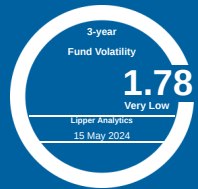


Principal Conservative Bond Fund - Class A

31 May 2024



Fund Objective

The Fund aims to provide regular income through diversified investments in Malaysian bonds. The Fund will be managed with the aim of achieving regular income through investments in a diversified portfolio of Malaysian bonds. The Fund will invest at least 97% of its NAV in Government bonds and corporate bonds, out of which the Fund will invest between 20% to 50% (both inclusive) of its NAV in Government bonds and between 50% to 80% (both inclusive) of its NAV in corporate bonds. For Government bonds, the Fund may invest up to 30% of its NAV in Government Agency bonds. In addition, the Fund may invest up to 10% of its NAV in Asset-Backed Securities. The Fund will also invest up to 3% of its NAV in liquid assets.

Lipper Score

Total Return

Consistent Return



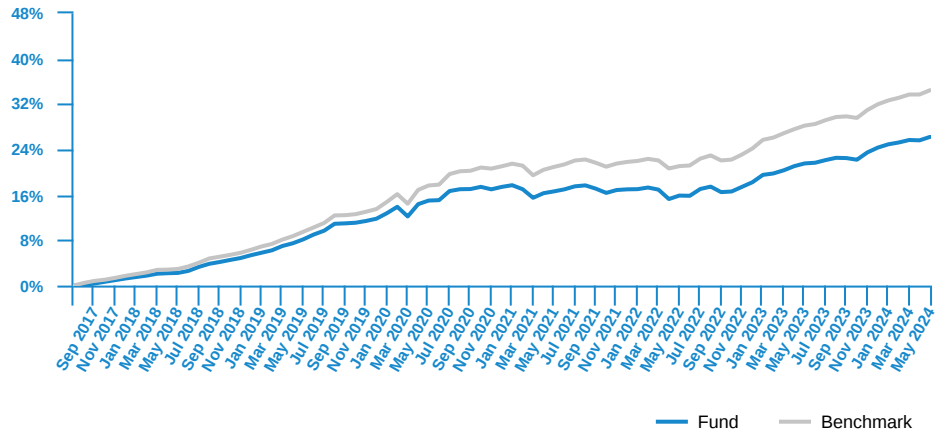
Morningstar Rating



Fund Information

| | |
|-------------------------------------|---|
| ISIN Code | MYU1000GL001 |
| Lipper ID | 68437189 |
| Bloomberg Ticker | CIMPCBA MK |
| Domicile | Malaysia |
| Currency | MYR |
| Base Currency | MYR |
| Fund Inception | 8 Aug 2017 |
| Benchmark | 10% TR BPAM Govt (1-3 years) all bond index + 10% TR BPAM Govt (3-7 years) all bond index + 5% TR BPAM Quasi Govt (1-3 years) all bond index + 5% TR BPAM Quasi Govt (3-7 years) all bond index + 10% TR BPAM Corporate (1-3 years) all |
| Application Fee | Agency Distributors and IUTAs: Up to 2.00% of the NAV per unit. |
| Management Fee | Up to 1.00% p.a. of the NAV |
| Trustee Fee | Up to 0.025% p.a. of the NAV |
| Fund Size (MYR) | MYR 23.45 thousand |
| Fund Unit | 0.02 million units |
| NAV per unit (As at 31 May 2024) | MYR 1.2622 |
| Initial Offering Period (IOP) Date | 29 Aug 2017 |
| 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 | 1.52 | 0.49 | 0.79 | 2.22 | 3.85 | 8.24 | 16.71 | 26.22 |
| Benchmark | 1.88 | 0.57 | 1.01 | 2.67 | 4.87 | 11.19 | 22.80 | 34.46 |

| Calendar Year Returns (%) | | | | | | | |
|---------------------------|------|------|-------|------|------|------|--|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | |
| Fund | 5.16 | 1.08 | -0.37 | 5.02 | 6.10 | 4.05 | |
| Benchmark | 6.28 | 1.95 | 0.64 | 6.64 | 6.76 | 4.51 | |

Note: August 2017 to May 2024.

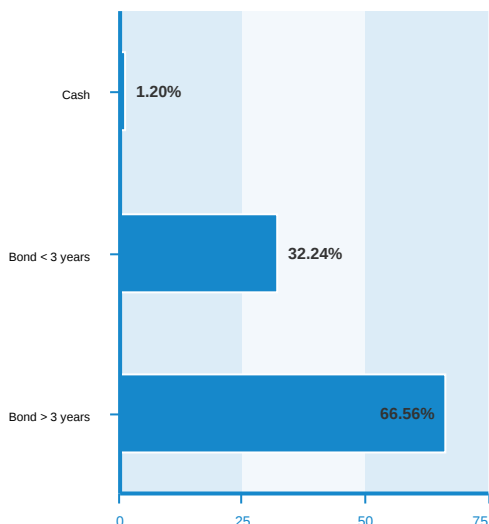
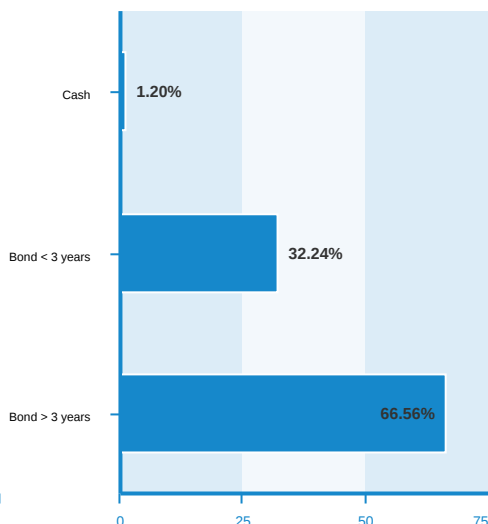
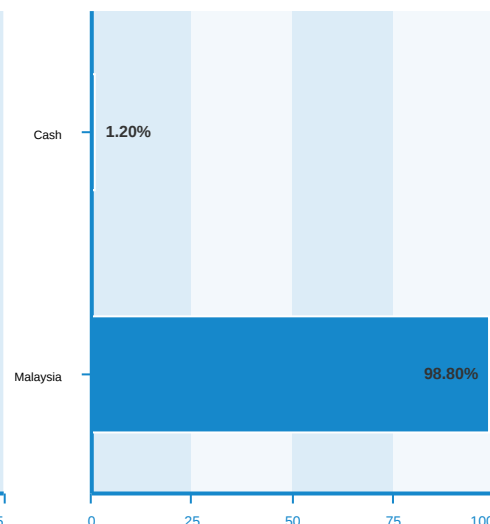
Performance data represents the combined income & capital return as a result of holding units in the fund for the specified length of time, based on bid to bid prices. Earnings are assumed to be reinvested.

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 | |
|--------------------------------|----------|-----------------|--------------------------|-------|
| GII Murabahah | Malaysia | 3.93 | Beta | 1.04 |
| Malaysia Government Securities | Malaysia | 3.92 | Information Ratio | -1.00 |
| GII Murabahah | Malaysia | 3.34 | Sharpe Ratio | -0.05 |
| Malaysia Government Securities | Malaysia | 3.05 | (3 years monthly data) | |
| GII Murabahah | Malaysia | 3.02 | | |
| Genting RMTN Bhd | Malaysia | 2.34 | | |
| Pengurusan Air SPV Bhd | Malaysia | 1.99 | | |
| Malaysia Government Securities | Malaysia | 1.99 | | |
| Hong Leong Bank Bhd | Malaysia | 1.99 | | |
| RHB Bank Bhd | Malaysia | 1.58 | | |

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 net performance for the month of May 2024 came in at +0.49%, underperforming the benchmark's return by 8bps. For the 12-months period ending 31 May 2024, the Fund delivered a net return of +3.85%, underperforming the benchmark by 102bps.

BNM maintained its overnight policy rate at 3% for the sixth consecutive meeting in May 2024, with policymakers emphasizing that the current monetary policy stance continues to support the economy and aligns with the present evaluation of inflation and growth prospects.

Malaysia's GDP grew by 4.2% in Q1 2024, surpassing the consensus and advanced estimate of 3.9%. This marks the first upward revision from the advanced estimate since its introduction in Q3 2023. The accelerated growth was driven by a faster expansion in the services sector, which grew by 4.7% (advanced estimate: 4.4%, Q4 2023: 4.1%).

Malaysia's headline inflation remained steady at 1.8% in April (March: 1.8%), slightly below the market expectation of 1.9%. A higher increase in food prices of 2.0% in April (March: 1.7%) was offset by a smaller increase in transportation costs of 0.8% (March: 1.3%). Utility costs remained high at 3.0% (March: 3.0%) following the revised tariffs in February. Year-to-date inflation registered at 1.7%, but the rate is likely to pick up in the coming months in anticipation of the rollout of fuel subsidy rationalisation in the second half of 2024, with the diesel subsidy expected to begin as early as June 2024.

Prime Minister Anwar announced that the Cabinet has agreed to rationalize fuel subsidies, starting with diesel in Peninsular Malaysia, resulting in savings of RM4 billion. While the exact implementation date was not provided, registrations for the diesel fleet card system are expected to begin next month, making June the earliest possible start date. In addition to the newly announced cash aid for small businesses, the continued provision of diesel subsidies to public transportation, logistical vehicles, and East Malaysia will help mitigate inflationary impacts.

We remain positive on the local bond markets as we believe the tightening trend on monetary policies has reached its peak with the last rate hike by MPC in May 2023.

[^]Based on the fund's portfolio returns as at 15 May 2024, the Volatility Factor (VF) for this fund is 1.78 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 Principal Conservative Bond Fund Prospectus Issue No. 3 dated 25 May 2023 which has been duly registered with the Securities Commission Malaysia, before investing and that you keep the said Fund Prospectus for your record. Any issue of units to which the Fund Prospectus relates will only be made upon receipt of the completed application form referred to in and accompanying the Fund Prospectus subject to the terms and conditions therein. Investments in the Fund are exposed to interest rate risk, credit and default risk and liquidity risk. You can obtain a copy of the Fund 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 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 advised to read and understand the contents of the Unit Trust Loan Financing Risk Disclosure Statement before deciding to borrow to purchase units. Where a unit split/distribution is declared, investors 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.