 7-year, 10-year, 15-year, 20-year and 30-year Malaysian Government Securities closed at 3.37%, 3.52%, 3.72%, 3.77%, 3.91%, 4.06%, and 4.21% respectively in August 2024.

Budget 2024 was tabled in October 2023. It was the country’s largest ever spending bill with RM393.8 billion, about 2% larger than that of Budget 2023. The Budget 2024 focuses on three main pillars: 1. enhancing governance and the public service delivery, 2. restructuring the economy to boost growth, and 3. uplifting the standard of life for the citizens. With a lower fiscal deficit target for 2024 at 4.3% of Gross Domestic Product (“GDP”) (2023: -5.0%, 2022: -5.8%), the government maintains its gradual fiscal consolidation path set out in the updated Medium-Term Fiscal Framework (“MTFF”) with an average fiscal deficit of 3.5% of GDP (2024-2026).

The year 2023 closed with the sovereign yield curve continued to move lower as the US Treasuries continued to rally, largely fuelled by the expectations that the Federal Reserve would start cutting interest rates soon. Sentiments continued to be supported during the month following the Federal Reserve’s December 2023 meeting, where it indicated an end to rate hikes and did not strongly oppose market bets on rate cuts in 2024.

The year 2024 began with the sovereign yield curve traded mixed. The movement in sovereign moved closely to the US Treasuries in January 2024 as a correction was seen after the strong rally at the end of 2023. The credit segment continued to outperform the sovereign segment in the first 2 months of 2024.

Bank Negara Malaysia (“BNM”) released its Annual Report 2023 in March 2024 together with the Economic & Monetary Review and Financial Stability Review second half of 2023. On the economic front, BNM expects the Malaysian economy to expand by +4.0 % to 5.0% in 2024, up from +3.7% reading for 2023, despite ongoing geopolitical tensions and potentially slower global growth. On the monetary front, BNM forecasts headline inflation between 2.0% to 3.5% (2023: 2.5%), incorporating fuel price adjustments from the fuel subsidy rationalization measures and core inflation between 2.0-3.0% (2023: 3.0%) for 2024. The full year inflation will only be marginally impacted from the new sales & services tax and utility tariffs. The central bank repeated that policy stance will remain conducive to a sustainable economic growth while safeguarding price stability.

Meanwhile, BNM kept the Overnight Policy Rate (“OPR”) unchanged at 3.00% for the seventh consecutive Monetary Policy Committee (“MPC”) meeting on In July 2024 amid “hold-for-longer” US Fed, as well as firmer economic growth, upside risk to domestic inflation and stable Ringgit. On macro, Malaysia second quarter of 2024 GDP grew 5.9% Year on Year (“YoY”) (first quarter of 2024: +4.2% YoY) higher than the advance estimates of 5.8%. The growth was mainly due to stronger domestic demand and further expansion in exports. On the demand side, private consumption rose 6% while private investment grew 12%. Net external demand turned positive at 3.4% (first quarter of 2024: -24.5%). On the supply side, growth was broad based with most sectors registering better growth momentum. The services sector, which account for more than half of Malaysia’s economic output registered 5.9% from 4.8% YoY and manufacturing activity advanced by 4.7% from 1.9% YoY. The construction sector improved by 17.3% from 11.9% YoY. Meanwhile, inflation held steady at 2% in July 2024 for the third consecutive month. Prices continued to rise led by services related industries. This includes cost of healthcare, communication, recreation/culture, insurance & financial as well as restaurants & hotels. Core inflation was also unchanged at 1.9% YoY.

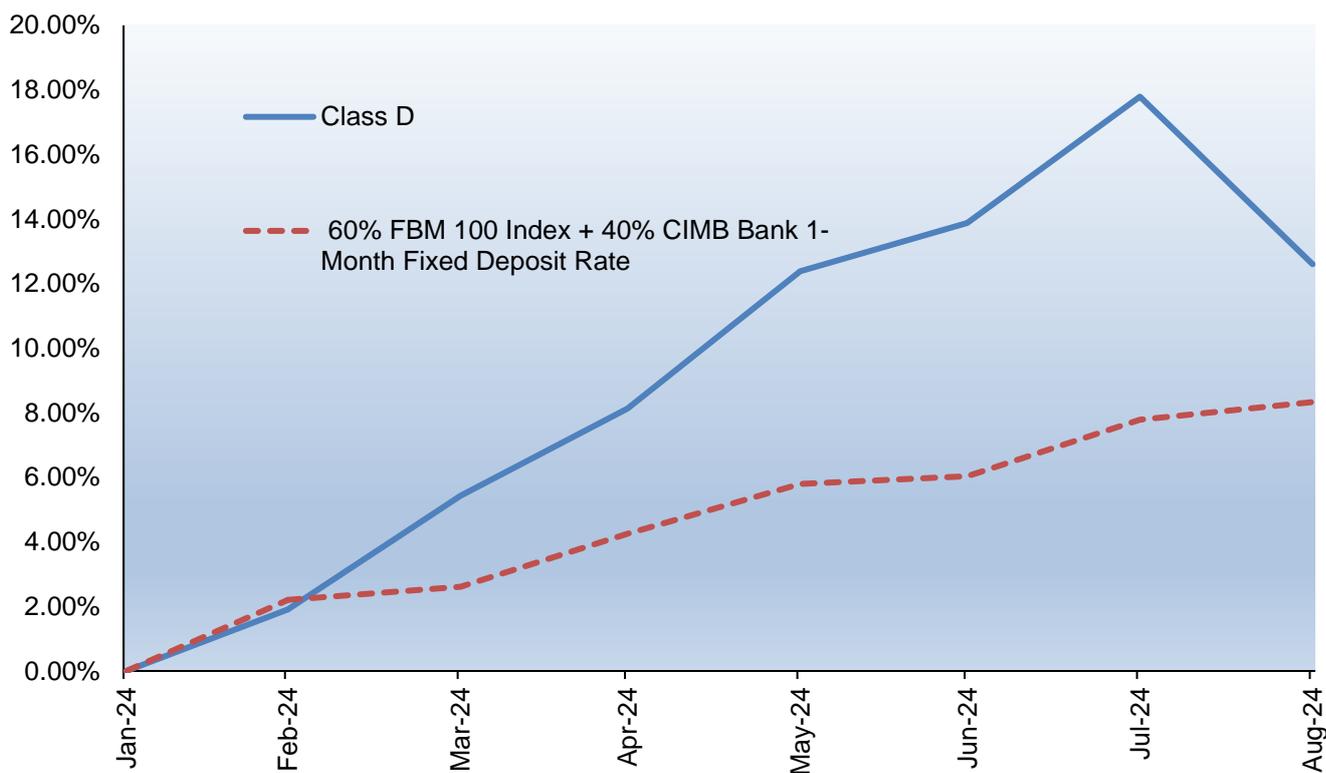
FUND PERFORMANCE

	1 year to 31.08.2024 %	3 years to 31.08.2024 %	5 years to 31.08.2024 %	Since inception to 31.08.2024 %
Income Distribution				
- Class D	-	-	-	-
- Class MYR	2.00	14.52	24.75	339.92
Capital Growth				
- Class D	-	-	-	12.60
- Class MYR	14.40	1.68	10.26	40.37
Total Return				
- Class D	-	-	-	12.60
- Class MYR	16.69	16.45	37.54	517.52
Benchmark				
- Class D	-	-	-	8.33
- Class MYR	11.10	7.33	10.39	167.50
Average Total Return				
- Class D	-	-	-	21.54
- Class MYR	16.69	5.20	6.58	6.46

For the financial year under review, the fund gained 16.69%, while the benchmark gained 11.10%. As such, the fund outperformed its benchmark by 559bps.

Since inception

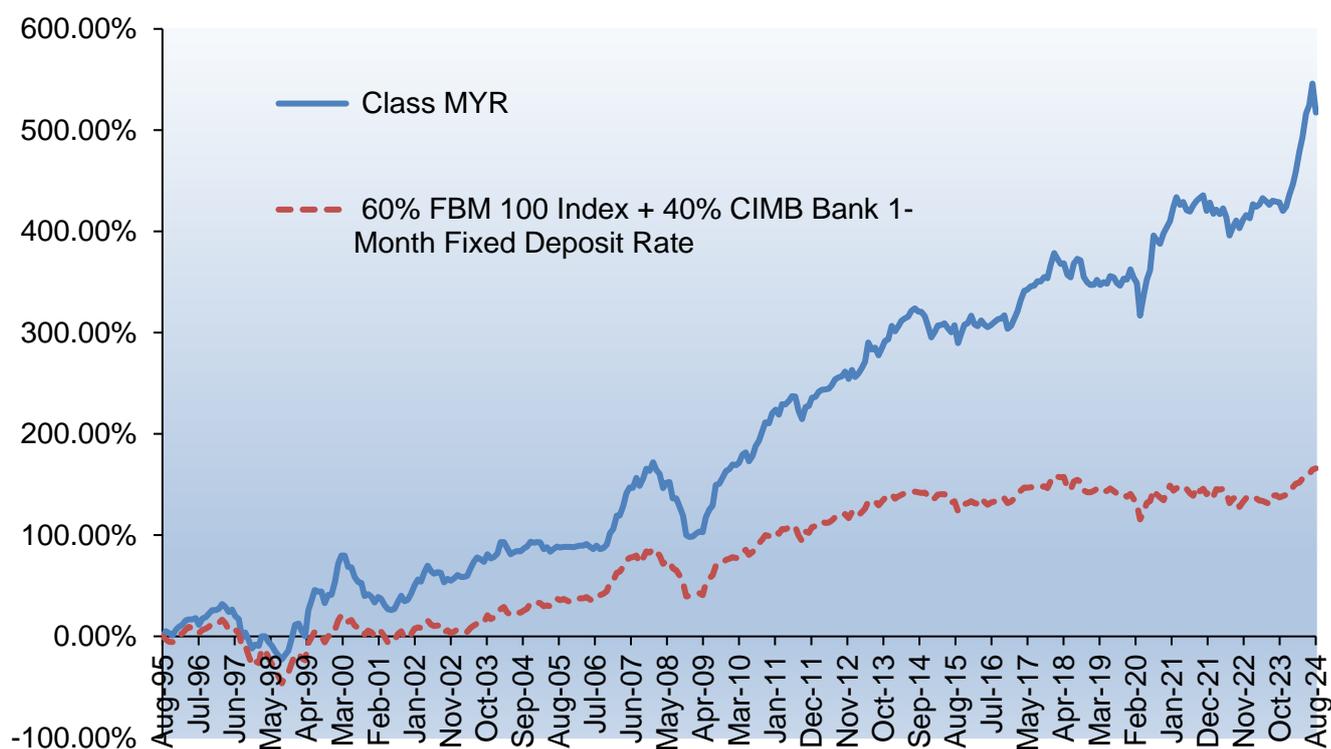
Class D



FUND PERFORMANCE (CONTINUED)

Since inception

Class MYR



Changes in NAV

	31.08.2024	31.08.2023	Changes %
Class D			
NAV (RM million)	1.02	-	-
NAV/Unit (RM)	1.1261	-	-
Class MYR			
NAV (RM Million)	201.69	170.25	18.47
NAV/Unit (RM)	0.7437	0.6499	14.43

The NAV for Class MYR increased by 18.47%. The NAV per unit for Class MYR increased by 14.43% due to positive market performance.

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 year have been extracted from Lipper.

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.08.2024	31.08.2023
Collective investment scheme	1.24	1.53
Quoted securities	54.81	54.58
Unquoted fixed income securities	37.57	40.34
Cash and other assets	8.14	5.47
Liabilities	(1.76)	(1.92)
TOTAL	100.00	100.00

Asset allocation into equities increased from 54.58% to 54.81%; while allocation into fixed income declined from 40.34% to 37.57% during the period under review. This reflects our more positive view on equity markets.

MARKET OUTLOOK*

Equities

Malaysia's August manufacturing Price Manager Index ("PMI") reading was unchanged compared to the previous month at 49.7pts. Standard & Poor's ("S&P") Global indicated that demand conditions were subdued, and production and new orders moderated marginally. Consequently, manufacturers scaled back purchases, employment, and stock holdings. They were also faced with a marked increase in input cost due to rise in raw material prices and weak exchange rate, and output charges were raised accordingly. Optimism of a recovery in new orders supported confidence that production will rise over the coming 12 months. The latest PMI data suggests second quarter of 2024 GDP growth momentum, which was at 5.9%, continuing. To recap, BNM projects GDP to grow 4% to 5% in 2024.

Fixed Income

BNM kept the OPR at 3.00% for the seventh consecutive MPC meeting in July 2024 amid "hold-for-longer" the Fed, as well as firmer economic growth, upside risk to domestic inflation and stable Ringgit. The better-than-expected second quarter of 2024 GDP growth at 5.9% YoY which brings the first half of 2024 growth to +5.1% YoY (the first half of 2023: +4.1% YoY) was broad based driven. With upbeat the first half of 2024 performance, some economists have revised upwards their 2024 GDP growth forecast above 5%. The official guidance on real GDP growth remains unchanged at 4% to 5%. The slightly lower gross sovereign securities supply for 2024 should provide positive catalyst for the local bond market. Meanwhile, credit spreads remained significantly below their long-term averages. Demand for corporate bonds remained healthy as investors continued to seek yields.

* 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

Equities

The Malaysian market continued with its robust performance in the month of August 2024 driven mainly by improved corporate earnings post second quarter of 2024 results season and better macroeconomic conditions. We continue to be positive and remain highly invested by realizing gains on outperformed stocks and rotating into under-owned names. We do expect volatility to persist driven by external factors in the coming months but any correction in the market we believe is an opportunity to buy. Key investment themes remain in domestic driven sectors and potential direct beneficiaries of the National Energy Transition Roadmap ("NETR").

INVESTMENT STRATEGY (CONTINUED)

Equities (continued)

Furthermore, Malaysia seems to be in a sweet spot benefiting from data center investments, China+1 strategy and Special Economic Zones (“SEZ”) which are expected to attract higher foreign inflows.

With the rising confidence in Malaysia’s structural reforms and strong economic growth, we also remain optimistic on Financials sector. Key risks are the derailment of Malaysia’s macroeconomic recovery and corporate earnings growth due to slower global economic growth and heightened geopolitical risk.

Fixed Income

With stable interest rate outlook and positive supply -demand dynamics, we remain cautiously optimistic on the domestic bond market. We continue to maintain our preference on the credit segment for better yield pickup with focus on primary issuances.

SOFT COMMISSIONS AND REBATES

Principal Malaysia (the “Manager”) and the Trustee will not retain any form of rebate from, 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 rebate or shared commission will be directed to the account of the Fund. We may retain goods and services (soft commission) provided by any broker or dealer if the following conditions are met:

- (a) the soft commission brings 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 Fund; and
- (c) the availability of soft commission is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and we and the fund the manager will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commission.

During the financial year under review, the Manager and 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 for the benefit of the fund such as financial wire services and stock quotations system incidental to investment management of the Funds and there was no churning of trades.

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIR OF THE FUND

There were no significant changes in the state of affairs of the Fund during the year 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 year under review.

CROSS TRADE

No cross-trade transactions have been carried out during the reported year.

UNIT SPLIT

No unit split exercise has been carried out during the financial year under review.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
PRINCIPAL LIFETIME BALANCED INCOME FUND**

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 8 to 43 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 31 August 2024 and of its financial performance, net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

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 October 2024

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF
PRINCIPAL LIFETIME BALANCED INCOME FUND**

We have acted as Trustee of the Fund for the financial period from 1 September 2023 to 27 November 2023 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 year covered by these financial statements in accordance with the following:

Limitation

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

For and on behalf of the Trustee

UNIVERSAL TRUSTEE (MALAYSIA) BERHAD

ONG TEE VANN

Chief Executive Officer

Kuala Lumpur

16 October 2024

TRUSTEE'S REPORT

**TO THE UNIT HOLDERS OF
PRINCIPAL LIFETIME BALANCED INCOME FUND ("FUND")**

We have acted as Trustee of the Fund for the financial period from 28 November 2023 to 31 August 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 October 2024

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL LIFETIME BALANCED INCOME FUND**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Principal Lifetime Balanced Income Fund (the "Fund"), which comprise the statement of financial position as at 31 August 2024, and statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows of the Fund for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 8 to 43.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 August 2024, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL LIFETIME BALANCED INCOME FUND (CONTINUED)**

Report on the audit of the financial statements (cont'd.)

Information other than the financial statements and auditors' report thereon

The Manager of the Fund (the "Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL LIFETIME BALANCED INCOME FUND (CONTINUED)**

Report on the audit of the financial statements (cont'd.)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL LIFETIME BALANCED INCOME FUND (CONTINUED)**

Other matters

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Yeo Beng Yean
No. 03013/10/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
16 October 2024

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

	Note	2024 RM	2023 RM
INCOME			
Dividend income		2,458,101	1,734,636
Interest income from deposits with licensed financial institutions		326,201	216,141
Interest income from unquoted fixed income securities		2,947,212	3,584,953
Net gain on financial assets at fair value through profit or loss	8	24,355,385	3,980,328
Net foreign exchange gain		14,354	81,681
		30,101,253	9,597,739
EXPENSES			
Management fee	4	2,687,263	2,600,262
Trustee and custodian fees	5	51,010	69,323
Audit fee		10,500	10,500
Tax agent's fee		4,500	17,788
Transaction costs		699,791	814,474
Other expenses		19,705	18,582
		3,472,769	3,530,929
PROFIT BEFORE DISTRIBUTION AND TAXATION		26,628,484	6,066,810
Distribution:			
- Class MYR		3,429,194	-
PROFIT BEFORE TAXATION		23,199,290	6,066,810
Taxation	7	(6,875)	(35,428)
PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		23,192,415	6,031,382
Profit after taxation is made up as follows:			
Realised amount		6,403,251	1,259,625
Unrealised amount		16,789,164	4,771,757
		23,192,415	6,031,382

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2024**

	Note	2024 RM	2023 RM
ASSETS			
Cash and cash equivalents	9	9,423,666	8,735,038
Financial assets at fair value through profit or loss	8	189,772,291	164,219,610
Amount due from stockbrokers		6,290,605	433,103
Amount due from Manager		762,218	96,083
Amount due from Manager of collective investment scheme			
- Management fee Rebate		4,013	14,044
Dividends receivable		13,152	28,619
TOTAL ASSETS		<u>206,265,945</u>	<u>173,526,497</u>
LIABILITIES			
Amount due to stockbrokers		3,071,873	2,706,202
Amount due to Manager		197,350	308,090
Accrued management fee		256,194	215,007
Amount due to Trustee		1,726	4,000
Distribution payable		8,573	18,713
Other payables and accruals		24,000	19,500
TOTAL LIABILITIES		<u>3,559,716</u>	<u>3,271,512</u>
NET ASSET VALUE OF THE FUND		<u>202,706,229</u>	<u>170,254,985</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	10	<u>202,706,229</u>	<u>170,254,985</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- Class D		1,015,137	-
- Class MYR		201,691,092	170,254,985
		<u>202,706,229</u>	<u>170,254,985</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class D		901,446	-
- Class MYR		271,164,978	261,968,922
	11	<u>272,066,424</u>	<u>261,968,922</u>
NET ASSET VALUE PER UNIT (RM)			
- Class D		1.1261	-
- Class MYR		0.7437	0.6499

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

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

	Note	2024 RM	2023 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>170,254,985</u>	<u>174,467,298</u>
Movement due to units created and cancelled during the financial year:			
Creation of units from applications			
- Class MYR		30,571,496	8,648,539
- Class D		<u>1,437,920</u>	<u>-</u>
		<u>32,009,416</u>	<u>8,648,539</u>
Creation of units from distribution			
- Class MYR		<u>3,352,734</u>	<u>7,205,710</u>
Cancellation of units			
- Class MYR		(25,684,209)	(18,747,522)
- Class D		<u>(419,112)</u>	<u>-</u>
		<u>(26,103,321)</u>	<u>(18,747,522)</u>
Total comprehensive income for the financial year		<u>23,192,415</u>	<u>6,031,382</u>
Distribution	6		
- Class MYR		<u>-</u>	<u>(7,350,422)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	10	<u><u>202,706,229</u></u>	<u><u>170,254,985</u></u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

	Note	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of quoted securities		100,492,083	123,856,491
Purchase of quoted securities		(98,055,399)	(134,349,991)
Proceeds from disposal of unquoted fixed income securities		45,086,726	39,640,517
Proceeds from maturity of unquoted fixed income securities		6,220,000	5,000,000
Proceeds from redemption of unquoted fixed income securities		239,057	-
Purchase of unquoted fixed income securities		(61,262,503)	(39,491,239)
Dividend income received		2,473,568	1,716,729
Interest income received from deposits with licensed financial institutions		326,201	216,141
Interest income received from unquoted fixed income securities		2,774,816	3,309,701
Management fee rebate received		73,545	9,303
Management fee paid		(2,646,076)	(2,606,918)
Trustee and custodian fees paid		(53,284)	(69,349)
Payments for other fees and expenses		(40,345)	(40,668)
Tax paid		(6,875)	(36,328)
Receipt/(Payment) of other foreign exchange gain/(loss)		712	(53,096)
Net cash used in from operating activities		<u>(4,377,774)</u>	<u>(2,898,707)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		31,343,282	8,582,551
Payments for cancellation of units		(26,214,061)	(18,587,381)
Distribution paid		(76,460)	(176,363)
Net cash generated from/(used in) financing activities		<u>5,052,761</u>	<u>(10,181,193)</u>
Net increase/(decrease) in cash and cash equivalents		674,987	(13,079,900)
Effects of foreign exchange differences		13,641	261,285
Cash and cash equivalents at the beginning of the financial year		<u>8,735,038</u>	<u>21,553,653</u>
Cash and cash equivalents at the end of the financial year	9	<u>9,423,666</u>	<u>8,735,038</u>
<u>Cash and cash equivalent comprised</u>			
Deposits with licensed financial institutions		9,321,660	7,267,254
Bank balance		<u>102,006</u>	<u>1,467,784</u>
Cash and cash equivalents at the end of the financial year	9	<u>9,423,666</u>	<u>8,735,038</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

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

The Fund aims to invest in a diversified portfolio of equities and fixed income investments. In line with the objective of the Fund, the investment policy and strategy of the Fund will be to maintain a balanced portfolio between equities and fixed income investments in the ratio of 60:40. The investments by the Fund in equity securities shall not exceed 60% of the NAV of the Fund and investments in fixed income securities and liquid assets shall not be less than 40% of the NAV of the Fund with a minimum credit rating of “BBB3” or “P2” by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance or “BBB-” by S&P or equivalent rating by any other international rating agencies. The Fund may invest up to 40% of its NAV in unrated fixed income securities. The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The Fund may opt to seek investment exposure via collective investment scheme that is in line with the Fund’s objective, subject to the requirement of the GUTF. The Fund may invest up to 30% of its NAV in Eligible Markets.

The asset allocation strategy for this Fund is as follows:

- up to 60% of the Fund’s NAV in equity securities;
- at least 40% of the Fund’s NAV in fixed income securities and liquid asset;
- at least 2% of the Fund’s NAV must be maintained in liquid asset; and
- up to 40% of the Fund’s NAV may be in unrated fixed income securities.

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 IFRS as issued by the International Accounting Standards Board (“IASB”).

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

(a) Basis of preparation (continued)

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 year.

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(l).

There are no other standards, amendments to standards or interpretations that are effective for financial year beginning on 1 September 2023 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 year beginning on/after 1 September 2024 to the financial statements of 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 contractual cash flows of the Fund's debt securities are solely payment of 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.

The Fund classifies financial assets at amortised cost if these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**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 income within net gain or loss on financial assets at fair value through profit or loss in the financial year 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.

Foreign quoted securities outside Malaysia are valued at the last traded market price quoted on the respective foreign stock exchanges at the close of the business day of the respective foreign stock exchanges.

Quoted securities in Malaysia are valued at the last traded market price quoted on Bursa Malaysia Securities Bhd ("Bursa Securities") 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 quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted securities 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/RM 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(l) 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.

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Impairment for assets carried at amortised costs

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 year.

(c) Income recognition

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

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).

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

Realised gain or loss on disposal of quoted securities are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, 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.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**(d) Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances and deposits held in highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(e) Foreign currencyFunctional 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/RM, which is the Fund’s functional and presentation currency.

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in MYR/RM primarily due to the following factors:

- (i) Units of the Fund are denominated in MYR/RM.
- (ii) Significant portion of the Fund’s expenses are denominated in MYR/RM.
- (iii) Significant portion of the Fund’s investments are denominated in MYR/RM.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(f) Distribution

Distributions to unit holders are recognised in the statement of comprehensive income as the unit holders’ contribution are classified as financial liability for the current financial year. Distribution is reinvested into the Fund on the ex-date. Reinvestment of units is based on the NAV per unit on the ex-date, which is also the time of creation. Proposed distributions are recognised as a liability in the financial year in which it is approved by the Trustee.

In the previous financial years prior to issuance of different classes of units, a distribution to the Fund’s unit holders is accounted for as a deduction from realised reserve before deduction from realised reserves as the unit holders’ contributions were classified as equity.

(g) Taxation

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

Tax on income from foreign collective investment scheme are based on the tax regime of the respective countries that the Fund invests in.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Taxation (continued)

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

(h) 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.

(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) Amount due from/to stockbrokers

Amounts due from and amount due to stockbrokers represent receivables for quoted securities and unquoted fixed income securities sold and payables for quoted securities and unquoted fixed income securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

(k) Unit holders' contributions

For the current financial year, the unit holders' contributions to the Fund meet the definition of puttable instruments classified as financial liability under MFRS 132 "Financial Instruments: Presentation".

The Fund issues cancellable units, in two classes of units, known respectively as the Class MYR and Class D which are cancelled at the unit holders' option and do not have identical features subject to restrictions as stipulated in the Prospectus and GUTF. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the member exercises the right to put back the unit to the Fund. Units are created and cancelled at the unit holders' option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to members of respective classes with the total number of outstanding units of respective classes.

In the previous financial years prior to issuance of different classes of units, 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.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**(k) Unit holders' contributions (continued)**

The outstanding units are carried at the redemption amount that is payable at each financial year 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 and 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.

(l) 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.

MYR/RM-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. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss RM	Financial assets at amortised cost RM	Total RM
2024			
Cash and cash equivalents (Note 9)	-	9,423,666	9,423,666
Collective investment scheme (Note 8)	2,545,276		2,545,276
Quoted securities (Note 8)	111,070,773	-	111,070,773
Unquoted fixed income securities (Note 8)	76,156,242	-	76,156,242
Amount due from stockbrokers	-	6,290,605	6,290,605
Amount due from Manager of collective investment scheme			
- Management fee rebate	-	4,013	4,013
Amount due from Manager	-	762,218	762,218
Dividends receivable	-	13,152	13,152
	<u>189,772,291</u>	<u>16,493,654</u>	<u>206,265,945</u>
2023			
Cash and cash equivalents (Note 9)	-	8,735,038	8,735,038
Collective investment scheme (Note 8)	2,605,110		2,605,110
Quoted securities (Note 8)	92,925,488	-	92,925,488
Unquoted fixed income securities (Note 8)	68,689,012	-	68,689,012
Amount due from stockbrokers	-	433,103	433,103
Amount due from Manager of collective investment scheme			
- Management fee rebate	-	14,044	14,044
Amount due from Manager	-	96,083	96,083
Dividends receivable	-	28,619	28,619
	<u>164,219,610</u>	<u>9,306,887</u>	<u>173,526,497</u>

All of the Fund's financial liabilities (excluding the Net Assets Attributable to Unit Holders) are measured at amortised cost.

The investment objective of the Fund is to seek long-term growth in capital and income by investing in all types of investments.

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES
(CONITUNUED)

(a) Market risk

(i) Price risk

Price risk 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 and currency risk). The value of investments 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, unquoted fixed income securities and other financial instruments within specified limits according to the Deeds.

The Fund's overall exposure to price risk was as follows:

	2024	2023
	RM	RM
Financial assets at fair value through profit or loss:		
- Collective investment scheme	2,545,276	2,605,110
- Quoted securities	111,070,773	92,925,488
- Unquoted fixed income securities	76,156,242	68,689,012
	<u>189,772,291</u>	<u>164,219,610</u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to movements in prices of quoted securities at the end of each reporting year. The analysis is based on the assumptions that the price of the quoted securities fluctuates by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities, having regard to the historical volatility of the prices.

% Change in price of collective investment scheme and quoted securities	Market value	Impact on profit or loss/NAV
	RM	RM
2024		
-5%	107,935,247	(5,680,802)
0%	113,616,049	-
5%	<u>119,296,851</u>	<u>5,680,802</u>
2023		
-5%	90,754,067	(4,776,530)
0%	95,530,597	-
5%	<u>100,307,127</u>	<u>4,776,530</u>

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES
(CONITUNUED)

(a) Market risk (continued)

(i) Price risk (continued)

The Fund is exposed to price risk arising from profit rate fluctuation in relation to its investments of RM76,156,242 (2023: RM68,689,012) in unquoted fixed income securities. The Fund's exposure to price risk arising from interest rate fluctuation and the related sensitivity analysis are disclosed in "interest rate risk" below.

(ii) Interest rate risk

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.

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 make payments of interest income and principal, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.

The table below summarises the sensitivity of the Fund's profit or loss and NAV to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changed by 1% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the interest rate, having regard to the historical volatility of the interest rate.

% Change in interest rate	Impact on profit or loss/NAV	
	2024	2023
	RM	RM
+1%	(125,899)	(84,108)
-1%	126,344	84,263

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

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

The weighted average effective interest rate per annum was as follows:

	2024	2023
	%	%
Deposits with licensed financial institutions	3.25	3.15

(iii) Currency risk

Currency risk is associated with investments that are quoted and/or priced in foreign currency denomination. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Manager will evaluate the likely directions of a foreign currency versus MYR based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

The following table sets out the foreign currency risk concentrations arising from the denomination of the Fund's financial instruments in foreign currencies:

Financial assets	Financial assets at fair value through profit or loss RM	Cash and cash equivalents RM	Total RM
2024			
USD	2,545,276	41,501	2,586,777
	2,545,276	41,501	2,586,777
2023			
USD	2,605,110	1,402,495	4,007,605
	2,605,110	1,402,495	4,007,605

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes in foreign exchange movements at the end of each reporting year. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remain constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(iii) Currency risk (continued)

	Change in foreign exchange rate	%	Impact on profit or loss/NAV	
			2024 USD	2023 USD
USD		+/-5	+/- 129,339	+/-200,380
			<u>+/- 129,339</u>	<u>+/-200,380</u>

(b) Credit risk

Credit risk refers to the risk that a counter party 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 "P2" by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance or "BBB-" by S&P or equivalent rating by any other international rating agencies.

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

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 quoted securities and unquoted fixed income securities are settled/paid upon delivery using approved brokers.

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.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

The following table sets out the credit risk concentration of the Fund:

	Financial assets at fair value through profit or loss RM	Cash and cash equivalents RM	Amount due from stockbrokers RM	Amount due from Manager of Collective Investment scheme – fee rebate RM	Amount due from Manager RM	Dividends receivable RM	Total RM
2024							
- AAA	4,456,643	9,423,666	-	-	-	-	13,880,309
- AA3	14,800,145	-	-	-	-	-	14,800,145
- AA2	1,315,324	-	-	-	-	-	1,315,324
- AA1	30,458,631	-	-	-	-	-	30,458,631
- AA	10,902,330	-	-	-	-	-	10,902,330
- A	5,166,993	-	-	-	-	-	5,166,993
- GB	3,189,875	-	-	-	-	-	3,189,875
- Not Rated	5,866,301	-	6,290,605	4,013	762,218	13,152	12,936,289
	<u>76,156,242</u>	<u>9,423,666</u>	<u>6,290,605</u>	<u>4,013</u>	<u>762,218</u>	<u>13,152</u>	<u>92,649,896</u>
2023							
- AAA	13,073,099	8,735,038	-	-	-	-	21,808,137
- AA3	2,201,875	-	-	-	-	-	2,201,875
- AA2	2,226,054	-	-	-	-	-	2,226,054
- AA1	6,272,519	-	-	-	-	-	6,272,519
- AA	14,137,630	-	-	-	-	-	14,137,630
- A2	1,456,473	-	-	-	-	-	1,456,473
- A1	14,856,087	-	-	-	-	-	14,856,087
- A	6,076,685	-	-	-	-	-	6,076,685
- Not Rated	8,388,590	-	433,103	14,044	96,083	28,619	8,946,395
	<u>68,689,012</u>	<u>8,735,038</u>	<u>433,103</u>	<u>14,044</u>	<u>96,083</u>	<u>28,619</u>	<u>77,981,855</u>

Deposits with licensed financial institutions of the Fund have an average maturity of 1 days (2023: 2 days).

(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 balances, 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.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

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.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
2024			
Amount due to stockbrokers	3,071,873	-	3,071,873
Amount due to Manager	197,350	-	197,350
Accrued management fees	256,194	-	256,194
Amount due to Trustee	1,726	-	1,726
Distribution payable	8,573	-	8,573
Other payables and accruals	-	24,000	24,000
Net assets attributable to unit holders*	<u>202,706,229</u>	<u>-</u>	<u>202,706,229</u>
Contractual undiscounted cash flows	<u>206,241,945</u>	<u>24,000</u>	<u>206,265,945</u>
2023			
Amount due to stockbrokers	2,706,202	-	2,706,202
Amount due to Manager	308,090	-	308,090
Accrued management fees	215,007	-	215,007
Amount due to Trustee	4,000	-	4,000
Distribution payable	18,713	-	18,713
Other payables and accruals	-	19,500	19,500
Contractual undiscounted cash flows	<u>3,252,012</u>	<u>19,500</u>	<u>3,271,512</u>

* Outstanding units are redeemed on demand at the holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

(d) Capital risk management

The capital of the Fund is net assets attributable to unit holders of RM202,706,229 (2023: RM170,254,985).

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Capital risk management (continued)

The amount of equity can change significantly on a daily basis as the Fund is subject 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 for unit holders 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 value 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 year end date. The Fund utilises the last traded market price for financial assets where the last traded 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.

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.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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
2024				
Financial asset at fair value through profit or loss:				
- Collective investment scheme	2,545,276	-	-	2,545,276
- Quoted securities	111,070,773	-	-	111,070,773
- Unquoted fixed income securities	-	76,156,242	-	76,156,242
	<u>113,616,049</u>	<u>76,156,242</u>	<u>-</u>	<u>189,772,291</u>
2023				
Financial asset at fair value through profit or loss:				
- Collective investment scheme	2,605,110	-	-	2,605,110
- Quoted securities	92,925,488	-	-	92,925,488
- Unquoted fixed income securities	-	68,689,012	-	68,689,012
	<u>95,530,598</u>	<u>68,689,012</u>	<u>-</u>	<u>164,219,610</u>

Investments whose 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).

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

- (ii) The carrying values of cash and cash equivalents, amount due from stockbrokers, amount due from Manager, amount due from Manager of collective investment scheme - management fee rebate, dividends receivable 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 financial year ended 31 August 2024, the management fee was recognised at a rate of 1.50% per annum (2023: 1.50% 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 fee at the following rates:

Size of the Fund	Rate per annum of the NAV of the Fund
First RM20 million	0.06%
Next RM20 million	0.05%
Next RM20 million	0.04%
Next RM20 million	0.03%
Next RM20 million	0.02%
Any amount in excess of RM100 million	0.01%

The Trustee fee is calculated daily based on the NAV of the Fund. The custodian fee is accrued at an annual fee of RM20,000.

For the financial period from 1 September 2023 until 27 November 2023, the Trustee fee was recognised at the above-mentioned rates and the custodian fee was recognised at an annual fee of RM20,000 per annum (2023: RM20,000 per annum).

Effective 28 November 2023, the Trustee Fee is recognised at a rate of 0.01% per annum.

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:

	RM	2024 %	RM	2023 %
Source of distribution				
Distribution out of current year's income	3,429,194	100.00	254,414	3.46
Distribution out of prior year's income/capital*	-	-	7,096,008	96.54
Total	<u>3,429,194</u>	<u>100.00</u>	<u>7,350,422</u>	<u>100.00</u>

* Distribution income has been accrued as at the end of the prior financial year but is not declared and paid as distribution.

	2024 RM	2023 RM
Gross/Net distribution per unit (sen)		
Distribution on 23 October 2023	0.30	-
Distribution on 17 April 2024	1.02	-
Distribution on 26 October 2022	-	1.31
Distribution on 18 April 2023	-	1.48
	<u>1.32</u>	<u>2.79</u>

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

Gross distribution per unit is derived from gross realised income less expenses, 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.

7. TAXATION

	2024 RM	2023 RM
Tax charged for the financial year:		
- Tax on foreign source income	<u>6,875</u>	<u>35,428</u>

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

	2024 RM	2023 RM
Profit before taxation	<u>23,199,290</u>	<u>6,066,810</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	5,567,829	1,456,034
Tax effects of:		
- Income not subject to tax	(7,224,300)	(2,303,458)
- Expenses not deductible for tax purposes	1,007,798	220,058
- Restriction on tax deductible expenses for Unit Trust Funds	648,673	627,366
- Tax on foreign source income	<u>6,875</u>	<u>35,428</u>
Taxation	<u>6,875</u>	<u>35,428</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 RM	2023 RM
At fair value through profit or loss:		
- Collective investment scheme	2,545,276	2,605,110
- Quoted securities	111,070,773	92,925,488
- Unquoted fixed income securities	76,156,242	68,689,012
	<u>189,772,291</u>	<u>164,219,610</u>

	2024 RM	2023 RM
Net gain on financial assets at fair value through profit or loss:		
- Realised gain/(loss) on disposals	7,551,885	(564,891)
- Unrealised fair value gain	16,739,986	4,521,872
- Management fee rebate #	63,514	23,347
	<u>24,355,385</u>	<u>3,980,328</u>

Management fee rebate is derived from the Fund's investment in collective investment scheme on an accruals basis to ensure no double charging of management fee. It is accrued daily based on the fair value of the collective investment scheme held.

For the financial year ended 31 August 2024, the rebate is recognised at a rate of 0.70% per annum (31 August 2023: 0.70% per annum) calculated and accrued daily based on the NAV of the collective investment scheme.

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2024 COLLECTIVE INVESTMENT SCHEME				
RDS Principal Islamic ASEAN Equity Syariah – USD	<u>598,000</u>	<u>2,640,768</u>	<u>2,545,276</u>	<u>1.24</u>
TOTAL COLLECTIVE INVESTMENT SCHEME	<u>598,000</u>	<u>2,640,768</u>	<u>2,545,276</u>	<u>1.24</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(95,492)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>2,545,276</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 %
2024				
QUOTED SECURITIES - LOCAL				
Communication Services				
Celcomdigi Bhd	544,000	2,092,387	2,105,280	1.04
Consumer Discretionary				
RGB International Bhd	10,014,500	3,679,688	3,805,510	1.88
SMRT Holdings Bhd	5,083,300	3,880,073	5,693,296	2.81
	15,097,800	7,559,761	9,498,806	4.69
Consumer Staples				
99 Speed Mart Retail Holdings Bhd	583,800	963,270	963,270	0.48
Farm Fresh Bhd	2,054,400	3,152,147	3,328,128	1.64
	2,638,200	4,115,417	4,291,398	2.12
Energy				
Dialog Group Bhd	2,167,200	4,399,068	5,114,592	2.52
Hibiscus Petroleum Bhd	365,600	876,782	804,320	0.40
Yinson Holdings Bhd	928,500	2,616,489	2,664,795	1.31
	3,461,300	7,892,339	8,583,707	4.23
Financials				
AMMB Holding Bhd	1,359,700	5,815,267	7,070,440	3.49
CIMB Group Holdings Bhd	1,401,600	7,609,756	11,493,120	5.67
Hong Leong Bank Bhd	50,500	1,060,793	1,071,610	0.53
Malayan Banking Bhd	606,000	6,154,807	6,532,680	3.22
Well Chip Group Bhd	2,021,300	3,276,512	3,112,802	1.54
	5,439,100	23,917,135	29,280,652	14.45
Health Care				
Hartalega Holding Bhd	1,795,400	3,163,282	4,434,638	2.19
Industrials				
Frontken Corporation Bhd	773,300	2,658,411	2,783,880	1.37
Gamuda Bhd	1,099,745	4,984,128	8,248,088	4.07
IJM Corporation Bhd	1,128,700	1,913,722	3,239,369	1.60
KJTS Group Bhd	2,668,600	1,254,024	1,734,590	0.86
P.I.E. Industrial Bhd	477,500	2,450,837	2,554,625	1.26
	6,147,845	13,261,122	18,560,552	9.16
Information Technology				
Genetec Technology Bhd	1,336,700	3,360,069	1,336,700	0.66
LGMS Bhd	3,739,600	2,842,822	4,786,688	2.36
Nationgate Holdings Bhd	2,956,100	3,745,783	5,616,590	2.77
Greatech Technology Bhd	644,300	3,446,713	3,041,096	1.50
IFCA MSC Bhd	2,487,100	1,957,923	1,479,825	0.73
	11,163,800	15,353,310	16,260,899	8.02

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 %
2024 (CONTINUED) QUOTED SECURITIES - LOCAL (CONTINUED)				
Real Estate				
SP Setia Bhd	1,149,100	1,201,495	1,264,010	0.62
UEM Sunrise Bhd	3,188,800	3,471,298	2,806,144	1.38
	<u>4,337,900</u>	<u>4,672,793</u>	<u>4,070,154</u>	<u>2.00</u>
Utilities				
Tenaga Nasional Bhd	618,500	5,979,933	9,054,840	4.47
YTL Corp Bhd	997,400	1,523,690	2,892,460	1.43
YTL Power International Bhd	525,100	670,572	2,037,387	1.01
	<u>2,141,000</u>	<u>8,174,195</u>	<u>13,984,687</u>	<u>6.91</u>
TOTAL QUOTED SECURITIES	<u>52,766,345</u>	<u>90,201,741</u>	<u>111,070,773</u>	<u>54.81</u>

**ACCUMULATED
UNREALISED GAIN ON
FINANCIAL ASSETS
AT FAIR VALUE
THROUGH PROFIT OR
LOSS**

20,869,032

**TOTAL QUOTED
SECURITIES AT FAIR
VALUE THROUGH
PROFIT OR LOSS**

111,070,773

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
2024 (CONTINUED) UNQUOTED FIXED INCOME SECURITIES				
7-Eleven Malaysia Holdings Bhd 4.28% 26/06/2026 (AA)	4,100,000	4,134,546	4,138,630	2.04
AmBank Bhd 4.18% 28/03/2031 (AA3)	3,000,000	3,022,942	3,067,426	1.51
AmBank Bhd 4.30% 08/03/2032 (AA3)	5,000,000	5,024,712	5,150,810	2.54
AmBank Bhd 5.20% 12/10/2032 (AA3)	2,000,000	2,040,460	2,113,020	1.04
AmBank Islamic 4.53% 28/03/2033 (AA3)	3,430,000	3,496,409	3,567,067	1.76
Ara Bintang Bhd 5.50% 17/03/2026 (NR)	5,800,000	5,865,548	5,866,302	2.89

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 %
2024 (CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
Bumitama Agri Ltd 4.20% 22/07/2026 (AA2)	1,300,000	1,318,334	1,315,324	0.65
Danum Capital Bhd 3.42% 21/02/2035 (AAA)	1,000,000	951,936	956,931	0.47
GENM Capital Bhd 5.07% 05/05/2028 (AA1)	2,300,000	2,337,699	2,386,390	1.18
GENM Capital Bhd MTN 1826D 4.92% 31/05/2029 (AA1)	5,000,000	5,062,679	5,154,529	2.54
GENM Capital Bhd MTN 2922D 5.07% 31/05/2032 (AA1)	5,000,000	5,064,590	5,193,890	2.56
Hektar MTN Satu Sdn Bhd 4.20% 15/02/2029 (AAA)	1,670,000	1,681,357	1,677,008	0.83
Malayan Cement Bhd 5.05% 26/06/2028 (AA3)	860,000	895,079	901,822	0.44
Malaysia Government Securities 4.45% 31/03/2053 (GB)	3,000,000	3,195,676	3,189,875	1.57
Mercedes-Benz Services Malaysia Sdn Bhd 3.62% 18/03/2026 (AAA)	160,000	162,650	162,389	0.08
MMC Corporation Bhd 5.80% 12/11/2025 (AA)	1,000,000	1,035,259	1,040,928	0.51
Northern Gateway Infrastructur MTN 5.20% 4383D 29/8/2029 (AA1)	1,000,000	1,024,721	1,052,367	0.52
Pelabuhan Tanjung Pelepas SDN 3.74% 21/04/2026 (AA)	320,000	324,328	324,539	0.16
Pengurusan Air SPV Bhd IMTN 4.07% 07/02/2031 (AAA)	920,000	922,565	934,184	0.46
Sabah Development Bank 4.85% 05/10/2029 (AA1)	15,000,000	15,643,935	15,643,950	7.72
SEGI Astana Sdn Bhd 5.60% 08/01/2027 (A)	5,000,000	5,090,584	5,166,993	2.55
STM Lottery Sdn Bhd MTN 4.94% 28/06/2029 (AA)	2,310,000	2,337,994	2,348,478	1.16
Sunway Healthcare Treasury Sdn IMTN 3.85% 29/04/2027 (AA)	3,000,000	3,039,555	3,049,755	1.50
Toyota Capital (M) Sdn Bhd 4.32% 26/09/2028 (AAA)	710,000	716,836	726,131	0.37
YTL Power International Bhd IMTN 4.18% 18/03/2036 (AA1)	1,000,000	1,021,825	1,027,504	0.52

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 %
2024 (CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
TOTAL UNQUOTED FIXED INCOME SECURITIES	<u>73,880,000</u>	<u>75,412,219</u>	<u>76,156,242</u>	<u>37.57</u>
UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>744,023</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>76,156,242</u>		
Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2023				
COLLECTIVE INVESTMENT SCHEME				
RDS Principal Islamic ASEAN Equity Syariah – USD	<u>598,000</u>	<u>2,640,768</u>	<u>2,605,110</u>	<u>1.53</u>
TOTAL COLLECTIVE INVESTMENT SCHEME	<u>598,000</u>	<u>2,640,768</u>	<u>2,605,110</u>	<u>1.53</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(35,658)</u>		
COLLECTIVE INVESTMENT SCHEME (CONTINUED)				
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>2,605,110</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 %
2023 (CONTINUED)				
QUOTED SECURITIES - LOCAL				
Communication Services				
Astro Malaysia Hold Bhd	584,400	374,053	298,044	0.18
Consumer Discretionary				
SMRT Holdings Bhd	4,148,900	3,016,851	2,883,486	1.69
Consumer Staples				
Karex Bhd	1,816,400	1,339,926	1,044,430	0.61
Energy				
Yinson Holdings Bhd	838,920	2,044,391	2,105,689	1.24
Financials				
CIMB Group Holdings Bhd	1,221,800	6,347,107	6,878,734	4.04
Public Bank Bhd	1,029,100	4,607,951	4,353,093	2.56
	2,250,900	10,955,058	11,231,827	6.60
Health Care				
Hartalega Holding Bhd	2,092,100	3,325,401	4,079,595	2.40
Top Glove Corp Bhd	2,771,000	2,312,354	2,119,815	1.25
	4,863,100	5,637,755	6,199,410	3.65
Industrials				
Cape EMS Bhd	3,868,100	5,427,039	4,641,720	2.73
Frontken Corp Bhd	466,200	1,583,961	1,631,700	0.96
Gamuda Bhd	469,356	1,681,681	2,112,102	1.24
IJM Corp Bhd	1,310,400	2,155,630	2,319,408	1.36
ITMAX System Bhd	1,972,000	2,636,820	2,839,680	1.67
Kelington Group Bhd	708,800	668,637	1,063,200	0.62
Malaysia Airports Holding Bhd	162,664	1,096,766	1,198,834	0.70
Solarvest Holdings	330,600	345,642	433,086	0.25
	9,288,120	15,596,176	16,239,730	9.53
Information Technology				
ECA Integrated Solution Bhd	2,682,700	2,212,646	2,186,401	1.28
Genetec Technology Bhd	1,441,800	3,659,265	3,431,484	2.02
Inari Amertron Bhd	1,392,800	4,071,605	4,387,320	2.58
LGMS Bhd	4,777,500	3,416,456	5,398,575	3.17
My Eg Services Bhd	1,145,730	921,229	910,855	0.53
Nationgate Holdings Bhd	4,215,400	4,571,709	6,449,562	3.79
Oppstar Bhd	4,341,000	8,472,747	6,641,730	3.90
Scicom MSC Bhd	3,838,300	4,448,323	4,375,662	2.57

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 %
2023 (CONTINUED) QUOTED SECURITIES - LOCAL (CONTINUED)				
Information Technology (continued)				
Southern Score Builders Bhd	3,057,400	611,480	611,480	0.36
V.S. Industry Bhd	4,358,400	4,223,397	4,184,064	2.46
	<u>31,251,030</u>	<u>36,608,857</u>	<u>38,577,133</u>	<u>22.66</u>
Real Estate				
Eastern and Oriental Bhd	2,153,600	1,343,535	1,378,304	0.81
Pavilion REIT	1,538,600	1,877,092	1,877,092	1.10
Sime Darby Property Bhd	1,583,900	1,039,193	1,164,167	0.68
Skyworld Development Bhd	539,800	431,840	385,957	0.23
	<u>5,815,900</u>	<u>4,691,660</u>	<u>4,805,520</u>	<u>2.82</u>
Utilities				
Tenaga Nasional Bhd	509,200	4,807,580	5,010,528	2.94
YTL Corp Bhd	1,042,300	1,609,296	1,636,411	0.96
YTL Power International Bhd	1,352,000	1,726,554	2,893,280	1.70
	<u>2,903,500</u>	<u>8,143,430</u>	<u>9,540,219</u>	<u>5.60</u>
TOTAL QUOTED SECURITIES	<u>64,359,170</u>	<u>88,408,157</u>	<u>92,925,488</u>	<u>54.58</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>4,517,331</u>		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>92,925,488</u>		

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 %
2023 (CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES				
7-Eleven Malaysia Holdings Bhd 4.28% 26/06/2026 (AA)	4,100,000	4,136,360	4,107,183	2.41
Aeon Credit Service M Bhd 3.95% 12/03/2030 (A1)	1,100,000	1,121,272	1,114,678	0.65
Amanat Lebuhraya Rakyat Bhd 4.39% 13/10/2025 (AAA)	2,500,000	2,542,397	2,568,547	1.51
AmBank Bhd 4.18% 28/03/2031 (A1)	3,000,000	3,004,316	3,044,402	1.79
AmBank Bhd 4.30% 08/03/2032 (A1)	5,000,000	4,995,648	5,088,260	2.99
AmBank Bhd 5.20% 12/10/2032 (A1)	2,000,000	2,040,460	2,095,860	1.23
AmBank Islamic Bhd 4.53% 28/03/2033 (A1)	3,430,000	3,496,834	3,512,887	2.06
Ara Bintang Bhd 5.50% 17/03/2026 (NR)	5,800,000	5,864,674	5,862,818	3.44
Bumitama Agri Ltd 4.20% 22/07/2026 (AA2)	1,300,000	1,324,208	1,312,282	0.77
CIMB Thai Bank PCL 4.15% 06/07/2029 (AA3)	250,000	251,507	251,427	0.15
DRB-Hicom Bhd 4.85% 11/12/2026 (A)	1,000,000	1,021,909	1,009,943	0.59
Edotco Malaysia Sdn Bhd 4.44% 07/09/2029 (AA)	290,000	296,209	301,942	0.18
Exsim Capital Resources Bhd 4.50% 09/07/2025 (AA3)	705,000	710,669	704,813	0.41
Genm Capital Bhd 5.07% 05/05/2028 (AA1)	2,500,000	2,541,323	2,551,349	1.50
Hong Leong Assurance Bhd 3.85% 31/01/2030 (AA3)	1,250,000	1,253,824	1,245,636	0.73
Hong Leong Financial Group 2.85% 23/08/2024 (AA1)	2,690,000	2,691,890	2,670,961	1.57
IJM Land Bhd 4.73% 17/03/2119 (A2)	1,450,000	1,481,636	1,456,473	0.85
Mah Sing Group Bhd 4.35% 13/03/2025 (NR)	2,500,000	2,551,247	2,525,772	1.48
Malaysia Airports Holding Bhd 3.30% 05/11/2027 (AAA)	1,000,000	973,657	986,349	0.58
Mercedes-Benz Services Msia Sd 3.62% 18/03/2026 (AAA)	2,110,000	2,144,529	2,130,540	1.25
MMC Corporation Bhd 5.80% 12/11/2025 (AA)	1,000,000	1,049,561	1,050,807	0.62

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 %
2023 (CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
Northern Gateway Infrastructure Sdn Bhd 5.20% 4383D 29/8/2029 (AA1)	1,000,000	1,028,962	1,050,207	0.62
Pelabuhan Tanjung Pelepas Sdn Bhd 3.74% 21/04/2026 (AA)	320,000	324,230	322,291	0.19
Petroleum Sarawak Exploration & Production Sdn Bhd 5.08% 11/11/2027 (AAA)	1,650,000	1,678,927	1,740,679	1.02
RHB Islamic Bank Bhd 4.32% 21/05/2029 (AA2)	900,000	912,760	913,772	0.54
SEGI Astana Sdn Bhd 5.60% 08/01/2027 (A)	5,000,000	5,110,050	5,066,742	2.98
SP Setia Bhd 4.22% 21/04/2027 (AA)	3,060,000	3,105,638	3,114,818	1.83
TG Excellence Bhd 3.95% 27/02/2120 (AA)	3,250,000	3,251,406	3,195,051	1.88
UniTapah Sdn Bhd 6.10% 12/06/2030 (AAA)	5,000,000	5,443,039	5,646,985	3.32
WCT Holdings Bhd 5.15% 01/04/2024 (AA)	2,000,000	2,043,964	2,045,538	1.20
TOTAL UNQUOTED FIXED INCOME SECURITIES	67,155,000	68,393,106	68,689,012	40.34
UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		295,906		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		68,689,012		

9. CASH AND CASH EQUIVALENTS

	2024 RM	2023 RM
Deposits with licensed financial institutions	9,321,660	7,267,254
Bank balances	102,006	1,467,784
	<u>9,423,666</u>	<u>8,735,038</u>

10. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

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

	2023 RM
Unit holders' contributions	111,145,369
Retained earnings	59,109,616
	170,254,985

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

	Unit holders' contributions RM	Retained earnings RM	Total RM
Balance as at 1 September 2022	114,038,642	60,428,656	174,467,298
Movement in unit holders' contributions:			
- Creation of units from applications	8,648,539	-	8,648,539
- Creation of units from distribution	7,205,710	-	7,205,710
- Cancellation of units	(18,747,522)	-	(18,747,522)
Total comprehensive loss for the financial year	-	6,031,382	6,031,382
Distribution	-	(7,350,422)	(7,350,422)
Balance as at 31 August 2023	111,145,369	59,109,616	170,254,985

Disclosure of net assets attributable to unit holders have not been disclosed for the financial year ended 31 August 2024 as unit holders' contribution are classified as liabilities in the current year.

11. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2024 No of units	2023 No of units
Class MYR (i)	271,164,978	261,968,922
Class D (ii)	901,446	-
	272,066,424	261,968,922
(i) Class MYR		
At the beginning of the financial year	261,968,922	266,422,695
Add: Creation of units from applications	40,770,123	13,194,715
Add: Creation of units from distribution	4,950,740	11,110,560
Less: Cancellation of units	(36,524,807)	(28,759,048)
At the end of the financial year	271,164,978	261,968,922
(ii) Class D		
At the beginning of the financial year	-	-
Add: Creation of units from applications	1,272,892	-
Less: Cancellation of units	(371,446)	-
At the end of the financial year	901,446	-

12. TOTAL EXPENSE RATIO (“TER”)

	2024	2023
	%	%
TER	1.51	1.55

TER was derived based on the following calculation:

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

- A = Management fee (exclude management fee rebate)
- B = Trustee and custodian fees
- C = Audit fee
- D = Tax agent’s fee
- E = Other expenses excluding withholding tax and CDS transfer fee
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis was RM179,003,077 (2023: RM173,544,351).

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	2024	2023
PTR (times)	0.87	0.97

PTR was derived from the following calculation:

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

where:

- total acquisition for the financial year = RM158,762,066 (2023: RM176,083,399)
- total disposal for the financial year = RM151,171,104 (2023: RM160,419,903)

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

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

<u>Related parties</u>	<u>Relationship</u>
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

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

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

<u>Related parties</u>	<u>Relationship</u>
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
CGS-CIMB Securities (Singapore) Pte Ltd	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 Manager

Units held by the Manager and parties related to the Manager

	<u>2024</u>	<u>2023</u>
	No. of units	No. of units
	RM	RM
Manager		
Principal Asset Management Berhad		
- Class MYR	<u>22,948</u>	<u>15,335</u>
	<u>17,069</u>	<u>9,966</u>

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.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. 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.

	<u>2024</u>	<u>2023</u>
	RM	RM
<u>Significant related party transactions</u>		
Interest income from deposits with licensed financial institution:		
- CIMB Bank Bhd	<u>4,379</u>	<u>9,503</u>
Dividend income:		
- CIMB Group Holdings Bhd	<u>573,544</u>	<u>256,541</u>
<u>Significant related party balances</u>		
Quoted security:		
- CIMB Group Holdings Bhd	<u>11,493,120</u>	<u>6,878,734</u>

15. TRANSACTIONS WITH BROKERS/ DEALERS

Details of transactions with the top 10 brokers/ dealers for the financial year ended 31 August 2024 were as follows:

Broker/ Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Affin Hwang Investment Bank Bhd	52,377,882	16.91	76,970	16.43
RHB Investment Bank Bhd	45,830,685	14.79	42,161	9.00
RHB Bank Berhad	31,168,747	10.06	-	-
Macquarie Capital Securities (M) Sdn Bhd	27,948,103	9.02	61,690	13.17
CLSA Securities (M) Sdn Bhd	23,061,385	7.44	51,916	11.08
Nomura Securities Malaysia Sdn Bhd	22,396,335	7.23	48,974	10.45
Hong Leong Investment Bank Bhd	21,318,306	6.88	4,824	1.03
Maybank Investment Bank Bhd	19,084,123	6.16	48,736	10.40
CGS-CIMB Securities Sdn Bhd #	14,375,587	4.64	32,011	6.83
UBS Securities (M) Sdn Bhd	11,087,888	3.58	22,874	4.88
Others #	41,175,679	13.29	78,316	16.73
	<u>309,824,720</u>	<u>100.00</u>	<u>468,472</u>	<u>100.00</u>

Details of transactions with the top 10 brokers/ dealers for the financial year ended 31 August 2023 were as follows:

Broker/ Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
RHB Investment Bank Bhd	43,865,701	13.06	76,207	14.04
Macquarie Capital Securities (M) Sdn Bhd	31,979,720	9.52	67,990	12.52
Maybank Investment Bank Bhd	30,793,600	9.17	68,296	12.58
CGS-CIMB Securities Sdn Bhd #	27,202,596	8.10	63,601	11.71
J.P. Morgan Securities (M) Sdn Bhd	25,432,314	7.57	44,816	8.25
Affin Hwang Investment Bank Bhd	23,737,208	7.07	31,616	5.82
KAF Equities Sdn Bhd	18,560,664	5.53	40,930	7.54
Hong Leong Investment Bank Bhd	18,252,984	5.43	29,156	5.37
UBS Securities (M) Sdn Bhd	17,934,425	5.34	38,455	7.08
CLSA Securities (M) Sdn Bhd	15,134,782	4.51	29,799	5.49
Others #	83,039,896	24.70	52,077	9.60
	<u>335,933,890</u>	<u>100.00</u>	<u>542,943</u>	<u>100.00</u>

15. TRANSACTIONS WITH BROKERS/ DEALERS (CONTINUED)

Included in the transactions are trades conducted with CGS-CIMB Securities (Singapore) Pte Ltd, CGS-CIMB Securities Sdn Bhd and CIMB Bank Bhd, fellow related parties to the Manager RM14,375,587 (2023: RM2,931,843), RM6,485,475 (2023: RM27,202,596) and RM 2,318,085 (2023: RM7,500,000) 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.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 16 October 2024.

DIRECTORY

Head Office of the Manager

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