

Principal Lifetime Balanced Income Fund

Unaudited Semi-Annual Report

For The Six Months Financial Period Ended 28 February 2025

PRINCIPAL LIFETIME BALANCED INCOME FUND

UNAUDITED SEMI-ANNUAL REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

CONTENTS	PAGE(S)
INVESTORS' LETTER	i
MANAGER'S REPORT	ii - xi
Fund Objective and Policy	
Performance Data	
Market Review	
Fund Performance	
Portfolio Structure	
Market Outlook	
Investment Strategy	
Soft Commissions and Rebates	
Securities Financing Transactions	
State of Affair of the Fund	
Circumstances That Materially Affect Any Interest of Unit Holders	
Cross Trade	
Unit Split	
STATEMENT BY MANAGER	1
TRUSTEE'S REPORT	2
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME	3
UNAUDITED STATEMENT OF FINANCIAL POSITION	4
UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	5
UNAUDITED STATEMENT OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7 – 32
DIRECTORY	33

INVESTORS' LETTER

Dear Valued Investor,

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

We are pleased to bring you a copy of the Unaudited Semi-Annual Fund Report of the Principal Lifetime Balanced Income Fund for the six months financial period ended 28 February 2025. You may also download this report from our website at www.principal.com.my.

We are thankful to share that investors like you have helped make our recent recognition at the LSEG Lipper Fund Awards 2025 possible, where Principal Malaysia received nine awards. These acknowledgements reflect the collaborative effort of our entire team to deliver investment solutions that meet your needs.

Building on our recent success, Principal Malaysia also garnered numerous accolades throughout 2024. At the Asia Asset Management 2024 Best of the Best Awards, we were honored with the Best of the Best Performance Award for China A-Share Equity (3 years) and recognized as the 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 our company was recognized as Asset Management Company of the Year Malaysia. Additionally, we 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). The International Finance Awards honored us with 'Best Asset Management Company – Malaysia 2024' and 'Best Asset Management CEO – Munirah Khairuddin – Malaysia 2024'. At the Triple A Sustainable Investing Awards 2024, we secured the Asset Management Company of the Year (Malaysia) award. The World Business Outlook magazine recognized us with the titles of 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, ten at the FSMOne Recommended Funds 2023/2024, and two at the Edge ESG Awards 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, like our Facebook page (@PrincipalMalaysia), follow us on our Instagram account (@principalmalaysia), and LinkedIn page (Principal Malaysia) 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 Principal Asset Management Berhad (Group of Companies),
and 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 returning long-term growth in capital and income.

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 28 February 2025?

RM196.16 million (271.67 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 six months financial period ended 28 February 2025?

The Fund distributed a total net income of RM4.10 million to unit holders for the six months financial period ended 28 February 2025.

The Fund's NAV per unit were as follows:

Date	NAV per unit (before distribution) RM	NAV per unit (after distribution) RM
Distribution on 22 October 2024 Class MYR	0.7518	0.7369

Breakdown of distribution were as follows:

Source of distribution	28.02.2025		29.02.2024	
	RM	%	RM	%
Distribution out of current period's income	4,098,008	100.00	30,870	3.63
Distribution out of prior period's income/capital	-	-	818,741	96.37
Total	4,098,008	100.00	849,611	100.00

PERFORMANCE DATA

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

	28.02.2025	29.02.2024	28.02.2023
	%	%	%
Quoted securities			
Collective investment scheme	1.18	1.48	-
- Communication Services	2.12	-	1.85
- Consumer Discretionary	5.14	2.77	1.56
- Consumer Staples	2.71	0.83	4.28
- Energy	2.29	3.50	2.81
- Financials	16.45	7.96	3.49
- Health Care	0.68	3.07	4.18
- Industrials	9.41	13.67	9.85
- Information Technology	6.31	13.03	16.44
- Materials	2.20	-	2.57
- Real Estate	2.62	3.66	0.94
- Utilities	5.47	7.78	0.87
Unquoted fixed income securities	38.52	34.52	46.58
Cash and other assets	6.50	8.46	5.41
Liabilities	(1.60)	(0.73)	(0.83)
	100.00	100.00	100.00

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

	28.02.2025	29.02.2024	28.02.2023
NAV (RM Million)			
- Class D	1.47	0.04	-
- Class MYR	194.69	171.20	173.66
Units in circulation (Million)			
- Class D	1.33	0.04	-
- Class MYR	270.34	250.76	263.64
NAV per unit (RM)			
- Class D	1.1123	1.0187	-
- Class MYR	0.7201	0.6828	0.6587

PERFORMANCE DATA (CONTINUED)

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

	01.09.2024 to 28.02.2025	01.09.2023 to 29.02.2024	01.09.2022 to 28.02.2023
Highest NAV per unit (RM)			
- Class D	1.1921	1.0295	-
- Class MYR	0.7718	0.6898	0.6700
Lowest NAV per unit (RM)			
- Class D	1.1123	0.9928	-
- Class MYR	0.7201	0.6332	0.6355
Total return (%)			
- Class D	(1.23)	1.91*	-
- Class MYR	(1.23)	5.59	2.63
Capital growth (%)			
- Class D	(1.23)	1.91*	-
- Class MYR	(3.19)	5.05	0.56
Income distribution (%)			
- Class D	-	-	-
- Class MYR	2.02	0.52	2.06
Total Expense Ratio ("TER") (%) ^	0.72	0.77	0.77
Portfolio Turnover Ratio ("PTR") (times) #	0.33	0.35	0.48

* Performance since inception

^ The Fund's TER decreased from 0.77% to 0.72% due to higher average NAV during the financial period under review.

The Fund's PTR decreased from 0.35 times to 0.33 times during the financial period under review due to lower trading activities.

Gross/Net distribution per unit (cent)

Distribution on 22 October 2024			
- Class MYR	1.49	-	-
Distribution on 23 October 2023			
- Class MYR	-	0.33	-
Distribution on 26 October 2022			
- Class MYR	-	-	1.31

	28.02.2025	29.02.2024	28.02.2023	28.02.2022	28.02.2021
	%	%	%	%	%
Annual total return					
- Class MYR	9.15	6.55	0.56	(2.31)	18.91

(Launch date: 10 August 1995)

	28.02.2025	Since Inception to 29.02.2024
	%	%
Annual total return		
- Class D	9.14	1.91

(Launch date: 22 January 2024)

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

MARKET REVIEW (1 SEPTEMBER 2024 TO 29 FEBRUARY 2025)

Equity

The FBM100 Index fell 1.4% in September 2024, breaking an 11-month winning streak. The Index succumbed to profit taking despite the stronger US market which recorded new highs following the US Federal Reserves (the “Fed's”) 50 basis points (“bps”) cut during the month and greater confidence of a soft-landing scenario for the US economy. Most sectors were down except for Construction, Property and Healthcare, with Energy and Technology sold off the most.

The FBM100 Index fell 1.7% in October 2024. Investors remained risk-off ahead of the US elections, despite the Fed very likely to cut another 25 bps in the November 2024 Federal Open Market Committee (“FOMC”) meeting given the recent inflation print and weak jobs data. Utilities and Telcos were sold off the most, while Construction, Real estate investment trusts (“REITs”) and Healthcare posted modest gains.

The FBM100 Index rose by 0.1% in November 2024. Markets remained flattish due to uncertainties surrounding potential new policies under the new US administration, as well as the trajectory of Fed rates given the recent economic data. Utilities, Commodities, Telecommunications, Transport and Consumer were sold off the most, while Banks, Healthcare, Property, Construction and Plantation posted modest gains.

The FBM100 Index rose by 3.7% in December 2024, ending the year on a strong note. This was aided by year-end window dressing and cash redeployment by domestic funds amidst another month of heavy foreign selling due to policy uncertainties under the new US administration and the trajectory of Fed rates coupled with rising bond yields. Utilities, Commodities, Telecommunications, Transport and select Financials topped the leaderboard, while within the broader market, Technology, Property and Healthcare did well.

The FBM100 Index fell 5.6% in January 2025. The sell-off was largely caused by the recent US Artificial intelligence (“AI”) diffusion rules, further exacerbated by the launch of Deep Seek by China which questioned global AI Capital expenditure (“Capex”) and monetization prospects and remained largely concentrated on DC-related plays domestically namely Construction, Utilities, Telcos and Properties. The shift in Fed rate expectations due to Trump’s tariff posture did not help. Within the broader market, Technology, Consumer and Healthcare also languished.

The FBM100 Index fell 0.6% in February 2024. Investors continued to assess the impact of US AI diffusion rules, the launch of cost-effective AI models, US tariffs and the trajectory of Fed rates. We witnessed a strong rebound in the sectors affected by these developments namely the DC-related plays namely Construction, Utilities, Properties, and to some extent Telcos, while select Financials and Healthcare also did well. Consumer and Petrochem ended weaker. Within the broader market, Energy, Tech and Gloves languished.

Fixed Income

In September 2024, the Malaysia Government Securities (“MGS”) rallied in tandem with the Malaysian Ringgit (“RM/MYR”) strength as it took advantage of the rate cut by the Federal Reserve. The Federal Reserve began its rates-cutting cycle with a 50bps cut at the September FOMC, bringing the new Fed Funds target to 4.75%-5%, the first cut in more than 4 years. Meanwhile, Bank Negara Malaysia (“BNM”) kept the Overnight Policy Rate (“OPR”) unchanged at 3.00% in its September meeting. The Central Bank noted that the current rate is supportive of economic growth and aligns with their inflation and growth outlook.

MARKET REVIEW (1 SEPTEMBER 2024 TO 29 FEBRUARY 2025) (CONTINUED)

Fixed Income (continued)

Malaysia's Budget 2025 was tabled in October 2024. From the fixed income perspective, the Budget 2025 is neutral on the back of narrowing fiscal deficit which is expected to improve from 4.3% in 2024 to 3.8% in 2025 while inflation for 2025 is likely to tick up but remain manageable at 2% to 3.5% in 2025 (2024 1.5-2.5%). The Government's focus to narrow the fiscal deficit will be positive on overall supply demand dynamics. At the same time, there could be potential inflationary pressures stemming from subsidy rationalisations to be implemented in middle of 2025 and rising income for civil servant which could led to change in spending trends.

Following the rate cuts of 50 bps in September 2024 and 25 bps in November 2024 by the US Federal Reserve (the 'Fed'), the Fed Fund Rate targets 4.5% to 4.75%, with a further 25 bps cut expected in December 2024 to support a soft economic landing. The bond market in November 2024 generally followed the cue from the US Treasury ("UST") market performance, posting month end gains. The Malaysian Government Securities ("MGS") yield curve bull steepened in November with yields lowered by 5 bps to 15 bps. Meanwhile, BNM kept the overnight policy rate ("OPR") stable at 3.00% in the last meeting of year 2024. In a statement, BNM said that the monetary policy stance remains supportive of the economy and is consistent with the current assessment of inflation and growth prospects.

In December 2024, the MGS yield curve flattened and closed weaker with sentiment generally followed the rise in global yields. The Federal Reserve announced a 25bps cut at its December FOMC meeting, the third consecutive cut this year, and bringing rates to the 4.25% to 4.50% range. Global yields rose as the FOMC signalled less rate cuts in 2025.

In January 2025, BNM also kept the OPR at 3.00% for the 10th consecutive meeting in January 2025, in line with market expectations. At the current OPR level, the monetary policy stance remains supportive of the economy and is consistent with the current assessment of inflation and growth prospects. The MGS market yield curve flattened marginally with the 7 year and 10 year moved lowered by 2 bps.

Local Government bonds market continued to be supported with marginal movements amid the low UST yield levels in February 2024. The MGS yield curve steepened mildly with the 3-years to 10-years moving lower by 1 bps to 3 bps, apart from the 20 years which closed marginally higher by 1 bps.

On macro, Malaysia's economy grew by 5.0% year-on-year ("YoY") in fourth quarter of 2024, higher than the official advance estimates of 4.8% released earlier. The fourth quarter of 2024 growth was supported by the strong expansion in investment activities, sustained household spending amid improved labour market conditions and policy support as well as continued growth in exports of goods and services. Full year Gross Domestic Product ("GDP") growth accelerated to 5.1%, sharply higher than 3.6% in 2023, due to continued expansion in domestic demand of +6.5% YoY (2023: +4.6% YoY) and a rebound in net exports to +2.2% YoY (2023:-16.2% YoY).

During the financial year under review, the MGS yield curve bear flattened with the front end of the curve shifted higher by 3 bps to 12 bps while the long end moved by higher by 1 bps. The 3-years, 5-years, 7-years, 10-years, 15-years, 20-years and 30-years MGS closed at 3.50%, 3.63%, 3.75%, 3.81%, 3.98%, 4.07% and 4.20% respectively in February 2025.

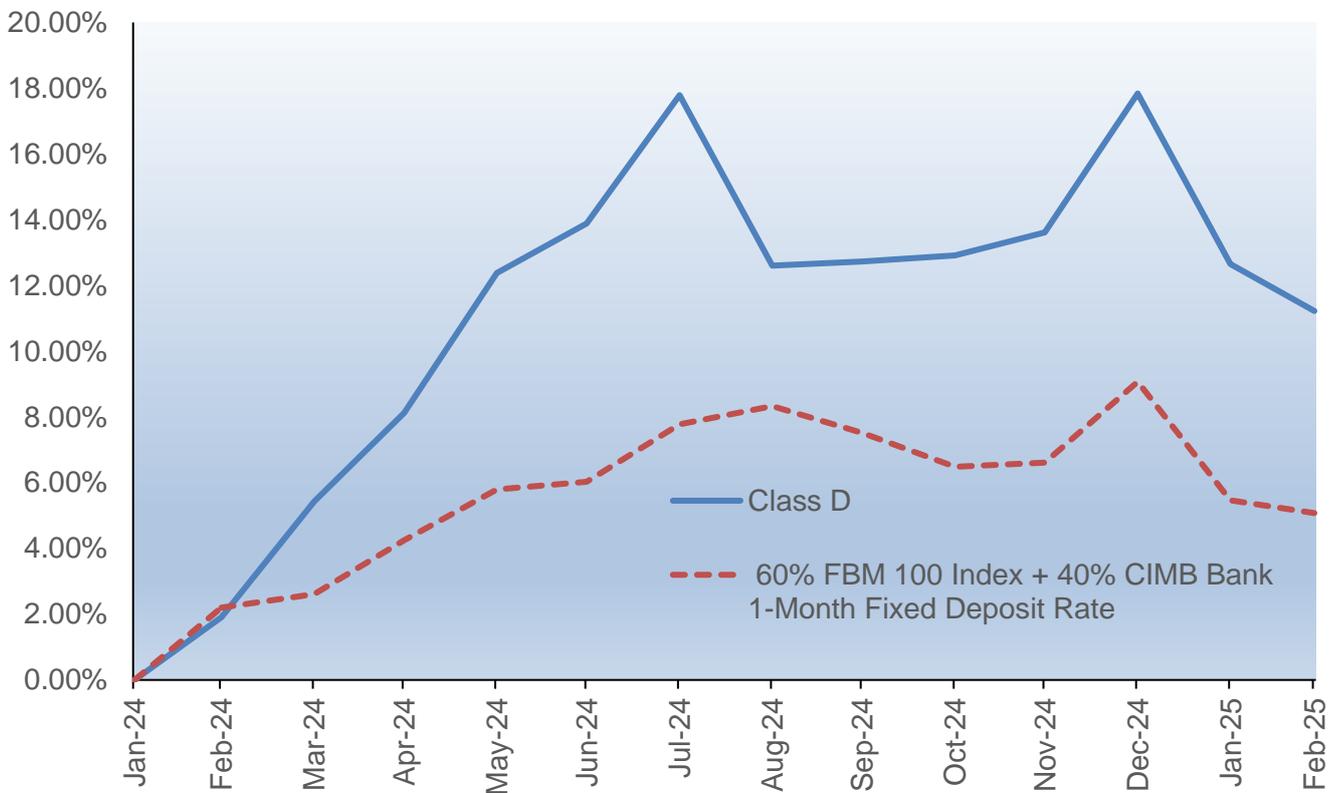
FUND PERFORMANCE

	6 months to 28.02.2025 %	1 year to 28.02.2025 %	3 years to 28.02.2025 %	5 years to 28.02.2025 %	Since inception to 28.02.2025 %
Income Distribution					
- Class D	-	-	-	-	-
- Class MYR	2.02	3.52	11.94	22.10	348.81
Capital Growth					
- Class D	(1.23)	9.14	-	-	11.22
- Class MYR	(3.19)	5.43	4.48	11.27	35.90
Total Return					
- Class D	(1.23)	9.14	-	-	11.22
- Class MYR	(1.23)	9.15	16.95	35.85	509.93
Benchmark					
- Class D	(3.00)	2.82	-	-	159.46
- Class MYR	(3.00)	2.82	5.12	11.86	159.46
Average Total Return					
- Class D	(2.46)	9.14	-	-	10.11
- Class MYR	(2.46)	9.15	5.35	6.32	6.30

For the financial period under review, the Fund lost 1.23% for Class D and Class MYR, while the benchmark lost 3.00% for both classes. As such, the Fund outperformed the benchmark by 0.54%.

Since Inception

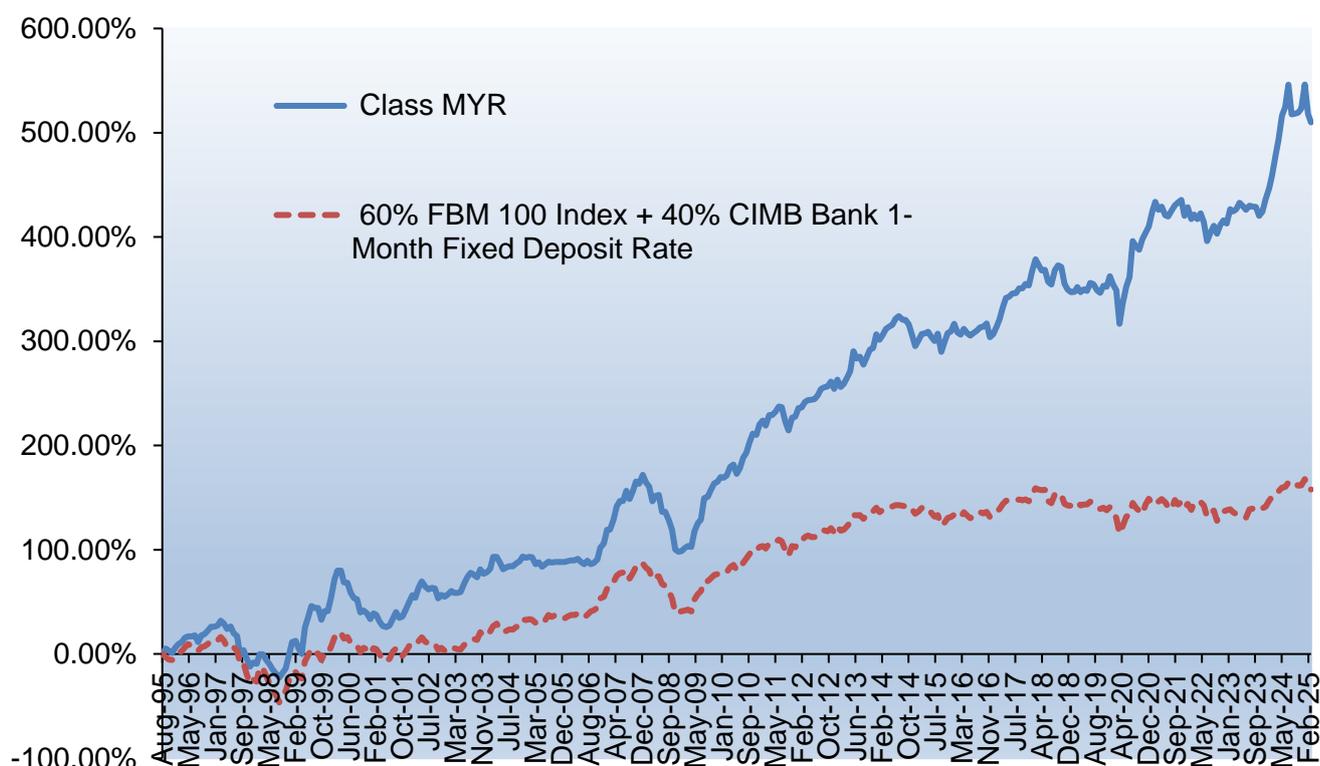
Class D



FUND PERFORMANCE (CONTINUED)

Since Inception

Class MYR



Changes in NAV

	28.02.2025	31.08.2024 Audited	Changes %
Class D			
NAV (RM million)	1.47	1.02	44.12
NAV/Unit (RM)	1.1123	1.1261	(1.23)
Class MYR			
NAV (RM million)	194.69	201.69	(3.47)
NAV/Unit (RM)	0.7201	0.7437	(3.17)

During the financial period under review, the NAV per unit for class MYR decreased by 3.17%, while the NAV for class MYR decreased by 3.47% due to negative fund 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 period have been extracted from Lipper.

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	28.02.2025	31.08.2024 Audited
Collective investment scheme	1.18	1.24
Quoted securities	55.40	54.81
Unquoted fixed income securities	38.52	37.57
Cash and other assets	6.50	8.14
Liabilities	(1.60)	(1.76)
TOTAL	100.00	100.00

During the financial period under review, asset allocation into equities increased slightly from 54.81% to 55.39%. Allocation to fixed income also increased from 37.57% to 38.52%.

MARKET OUTLOOK*

Equities

Malaysia's manufacturing sector improved markedly in February 2025 with a Purchasing Managers Index ("PMI") reading of 49.7 points vs 48.7 points in the previous month and was the highest reading since August 2024. Standard & Poor's ("S&P") Global noted that firms recorded a rise in new order intakes for the first time in four months which contributed to a softer moderation in production volumes, while business confidence reaching the highest since October 2024. That said, several respondents are still seeing challenging business conditions. Employment was scaled back fractionally, while cost inflation remain subdued and allowed firms to reduce selling prices for the second consecutive month. The latest PMI data suggests modest growth in G") for first quarter of 2025 sustaining the trend seen in second half of the year 2025. To recap, Malaysia's GDP grew by 5% in fourth quarter 2024 and 5.1% for 2024. BNM projects GDP to grow by 4.5% to 5.5% in 2025.

BNM maintained OPR at 3.00% during the recent MPC meeting and we expect the Central Bank to hold rates steady given muted inflation and modest economic growth. Inflation rose 1.7% in January 2025, similar to December 2024. There appears to be sufficient headroom to central bank's latest 2.0% to 3.5% Consumer Price Index ("CPI") forecast for 2025 with the impending subsidy rationalization plans.

Fixed Income

We are mindful of the external headwinds due to US trade policy and tariff actions and potential geopolitical tensions, thereby leading to a risk off sentiment. We could see market volatility to persist in the coming months. BNM has recently reaffirmed their growth projections for 2025 at 4.5% to 5.5% p.a., there are considerable downside risks should the tariff war prolong and/or escalate. Meanwhile, BNM Governor said that the central bank is looking beyond monetary policy to weather the fallout from US President Donald Trump's duties, arguing that the country is entering the tariff disputes from a position of strength. The country's strong investment activity, resilient domestic demand and diversified trade partners will help provide some support to the economy, while emphasizing that the policymakers have numerous policy tools to mitigate the impact of sweeping US levies.

In view of the backdrop, we are positive on the RM/MYR bond market as the risk-reward appears to be favouring bonds in the near-to-medium term.

*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

We remain constructive on sectors that stand to gain from the National Energy Transition Roadmap (“NETR”) including Utilities, Construction, and Property. We are also optimistic about Financials and Consumer names given the strong investment momentum in Malaysia, as well as Oil and Gas (“O&G”) services. We also like sectors that benefit from the stronger RM/MYR. Additionally, we remain highly selective on Technology favoring those with strong bargaining power. Key risks are the derailment of Malaysia’s macroeconomic recovery and corporate earnings growth due to the larger-than-expected impact of rising inflation, slower global economic growth, and heightened geopolitical risks.

Fixed Income

For fixed income, we maintain our overweight stance on the corporate segment for better yield pickup with preference for issuers with strong financial metrics and fewer exposures to external trade shocks.

SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (the “Manager”) and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Principal Malaysia Funds (“Funds”) unless the soft commission received is retained in the form of goods and services such as research and advisory services that assists in the decision-making process relating to the Fund's investments. All dealings with brokers are executed on best available terms.

- (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 period 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 period under review.

STATE OF AFFAIR OF THE FUND

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

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

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

CROSS TRADE

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

UNIT SPLIT

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

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

I, being the Director of Principal Asset Management (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 3 to 32 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 28 February 2025 of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting.

For and on behalf of the Manager

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

Munirah Khairuddin

Chief Executive Officer Principal Asset Management Berhad (Group of Companies),
and Managing Director Strategic Distribution & Institutional Client Relations
(Southeast Asia & Global Shariah)
Non-Independent Executive Director

Kuala Lumpur
16 April 2025

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 28 February 2025 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 distribution of income by the Fund is appropriate and reflects the investment objective of the Fund

For HSBC (Malaysia) Trustee Berhad

Lee Cincee
Senior Manager, Trustee and Fiduciary Services

Kuala Lumpur
16 April 2025

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2025**

	Note	01.09.2024 to 28.02.2025 RM	01.09.2023 to 29.02.2024 RM
INCOME/(LOSS)			
Dividend income		1,841,218	1,019,953
Interest income from deposits with licensed financial institutions		216,686	116,054
Interest income from unquoted fixed income securities		1,655,428	1,414,498
Net (loss)/gain on financial assets at fair value through profit or loss	8	(4,152,943)	8,167,827
Net foreign exchange gain		848	15,035
		(438,763)	10,733,367
EXPENSES			
Management fee	4	1,525,292	1,257,031
Trustee and custodian fees	5	10,866	40,620
Audit fee		5,140	4,368
Tax Agent's fee		5,003	1,132
Transaction costs		245,589	231,933
Other expenses		7,764	18,860
		1,799,654	1,553,944
(LOSS)/PROFIT BEFORE DISTRIBUTION AND TAXATION		(2,238,417)	9,179,423
Distributions:			
- Class MYR		4,098,008	849,611
(LOSS)/PROFIT BEFORE TAXATION		(6,336,425)	8,329,812
Taxation	7	(2,435)	(6,875)
(LOSS)/PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD		(6,338,860)	8,322,937
(Loss)/Profit after taxation is made up as follows:			
Realised amount		3,361,262	4,323,560
Unrealised amount		(9,700,122)	3,999,377
		(6,338,860)	8,322,937

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

PRINCIPAL LIFETIME BALANCED INCOME FUND

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2025**

		28.02.2025	31.08.2024
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents	9	7,604,972	9,423,666
Financial assets at fair value through profit or loss	8	186,543,640	189,772,291
Amount due from stockbrokers		4,144,488	6,290,605
Amount due from Manager		1,005,843	762,218
Amount due from Manager of collective investment scheme			
- Management fee Rebate		6,891	4,013
Dividends receivable		-	13,152
TOTAL ASSETS		<u>199,305,834</u>	<u>206,265,945</u>
LIABILITIES			
Amount due to stockbrokers		1,951,473	3,071,873
Amount due to Manager		932,674	197,350
Accrued management fee		230,472	256,194
Amount due to Trustee		2,252	1,726
Distribution payable		8,573	8,573
Other payables and accruals		21,343	24,000
TOTAL LIABILITIES		<u>3,146,787</u>	<u>3,559,716</u>
NET ASSET VALUE OF THE FUND		<u>196,159,047</u>	<u>202,706,229</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	10	<u>196,159,047</u>	<u>202,706,229</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- Class D		1,473,934	1,015,137
- Class MYR		194,685,113	201,691,092
		<u>196,159,047</u>	<u>202,706,229</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class D		1,325,080	901,446
- Class MYR		270,344,165	271,164,978
	11	<u>271,669,245</u>	<u>272,066,424</u>
NET ASSET VALUE PER UNIT (RM)			
- Class D		1.1123	1.1261
- Class MYR		<u>0.7201</u>	<u>0.7437</u>

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

PRINCIPAL LIFETIME BALANCED INCOME FUND

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2025**

	Note	01.09.2024 to 28.02.2025	01.09.2023 to 29.02.2024
		RM	RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD		<u>202,706,229</u>	<u>170,254,985</u>
Movement in unit holders' contributions:			
Creation of units from applications			
- Class MYR		30,441,913	41,447
- Class D		<u>1,587,214</u>	<u>2,987,433</u>
		<u>32,029,127</u>	<u>3,028,880</u>
Creation of units from distributions			
- Class MYR		<u>3,979,320</u>	<u>833,283</u>
Cancellation of units			
- Class MYR		(35,114,366)	(11,202,310)
- Class D		<u>(1,102,403)</u>	<u>-</u>
		<u>(36,216,769)</u>	<u>(11,202,310)</u>
Total comprehensive (loss)/income for the financial period		<u>(6,338,860)</u>	<u>8,322,937</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	10	<u><u>196,159,047</u></u>	<u><u>171,237,775</u></u>

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

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2025**

	01.09.2024 to 28.02.2025 RM	01.09.2023 to 29.02.2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of quoted securities	35,059,924	35,490,301
Purchase of quoted securities	(38,959,186)	(34,640,245)
Proceeds from disposal of unquoted fixed income securities	29,962,923	28,971,692
Purchase of unquoted fixed income securities	(32,045,715)	(19,020,254)
Proceeds from maturity of fixed income securities	5,800,000	-
Dividend income received	1,854,370	1,048,572
Interest income received from deposits with licensed financial institutions	216,686	116,054
Interest income received from unquoted fixed income securities	1,621,029	1,324,134
Management fee rebate received	69,412	15,706
Management fee paid	(1,551,014)	(1,268,971)
Trustee and custodian fees paid	(10,340)	(43,266)
Payments for other fees and expenses	(20,565)	(29,359)
Tax paid	(2,435)	(6,875)
Receipt of other foreign exchange gain	-	714
Net cash generated from operating activities	1,995,089	11,958,203
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	31,785,501	3,018,448
Payments for cancellation of units	(35,481,445)	(10,994,135)
Distribution paid	(118,687)	(16,328)
Net cash used in financing activities	(3,814,631)	(7,992,015)
Net (decrease)/increase in cash and cash equivalents	(1,819,542)	3,966,188
Effects of foreign exchange differences	848	14,323
Cash and cash equivalents at the beginning of the financial period	9,423,666	8,735,038
Cash and cash equivalents at the end of the financial period	7,604,972	12,715,549
<u>Cash and cash equivalents comprised of:</u>		
Bank balances	240,326	117,444
Deposits in licensed financial institutions	7,364,646	12,598,105
Cash and cash equivalents at the end of financial period	7,604,972	12,715,549

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2025**

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 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 POLICY INFORMATION

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Basis of preparation (continued)

The financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS Accounting Standards and IFRS Accounting Standards 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 period.

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

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

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

None of the standards, amendments to standards or interpretations that are effective for the financial period beginning on/after 1 March 2025 are applicable to the Fund.

(b) Financial assets and financial liabilities

Classification

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

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

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

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

The Fund classifies cash and cash equivalents, amount due from stockbrokers, amount due from Manager, amount due from Manager of collective investment scheme - management fee rebate and dividends receivable as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (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 period which they arise.

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

Quoted securities in Malaysia are valued at the last done market price quoted on Bursa Malaysia Securities Berhad ("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 basis 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 POLICY INFORMATION (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 PRS Provider as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

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

Write-off

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

(c) Income recognition

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

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

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.

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(c) Income recognition (continued)

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.

(d) Foreign currency

Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in MYR/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; and
- 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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

(e) 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.

(f) Amount due from/to stockbrokers

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

(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 period.

Tax on dividend income from quoted securities is based on the tax regime of the respective countries that the Fund invests in.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(h) Distribution

A distribution to the Fund's unit holders is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the financial period in which it is approved by the Trustee.

(i) 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.

(j) Unit holders' contributions

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 periods 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.

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

Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation 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.

(k) Realised and unrealised portions of profit or loss after taxation

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(I) 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.

(I) Critical accounting estimates and judgements in applying accounting policies (continued)

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.

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is to 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. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(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 and unquoted fixed income securities and other financial instruments within specific limits according to the Deeds.

(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.

(ii) Interest rate risk

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 Fund's exposure to interest rate risk associated with deposits with licensed financial institutions is expected to be minimal as the deposits are held on short-term basis.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(iii) Currency risk

Currency risk of the Fund 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/RM based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

(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 investments in unquoted fixed income securities must satisfy a minimum credit rating requirement of at least "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 Moody's or Fitch.

The credit risk arising from placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions. For amount due from Manager, the settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the GUTF.

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

(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. 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.

(d) **Capital risk management**

The capital of the Fund is represented by equity consisting of unit holders' capital of and retained earnings. The amount of capital 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 to 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) is based on quoted market prices at the close of trading on the financial period end date. The Fund utilises the last traded market price for financial assets where the last traded 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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
28.02.2025				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	2,324,290	-	-	2,324,290
- Quoted securities	108,652,818	-	-	108,652,818
- Unquoted fixed income securities	-	75,566,532	-	75,566,532
	<u>110,977,108</u>	<u>75,566,532</u>	<u>-</u>	<u>186,543,640</u>

31.08.2024

Audited

Financial assets 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>

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).

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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).

- (i) 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 28 February 2025, the management fee was recognised at a rate of 1.50% per annum (29.02.2024: 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 up to 0.01% per annum and calculated daily based on the NAV of the Fund.

For the six months financial period ended 28 February 2025, the Trustee fee is recognised at rate of 0.01% (29.02.2024: 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:

Source of distribution	28.02.2025		29.02.2024	
	RM	%	RM	%
Distribution out of current period's income	4,098,008	100.00	30,870	3.63
Distribution out of prior period's income/capital*	-	-	818,741	96.37
Total	<u>4,098,008</u>	<u>100.00</u>	<u>849,611</u>	<u>100.00</u>

Gross/ Net distribution per unit (sen)

Distribution on 22 October 2024	1.49	-
Distribution on 23 October 2023	-	<u>0.33</u>

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

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

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

During the financial period ended 28 February 2025, the Fund incurred RM9,700,122 unrealised loss (29.02.2024: Nil).

7. TAXATION

	01.09.2024 to 28.02.2025 RM	01.09.2023 to 29.02.2024 RM
Tax charged for the financial period:		
- Tax from foreign source income	<u>2,435</u>	<u>6,875</u>

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

(Loss)/Profit before taxation	<u>(6,336,425)</u>	<u>8,329,812</u>
Taxation at Malaysian statutory rate of 24% (29.02.2024: 24%)	(1,520,741)	1,999,155
Tax effects of:		
- Loss not deductible for tax purpose //(Income not subject to tax)	105,303	(2,576,007)
- Expenses not deductible for tax purposes	1,047,312	273,517
- Restriction on tax deductible expenses for Unit Trust Funds	368,126	303,335
- Tax from foreign source income	<u>2,435</u>	<u>6,875</u>
Taxation	<u>2,435</u>	<u>6,875</u>

PRINCIPAL LIFETIME BALANCED INCOME FUND

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	28.02.2025	31.08.2024
	RM	Audited RM
At fair value through profit or loss at inception:		
- Collective investment scheme	2,324,290	2,545,276
- Quoted securities	108,652,818	111,070,773
- Unquoted fixed income securities	75,566,532	76,156,242
	<u>186,543,640</u>	<u>189,772,291</u>
	01.09.2024	01.09.2023
	to 28.02.2025	to 29.02.2024
	RM	RM
Net gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	5,511,271	4,358,854
- Unrealised fair value (loss)/gain	(9,736,503)	3,777,631
- Management fee rebate #	72,289	31,342
	<u>(4,152,943)</u>	<u>8,167,827</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 six months financial period ended 28 February 2025 and 29 February 2024, the rebate is recognised at a rate of 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 %
28.02.2025 COLLECTIVE INVESTMENT SCHEME				
RDS Principal Islamic ASEAN Equity Syariah – USD	<u>598,000</u>	<u>2,640,768</u>	<u>2,324,291</u>	<u>1.18</u>
TOTAL COLLECTIVE INVESTMENT SCHEME	<u>598,000</u>	<u>2,640,768</u>	<u>2,324,291</u>	<u>1.18</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(316,477)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u><u>2,324,291</u></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 %
28.02.2025 (CONTINUED)				
QUOTED SECURITIES				
Communication Services				
Celcomdigi Bhd	1,128,300	4,263,424	4,163,427	2.12
Consumer Discretionary				
Mr D.I.Y. Group (M) Bhd	1,081,500	2,005,869	1,492,470	0.76
RGB International Bhd	9,767,600	3,622,882	3,711,688	1.89
SMRT Holding Bhd	4,483,300	3,422,094	4,886,797	2.49
	15,332,400	9,050,845	10,090,955	5.14
Consumer Staples				
99 Speed Mart Retail Holdings Bhd	1,026,000	2,152,697	2,164,860	1.10
Well Chip Group Bhd	2,840,500	4,227,047	3,152,955	1.61
	3,866,500	6,379,744	5,317,815	2.71
Energy				
Dayang Enterprise Holding Bhd	480,000	1,015,488	844,800	0.43
Dialog Group Bhd	2,311,300	4,327,824	3,651,854	1.86
	2,791,300	5,343,312	4,496,654	2.29
Financials				
AMMB Holding Bhd	966,000	4,294,733	5,564,160	2.84
CIMB Group Holding Bhd	1,401,600	7,609,756	10,946,496	5.58
Hong Leong Bank Bhd	262,200	5,550,687	5,611,080	2.86
Malayan Banking Bhd	763,000	7,785,286	8,179,360	4.17
Public Bank Bhd	433,000	1,945,512	1,961,490	1.00
	3,825,800	27,185,974	32,262,586	16.45
Health Care				
Hartalega Holding Bhd	590,900	1,041,096	1,329,525	0.68
Industrials				
Farm Fresh Bhd	2,069,100	3,222,135	3,434,706	1.75
Frontken Corp Bhd	773,300	2,658,411	2,892,142	1.47
Gamuda Bhd	1,416,437	3,078,423	6,175,665	3.15
IJM Corp Bhd	975,600	1,654,139	2,048,760	1.04
KJTS Group Bhd	2,668,600	1,254,024	2,695,286	1.37
UWC Bhd	497,000	1,389,337	1,242,500	0.63
	8,400,037	13,256,469	18,489,059	9.41

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 %
28.02.2025 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
Information Technology				
Genetec Technology Bhd	1,336,700	3,360,069	1,724,343	0.88
IFCA MSC Bhd	3,309,200	2,548,359	1,671,146	0.85
LGMS Bhd	3,739,600	2,842,822	3,739,600	1.91
Nationgate Holdings Bhd	1,335,100	1,691,754	2,469,935	1.26
Southern Score Builders Bhd	5,761,900	3,062,174	2,765,712	1.41
	<u>15,482,500</u>	<u>13,505,178</u>	<u>12,370,736</u>	<u>6.31</u>
Materials				
Press Metal Aluminium Holding Bhd	853,700	4,175,594	4,311,185	2.20
Real Estate				
SP Setia Bhd	1,461,800	1,658,037	1,958,812	1.01
UEM Sunrise Bhd	3,496,100	3,774,189	3,129,010	1.61
	<u>4,957,900</u>	<u>5,432,225</u>	<u>5,087,822</u>	<u>2.62</u>
Utilities				
Tenaga Nasional Bhd	618,500	5,979,933	8,411,600	4.29
YTL Corporation Bhd	581,200	887,877	1,098,468	0.56
YTL Power International Bhd	385,800	492,681	1,222,986	0.62
	<u>1,585,500</u>	<u>7,360,491</u>	<u>10,733,054</u>	<u>5.47</u>
TOTAL QUOTED SECURITIES	<u>58,814,837</u>	<u>96,994,352</u>	<u>108,652,818</u>	<u>55.40</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>11,658,466</u>		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>108,652,818</u>		

PRINCIPAL LIFETIME BALANCED INCOME FUND

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 %
28.02.2025 (CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES				
7-Eleven Malaysia Holdings Bhd 4.28% 26/06/2026 (AA3)	4,100,000	4,131,713	4,135,477	2.11
AmBank Bhd 4.18% 28/03/2031 (AA3)	3,000,000	3,030,937	3,064,041	1.56
AmBank Bhd 5.20% 12/10/2032 (AA3)	2,000,000	2,039,321	2,100,641	1.07
Ara Bintang Bhd 5.25% 17/03/2031 (NR)	3,180,000	3,220,240	3,202,749	1.63
Bumitama Agri Ltd 4.20% 22/07/2026 (AA2)	1,300,000	1,314,754	1,312,665	0.67
Gamuda Land (T12) Sdn Bhd 4.40% 11/10/2028 (AA3)	400,000	413,629	412,783	0.21
GENM Capital Bhd 5.07% 05/05/2028 (AA1)	2,300,000	2,337,060	2,365,327	1.21
GENM Capital Bhd 4.92% 31/05/2029 (AA1)	5,000,000	5,062,005	5,102,755	2.60
GENM Capital Bhd 5.07% 31/05/2032 (AA1)	5,000,000	5,063,896	5,135,846	2.62
Hektar MTN Satu Sdn Bhd 4.20% 15/02/2029 (AAA)	1,670,000	1,679,579	1,682,443	0.86
Malaysia Government Securities 4.45% 31/03/2053 (GB)	3,000,000	3,194,778	3,195,671	1.63
Mercedes-Benz Services Msia Sdn Bhd 3.62% 18/03/2026 (AAA)	160,000	162,602	162,476	0.08
MMC Corporation Bhd 5.80% 12/11/2025 (AA3)	1,000,000	1,027,721	1,031,561	0.53
Northern Gateway Infrastructure 5.20% 29/8/2029 (AA1)	1,000,000	1,022,269	1,045,472	0.53
OSK Rated Bond Sdn Bhd 3.96% 21/03/2029 (AA)	5,000,000	5,106,803	5,090,929	2.60
Pelabuhan Tanjung Pelepas Sdn Bhd 3.74% 21/04/2026 (AA)	320,000	324,295	324,471	0.17
Pengurusan Air SPV Bhd 4.07% 07/02/2031 (AAA)	920,000	922,257	934,051	0.48
SEGI Astana Sdn Bhd 5.60% 08/01/2027 (A1)	5,000,000	5,080,473	5,143,590	2.62
STM Lottery Sdn Bhd 4.77% 15/09/2028 (AA3)	4,280,000	4,385,993	4,384,616	2.24
STM Lottery Sdn Bhd 4.94% 28/06/2029 (AA3)	2,310,000	2,336,034	2,350,462	1.20
SUNREIT Perpetual Bond Bhd 4.51% 14/04/2119 (A1)	10,000,000	10,160,630	10,188,330	5.19

PRINCIPAL LIFETIME BALANCED INCOME FUND

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 %
28.02.2025 (CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
Sunway Healthcare Treasury Sdn Bhd 3.85% 29/04/2027 (AA)	3,000,000	3,038,922	3,044,592	1.55
Toyota Capital (M) Sdn Bhd 4.32% 26/09/2028 (AAA)	710,000	716,084	723,977	0.37
Toyota Capital (M) Sdn Bhd 4.43% 24/01/2029 (AAA)	1,000,000	1,033,615	1,032,382	0.53
YTL Corporation Bhd 4.60% 23/06/2034 (AA1)	7,000,000	7,300,463	7,365,763	3.74
YTL Power International Bhd 4.18% 18/03/2036 (AA1)	1,000,000	1,021,388	1,033,462	0.52
TOTAL UNQUOTED FIXED INCOME SECURITIES	73,650,000	75,127,461	75,566,532	38.52
UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		439,071		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		75,566,532		
Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.08.2024				
Audited COLLECTIVE INVESTMENT SCHEME				
RDS Principal Islamic ASEAN Equity Syariah – USD	598,000	2,640,768	2,545,276	1.24
TOTAL COLLECTIVE INVESTMENT SCHEME	598,000	2,640,768	2,545,276	1.24
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		(95,492)		

PRINCIPAL LIFETIME BALANCED INCOME FUND

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.08.2024 (CONTINUED)				
Audited (CONTINUED)				
COLLECTIVE				
INVESTMENT SCHEME				
(CONTINUED)				
TOTAL FINANCIAL				
ASSETS AT FAIR VALUE				
THROUGH PROFIT OR				
LOSS		<u>2,545,276</u>		
Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.08.2024				
Audited				
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
	<u>15,097,800</u>	<u>7,559,761</u>	<u>9,498,806</u>	<u>4.69</u>
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
	<u>2,638,200</u>	<u>4,115,417</u>	<u>4,291,398</u>	<u>2.12</u>
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
	<u>3,461,300</u>	<u>7,892,339</u>	<u>8,583,707</u>	<u>4.23</u>
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
	<u>5,439,100</u>	<u>23,917,135</u>	<u>29,280,652</u>	<u>14.45</u>
Health Care				
Hartalega Holding Bhd	1,795,400	3,163,282	4,434,638	2.19

PRINCIPAL LIFETIME BALANCED INCOME FUND

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.08.2024 (CONTINUED)				
Audited (Continued)				
QUOTED SECURITIES - LOCAL (CONTINUED)				
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
	<u>6,147,845</u>	<u>13,261,122</u>	<u>18,560,552</u>	<u>9.16</u>
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
	<u>11,163,800</u>	<u>15,353,310</u>	<u>16,260,899</u>	<u>8.02</u>
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		<u>20,869,032</u>		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>111,070,773</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 %
31.08.2024 (CONTINUED)				
Audited (Continued)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
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
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 4383D 5.20% 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

PRINCIPAL LIFETIME BALANCED INCOME FUND

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 %
31.08.2024 (CONTINUED)				
Audited (Continued)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
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
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>		

9. CASH AND CASH EQUIVALENTS

	28.02.2025 RM	31.08.2024 Audited RM
Deposits with licensed financial institutions	7,364,646	9,321,660
Bank balances	240,326	102,006
	<u>7,604,972</u>	<u>9,423,666</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.09.2024 to 28.02.2025	01.09.2023 to 31.08.2024 Audited
	No. of units	No. of units
Class D (i)	1,325,080	901,446
Class MYR (ii)	270,344,165	271,164,978
	<u>271,669,245</u>	<u>272,066,424</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS) (CONTINUED)

	01.09.2024 to 28.02.2025	01.09.2023 to 31.08.2024 Audited
	No. of units	No. of units
(i) Class D		
At the beginning of the financial period/year	901,446	-
Add: Creation of units from applications	1,392,266	1,272,892
Less Cancellation of units	(968,632)	(371,446)
At the end of the financial period/year	<u>1,325,080</u>	<u>901,446</u>
(ii) Class MYR		
At the beginning of the financial period/year	271,164,978	261,968,922
Add: Creation of units from applications	40,980,398	40,770,123
Add: Creation of units from distribution	5,400,082	4,950,740
Less Cancellation of units	(47,201,292)	(36,524,807)
At the end of the financial period/year	<u>270,344,165</u>	<u>271,164,978</u>

11. TOTAL EXPENSE RATIO (“TER”)

	01.09.2024 to 28.02.2025 %	01.09.2023 to 29.02.2024 %
TER	<u>0.72</u>	<u>0.77</u>

TER is 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
F	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM205,055,041 (29.02.2024: RM167,798,461).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.09.2024 to 28.02.2025	01.09.2023 to 29.02.2024
PTR (times)	0.33	0.35

PTR is derived from the following calculation:

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

where:

total acquisition for the financial period = RM73,982,904 (29.02.2024: RM51,185,451)

total disposal for the financial period = RM62,576,788 (29.02.2024: RM65,091,353)

13. 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
CIMB Group Sdn Bhd	Shareholder of the Manager
CIMB Bank Bhd	Fellow related party to the Manager
CGS-CIMB Securities (Singapore) Pte Ltd	Fellow related party to the Manager
CGS-CIMB Securities Sdn Bhd	Fellow related party to the Manager
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the shareholder of the Manager

Units held by the Manager and parties related to the Manager

	28.02.2025		31.08.2024 Audited	
	No. of units	RM	No. of units	RM
Manager				
Principal Asset Management Berhad				
- Class MYR	20,800	14,978	22,948	17,069

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

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.

	01.09.2024 to 28.02.2025 RM	01.09.2023 to 29.02.2024 RM
<u>Significant related party transactions</u>		
Dividend income:		
- CIMB Group Holdings Bhd	<u>378,432</u>	<u>213,815</u>
	28.02.2025	31.08.2024 Audited
<u>Significant related party balances</u>		
Quoted security:		
- CIMB Group Holdings Bhd	<u>10,946,496</u>	<u>11,493,120</u>

14. TRANSACTIONS WITH BROKERS/ DEALERS

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 28 February 2025 are as follows:

Brokers/ Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Hong Leong Investment Bank Bhd	24,030,321	18.21	8,227	5.21
RHB Investment Bank Bhd	14,963,597	11.34	19,943	12.63
RHB Bank Bhd	12,376,124	9.38		-
Macquarie Capital Sec (M) Sdn Bhd	11,588,840	8.78	26,106	16.54
Malayan Banking Bhd	10,000,000	7.58		-
Nomura Securities Malaysia Sdn Bhd	9,816,840	7.44	22,107	14.00
MayBK Investment Bank Bhd	9,760,658	7.39	21,983	13.93
J.P. Morgan Sec (M) Sdn Bhd	7,807,283	5.91	12,598	7.98
CGS Inter Sec Msia Sdn Bhd	7,334,319	5.56	15,759	9.98
Affin Hwang Investment Bank Bhd	5,107,558	3.87	11,492	7.28
Others #	19,207,506	14.55	19,651	12.45
	<u>131,993,045</u>	<u>100.00</u>	<u>157,866</u>	<u>100.00</u>

14. TRANSACTIONS WITH BROKERS/ DEALERS (CONTINUED)

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 29 February 2024 are as follows:

Brokers/ Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
RHB Investment Bank Bhd	26,128,143	22.47	20,071	13.47
RHB Bank Bhd	19,657,138	16.91	-	-
Affin Hwang Investment Bank Bhd	13,029,264	11.21	25,575	17.16
Macquarie Capital Securities (M) Sdn Bhd	10,091,934	8.68	22,707	15.23
Nomura Securities Malaysia Sdn Bhd	9,259,246	7.96	20,833	13.98
UBS Securities M Sdn Bhd	7,129,932	6.13	13,968	9.37
Hong Leong Investment Bank Bhd	6,992,485	6.01	470	0.32
CLSA Securities M Sdn Bhd	6,912,555	5.94	15,581	10.45
CGS-CIMB Securities Sdn Bhd #	6,485,476	5.58	14,592	9.79
J.P. Morgan Securities (M) Sdn Bhd	4,113,086	3.54	4,936	3.31
Others	6,477,546	5.57	10,316	6.92
	<u>116,276,805</u>	<u>100.00</u>	<u>149,049</u>	<u>100.00</u>

Included in the transactions are trades conducted with CGS-CIMB Securities Sdn Bhd and CIMB Bank Berhad fellow subsidiaries to the Manager amounting to Nil (29.02.2024: RM6,485,476) and RM4,295,408 (29.02.2024: Nil) 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.

DIRECTORY

Head Office of the Manager

Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))
Level 32, Exchange 106,
Lingkaran TRX,
55188 Tun Razak Exchange, Kuala Lumpur
MALAYSIA.
Tel: Tel: (03) 8680 8000

Website

www.principal.com.my

E-mail address

myservice@principal.com

Customer Care Centre

(03) 7723 7260

Chat with us via WhatsApp:

(6016) 299 9792

Trustee for the Principal Lifetime Balanced Income Fund

HSBC (Malaysia) Trustee Berhad (Company No.: 193701000084 (1281-T))
19th Floor, Menara IQ, Lingkaran TRX,
55188 Tun Razak Exchange, Kuala Lumpur, MALAYSIA.
Tel: (03) 2075 7800
Fax: (03) 8894 2611

Principal Asset Management Berhad
199401018399 (304078-K)

Enquiries:

Customer Care Centre
(603)7723 7260

Chat with us via WhatsApp
(6016)299 9792

Email
myservice@principal.com

Website
www.principal.com.my