

Principal Money Market Income Fund - Class AR

29 February 2024



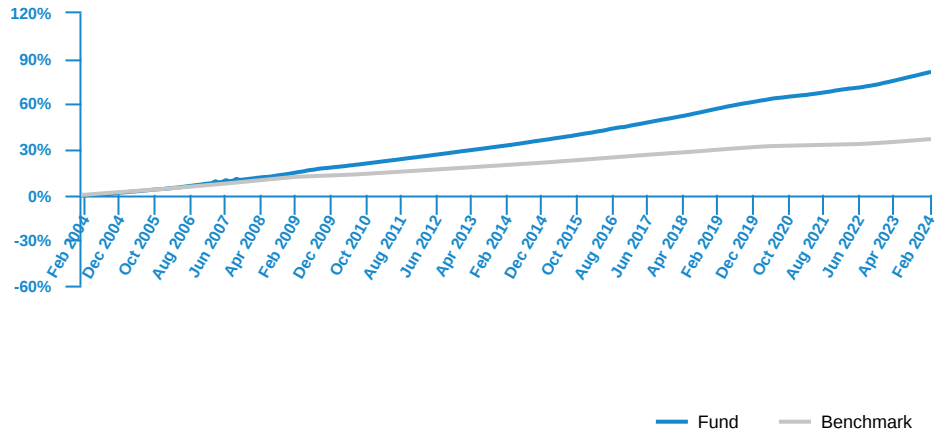
Fund Objective

The Fund aims to provide a low risk investment option that normally earns higher than traditional bank accounts. The Fund may place at least 90% of its NAV in Deposits as well as invest in money market instruments and short-term debt securities with a minimum credit rating of BBB3 or P2 by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance or BBB- by S&P or equivalent rating by any other international rating agencies, all of which have a remaining maturity period of 397 days or less. Up to 10% of its NAV may be invested in debt securities which have a remaining maturity period of more than 397 days but less than 732 days.

Fund Information

ISIN Code	MYU0100A0831
Lipper ID	68665575
Bloomberg Ticker	PRMMIAM MK
Domicile	Malaysia
Currency	MYR
Base Currency	MYR
Fund Inception	18 Feb 2004
Benchmark	CIMB Bank Overnight Rate
Application Fee	Nil
Management Fee	Up to 0.40% per annum
Trustee Fee	Up to 0.015% per annum
Fund Size (MYR)	MYR 30.65 million
Fund Unit	30.93 million units
NAV per unit (As at 29 Feb 2024)	MYR 0.9911
Initial Offering Period (IOP) Date	10 Mar 2004
Initial Offering Period (IOP) Price	MYR 1.00

Fund Performance



Past performance does not guarantee future results. Asset allocation and diversification do not ensure a profit or protect against a loss.

Cumulative Performance (%)

	YTD	1M	3M	6M	1Y	3Y	5Y	Since Inception
Fund	0.60	0.28	0.92	1.85	3.79	9.17	15.23	85.65
Benchmark	0.26	0.13	0.40	0.80	1.56	3.09	5.34	36.83

Calendar Year Returns (%)

	2023	2022	2021	2020	2019	2018
Fund	3.79	2.49	2.33	2.42	3.40	3.80
Benchmark	1.53	0.85	0.50	0.78	1.59	1.60

Most Recent Fund Distributions

	2023 Dec	2023 Sep	2023 Jun	2023 Mar	2022 Dec	2022 Sep
Gross (sen/unit)	0.63	0.74	0.69	0.64	0.79	0.52
Annualised Yield (%)	2.57	3.02	2.82	2.61	3.22	2.13

Note: February 2004 to February 2024.

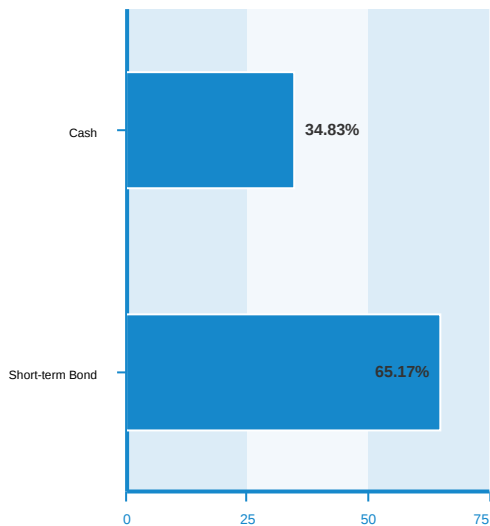
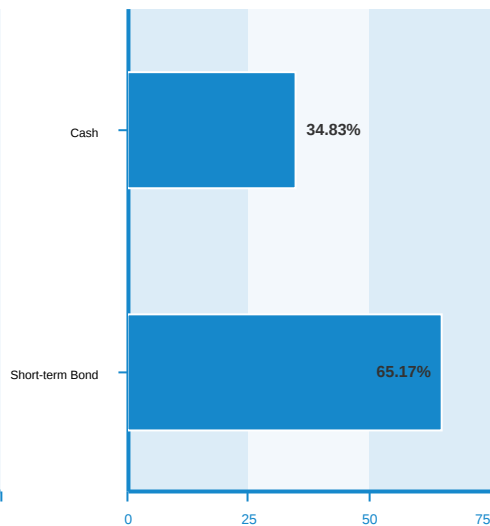
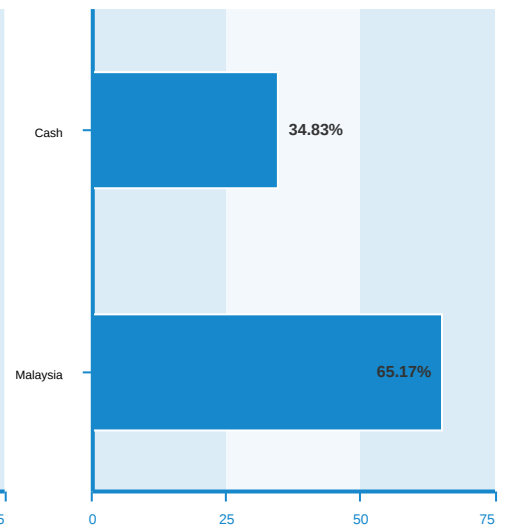
Performance data represents the combined income & capital return as a result of holding units in the fund for the specified length of time, based on bid to bid prices. Earnings are assumed to be reinvested.

Annualised yield is calculated as the most recent monthly dividend distribution multiplied by the Fund's dividend frequency and divided by the latest NAV.

Source : Lipper

Top Holdings	Country	% of Net Assets	Fund Risk Statistics
YTL Power International Bhd	Malaysia	7.67	Beta 0.33
GENM Capital Bhd	Malaysia	6.39	Information Ratio 3.55
7-Eleven Malaysia Hldgs Bhd	Malaysia	4.68	Sharpe Ratio 0.28
Edra Energy Sdn Bhd	Malaysia	3.40	(3 years monthly data)
SME Bank Bhd	Malaysia	3.38	
Projek Lebuhraya Usahasama Bhd	Malaysia	2.56	
Sabah Development Bank	Malaysia	2.56	
CIMB Group Hldgs Bhd	Malaysia	2.54	
Sabah Credit Corp	Malaysia	2.50	
AZRB Capital Sdn Bhd	Malaysia	2.22	

The holdings listed do not constitute a recommendation to purchase or sell a particular security. Any repeated issuer shown means same issuer with different coupon rate and/or maturity date. Cash and/or derivative positions that are not part of the core investment strategy will not be reflected in the top holdings list.

Asset Allocation (%)**Sector Allocation (%)****Regional Allocation (%)**

Fund holdings and allocations shown are unaudited and may not be representative of current or future investments. Percentages may not add up to 100% due to rounding and/or inclusion or exclusion of cash will not be reflected in the top holdings list.

Fund Manager's Report

The Fund's performance for the month of February 2024 came in at 0.28%, outperforming the benchmark by 15bps. For the 12-months period ending 29 February 2024, the Fund delivered 3.79%, outperforming the benchmark by 223bps.

The 3-, 5-, 7-, 10-, 15-, 20- and 30-year benchmarks closed at 3.47% (+3bps), 3.64% (+3bps), 3.779% (+4bps), 3.88% (+8bps), 4.02% (+4bps), 4.10% (+2bps) and 4.21% (-1bps), respectively in February 2024. The MGS yield curve bear flattened as front to mid end yields rose more than the long end yields amid weakness in both the US Treasuries and Ringgit. The USDMYR surged past 4.80 in February before closing at 4.74 end of the month.

The final GDP print showed 4Q2023 GDP growth at 3% YoY, lower than 3.4% indicated by the advance estimate. The full year 2023 GDP growth was thus revised to 3.7% as compared to the government's projection of 4-5% growth. Falling exports amid rising imports were the main cause of the downward revision. The decline in net exports deepened further to -35.6% YoY in 4Q (3Q: -22.7% YoY) arising from a larger drop in exports of goods and services (-6.3% YoY) as compared to imports (-2.9% YoY). Overall, the 2023, growth moderated due mainly to slower global trade, the global tech downcycle, geopolitical tensions and tighter monetary policies.

Headline inflation stabilized for the third straight month at 1.5%YoY in January 2024 (December 2023: 1.5%). Slower increase in food and non-alcoholic beverages and easing restaurants and hotels largely offset stronger price pressures for transport and housing and utilities. Meanwhile, core inflation tapered off to 1.8% YoY in January from 1.9% in December 2023. Exports grew for the first time since March 2023 at 8.7% YoY in January 2024 (December 2023: -10.1%) exceeded market expectations by 3%. The improvement was mainly driven by turnaround in manufacturing and commodities exports. Manufactured exports rebounded as supported by growth in non-E&E exports and smaller contraction in E&E exports. Increase in commodities exports was spurred by higher palm oil exports. Geographically, exports to US grew at 11.9% YoY in January (December 2023: -5.3% YoY) while exports to ASEAN also turned around with a 9.5% YoY increase (December 2023: -12.6%YoY). Meanwhile, imports continued to grow for the fifth straight month at 18.8% YoY in January (December 2023: 2.9%). Overall, trade surplus stood at RM10.1 billion in January, smallest surplus since May 2020, with the growth in imports outpaced exports.

BNM stated that the current monetary policy stance remains supportive of the economy and is consistent with the current assessment of the inflation and growth prospects. The MPC remains vigilant to ongoing developments to inform the assessment on the outlook of domestic inflation and growth. The MPC will ensure that the monetary policy stance remains supportive of the economy and is consistent with the current assessment of the inflation and growth prospects.

[^]Based on the fund's portfolio returns as at 15 February 2024, the Volatility Factor (VF) for this fund is 0.25 and is classified as "Very Low" (source: FIMM). The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by FIMM based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC. We recommend that you read and understand the contents of the Master Prospectus dated 25 June 2021, which has been duly registered with the Securities Commission Malaysia, before investing and that you keep the said Master Prospectus for your records. Any issue of units to which the Master Prospectus relates will only be made upon receipt of the completed application form referred to in and accompanying the Master Prospectus, subject to the terms and conditions therein. Investments in the Fund are exposed to country risk, credit and default risk, currency risk, interest rate risk, risk of investing in emerging markets. You can obtain a copy of the Master Prospectus from the head office of Principal Asset Management Berhad or from any of our approved distributors. Product Highlight Sheet ("PHS") is available and that investors have the right to request for a PHS; and the PHS and any other product disclosure document should be read and understood before making any investment decision. There are fees and charges involved in investing in the funds. We suggest that you consider these fees and charges carefully prior to making an investment. Unit prices and income distributions, if any, may fall or rise. Past performance is not reflective of future performance and income distributions are not guaranteed. You are also advised to read and understand the contents of the Financing for Investment in Unit Trust Risk Disclosure Statement/Unit Trust Loan Financing Risk Disclosure Statement before deciding to borrow to purchase units. Where a unit split/distribution is declared, you are advised that following the issue of additional units/distribution, the NAV per unit will be reduced from pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV; and where a unit split is declared, the value of your investment in Malaysian ringgit will remain unchanged after the distribution of the additional units.

Carefully consider a fund's objective, risks, charges and expenses.

Visit www.principal.com.my for a prospectus containing this and other information. Please read it carefully before investing.