

# Principal Islamic Lifetime Sukuk Fund

Interim Report

For the Six Months Financial Period Ended 28 February 2021

**PRINCIPAL ISLAMIC LIFETIME SUKUK FUND**

**INTERIM REPORT**

**FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021**

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## INVESTORS' LETTER

Dear Valued Investor,

Fuelled by the pandemic crisis, the world has expedited the digital enablement agenda in view of growing expectations and adoption of new digital offerings. Our investments to foster a digital and customer-first mindset with new technology, training and tooling has given Principal a competitive advantage on this front.

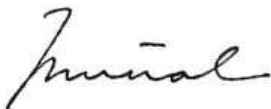
Introducing Principal e-Cash Fund, available on **GO+**, an e-investment feature within the Touch 'n Go eWallet. It is the one of its kind eWallet feature in Malaysia that allows you to potentially grow your eWallet balance while you continue to use it as you normally would. The returns are credited daily. GO+ also carries a 'cash-out' feature that will allow movement of funds seamlessly between the user's eWallet and designated bank account. Our aim is to make investing accessible and easy for Malaysians irrespective of their financial background.

The equity market has had a phenomenal first quarter, recording positive year-to-date ("YTD") returns, led by strong inflows, improving economic data, and reducing number of Coronavirus Disease 2019 ("COVID-19") cases globally. Despite the near-term concerns on higher inflation that can add to the recent volatility, investors should keep a long-term perspective. The key focus should be on growth and recovery of Asian economies, the revitalisation of ASEAN markets, Environmental, Social, and Governance ("ESG"), Biotech and other renewable themes. We remain positive on Asian equities favouring China and more developed Asian economies on a 12-month basis. We've also added more ASEAN names in anticipation of a broader economic recovery which would be strengthened by the greater availability of COVID-19 vaccines by mid-2021.

Visit our website ([www.principal.com.my](http://www.principal.com.my)) and follow our Facebook page (@PrincipalAssetMY) for content on investing, retirement, and the latest market outlook.

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

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



**Munirah Khairuddin**  
Chief Executive Officer

## MANAGER'S REPORT

### FUND OBJECTIVE AND POLICY

#### What is the investment objective of the Fund?

The investment objective of the Fund is to gain higher than average income over the medium to long-term by investing in a diversified portfolio consisting principally of Sukuk, certificates of deposit, short-term money market instruments and other permissible investments under the Shariah principles.

#### Has the Fund achieved its objective?

For the financial period under review, the Fund is in line with its stated objectives as stated under the fund performance review.

#### What are the Fund investment policy and principal investment strategy?

In line with its objective, the investment strategy and policy of the Fund is to invest in a diversified portfolio of Islamic fixed income securities consisting principally of Sukuk, which aim to provide a steady stream of income from the profit of Sukuk. A minimum of 70% and up to a maximum of 98% of the Fund's Net Asset Value ("NAV") may be invested in Sukuk carrying at least a "BBB3" or "P2" rating by RAM ratings ("RAM") or equivalent rating by Malaysian Rating Corporation Berhad ("MARC") or by local rating agency(ies) of the country of issuance; or "BBB-" by Standard & Poor's ("S&P") or equivalent rating by any other international rating agencies. The Fund may invest up to 40% of its NAV in Unrated Sukuk and up to 28% of its NAV in other permissible Shariah-compliant investments. The Fund may also opt to seek investment exposure via Islamic collective investment scheme that is in line with the Fund's objective, subject to the requirement of the SC Guidelines. The rest of the Fund is maintained in the form of Islamic liquid assets to meet any withdrawal payments to Unit holders.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV in Sukuk;
- up to 28% of the Fund's NAV in other permissible Shariah-compliant investments;
- up to 40% of the Fund's NAV in Unrated Sukuk; and
- at least 2% of the Fund's NAV in Islamic liquid assets.

#### Fund category/type

Sukuk/Income

#### When was the Fund launched?

8 October 2004

#### What was the size of the Fund as at 28 February 2021?

RM743.45 million (548.80 million units)

#### What is the Fund's benchmark?

Quantshop Government Investment Issues ("GII") Medium Index

**Note:** The Fund's benchmark is for performance comparison purpose only. Investors are cautioned that the risk profile of the Fund is higher than the benchmark.

#### What is the Fund distribution policy?

Distribution (if any) is expected to be distributed annually, depending on the performance of the Fund and at the Manager's discretion.

#### What was the net income distribution for the six months financial period ended 28 February 2021?

There was no distribution made for the six months financial period ended 28 February 2021.

**PERFORMANCE DATA**

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

	<b>28.02.2021</b>	<b>29.02.2020</b>	<b>28.02.2019</b>
	%	%	%
Unquoted Sukuk	97.78	86.69	97.09
Cash and other assets	2.99	14.05	5.27
Liabilities	(0.77)	(0.74)	(2.36)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	<b>28.02.2021</b>	<b>29.02.2020</b>	<b>28.02.2019</b>
NAV (RM Million)	743.45	566.97	237.81
Units in circulation (Million)	548.80	414.99	181.96
NAV per unit (RM)	1.3546	1.3662	1.3069
	<b>01.09.2020 to 28.02.2021</b>	<b>01.09.2019 to 29.02.2020</b>	<b>01.09.2018 to 28.02.2019</b>
Highest NAV per unit (RM)	1.3655	1.3663	1.3069
Lowest NAV per unit (RM)	1.3544	1.3149	1.2758
Total return (%)	(0.29)	3.59	2.32
- Capital growth (%)	(0.29)	3.59	2.32
- Income distribution (%)	-	-	-
Management Expense Ratio ("MER") (%) ^	0.50	0.51	0.51
Portfolio Turnover Ratio ("PTR") (times) #	0.24	0.31	0.38

^ The Fund's MER decreased from 0.51% to 0.50% due to increased average NAV during the financial period under review.

# The Fund's PTR decreased from 0.31 times to 0.24 times due to increased average NAV during the financial period under review.

	<b>28.02.2021</b>	<b>29.02.2020</b>	<b>28.02.2019</b>	<b>28.02.2018</b>	<b>28.02.2017</b>
	%	%	%	%	%
Annual total return	1.76	10.34	4.88	4.12	4.86

(Launch date: 8 October 2004)

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

**MARKET REVIEW (1 SEPTEMBER 2020 TO 28 FEBRUARY 2021)**

Bank Negara Malaysia (“BNM”) kept hold its Overnight Policy Rate (“OPR”) at 1.75% at its September 2020 meeting. Nevertheless, the OPR remains at historic low levels after a total of 125 basis points (“bps”) have been reduced this year. The September 2020 statement sounded mildly neutral albeit still reiterating risks faced to the local and global economy due to the pandemic COVID-19.

In October 2020, the sovereign yield curve steepened as the shorter end of the curve traded sharply lower with the market anticipating another round of rate cut by BNM in its next November 2020 Monetary Policy Committee (“MPC”) meeting. The momentum intensified as the number of COVID-19 cases spiked sharply towards new highs, with restriction orders being re-implemented in targeted areas (i.e. Klang Valley, Sabah and etc). However, the market was more cautious towards the longer end of the curve, given the; i) uncertainties of the upcoming US elections; ii) the heavy domestic political drama with risks of passing of the Budget 2021 in the next Parliamentary sitting; and iii) potential heavy govvnies supply for 2021 to support the fiscal spending and economic recovery.

In November 2020, the GII yield curve shifted higher across the curve amid uncertainties over a parliamentary vote on Budget 2021 which was later approved with additional measures announced. Selling pressures continued as market took a defensive stance to lighten up in risk in view of the possibility of Employees Provident Fund (“EPF”) needing to offload assets to fund withdrawals in Account 1 under the i-Sinar scheme.

Malaysia’s Budget 2021 was passed at its policy stage via a majority voice vote on 27 November 2020 with additional measures/amendments including a further loan moratorium for the Bottom 40% (“B40”) and Micro, Small and Medium Enterprises (“MSME”) and the expansion of i-Sinar facility to include all EPF members whose income has been affected by the pandemic COVID-19.

The year 2020 ended with the GII yield curve bullish flattened albeit at a smaller quantum compared to the Malaysian Government Securities (“MGS”). Long-end curve retracted from recent high by as much as 2bps - 28bps. Short-end curve was largely unchanged reflecting investors view of low probability of further OPR cut.

January 2021 began with two major announcements, i.e. the Second Movement Control Order (“MCO 2.0”) and the State of Emergency (“SoE”). The entire country was placed under MCO 2.0 (except Sarawak) up until 4 February 2021. Meanwhile, the Palace issued the SoE proclamation to suspend Parliament and State Legislative Assemblies (including elections) until 1 August 2021.

At its first meeting for the year on 21 January 2021, the MPC decided to maintain the OPR at 1.75%. The central bank continued to mention that the overall outlook locally and globally remains subject to downside risks, primarily if there is a further resurgence of COVID-19 cases. They expect growth for 2021 to be at the lower end of the forecasted range and for a pick-up in growth to be seen in second quarter of 2021.

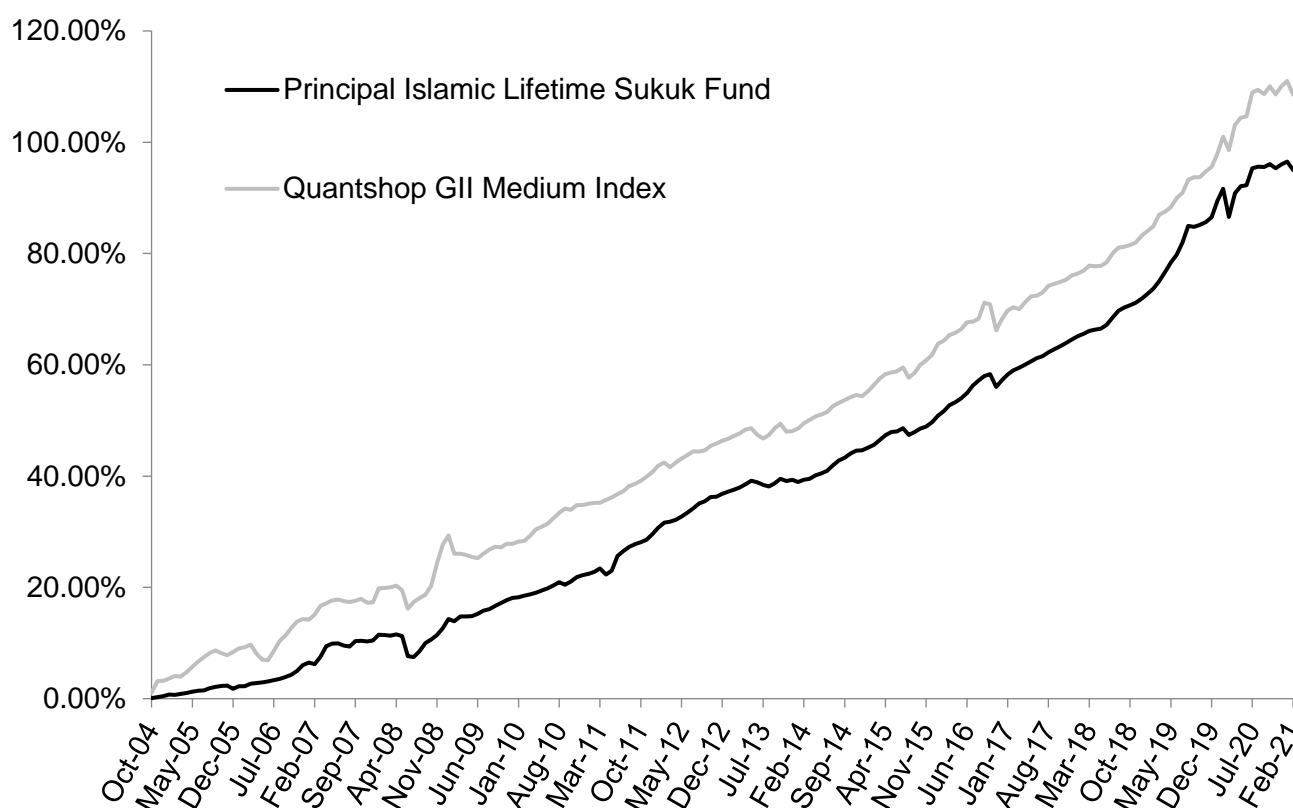
In February 2021, global bond yields experienced a major correction following the sell-off in the US Treasuries (“UST”) as reflation and recovery trades intensified across all regions. Malaysia’s bond markets were not spared and coupled with concerns on the supply profile, sovereign rating, removal of the i-Sinar withdrawal conditions, the easing of restrictions under MCO 2.0 and arrival of vaccines, the GII yield curve bear steepened sharply in February 2021.

The 3-year, 5-year, 7-year, 10-year, 15-year, 20-year and 30-year GII yields closed at 2.18%, 2.59%, 3.00%, 3.27%, 3.87%, 4.23% and 4.28% respectively at the end of February 2021.

FUND PERFORMANCE

	6 months to 28.02.2021	1 year to 28.02.2021	3 years to 28.02.2021	5 years to 28.02.2021	Since inception to 28.02.2021
	%	%	%	%	%
Income Distribution	-	2.63	14.15	26.10	41.05
Capital Growth	(0.29)	(0.85)	3.11	1.92	37.02
Total Return	(0.29)	1.76	17.77	28.59	95.01
Benchmark	(0.40)	3.77	17.90	26.94	108.57
Average Total Return	N/A	1.76	5.60	5.16	4.16

For the six months financial period under review ended 28 February 2021, the Fund delivered a total return of -0.29% versus the benchmark return of -0.40%. For the 5-year period, the Fund reported a return of 28.59% as compared to the benchmark's return of 26.94%.



Changes in NAV

	28.02.2021	31.08.2020 Audited	Changes %
NAV (RM Million)	743.45	885.25	(16.02)
NAV/Unit (RM)	1.3546	1.3588	(0.31)

The Fund's NAV decreased by 16.02% from RM885.25 million to RM743.45 million as at 28 February 2021 mainly due to redemptions. Meanwhile NAV per unit fell by 0.31% to end at RM1.3546 during the financial period under review. It is due to negative performance as described in market review.

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



## PORTFOLIO STRUCTURE

### Asset allocation

(% of NAV)	28.02.2021	31.08.2020 Audited
Unquoted Sukuk	97.78	93.93
Cash and other assets	2.99	7.78
Liabilities	(0.77)	(1.71)
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

During the financial period under review, the Fund increased its sukuk holdings from 93.93% to 97.78% with liquidity maintained for trading opportunities and redemption purposes.

### MARKET OUTLOOK\*

Malaysia's bond markets were not spared from the recent global bonds sell-off. The local sovereign yield curve bear steepened with yields spiked 17bps - 48bps amidst thin liquidity, tracking the UST refraction trades. Uncertainties remain after recent relaxation of EPF i-Sinar program. Yields spreads on the curve to the OPR are mostly at historical highs given the current steepness with valuation on the long end appearing attractive.

In the primary issuance space, the corporate bonds supply pipeline is expected to remain active with issuances ranging from high grade segments to non-rated. The new issuances could provide new alternatives compared to the secondary market and corporate bond yields may rise in the near-term given the new supply.

\* 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

Our strategy going into 2021 is to overweight on credit markets for a more stable and higher yield pick-up. We prefer to focus on primary issuances with higher yields for better yield pick-up. With that said, we continue to be mindful in our credit selection with a preference on names which are more resilient with stronger fundamentals, as well as better liquidity.

### UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 28 February 2021 are as follows:

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1,894	5.61	1.02
5,001-10,000	1,427	10.24	1.87
10,001-50,000	2,701	63.14	11.51
50,001-500,000	839	89.43	16.30
500,001 and above	41	380.38	69.30
<b>Total</b>	<b>6,902</b>	<b>548.80</b>	<b>100.00</b>

**SOFT COMMISSIONS AND REBATES**

Principal Asset Management Berhad and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Principal Malaysia Funds ("Funds") unless the soft commission received is retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. All dealings with brokers are executed on best available terms.

During the financial period under review, the Manager and the Trustee did not receive any rebates from the brokers or dealers but the Manager has retained soft commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF  
PRINCIPAL ISLAMIC LIFETIME SUKUK FUND**

We, being the Directors of Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 11 to 44 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 28 February 2021 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period then ended in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting.

For and on behalf of the Manager

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

**MUNIRAH KHAIRUDDIN**  
Chief Executive Officer/Executive Director

**JUAN IGNACIO EYZAGUIRRE BARAONA**  
Director

Kuala Lumpur  
9 April 2021

**TRUSTEE'S REPORT**

For the Six Months Financial Period Ended 28 February 2021

To the Unit Holders of  
**PRINCIPAL ISLAMIC LIFETIME SUKUK FUND**

We, AMANAHRAYA TRUSTEES BERHAD, have acted as Trustee of PRINCIPAL ISLAMIC LIFETIME SUKUK FUND for the six months financial period ended 28 February 2021. In our opinion, PRINCIPAL ASSET MANAGEMENT BERHAD, the Manager, has operated and managed PRINCIPAL ISLAMIC LIFETIME SUKUK FUND in accordance with the limitations imposed on the investment powers of the management company under the Deeds, securities laws and the applicable Guidelines on Unit Trust Funds for the six months financial period ended 28 February 2021.

We are also of the opinion that:

- a) Valuation and pricing is carried out in accordance with the Deeds and any regulatory requirement; and
- b) Creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirements.

For and on behalf of the Trustee,  
**AmanahRaya Trustees Berhad**

**ZAINUDIN BIN SUHAIMI**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
23 March 2021

**SHARIAH ADVISER'S REPORT**

**To the Unit Holders of Principal Islamic Lifetime Sukuk Fund ("Fund")**

**For the Six Months Financial Period ended 28 February 2021**

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Principal Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia ("SC") pertaining to Shariah matters; and
2. The asset of the Fund comprises of instruments that have been classified as Shariah compliant.

**For Amanie Advisors Sdn Bhd**

**Datuk Dr Mohd Daud Bakar**  
Executive Chairman

Kuala Lumpur  
9 April 2021

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021**

	Note	01.09.2020 to 28.02.2021 RM	01.09.2019 to 29.02.2020 RM
<b>INCOME</b>			
Profit income from unquoted Sukuk		16,211,037	9,710,676
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah earned		358,126	650,067
Net (loss)/gain on financial assets at fair value through profit or loss	7	<u>(14,133,308)</u>	<u>9,598,929</u>
		<u>2,435,855</u>	<u>19,959,672</u>
<b>EXPENSES</b>			
Management fee	4	4,092,670	2,252,528
Trustee fee	5	258,484	142,265
Audit fee		4,200	8,000
Tax agent's fee		2,950	2,500
Other expenses		<u>11,617</u>	<u>13,151</u>
		<u>4,369,921</u>	<u>2,418,444</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(1,934,066)	17,541,228
Taxation	6	<u>-</u>	<u>-</u>
<b>(LOSS)/PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD</b>		<u>(1,934,066)</u>	<u>17,541,228</u>
(Loss)/Profit after taxation is made up as follows:			
Realised amount		17,978,010	10,084,525
Unrealised amount		<u>(19,912,076)</u>	<u>7,456,703</u>
		<u>(1,934,066)</u>	<u>17,541,228</u>

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

UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 28 FEBRUARY 2021

		28.02.2021	31.08.2020
	Note	RM	Audited RM
<b>ASSETS</b>			
Cash and cash equivalents	8	18,258,769	61,999,893
Financial assets at fair value through profit or loss	7	726,933,848	831,489,654
Amount due from Manager		3,993,793	6,880,840
<b>TOTAL ASSETS</b>		<u>749,186,410</u>	<u>900,370,387</u>
<b>LIABILITIES</b>			
Amount due to Manager		5,121,375	4,319,743
Amount due to dealers		-	10,037,000
Accrued management fee		560,817	699,510
Amount due to Trustee		35,420	44,180
Other payables and accruals		22,050	19,000
<b>TOTAL LIABILITIES</b>		<u>5,739,662</u>	<u>15,119,433</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>743,446,748</u>	<u>885,250,954</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	10	<u>743,446,748</u>	<u>885,250,954</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	9	<u>548,803,637</u>	<u>651,490,220</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>1.3546</u>	<u>1.3588</u>

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

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021**

	<b>01.09.2020 to 28.02.2021</b>	<b>01.09.2019 to 29.02.2020</b>
	<b>RM</b>	<b>RM</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	885,250,954	415,088,813
Movement due to units created and cancelled during the financial period:		
- Creation of units from applications	201,918,869	270,711,162
- Cancellation of units	(341,789,009)	(136,369,642)
Total comprehensive (loss)/income for the financial period	(1,934,066)	17,541,228
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD</b>	<b>10</b> 743,446,748	566,971,561

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



**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021**

	<b>01.09.2020 to 28.02.2021 RM</b>	<b>01.09.2019 to 29.02.2020 RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from disposal of unquoted Sukuk	245,647,121	79,292,753
Purchase of unquoted Sukuk	(181,069,802)	(215,022,422)
Proceeds from redemption of unquoted Sukuk	15,000,000	-
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah earned	358,125	650,067
Profit income received from unquoted Sukuk	17,019,217	8,895,759
Management fee paid	(4,231,363)	(2,162,047)
Trustee fee paid	(267,244)	(136,550)
Payments for other fees and expenses	(15,717)	(22,991)
<b>Net cash generated from/(used in) operating activities</b>	<b>92,440,337</b>	<b>(128,505,431)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from units created	204,805,916	267,763,746
Payments for cancellation of units	(340,987,377)	(137,050,193)
<b>Net cash (used in)/generated from financing activities</b>	<b>(136,181,461)</b>	<b>130,713,553</b>
Net (decrease)/increase in cash and cash equivalents	(43,741,124)	2,208,122
Cash and cash equivalents at the beginning of the financial period	61,999,893	61,632,899
Cash and cash equivalents at the end of the financial period	18,258,769	63,841,021
<u>Cash and cash equivalents comprised of:</u>		
Bank balance	64,135	627,089
Shariah-compliant deposits with islamic licensed financial institutions	18,194,634	63,213,932
Cash and cash equivalents at the end of the financial period	18,258,769	63,841,021

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021**

**1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

Principal Islamic Lifetime Sukuk Fund (the “Fund”) is governed by a Principal Master Deed dated 15 May 2008, a Third Supplemental Master Deed dated 25 June 2008, a Fourth Supplemental Master Deed dated 25 June 2008, a Fifth Supplemental Master Deed dated 25 June 2008, a Sixth Supplemental Master Deed dated 14 July 2008, a Seventh Supplemental Master Deed dated 19 November 2008, a Twelfth Supplemental Master Deed dated 14 June 2010, a Fourteenth Supplemental Master Deed dated 26 June 2012, a Seventeenth Supplemental Master Deed dated 25 March 2015 and a Nineteenth Supplemental Master Deed dated 18 June 2019 (collectively referred to as the “Deeds”), made between Principal Asset Management Berhad (the “Manager”) and AmanahRaya Trustees Berhad (the “Trustee”).

In line with its objective, the investment strategy and policy of the Fund is to invest in a diversified portfolio of Islamic fixed income securities consisting principally of Sukuk, which aim to provide a steady stream of income from the profit of Sukuk. A minimum of 70% and up to a maximum of 98% of the Fund’s NAV may be invested in Sukuk carrying at least a “BBB3” or “P2” rating by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance; or “BBB-” by S&P or equivalent rating by any other international rating agencies. The Fund may invest up to 40% of its NAV in Unrated Sukuk and up to 28% of its NAV in other permissible Shariah-compliant investments. The Fund may also opt to seek investment exposure via Islamic collective investment scheme that is in line with the Fund’s objective, subject to the requirement of the SC Guidelines. The rest of the Fund is maintained in the form of Islamic liquid assets to meet any withdrawal payments to Unit holders.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund’s NAV in Sukuk;
- up to 28% of the Fund’s NAV in other permissible Shariah-compliant investments;
- up to 40% of the Fund’s NAV in Unrated Sukuk; and
- at least 2% of the Fund’s NAV in Islamic liquid assets.

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

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### (a) Basis of preparation

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

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

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

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

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

There are no other standards, amendments to standards or interpretations that are effective for interim periods beginning on 1 September 2020 that have a material effect on the financial statements of the Fund.

None of the standards, amendments to standards or interpretations that are effective for the financial period beginning on/after 1 March 2021 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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<sup>1</sup> ("SPPI"). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

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

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

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Shariah-compliant investments are initially recognised at fair value.

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 Shariah-compliant investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

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

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

Unquoted Sukuk denominated in Malaysian Ringgit ("MYR") are revalued on a daily basis based on fair value prices quoted by a Bond Pricing Agency ("BPA") registered with the SC as per the SC Guidelines on Unit Trust Funds. Refer to Note 2(j) for further explanation.

Shariah-compliant deposits with licensed Islamic financial institutions are stated at cost plus accrued interest<sup>1</sup> calculated on the effective profit method over the period from the date of placement to the date of maturity of the respective deposits.

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

<sup>1</sup> For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments.

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

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

**(c) Income recognition**

Profit income from Shariah-compliant deposits with licensed Islamic financial institutions and unquoted Sukuk are recognised on a time proportionate basis using the effective profit method on an accrual basis.

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(d) Functional and presentation currencies**

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

**(e) Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balance and Shariah-compliant 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 period.

**(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 period in which it is approved by the Trustee.

**(h) Unit holder’s contributions**

The unit holder’s contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 “*Financial Instruments: Presentation*”. Those criteria include:

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

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

**Estimate of fair value of unquoted Sukuk**

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.

MYR-denominated unquoted Sukuk 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 Sukuk differs from the market price by more than 20 bps the Manager may use market price, provided that the Manager records its basis for using a non-BPA price, obtains necessary internal approvals to use the non-BPA price, and keeps an audit trail of all decisions and basis for adopting the use of non-BPA price.

**3. RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund aims to gain higher than average income over the medium to long-term by investing in a diversified portfolio consisting principally of Sukuk, certificates of deposit, short-term money market instruments and other permissible investments under the Shariah principles.

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 unquoted Sukuk will fluctuate because of changes in market prices (other than those arising from interest rate risk). The value of unquoted Sukuk 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 Fund is exposed to price risk arising from profit rate fluctuation in relation to its investments in unquoted Sukuk. The Fund's exposure to price risk arising from profit 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 Sukuk prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund holds an unquoted Sukuk 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.

Although unquoted Sukuk is a non-interest bearing instrument, investors should note that the movement in prices of unquoted Sukuk are correlated to the movement in interest rates. As such, the investments in unquoted Sukuk are exposed to the movement of the interest rates. Even though the Fund does not invest in interest bearing instruments, the interest rate referred herein is to the general interest rate of the country, which may affect the value of the investment of the Fund. However, it does not in any way suggest that this Fund will invest in conventional financial instruments. All investments carried out for the Fund including placement and deposits are in accordance with Shariah.

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



**3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****(a) Market risk (continued)****(ii) Interest rate risk (continued)**

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

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

**(b) Credit risk**

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

Investment in unquoted Sukuk 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 Sukuk 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 Sukuk investments must satisfy a minimum rating requirement of at least "BBB3" or "P2" rating by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance; "BBB-" by S&P or equivalent rating by any other international rating agencies.

The credit risk arising from bank balance and placements of Shariah-compliant deposits in licensed Islamic financial institutions is managed by ensuring that the Fund will only place Shariah-compliant deposits in reputable licensed Islamic 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 SC Guidelines on Unit Trust Funds.

**3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****(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 and Shariah-compliant deposits with licensed Islamic financial institutions, which are capable of being converted into cash within 7 business days. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

**(d) Capital risk management**

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

**(e) Fair value estimation**

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

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial period end date. The Fund utilises the last traded market price for financial assets where the last traded market price falls within the bid-ask spread. In circumstances where the last traded 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.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>28.02.2021</b>				
Financial assets at fair value through profit or loss:				
- Unquoted Sukuk	-	726,933,848	-	726,933,848
<b>31.08.2020</b>				
<b>Audited</b>				
Financial assets at fair value through profit or loss:				
- Unquoted Sukuk	-	831,489,654	-	831,489,654

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

**(e) Fair value estimation (continued)**

**(i) Fair value hierarchy (continued)**

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. This includes unquoted Sukuk. 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 3.00% per annum, calculated daily based on the NAV of the Fund.

For the six months financial period ended 28 February 2021, the management fee was recognised at a rate of 0.95% per annum (29.02.2020: 0.95% per annum).

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

**5. TRUSTEE FEE**

In accordance with the Deeds, the Trustee is entitled to a maximum fee of up to 0.06% per annum, calculated daily based on the NAV of the Fund.

For the six months financial period ended 28 February 2021, the Trustee fee was recognised at a rate of 0.06% per annum (29.02.2020: 0.06% per annum).

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

6. TAXATION

	01.09.2020 to 28.02.2021 RM	01.09.2019 to 29.02.2020 RM
Tax charged for the financial period:		
- Current taxation	-	-

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

	01.09.2020 to 28.02.2021 RM	01.09.2019 to 29.02.2020 RM
(Loss)/Profit before taxation	(1,934,066)	17,541,228
Taxation at Malaysian statutory rate of 24% (29.02.2020: 24%)	(464,176)	4,209,895
Tax effects of:		
- Investment income not subject to tax	(584,605)	(4,790,321)
- Expenses not deductible for tax purposes	65,532	37,015
- Restriction on tax deductible expenses for Unit Trust Funds	983,249	543,411
Taxation	-	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	28.02.2021 RM	31.08.2020 Audited RM
At fair value through profit or loss:		
- Unquoted Sukuk	726,933,848	831,489,654

	01.09.2020 to 28.02.2021 RM	01.09.2019 to 29.02.2020 RM
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	5,765,998	2,055,489
- Unrealised fair value (loss)/gain	(19,899,306)	7,543,440
	(14,133,308)	9,598,929

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>28.02.2021</b>				
<b>UNQUOTED SUKUK</b>				
Aeon Credit Service M Bhd 3.80% 10/02/2027 (AA3)	2,900,000	2,905,736	2,964,084	0.40
Aeon Credit Service M Bhd 3.85% 10/02/2028 (AA3)	2,150,000	2,154,309	2,192,622	0.29
Aeon Credit Service M Bhd 3.95% 12/03/2030 (A1)	5,600,000	5,712,098	5,744,597	0.77
Aman Sukuk Bhd 4.45% 21/10/2026 (AAA)	3,500,000	3,744,907	3,839,084	0.52
AmBank Islamic Bhd 4.10% 27/03/2025 (AA2)	4,000,000	4,069,644	4,236,404	0.57
AmBank Islamic Bhd 4.88% 18/10/2028 (AA3)	5,000,000	5,212,021	5,348,128	0.72
AZRB Capital Sdn Bhd 4.85% 26/12/2024 (AA3)	4,600,000	4,638,508	4,801,486	0.65
Bank Pembangunan Malaysia Bhd 3.00% 12/10/2027 (AAA)	5,000,000	5,057,534	5,036,934	0.68
Bank Pembangunan Malaysia Bhd 4.50% 04/11/2026 (AAA)	5,000,000	5,510,782	5,491,521	0.74
Bank Pembangunan Malaysia Bhd 4.62% 02/03/2027 (AAA)	10,000,000	11,201,138	11,144,624	1.50
Bank Pembangunan Malaysia Bhd 4.98% 02/03/2032 (AAA)	4,000,000	4,702,876	4,498,730	0.61
Bermaz Auto Bhd 3.26% 18/12/2023 (AA3)	2,920,000	2,939,038	2,949,609	0.40
Bumitama Agri Ltd 4.20% 22/07/2026 (AA3)	1,300,000	1,305,684	1,365,861	0.18
Danajamin National Bhd 4.80% 06/10/2027 (AA1)	4,000,000	4,090,972	4,210,800	0.57
Danum Capital Bhd 3.42% 21/02/2035 (AAA)	1,900,000	1,901,246	1,767,486	0.24
DRB-Hicom Bhd 4.15% 12/12/2022 (A1)	6,600,000	6,659,282	6,693,008	0.90
DRB-Hicom Bhd 4.43% 29/08/2025 (A1)	5,000,000	5,122,117	5,139,240	0.69
DRB-Hicom Bhd 4.55% 12/12/2024 (A1)	6,000,000	6,059,088	6,140,088	0.83
DRB-Hicom Bhd 4.85% 11/12/2026 (A1)	34,050,000	34,802,089	35,044,167	4.71
DRB-Hicom Bhd 5.08% 30/08/2030 (A1)	5,000,000	5,148,532	5,155,156	0.69
DRB-Hicom Bhd 5.10% 12/12/2029 (A1)	15,650,000	15,996,837	16,042,789	2.16

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>28.02.2021 (CONTINUED)</b>				
<b>UNQUOTED SUKUK</b>				
<b>(CONTINUED)</b>				
Edra Energy Sdn Bhd 5.70% 05/07/2023 (AA3)	4,000,000	4,078,672	4,268,276	0.57
Edra Energy Sdn Bhd 5.76% 05/07/2024 (AA3)	10,000,000	10,772,325	10,875,095	1.46
Edra Energy Sdn Bhd 5.88% 03/07/2026 (AA3)	3,500,000	3,694,411	3,926,756	0.53
Edra Energy Sdn Bhd 5.91% 05/01/2027 (AA3)	5,000,000	5,152,417	5,646,077	0.76
Edra Energy Sdn Bhd 6.35% 05/07/2033 (AA3)	5,000,000	5,510,855	6,023,243	0.81
Edra Energy Sdn Bhd 6.71% 05/01/2038 (AA3)	5,000,000	5,866,375	6,230,905	0.84
Edra Solar Sdn Bhd 4.40% 09/10/2026 (AA2)	650,000	660,970	693,749	0.09
Edra Solar Sdn Bhd 4.85% 11/10/2034 (AA2)	850,000	865,699	899,036	0.12
Fortune Premiere Sdn Bhd 5.05% 05/09/2025 (AA2)	5,000,000	5,218,815	5,504,412	0.74
Fortune Premiere Sdn Bhd 5.05% 31/10/2025 (AA2)	3,000,000	3,050,450	3,282,763	0.44
Gamuda Bhd 4.83% 23/11/2022 (AA3)	7,500,000	7,604,031	7,842,786	1.05
Gamuda Land (T12) Sdn Bhd 3.55% 12/08/2025 (AA3)	5,000,000	5,006,808	5,019,858	0.68
Gamuda Land (T12) Sdn Bhd 3.75% 12/08/2027 (AA3)	8,000,000	8,011,507	7,995,907	1.08
GII Murabahah 3.47% 15/10/2030 #	10,000,000	10,870,974	10,331,414	1.39
GII Murabahah 4.47% 15/09/2039 #	10,000,000	11,670,963	10,561,774	1.42
GII Murabahah 4.72% 15/06/2033 #	10,000,000	11,968,665	11,116,433	1.50
GII Murabahah 4.76% 04/08/2037 #	15,000,000	17,731,300	16,502,308	2.22
Guan Chong Bhd 3.84% 03/12/2027 (AA3)	6,180,000	6,273,413	6,238,760	0.84
IJM Corporation Bhd 4.76% 10/04/2029 (AA3)	3,000,000	3,059,663	3,243,235	0.44
IJM Corporation Bhd 5.05% 18/08/2028 (AA3)	13,000,000	13,677,617	14,088,818	1.90
IJM Land Bhd 4.73% 17/03/2119 (A2)	5,850,000	5,978,727	5,943,632	0.80
IJM Land Bhd 5.65% 17/03/2119 (A2)	3,300,000	3,444,171	3,530,411	0.47
IJM Land Bhd 5.73% 17/03/2119 (A2)	5,000,000	5,173,391	5,384,594	0.72

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>28.02.2021 (CONTINUED)</b>				
<b>UNQUOTED SUKUK</b>				
<b>(CONTINUED)</b>				
Imtiaz Sukuk II Bhd 2.97% 07/10/2025 (AA2)	3,750,000	3,794,245	3,795,932	0.51
Imtiaz Sukuk II Bhd 3.20% 07/10/2027 (AA2)	2,200,000	2,227,967	2,221,829	0.30
Kedah Cement Sdn Bhd 4.55% 07/07/2023 (A1)	5,000,000	5,035,554	5,064,241	0.68
Konsortium KAJV Sdn Bhd 5.05% 12/05/2023 (AA3)	12,500,000	12,751,275	12,974,260	1.75
Konsortium KAJV Sdn Bhd 5.25% 13/05/2022 (AA3)	2,500,000	2,557,634	2,582,070	0.35
Konsortium KAJV Sdn Bhd 5.25% 13/05/2022 (AA3)	5,000,000	5,155,502	5,164,140	0.69
Kuala Lumpur Kepong Bhd 3.75% 27/09/2029 (AA1)	1,000,000	1,015,822	1,041,202	0.14
Lafarge Cement Sdn Bhd 4.40% 11/12/2023 (A1)	21,000,000	21,227,934	21,257,541	2.86
Mah Sing Group Bhd 4.35% 13/03/2025 (NR)	31,000,000	31,620,679	32,519,369	4.37
Malayan Banking Bhd 3.10% 08/10/2032 (AA1)	5,000,000	5,060,726	5,009,626	0.67
Malayan Banking Bhd 4.08% 22/02/2117 (AA3)	7,000,000	7,122,847	7,350,837	0.99
Malayan Banking Bhd 4.63% 31/01/2029 (AA1)	850,000	855,074	897,781	0.12
Malaysia Airports Holdings Bhd 3.30% 05/11/2027 (AAA)	10,000,000	10,103,973	10,048,473	1.35
Malaysian Resources Corporation Bhd 3.85% 14/08/2023 (AA3)	2,500,000	2,509,452	2,528,217	0.34
Malaysian Resources Corporation Bhd 4.25% 13/08/2027 (AA3)	2,700,000	2,719,466	2,732,481	0.37
Malaysian Resources Corporation Bhd 4.45% 14/08/2030 (AA3)	2,050,000	2,069,147	2,052,679	0.28
Manjung Island Energy Bhd 4.90% 25/11/2031 (AAA)	5,000,000	5,788,371	5,614,288	0.76
MBSB Bank Bhd 5.25% 19/12/2031 (A3)	860,000	868,659	924,335	0.12
MMC Corporation Bhd 5.29% 26/04/2023 (AA3)	3,000,000	3,063,176	3,172,834	0.43
Northport (Malaysia) Bhd 5.00% 02/12/2022 (AA3)	11,000,000	11,232,241	11,485,876	1.54
Northport (Malaysia) Bhd 5.78% 19/12/2024 (AA3)	5,000,000	5,344,847	5,474,375	0.74



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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>28.02.2021 (CONTINUED)</b>				
<b>UNQUOTED SUKUK</b>				
<b>(CONTINUED)</b>				
Pelabuhan Tanjung Pelepas Sdn Bhd 3.15% 28/08/2025 (AA3)	2,500,000	2,500,647	2,506,372	0.34
Pelabuhan Tanjung Pelepas Sdn Bhd 3.30% 27/08/2027 (AA3)	2,750,000	2,750,746	2,738,811	0.37
Pelabuhan Tanjung Pelepas Sdn Bhd 3.74% 18/06/2025 (AA3)	3,000,000	3,022,440	3,105,540	0.42
Penang Port Sdn Bhd 4.30% 24/12/2026 (AA3)	1,650,000	1,662,246	1,760,240	0.24
Penang Port Sdn Bhd 4.48% 27/12/2029 (AA3)	8,500,000	8,705,327	9,132,507	1.23
Penang Port Sdn Bhd 4.68% 26/12/2031 (AA3)	4,150,000	4,300,488	4,493,071	0.60
Pengerang LNG (Two) Sdn Bhd 2.67% 21/10/2026 (AAA)	1,200,000	1,211,499	1,196,835	0.16
Pengerang LNG (Two) Sdn Bhd 2.76% 21/10/2027 (AAA)	5,000,000	5,049,529	4,957,229	0.67
Pengerang LNG (Two) Sdn Bhd 2.86% 20/10/2028 (AAA)	830,000	838,520	818,849	0.11
Perbadanan Kemajuan Negeri Selangor 5.01% 31/10/2023 (AA3)	5,000,000	5,135,758	5,298,959	0.71
Perbadanan Kemajuan Negeri Selangor 5.15% 10/08/2023 (AA3)	9,500,000	9,549,552	9,943,348	1.34
Perbadanan Kemajuan Pertanian Negeri Pahang 3.96% 30/10/2024 (AA3)	3,000,000	3,044,461	3,048,919	0.41
Perbadanan Kemajuan Pertanian Negeri Pahang 4.21% 30/10/2026 (AA3)	5,000,000	5,082,344	5,055,159	0.68
Prasarana Malaysia Bhd 3.44% 24/02/2040 (NR)	2,750,000	2,751,037	2,461,764	0.33
Press Metal Aluminium Holdings Bhd 4.10% 17/10/2024 (AA3)	9,400,000	9,540,433	9,642,517	1.30
Quantum Solar Park (Semenanjung) Sdn Bhd 5.40% 06/10/2025 (A1)	5,000,000	5,210,036	5,344,700	0.72

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>28.02.2021 (CONTINUED)</b>				
<b>UNQUOTED SUKUK</b>				
<b>(CONTINUED)</b>				
Quantum Solar Park (Semenanjung) Sdn Bhd 5.68% 06/04/2029 (A1)	5,000,000	5,164,983	5,410,250	0.73
Quantum Solar Park (Semenanjung) Sdn Bhd 5.80% 04/10/2030 (A1)	5,000,000	5,208,360	5,421,150	0.73
Quantum Solar Park (Semenanjung) Sdn Bhd 5.84% 04/04/2031 (A1)	5,000,000	5,208,695	5,425,500	0.73
Quantum Solar Park (Semenanjung) Sdn Bhd 5.88% 06/10/2031 (A1)	7,500,000	7,595,112	8,142,225	1.10
Quantum Solar Park (Semenanjung) Sdn Bhd 6.04% 06/10/2033 (A1)	5,000,000	5,534,571	5,438,050	0.73
RHB Islamic Bank Bhd 4.32% 21/05/2029 (AA3)	1,500,000	1,517,398	1,580,698	0.21
Sarawak Energy Bhd 4.70% 24/11/2028 (AAA)	500,000	506,238	556,506	0.07
Sarawak Energy Bhd 4.95% 25/11/2033 (AAA)	2,500,000	2,532,209	2,793,609	0.38
Sarawak Energy Bhd 5.28% 17/08/2035 (AAA)	5,000,000	6,059,688	5,647,506	0.76
Southern Power Generation Sdn Bhd 5.04% 28/04/2028 (AA3)	2,000,000	2,038,461	2,254,332	0.30
Southern Power Generation Sdn Bhd 5.25% 30/04/2031 (AA3)	5,000,000	5,328,249	5,755,671	0.77
Tadau Energy Sdn Bhd 5.40% 28/07/2025 (AA3)	2,500,000	2,523,371	2,703,806	0.36
Tadau Energy Sdn Bhd 5.60% 27/07/2027 (AA3)	6,000,000	6,238,557	6,616,518	0.89
Tanjung Bin Power Sdn Bhd 5.23% 14/08/2026 (AA2)	5,000,000	5,534,880	5,534,764	0.74
Telekom Malaysia Bhd 4.55% 07/10/2024 (AAA)	5,000,000	5,186,891	5,441,327	0.73
Telekom Malaysia Bhd 4.68% 31/10/2028 (AAA)	10,000,000	11,034,363	11,188,527	1.49
Tenaga Nasional Bhd 2.90% 12/08/2030 (AAA)	10,400,000	10,411,568	9,952,616	1.34
Tenaga Nasional Bhd 3.25% 10/08/2035 (AAA)	7,900,000	7,909,848	7,212,199	0.97
Tenaga Nasional Bhd 3.55% 10/08/2040 (AAA)	15,650,000	15,671,310	14,086,904	1.89
TG Excellence Bhd 3.95% 27/02/2120 (AA3)	9,700,000	9,703,149	10,034,986	1.35

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>28.02.2021 (CONTINUED)</b>				
<b>UNQUOTED SUKUK (CONTINUED)</b>				
TNB Northern Energy Bhd 4.42% 29/05/2030 (AAA)	5,000,000	5,609,415	5,424,365	0.73
TNB Northern Energy Bhd 4.46% 29/11/2030 (AAA)	5,000,000	5,628,311	5,425,516	0.73
UEM Sunrise Bhd 3.90% 21/09/2023 (AA3)	7,800,000	7,954,044	7,945,491	1.07
UEM Sunrise Bhd 4.00% 16/02/2024 (AA3)	3,500,000	3,513,874	3,511,849	0.47
UEM Sunrise Bhd 4.30% 16/02/2026 (AA3)	5,000,000	5,028,780	5,013,929	0.67
UEM Sunrise Bhd 4.75% 22/03/2024 (AA3)	4,500,000	4,597,313	4,697,874	0.63
UEM Sunrise Bhd 4.98% 31/10/2023 (AA3)	3,000,000	3,103,827	3,134,386	0.42
UEM Sunrise Bhd 5.06% 09/12/2022 (AA3)	5,000,000	5,060,070	5,176,752	0.70
UEM Sunrise Bhd 5.15% 31/10/2025 (AA3)	5,000,000	5,195,079	5,281,769	0.71
UMW Holdings Bhd 5.12% 4/10/2023 (AA2)	2,500,000	2,555,652	2,702,226	0.36
UMW Holdings Bhd 6.35% 20/04/2118 (A1)	7,000,000	7,418,160	8,103,371	1.09
WCT Holdings Bhd 5.17% 23/10/2023 (AA3)	5,000,000	5,030,484	5,245,260	0.71
WCT Holdings Bhd 5.32% 11/05/2022 (AA3)	5,000,000	5,136,896	5,172,114	0.70
WCT Holdings Bhd 5.55% 21/02/2025 (AA3)	500,000	501,333	526,176	0.07
WCT Holdings Bhd 5.65% 20/04/2026 (AA3)	1,000,000	1,023,091	1,082,023	0.15
West Coast Expressway Sdn Bhd 5.29% 28/08/2035 (AAA)	1,000,000	1,004,556	1,112,365	0.15
YTL Power International Bhd 5.05% 03/05/2027 (AA1)	23,500,000	24,463,919	25,807,372	3.47
<b>TOTAL UNQUOTED SUKUK</b>	<b><u>691,590,000</u></b>	<b><u>720,489,016</u></b>	<b><u>726,933,848</u></b>	<b><u>97.78</u></b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>6,444,832</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>726,933,848</u></b>		

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.08.2020</b>				
<b>Audited</b>				
<b>UNQUOTED SUKUK</b>				
Aeon Credit Service (M) Bhd 3.80% 10/02/2027 (AA3)	2,900,000	2,906,642	2,974,357	0.34
Aeon Credit Service (M) Bhd 3.85% 10/02/2028 (AA3)	2,150,000	2,154,989	2,209,685	0.25
Aeon Credit Service (M) Bhd 3.95% 12/03/2030 (A1)	5,600,000	5,716,079	5,730,827	0.65
Aman Sukuk Bhd 4.23% 27/07/2027 (AAA)	5,000,000	5,318,671	5,471,210	0.62
Aman Sukuk Bhd 4.45% 21/10/2026 (AAA)	1,500,000	1,538,833	1,669,658	0.19
AmBank Islamic Bhd 4.10% 27/03/2025 (AA2)	4,000,000	4,070,992	4,265,592	0.48
AmBank Islamic Bhd 4.88% 18/10/2028 (AA3)	5,000,000	5,234,448	5,389,665	0.61
AZRB Capital Sdn Bhd 4.85% 26/12/2024 (AA3)	4,600,000	4,640,953	4,793,949	0.54
Bank Pembangunan Malaysia Bhd 4.50% 4/11/2026 (AAA)	10,000,000	11,093,192	11,160,739	1.26
Bank Pembangunan Malaysia Bhd 4.62% 2/3/2027 (AAA)	10,000,000	11,274,871	11,345,745	1.28
Bank Pembangunan Malaysia Bhd 4.98% 2/3/2032 (AAA)	4,000,000	4,725,451	4,753,779	0.54
Bumitama Agri Ltd 4.20% 22/07/2026 (AA3)	1,300,000	1,306,133	1,372,641	0.16
Celcom Networks Sdn Bhd 5.05% 29/08/2024 (AA1)	5,000,000	5,264,829	5,430,967	0.61
Celcom Networks Sdn Bhd 5.20% 27/08/2027 (AA1)	5,000,000	5,134,357	5,667,599	0.64
Celcom Networks Sdn Bhd 5.27% 28/10/2026 (AA1)	5,000,000	5,621,024	5,730,612	0.65
DanaJamin Nasional Bhd 4.80% 06/10/2027 (AA1)	4,000,000	4,096,270	4,243,892	0.48
Danum Capital Bhd 2.97% 13/05/2025 (AAA)	5,000,000	5,045,160	5,136,310	0.58
Danum Capital Bhd 3.14% 13/05/2027 (AAA)	5,000,000	5,047,745	5,170,445	0.58
Danum Capital Bhd 3.42% 21/02/2035 (AAA)	1,900,000	1,901,958	1,912,104	0.22
DRB-Hicom Bhd 4.15% 12/12/2022 (A1)	6,600,000	6,660,783	6,694,773	0.76
DRB-Hicom Bhd 4.43% 29/08/2025 (A1)	5,000,000	5,013,500	5,013,500	0.57
DRB-Hicom Bhd 4.55% 12/12/2024 (A1)	6,000,000	6,060,584	6,137,444	0.69

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.08.2020 (CONTINUED)</b>				
<b>Audited (Continued)</b>				
<b>UNQUOTED SUKUK</b>				
<b>(CONTINUED)</b>				
DRB-Hicom Bhd 4.85% 11/12/2026 (A1)	34,050,000	34,840,838	35,059,345	3.96
DRB-Hicom Bhd 5.08% 30/08/2030 (A1)	5,000,000	5,023,500	5,023,500	0.57
DRB-Hicom Bhd 5.10% 12/12/2029 (A1)	11,250,000	11,480,388	11,544,275	1.30
Edra Energy Sdn Bhd 5.70% 05/07/2023 (AA3)	4,000,000	4,088,678	4,316,965	0.49
Edra Energy Sdn Bhd 5.76% 05/07/2024 (AA3)	10,000,000	10,870,349	11,013,551	1.24
Edra Energy Sdn Bhd 5.88% 03/07/2026 (AA3)	3,500,000	3,708,691	3,996,029	0.45
Edra Energy Sdn Bhd 5.91% 05/01/2027 (AA3)	5,000,000	5,161,727	5,758,197	0.65
Edra Energy Sdn Bhd 6.35% 05/07/2033 (AA3)	10,000,000	11,051,321	12,515,864	1.41
Edra Energy Sdn Bhd 6.59% 04/07/2036 (AA3)	5,000,000	5,462,333	6,430,006	0.73
Edra Energy Sdn Bhd 6.71% 05/01/2038 (AA3)	5,000,000	5,883,050	6,471,343	0.73
Edra Solar Sdn Bhd 4.40% 09/10/2026 (AA2)	650,000	661,048	695,518	0.08
Edra Solar Sdn Bhd 4.85% 11/10/2034 (AA2)	850,000	865,925	932,157	0.11
Fortune Premiere Sdn Bhd 5.05% 05/09/2025 (AA)	5,000,000	5,229,102	5,545,103	0.63
Fortune Premiere Sdn Bhd 5.05% 31/10/2025 (AA)	3,000,000	3,050,987	3,309,398	0.37
Gamuda Bhd 4.83% 23/11/2022 (AA3)	7,500,000	7,605,079	7,890,245	0.89
Gamuda Land (T12) Sdn Bhd 3.55% 12/08/2025 (AA3)	5,000,000	5,009,726	5,017,076	0.57
Gamuda Land (T12) Sdn Bhd 3.75% 12/08/2027 (AA3)	8,000,000	8,016,438	8,029,878	0.91
GII Murabahah 4.37% 31/10/2028 #	16,000,000	17,894,424	18,329,153	2.07
GII Murabahah 4.47% 15/09/2039 #	10,000,000	11,699,437	11,742,556	1.33
GII Murabahah 4.72% 15/06/2033 #	10,000,000	12,033,113	11,834,875	1.34
GII Murabahah 3.47% 15/10/2030 #	10,000,000	10,905,631	10,917,994	1.23
GII Murabahah 3.66% 15/10/2024 #	6,000,000	6,348,846	6,460,686	0.73

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.08.2020 (CONTINUED)</b>				
<b>Audited (Continued)</b>				
<b>UNQUOTED SUKUK</b>				
<b>(CONTINUED)</b>				
GII Murabahah 3.73% 31/03/2026 #	15,000,000	15,667,823	16,460,966	1.86
GII Murabahah 4.07% 30/09/2026 #	20,000,000	21,835,068	22,381,703	2.53
GII Murabahah 4.12% 30/11/2034 #	10,000,000	11,225,223	11,223,107	1.27
GII Murabahah 4.13% 15/08/2025 #	20,000,000	21,334,425	21,936,939	2.48
GII Murabahah 4.13% 09/07/2029 #	22,000,000	24,562,797	24,845,154	2.81
Govt Investment Issues 3.99% 15/10/2025 #	10,000,000	10,747,108	11,076,933	1.25
Govt Investment Issues Murabahah 4.76% 04/08/2037 #	15,000,000	17,796,453	17,508,419	1.98
Gulf Investment Corporation 5.10% 16/03/2021 (AAA)	2,000,000	2,048,232	2,074,287	0.23
IJM Corporation Bhd 4.76% 10/04/2029 (AA3)	3,000,000	3,060,259	3,277,558	0.37
IJM Corporation Bhd 5.05% 18/08/2028 (AA3)	13,000,000	13,719,869	14,223,044	1.61
IJM Land Bhd 4.73% 17/03/2119 (A2)	5,850,000	5,981,647	5,930,872	0.67
IJM Land Bhd 5.65% 17/03/2119 (A2)	3,300,000	3,450,381	3,535,540	0.40
IJM Land Bhd 5.73% 17/03/2119 (A2)	5,000,000	5,177,678	5,391,849	0.61
Konsortium KAJV Sdn Bhd 5.25% 13/05/2022 (AA3)	2,500,000	2,566,107	2,589,149	0.29
Kuala Lumpur Kepong Bhd 3.75% 27/09/2029 (AA1)	1,000,000	1,016,233	1,067,253	0.12
Lafarge Cement Sdn Bhd 4.55% 07/07/2023 (A1)	5,000,000	5,039,896	5,057,258	0.57
Mah Sing Group Bhd 4.35% 13/03/2025 (Not rated)	31,000,000	31,635,458	32,948,928	3.72
Malayan Banking Bhd 4.08% 22/02/2117 (AA3)	7,000,000	7,125,195	7,364,245	0.83
Malayan Banking Bhd 4.63% 31/01/2029 (AA1)	850,000	855,564	901,668	0.10
Malaysian Resources Corporation Bhd 3.85% 14/08/2023 (AA3)	2,500,000	2,511,583	2,516,547	0.28
Malaysian Resources Corporation Bhd 4.25% 13/08/2027 (AA3)	2,700,000	2,721,699	2,730,364	0.31

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.08.2020 (CONTINUED)</b>				
<b>Audited (Continued)</b>				
<b>UNQUOTED SUKUK (CONTINUED)</b>				
Malaysian Resources Corporation Bhd 4.45% 14/08/2030 (AA3)	2,050,000	2,070,785	2,077,643	0.23
MBSB Bank Bhd 5.25% 19/12/2031 (A3)	860,000	868,783	928,441	0.10
MMC Corporation Bhd 5.29% 26/04/2023 (AA3)	3,000,000	3,065,467	3,190,219	0.36
Northport (Malaysia) Bhd 5.00% 02/12/2022 (AA3)	11,000,000	11,261,163	11,549,763	1.30
Northport (Malaysia) Bhd 5.78% 19/12/2024 (AA3)	5,000,000	5,382,542	5,509,942	0.62
Pelabuhan Tanjung Pelepas Sdn Bhd 3.74% 18/06/2025 (AA3)	3,000,000	3,023,055	3,103,575	0.35
Pelabuhan Tanjung Pelepas Sdn Bhd 3.15% 28/08/2025 (AA3)	2,500,000	2,500,863	2,500,863	0.28
Pelabuhan Tanjung Pelepas Sdn Bhd 3.30% 27/08/2027 (AA3)	2,750,000	2,750,995	2,750,995	0.31
Penang Port Sdn Bhd 4.30% 24/12/2026 (AA3)	1,650,000	1,662,441	1,768,948	0.20
Penang Port Sdn Bhd 4.48% 27/12/2029 (AA3)	8,500,000	8,712,837	9,324,120	1.05
Penang Port Sdn Bhd 4.68% 26/12/2031 (AA3)	4,150,000	4,305,239	4,641,510	0.52
Perbadanan Kemajuan Negeri Selangor 5.01% 31/10/2023 (AA3)	7,500,000	7,718,704	8,007,855	0.90
Perbadanan Kemajuan Negeri Selangor 5.15% 10/08/2023 (AA3)	10,000,000	10,060,806	10,546,088	1.19
Prasarana Malaysia Bhd 3.44% 24/02/2040 (Not rated)	2,750,000	2,751,814	2,716,009	0.31
Press Metal Aluminium Holdings Bhd 4.10% 17/10/2024 (AA3)	9,400,000	9,544,657	9,607,449	1.09
Quantum Solar Park Green Sri Sukuk 5.80% 04/10/2030 (A1)	5,000,000	5,213,547	5,498,989	0.62
Quantum Solar Park Green Sri Sukuk 5.84% 04/04/2031 (A1)	5,000,000	5,213,639	5,513,550	0.62
Quantum Solar Park Green Sri Sukuk 5.88% 06/10/2031 (A1)	7,500,000	7,594,870	8,286,391	0.94

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.08.2020 (CONTINUED)</b>				
<b>Audited (Continued)</b>				
<b>UNQUOTED SUKUK</b>				
<b>(CONTINUED)</b>				
Quantum Solar Park Green Sri Sukuk 5.40% 6/10/2025 (A1)	5,000,000	5,221,246	5,363,179	0.61
Quantum Solar Park Green Sri Sukuk 5.68% 6/4/2029 (A1)	5,000,000	5,169,030	5,461,756	0.62
RHB Islamic Bank Bhd 4.88% 27/4/2027 (AA3)	5,000,000	5,093,839	5,251,649	0.59
RHB Islamic Bank Bhd 4.32% 21/05/2029 (AA3)	1,500,000	1,518,286	1,587,076	0.18
Sabah Credit Corporation 4.84% 23/06/2023 (AA1)	3,000,000	3,077,444	3,191,340	0.36
Sarawak Energy Bhd 4.70% 24/11/2028 (AAA)	500,000	506,374	572,570	0.06
Sarawak Energy Bhd 4.95% 25/11/2033 (AAA)	2,500,000	2,532,887	2,986,187	0.34
Sarawak Energy Bhd 5.28% 17/08/2035 (AAA)	5,000,000	6,089,509	6,123,576	0.69
SME Bank Bhd 3.02% 23/04/2025 #	3,750,000	3,790,646	3,898,271	0.44
Southern Power Generation Sdn Bhd 5.04% 28/04/2028 (AA3)	2,000,000	2,039,294	2,300,104	0.26
Southern Power Generation Sdn Bhd 5.25% 30/04/2031 (AA3)	5,000,000	5,337,423	5,990,778	0.68
Tadau Energy Sdn Bhd Sri Sukuk 5.40% 28/07/2025 (AA3)	2,500,000	2,525,579	2,716,215	0.31
Tadau Energy Sdn Bhd Sri Sukuk 5.60% 27/07/2027 (AA3)	6,000,000	6,254,934	6,673,160	0.75
Telekom Malaysia Bhd 4.55% 07/10/2024 (AAA)	5,000,000	5,200,402	5,504,973	0.62
Telekom Malaysia Bhd 4.68% 31/10/2028 (AAA)	10,000,000	11,087,098	11,570,192	1.31
Tenaga Nasional Bhd 2.90% 12/08/2030 (AAA)	10,400,000	10,416,526	10,370,974	1.17
Tenaga Nasional Bhd 3.25% 10/08/2035 (AAA)	7,900,000	7,914,068	7,818,952	0.88
Tenaga Nasional Bhd 3.55% 10/08/2040 (AAA)	15,650,000	15,680,442	15,523,316	1.75
Tenaga Nasional Bhd 4.98% 27/08/2038 (AAA)	6,000,000	6,312,833	7,140,215	0.81
TG Excellence Bhd 3.95% 27/02/2120 (AA3)	9,700,000	9,705,249	10,046,010	1.13
UEM Edgenta Bhd 4.85% 26/4/2022 (AA3)	7,000,000	7,143,799	7,339,607	0.83



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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.08.2020 (CONTINUED)</b>				
<b>Audited (Continued)</b>				
<b>UNQUOTED SUKUK (CONTINUED)</b>				
UEM Sunrise Bhd 4.75% 22/03/2024 (AA3)	4,500,000	4,599,049	4,757,725	0.54
UEM Sunrise Bhd 4.98% 31/10/2023 (AA3)	3,000,000	3,113,907	3,173,515	0.36
UEM Sunrise Bhd 5.06% 09/12/2022 (AA3)	5,000,000	5,062,767	5,228,538	0.59
UEM Sunrise Bhd 5.15% 31/10/2025 (AA3)	5,000,000	5,206,958	5,405,879	0.61
UMW Holdings Bhd 4.83% 22/06/2022 (AA2)	1,000,000	1,009,833	1,046,505	0.12
UMW Holdings Bhd 5.12% 04/10/2023 (AA2)	2,500,000	2,556,754	2,716,826	0.31
UMW Holdings Bhd 6.35% 20/04/2118 (A1)	7,000,000	7,434,374	8,120,226	0.92
WCT Holdings Bhd 4.95% 22/10/2021 (AA3)	5,000,000	5,078,285	5,179,979	0.59
WCT Holdings Bhd 5.17% 23/10/2023 (AA3)	5,000,000	5,021,568	5,322,827	0.60
WCT Holdings Bhd 5.32% 11/05/2022 (AA3)	5,000,000	5,161,197	5,238,422	0.59
WCT Holdings Bhd 5.55% 21/02/2025 (AA3)	500,000	501,580	537,283	0.06
WCT Holdings Bhd 5.65% 20/04/2026 (AA3)	1,000,000	1,023,627	1,108,322	0.13
West Coast Expressway Sdn Bhd 5.29% 28/08/2035 (AAA)	1,000,000	1,004,794	1,202,770	0.14
Westports (Malaysia) Sdn Bhd 4.58% 31/03/2028 (AA1)	5,000,000	5,529,155	5,594,330	0.63
YTL Power International Bhd 5.05% 03/05/2027 (AA1)	28,500,000	29,725,760	31,753,067	3.59
<b>TOTAL UNQUOTED SUKUK</b>	<b><u>765,060,000</u></b>	<b><u>805,145,516</u></b>	<b><u>831,489,654</u></b>	<b><u>93.94</u></b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>26,344,138</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>831,489,654</u></b>		

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

**8. CASH AND CASH EQUIVALENTS**

	<b>28.02.2021</b>	<b>31.08.2020</b>
	<b>RM</b>	<b>Audited RM</b>
Shariah-compliant deposits with licensed Islamic financial institutions	18,194,634	61,978,890
Bank balance	64,135	21,003
	<b>18,258,769</b>	<b>61,999,893</b>

**9. NUMBER OF UNITS IN CIRCULATION (UNITS)**

	<b>01.09.2020 to 28.02.2021</b>	<b>01.09.2019 to 31.08.2020</b>
	<b>No. of units</b>	<b>Audited No. of units</b>
At the beginning of the financial period/year	651,490,220	314,745,983
Add : Creation of units from applications	148,422,391	625,051,155
Add : Creation of units from distribution	-	14,027,453
Less : Cancellation of units	(251,108,974)	(302,334,371)
At the end of the financial period/year	<b>548,803,637</b>	<b>651,490,220</b>

**10. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS**

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

	<b>28.02.2021</b>	<b>31.08.2020</b>
	<b>RM</b>	<b>Audited RM</b>
Unit holders' contributions	702,416,156	842,286,296
Retained earnings	41,030,592	42,964,658
	<b>743,446,748</b>	<b>885,250,954</b>

**10. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS (CONTINUED)**

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

	Unit holders' capital RM	Retained earnings RM	Total RM
<b>Balance as at 1 September 2020</b>	842,286,296	42,964,658	885,250,954
Movement in unit holders' contributions:			
- Creation of units from applications	201,918,869	-	201,918,869
- Cancellation of units	(341,789,009)	-	(341,789,009)
Total comprehensive loss for the financial period	-	(1,934,066)	(1,934,066)
<b>Balance as at 28 February 2021</b>	<u>702,416,156</u>	<u>41,030,592</u>	<u>743,446,748</u>
<b>Balance as at 1 September 2019</b>	387,723,682	27,365,131	415,088,813
Movement in unit holders' contributions:			
- Creation of units from applications	270,711,162	-	270,711,162
- Cancellation of units	(136,369,642)	-	(136,369,642)
Total comprehensive income for the financial period	-	17,541,228	17,541,228
<b>Balance as at 29 February 2020</b>	<u>522,065,202</u>	<u>44,906,359</u>	<u>566,971,561</u>

**11. MANAGEMENT EXPENSE RATIO ("MER")**

	01.09.2020 to 28.02.2021 %	01.09.2019 to 29.02.2020 %
MER	<u>0.50</u>	<u>0.51</u>

MER is derived based on the following calculation:

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

A = Management fee

B = Trustee fee

C = Audit fee

D = Tax agent's fee

E = Other expenses

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

The average NAV of the Fund for the financial period calculated on a daily basis is RM869,552,236 (29.02.2020: RM476,657,319).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.09.2020 to 28.02.2021	01.09.2019 to 29.02.2020
PTR (times)	<u>0.24</u>	<u>0.31</u>

PTR is derived from the following calculation:

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

where:

total acquisition for the financial period	= RM170,247,165 (29.02.2020: RM213,884,270)
total disposal for the financial period	= RM243,517,550 (29.02.2020: RM78,263,885)

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

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

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

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

Units held by the Manager and parties related to the Manager

	28.02.2021		31.08.2020 Audited	
	No. of units	RM	No. of units	RM
<b>Manager</b>				
Principal Asset Management Berhad	47,074	63,766	82,688	112,356

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

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

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

	01.09.2020 to 28.02.2021 RM	01.09.2019 to 29.02.2020 RM
<u>Significant related party transactions</u>		
Profit income from Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	110,099	149,083
	<b>28.02.2021</b>	<b>31.08.2020</b> Audited
	RM	RM
<u>Significant related party balances</u>		
Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	2,192,306	30,306,218
Bank balances:		
- CIMB Islamic Bank Bhd	64,135	21,003

14. TRANSACTIONS WITH DEALERS

Details of transactions with the dealers for the six months financial period ended 28 February 2021 are as follows:

Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
RHB Investment Bank Bhd	56,259,300	13.60	-	-
AmBank (M) Bhd	47,529,877	11.49	-	-
CIMB Bank Bhd #	44,992,700	10.87	-	-
Malayan Banking Bhd	43,544,688	10.52	-	-
Affin Hwang Investment Bank Bhd	34,243,250	8.28	-	-
RHB Bank Bhd	29,100,050	7.03	-	-
Citi Bank Bhd	27,887,500	6.74	-	-
JP Morgan Chase Bank Bhd	23,811,600	5.75	-	-
HSBC Bank Malaysia Bhd	22,573,750	5.46	-	-
CIMB Islamic Bank Bhd #	21,242,000	5.13	-	-
Others	62,580,000	15.13	-	-
	<u>413,764,715</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

Details of transactions with the dealers for the six months financial period ended 29 February 2020 are as follows:

Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Malayan Banking Bhd	70,550,000	24.15	-	-
Hong Leong Bank Bhd	53,473,655	18.30	-	-
RHB Investment Bank Bhd	32,365,745	11.08	-	-
CIMB Bank Bhd #	27,978,700	9.58	-	-
Hong Leong Investment Bank Bhd	14,750,000	5.05	-	-
RHB Bank Bhd	11,846,850	4.06	-	-
Bank Islam Malaysia Bhd	11,154,000	3.82	-	-
United Overseas Bank (M) Bhd	10,248,000	3.51	-	-
Alliance Bank Malaysia Bhd	8,947,850	3.06	-	-
AmBank Bhd	7,096,500	2.43	-	-
Others	43,736,855	14.96	-	-
	<u>292,148,155</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

**14. TRANSACTIONS WITH DEALERS (CONTINUED)**

# Included in the transactions are trades conducted with CIMB Bank Bhd and CIMB Islamic Bank Bhd, fellow related parties to the Manager amounting to RM44,992,700 (29.02.2020: RM27,978,700) and RM21,242,000 (29.02.2020: Nil) respectively. The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

**15. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD**

The COVID-19 pandemic and related lockdowns and movement restrictions have had, and will continue to have, a significant impact on global economic conditions and the environment in which the Fund operates.

The Manager continue to closely monitor the macro-economic outlook as a result of COVID-19 pandemic and its impact to the Fund's performance and will be managing the risks to achieve the Fund's objective.

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