

Principal Lifetime Enhanced Bond Fund

Annual Report

For The Financial Year Ended 31 December 2024

PRINCIPAL LIFETIME ENHANCED BOND FUND

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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INVESTORS' LETTER

Dear Valued Investor,

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

We are pleased to bring you a copy of the Annual Fund Report of the Principal Lifetime Enhanced Bond Fund for the financial year ended 31 December 2024. You may also download this report from our website at www.principal.com.my.

We are proud to announce that Principal Malaysia has earned numerous accolades in 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 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,
Malaysia & Global Shariah & Managing Director,
Strategic Distribution & Institutional Client Relations
(Southeast Asia & Global Shariah)
Non-Independent Executive Director

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

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

Has the Fund achieved its objective?

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

What are the Fund investment policy and principal investment strategy?

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

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

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

The asset allocation strategy for this Fund is as follows:

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

Fund category/ type

Bond/Income & Growth

When was the Fund launched?

23 March 2004

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

RM63.76 million (55.92 million units)

What is the Fund's benchmark?

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

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

FUND OBJECTIVE AND POLICY (CONTINUED)

What is the Fund distribution policy?

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

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

The Fund distributed a total net income of RM0.72 million to unit holders during the financial year ended 31 December 2024.

| Date | NAV per unit (Before distribution) | NAV per unit (After distribution) |
|---------------------------------|---------------------------------------|--------------------------------------|
| Distribution on 12 January 2024 | 1.1155 | 1.1094 |
| Distribution on 3 April 2024 | 1.1271 | 1.1237 |
| Distribution on 4 July 2024 | 1.1452 | 1.1367 |
| Distribution on 9 October 2024 | 1.1470 | 1.1339 |

Breakdown of distribution were as follows:

| Source of distribution | 31.12.2024 | | 31.12.2023 | |
|---|------------|--------|------------|--------|
| | RM | % | RM | % |
| Distribution out of current year's income | 716,409 | 100.00 | 99,931 | 10.55 |
| Distribution out of prior year's income/capital | - | - | 847,587 | 89.45 |
| Total | 716,409 | 100.00 | 947,518 | 100.00 |

PERFORMANCE DATA

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

| | 31.12.2024 | 31.12.2023 | 31.12.2022 |
|---|------------|------------|------------|
| | % | % | % |
| Quoted securities | | | |
| - Construction | 0.49 | - | - |
| - Consumer Products & Services | 0.42 | - | - |
| - Energy | - | - | - |
| - Industrials Products & Services | 1.02 | - | - |
| - Materials | - | - | - |
| - Property | 0.41 | - | - |
| - Technology | 0.31 | 1.19 | - |
| Unquoted fixed income securities | 75.23 | 96.64 | 95.96 |
| Deposits with licensed financial institutions | 12.61 | - | - |
| Cash and other assets | 9.85 | 4.05 | 5.43 |
| Liabilities | (0.34) | (1.88) | (1.39) |
| | 100.00 | 100.00 | 100.00 |

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

| | 31.12.2024 | 31.12.2023 | 31.12.2022 |
|--------------------------------|------------|------------|------------|
| NAV (RM Million) | 63.76 | 20.73 | 23.20 |
| Units in circulation (Million) | 55.92 | 18.59 | 21.24 |
| NAV per unit (RM) | 1.1400 | 1.1150 | 1.0921 |
| Highest NAV per unit (RM) | 1.1474 | 1.1150 | 1.1412 |
| Lowest NAV per unit (RM) | 1.1094 | 1.0866 | 1.0628 |
| Total return (%) | 5.10 | 6.52 | (0.16) |
| Capital growth (%) | 2.25 | 2.10 | (4.12) |
| Income distribution (%) | 2.78 | 4.34 | 4.12 |

PERFORMANCE DATA (CONTINUED)

Performance details of the Fund for the last three audited financial years are as follows (continued):

| | 31.12.2024 | 31.12.2023 | 31.12.2022 |
|--|------------|------------|------------|
| Total Expense Ratio (“TER”) (%) ^ | 1.10 | 1.57 | 1.14 |
| Portfolio Turnover Ratio (“PTR”) (times) # | 0.82 | 0.71 | 0.40 |

^ The Fund’s TER decreased from 1.57% to 1.10% due to increase in the average NAV during the financial year under review.

The Fund’s PTR increased to 0.82 times from 0.71 times as there were a higher number of transactions during the financial year.

| | 31.12.2024 | 31.12.2023 | 31.12.2022 |
|---|------------|------------|------------|
| Gross/ Net distribution per unit (sen) | | | |
| Distribution on 12 January 2024 | 0.61 | - | - |
| Distribution on 3 April 2024 | 0.34 | - | - |
| Distribution on 4 July 2024 | 0.85 | - | - |
| Distribution on 9 October 2024 | 1.31 | - | - |
| Distribution on 11 January 2023 | - | 1.08 | - |
| Distribution on 12 April 2023 | - | 1.10 | - |
| Distribution on 12 July 2023 | - | 1.38 | - |
| Distribution on 12 October 2023 | - | 1.10 | - |
| Distribution on 13 January 2022 | - | - | 1.13 |
| Distribution on 12 April 2022 | - | - | 1.12 |
| Distribution on 13 July 2022 | - | - | 1.08 |
| Distribution on 10 October 2022 | - | - | 1.09 |

| | 31.12.2024 | 31.12.2023 | 31.12.2022 | 31.12.2021 | 31.12.2020 |
|---------------------|------------|------------|------------|------------|------------|
| | % | % | % | % | % |
| Annual total return | 5.10 | 6.52 | (0.16) | 1.31 | 7.39 |

(Launch date: 23 March 2004)

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

MARKET REVIEW (1 JANUARY 2024 TO 31 DECEMBER 2024)

Employees Provident Fund (“EPF”) introduced a new account (i.e. Akaun Fleksibel or Account 3) that will help to address any short-term financial needs for its members. New contributions will be apportioned at a ratio of 75:15:10 for Account 1, 2 and 3 respectively (current: 70:30 for Account 1 and 2). Additionally, between 11 May 2024 and 31 August 2024, members can opt-in for a one-off transfer from Account 2 to Account 3 depending on their existing balances in Account 2. EPF has guided that should every member opt-in for this one-off exercise, this would amount to RM57 billion – of which it estimates RM25 billion may flow out in the first year, before moderating to RM4 billion to RM5 billion per annum thereafter. As at end-June 2024, close to ~RM7 billion has been withdrawn.

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

The blanket diesel subsidy in Malaysia ended on 10th June 2024 with diesel prices increasing by 56% to RM3.35 per litre. Diesel prices will thus be ‘free float’ and updated every Wednesday, 5pm.

MARKET REVIEW (1 JANUARY 2024 TO 31 DECEMBER 2024) (CONTINUED)

The tiered subsidised diesel prices will remain unchanged at a) RM2.15 per litre for 400,000 logistic vehicles from 23 commercial sectors; b) RM2.15 per litre for diesel users in East Malaysia; c) RM1.88 per litre for public transport vehicles and d) RM1.65 per litre for fishermen.

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

Malaysia’s economy grew by 5.3% in quarter three of 2024, with 2024 growth revised up to 4.8% to 5.3%, supported by strong domestic demand and an improving external sector.

Budget 2025 targets 4.5% to 5.5% growth while focusing on fiscal consolidation, subsidy rationalization, and efficient resource management to reduce the fiscal deficit from 4.3% in 2024 to 3.8% in 2025. In line with the government’s effort to narrow its fiscal deficit, total government auction for 2025 is estimated to be RM163.5 billion, relatively lower than total issuance in 2024. Meanwhile, supply on corporate bond/sukuk issuance for 2024 increased marginally by 2% year-on-year (“y-o-y”), which is supportive of market dynamics.

The Government will continue to enhance fiscal management through broadening of revenue measures, optimal use of resources and continue to pursue subsidy rationalization, particularly RON95.

The implementation of the 15% Global Minimum Tax (“GMT”) starting January 2025 is expected to strengthen Malaysia's financial position, targeting multinational companies with global revenues exceeding Euro 750 million. This move aims to attract investments while signaling Malaysia's commitment to global tax compliance.

In November 2024, headline inflation declined to 1.8% (October 2024: 1.9%), while core inflation remained stable at 1.8% (October 2024: 1.8%). The lower headline inflation was largely due to a continued downtrend in mobile communication services inflation, which declined to -11.4% (October 2024: -5.2%) during the month. This was partly offset by higher inflation for food away from home (4.8%; October 2024: 4.1%) and streaming services (8.9%; October 2024: 5.3%).

The manufacturing industrial production index grew by 3.3% in October 2024 (September 2024: 3.2%). The export-oriented clusters expanded further, lifted by higher production of both electrical and electronics products and primary-related products. Growth in the domestic-oriented clusters rose further, reflecting higher production of construction-related materials as well as food, beverage and tobacco products.

The Standard & Poor (“S&P 500”) Global Malaysia Manufacturing Purchasing PMI fell to 48.6 in December 2024 from 49.2 in November, marking the lowest reading since March and the seventh consecutive month of contraction in the manufacturing sector.

Malaysia's trade surplus widened to RM15.3 billion in November 2024 from a marginally revised RM 12.1 billion in the same month of 2023, easily surpassing market estimates for a gain of RM 9.1 billion. It was the largest trade surplus since September 2023, as exports grew more than imports for the first time since December 2021. Exports rose by 4.1% y-o-y to RM 126.6 billion, accelerating from a 1.6% rise in October 2024 and beating estimates of 1.3%, mainly driven by sales of manufacturing (5.2%) and agriculture (13.4%), while mining & quarrying tumbled (-17.3%). Meantime, imports grew by 1.6% to RM 111.3 billion, the softest growth in a year and less than forecasts of 4.2%, primarily due to rises in intermediate goods (12.7%) and consumption goods (3.5%), as demand for capital goods plunged (-10.0%). Fitch Ratings (“Fitch”) has reaffirmed Malaysia sovereign credit rating at BBB+, with “Stable” outlook. Key rating drivers which support the reaffirmation are namely broad-based and strong growth momentum; strengthened political stability; continuous current account surplus with strong foreign direct investments.

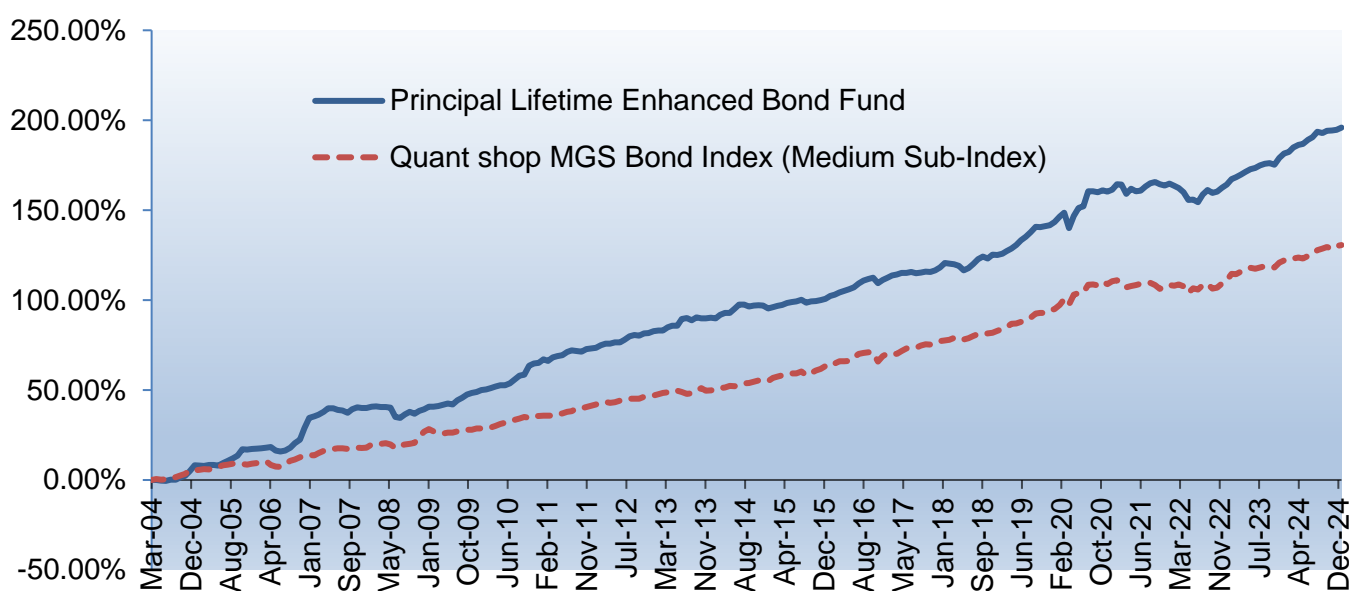
FUND PERFORMANCE

| | 1 year to 31.12.2024 | 3 years to 31.12.2024 | 5 years to 31.12.2024 | Since inception to 31.12.2024 |
|----------------------|---------------------------------|----------------------------------|----------------------------------|--|
| | % | % | % | % |
| Income Distribution | 2.78 | 11.66 | 24.17 | 159.56 |
| Capital Growth | 2.25 | 0.10 | (2.06) | 14.00 |
| Total Return | 5.10 | 11.77 | 21.61 | 195.90 |
| Benchmark | 3.87 | 10.67 | 18.20 | 130.60 |
| Average Total Return | 5.10 | 3.77 | 3.99 | 5.36 |

As at 31 December 2024, the total return for the Fund came in at 5.10%, 11.77%, 21.61 on a 1-year, 3-years and 5-years rolling basis, outperforming the Benchmark by 1.23%, 1.10% and 3.41%, respectively.

Since inception, the Fund has achieved a total return of 195.90%, with an average total return of 5.36%.

Since Inception



Changes in NAV

| | 31.12.2024 | 31.12.2023 | Changes % |
|------------------|-------------------|-------------------|----------------------|
| NAV (RM Million) | 63.76 | 20.73 | >100.00 |
| NAV/Unit (RM) | 1.1400 | 1.1150 | 2.24 |

The Fund's NAV as at 31 December 2024 increased more than 100.00% to RM63.76 million from RM20.73 million on 31 December 2023, due to a large injection received in the fourth quarter of 2024. Meanwhile, the NAV per unit increased by 2.24% to RM1.1400 per unit from RM1.1150 per unit.

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

PORTFOLIO STRUCTURE

Asset allocation

| (% of NAV) | 31.12.2024 | 31.12.2023 |
|---|---------------|---------------|
| Quoted securities | 2.65 | 1.19 |
| Unquoted fixed income securities | 75.23 | 96.64 |
| Deposits with licensed financial institutions | 12.61 | - |
| Cash and other assets | 9.85 | 4.05 |
| Liabilities | (0.34) | (1.88) |
| TOTAL | 100.00 | 100.00 |

As at 31 December 2024, the Fund is 2.65% invested in quoted securities, 75.23% invested in unquoted fixed income securities, 12.61% in deposits with licensed financial institution and 9.85% in cash and other assets holding as liquidity for redemption purposes. The enlarged cash portion is mainly due to the huge injection during fourth quarter of 2024 which will be deployed into equity and/or fixed income securities within the near future.

MARKET OUTLOOK*

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

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

INVESTMENT STRATEGY

Active portfolio management will be deployed in uncertain market condition in anticipation of market volatility by targeting various maturities along the yield curve that could add value. We maintain our preference on credit with disciplined profit taking activities once valuation turns expensive and replaced with new primary issuances or tactical position in government bonds. We also maintain our overweight duration bias relative to the benchmark as the current market conditions still remains favorable for an overweight duration stance.

SOFT COMMISSIONS AND REBATES

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

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

SOFT COMMISSIONS AND REBATES (CONTINUED)

During the financial year under review, the Manager and Trustee did not receive any rebates from the brokers or dealers but the Manager has retained soft commission in the form of goods and services for the benefit of the fund such as financial wire services and stock quotations system incidental to investment management of the Funds and there was no churning of trades.

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIR OF THE FUND

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

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

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

CROSS TRADE

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

UNIT SPLIT

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

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

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 7 to 41 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 December 2024 and of its financial performance, changes net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the provisions of the MFRS Accounting Standards and IFRS Accounting Standards.

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN

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

UDAY JAYARAM

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

Kuala Lumpur
14 February 2025

TRUSTEE'S REPORT

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

We have acted as Trustee of the Fund for the financial year 31 December 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

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

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

For HSBC (Malaysia) Trustee Berhad

Lee Cincee
Senior Manager, Trustee and Fiduciary Services

Kuala Lumpur
14 February 2025

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL LIFETIME ENHANCED BOND FUND**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Principal Lifetime Enhanced Bond Fund (the "Fund"), which comprise the statement of financial position of the fund as at 31 December 2024, and statement of comprehensive income, changes net assets attributable to unit holders and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 7 to 41.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2024, and of its financial performance and cash flows for the financial year then ended in accordance with MFRS Accounting Standards and IFRS Accounting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL LIFETIME ENHANCED BOND FUND (CONT'D.)**

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager and the Trustee for the financial statements

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL LIFETIME ENHANCED BOND FUND (CONT'D.)**

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
PRINCIPAL LIFETIME ENHANCED BOND FUND (CONT'D.)**

Other matters

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

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

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

Kuala Lumpur, Malaysia
14 February 2025

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

| | Note | 2024 RM | 2023 RM |
|--|------|------------|------------|
| INCOME/(LOSS) | | | |
| Dividend income | | 25,626 | - |
| Interest income from unquoted fixed income securities at fair value through profit or loss | | 1,162,143 | 1,020,326 |
| Interest income from deposits with licensed financial institutions | | 173,780 | 21,332 |
| Net gain on financial assets at fair value through profit or loss | 8 | 497,694 | 725,645 |
| Net foreign exchange (loss)/gain | | (2) | 84 |
| | | 1,859,241 | 1,767,387 |
| EXPENSES | | | |
| Management fee | 4 | 327,160 | 208,181 |
| Trustee and custodian fees | 5 | 9,815 | 119,111 |
| Audit fee | | 9,300 | 8,400 |
| Tax agent's fee | | 5,000 | 5,000 |
| Transaction costs | | 13,318 | 755 |
| Other expenses | | 9,593 | 13,231 |
| | | 374,186 | 354,678 |
| PROFIT BEFORE TAXATION | | 1,485,055 | 1,412,709 |
| Taxation | 7 | - | - |
| PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR | | 1,485,055 | 1,412,709 |
| Profit after taxation is made up as follows: | | | |
| Realised amount | | 1,314,389 | 779,328 |
| Unrealised amount | | 170,666 | 633,381 |
| | | 1,485,055 | 1,412,709 |

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

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

| | Note | 2024 RM | 2023 RM |
|---|------|-------------------|-------------------|
| ASSETS | | | |
| Cash and cash equivalents | 9 | 5,635,236 | 820,592 |
| Financial assets at fair value through profit or loss | 8 | 57,690,012 | 20,277,095 |
| Amount due from Manager | | 645,666 | 18,661 |
| TOTAL ASSETS | | <u>63,970,914</u> | <u>21,116,348</u> |
| LIABILITIES | | | |
| Amount due to stockbrokers | | 52,307 | 309,720 |
| Amount due to Manager | | 81,574 | 43,862 |
| Accrued management fee | | 54,024 | 17,579 |
| Amount due to Trustee | | 1,621 | 527 |
| Other payables and accruals | | 23,700 | 17,800 |
| TOTAL LIABILITIES | | <u>213,226</u> | <u>389,488</u> |
| NET ASSET VALUE OF THE FUND | | <u>63,757,688</u> | <u>20,726,860</u> |
| NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS | 10 | <u>63,757,688</u> | <u>20,726,860</u> |
| NUMBER OF UNITS IN CIRCULATION (UNITS) | 11 | <u>55,924,392</u> | <u>18,589,014</u> |
| NET ASSET VALUE PER UNIT (RM) | | <u>1.1400</u> | <u>1.1150</u> |

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

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

| | Note | 2024 RM | 2023 RM |
|---|-----------|---------------------|---------------------|
| NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR | | <u>20,726,860</u> | <u>23,200,026</u> |
| Movement in unit holders' contributions: | | | |
| - Creation of units from applications | | 66,163,703 | 12,661,410 |
| - Creation of units from distribution | | 709,063 | 937,249 |
| - Cancellation of units | | <u>(24,610,584)</u> | <u>(16,537,016)</u> |
| | | <u>42,262,182</u> | <u>(2,938,357)</u> |
| Total comprehensive income for the financial year | | 1,485,055 | 1,412,709 |
| Distribution | 6 | <u>(716,409)</u> | <u>(947,518)</u> |
| NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR | 10 | <u>63,757,688</u> | <u>20,726,860</u> |

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

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

| | Note | 2024 RM | 2023 RM |
|---|----------|---------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Proceeds from disposal of unquoted fixed income securities | | 10,872,156 | 17,653,566 |
| Proceeds from disposal of quoted securities | | 1,400,430 | 309,720 |
| Purchases of unquoted fixed income securities | | (39,991,172) | (14,609,072) |
| Purchases of quoted securities | | (2,518,281) | (213,114) |
| Redemption of unquoted fixed income securities | | 1,000,000 | - |
| Dividend income received | | 25,626 | - |
| Interest income received from deposits with licensed financial institutions | | 173,296 | 21,333 |
| Placement of deposits with licensed financial institutions | | (8,037,151) | - |
| Interest income received from unquoted fixed income securities | | 1,250,205 | 899,507 |
| Interest income received from Current account | | 484 | - |
| Management fee paid | | (290,715) | (210,479) |
| Trustee and custodian fees paid | | (8,721) | (119,578) |
| Payments for other fees and expenses | | (17,993) | (27,232) |
| Receipt/(payment) of other foreign exchange loss | | 2 | (9) |
| Net cash (used in)/generated from operating activities | | (36,141,834) | 3,704,642 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Cash proceeds from units created | | 65,536,698 | 12,718,809 |
| Payments for cancellation of units | | (24,572,872) | (16,776,547) |
| Distribution paid | | (7,346) | (10,269) |
| Net cash generated from/(used in) financing activities | | 40,956,480 | (4,068,007) |
| Net increase/(decrease) in cash and cash equivalents | | 4,814,646 | (363,365) |
| Effects of foreign exchange differences | | (2) | 93 |
| Cash and cash equivalents at the beginning of the financial year | | 820,592 | 1,183,864 |
| Cash and cash equivalents at the end of the financial year | 9 | 5,635,236 | 820,592 |
| <u>Cash and cash equivalents comprised:</u> | | | |
| Bank balance | | 32,729 | 20,381 |
| Deposits with licensed financial institutions | | 5,602,507 | 800,211 |
| Cash and cash equivalents at the end of the financial year | 9 | 5,635,236 | 820,592 |

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

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

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

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

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

The asset allocation strategy for this Fund is as follows:

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

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

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

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES (CONTINUED)

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”).

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

The preparation of financial statements in conformity with MFRS 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 year.

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

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

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

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

(b) Financial assets and financial liabilities

Classification

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

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

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

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

The contractual cash flows of the Fund's debt securities are solely principal and interest. 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 and amount due from Manager at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

Recognition and measurement

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

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

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

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

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

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

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

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

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

Unquoted fixed income securities denominated in Malaysian Ringgit (“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 year 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.

Impairment for assets carried at amortised costs

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

(c) Income recognition

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(c) Income recognition (continued)**

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 are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

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

(d) 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.

(e) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balance 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) Taxation

Current tax expense is determined according to Malaysian tax laws at the current rate based upon the taxable profit earned during the financial year. Withholding taxes on investment income from investment are based on tax regime of the respective countries that the Fund invests in. Such withholding taxes are not “income tax” in nature and are recognised and measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

(g) 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 year in which it is approved by the Trustee.

(h) Transaction costs

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

(i) Amount due from/to stockbrokers

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(j) Unit holders' contributions**

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

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

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

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

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

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

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

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

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

Estimate of fair value of unquoted fixed income securities

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

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

| | Financial assets at fair value through profit or loss RM | Financial assets at amortised cost RM | Total RM |
|--|---|--|---------------------|
| 2024 | | | |
| Cash and cash equivalents (Note 9) | - | 5,635,236 | 5,635,236 |
| Quoted securities (Note 8) | 1,689,126 | | 1,689,126 |
| Unquoted fixed income securities (Note 8) | 47,963,735 | | 57,690,012 |
| Deposits with licensed financial institutions | | 8,037,151 | 8,037,151 |
| Amount due from Manager | - | 645,666 | 645,666 |
| | <u>49,652,861</u> | <u>14,318,053</u> | <u>63,970,914</u> |
| 2023 | | | |
| Cash and cash equivalents (Note 9) | - | 820,592 | 820,592 |
| Unquoted fixed income securities (Note 8) | 20,277,095 | - | 20,277,095 |
| Amount due from Manager | - | 18,661 | 18,661 |
| | <u>20,277,095</u> | <u>839,253</u> | <u>21,116,348</u> |

All current liabilities are financial liabilities which are carried at amortised cost.

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

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

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated in the Deeds and SC Guidelines on Unit Trust Funds.

(a) Market risk

(i) Price risk

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

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

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

(a) Market risk (continued)

(i) Price risk (continued)

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

| | 2024 RM | 2023 RM |
|--|-------------------|-------------------|
| Financial assets at fair value through profit or loss: | | |
| - Quoted securities | 1,689,126 | 246,100 |
| - Unquoted fixed income securities* | 47,963,735 | 20,030,995 |
| - Deposits with licensed financial institutions | 8,037,151 | - |
| | <u>57,690,012</u> | <u>20,277,095</u> |

* Includes interest receivables of RM420,640 (2023: RM222,106).

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

| % Change in price of quoted securities | Market value RM | Impact on profit or loss/NAV RM |
|---|--------------------|---------------------------------------|
| 2024 | | |
| -5 % | 1,604,670 | (84,456) |
| 0 % | 1,689,126 | - |
| +5 % | <u>1,773,582</u> | <u>84,456</u> |
| 2023 | | |
| -5 % | 233,795 | (12,305) |
| 0 % | 246,100 | - |
| +5 % | <u>258,405</u> | <u>12,305</u> |

The Fund is exposed to price risk arising from interest rate fluctuation in relation to its investments of RM47,963,735 (2023: RM20,030,995) in unquoted fixed income securities. The Fund's exposure to price risk arising from interest rate fluctuation and the related sensitivity analysis are disclosed in "interest rate risk" below.

(ii) Interest rate risk

In general, when interest rates rise, unquoted fixed income securities prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise.

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

(a) Market risk (continued)

(ii) Interest rate risk (continued)

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

This risk is crucial since unquoted fixed income securities portfolio management depends on forecasting interest rate movements. Prices of unquoted fixed income securities move inversely to interest rate movements, therefore as interest rates rise, the prices of unquoted fixed income securities decrease and vice versa. Furthermore, unquoted fixed income securities with longer maturity and lower yield coupon rates are more susceptible to interest rate movements. Such investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuers to meet the obligation under the instrument, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.

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

| % Change in interest rate | Impact on profit or loss/NAV | |
|---------------------------|------------------------------|---------------|
| | 2024 RM | 2023 RM |
| +1% | (83,547) | (44,966) |
| -1% | <u>83,893</u> | <u>45,150</u> |

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

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

| | 2024 % | 2023 |
|---|-------------|-------------|
| Deposits with licensed financial institutions | <u>3.77</u> | <u>3.20</u> |

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

(b) Credit risk (continued)

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

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

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

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

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

The following table sets out the credit risk concentration of the Fund at the end of each reporting financial year:

| | Cash and cash equivalents RM | Financial assets at fair value through profit or loss RM | Amount due from Manager RM | Total RM |
|-------------|------------------------------------|---|-------------------------------------|-------------|
| 2024 | | | | |
| - AAA | | 9,691,122 | - | 9,691,122 |
| - AA1 | - | 13,511,654 | - | 13,511,654 |
| - AA2 | - | 864,554 | - | 864,554 |
| - AA3 | - | 13,975,594 | - | 13,975,594 |
| - AA | - | 638,607 | - | 638,607 |
| - A1 | - | 890,806 | - | 890,806 |
| - A2 | - | 613,032 | - | 613,032 |
| - A3 | 5,635,236 | 8,037,151 | - | 13,672,387 |
| - GB | - | 7,104,431 | - | 7,104,431 |
| - GG | - | 162,266 | - | 162,266 |
| - Not Rated | - | 511,669 | 645,666 | 1,157,335 |
| | 5,635,236 | 56,000,886 | 645,666 | 62,281,788 |

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

(b) Credit risk (continued)

The following table sets out the credit risk concentration of the Fund at the end of each reporting financial year: (continued)

| | Cash and cash equivalents RM | Financial assets at fair value through profit or loss RM | Amount due from Manager RM | Total RM |
|-------------|---------------------------------|---|-------------------------------|-------------|
| 2023 | | | | |
| - AAA | 820,592 | 1,610,334 | - | 2,430,926 |
| - AA1 | - | 2,595,345 | - | 2,595,345 |
| - AA2 | - | 872,955 | - | 872,955 |
| - AA3 | - | 8,297,254 | - | 8,297,254 |
| - AA | - | 560,780 | - | 560,780 |
| - A1 | - | 1,310,618 | - | 1,310,618 |
| - A2 | - | 611,307 | - | 611,307 |
| - GB | - | 1,478,896 | - | 1,478,896 |
| - GG | - | 281,100 | - | 281,100 |
| - Not Rated | - | 2,412,406 | 18,661 | 2,431,067 |
| | 820,592 | 20,030,995 | 18,661 | 20,870,248 |

Short term deposits with licensed financial institutions of the Fund have an average remaining maturity of NIL days (2023: 4 days).

(c) Liquidity risk

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

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

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

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

(c) Liquidity risk (continued)

| | Less than 1 month RM | Between 1 month to 1 year RM | Total RM |
|--|----------------------------|---------------------------------------|----------------|
| 2024 | | | |
| Amount due to stockbrokers | 52,307 | - | 52,307 |
| Amount due to Manager | 81,574 | - | 81,574 |
| Accrued management fee | 54,024 | - | 54,024 |
| Amount due to Trustee | 1,621 | - | 1,621 |
| Other payables and accruals | - | 23,700 | 23,700 |
| Contractual undiscounted cash flows | 189,526 | 23,700 | 213,226 |
| 2023 | | | |
| Amount due to stockbrokers | 309,720 | - | 309,720 |
| Amount due to Manager | 43,862 | - | 43,862 |
| Accrued management fee | 17,579 | - | 17,579 |
| Amount due to Trustee | 527 | - | 527 |
| Other payables and accruals | - | 17,800 | 17,800 |
| Contractual undiscounted cash flows | 371,688 | 17,800 | 389,488 |

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders of RM63,757,688 (2023: RM20,726,860). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

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

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

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

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

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy

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

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

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

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

| | Level 1 RM | Level 2 RM | Level 3 RM | Total RM |
|--|------------------|-------------------|---------------|-------------------|
| 2024 | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Quoted securities | 1,689,126 | - | - | 1,689,126 |
| - Unquoted fixed income securities | - | 47,963,735 | - | 47,963,735 |
| - Deposits with licensed financial institutions | - | 8,037,151 | - | 8,037,151 |
| | <u>1,689,126</u> | <u>56,000,886</u> | <u>-</u> | <u>57,690,012</u> |

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

| | Level 1 | Level 2 | Level 3 | Total |
|--|----------------|-------------------|----------------|-------------------|
| | RM | RM | RM | RM |
| 2023 | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Quoted securities | 246,100 | - | - | 246,100 |
| - Unquoted fixed income securities | - | 20,030,995 | - | 20,030,995 |
| | <u>246,100</u> | <u>20,030,995</u> | <u>-</u> | <u>20,277,095</u> |

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

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

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

4. MANAGEMENT FEE

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

For the financial year ended 31 December 2024, the management fee is recognised at a rate of 1.00% per annum (2023: 1.00% per annum).

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

5. TRUSTEE AND CUSTODIAN FEES

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

5. TRUSTEE AND CUSTODIAN FEES (CONTINUED)

For the year ended 31 December 2024, the Trustee Fee is recognized at the rate of 0.03% per annum (2023: For the financial period from 1 January 2023 to 23 November 2023, the Trustee fee was recognised at a rate of 0.05% per annum. Effective 24 November 2023, the Trustee fee was recognised at a rate of 0.03% per annum).

For the financial year ended 31 December 2024, the custodian fee is NIL (2023: nil).

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):

| Source of distribution | 2024 | | 2023 | |
|--|----------------|---------------|----------------|---------------|
| | RM | % | RM | % |
| Distribution out of current year's income | 716,409 | 100.00 | 99,931 | 10.55 |
| Distribution out of prior year's income/capital* | - | - | 847,587 | 89.45 |
| Total | 716,409 | 100.00 | 947,518 | 100.00 |

| Gross/ Net distribution per unit (sen) | 2024 | 2023 |
|---|-------------|-------------|
| | RM | RM |
| Distribution on 12 January 2024 | 0.61 | - |
| Distribution on 3 April 2024 | 0.34 | - |
| Distribution on 4 July 2024 | 0.85 | - |
| Distribution on 9 October 2024 | 1.31 | - |
| Distribution on 11 January 2023 | - | 1.08 |
| Distribution on 12 April 2023 | - | 1.10 |
| Distribution on 12 July 2023 | - | 1.38 |
| Distribution on 12 October 2023 | - | 1.10 |

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

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

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

There were no unrealised losses during the financial year ended 31 December 2024 (31.12.2023: nil).

7. TAXATION

| | 2024 | 2023 |
|------------------------------------|-------------|-------------|
| | RM | RM |
| Tax charged for the financial year | | |
| - Current taxation | <u>-</u> | <u>-</u> |

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

| | 2024 | 2023 |
|---|------------------|------------------|
| | RM | RM |
| Profit before taxation | <u>1,485,055</u> | <u>1,412,709</u> |
| Taxation at Malaysian statutory rate of 24% (2023: 24%) | 356,413 | 339,050 |
| Tax effects of: | | |
| - Investment income not subject to tax | (446,218) | (424,173) |
| - Expenses not deductible for tax purposes | 8,793 | 31,691 |
| - Restriction on tax deductible expenses for Unit Trust Funds | <u>81,012</u> | <u>53,432</u> |
| Taxation | <u>-</u> | <u>-</u> |

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 2024 | 2023 |
|--|-------------------|-------------------|
| | RM | RM |
| Financial assets at fair value through profit or loss: | | |
| - Quoted securities | 1,689,126 | 246,100 |
| - Unquoted fixed income securities | 47,963,735 | 20,030,995 |
| - Deposits with licensed financial institutions* | <u>8,037,151</u> | <u>-</u> |
| | <u>57,690,012</u> | <u>20,277,095</u> |
| *Includes profit receivable of RM37,151 (2023: Nil) | | |
| Net gain on financial assets at fair value through profit or loss: | | |
| - Realised gain on disposals | 327,333 | 95,147 |
| - Unrealised fair value gain | <u>170,361</u> | <u>630,498</u> |
| | <u>497,694</u> | <u>725,645</u> |

Deposits with licensed financial institutions:

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

| | 2024 | 2023 |
|---|-------------|-------------|
| | % | % |
| Deposits with licensed financial institutions | <u>3.77</u> | <u>-</u> |

For the financial year ended 31 December 2024, the deposits with licensed financial institutions of the Fund have an average maturity of 70 days.

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

| Name of counter | Quantity Units | Aggregate cost RM | Market value RM | Percentage of NAV % |
|---|-------------------|-------------------------|-----------------------|---------------------------|
| 2024 | | | | |
| QUOTED SECURITIES | | | | |
| Construction | | | | |
| Southern Score Builders Bhd | 518,400 | 308,744 | 311,040 | 0.49 |
| Consumer product and services | | | | |
| RGB International Bhd | 680,400 | 221,130 | 268,758 | 0.42 |
| Industrial product and services | | | | |
| Nationgate Holdings Bhd | 256,500 | 547,474 | 648,945 | 1.02 |
| Property | | | | |
| SP Setia Bhd | 179,800 | 260,710 | 262,507 | 0.41 |
| Technology | | | | |
| Ifca Msc Bhd | 302,100 | 216,403 | 197,876 | 0.31 |
| TOTAL QUOTED SECURITIES | 1,937,200 | 1,554,461 | 1,689,126 | 2.65 |
| ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | 134,665 | | |
| TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS | | 1,689,126 | | |
| UNQUOTED FIXED INCOME SECURITIES | | | | |
| 7-Eleven Malaysia Holdings Bhd 4.28% 26/06/2026 (AA3) | 1,150,000 | 1,152,055 | 1,151,466 | 1.81 |
| 7-Eleven Malaysia Holdings Bhd 4.73% 28/06/2028 (AA3) | 500,000 | 505,780 | 504,890 | 0.79 |
| Aeon Co. M Bhd 4.28% 03/07/2026 (AA2) | 230,000 | 234,872 | 236,338 | 0.37 |
| Aeon Credit Service M Bhd 4.13% 14/11/2029 (AA3) | 1,500,000 | 1,511,308 | 1,513,532 | 2.37 |
| Aeon Credit Service M Bhd 4.45% 01/12/2028 (AA3) | 170,000 | 170,984 | 173,393 | 0.27 |
| Amanat Lebuhraya Rakyat Bhd 4.97% 12/10/2029 (AAA) | 300,000 | 319,121 | 316,022 | 0.50 |
| AmBank Bhd 4.58% 28/03/2033 (AA3) | 500,000 | 505,835 | 513,845 | 0.81 |

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

| Name of counter | Quantity Units | Aggregate cost RM | Market value RM | Percentage of NAV % |
|---|-------------------|-------------------------|-----------------------|---------------------------|
| 2024 (CONTINUED) | | | | |
| UNQUOTED FIXED INCOME SECURITIES (CONTINUED) | | | | |
| AmBank Islamic 4.53% 28/03/2033 (AA3) | 300,000 | 303,463 | 308,182 | 0.48 |
| Ara Bintang Bhd 5.25% 17/03/2031 (NR(LT)) | 360,000 | 361,524 | 359,168 | 0.56 |
| AZRB Capital Sdn Bhd 5.00% 24/12/2026 (AA3) | 330,000 | 330,271 | 331,657 | 0.52 |
| Bank Pembangunan Malaysia Bhd 4.02% 01/12/2028 (AAA) | 150,000 | 150,496 | 151,090 | 0.24 |
| DanaInfra Nasional Bhd 4.79% 06/04/2035 (GG) # | 150,000 | 163,694 | 162,266 | 0.25 |
| Dialog Group Bhd 4.53% 28/01/2032 (AA2) | 320,000 | 326,196 | 333,354 | 0.52 |
| DIGI Telecomm Sdn Bhd 4.05% 30/05/2030 (AAA) | 90,000 | 90,330 | 90,831 | 0.14 |
| DRB-Hicom Bhd 4.85% 11/12/2026 (AA3) | 450,000 | 451,196 | 458,981 | 0.72 |
| DRB-Hicom Bhd 5.10% 12/12/2029 (AA3) | 700,000 | 701,956 | 733,351 | 1.15 |
| Edotco Malaysia Sdn Bhd 4.44% 07/09/2029 (AA1) | 60,000 | 60,832 | 62,069 | 0.10 |
| Edra Energy Sdn Bhd 6.71% 05/01/2038 (AA3) | 1,000,000 | 1,178,755 | 1,266,950 | 1.99 |
| Gamuda Bhd 4.31% 20/06/2030 (AA3) | 50,000 | 50,071 | 50,836 | 0.08 |
| Gamuda Land Sdn Bhd 4.40% 11/10/2028 (AA3) | 100,000 | 100,988 | 102,391 | 0.16 |
| Genm Capital Bhd 5.35% 03/05/2030 (AA1) | 630,000 | 650,942 | 647,000 | 1.01 |
| Genm Capital Bhd 5.52% 05/05/2033 (AA1) | 130,000 | 131,121 | 135,372 | 0.21 |
| Genm Capital Bhd 4.92% 08/06/2029 (AA1) | 880,000 | 889,189 | 883,138 | 1.39 |
| Genm Capital Bhd 4.92% 31/05/2029 (AA1) | 875,000 | 885,435 | 879,400 | 1.38 |
| Genm Capital Bhd 5.07% 31/05/2032 (AA1) | 1,100,000 | 1,112,165 | 1,109,035 | 1.74 |
| Genm Capital Bhd 5.15% 31/05/2034 (AA1) | 300,000 | 301,397 | 303,227 | 0.48 |
| Genting Capital Sdn Bhd 4.86% 08/06/2027 (AA1) | 1,850,000 | 1,874,667 | 1,856,979 | 2.91 |
| Genting Bhd 4.18% 08/11/2029 (AA1) | 1,000,000 | 996,526 | 974,424 | 1.53 |
| Genting Bhd 5.19% 25/3/2027 (AA1) | 1,000,000 | 1,031,390 | 1,021,755 | 1.60 |
| GII Murabahah 4.64% 15/11/2049 (GB) # | 150,000 | 174,853 | 162,510 | 0.25 |
| Hong Leong Bank Bhd 4.25% 30/11/2117 (A1) | 100,000 | 101,141 | 101,520 | 0.16 |

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

| Name of counter | Quantity Units | Aggregate cost RM | Market value RM | Percentage of NAV % |
|--|-------------------|-------------------------|-----------------------|---------------------------|
| 2024 (CONTINUED) | | | | |
| UNQUOTED FIXED INCOME SECURITIES (CONTINUED) | | | | |
| IJM Land Bhd 4.73% 17/03/2119 (A2) | 300,000 | 304,021 | 303,744 | 0.48 |
| IJM Land Bhd 5.65% 17/03/2119 (A2) | 300,000 | 304,830 | 309,288 | 0.49 |
| Imtiaz Sukuk II Berhad 4.97% 08/11/2027 (AA2) | 40,000 | 40,294 | 41,503 | 0.07 |
| Johor Corporation 4.45% 05/07/2030 (AAA) | 70,000 | 71,502 | 73,347 | 0.12 |
| Johor Port Bhd 5.10% 04/10/2027 (AA3) | 110,000 | 111,368 | 114,840 | 0.18 |
| Konsortium KAJV Sdn Bhd 5.75% 13/05/2032 (AA3) | 150,000 | 151,431 | 154,631 | 0.24 |
| Kuala Lumpur Kepong Bhd 4.17% 16/03/2032 (AA1) | 165,000 | 166,998 | 168,279 | 0.26 |
| LBS Bina Group Bhd 5.00% 23/01/2029 (AA3) | 250,000 | 255,548 | 258,260 | 0.41 |
| Lembaga Pembiayaan Perumahan Sektor Awam 4.00% 30/08/2035 (NR(LT)) | 150,000 | 153,787 | 152,501 | 0.24 |
| Malakoff Power Bhd 6.05% 17/12/2029 (AA3) | 200,000 | 208,291 | 212,423 | 0.33 |
| Malayan Cement Bhd 5.05% 26/06/2028 (AA3) | 500,000 | 517,211 | 516,655 | 0.81 |
| Malayan Cement Bhd 4.12% 02/07/2027 (AA3) | 690,000 | 706,783 | 707,004 | 1.11 |
| Malayan Cement Bhd 4.24% 03/07/2029 (AA3) | 540,000 | 554,400 | 553,809 | 0.87 |
| Malayan Cement Bhd 5.07% 11/12/2029 (AA3) | 610,000 | 613,100 | 636,405 | 1.00 |
| Malaysia Airports Holdings Bhd 3.95% 22/11/2029 (AAA) | 5,000,000 | 5,021,644 | 5,035,844 | 7.90 |
| Malaysia Government Securities 3.50% 31/05/2027 (GB) # | 5,000,000 | 5,020,110 | 5,018,143 | 7.87 |
| Malaysia Government Securities 3.76% 22/05/2040 (GB) # | 100,000 | 102,253 | 97,465 | 0.15 |
| Malaysia Government Securities 4.07% 15/06/2050 (GB) # | 500,000 | 498,069 | 494,148 | 0.78 |
| Malaysian Government Securities 3.83% 05/07/2034 (GB) # | 1,150,000 | 1,177,143 | 1,172,107 | 1.84 |
| Malaysian Government Securities 4.64% 07/11/2033 (GB) # | 150,000 | 160,760 | 160,058 | 0.25 |

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

| Name of counter | Quantity Units | Aggregate cost RM | Market value RM | Percentage of NAV % |
|--|-------------------|-------------------------|-----------------------|---------------------------|
| 2024 (CONTINUED) | | | | |
| UNQUOTED FIXED INCOME SECURITIES (CONTINUED) | | | | |
| Malaysian Resources Corporation Bhd 5.09% 18/10/2028 (AA3) | 350,000 | 354,228 | 363,762 | 0.57 |
| Malaysian Resources Corporation Bhd 5.19% 27/02/2026 (AA3) | 250,000 | 256,047 | 257,599 | 0.40 |
| Malaysian Resources Corporation Bhd 5.26% 26/02/2027 (AA3) | 110,000 | 112,058 | 114,488 | 0.18 |
| MMC Port Holdings Sdn Bhd 4.40% 08/04/2027 (AA3) | 30,000 | 30,307 | 30,624 | 0.05 |
| MMC Port Holdings Sdn Bhd 4.66% 06/04/2029 (AA3) | 40,000 | 40,434 | 41,425 | 0.06 |
| OCK Group Bhd 5.21% 24/11/2028 (AA3) | 50,000 | 50,436 | 51,110 | 0.08 |
| OCK Group Bhd 5.38% 22/11/2030 (AA3) | 180,000 | 181,895 | 185,910 | 0.29 |
| OSK Rated Bond Sdn Bhd 4.49% 13/09/2030 (AA) | 130,000 | 131,759 | 134,416 | 0.21 |
| OSK Rated Bond Sdn Bhd 4.59% 15/09/2033 (AA) | 90,000 | 91,245 | 94,240 | 0.15 |
| Penang Port Sdn Bhd 4.48% 27/12/2029 (AA3) | 100,000 | 100,061 | 102,096 | 0.16 |
| Pengurusan Air SPV Bhd 4.30% 03/06/2026 (AAA) | 200,000 | 200,683 | 202,287 | 0.32 |
| Pengurusan Air SPV Bhd 4.51% 04/04/2031 (AAA) | 120,000 | 121,320 | 124,964 | 0.20 |
| Pengurusan Air SPV Bhd 4.56% 31/01/2030 (AAA) | 500,000 | 509,307 | 523,767 | 0.82 |
| Pengurusan Air SPV Bhd 4.07% 07/02/2031 (AAA) | 180,000 | 182,950 | 184,086 | 0.29 |
| Perbadanan Kemaj Pertanian Negeri Pahang 4.36% 29/10/2027 (AA3) | 250,000 | 252,198 | 249,164 | 0.39 |
| Point Zone M Sdn Bhd 4.50% 13/03/2028 (AA) | 100,000 | 101,356 | 103,177 | 0.16 |
| Point Zone M Sdn Bhd 4.69% 13/03/2030 (AA) | 30,000 | 30,424 | 31,383 | 0.05 |
| Point Zone M Sdn Bhd 4.86% 11/03/2033 (AA) | 40,000 | 40,586 | 42,712 | 0.07 |
| Ponsb Capital Bhd 4.96% 28/12/2028 (AA2) | 70,000 | 70,019 | 72,545 | 0.11 |
| Projek Lebuhraya Usahasama Bhd Sukuk Plus 4.88% 12/01/2028 (AAA) | 100,000 | 109,166 | 105,281 | 0.17 |
| RHB Bank Bhd 3.65% 28/04/2031 (AA2) | 180,000 | 181,170 | 180,814 | 0.28 |
| Sabah Credit Corporation 4.33% 14/09/2029 (AA1) | 170,000 | 172,348 | 174,502 | 0.27 |

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

| Name of counter | Quantity Units | Aggregate cost RM | Market value RM | Percentage of NAV % |
|---|-------------------|-------------------------|-----------------------|---------------------------|
| 2024 (CONTINUED) | | | | |
| UNQUOTED FIXED INCOME SECURITIES (CONTINUED) | | | | |
| Sabah Development Bank - 5.50% 27/02/2026 (AA1) | 860,000 | 887,594 | 887,471 | 1.39 |
| Sabah Development Bank 4.55% 21/08/2025 (AA1) | 220,000 | 224,138 | 224,147 | 0.35 |
| Sabah Development Bank 4.85% 05/10/2029 (AA1) | 610,000 | 625,536 | 625,431 | 0.98 |
| Sabah Development Bank 5.50% 24/4/2026 (AA1) | 1,160,000 | 1,189,080 | 1,189,786 | 1.87 |
| Sabah Development Bank 4.55% 15/08/2025 (AA1) | 110,000 | 112,130 | 112,137 | 0.18 |
| SEGI Astana Sdn Bhd 5.70% 07/01/2028 (A1) | 600,000 | 625,044 | 633,799 | 0.99 |
| Sime Darby Property Bhd 4.14% 21/08/2028 (AA1) | 20,000 | 20,302 | 20,453 | 0.03 |
| Solarvest Holdings Bhd 5.50% 04/09/2026 (A1) | 150,000 | 152,819 | 155,487 | 0.24 |
| SP Setia Bhd 4.22% 21/04/2027 (AA) | 120,000 | 120,999 | 121,846 | 0.19 |
| SP Setia Bhd 4.30% 23/06/2026 (AA) | 110,000 | 110,117 | 110,833 | 0.17 |
| STM Lottery Sdn Bhd 4.77% 15/09/2028 (AA3) | 280,000 | 284,801 | 284,170 | 0.45 |
| STM Lottery Sdn Bhd 4.94% 28/06/2029 (AA3) | 210,000 | 210,725 | 211,466 | 0.33 |
| Toyota Capital (M) Sdn Bhd 4.25% 28/07/2028 (AAA) | 100,000 | 101,784 | 101,471 | 0.16 |
| Toyota Capital (M) Sdn Bhd 4.32% 26/09/2028 (AAA) | 500,000 | 517,568 | 516,179 | 0.81 |
| Toyota Capital (M) Sdn Bhd 4.35% 29/08/2028 (AAA) | 100,000 | 103,253 | 102,919 | 0.16 |
| Toyota Capital (M) Sdn Bhd 4.08% 19/11/2029 (AAA) | 880,000 | 886,092 | 889,228 | 1.39 |
| Toyota Capital (M) Sdn Bhd 4.14% 16/08/2030 (AAA) | 110,000 | 112,268 | 112,646 | 0.18 |
| Toyota Capital (M) Sdn Bhd 4.28% 22/03/2029 (AAA) | 130,000 | 132,981 | 134,210 | 0.21 |
| Toyota Capital (M) Sdn Bhd 4.30% 26/02/2030 (AAA) | 500,000 | 515,191 | 515,455 | 0.81 |
| Toyota Capital (M) Sdn Bhd 4.43% 24/01/2029 (AAA) | 500,000 | 512,537 | 511,495 | 0.80 |
| UEM Sunrise Bhd 4.87% 29/09/2028 (AA3) | 500,000 | 522,438 | 521,319 | 0.82 |
| UEM Sunrise Bhd 5.39% 05/03/2026 (AA3) | 250,000 | 254,334 | 258,676 | 0.41 |
| UEM Sunrise Bhd 5.45% 30/01/2026 (AA3) | 1,000,000 | 1,040,678 | 1,040,284 | 1.63 |
| YTL Corporation Bhd 4.63% 11/11/2026 (AA1) | 1,500,000 | 1,533,442 | 1,531,409 | 2.40 |

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

| Name of counter | Quantity Units | Aggregate cost RM | Market value RM | Percentage of NAV % |
|---|-------------------|-------------------------|-----------------------|---------------------------|
| 2024 (CONTINUED) | | | | |
| UNQUOTED FIXED INCOME SECURITIES (CONTINUED) | | | | |
| YTL Power International Bhd 4.99% 24/03/2033 (AA1) | 165,000 | 167,772 | 178,270 | 0.28 |
| YTL Power International Bhd 4.99% 24/08/2028 (AA1) | 500,000 | 515,223 | 527,370 | 0.83 |
| TOTAL UNQUOTED FIXED INCOME SECURITIES | 46,855,000 | 47,756,939 | 47,963,735 | 75.23 |
| ACCUMULATED UNREALISED GAIN ON UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS | | | | |
| | | 206,796 | | |
| TOTAL UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS | | | | |
| | | 47,963,735 | | |
| 2023 | | | | |
| QUOTED SECURITIES | | | | |
| Technology | | | | |
| SMRT Holdings Bhd | 230,000 | 212,359 | 246,100 | 1.19 |
| TOTAL QUOTED SECURITIES | 230,000 | 212,359 | 246,100 | 1.19 |
| ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | | | |
| | | 33,741 | | |
| TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS | | | | |
| | | 246,100 | | |
| UNQUOTED FIXED INCOME SECURITIES | | | | |
| 7-Eleven Malaysia Holdings Bhd 4.28% 26/06/2026 (AA3) | 150,000 | 150,243 | 149,612 | 0.72 |
| Aeon Co. M Bhd 4.28% 03/07/2026 (AA2) | 230,000 | 234,883 | 236,518 | 1.14 |
| Aeon Co. M Bhd 4.41% 05/07/2028 (AA2) | 80,000 | 81,754 | 82,952 | 0.40 |

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

| Name of counter | Quantity Units | Aggregate cost RM | Market value RM | Percentage of NAV % |
|--|-------------------|-------------------------|-----------------------|---------------------------|
| 2023 (CONTINUED) | | | | |
| UNQUOTED FIXED INCOME SECURITIES (CONTINUED) | | | | |
| Aeon Credit Service M Bhd 4.45% 01/12/2028 (AA3) | 170,000 | 171,089 | 172,115 | 0.83 |
| AmBank Bhd 4.58% 28/03/2033 (AA3) | 500,000 | 505,898 | 513,248 | 2.48 |
| AmBank Islamic 4.53% 28/03/2033 (AA3) | 300,000 | 303,500 | 308,033 | 1.49 |
| Ara Bintang Bhd 5.50% 17/03/2026 (NR (LT)) | 1,000,000 | 1,002,110 | 1,002,550 | 4.84 |
| Azrb Capital Sdn Bhd 5.00% 24/12/2026 (AA3) | 330,000 | 330,271 | 330,700 | 1.60 |
| Bank Pembangunan Malaysia Bhd 4.02% 01/12/2028 (AAA) | 150,000 | 150,512 | 151,385 | 0.73 |
| DanaInfra Nasional Bhd 4.46% 18/08/2037 (GG) # | 80,000 | 81,329 | 84,777 | 0.41 |
| DanaInfra Nasional Bhd 5.06% 12/02/2049 (GG) # | 50,000 | 62,128 | 56,694 | 0.27 |
| Dialog Group Bhd 4.53% 28/01/2032 (AA2) | 320,000 | 326,235 | 332,094 | 1.60 |
| DIGI Telecomm Sdn Bhd 4.05% 30/05/2030 (AAA) | 90,000 | 90,320 | 90,736 | 0.44 |
| DRB-Hicom Bhd 4.85% 11/12/2026 (A1) | 450,000 | 451,196 | 454,035 | 2.19 |
| DRB-Hicom Bhd 5.10% 12/12/2029 (A1) | 700,000 | 701,956 | 703,104 | 3.39 |
| Eco World Capital Bhd 4.90% 10/08/2028 (AA3) | 120,000 | 122,320 | 125,843 | 0.61 |
| Edotco Malaysia Sdn Bhd 4.44% 07/09/2029 (AA1) | 60,000 | 60,817 | 62,043 | 0.30 |
| Edra Energy Sdn Bhd 6.71% 05/01/2038 (AA3) | 1,000,000 | 1,186,462 | 1,240,490 | 5.98 |
| Gamuda Bhd 4.31% 20/06/2030 (AA3) | 50,000 | 50,071 | 50,794 | 0.25 |
| Gamuda Bhd 4.40% 20/06/2033 (AA3) | 90,000 | 90,130 | 91,389 | 0.44 |
| Gamuda Land Sdn Bhd 4.40% 11/10/2028 (AA3) | 100,000 | 100,988 | 102,470 | 0.50 |
| Genm Capital Bhd 5.07% 05/05/2028 (AA1) | 130,000 | 131,011 | 132,592 | 0.64 |
| Genm Capital Bhd 5.35% 03/05/2030 (AA1) | 130,000 | 131,067 | 133,242 | 0.64 |
| Genm Capital Bhd 5.52% 05/05/2033 (AA1) | 130,000 | 131,101 | 133,493 | 0.64 |
| Gentin Bhd 4.18% 08/11/2029 (AA1) | 500,000 | 503,092 | 483,327 | 2.33 |
| GII Murabahah 4.29% 14/08/2043 (GB) # | 700,000 | 720,262 | 730,600 | 3.52 |
| GII Murabahah 4.63% 15/11/2049 (GB) # | 150,000 | 175,432 | 158,776 | 0.78 |

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

| Name of counter | Quantity Units | Aggregate cost RM | Market value RM | Percentage of NAV % |
|--|-------------------|-------------------------|-----------------------|---------------------------|
| 2023 (CONTINUED) | | | | |
| UNQUOTED FIXED INCOME SECURITIES (CONTINUED) | | | | |
| Guan Chong Bhd 3.84% 03/12/2027 (AA3) | 310,000 | 312,122 | 305,484 | 1.47 |
| IJM Land Bhd 4.73% 17/03/2119 (A2) | 300,000 | 304,099 | 300,744 | 1.45 |
| IJM Land Bhd 5.65% 17/03/2119 (A2) | 300,000 | 304,830 | 310,563 | 1.50 |
| Imtiaz Sukuk II Bhd 4.97% 08/11/2027 (AA2) | 40,000 | 40,294 | 41,663 | 0.20 |
| Johor Corporation 4.45% 05/07/2030 (AAA) | 70,000 | 71,528 | 73,563 | 0.35 |
| Johor Corporation 4.54% 06/07/2033 (AAA) | 200,000 | 204,453 | 212,377 | 1.02 |
| Johor Port Bhd 5.10% 04/10/2027 (AA3) | 110,000 | 111,368 | 115,121 | 0.56 |
| Konsortium KAJV Sdn Bhd 6.00% 13/05/2030 (AA3) | 250,000 | 252,612 | 260,225 | 1.26 |
| Konsortium KAJV Sdn Bhd 6.10% 13/05/2031 (AA3) | 250,000 | 252,720 | 261,780 | 1.26 |
| Kuala Lumpur Kepong Bhd 4.17% 16/03/2032 (AA1) | 165,000 | 166,979 | 167,930 | 0.81 |
| LBS Bina Group Bhd 6.80% 29/03/2120 (NR (LT)) | 400,000 | 407,024 | 404,816 | 1.95 |
| Mah Sing Group Bhd 4.35% 13/03/2025 (NR (LT)) | 1,000,000 | 1,013,110 | 1,005,040 | 4.85 |
| Malakoff Power Bhd 6.05% 17/12/2029 (AA3) | 200,000 | 209,610 | 211,350 | 1.02 |
| Malayan Cement Bhd 5.05% 26/06/2028 (AA3) | 330,000 | 330,930 | 333,165 | 1.61 |
| Malayan Cement Bhd 5.07% 11/12/2029 (AA3) | 610,000 | 613,333 | 616,299 | 2.97 |
| Malaysia Government Securities 3.76% 22/05/2040 (GB) # | 100,000 | 102,339 | 96,556 | 0.47 |
| Malaysia Government Securities 4.07% 15/06/2050 (GB) # | 500,000 | 498,045 | 492,964 | 2.38 |
| Malaysian Resources Corporation Bhd 5.09% 18/10/2028 (AA3) | 350,000 | 354,366 | 358,127 | 1.73 |
| Malaysian Resources Corporation Bhd 5.19% 27/02/2026 (AA3) | 80,000 | 81,474 | 82,260 | 0.40 |
| Malaysian Resources Corporation Bhd 5.26% 26/02/2027 (AA3) | 110,000 | 112,087 | 113,763 | 0.55 |
| Malaysian Resources Corporation Bhd 5.43% 28/02/2029 (AA3) | 250,000 | 254,995 | 261,724 | 1.26 |

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

| Name of counter | Quantity Units | Aggregate cost RM | Market value RM | Percentage of NAV % |
|--|-------------------|-------------------------|-----------------------|---------------------------|
| 2023 (CONTINUED) | | | | |
| UNQUOTED FIXED INCOME SECURITIES (CONTINUED) | | | | |
| MMC Port Holdings Sdn Bhd 4.40% 08/04/2027 (AA3) | 30,000 | 30,304 | 30,595 | 0.15 |
| MMC Port Holdings Sdn Bhd 4.66% 06/04/2029 (AA3) | 40,000 | 40,429 | 41,285 | 0.20 |
| OCK Group Bhd 5.21% 24/11/2028 (AA3) | 50,000 | 50,483 | 50,812 | 0.25 |
| OCK Group Bhd 5.38% 22/11/2030 (AA3) | 180,000 | 182,051 | 183,811 | 0.89 |
| OSK Rated Bond Sdn Bhd 4.49% 13/09/2030 (AA) | 230,000 | 233,056 | 235,896 | 1.14 |
| OSK Rated Bond Sdn Bhd 4.59% 15/09/2033 (AA) | 90,000 | 91,222 | 92,555 | 0.45 |
| Penang Port Sdn Bhd 4.30% 24/12/2026 (AA3) | 50,000 | 50,029 | 50,514 | 0.24 |
| Penang Port Sdn Bhd 4.48% 27/12/2029 (AA3) | 100,000 | 100,061 | 101,989 | 0.49 |
| Penang Port Sdn Bhd 4.68% 26/12/2031 (AA3) | 200,000 | 200,128 | 205,242 | 0.99 |
| Pengurusan Air SPV Bhd 4.30% 03/06/2026 (AAA) | 200,000 | 200,660 | 202,980 | 0.98 |
| Pengurusan Air SPV Bhd 4.51% 04/04/2031 (AAA) | 120,000 | 121,320 | 124,927 | 0.60 |
| Pengurusan Air SPV Bhd 4.56% 31/01/2030 (AAA) | 500,000 | 509,432 | 525,007 | 2.53 |
| Perbadanan Kemajuan Pertanian Negeri Pahang 4.36% 29/10/2027 (AA3) | 250,000 | 252,306 | 246,634 | 1.19 |
| Point Zone M Sdn Bhd 4.50% 13/03/2028 (AA3) | 100,000 | 101,356 | 103,265 | 0.50 |
| Point Zone M Sdn Bhd 4.69% 13/03/2030 (AA3) | 30,000 | 30,424 | 31,409 | 0.15 |
| Point Zone M Sdn Bhd 4.86% 11/03/2033 (AA3) | 40,000 | 40,586 | 42,408 | 0.20 |
| Ponsb Capital Bhd 4.96% 28/12/2028 (AA3) | 70,000 | 70,038 | 72,552 | 0.35 |
| Prasarana Malaysia Bhd 3.44% 24/02/2040 (GG) # | 150,000 | 151,824 | 139,629 | 0.67 |
| Projek Lebuhraya Usahasama Bhd Sukuk Plus 4.88% 12/01/2028 (AAA) | 100,000 | 111,322 | 105,983 | 0.51 |
| RHB Bank Bhd 3.65% 28/04/2031 (AA2) | 180,000 | 181,134 | 179,728 | 0.87 |
| Sabah Credit Corp 4.33% 14/09/2029 (AA1) | 170,000 | 172,429 | 173,055 | 0.83 |
| Sabah Development Bank Bhd 5.50% 24/4/2026 (AA1) | 300,000 | 309,720 | 309,807 | 1.49 |
| SEGI Astana Sdn Bhd 5.70% 07/01/2028 (AA3) | 600,000 | 627,578 | 620,311 | 2.99 |

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

| Name of counter | Quantity Units | Aggregate cost RM | Market value RM | Percentage of NAV % |
|---|--------------------------|--------------------------|--------------------------|---------------------------|
| 2023 (CONTINUED) | | | | |
| UNQUOTED FIXED INCOME SECURITIES (CONTINUED) | | | | |
| Sime Darby Property Bhd 4.14% 21/08/2028 (AA1) | 20,000 | 20,302 | 20,488 | 0.10 |
| Solarvest Holdings Bhd 5.50% 04/09/2026 (A1) | 150,000 | 152,911 | 153,479 | 0.74 |
| SP Setia Bhd 4.22% 21/04/2027 (AA) | 120,000 | 120,971 | 121,534 | 0.59 |
| SP Setia Bhd 4.30% 23/06/2026 (AA) | 110,000 | 110,078 | 110,795 | 0.53 |
| Toyota Capital (M) Sdn Bhd 4.35% 29/08/2028 (AAA) | 120,000 | 122,029 | 123,376 | 0.60 |
| UEM Olive Capital Bhd 4.30% 06/12/2028 (AA1) | 270,000 | 271,166 | 272,261 | 1.31 |
| UEM Sunrise Bhd 4.30% 16/02/2026 (AA3) | 250,000 | 254,502 | 253,320 | 1.22 |
| UEM Sunrise Bhd 5.39% 05/03/2026 (AA3) | 250,000 | 254,522 | 259,115 | 1.25 |
| YTL Power International Bhd 4.99% 24/03/2033 (AA1) | 165,000 | 167,803 | 178,091 | 0.86 |
| YTL Power International Bhd 4.99% 24.08.2028 (AA1) | 500,000 | 516,965 | 529,016 | 2.55 |
| TOTAL UNQUOTED FIXED INCOME SECURITIES | <u>19,420,000</u> | <u>19,893,636</u> | <u>20,030,995</u> | <u>96.64</u> |
| ACCUMULATED UNREALISED GAIN ON UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>137,359</u> | | |
| TOTAL UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>20,030,995</u> | | |

GG - Government Guaranteed
GB - Government Bond

The unquoted fixed income securities which are not rated as at the end of each financial year are issued, backed or guaranteed by government or government agencies.

9. CASH AND CASH EQUIVALENTS

| | 2024 RM | 2023 RM |
|---|------------------|----------------|
| Deposits with licensed financial institutions | 5,602,507 | 800,211 |
| Bank balance | 32,729 | 20,381 |
| | <u>5,635,236</u> | <u>820,592</u> |

10. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

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

| | 2024 RM | 2023 RM |
|-----------------------------|-------------------|-------------------|
| Unit holders' contributions | 60,788,261 | 18,526,079 |
| Retained earnings | 2,969,427 | 2,200,781 |
| | <u>63,757,688</u> | <u>20,726,860</u> |

| | Unit holders' contributions RM | Retained earnings RM | Total RM |
|---|--------------------------------------|----------------------------|-------------------|
| Balance as at 1 January 2024 | 18,526,079 | 2,200,781 | 20,726,860 |
| Movement in unit holders' contributions: | | | |
| - Creation of units from applications | 66,163,703 | - | 66,163,703 |
| - Creation of units from distribution | 709,063 | - | 709,063 |
| - Cancellation of units | (24,610,584) | - | (24,610,584) |
| Total comprehensive income for the financial year | - | 1,485,055 | 1,485,055 |
| Distribution | - | (716,409) | (716,409) |
| Balance as at 31 December 2024 | <u>60,788,261</u> | <u>2,969,427</u> | <u>63,757,688</u> |
| Balance as at 1 January 2023 | 21,464,436 | 1,735,590 | 23,200,026 |
| Movement in unit holders' contributions: | | | |
| - Creation of units from applications | 12,661,410 | - | 12,661,410 |
| - Creation of units from distribution | 937,249 | - | 937,249 |
| - Cancellation of units | (16,537,016) | - | (16,537,016) |
| Total comprehensive loss for the financial year | - | 1,412,709 | 1,412,709 |
| Distribution | - | (947,518) | (947,518) |
| Balance as at 31 December 2023 | <u>18,526,079</u> | <u>2,200,781</u> | <u>20,726,860</u> |

11. NUMBER OF UNITS IN CIRCULATION (UNITS)

| | 2024 | 2023 |
|---|---------------------|---------------------|
| | No. of units | No. of units |
| At the beginning of the financial year | 18,589,014 | 21,241,725 |
| Add : Creation of units from applications | 58,339,026 | 11,504,362 |
| Add : Creation of units from distribution | 627,672 | 858,175 |
| Less: Cancellation of units | <u>(21,631,320)</u> | <u>(15,015,248)</u> |
| At the end of the financial year | <u>55,924,392</u> | <u>18,589,014</u> |

12. TOTAL EXPENSE RATIO (“TER”)

| | 2024 | 2023 |
|-----|-------------|-------------|
| | % | % |
| TER | <u>1.10</u> | <u>1.57</u> |

TER is derived based on the following calculation:

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

A = Management fee

B = Trustee fee

C = Audit fee

D = Tax Agent’s fee

E = Other expenses excluding withholding tax and CDS fee

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

The average NAV of the Fund for the financial year calculated on daily basis is RM32,825,408 (2023: RM22,543,892).

13. PORTFOLIO TURNOVER RATIO (“PTR”)

| | 2024 | 2023 |
|-------------|-------------|-------------|
| PTR (times) | <u>0.82</u> | <u>0.71</u> |

PTR is derived from the following calculation:

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

where:

total acquisition for the financial year = RM41,863,791 (2023: RM14,760,966)

total disposal for the financial year = RM12,136,103 (2023: RM17,391,651)

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

The related parties and their relationship with the Fund 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 |
| CGS-CIMB Securities Sdn Bhd | Fellow related party to Manager |
| CIMB Bank Bhd | Fellow related party to Manager |
| Subsidiaries and associates of CIMB Group Holdings Berhad, other than above, as disclosed in its financial statements | Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the Manager |

Units held by the Manager and parties related to the Manager

| | <u>2024</u> | | <u>2023</u> | |
|-----------------------------------|---------------------|-----------|---------------------|-----------|
| | <u>No. of units</u> | <u>RM</u> | <u>No. of units</u> | <u>RM</u> |
| Manager | | | | |
| Principal Asset Management Berhad | 323 | 368 | 17 | 19 |

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

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

In addition to the 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.

15. TRANSACTIONS WITH BROKERS/DEALERS

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

| Brokers/Dealers | Value of trades RM | Percentage of total trades % | Brokerage fees RM | Percentage of total brokerage fees % |
|---------------------------------|-----------------------|---------------------------------|----------------------|---|
| Hong Leong Investment Bank Bhd | 20,451,619 | 37.87 | 641 | 7.78 |
| RHB Investment Bank Bhd | 8,047,638 | 14.90 | 1,361 | 16.53 |
| RHB Bank Bhd | 7,876,845 | 14.59 | - | - |
| AmBank (M) Bhd | 5,620,592 | 10.41 | - | - |
| Citi Bank Berhad | 2,850,125 | 5.28 | - | - |
| CIMB Bank Bhd # | 2,765,169 | 5.12 | - | - |
| Hong Leong Bank Bhd | 1,328,883 | 2.46 | - | - |
| Maybank Investment Bank Bhd | 1,077,262 | 1.99 | 2,424 | 29.43 |
| Malayan Banking Bhd | 985,208 | 1.82 | - | - |
| Affin Hwang Investment Bank Bhd | 806,931 | 1.49 | 1,106 | 13.43 |
| Others | 2,189,622 | 4.07 | 2,704 | 32.83 |
| | <u>53,999,894</u> | <u>100.00</u> | <u>8,236</u> | <u>100.00</u> |

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

| Brokers/Dealers | Value of trades RM | Percentage of total trades % | Brokerage fees RM | Percentage of total brokerage fees % |
|---------------------------------|-----------------------|---------------------------------|----------------------|---|
| RHB Bank Bhd | 8,784,411 | 27.32 | - | - |
| RHB Investment Bank Bhd | 5,965,592 | 18.55 | - | - |
| Malayan Banking Bhd | 4,354,045 | 13.54 | - | - |
| CIMB Bank Bhd # | 4,295,612 | 13.36 | - | - |
| Affin Hwang Investment Bank Bhd | 2,215,490 | 6.89 | - | - |
| Hong Leong Investment Bank Bhd | 2,150,935 | 6.69 | - | - |
| AmBank (M) Bhd | 1,137,801 | 3.54 | - | - |
| CIMB Islamic Bank Bhd # | 860,878 | 2.68 | - | - |
| Standard Chartered Bank Bhd | 552,093 | 1.72 | - | - |
| Citi Bank Berhad | 512,625 | 1.59 | - | - |
| Others | 1,323,135 | 4.12 | 478 | 100.00 |
| | <u>32,152,617</u> | <u>100.00</u> | <u>478</u> | <u>100.00</u> |

Included in the transactions are trades conducted with CIMB Bank Bhd and CIMB Islamic Bank Bhd, fellow related parties to the Manager amounting to RM2,765,169 (2023: RM4,295,612) and Nil (2023: RM 860,878). The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 14 February 2025.

DIRECTORY

Head Office of the Manager

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Auditors of the Fund and of the Manager

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