

Investments that stand  
the test of time



Manager : CIMB-Principal Asset Management Berhad (304078-K)

Trustee : HSBC (Malaysia) Trustee Berhad (1281-T)

This Prospectus Issue No.M3 for the CIMB-Principal Asia Pacific Dynamic Income Fund is dated 31 May 2017.

This Fund is constituted on 25 April 2011.

**INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.**

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 4.**

**THIS FUND IS A MULTI-CLASS FUND AND IS ALLOWED TO ESTABLISH NEW CLASS(ES) FROM TIME TO TIME AS MAY BE DETERMINED BY THE MANAGER.**

**AS THIS FUND IS A QUALIFYING CIS UNDER THE ASEAN CIS FRAMEWORK, INVESTORS SHOULD NOTE THAT THERE ARE CLASSES OF THE FUND THAT MAY BE OFFERED TO INVESTORS IN OTHER COUNTRIES THAT PARTICIPATE IN THE ASEAN CIS FRAMEWORK.**

# ABOUT THIS DOCUMENT

This is a Prospectus which introduces you to CIMB-Principal Asset Management Berhad (“CIMB-Principal”) and the CIMB-Principal Asia Pacific Dynamic Income Fund (“Fund”). This Prospectus outlines in general the information you need to know to make an informed decision as to whether the Fund best suits your financial needs.

If you have any questions about the information in this Prospectus or would like to know more about investing in the CIMB-Principal family of unit trust funds, please call CIMB-Principal Customer Care Centre at (603) 7718 3100 between 8:30 a.m. and 5:30 p.m. (Malaysian time), Mondays to Fridays (except on Selangor public holidays).

Unless otherwise indicated, any reference in this Prospectus to any rules, regulations, guidelines, standards, directives, notices, legislations or statutes shall be reference to those rules, regulations, guidelines, standards, directives, notices, legislations or statutes for the time being in force, as may be amended, varied, modified, updated, superseded and/or re-enacted from time to time.

Any reference to a time or day in this Prospectus shall be a reference to that time or day in Malaysia, unless otherwise stated.

Please note that all references to currency amounts and unit prices in this Prospectus are in USD unless otherwise indicated.

## PROSPECTUS DETAILS

<b>Issue No.</b>	<b>M3</b>
<b>Prospectus Date</b>	<b>31 May 2017</b>

## RESPONSIBILITY STATEMENTS

This Prospectus has been reviewed and approved by the directors of CIMB-Principal and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in this Prospectus false or misleading.

## STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has authorised the Fund and a copy of this Prospectus has been registered with the Securities Commission Malaysia.

The authorisation of the Fund, and the registration of this Prospectus, should not be taken to indicate that Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the Manager who is responsible for the Fund and takes no responsibility for the contents in this Prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

**INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.**

## ADDITIONAL STATEMENTS

Investors should note that they may seek recourse under the *Capital Markets and Services Act 2007* for breaches of securities laws including any statement in the Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to the Fund.

# DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Prospectus:

Application Fee	- Preliminary charge on each investment.
ASEAN	- Association of Southeast Asian Nations.
ASEAN CIS Framework	- Framework for cross-border public offers of Qualifying CIS.
Business Day	- Mondays to Fridays when Bursa Malaysia Securities Berhad is open for trading, and/or banks in Kuala Lumpur and/or Selangor are open for business. <b>Note:</b> We may declare certain Business Days to be a non-Business Day although Bursa Malaysia Securities Berhad and/or the banks is open for business if the Fund's investment in foreign markets which are closed for business is at least 50% of the Fund's NAV. This information will be communicated to you via our website at <a href="http://www.cimb-principal.com.my">http://www.cimb-principal.com.my</a> . Alternatively, you may contact our Customer Care Centre at (603) 7718 3100.
CIMB	- CIMB Investment Bank Berhad.
CIMB Group	- CIMB Group Sdn. Bhd.
CIMB-Principal or the Manager	- CIMB-Principal Asset Management Berhad.
CIMB-Principal Fund(s)	- Any unit trust funds that may be offered by CIMB-Principal.
CIMB-Principal (S) or the Sub-Manager	- CIMB-Principal Asset Management (S) Pte Ltd.
CIS	- Refers to collective investment schemes as defined under the SC Guidelines.
Class(es)	- Any class of units representing similar interest in the assets of the Fund.
Class MYR	- The Class of units issued by the Fund denominated in Malaysian Ringgit. This Class is only offered for sale in Malaysia.
Class SGD	- The Class of units issued by the Fund denominated in Singapore Dollar.
Class USD	- The Class of units issued by the Fund denominated in United States Dollar.
CMSA	- Capital Markets and Services Act 2007 (as may be amended, varied, modified, updated and/or superseded from time to time).
CWA	- Refers to the unit trust consultants of CIMB-Principal.
Deed	- The principal deed and any supplemental deed in respect of the Fund made between the Manager, the Trustee and the Unit holders of the Fund, agreeing to be bound by the provisions of the Deed.
Deposits	- As per the definition of "deposit" in the Financial Services Act 2013 and "Islamic deposit" in the Islamic Financial Services Act 2013 (as may be amended, varied, modified, updated and/or superseded from time to time). <b>Note:</b> To exclude structured deposits.
Distributor(s)	- Any relevant persons and bodies appointed by CIMB-Principal from time to time, who are responsible for selling units of the Fund.
Eligible Market	- A market which is regulated by a regulatory authority, operates regularly, is open to the public and has adequate liquidity for the purposes of the Fund.
EPF-MIS	- Employees' Provident Fund Members Investment Scheme.
Financial Institution	- (a) if the institution is in Malaysia— (i) a licensed bank; (ii) a licensed investment bank; or (iii) a licensed Islamic bank; (b) if the institution is outside Malaysia, any institution that is licensed/registered/ approved/ authorised by the relevant banking regulator to provide financial services.
Fitch	- Fitch Ratings.
Fund or APDI	- CIMB-Principal Asia Pacific Dynamic Income Fund.
GDP	- Gross Domestic Product.
GST	- Refers to the tax levied on goods and services pursuant to the Goods and Services Tax Act 2014 (as may be amended, varied, modified, updated and/or superseded from time to time).
Home Jurisdiction	- Means the jurisdiction in which the Qualifying CIS is constituted or established, and approved by the competent securities regulator of that jurisdiction for offer to the public in that jurisdiction.
Host Jurisdiction	- Means a jurisdiction (other than the Home Jurisdiction) in which the Qualifying CIS is offered or to be offered to the public in that jurisdiction.

Home Regulator	- Means the securities regulator of the Home Jurisdiction.
Host Regulator	- Means the securities regulator of the Host Jurisdiction.
IDC	- Interactive Data Corporation.
IMS	- Investment Management Standards issued by the Federation of Investment Managers Malaysia (as may be amended, updated or superseded from time to time).
IOSCO	- International Organization of Securities Commissions; for further details, please refer to <a href="http://www.iosco.org">http://www.iosco.org</a> .
IUTAs	- Institutional Unit Trust Advisers.
LPD	- Latest Practicable Date i.e. 31 March 2017, in which all information provided herein, shall remain current and relevant as at such date.
Management Fee	- A percentage of the NAV of the Class that is paid to the Manager for managing the portfolio of the Fund.
MCR	- Multi-class ratio, being the apportionment of the NAV of each Class over the Fund's NAV based on the size of each Class. The MCR is calculated by dividing the NAV (in USD) of the respective Class by the NAV of the Fund before income and expenses for the day save and except for Management Fee and those that is related to the specific Class only. The apportionment is expressed as a ratio and calculated as a percentage.
Medium to long term	- Refers to a period of three (3) years or more.
Moody's	- Moody's Investors Service.
NAV	- Net Asset Value.
NAV of the Fund	- The NAV of the Fund is the value of all the Fund's assets less the value of all the Fund's liabilities, at the point of valuation. For the purpose of computing the annual Management Fee (if any) and annual Trustee Fee (if any), the NAV of the Fund should be inclusive of the Management Fee and Trustee Fee for the relevant day. The NAV of a Class is the NAV of the Fund attributable to a Class at the same valuation point.
NAV per unit	- The NAV attributable to a Class of units divided by the number of units in circulation for that Class, at the valuation point.
Organised Market	- Refers to an exchange, government securities market or an OTC market: (a) that is regulated by the relevant competent regulatory authority of that jurisdiction; (b) that is of good repute; (c) that is open to the public or a substantial number of market participants; and (d) on which financial instruments are regularly traded.
OTC	- Over-the-counter.
PIA	- Principal International (Asia) Ltd.
PFG	- Principal Financial Group and its affiliates.
Prospectus	- Refers to the disclosure document issued by us describing the details of the Fund.
Qualifying CIS	- Means a CIS constituted or established in its Home Jurisdiction which has been approved by its Home Regulator for offer to the public in the Home Jurisdiction, and assessed by its Home Regulator as suitable to apply to a Host Regulator for its units to be offered to the public cross-border in the Host Jurisdiction pursuant to the ASEAN CIS Framework.
RM or MYR	- Malaysian Ringgit.
RSP	- Regular Savings Plan.
SC	- Securities Commission Malaysia.
SC Guidelines	- Guidelines on Unit Trust Funds issued by the SC and as may be amended and/or updated from time to time.
SGD	- Singapore Dollar.
Signatory Countries	- Any countries that participate in the ASEAN CIS Framework.
Standards of Qualifying CIS	- Means the set of common standards set out under the Standards of Qualifying CIS which will govern cross border offering of collective investment scheme in ASEAN, as may be amended from time to time and shall include any handbook, practice notes, regulations, directive or requirement issued pursuant thereto or by the regulators and signatories of the said common standards and includes any amendment, modification, alteration, consolidation or re-enactment made thereto or for the time being in force.
Sub-Manager	- CIMB-Principal Asset Management (S) Pte. Ltd.
S&P	- Standard & Poor's.
Special Resolution	- A resolution passed by a majority of not less than 3/4 of Unit holders voting at a meeting of Unit holders. For the purpose of terminating or winding up a fund or a class, a Special Resolution is passed by a majority in number representing at least 3/4 of the value of the units held by

	Unit holders voting at the meeting.
Switching Fee	- A charge that may be levied when switching is done from one fund or class to another.
Transfer Fee	- A nominal fee levied for each transfer of units from one Unit holder to another.
Transferable Securities	- Refer to: (a) equities and other securities equivalent to equities; and (b) bonds and other forms of securitised debt; but do not include money market instruments or any security the title to which can be transferred only with the consent of a third party.
Trustee	- HSBC (Malaysia) Trustee Berhad.
Trustee Fee	- A percentage of the NAV of the Fund that is paid to the Trustee for its services rendered as trustee for the Fund.
UK	- United Kingdom.
Unit holder	- The registered holder for the time being of a unit of the Fund including persons jointly so registered.
US or USA	- United States of America.
USD	- United States Dollar.
Withdrawal Fee	- A charge levied upon redemption under certain terms and conditions (if applicable).
WFE	- World Federations of Exchange.

**Note:** Unless the context otherwise requires,

- words importing the singular number should include the plural number and vice versa;
- time disclosed in this Prospectus should be indicated as Malaysian time; and
- reference to “days” in this Prospectus will be taken to mean calendar days unless otherwise stated.

# CORPORATE DIRECTORY

## **The Manager**

CIMB-Principal Asset Management Berhad

### **Business address**

10th Floor Bangunan CIMB  
Jalan Semantan  
Damansara Heights  
50490 Kuala Lumpur MALAYSIA  
Tel : (603) 2084 8888

### **Registered address**

13th Floor, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur MALAYSIA  
Tel : (603) 2261 8888

### **Postal address**

CIMB-Principal Asset Management Berhad  
PO Box 10571  
50718 Kuala Lumpur MALAYSIA

### **Customer Care Centre**

50, 52 & 54 Jalan SS 21/39  
Damansara Utama  
47400 Petaling Jaya Selangor MALAYSIA  
Tel : (603) 7718 3100  
Fax : (603) 7718 3003

### **Website**

<http://www.cimb-principal.com.my>

### **E-mail**

[service@cimb-principal.com.my](mailto:service@cimb-principal.com.my)

**Note:** You may contact our **Customer Care Centre** at **(03) 7718 3100** for more information.

## **Sub-Manager**

CIMB-Principal Asset Management (S) Pte. Ltd.

### **Business/Registered address**

50, Raffles Place  
#22-03A Singapore Land Tower  
SINGAPORE 048623  
Tel : (65) 6210 8488  
Website : <http://www.cimb-principal.com.sg>

## **The Trustee**

HSBC (Malaysia) Trustee Berhad

### **Business/Registered address**

13th Floor, Bangunan HSBC, South Tower  
No. 2, Leboh Ampang  
50100 Kuala Lumpur MALAYSIA  
Tel : (603) 2075 7800  
Fax : (603) 2179 6511

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# 1. FUND INFORMATION

## 1.1. CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND

<b>Fund Category/Type</b>	: Equity/ Income & Growth.
<b>Investment Objective</b>	: Aims to provide regular income by investing primarily in the Asia Pacific ex Japan region and at the same time aims to achieve capital appreciation over the medium to long term. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
<b>Benchmark</b>	: The performance of this Fund cannot be compared directly with any specific publicly available benchmark. However, the Fund has a target return of eight percent (8%) per annum.  This is not a guaranteed return and is only a measurement of the Fund's performance. The Fund may not achieve the target return in any particular financial year but targets to achieve this growth over the medium to long term.
<b>Distribution Policy</b>	: The distribution policy of each of the Class may differ. Please refer to the Annexure of the respective Class for more information. You may also refer to page 15 for information on the distribution payment.

### Base Currency and Classes

The base currency of the Fund is USD.

Please note that the Fund is established with a multi-class structure where the Deed allows for the establishment of more than one (1) Class with similar interests in the assets of the Fund. You should note that the Fund is allowed to establish new Class(es) from time to time without your prior consent.

Under the Deed, Unit holders of each Class have materially the same rights and obligations. Each Class may be different in terms of currency denomination, fees and charges, and hence, will have its respective NAV per unit, denominated in its respective currency taking into account the aforementioned features. Although the Fund has multiple Classes, Unit holders should note that the assets of the Fund are pooled for investment purpose.

As this Fund is a Qualifying CIS under the ASEAN CIS Framework, there are Classes of the Fund that may be offered to investors in other countries that participate in the ASEAN CIS Framework. Application for investment in certain Classes may only be made available to investors in certain countries. We have the discretion to decide on the offering of any Classes in any participating countries.

Currently, the Classes below are available for sale in Malaysia. Please refer to the Annexure for further details on the Classes. You should note that we have the discretion to decide on the offering of other Classes for sale in the future. This information will be communicated to you via our website at <http://www.cimb-principal.com.my>. When in doubt, you should consult professional advisers for better understanding of the multi-class structure before investing in the Fund.

Name of Class	Launch Date	Commencement Date
Class MYR	25 April 2011	16 May 2011
Class SGD	9 September 2015	30 September 2015
Class USD	9 September 2015	30 September 2015

### Investment Policy and Principal Investment Strategy

The Fund will be managed with the aim of achieving a stable and positive investment returns over the medium to long term through investments in Asia Pacific ex Japan region regardless of market conditions. The companies invested in must be domiciled in, listed in, and/or have significant operations in the Asia Pacific ex Japan region. For listed securities, the investment must be traded in an exchange that is a member of WFE. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business/operations in Thailand but listed on the New York Stock Exchange. The threshold for 'significant operations' would be if more than 30% of total group revenue is derived from countries in the Asia Pacific ex Japan region. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). The term "medium to long term" refers to a period of three (3) years and more.

Under general market conditions, the Fund's investment will focus on high dividend yielding equities of companies, which the Sub-Manager believes will offer attractive yields\*, sustainable dividend payments and will exhibit above average growth potential when compared to its industry or the overall market at the point of purchase. In addition, the Fund may also invest in companies with good growth potential\*, which the Sub-Manager foresees may adopt a strong dividend payout\* policy. The Fund may also invest up to 15% of the Fund's NAV in debt securities to be in line with the Fund's objective. The Fund's investments in debt securities will generally be restricted to debt securities with a minimum credit rating of "BBB" by Fitch or its equivalent rating by S&P and Moody's. The Fund may also opt to access into the equities and/or debt securities market via the investment in units of other CIS that is in line with the Fund's objectives, subject to the requirements of the SC Guidelines and the Standards of Qualifying CIS.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in equities;
- up to 15% of the Fund's NAV may be invested in debt securities;
- up to 20% of the Fund's NAV may be invested in units of other CIS that is in line with the Fund's objectives; and



- at least 2% of its NAV will be invested in liquid assets for liquidity purpose.

However, we or the Sub-Manager may take temporary defensive positions that may detract from the Fund's prescribed asset allocation when we or the Sub-Manager believes that the equity markets that the Fund invests in are experiencing excessive volatility, expects prolonged declines, or when there are other adverse conditions, such as political instability. Under these circumstances, the Fund may invest all or a substantial portion of its assets in money market instruments to achieve the Fund's investment objective in bearish or non-performing equity markets. The Sub-Manager may from time to time reduce its proportion of high risk assets, such as equities and increase its asset allocation to liquid assets such as money market instruments and/or Deposits to safeguard the Fund.

In response to these adverse conditions, we or the Sub-Manager may also utilise derivative instruments such as futures contracts to hedge the portfolio. In the event of a downgrade of a counter-party of an OTC derivative below the minimum long-term rating as per the SC Guidelines, we reserve the right to deal with the OTC derivative in the best interest of the Unit holders. The use of derivatives is subject to the prevailing SC regulations and Standards of Qualifying CIS.

The Fund will invest in countries where the regulatory authority is an ordinary or associate member of IOSCO which include but are not limited to Australia, the People's Republic of China, Hong Kong SAR, India, Indonesia, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Taiwan, Thailand and Vietnam. Where necessary, we will obtain the licenses/permits for investments in countries that require such licenses/permits. If we are unable to obtain the necessary licenses/permits, or the licenses/permits are revoked or not renewed (as the case may be), we or the Sub-Manager will seek to invest in other accessible markets.

We have appointed CIMB-Principal (S), a company incorporated in Singapore as the Sub-Manager of the Fund. CIMB-Principal (S) will be responsible for investing and managing the Fund in accordance with the investment objective and within the investment restrictions. For further details on the Sub-Manager, please refer to page 19.

The Sub-Manager will adopt an active investment strategy. The Sub-Manager uses a bottom-up stock selection process in searching for potentially interesting companies that offer attractive yields, sustainable dividend payments and exhibit above average growth potentials than its industry or the overall market. To complement this strategy, the Sub-Manager combines it with a top-down country and sector allocation process and will actively trade the securities in the portfolio of the Fund. Analysis and study will be made on the macroeconomic trends in Asia Pacific ex Japan economies where the investments are made; in particular, looking at the direction of GDP growth, interest rates, inflation, currencies and government policies to form the view and outlook for each country. This serves as part of the risk management framework that enables the Sub-Manager to assess the impact of macroeconomic changes on corporate earnings and dividends and at the same time to determine if there are any predictable trends.

Further, risk management, with an emphasis on portfolio diversification, will form an integral part of the investment process. The Fund is constructed and managed within pre-determined guidelines including risk returns trade-off, which will be monitored and reviewed regularly by the investment management team. The risk management strategies and techniques employed include diversification of the Fund's asset allocation in terms of its exposure to various sectors, industries and companies.

If the Fund is eligible to be invested via the EPF-MIS, investment in futures and options will be subject to the EPF's requirements. Please note that there may be changes to the status of the eligibility of the Fund under the EPF-MIS from time to time. Please refer to our website at <http://www.cimb-principal.com.my> or <http://www.kwsp.gov.my> for updated information.

\* Higher than the average equity yields in the respective country.

^ Companies that have a better growth than the GDP of the respective country and reasonably priced based on our estimate. Reasonably priced means when the intrinsic value is higher than the current market price.

# Higher than the average dividend yields of companies in the respective country.

## 1.2. PERMITTED INVESTMENTS

Subject to the Deed, the investment policy for the Fund and the requirements of the SC and any other regulatory body, we have the absolute discretion as to how the assets of the Fund are to be invested. Under the Deed and provided always that there are no inconsistencies with the objective of the Fund, the Fund can invest in a wider range of securities, including but not limited to the following:

- Equities and debt securities dealt in an Organised Market and traded in or under the rules of an Eligible Market;
- Warrants that carry the right in respect of a security traded in or under the rules of an Eligible Market;
- Unlisted equities including equities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Fund by the issuer;
- Deposits and money market instruments;
- Derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps;
- All types of CIS which comply to the requirements of the SC Guidelines and the Standard of Qualifying CIS;
- Securities listed or traded on foreign markets where the regulatory authority is an ordinary or associate member of the IOSCO and the listed securities must be traded in an exchange that is a member of WFE; and
- Any other form of investments as may be permitted by the SC from time to time that is in line with the Fund's objective.

The formulation of the investment policies and strategies of the Fund is based on the objective of the Fund after taking into consideration the regulatory requirements outlined in the SC Guidelines and the ASEAN CIS Framework, with such exemptions or variations (if any) as permitted by the SC.

### 1.3. INVESTMENT RESTRICTIONS AND LIMITS

The Fund is subject to the following investment restrictions and limits:

- 1) Transferable Securities and money market instruments held by the Fund must be dealt in an Organised Market and traded in or under the rules of an Eligible Market;
- 2) The aggregate value of the Fund's investment in Transferable Securities or money market instruments issued by a single issuer must not exceed 10% of the Fund's NAV;
- 3) The value of the Fund's placement in Deposits with any single investment grade Financial Institution must not exceed 20% of the Fund's NAV;
- 4) In the case where the Fund invested in the following assets, the limit in clause 2 and clause 3 above is lowered to 5%:
  - (a) Deposits placed with unrated or non-investment grade Financial Institution;
  - (b) debt securities or money market instruments not dealt in on Organised Market or issued by an unrated or non-investment grade issuing body; and
  - (c) unlisted equities.Notwithstanding clause 4(b), we may rely on the rating of an unrated or non-investment grade issuer's parent company or guarantor provided that an explicit guarantee by the parent company or the guarantor for the issuer is in place.
- 5) The aggregate value of the Fund's investment in Transferable Securities, money market instruments, Deposits and OTC derivatives issued by or placed with (as the case may be) any single business group, must not exceed 20% of the Fund's NAV. For the purpose of this clause, a business group refers to a body, its subsidiaries, fellow subsidiaries, holding body, and ultimate holding body;
- 6) The Fund may invest up to 15% of the Fund's NAV in aggregate in debt securities or money market instruments issued by a single body if the issuing body or the guarantor of the debt securities or money market instruments is a government or sovereign or central bank with at least a "BBB" rating by Fitch or its equivalent by Moody's and S&P. However, if the issuing body or the guarantor of the debt securities or money market instruments is a Malaysian government or Bank Negara Malaysia, the Fund may invest up to 35% of the Fund's NAV in aggregate in debt securities or money market instruments;
- 7) The value of a Fund's investments in unlisted equities must not exceed 10% of the Fund's NAV;
- 8) The aggregate value of the Fund's investment in Deposits placed with unrated or non-investment grade Financial Institution, debt securities or money market instruments not dealt in an Organised Market or issued by an unrated or non-investment grade issuing body, unlisted equities and OTC derivatives with non-investment grade or unrated counterparty must not exceed 15% of the Fund's NAV. For the purpose of this clause, the limit does not apply to Deposits, debt securities or money market instruments or OTC derivatives where the:
  - (a) Financial Institution, issuing body or counterparty is rated investment grade only with a national rating scale; and
  - (b) the jurisdiction in which the issuing body or counterparty is domiciled has a sovereign credit rating that is at least investment grade;
- 9) The value of the Fund's investment in units of each Qualifying CIS or non-Qualifying CIS authorised in Signatory Countries for public offers must not exceed 10% of the Fund's NAV;
- 10) The value of the Fund's investment in units of all non-Qualifying CIS (excluding investment in units of non-Qualifying CIS with underlying assets of real estate and/or real estate-related) must not exceed 20% of the Fund's NAV;
- 11) The Fund's investments in collective investment schemes must not exceed 25% of the units in any one collective investment scheme. Where the Fund invests in units in other collective investment schemes operated by the same Manager or its related corporation, we must ensure that—
  - (a) there is no cross-holding between the Fund and the target fund;
  - (b) all initial charges on the target fund is waived; and
  - (c) the management fee must only be charged once, either at the Fund or the target fund;
- 12) The aggregate value of the Fund's borrowing for the purpose of meeting repurchase request for units and for short-term bridging requirements should not exceed 10% of the Fund's NAV at the time the borrowing is incurred. For the purpose of this clause, the management company should ensure that—
  - (a) the Fund's cash borrowing is only on a temporary basis and that borrowings are not persistent;
  - (b) the borrowing period should not exceed one month; and
  - (c) the Fund may only borrow from Financial Institutions;
- 13) The Fund's investments in equities or securities equivalent to equities must not exceed 10% of the equities or securities equivalent to equities issued by any single issuer;
- 14) The Fund's investments in debt securities must not exceed 10% of the debt securities issued by any single issuer; and
- 15) The Fund's investments in money market instruments must not exceed 10% of the money market instruments issued by any single issuer.
- 16) For investments in derivatives (including for hedging purpose):
  - (a) the exposure of the underlying assets must not exceed the investment spread limits stipulated in the SC Guidelines;
  - (b) the value of the Fund's OTC derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV;
  - (c) the Fund's exposure from derivatives position should not exceed the Fund's NAV at all times; and
  - (d) the counter-party of an OTC derivative is a financial institution with a minimum long-term rating provided by any domestic or global rating agency that indicates strong capacity for timely payment of financial obligations.

In respect of the above investment restrictions and limits, the SC Guidelines provides for an allowance of 5% from the restrictions and limits due to appreciation or depreciation of the NAV of the Fund (whether as a result of an appreciation or depreciation in value of the Fund's investments, or as a result of repurchase of units or payment made out of the Fund). If the Fund is not within the investments restrictions and limits, we should not make any further acquisitions in relation to the relevant restrictions and limits and we must rectify as soon as practicable (maximum three (3) months from the date of occurrence). In addition, we should inform the SC and the Trustee within three (3) Business Days after we become aware of such occurrence, except where such occurrence are due to appreciation or depreciation of the NAV of the Fund.

**Note:** Subject to the investment limit (9) and (10), the Fund may invest into non-qualifying CIS, provided:

- a) the level of protection for unit holders of the non-qualifying CIS is at least equivalent to that provided for unit holders in a Qualifying CIS. The non-qualifying CIS should originate from countries that either:
  - (i) have been assessed by World Bank/ International Monetary Fund at least "broadly implemented" on the principles relevant to CIS; or

- (ii) does not comply with (a)(i) but the Home Regulator of the Qualifying CIS is satisfied with the relevant reason/ explanation on the weak points and how equivalence of protection can still be achieved;
- b) semi-annual and annual reports are published by the non-qualifying CIS; and
- c) the investment policy of the non-qualifying CIS is such that the:
  - (i) invested assets are similar to the types and categories that a Qualifying CIS may invest in and the non-qualifying CIS is subject to investment limits that are in line with those applicable to a Qualifying CIS; or
  - (ii) invested assets are real estate and/or real estate-related, provided that the units of the non-qualifying CIS are listed for quotation and traded on an organised exchange in a Signatory country.

## 1.4. APPROVALS AND CONDITIONS

On 11 July 2013, we have obtained variation and/or exemption to the SC Guidelines for the Fund:

CIMB-Principal has obtained approval from the SC for an exemption to comply with Schedule B: Valuation of other unlisted bonds of the SC Guidelines which allow CIMB-Principal to obtain the price of non RM-denominated unlisted bonds from IDC for valuation purpose subject to these conditions:

1. the Manager is to keep abreast of the development of IDC's pricing methodology; and
2. the Manager is to continuously keep track on the acceptability of IDC's prices in the market place.

**Note:** Please note that so long the Fund is marketed as a Qualifying CIS, we will not use the above variation and/or exemption and the valuation will be carried out in accordance with the requirements under the SC Guidelines and the Standards of Qualifying CIS.

## 1.5. BORROWINGS/FINANCING

The Fund may not obtain cash financing or other assets in connection with its activities. However, the Fund may obtain cash financing for the purpose of meeting withdrawal requests for units and for short-term bridging requirements.

## 1.6. SECURITIES LENDING

The Fund is currently not allowed to participate in lending of securities pursuant to the Standards of Qualifying CIS (as may be amended and/or updated from time to time).

## 1.7. RISK FACTORS

### 1.7.1. GENERAL RISKS OF INVESTING IN A UNIT TRUST FUND

Any investment carries with it an element of risk. Therefore, prior to making an investment, you should consider the following risk factors in addition to the other information set out in this Prospectus.

#### Returns not guaranteed

The investment of the fund is subject to market fluctuations and its inherent risk. There is **NO GUARANTEE** on the investment returns, nor any assurance that the fund's investment objective will be achieved.

#### General market environment risk

Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the fund's NAV.

#### Inflation risk

This is the risk that your investment in the unit trust fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce your purchasing power even though the value of the investment in monetary terms has increased.

#### Manager's risk

The performance of any unit trust fund is dependent amongst others on the knowledge and investment techniques or processes adopted by us and any lack of the above would have an adverse impact on the fund's performance thereby working to the detriment of Unit holders. Investors should also note that the quality of the fund's management is also affected by internal circumstances within the management company such as operational and system matters. We seek to reduce this manager's risk by implementing a structured investment process, systematic operational procedures and processes along with stringent internal controls.

#### Loan financing risk

This risk occurs when you take a loan/financing to finance your investment. The inherent risk of investing with borrowed money includes investors being unable to service the loan repayments. In the event units are used as collateral, you may be required to top-up your existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower net asset value per unit as compared to the net asset value per unit at the point of purchase towards settling the loan.

**Note:** Unit Trust Loan Financing Risk Disclosure Statement Form annexed as Appendix 1 hereto sets out the risks in detail.

## 1.7.2. SPECIFIC RISKS ASSOCIATED WITH THE INVESTMENT PORTFOLIO OF THE FUND

There are specific risks associated with the investment portfolio of the Fund, which include but are not limited, to the following:

### **Stock specific risk**

Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stock will adversely affect the Fund's NAV.

### **Country risk**

Investments of the Fund in any countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV of the Fund or prices of units to fall.

### **Liquidity risk**

Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.

### **Currency risk**

There are two (2) levels of currency risk associated with the investment of the Fund:

#### Currency risk at the Fund's portfolio level

As the investments of the Fund may be denominated in currencies other than the base currency of the Fund, any fluctuation in the exchange rate between the base currency of the Fund and the currencies in which the investments are denominated may have an impact on the value of these investments. You should be aware that if the currencies in which the investments are denominated depreciate against the base currency of the Fund, this will have an adverse effect on the NAV of the Fund and vice versa. You should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.

#### Currency risk at the Class level

You should also be aware that currency risk is applicable to Class(es) (e.g. Class MYR) which is in a different currency than the base currency of the Fund. The impact of the exchange rate movement between the base currency of the Fund and the currency denomination of the respective Class(es) may result in a depreciation of the value of your holdings as expressed in the base currency of the Fund.

You should realise that currency risk is considered as one of the major risks due to the volatile nature of the foreign exchange market. When deemed necessary, we may utilize derivative instruments, subject to prevailing SC Guidelines, to hedge currency risk.

### **Credit and default risk**

Investment of the Fund may involve a certain degree of credit and default risk. Generally, credit and default risk is the risk of loss due to the counterparty's and/or issuer's non-payment or untimely payment of the investment amount as well as the returns on investment. We aim to mitigate this risk by performing fundamental credit research and analysis to determine the creditworthiness of its counterparty and/or issuer of securities invested into.

### **Interest rate risk**

Interest rate risk refers to the impact of interest rate changes on the valuation of debt securities. When interest rates rise, debt securities prices generally decline and this may lower the market value of the Fund's investment in debt securities. In managing the debt portfolio, we take into account the coupon rate and time to maturity of the debt securities with an aim to mitigate the interest rate risk.

### **Risk of investing in emerging markets**

In comparison with investments in the developed markets, investment in emerging markets may involve a higher degree of risk due to the greater possibility of political or economic instability and societal tensions. Emerging markets are markets that are, by definition, "in a state of transition" and are therefore exposed to rapid political change and economic declines. The securities in the emerging markets may face a higher risk of price drop while the exchange rates in these emerging markets are generally more volatile than those of developed markets. As such, you should be aware that investments in emerging markets may be subject to higher price volatility and therefore will tend to have a higher investment risk that will affect the Fund's growth. We attempt to mitigate these risks through active asset allocation management and diversification, in addition to our continuous bottom-up and top-down research and analysis.

**The above summary of risks does not purport to be an exhaustive list of all the risk factors relating to investments in the Fund and are not set out in any particular order of priority. You should be aware that an investment in a unit trust fund may be exposed to other risks from time to time. If in doubt, you should consult professional advisers for a better understanding of the risks.**

**This Fund is a multi-class fund and is allowed to establish new Class(es) from time to time without your prior consent subject to the concurrence of the Trustee.**

## 2. FEES, CHARGES AND EXPENSES

### 2.1. CHARGES

The following describes the charges that you may **directly** incur when you buy or withdraw units of the Classes.

#### 2.1.1. Application Fee

When applying unit of a Class, you may be charged an Application Fee based on the NAV per unit of the respective Class. Please refer to the Annexure of the respective Class for further information.

If you invest via EPF-MIS (where available), you may be charged an Application Fee of up to 3.00% of the NAV per unit, or such other rate as may be determined by the EPF.

*Below is an illustration on how the Application Fee is calculated:-*

	Class ABC (Denominated in USD)	Class XYZ (Denominated in MYR)
Investment amount	USD 10,000	MYR 10,000
NAV per unit	USD 1.0000	MYR 1.0000
Application Fee (NAV per unit)	6.5%	6.5%
Units issued to Unit holder = $\frac{\text{Investment amount}}{\text{NAV per unit}}$	= $\frac{\text{USD 10,000.00}}{\text{USD 1.0000}}$ = 10,000 Units	= $\frac{\text{MYR 10,000.00}}{\text{MYR 1.0000}}$ = 10,000 Units
Application Fee per unit = NAV per unit x Application Fee (%)	= USD 1.0000 x 6.5% = USD 0.065	= MYR 1.0000 x 6.5% = MYR 0.065
Total Application Fee	= 10,000 units x USD 0.065 = <b>USD 650.00</b>	= 10,000 units x MYR 0.065 = <b>MYR 650.00</b>

**Note:** Please note that the above example is for illustration purpose only and the illustration does not take into account GST. The Application Fee imposed will be rounded to two (2) decimal places.

#### 2.1.2. Withdrawal Fee

Nil.

#### 2.1.3. Dilution Fee

Nil.

#### 2.1.4. Switching Fee

You may be charged Switching Fee since switching is treated as a withdrawal from a Class and an investment into another Class or CIMB-Principal Fund (or its class). In addition, you may be charged administrative fee for each switch. Please refer to the Annexure of the respective Class for further information.

#### 2.1.5. Transfer Fee

You may be charged Transfer Fee for each transfer. Please refer to the Annexure of the respective Class for further information.

**All fees and charges payable by you are subject to any applicable taxes (including but not limited to GST) and/or duties as may be imposed by the government or other authorities from time to time. As a result of changes in any rule, regulation, directive, notice and/or law issued by the government or relevant authority, there may be additional cost to the fees, expenses, charges and/or taxes payable to and/or by you as disclosed or illustrated above.**

## 2.2. FEES AND EXPENSES

All expenses of the Fund will generally be apportioned to each Class currently available for sale based on the MCR except for Management Fee and those that are related to the specific Class only, such as, the cost of Unit holders meeting held in relation to the respective Class. If in doubt, you should consult professional advisers for better understanding.

The following describes the fees that you may **indirectly** incur when you invest in a Class.

### 2.2.1. Management Fee

Please note that the Management Fee is charged to the respective Class at the Class level, based on the NAV of the Class. Please refer to the Annexure of the respective Class for further information. The Management Fee shall be accrued daily and paid monthly.

*Below is an illustration on how the Management Fee is calculated, assuming Management Fee of 1.80% per annum and USD 150 million each for both Class ABC and Class XYZ:-*

	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
Annual Management Fee	1.80% per annum	1.80% per annum
NAV of the class	USD 150 million	USD 150 million
Management Fee for the day = NAV of the class x Management Fee rate for the class (%) / 365 days	= USD 150 million x 1.80% / 365 = USD 7,397.26	= USD 150 million x 1.80% / 365 = USD 7,397.26

**Note:** In the event of a leap year, the computation will be based on 366 calendar days.

### 2.2.2. Trustee Fee

Please note that the Trustee Fee (including local custodian fee but excluding foreign sub-custodian fee and charges) charged to the Fund is based on the NAV of the Fund. The Trustee Fee shall be accrued daily and paid monthly.

The Trustee Fee is 0.05% per annum for the Fund.

*Below is an illustration on how the Trustee Fee is calculated, assuming the NAV of the Fund is USD 150 million:-*

Trustee Fee for the Fund	=	0.05% per annum
Trustee Fee for the day	=	NAV of the Fund x annual Trustee Fee rate for the Fund (%) / 365 days
	=	USD 150 million x 0.05% per annum / 365 days
	=	USD 205.48

**Note:** In the event of a leap year, the computation will be based on 366 calendar days.

**All fees and charges payable by the Fund are subject to any applicable taxes (including but not limited to GST) and/or duties as may be imposed by the government or other authorities (if any) from time to time. As a result of changes in any rule, regulation, directive, notice and/or law issued by the government or relevant authority, there may be additional cost to the fees, expenses, charges and/or taxes payable to and/or by the Fund as disclosed or illustrated above.**

### 2.2.3. Other expenses

The Deed also provides for payment of other expenses. The major expenses recoverable directly from the Fund include:

- expenses incurred in the sale, purchase, insurance, custody and any other dealings of investments including commissions/fees paid to brokers and costs involved with external specialists approved by the Trustee in investigating and evaluating any proposed investment;
- (where the foreign custodial function is delegated by the Trustee), charges and/or fees paid to the sub-custodian;
- remuneration and out of pocket expenses of the independent members of the investment committee unless we decide to bear the same;
- tax (including but not limited to GST) and other duties imposed by the government and other authorities, and bank fees;
- tax agent's and auditor's fees, and expenses in relation to the Fund;
- valuation fees paid to independent valuers for the benefit of the Fund;
- costs incurred in modifying the Deed otherwise than for our benefit or Trustee's;
- costs of convening and holding meetings of Unit holders (other than those meetings convened for our benefit or the Trustee's); and
- all costs and/or expenses associated with the distributions such as fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or distribution warrant or telegraphic transfer.

We and the Trustee are required to ensure that any fees or charges payable are reasonable and in accordance with the Deed which stipulates the maximum rate (in percentage terms) that can be charged. Should the Fund invest into units of other CIS that are managed by us, we will ensure that there is no double charging of management fees. All expenses of the Fund will generally be apportioned to each Class currently available for sale based on the MCR except for Management Fee and those that are related to the specific Class only, such as, the cost of Unit holders meeting held in relation to the respective Class. If in doubt, you should consult professional advisers for better understanding.

You should note that we may alter the fees and charges (other than the Trustee Fee) within such limits, and subject to such provisions, as set out in the Deed and the SC Guidelines.

You should note that we may, for any reason at any time, where applicable, waive or reduce the amount of any fees (except the Trustee Fee) or other charges payable by you in respect of the Fund, either generally (for all investors) or specifically (for any particular investor or a group of investors) and for any period or periods of time at our absolute discretion.

Expenses not authorised by the Deed must be paid by us or the Trustee out of our own funds if incurred for our own benefit.

### **2.3. REBATES AND SOFT COMMISSIONS**

We, the Sub-Manager and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Fund 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 Fund. All dealings with brokers are executed on best available terms.

**There are fees and charges involved and you are advised to consider them before investing in the Fund.**

**All fees and charges payable by you and/or the Fund are subject to any applicable taxes (including but not limited to GST) and/or duties as may be imposed by the government or other authorities (if any) from time to time. As a result of changes in any rule, regulation, directive, notice and/or law issued by the government or relevant authority, there may be additional cost to the fees, expenses, charges and/or taxes payable to and/or by the Fund or you as disclosed or illustrated in the Prospectus.**

**We have the discretion to amend the amount, rate and/or terms and conditions for the above-mentioned fees, charges and expenses from time to time, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you or seek your approval on the amendments to the fees and charges.**

# 3. TRANSACTION INFORMATION

## 3.1. VALUATION OF INVESTMENTS PERMITTED BY THE FUND

We will carry out the valuation of the Fund in a fair manner in accordance with applicable law and guidelines. The valuation bases for the investments permitted by the Fund are as below:

- **Listed securities**

The value of any permitted investments, which are quoted on an approved exchange, shall be calculated daily by reference to the last transacted price on that approved exchange. If the last transacted price does not represent the fair value of the securities, then the securities should be valued at fair price as determined in good faith by us, based on the methods or bases approved by the Trustee after appropriate technical consultation, such as the mean of bid and offer prices at the close of trading. Suspended securities will be valued at their last done price unless there is conclusive evidence to show that the value has gone below the suspended price or where the quotation of the securities has been suspended for a period exceeding fourteen (14) days or such shorter period as determined by the Trustee, whereupon their fair value will be determined in good faith by us based on the methods or bases approved by the Trustee after appropriate technical consultation.

- **Unlisted securities**

The valuation of equities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Fund by the issuer shall be valued at the issue price of such equities. The value will be determined by the financial institution that issued the instrument.

The value of any unlisted RM-denominated debt securities shall be calculated on a daily basis using prices quoted by a bond pricing agency ("BPA") registered with the SC. Where such prices are not available or where we are of the view that the price quoted by the BPA for a specific debt security differs from the market price by more than 20 basis points, we may use the market price by reference to the last available quote provided such quote was obtained within the previous thirty (30) days and we record its basis for using a non-BPA price, obtained necessary internal approvals to use the non-BPA price and keeps an audit trail of all decisions and basis for adopting the market yield.

The value of any unlisted non RM-denominated debt securities shall be valued daily by reference to the average indicative yield quoted by three (3) independent and reputable financial institutions. However, where quotations are not available, such unlisted non RM-denominated debt securities will be valued at least weekly at fair price determined in good faith by us, based on the methods or bases approved by the Trustee.

- **Collective investment schemes**

The value of any investment in CIS which are quoted on an approved exchange shall be calculated daily in the same manner as other listed securities described above. When investing in unlisted CIS, the value shall be determined by reference to the last published repurchase/redemption NAV per unit for that CIS.

- **Money market instruments**

Valuation of tradable money market instruments such as repurchase agreements shall be determined each day by reference to the principal value of such permitted investments and the accrued income for the relevant period.

- **Deposits**

The value of Deposits shall be determined each day by reference to the principal value of such permitted investments and the accrued income thereon for the relevant period.

If the value of the Fund's assets is denominated in a currency other than USD, the assets are translated on a daily basis to USD based on the bid foreign exchange rate quoted by either Reuters or Bloomberg, at UK time 4:00 p.m. (Malaysian time 11:00 p.m. or 12:00 a.m.) on the same day, or such other time as stipulated in the IMS.

## 3.2. UNIT PRICING

We adopt a single pricing method for any transactions (i.e. applications, withdrawals, switches and/or transfers) based on forward prices. This means that we will process your transactions request based on the NAV per unit at the next valuation point after we receive the completed relevant transaction forms from you.

If the transactions are made by 4:00 p.m. on a Business Day, we will process the transactions using the NAV per unit for that Business Day. For transactions made after 4:00 p.m., we will process the transactions using the NAV per unit on the next Business Day.

We will carry out the valuation for the Classes for a Business Day on the next Business Day (T+1) by 4:00 p.m. This is to cater for the currency translation of the foreign securities or instruments to the Fund's base currency based on the bid exchange rate quoted by Bloomberg or Reuters at UK time 4:00 p.m. (Malaysian time 11:00 p.m. or 12:00 a.m.) on the same day, or such other time as stipulated in the IMS. The NAV per unit for a Business Day is available on our website at <http://www.cimb-principal.com.my> after 5:30 p.m. on the following Business Day (T+1).

### **Illustration**

*For transaction request received by us by 4:00 p.m. on a Business Day*



At the end of the Business Day on 8 March 2017, your units will be based on the NAV per unit on 8 March 2017, which will be calculated on the next Business Day, that is, 9 March 2017. The NAV per unit will be made known on our website after 5:30 p.m. on 9 March 2017.

For transaction request received by us after 4:00 p.m. on a Business Day

At the end of the Business Day on 8 March 2017, your units will be based on the NAV per unit on 9 March 2017, which will be calculated two (2) days later, that is, 10 March 2017. The NAV per unit will be made known on our website after 5:30 p.m. on 10 March 2017.

The Fund must be valued at least once every Business Day. The method of determining NAV per unit is calculated as follows:

$$\text{NAV per unit} = \frac{\text{NAV of the Class}}{\text{Number of units in issue of the Class}}$$

The NAV of the Fund is the sum of the value of all investments and cash held by the Fund (calculated in accordance with the Deed) including income derived by the Fund which has not been distributed to you, less all amounts owing or payable in respect of the Fund which also includes any provisions that may be made by us and the Trustee. For example, a provision may be made for possible future losses on an investment which cannot be fairly determined.

The valuation of the Fund is in the base currency, i.e. USD. As such, all the assets and liabilities of each Class will be converted into USD for valuation purposes. The foreign exchange rate used for this purpose shall be the bid exchange rate quoted by Bloomberg or Reuters at UK time 4:00 p.m. (Malaysian time 11:00 p.m. or 12:00 a.m.), or such other time as stipulated in the IMS. The NAV per unit of each Class will be the NAV of the Fund attributable to each Class divided by the number of units in circulation of that Class, at the same valuation point.

**Note:** We will ensure the accuracy of the prices submitted to the Federation of Investment Managers Malaysia - Funds Malaysia System.

**Multi-class Ratio (MCR)**

MCR is the apportionment of the NAV of each Class over the Fund's NAV based on the size of each Class. The MCR is calculated by dividing the NAV (in USD) of the respective Class by the NAV of the Fund before income and expenses for the day. The apportionment is expressed as a ratio and calculated as a percentage.

Below is an illustration on computation of the NAV of the Fund:-

	Fund (USD)	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
NAV of the Fund before income and expenses	185,942,897	173,342,897	12,600,000
% MCR	100%	<sup>(1)</sup> 93.22%	<sup>(1)</sup> 6.78%
Add: Income	30,000	<sup>(2)</sup> 27,966	<sup>(2)</sup> 2,034
Less: Expenses	(10,000)	<sup>(2)</sup> (9,322)	<sup>(2)</sup> (678)
Benefits or costs of hedging (if any)		-	900
NAV of the Fund before management and trustee fee	185,963,797	173,361,541	12,602,256
Less: Management fee	(9,170)	(8,549)	(621)
		1.80% p.a.	1.80% p.a.
Less: Trustee fee	(254)	(237)	(17)
		0.05% p.a.	
NAV of the Fund	185,954,373	173,352,755	12,601,618
Units in circulation	200,000,000 units	170,000,000 units	30,000,000 units
<b>NAV per unit</b>		<b>1.0197</b>	<b>0.4201</b>
Currency exchange rate		N/A	(USD/MYR) 0.3000
NAV per unit		<b>USD 1.0197</b>	<b>MYR 1.4003</b>

	Fund (USD)	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
NAV of the Fund before creation of units for the day	185,954,373	173,352,755	12,601,618
<sup>(3)</sup> Creation of units	1,300,000	1,000,000	300,000

Closing NAV	187,254,373	174,352,755	12,901,618
Units in circulation	201,694,813.27 units	170,980,680.59 units	30,714,132.68 units
<b>NAV per unit</b>		<b>1.0197</b>	<b>0.4201</b>
Currency exchange rate		N/A	(USD/MYR) 0.3000
NAV per unit		<b>USD 1.0197</b>	<b>MYR 1.4003</b>

**Note:**

<sup>(1)</sup> MCR computation

	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
NAV of the Class x 100	173,342.897 x 100	12,600.000 x 100
NAV of the Fund before income and expenses	185,942,897	185,942,897
	= 93.22%	= 6.78%

<sup>(2)</sup> Apportionment based on MCR

	(USD)	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
Add: Income	30,000	MCR x Income = Income for Class ABC = 93.22% x USD 30,000 = USD 27,966	MCR x Income = Income for Class XYZ = 6.78% x USD 30,000 = USD 2,034
Less: Expenses	(10,000)	MCR x Expenses = Expenses for Class ABC = 93.22% x USD 10,000 = USD 9,322	MCR x Expenses = Expenses for Class XYZ = 6.78% x USD 10,000 = USD 678

<sup>(3)</sup> Creation of units

	Class ABC (Denominated in USD)	Class XYZ (Denominated in MYR)
Creation of units	USD 1,000,000	MYR 1,000,000
NAV per unit	USD 1.0197	MYR 1.4003
Number of units	980,680.59 units	714,132.68 units
Currency exchange rate	N/A	(USD/MYR) 0.3000
Creation of units	USD 1,000,000	USD 300,000

**Note:** Please note the above is for illustration purpose only. NAV per unit is truncated to four (4) decimal places.

**Calculation of investment amount and units entitlement**

The calculation below is for illustration only and does not represent the actual percentage/ amount that you may incur for each Class. Please refer to the Annexure of the respective Class for the actual percentage/ amount of charges.

**Illustrations:**

**Calculation of number of units received, Application Fee and total amount payable by you**

NAV per unit of Class XYZ denominated in MYR = RM0.5000 (truncated to 4 decimal places)  
Application Fee = 6.50%  
You wish to invest RM10,000 in the Fund

Calculation of number of units that you will receive\*  
= Investment amount / NAV per unit of Class XYZ  
= RM10,000.00 / RM0.5000

= 20,000.00 units

Calculation of Application Fee that you will incur (payable in addition to the amount invested)

= NAV per unit of Class XYZ x number of units received x Application Fee rate  
= RM0.5000 x 20,000.00 units x 6.50%  
= RM650.00

Calculation of total amount that you will have to pay

= Investment amount + Application Fee paid  
= RM10,000.00 + RM650.00  
= RM10,650.00

\*The number of units you will receive will be rounded down to two (2) decimal places.

**Calculation of investment value**

Assuming you have 40,000 units of Class XYZ of the Fund and the NAV per unit of Class XYZ for the day is RM0.2630 (truncated to 4 decimal places).

Calculation of investment value

= Number of units x NAV per unit of Class XYZ  
= 40,000.00 x RM0.2630  
= RM10,520.00

**Calculation of withdrawal value and amount payable to you**

Assuming you have 80,000 units of Class XYZ of the Fund, you wish to withdraw RM10,000.00 from your investment. Your withdrawal request is received by us by 4:00 p.m. on a Business Day. The NAV per unit for that Business Day is RM0.2686 (truncated to 4 decimal places).

Calculation of number of units you withdraw

= Withdrawal value / NAV per unit of Class XYZ  
= RM10,000.00 / RM0.2686  
= 37,230.08 units

Calculation of number of your remaining units

= Units held before withdrawal – Units withdrawn  
= 80,000.00 – 37,230.08  
= 42,769.92 units

Calculation of amount payable to you

= Withdrawal value – Withdrawal Fee\* paid  
= RM10,000.00 – RM0.00  
= RM10,000.00

\* There is no Withdrawal Fee for Class XYZ of the Fund. Hence, the amount payable to you is the withdrawal value.

**Note:** The above illustrations do not take into account GST.

### 3.3. INCORRECT PRICING

We shall take immediate remedial action to rectify any incorrect valuation and/or pricing of the Fund or units of the Fund. Where such error has occurred, we shall reimburse the money in the following manner:

- (a) in the event of over valuation and/or pricing, we shall reimburse:
  - (i) the Fund for any redemption of units; and/or
  - (ii) you, if you have purchase units of the Fund at a higher price; or
- (b) in the event of under valuation and/or pricing, we shall reimburse:
  - (i) the Fund for any subscription of units; and/or
  - (ii) you, if you have withdrawn units of the Fund at a lower price.

Notwithstanding the above, unless the Trustee otherwise directs, we shall make the reimbursement as per the IMS, only where an incorrect pricing:

- (i) is equal or more than 0.50% of the NAV per unit; and
- (ii) results in a sum total of RM10.00 or more to be reimbursed to a Unit holder for each sale or repurchase transaction.

We shall have the right to amend, vary or revise the abovesaid limits or threshold from time to time, subject to any regulatory or governing body's requirements.

### 3.4. INVESTING

#### 3.4.1. Who can invest?

You are eligible to invest in the Fund if you are:

- an individual who is at least eighteen (18) years of age and you are not an undischarged bankrupt with a bank account (or foreign currency bank account, as the case may be) in the currency of the Class applied for (e.g. Class USD investors are required to have a USD bank account). As an individual investor, you may also opt to invest in joint names (i.e. as a joint Unit holder and both applicants must be at least eighteen (18) years of age).
- an institution including a company, corporation, co-operative, trust or pension fund with a bank account (or foreign currency bank account, as the case may be) in the currency of the Class applied for (e.g. Class USD investors are required to have a USD bank account).

However, we have the right to reject an application on reasonable grounds.

Further, if we become aware of a US person (i.e. someone who has a USA address (permanent or mailing)) or US entity (i.e. a corporation, trust, partnership or other entity created or organised in or under the laws of the United States or any state thereof or any estate or trust the income of which is subject to United States Federal Income Tax regardless of source) holding units in the Fund, we will issue a notice to that Unit holder requiring him/her to, within thirty (30) days, either withdraw the units or transfer the units to a non-US person or non-US entity.

### 3.4.2. How to invest?

You may invest through any of our Distributors or our head office after completing the relevant application forms and attaching a copy of your identity card, passport or any other identification document. We may request for additional supporting document(s) or information from you. On the application form, please indicate clearly the amount you wish to invest in the Fund. We may introduce other mode of investment from time to time, subject to the approval of the relevant authorities.

You may invest:

- by crossed cheque, banker's draft, money order or cashier's order (made payable as advised by us or our Distributors as the case may be). You will have to bear the applicable bank fees and charges, if any;
- directly from your bank account (or foreign currency bank account, as the case may be) held with our Distributors, where applicable; or
- by such other mode of payment that we and/or the relevant authorities approve from time to time. Any charges, fees and expenses incurred in facilitating such mode of payment shall be borne by you. Such mode of payment is subject to further limit(s), restriction(s) and/or terms and conditions that we and/or the relevant authorities may impose from time to time.

### 3.4.3. Can the units be registered in the name of more than one (1) Unit holder?

We may register units in the name of more than one (1) Unit holder but we have the discretion not to allow registration of more than two (2) joint Unit holders. All applicants must be at least eighteen (18) years of age.

In the event of the demise of a joint Unit holder who is a non-Muslim, we will only recognize the surviving joint Unit holder as the rightful owner. Where the deceased is a Muslim, his/her units will be dealt with in accordance with the Deed and applicable laws and regulations.

### 3.4.4. Who is distributing this Fund?

The Fund may be distributed via the following channels:

- CIMB-Principal's offices;
- CWA;
- IUTAs; and
- such other channels as we may decide from time to time.

You may invest into the Fund via us or any of our Distributors. Please refer to the "Distributors of the Fund" chapter for further details. Please note that we have the discretion in determining the Distributors of the Fund, including its appointment and/or termination from time to time. You may contact our **Customer Care Centre** at **(03) 7718 3100** for more information.

**You are advised not to make payment in cash to any individual agent when purchasing units of a fund.**

Please take note that if your investments are made through an IUTA via a nominee system of ownership, you would not be deemed as a Unit holder under the Deed and as a result, may not exercise all the rights ordinarily conferred to a Unit holder (e.g. the right to call for Unit holders' meetings and the right to vote at a Unit holders' meeting).

## 3.5. MINIMUM INVESTMENTS

The minimum initial and additional investment for each Class may differ and may be determined by us from time to time. Please refer to the Annexure of the respective Class for further information.

### 3.5.1. Regular Savings Plan

RSP may be made available for certain Class. Please refer to the Annexure of the respective Class for further information. Where available, the RSP allows you to make regular monthly investments, direct from your account held with a bank approved by us or our Distributors. Monthly investments made via the RSP will be processed when we receive the application and/or monthly investment cheque. Monthly investment can be made by arranging a standing instruction with our Distributors to credit a pre-determined amount to the Class each month. You may cancel your RSP at any time by providing written instructions to the relevant Distributors.

### 3.5.2. Processing an application

If we receive a complete application by 4:00 p.m. on a Business Day, we will process it using the NAV per unit for that Business Day. If we receive the application after 4:00 p.m., we will process it using the NAV per unit for the next Business Day. We will only process the completed applications with all the necessary information. The number of units you receive will be rounded down to two (2) decimal places.

## 3.6. MINIMUM WITHDRAWALS

The minimum withdrawal for each Class may differ and may be determined by us from time to time, unless you are withdrawing your entire investment. Please refer to the Annexure of the respective Class for further information. You may withdraw by completing a redemption form and sending it to the relevant Distributor or our head office. There is no restriction on the frequency of withdrawals. We will transfer the withdrawal proceeds to your bank account (or foreign currency bank account, as the case may be) in our records. Please note that for EPF-MIS (where available), your withdrawal proceeds will be paid to EPF. If we wish to increase the minimum withdrawal amount, we will consult with the Trustee and you will be notified of such changes.

### 3.6.1. Processing a withdrawal

If we receive a complete withdrawal request by 4:00 p.m. on a Business Day, we will process it using the NAV per unit for that Business Day. If we receive the withdrawal request after 4:00 p.m., we will process it using the NAV per unit for the next Business Day (T+1). The amount that you will receive is calculated by the withdrawal value less the Withdrawal Fee, if any. You will be paid in the currency of the Class (e.g. Class USD will be paid in USD) within seven (7) Business Days or ten (10) days, whichever is lesser. You will have to bear the applicable bank fees and charges, if any.

## 3.7. MINIMUM BALANCE

The minimum balance that must be maintained in your account for each Class may differ and may be determined by us from time to time. Please refer to the Annexure of the respective Class for further information. If the balance (i.e. number of units) of an investment drops below the minimum balance units, further investment will be required until the balance of the investment is restored to at least the stipulated minimum balance. Otherwise, we can withdraw the entire investment and forward the proceeds to you. If we wish to increase the minimum balance amount, we will consult with the Trustee and you will be notified of such changes. However, you should note that we may, for any reason at any time, where applicable, reduce the minimum balance, either generally (for all investors) or specifically (for any particular investor or a group of investors) without prior notice to you.

## 3.8. COOLING-OFF PERIOD

You have six (6) Business Days after your initial investment (i.e. from the date the application form is received and accepted by us or our Distributors) to reconsider its appropriateness and suitability for your investment needs. Within this period, you may withdraw your investment at the same NAV per unit when the units were purchased. We will refund the investment amount including Application Fee (if any) to you in the currency of the respective Class within seven (7) Business Days or ten (10) days, whichever is lesser, from the date we receive the complete documentations. Please note that the cooling-off right is only given to first time investor investing with us or our Distributors. However, CIMB-Principal's staff and person(s) registered to deal in unit trust of CIMB-Principal or any of our Distributors are not entitled to the cooling-off right. In addition, if you have invested via the EPF-MIS (where available), your cooling-off right is subject to EPF's terms and conditions

## 3.9. SWITCHING

Switching is available between the Classes of the Fund or between a Class and other CIMB-Principal Funds (or its classes), which should be denominated in the same currency. You may contact our **Customer Care Centre** at **(03) 7718 3100** for more information on the availability of switching. Please also refer to the Annexure of the respective Class for further details.

To switch, simply complete a switch request form and send to the relevant Distributor or our head office. Currently, there is no restriction on the frequency of switches. However, we have the discretion to allow or to reject any switching into (or out of) the Fund or Class, either generally (for all Unit holders) or specifically (for any particular Unit holder of a group of Unit holders).

### 3.9.1. Processing a switch

We process a switch as a withdrawal from one fund or class and an investment into another fund or class. If we receive a complete switch request by 4:00 p.m. on a Business Day, we will process the switch out using the NAV per unit for that Business Day. If we receive the request after 4:00 p.m., the switch out will be processed using the NAV per unit for the next Business Day.

However, you should note that switch in may be processed at a later Business Day, generally within one (1) to four (4) Business Days.

### 3.10. TRANSFER FACILITY

You are allowed to transfer your holdings subject to such terms and conditions as may be stipulated in the Deed. However, we may refuse to register any transfer of unit at our absolute discretion. You may be subjected to Transfer Fee for each transfer. Please refer to the Annexure of the respective Class for further information.

### 3.11. DISTRIBUTION PAYMENT

Depending on the distribution policy of the respective Class, distribution (if any) will be made at the end of each distribution period to the Class(es) according to its distribution policy. Each unit of the Class will receive the same distribution for a distribution period regardless of when those units were purchased. The distribution amount you will receive is calculated by multiplying the total number of units held by you in the Class with the distribution amount in cent per unit. On the distribution date, the NAV per unit will adjust accordingly. For more information on the distribution policy of each Class, please see Annexure of the respective Class.

All distributions (if any) will be automatically reinvested into additional units in the Class at the NAV per unit of the Class on the distribution date (the number of units is rounded down to two (2) decimal places), unless written instructions to the contrary are communicated to us, in which you should have first furnished us with details of your bank account in the currency denomination of that Class, that all distribution payment shall be paid into (the cost and expense will be borne by you). No Application Fee is payable for the reinvestment.

If units are issued as a result of the reinvestment of a distribution or other circumstance after you have withdrawn your investment from the Class, those additional units will then be withdrawn and the proceeds will be paid to you.

You should note that distribution payments, if any, will be made in the respective currency for the Class(es). As such, the distribution amount may be different for each Class as a result of exchange rate movement between the base currency of the Fund and the denominated currency of the Class(es). The distribution will be paid into your bank account (which shall be in the respective currency of the Class(es)) in our records (at your cost and expense).

**Note:** Please note that for Class(es) that provide distribution, we have the right to make provisions for reserves in respect of distribution of the Class. If the income available is too small or insignificant, any distribution may not be of benefit to you as the total cost to be incurred in any such distribution may be higher than the amount for distribution. We have the discretion to decide on the amount to be distributed to you. We also have the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of its realised income and/or realised gains, as well as the performance of the Fund.

### 3.12. UNCLAIMED MONEYS

Any moneys payable to you which remain unclaimed after twelve (12) months as prescribed by Unclaimed Moneys Act, 1965 ("UMA"), as may be amended from time to time, will be surrendered to the Registrar of Unclaimed Moneys by us in accordance with the requirements of the UMA. Thereafter, all claims need to be made by you with the Registrar of Unclaimed Moneys.

However, for income distribution payout to you, if any, which remain unclaimed for six (6) months will be reinvested into the Class or Fund within thirty (30) Business Days after the expiry of the cheque's validity period based on the prevailing NAV per unit on the day of the reinvestment in circumstances where you still hold units of the Class or Fund. As for income distribution payout by bank transfer, if any, shall be transmitted to your valid and active bank account. If the bank transfer remained unsuccessful and unclaimed for six (6) months, it will be reinvested into the Class or Fund within thirty (30) Business Days after the six (6) months period based on the prevailing NAV per unit on the day of the reinvestment in circumstances where you still hold units of the Class or Fund. No Application Fee is payable for the reinvestment. In the event that you no longer hold any unit in the Fund, the distribution money would be subject to the treatment mentioned in the above paragraph as prescribed by the UMA.

**Unit prices and distributions payable, if any, may go down as well as up.**

**We have the discretion to amend the amount, rate and/or terms and conditions of the transaction information herein, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you on the amendments to the transaction information.**

## 4. ADDITIONAL INFORMATION

### 4.1. FINANCIAL YEAR-END

31 March.

### 4.2. INFORMATION ON YOUR INVESTMENT

We will send you the following:

- Your CIMB-Principal investor number;
- Confirmation on all your transactions and distributions (if any);
- Confirmation on any changes to your address if you have written to us to make the changes;
- Quarterly statement showing details of your transactions and distributions (if any); and
- Interim and audited annual report showing snapshots of the Fund and details of the portfolio for the respective period reported. Both the interim report and the audited annual report will be sent to you within two (2) months of the end of the period reported.

**The Fund's annual report is available upon request.**

In the case of joint Unit holders, all correspondences and payments will be made and sent to the first registered Unit holder.

Please take note that if you have invested through an IUTA via a nominee system of ownership, you would not be deemed to be a Unit holder under the Deed. As such, you may obtain the above-mentioned information from that IUTA.

You may obtain up-to-date fund information and NAV per unit from our monthly fund fact sheets and our website at [www.cimb-principal.com.my](http://www.cimb-principal.com.my).

If you have any questions about the information in this Prospectus or would like to know more about investing in this Fund, please contact our **Customer Care Centre** at **(603) 7718 3100** between 8:30 a.m. to 5:30 p.m. (Malaysian time), Mondays to Fridays (except on Selangor public holidays) or you may email us at [service@cimb-principal.com.my](mailto:service@cimb-principal.com.my).

If you wish to write-in, please address your letter to:

**CIMB-Principal Asset Management Berhad**  
**Customer Care Centre**  
50, 52 & 54 Jalan SS 21/39  
Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan MALAYSIA

### 4.3. DEED

The Fund is governed by Deed dated 10 April 2015, First Supplemental Deed dated 17 February 2016 and any other supplemental deed(s) as may be issued from time to time.

### 4.4. DOCUMENTS AVAILABLE FOR INSPECTION

You may inspect the following documents or copies thereof in relation to the Fund at our principal place of business and/or the business address of the Trustee (where applicable) without charge:

- The Deed;
- Current Prospectus and supplementary or replacement prospectus, if any;
- The latest annual and interim reports of the Fund;
- Material contracts or documents referred to in this Prospectus;
- The audited financial statements of the Manager and the Fund (where applicable) for the current financial year and for the last three (3) financial years or if less than three (3) years, from the date of incorporation or commencement;
- Any report, letter or other document, valuation and statement by any expert, any part of which is extracted or referred to in this Prospectus;
- Writ and relevant cause papers for all material litigation and arbitration disclosed in this Prospectus; and
- Consent given by experts or disclosed in this Prospectus, if any.

### 4.5. CONSENT

PricewaterhouseCoopers Taxation Services Sdn Bhd and HSBC (Malaysia) Trustee Berhad have given their written consent to act in their respective capacity. They have also given their consent for the inclusion of their names and/or statements and/or reports in this Prospectus in the form and context in which it appears and have not subsequently withdrawn their consent to the inclusion of their names and/or statements and/or reports in the form and context in which it appears in this Prospectus.

#### 4.6. POTENTIAL CONFLICTS OF INTERESTS AND RELATED PARTY TRANSACTIONS

We (including our directors) will at all time act in your best interest and will not conduct ourselves in any manner that will result in a conflict of interest or potential conflict of interest. In the unlikely event that any conflict of interest arises, such conflict shall be resolved such that the Fund is not disadvantaged. In the unlikely event that we face conflicts in respect of our duties as the Manager to the Fund and to other CIMB-Principal Funds that we manage, we are obliged to act in the best interests of our investors and will seek to resolve any conflicts fairly and in accordance with the Deed.

We shall not act as principal in the sale and purchase of any securities or investments to and from the Fund. We shall not make any investment for the Fund in any securities, properties or assets in which we or our officer has financial interest in or from which we or our officer derives a benefit, unless with the prior approval of the Trustee. We (including our directors) who hold substantial shareholdings or directorships in public companies shall refrain from any decision making relating to that particular investment of the Fund.

As at LPD, none of our directors and substantial shareholders has either direct or indirect interest in other corporations that carry on a similar business with CIMB-Principal, except for the following:

Director / Shareholder	Position	Shareholding (Direct / Indirect)	Name of corporation
CIMB Group Sdn Bhd	Shareholder	√	CIMB-Principal Islamic Asset Management Sdn Bhd CIMB-Mapletree Management Sdn Bhd

The Fund may maintain Deposits with CIMB Bank Berhad, CIMB Islamic Bank Berhad and CIMB Investment Bank Berhad. We may enter into transactions with other companies within the CIMB Group and the PFG provided that the transactions are effected at market prices and are conducted at arm's lengths.

We may conduct cross trades between funds that we manage, subject to regulatory requirements.

As the Trustee for the Fund, there may be related party transactions involving or in connection with the Fund in the following events:

- (1) where the Fund invests in instrument(s) offered by the related party of the Trustee (e.g. placement of monies, structured products, etc);
- (2) where the Fund is being distributed by the related party of the Trustee;
- (3) where the assets of the Fund are being custodised by the related party of the Trustee both as sub-custodian and/or global custodian of the Fund (i.e. Trustee's delegate); and
- (4) where the Fund obtains financing as permitted under the SC Guidelines, from the related party of the Trustee.

The Trustee has in place policies and procedures to deal with any conflict of interest situation. The Trustee will not make improper use of its position as the owner of the Fund's assets to gain, directly or indirectly, any advantage or cause detriment to the interests of Unit holders. Any related party transaction is to be made on terms which are best available to the Fund and which are not less favourable to the Fund than an arms-length transaction between independent parties.

Subject to any local regulations, the Trustee and/or its related group of companies may deal with each other, the Fund or any Unit holder or enter into any contract or transaction with each other, the Fund or any form of such contract or transaction or act in the same or similar capacity in relation to any other scheme.

#### 4.7. INTERESTS IN THE FUND

Subject to any legal requirement, we or any of our related corporation, or any of our officers or directors, may invest in the Fund. Our directors will receive no payments from the Fund other than distributions that they may receive as a result of investment in the Fund. No fees other than the ones set out in this Prospectus have been paid to any promoter of the Fund, or the Trustee (either to become a trustee or for other services in connection with the Fund), or us for any purpose.

#### 4.8. EMPLOYEES' SECURITIES DEALINGS

We have in place a policy contained in its Rules of Business Conduct, which regulates its employees' securities dealings. All of our employees are required to declare their securities trading annually to ensure that there is no potential conflict of interest between the employees' securities trading and the execution of the employees' duties to us and our customers.



# 5. THE MANAGER

## 5.1. ABOUT CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD

CIMB-Principal holds a Capital Markets Services License for fund management and dealing in securities restricted to unit trusts under the CMSA and specialises in managing and operating unit trusts for investors, both institutional and retail. CIMB-Principal's responsibilities include managing investment portfolios by providing fund management services to insurance companies, pension funds, unit trust companies, corporations and government institutions in Malaysia. In addition, CIMB-Principal is an approved private retirement scheme provider in Malaysia. It originally commenced its operations as a unit trust company in November 1995. As at LPD, CIMB-Principal has more than 21 years of experience in the unit trust industry. As at LPD, the shareholders of the CIMB-Principal are CIMB Group (60%) and PIA (40%).

CIMB Group is held in majority by CIMB Group Holdings Berhad. It is a fully integrated investment bank. It offers the full range of services in the debt markets, the equity markets and corporate advisory. Member companies of CIMB Group also provide services in lending, private banking, private equity, Islamic capital markets as well as research capability in economics, equity and debt markets.

PIA is a private company incorporated in Hong Kong and its principal activity is the provision of consultancy services to other PFG group of companies. PIA is a subsidiary of the PFG, which was established in 1879 and is a diversified global financial services group servicing more than 15 million customers.

The primary roles, duties and responsibilities of CIMB-Principal as the Manager of the Fund include:

- maintaining a register of Unit holders;
- implementing the appropriate investment strategies to achieve the Fund's investment objectives;
- ensuring that the Fund has sufficient holdings in liquid assets;
- arranging for the sale and repurchase of units;
- calculating the amount of income to be distributed to Unit holders, if any; and
- maintaining proper records of the Fund.

As at LPD, there is no litigation or arbitration proceeding current, pending or threatened against or initiated by CIMB-Principal nor are there any facts likely to give rise to any proceeding which might materially affect the business/financial position of CIMB-Principal.

### 5.1.1. The Board of Directors

As at LPD, the Board of Directors consists of eleven (11) members including four (4) Independent Directors. The Board of Directors oversees the management and operations of the CIMB-Principal and meets four (4) times a year.

Dato' Robert Cheim Dau Meng	- Non-independent director	Alejandro Elias Echegorri Rodriguez	- Non-independent director
Effendy bin Shahul Hamid	- Non-independent director	Dato' Anwar bin Aji	- Independent director
Auyeung Rex Pak Kuen	- Non-independent director	Wong Joon Hian	- Independent director
Pedro Esteban Borda	- Non-independent director	A.Huzaima bin Dato' Abdul Hamid	- Independent director
Munirah binti Khairuddin	- Non-independent director	Hisham bin Zainal Mokhtar	- Independent director
Paul Wong Chee Kin	- Non-independent director		

### 5.1.2. The Investment Committee

As at LPD, the Investment Committee consists of six (6) members including three (3) independent members. Generally, the Investment Committee meets once a month and is responsible for ensuring that the investment management of the Fund is consistent with the objectives of the Fund, the Deed, the SC Guidelines and relevant securities laws, our internal investment restrictions and policies, as well as acceptable and efficacious investment management practices within the unit trust industry. In this role, the powers and duties of the Investment Committee include formulating and monitoring our implementation of appropriate investment management strategies for the Fund and the measurement and evaluation of our performance.

### 5.1.3. Designated person responsible for fund management function

<b>Name:</b>	Patrick Chang Chian Ping
<b>Designation:</b>	Chief Investment Officer, Malaysia
<b>Experience:</b>	Patrick was appointed as the Chief Investment Officer, Malaysia on 22 February 2016. He comes with an extensive 16 year experience in asset management and is backed by numerous ASEAN awards from Malaysian pension funds in 2013 and 2015. He was previously the Head of ASEAN equities at BNP Paribas Investment Partners, Malaysia where he oversees ASEAN equities for both Malaysian and offshore clients from 2012. Prior to that, he served as Senior Vice President for CIMB-Principal where he specialized in Malaysia, ASEAN and Asia specialist funds. He also worked as a portfolio manager at Riggs and Co International Private Banking in London specializing in managing global ETF portfolios. He also holds the Capital Markets Services Representative License.
<b>Qualifications:</b>	MSc Finance from City University Business School and BSc Accounting and Financial Analysis from University of Warwick (Chevening Scholar), UK.

**Note:** For more information and/or updated information, please refer to our website at <http://www.cimb-principal.com.my>.

## 6. THE SUB-MANAGER

### 6.1. ABOUT CIMB-PRINCIPAL ASSET MANAGEMENT (S) PTE. LTD.

CIMB-Principal (S) was appointed as the Sub-Manager for the Fund on 25 April 2011. CIMB-Principal shall be responsible for the review, monitoring and oversight of CIMB-Principal (S) in the performance of its duties and obligations in respect of the Fund.

CIMB-Principal (S) was incorporated in Singapore on 18 May 2006, and has been in the fund management industry for more than ten (10) years. The company is a wholly-owned subsidiary of CIMB-Principal. CIMB-Principal (S) is a regional asset management company established in Singapore offering both Islamic and conventional fund management services. The company manages regional investment activities for the CIMB-Principal group of companies.

CIMB-Principal (S) is a licensed fund manager regulated by the Monetary Authority of Singapore.

As at LPD, there is no litigation or arbitration proceeding current, pending or threatened against or initiated by CIMB-Principal (S) nor is there any fact likely to give rise to any proceeding which might materially affect the business/financial position of CIMB-Principal (S) or any of its delegates.

#### 6.1.1. Key person responsible for investment management of the Fund:

<b>Name:</b>	Christopher Leow
<b>Designation:</b>	Chief Investment Officer, Singapore
<b>Experience:</b>	Mr Leow joined CIMB-Principal in December 2003 and was transferred to CIMB-Principal (S) in May 2007. He has more than 20 years of experience in the equities and fund management industry. He is the Chief Investment Officer and a director of CIMB-Principal (S), and is responsible for leading the International Investment team based in Singapore. He has been registered with the Authority under the Securities and Futures Act as a Representative of CIMB-Principal (S) in fund management since September 2007.
<b>Qualifications:</b>	Bachelor of Commerce in Accounting and Finance (Hons) from the University of Western Australia. He is a CFA and a Certified Financial Planner.

**Note:** We have obtained the necessary consent and confirmation from each of the relevant parties with regards to the information disclosed in this section. For more information and/or updated information, please refer to our website at <http://www.cimb-principal.com.my>.

# 7. THE TRUSTEE

## 7.1. ABOUT HSBC (MALAYSIA) TRUSTEE BERHAD

**HSBC (Malaysia) Trustee Berhad (1281-T) (“HSBCT”)** is a company incorporated in Malaysia since 1937 and registered as a trust company under the Trust Companies Act 1949, with its registered address at 13th Floor, Bangunan HSBC, South Tower, No. 2, Leboh Ampang, 50100 Kuala Lumpur.

Since 1993, the Trustee has acquired experience in the administration of unit trusts and has been appointed as trustee for unit trust funds, exchange traded funds, wholesale funds and funds under private retirement scheme.

The Trustee’s main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit Holders of the Fund. In respect of monies paid by an investor for the application of units, the Trustee’s responsibility arises when the monies are received in the relevant account of the Trustee and in respect of redemption, the Trustee’s responsibility is discharged once it has paid the redemption amount to the Manager.

### 7.1.1. Trustee’s statement of disclaimer

The Trustee is not liable for doing or failing to do any act for the purpose of complying with law, regulation or court orders.

The Trustee has in place policies and procedures across the HSBC Group, which may exceed local regulations. Subject to any local regulations, the Trustee shall not be liable for any loss resulting from compliance of such policies, except in the case of negligence, wilful default or fraud of the Trustee.

The Trustee shall be entitled to process, transfer, release and disclose from time to time any information relating to the Fund, Manager and Unit holders for purposes of performing its duties and obligations in accordance to the Deed, the CMSA, the SC Guidelines and any other legal and/or regulatory obligations such as conducting financial crime risk management, to the Trustee’s parent company, subsidiaries, associate companies, affiliates, delegates, service providers, agents and any governing or regulatory authority, whether within or outside Malaysia (who may also subsequently process, transfer, release and disclose such information for any of the above mentioned purposes) on the basis that the recipients shall continue to maintain the confidentiality of information disclosed, as required by law, regulation or directive, or in relation to any legal action, or to any court, regulatory agency, government body or authority.

### 7.1.2. Trustee’s delegate

The Trustee has appointed The Hongkong and Shanghai Banking Corporation Ltd as custodian of the quoted and unquoted local investments of the Fund. The assets of the Fund are held through their nominee company, HSBC Nominees (Tempatan) Sdn Bhd. If and when the Fund should invest overseas, HSBC Institutional Trust Services (Asia) Limited will be appointed as the custodian of the foreign assets of the Fund. Both The Hongkong And Shanghai Banking Corporation Ltd and HSBC Institutional Trust Services (Asia) Limited are wholly owned subsidiaries of HSBC Holdings Plc, the holding company of the HSBC Group. The custodian’s comprehensive custody and clearing services cover traditional settlement processing and safekeeping as well as corporate related services including cash and security reporting, income collection and corporate events processing. All investments are registered in the name of the Trustee or to the order of the Trustee. The custodian acts only in accordance with instructions from the Trustee. The Trustee shall be responsible for the acts and omissions of its delegate as though they were its own acts and omissions.

However, the Trustee is not liable for the acts, omissions or failure of third party depository such as central securities depositories, or clearing and/or settlement systems and/or authorised depository institutions, where the law or regulation of the relevant jurisdiction requires the Trustee to deal or hold any asset of the Fund through such third parties.

### 7.1.3. Material Litigation and Arbitration

As at LPD, the Trustee is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of the Trustee and any of its delegates.

### 7.1.4. Trustee’s statement of responsibility

The Trustee has given its willingness to assume the position as Trustee of the Fund and all the obligations in accordance with the Deed, all relevant laws and rules of law. The Trustee shall be entitled to be indemnified out of the Fund against all losses, damages or expenses incurred by the Trustee in performing any of its duties or exercising any of its powers under this Deed in relation to the Fund. The right to indemnity shall not extend to loss occasioned by breach of trust, wilful default, negligence, fraud or failure to show the degree of care and diligence required of the Trustee having regard to the provisions of the Deed.

*Note: We have obtained the necessary consent and confirmation from each of the relevant parties with regards to the information disclosed in this section.*

## 8. SALIENT TERMS OF DEED

Money invested by you in the Fund will purchase a number of units, which represents your interest in the Fund. Each unit held in a Class represents an equal undivided beneficial interest in the assets of that Class. However, the unit does not give you an interest in any particular part of the Class or a right to participate in the management or operation of the Fund (other than through Unit holders' meetings).

You will be recognised as a registered Unit holder in the Class on the Business Day your details are entered onto the register of Unit holders.

### 8.1. RIGHTS, LIABILITIES AND LIMITATIONS OF UNIT HOLDERS

#### 8.1.1. Rights

As a Unit holder, you have the right, among others, to the following:

- (i) to inspect the register, free of charge, at any time at our registered office, and obtain such information pertaining to its units as permitted under the Deed and the SC Guidelines;
- (ii) to receive the distribution of the Fund (if any), participate in any increase in the capital value of the units and to other rights and privileges as set out in the Deed;
- (iii) to call for Unit holders' meetings;
- (iv) to vote for the removal of the Trustee or the Manager through a Special Resolution;
- (v) to receive annual reports, interim reports or any other reports of the Fund; and
- (vi) to exercise the cooling-off right.

Unit holders' rights may be varied by changes to the Deed, the SC Guidelines or judicial decisions or interpretation.

#### 8.1.2. Liabilities

- (i) Your liability is limited to the purchase price per unit and the Application Fee paid or agreed to be paid for a unit. You need not indemnify the Trustee or us if there is a deficiency in the assets of the Fund to meet the claim of any creditor of the Trustee or ours in respect of the Fund.
- (ii) The recourse of ours, the Trustee and any creditor is limited to the assets of the Fund.

#### 8.1.3. Limitations

You cannot:

- (i) interfere with any rights or powers of ours and/or Trustee's under the Deed;
- (ii) exercise a right in respect of an asset of the Fund or lodge a caveat or other notice affecting the asset of the Fund or otherwise claim any interest in the asset of the Fund; or
- (iii) require the asset of the Fund to be transferred to you.

**Note:** For full details of the rights of a registered Unit holder of the Fund, please refer to the Deed.

### 8.2. MAXIMUM FEES, CHARGES AND EXPENSES PERMITTED BY THE DEED

This table describes the maximum charges permitted by the Deed and payable directly by you.

Charges	Descriptions
(1) Application Fee	Up to 7.00% is charged on the NAV per unit.
(2) Withdrawal Fee	Up to 5.00% of the NAV per unit.
(3) Switching Fee	A fee not exceeding 7.00% of the NAV per unit. An administrative fee in relation to switching may be charged as set out in the Prospectus.

This table describes the maximum fees permitted by the Deed and payable indirectly by investors.

Fees	Descriptions
(1) Management Fee	Up to 3.00% per annum, calculated daily on the NAV.
(2) Trustee Fee	Up to 0.08% per annum, calculated daily on the NAV (including local custodian fee but excluding foreign sub-custodian fees and charges).

A lower fee and/or charges than what is stated in the Deed may be charged, all current fees and/or charges will be disclosed in the Prospectus.

Any increase of the fees and/or charges above that stated in the current Prospectus may be made provided that a supplemental prospectus is issued and the maximum stated in the Deed shall not be breached.

Any increase of the fees and/or charges above the maximum stated in the Deed shall require your approval.

### **8.2.1. Expenses permitted by the Deed**

The Deed also provides for payment of other expenses, which include (without limitation) expenses connected with:

- commissions/fees paid to brokers/dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes or difference accounts;
- (where the custodial function is delegated by the Trustee for foreign investment), charges/fees paid to the sub-custodian;
- tax (including but not limited to GST) and other duties charged on the Fund by the government and other authorities if any and bank fees;
- the fees and other expenses properly incurred by the auditor and tax agent;
- remuneration and out of pocket expenses of the independent members of the investment committee of that Fund, unless we decide to bear the same;
- fees for valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- costs incurred for the modification of the Deed otherwise than for our benefit or the Trustee's;
- costs incurred for any meeting of Unit holders other than those convened for our benefit or the Trustee's;
- the sale, purchase, insurance, custody and any other dealings of investments including commissions/fees paid to brokers;
- costs involved with external specialists approved by the Trustee in investigating and evaluating any proposed investment;
- the engagement of valuers, advisers and contractors of all kinds;
- preparation and audit of the taxation returns and accounts of the Fund;
- termination of the Fund or that Class and the retirement or removal of the Trustee or the Manager and the appointment of a new trustee or manager;
- any proceedings, arbitration or other dispute concerning the Fund, Class or any asset, including proceedings against us or the Trustee by the other of them for the benefit of the Fund or Class (except to the extent that legal costs incurred for the defense of either of them are ordered by the court not to be reimbursed out of the Fund);
- costs of obtaining experts opinion by us or the Trustee for the benefit of the Fund or Class; and
- all costs and/or expenses associated with the distributions declared pursuant to this Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer.

The Trustee and us are required to ensure that any fees or charges payable are reasonable and in accordance with the Deed.

### **8.3. RETIREMENT, REMOVAL OR REPLACEMENT OF THE MANAGER**

We must retire as the manager when required to retire by law.

We may retire upon giving twelve (12) months' notice to the Trustee of our desire to do so, or such lesser time as we and the Trustee may agree, in favour of another corporation.

We shall retire under the following circumstances:

- if a Special Resolution is duly passed by the Unit holders that we are to be removed; or
- if we cease to be approved by the SC to be the management company of unit trust schemes.

We may be removed by the Trustee under certain circumstances outlined in the Deed. These include:

- if we have gone into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or cease to carry on business or if a receiver shall be appointed of the undertaking or assets of the Manager or if any encumbrances shall take possession of any of its assets; or
- if we cease to carry on business; or
- if the Trustee is of the opinion that we have, to the prejudice of the Unit holders, failed to comply with any provision or covenant under the Deed or contravened any of the provisions of the CMSA; or
- if we have failed or neglected to carry out our duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of the Unit holders for it to do so, after the Trustee has given reasonable notice to it of that opinion and the reasons for that opinion, and has considered any representations made by us in respect of that opinion, and after consultation with the SC; or
- if a petition has been presented for the winding up against us (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction, we become or is declared insolvent).

In any of above said circumstances, we for the time being shall upon receipt of such notice by the Trustee cease to be the manager and the Trustee shall by writing under its seal appoint another corporation to be the manager of the Fund subject to such corporation entering into a deed(s) with the Trustee and thereafter act as manager during the remaining period of the Fund.

We may be replaced by another corporation appointed as manager by Special Resolution of the Unit holders at a Unit holder's meeting convened in accordance with the Deed either by the Trustee or the Unit holders.

### **8.4. RETIREMENT OR REMOVAL OR REPLACEMENT OF THE TRUSTEE**

We and the Trustee may agree, and may by Deed appoint in its stead a new trustee approved by the SC.

The Trustee must retire as trustee of the Fund when required to retire by law. The Trustee may retire by giving twelve (12) months' notice to us or any shorter notice we accept.

We may remove the Trustee and the Trustee covenants that it will retire or be removed from the Fund constituted by or pursuant to the Deed if and when requested so to do by us if:

- the Trustee shall go into liquidation;
- the Trustee is placed under receivership, ceases to exist, fails or neglects its duties;

- the Trustee ceases to be approved by the SC to be a trustee for unit trust schemes; or
- a Special Resolution is duly passed by the Unit holders that the Trustee be removed.

Additionally, we are legislatively empowered under Section 299 of the CMSA to remove the Trustee under specific circumstances set out therein.

The Trustee may be replaced by another corporation appointed as trustee by a Special Resolution of the Unit holders at a Unit holders' meeting convened in accordance with the Deed either by us or the Unit holders.

## 8.5. TERMINATION OF THE FUND

The Fund or any of the Classes may be terminated or wound-up upon the occurrence of any of the following events:

- (a) the SC's authorization is withdrawn under Section 256E of CMSA; or
- (b) a Special Resolution is passed at a Unit holders' meeting of all the Unit holders of the Fund or the relevant Class to terminate or wind-up the Fund or that Class as the case may be, following the occurrence of events stipulated under Section 301(1) of the CMSA and the court has confirmed the resolution, as required under Section 301(2) of the CMSA; or
- (c) a Special Resolution is passed at a Unit holders' meeting of all the Unit holders of the Fund or the relevant Class to terminate or wind-up the Fund or that Class as the case may be; or
- (d) on reaching the Fund's or that Class' maturity date (if any); or
- (e) the effective date of an approved transfer scheme, as defined under the SC Guidelines, has resulted in the Fund, which is the subject of the transfer scheme, being left with no asset/property.

A Class of a Fund may be terminated if a Special Resolution is passed at a Unit holders' meeting of that Class to terminate or wind-up that Class provided always that such termination or winding-up of that Class does not materially prejudice the interest of any other Class in that Fund.

## 8.6. MEETINGS OF UNIT HOLDERS

A Unit holders' meeting may be called by us, the Trustee and/or Unit holders.

Where we or the Trustee convenes a meeting, the notice of the time and place of the meeting and terms of resolution to be proposed shall be given to the Unit holders in the following manner:

- (a) by sending by post a notice of the proposed meeting at least fourteen (14) days before the date of the proposed meeting, to each Unit holder at the Unit holder's of the Fund or that Class, as the case may be, last known address or, in the case of joint Unit holders, to the joint Unit holder of the Fund or that Class, as the case may be, whose name stands first in our record at the joint Unit holder's last known address; and
- (b) by publishing, at least fourteen (14) days before the date of the proposed meeting, an advertisement giving notice of the meeting in a national language newspaper published daily and circulating generally throughout Malaysia, and in one other newspaper as may be approved by the SC.

We shall within twenty-one (21) days after an application is delivered to us at our registered office, being an application by not less than fifty (50), or one-tenth (1/10) in number, whichever is less, of the Unit holders of the Fund or a Class, as the case may be, to which this Deed relates, summon a meeting of the Unit holders:

- (a) by sending a notice by post of the proposed meeting at least seven (7) days before the date of the proposed meeting to each of those Unit holders of the Fund or that Class, as the case may be, at his/her last known address or in the case of joint Unit holder, to the joint Unit holder of the Fund or that Class, as the case may be, whose name stands first in our record at the joint Unit holder's last known address; and
  - (b) by publishing at least fourteen (14) days before the date of the proposed meeting, an advertisement giving notice of the meeting in a national language national daily newspaper and in one other newspaper as may be approved by the SC; and
  - (c) specify in the notice, the place, time and terms of the resolutions to be proposed,
- for the purpose of considering the most recent financial statements of the Fund or relevant Class, or for the purpose of requiring the retirement or removal of the Manager or the Trustee, or for the purpose of giving to the Trustee such directions as the meeting thinks proper, or for the purpose of considering any other matter in relation to this Deed.

The quorum for a meeting of Unit holders of the Fund or Class, as the case may be, is five (5) Unit holders of the Fund (irrespective of the Class) or Class, as the case may be, present in person or by proxy, provided that for a meeting which requires a Special Resolution the quorum for that meeting shall be five (5) Unit holders of the Fund (irrespective of the Class) or Class, as the case may be, whether present in person or by proxy, holding in aggregate at least twenty five per centum (25%) of the Units in issue of the Fund (irrespective of the Class) or Class, as the case may be, at the time of the meeting. If the Fund or Class, as the case may be, has five (5) or less Unit holders, the quorum required shall be two (2) Unit holders of the Fund (irrespective of the Class) or Class, as the case may be, whether present or by proxy and if the meeting requires a Special Resolution the quorum for that meeting shall be two (2) Unit holders of the Fund (irrespective of the Class) or Class, as the case may be, whether present in person or by proxy, holding in aggregate at least twenty five per centum (25%) of the units in issue for the Fund (irrespective of the Class) or Class, as the case may be, at the time of the meeting.

All voting shall be carried out by poll. On a poll, the votes of each Unit holder present in person or by proxy shall be proportionate to the number or value of units held. In the case of joint Unit holders, only the person whose name appears first in the register may vote. Units held by the Manager or its nominees shall have no voting rights in any Unit holders' meeting of the Fund.

# 9. TAXATION REPORT

## **PricewaterhouseCoopers Taxation Services Sdn Bhd**

Level 10, 1 Sentral, Jalan Rakyat  
Kuala Lumpur Sentral  
P.O.Box 10192  
50706 Kuala Lumpur

## **The Board of Directors**

CIMB-Principal Asset Management Berhad  
10th Floor Bangunan CIMB  
Jalan Semantan  
Damansara Heights  
50490 Kuala Lumpur

31 March 2017

Dear Sirs,

## **TAXATION OF THE TRUST OFFERED UNDER THE CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND AND UNIT HOLDERS**

This letter has been prepared for inclusion in the Prospectus Issue No. M3 ("hereinafter referred to as "the Prospectus") in connection with the offer of units in the CIMB-Principal Asia Pacific Dynamic Income Fund ("the Trust").

The taxation of income for both the Trust and the unit holders are subject to the provisions of the Malaysian Income Tax Act, 1967 ("the Act"). The applicable provisions are contained in Section 61 of the Act, which deals specifically with the taxation of trust bodies in Malaysia.

## **TAXATION OF THE TRUST**

The Trust will be regarded as resident for Malaysian tax purposes since the trustee of the Trust is resident in Malaysia.

### **(1) Foreign Investments**

Income of the Trust in respect of overseas investment is exempt from Malaysian tax by virtue of Paragraph 28 of Schedule 6 of the Act and distributions from such income will be tax exempt in the hands of the unit holders. Such income from foreign investments may be subject to taxes or withholding taxes in the specific foreign country. However, any foreign tax suffered on the income in respect of overseas investment is not tax refundable to the Trust in Malaysia.

The foreign income exempted from Malaysian tax at the Trust level will also be exempted from tax upon distribution to the unit holders.

### **(2) Domestic Investments**

#### **(i) General taxation**

The income of the Trust consisting of dividends, interest (other than interest which is exempt from tax) and other investment income derived from or accruing in Malaysia, after deducting tax allowable expenses, is liable to Malaysian income tax at the rate of 24 per cent.

Gains on disposal of investments by the Trust will not be subject to income tax.

#### **(ii) Dividend and other exempt income**

Effective 1 January 2014, all companies would adopt the single-tier system. Hence, dividends received would be exempted from tax and the deductibility of expenses incurred against such dividend income would be disregarded. There will no longer be any tax refunds available for single-tier dividends received. Dividends received from companies under the single-tier system would be exempted.

The Trust may receive Malaysian dividends which are tax exempt. The exempt dividends may be received from investments in companies which had previously enjoyed or are currently enjoying the various tax incentives provided under the law. The Trust will not be taxable on such exempt income.

Interest income or discount income derived from the following investments is exempt from tax:

- a) Securities or bonds issued or guaranteed by the Government of Malaysia;
- b) Debentures or sukuk, other than convertible loan stocks, approved or authorized by, or lodged with, the Securities Commission Malaysia;
- c) Bon Simpanan Malaysia issued by Bank Negara Malaysia; and

d) Interest income paid or credited by Malaysia Building Society Berhad<sup>1</sup>.

As such, provided the investment in structured products is seen to be “debentures” under Capital Markets and Services Act 2007, the income received will be exempted. Otherwise, tax implications could arise.

Interest income derived from the following investments is exempt from tax:

- a) Interest paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 or Islamic Financial Services Act 2013<sup>2</sup>;
- b) Interest paid or credited by any development financial institution regulated under the Development Financial Institutions Act 2002; and
- c) Bonds, other than convertible loan stocks, paid or credited by any company listed in Bursa Malaysia Securities Berhad ACE Market.

The income exempted from tax at the Trust level will also be exempted from tax upon distribution to the unit holders.

### (3) Hedging Instruments

The tax treatment of hedging instruments would depend on the particular hedging instruments entered into.

Generally, any gain / loss relating to the principal portion will be treated as capital gain / loss. Gains / losses relating to the income portion would normally be treated as revenue gains / losses. The gain / loss on revaluation will only be taxed or claimed upon realisation. Any gain / loss on foreign exchange is treated as capital gain / loss if it arises from the revaluation of the principal portion of the investment.

### (4) Other Income

The Trust may be receiving income such as exit fee which will be subject to tax at the rate of 24 per cent.

### (5) Tax Deductible Expenses

Expenses wholly and exclusively incurred in the production of gross income are allowable as deductions under Section 33(1) of the Act. In addition, Section 63B of the Act provides for tax deduction in respect of managers' remuneration, expenses on maintenance of the register of unit holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postages. The deduction is based on a formula subject to a minimum of 10 per cent and a maximum of 25 per cent of the expenses.

### (6) Real Property Gains Tax (“RPGT”)

With effect from 1 January 2014, any gains on disposal of real properties or shares in real property companies<sup>3</sup> would be subject to RPGT at the following rates:-

Disposal time frame	RPGT rates
Within 3 years	30%
In the 4 <sup>th</sup> year	20%
In the 5 <sup>th</sup> year	15%
In the 6 <sup>th</sup> year and subsequent years	5%

### (7) Goods and Services Tax (“GST”)

GST has been implemented effective 1 April 2015 at the rate of 6% to replace the existing sales tax and service tax. Based on the guidelines<sup>4</sup> issued, the Trust, being collective investment vehicles, will be making exempt supplies. Hence, the Trust is not required to register for GST purposes. However, the Trust will incur expenses such as management fees, trustee fees and other administrative charges which will be subject to 6% GST. The 6% input tax incurred on such expenses will not be claimable by the Trust and represents a cost to the Trust.

## TAXATION OF UNIT HOLDERS

Unit holders will be taxed on an amount equivalent to their share of the total taxable income of the Trust to the extent of the distributions received from the Trust. The income distribution from the Trust will carry a tax credit in respect of the Malaysian tax

<sup>1</sup> Pursuant to the letters from Ministry of Finance Malaysia dated 11 June 2015 and 16 June 2015 with effect from year of assessment (“YA”) 2015.

<sup>2</sup> Pursuant to the Finance Act 2017 which was gazetted on 16 January 2017, the interest income received for a money market fund, the exemption shall only apply to a wholesale fund which the criteria as set out in the Securities Commission Malaysia guidelines effective from YA 2017.

<sup>3</sup> A real property company is a controlled company which owns or acquires real property or shares in real property companies with a market value of not less than 75 per cent of its total tangible assets. A controlled company is a company which does not have more than 50 members and is controlled by not more than 5 persons.

<sup>4</sup> Pursuant to GST Guide on Fund Management (as at 11 April 2016 issued by the Royal Malaysian Customs).



paid by the Trust. Unit holders will be entitled to utilise the tax credit against the tax payable on the income distribution received by them. No additional withholding tax will be imposed on the income distribution from the Trust.

Non-resident unit holders may also be subject to tax in their respective jurisdictions. Depending on the provisions of the relevant country's tax legislation and any double tax treaty with Malaysia, the Malaysian tax suffered may be creditable against the relevant foreign tax.

Corporate unit holders, resident<sup>5</sup> and non-resident, will generally be liable to income tax at 24 per cent on distribution of income received from the Trust. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these unit holders.

Individuals and other non-corporate unit holders who are tax resident in Malaysia will be subject to income tax at graduated rates ranging from 1 per cent to 28 per cent. Individuals and other non-corporate unit holders who are not resident in Malaysia will be subject to income tax at 28 per cent. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these unit holders.

The distribution of exempt income and gains arising from the disposal of investments by the Trust will be exempted from tax in the hands of the unit holders.

Any gains realised by unit holders (other than dealers in securities, insurance companies or financial institutions) on the sale or redemption of the units are treated as capital gains and will not be subject to income tax. This tax treatment will include gains in the form of cash or residual distribution in the event of the winding up of the Trust.

Unit holders electing to receive their income distribution by way of investment in the form of new units will be regarded as having purchased the new units out of their income distribution after tax.

Unit splits issued by the Trust are not taxable in the hands of unit holders.

The issuance of units by the Trust is an exempt supply. The selling or redemption of the units is also an exempt supply and therefore is not subject to GST. Any fee based charges related to buying of the units by unit holders in Malaysia and outside Malaysia such as sales or service charge or switching fees will be subject to GST at a standard rate of 6%.

We hereby confirm that the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation. Our comments above are general in nature and cover taxation in the context of Malaysian tax legislation only and do not cover foreign tax legislation. The comments do not represent specific tax advice to any investors and we recommend that investors obtain independent advice on the tax issues associated with their investments in the Trust.

Yours faithfully,

for and on behalf of

**PRICEWATERHOUSECOOPERS TAXATION SERVICES SDN BHD**

Jennifer Chang  
Senior Executive Director

PricewaterhouseCoopers Taxation Services Sdn Bhd have given their written consent to the inclusion of their report as tax adviser in the form and context in which it appears in the Prospectus and have not, before the date of issue of the Prospectus, withdrawn such consent.

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<sup>5</sup> Resident companies with paid up capital in respect of ordinary shares of RM2.5 million and below will pay tax at 19\* per cent for the first RM500,000 of chargeable income with the balance taxed at 24 per cent.

With effect from YA 2009, the above shall not apply if more than –

- (a) 50 per cent of the paid up capital in respect of ordinary shares of the company is directly or indirectly owned by a related company;
- (b) 50 per cent of the paid up capital in respect of ordinary shares of the related company is directly or indirectly owned by the first mentioned company;
- (c) 50 per cent of the paid up capital in respect of ordinary shares of the first mentioned company and the related company is directly or indirectly owned by another company.

"Related company" means a company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of the basis period for a YA.

\* Pursuant to the Finance Act 2017 which was gazetted on 16 January 2017, the tax rate for the first RM500,000 of chargeable income will be reduced to 18 per cent effective from YA 2017.

# 10. DISTRIBUTORS OF THE FUND

For Malaysia, currently Class MYR, Class SGD and Class USD are available for sale. As at LPD, Class MYR, Class SGD and/or Class USD are available from the following Distributors and their branches:

## **CIMB-Principal Asset Management Berhad**

CWA  
50, 52 & 54 Jalan SS21/39  
Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan MALAYSIA  
(603) 7718 3000

## **CIMB Investment Bank Berhad – Retail Equities**

(A Participating Organisation of Bursa Malaysia Securities Berhad)  
17th Floor, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral,  
50470 Kuala Lumpur MALAYSIA  
(603) 22618888

## **Alliance Bank Malaysia Berhad**

Level 5, Menara Multi-Purpose  
Capital Square  
8, Jalan Munshi Abdullah  
50100 Kuala Lumpur MALAYSIA  
(603) 2694 8800

## **Hong Leong Bank Berhad**

Level 3A, Wisma Hong Leong  
18, Jalan Tun Perak  
50450 Kuala Lumpur MALAYSIA  
(603) 2164 2828

## **Kenanga Investment Bank Berhad**

8th Floor Kenanga International,  
Jalan Sultan Ismail  
50250 Kuala Lumpur MALAYSIA  
(603) 2164 9080

## **OCBC Bank (Malaysia) Berhad**

Head Office  
Menara OCBC, Level 16,  
18, Jalan Tun Perak  
50500 Kuala Lumpur MALAYSIA  
(603) 2034 5034

## **Standard Chartered Bank Malaysia Berhad**

Menara Standard Chartered  
Level 8, 30 Jalan Sultan Ismail  
50250 Kuala Lumpur MALAYSIA  
(603) 7718 9688

## **CIMB Bank Berhad**

Menara Bumiputra-Commerce  
11, Jalan Raja Laut  
50350 Kuala Lumpur MALAYSIA  
1300 880 900

## **CIMB Private Banking**

17th Floor, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral,  
50470 Kuala Lumpur MALAYSIA  
(603) 22618888

## **Citibank Berhad**

Head Office  
Citibank Investment Services  
89, Jalan Ampang  
PO Box 11725  
50754 Kuala Lumpur MALAYSIA  
(603) 2383 8833

## **HSBC Bank Malaysia Berhad**

Head Office  
Personal Financial Services  
2, Leboh Ampang  
50100 Kuala Lumpur MALAYSIA  
(603) 2050 7878

## **IFAST Capital Sdn. Bhd.**

Level 28, Menara Standard Chartered  
No 30, Jalan Sultan Ismail  
50250 Kuala Lumpur MALAYSIA  
(603) 2149 0660

## **Phillip Mutual Berhad**

B-2-7, Megan Avenue II  
Jalan Yap Kwan Seng  
50450 Kuala Lumpur MALAYSIA  
(603) 2783 0300

## **United Overseas Bank (Malaysia) Bhd**

Level 2, Menara UOB  
Jalan Raja Laut  
50350 Kuala Lumpur MALAYSIA  
(603) 2732 4332

**Note:** We have the discretion in determining the Distributors of the Classes of the Fund, including its appointment and/or termination from time to time. For updated information on the Distributors of the Classes of the Fund, please call our **Customer Care Centre** at (603) 7718 3100 between 8:30 a.m. and 5:30 p.m. (Malaysian time), Mondays to Fridays (except on Selangor public holidays).

# APPENDIX I – UNIT TRUST LOAN FINANCING RISK DISCLOSURE STATEMENT

**Investing in a unit trust fund with borrowed money is more risky than investing with your own savings.**

You should assess if loan financing is suitable for you in light of your objectives, attitudes to risk and financial circumstances. You should be aware of the risks, which would include the following:

1. The higher the margin of financing (that is, the amount of money you borrowed for every RM of your own money which you put in as deposit or down payment) the greater the loss or gain on your investment.
2. You should assess whether you have the ability to service the repayments on the proposed loan. If your loan is a variable rate loan, and if interest rates rise, your total repayment amount will be increased.
3. If unit prices fall beyond a certain level, you may be asked to provide additional acceptable collateral (where units are used as collateral) or pay additional amounts on top of your normal instalments. If you fail to comply within the time prescribed, your units may be sold towards the settlement of your loan.
4. Returns on unit trusts are not guaranteed and may not be earned evenly over time. This means that there may be some years where returns are high and other years where losses are experienced. Whether you eventually realise a gain or loss may be affected by the timing of the sale of your units. The value of units may fall just when you want your money back even though the investment may have done well in the past.

The brief statement cannot disclose all the risks and other aspects of loan financing. You should therefore carefully study the terms and conditions before you decide to take a loan. If you are in doubt about any aspect of this Risk Disclosure Statement or the terms of the loan financing, you should consult the institution offering the loan.

## **ACKNOWLEDGEMENT OF RECEIPT OF RISK DISCLOSURE STATEMENT**

I acknowledge that I have received a copy of this Unit Trust Loan Financing Risk Disclosure Statement and understand its contents.

Signature :

Full name :

Date :

# **ANNEXURE - CLASS MYR**

This section is only a summary of the salient information about Class MYR. You should read and understand the entire Prospectus before investing and keep the Prospectus for your records. In determining which investment is right for you, we recommend you speak to professional advisers. CIMB-Principal Asset Management Berhad, member companies of the CIMB Group, the PFG and the Trustee do not guarantee the repayment of capital.

## CLASS INFORMATION

This Fund is a multi-class fund and is allowed to establish new Class(es) from time to time without your prior consent. As this Fund is a Qualifying CIS under the ASEAN CIS Framework, there are Classes of the Fund that may be offered to investors in other countries that participate in the ASEAN CIS Framework.

Class MYR	Page
<b>Currency denomination</b> MYR	
<b>Distribution policy</b> Depending on the level of income (if any) the respective Class generates, the Class aims to distribute part or all of its distributable income on a quarterly basis.	15

## FEES & CHARGES

This table describes the charges that you may **directly** incur when you buy or withdraw units of Class MYR.

Charges	Class MYR	Page
<b>Application Fee</b>	<b>CWA</b> : Up to 6.50% of the NAV per unit. <b>IUTAs</b> : Up to 5.50% of the NAV per unit.	6
<b>Withdrawal Fee</b>	Nil.	6
<b>Dilution fee</b>	Nil.	6
<b>Switching Fee</b>	Switching is treated as a withdrawal from Class MYR and an investment into another Class or CIMB-Principal Fund (or its class). As such, you may be charged a Switching Fee equal to the difference (if any) between the Application Fee of Class MYR and the Application Fee of the other Class or CIMB-Principal Fund (or its class). Switching Fee will not be charged if the Class or CIMB-Principal Fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose RM100 administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fees with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fees.	6
<b>Transfer Fee</b>	A maximum of RM50.00 may be charged for each transfer.	6
<b>Other charges payable directly by you when purchasing or withdrawing the units</b>	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

All fees and charges payable by you are subject to any applicable taxes (including but not limited to GST) and/or duties as may be imposed by the government or other authorities (if any) from time to time. As a result of changes in any rule, regulation, directive, notice and/or law issued by the government or relevant authority, there may be additional cost to the fees, expenses, charges and/or taxes payable to and/or by the Fund or you as disclosed or illustrated in the Prospectus.

This table describes the fees that you may **indirectly** incur when you invest in Class MYR.

Fees	Class MYR	Page
<b>Management Fee</b>	Up to 1.80% per annum of the NAV of the Class in Malaysia.	7
<b>Trustee Fee</b>	Up to 0.05% per annum (including local custodian fee but excluding foreign sub-custodian fees and charges) on the NAV of the Fund. The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears.	7
<b>Expenses directly related to Fund</b>	Only expenses that are directly related to the Fund can be charged to the Fund. Examples of relevant expenses are audit fee and tax agent's fee.	7
<b>Other fees payable indirectly by you when investing in the Fund</b>	Nil.	

**Note:** Despite the maximum Application Fee or Withdrawal Fee disclosed above, you may negotiate with us or our Distributors for lower fee or charges. However, you should note that we or our Distributors may, for any reason at any time, where applicable, accept or reject your request and without having to assign any reason, either generally (for all investors) or specifically (for any particular investor or a group of investors) without prior notice to you.

We may, for any reason at any time, where applicable, waive or reduce the amount of any fees (except the Trustee Fee) or other charges payable by you in respect of the Fund, either generally (for all investors) or specifically (for any particular investor or a group of investors) and for any period or periods of time at our absolute discretion.

All fees and charges payable by the Fund are subject to any applicable taxes (including but not limited to GST) and/or duties as may be imposed by the government or other authorities (if any) from time to time. As a result of changes in any rule, regulation, directive, notice and/or law issued by the government or relevant authority, there may be additional cost to the fees, expenses, charges and/or taxes payable to and/or by the Fund or you as disclosed or illustrated in the Prospectus.

We have the discretion to amend the amount, rate and/or terms and conditions for the above-mentioned fees and charges from time to time, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you or seek your approval on the amendments to the fees and charges.

## TRANSACTION INFORMATION

	Class MYR	Page
<b>Minimum initial investment<sup>#</sup></b>	RM500 or such other amount as we may decide from time to time.	13
<b>Minimum additional investment</b>	RM200 or such other amount as we may decide from time to time.	13
<b>Minimum withdrawal</b>	800 units or such other amount as we may decide from time to time.	14
<b>Minimum balance</b>	2,000 units or such other amount as we may decide from time to time.	14
<b>Regular Savings Plan</b>	RSP is available for Class MYR. It allows you to make regular monthly investments of RM200 or more, direct from your account held with a bank approved by us or our Distributors. The minimum initial investment for the RSP is RM500 or such other amount as we may decide from time to time.	13
<b>Cooling-off period</b>	Six (6) Business Days from the date the application form is received and accepted by us or our Distributors from the first time investor. However, CIMB-Principal's staff and person(s) registered to deal in unit trust of CIMB-Principal or any Distributor are not entitled to the cooling-off right.	14
<b>Switching</b>	Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to: <ul style="list-style-type: none"> <li>▪ for switching out of the Class: <ul style="list-style-type: none"> <li>○ the minimum withdrawal amount applicable to the Class that you intend to switch out;</li> <li>○ the minimum balance required (after the switch) for the Class that you intend to switch out, unless you are withdrawing from the Class in entirety; and</li> <li>○ the Withdrawal Fee of the Class that you intend to switch out (if any);</li> </ul> </li> <li>▪ for switching into the Class: <ul style="list-style-type: none"> <li>○ the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class that you intend to switch into; and</li> <li>○ the Switching Fee applicable for the proposed switch (if any).</li> </ul> </li> </ul> <p>You may negotiate to lower the amount for your switch with us or our Distributors.</p>	14
<b>Transfer</b>	We may, at our absolute discretion, allow/refuse transfer of units subject to such terms and conditions as may be stipulated by us from time to time.	15

<sup>#</sup> The minimum initial investment for EPF-MIS (where available) shall be RM1,000 (or such other amount as may be determined by EPF) or as per the amount stated above, whichever is higher. Please note that there may be changes to the status of the eligibility of the Fund under the EPF-MIS from time to time. Please refer to our website at <http://www.cimb-principal.com.my> or <http://www.kwsp.gov.my> for updated information.

**Note:**

You may request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units, which will be at our sole and absolute discretion. However, you should note that we may, for any reason at any time, where applicable, accept or reject your request to lower the amount or number of units and without having to assign any reason, either generally (for all investors) or specifically (for any particular investor or a group of investors) without prior notice to you. We may also, for any reason at any time, where applicable, reduce the minimum balance, either generally (for all investors) or specifically (for any particular investor or a group of investors) without prior notice to you. For increase in the amount or units for minimum withdrawal and minimum balance, we will require concurrence from the Trustee and you will be notified of such changes.

There are fees and charges involved and you are advised to consider them before investing in the Fund.

We have the discretion to amend the amount, rate and/or terms and conditions of the transaction information herein, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you on the amendments to the transaction information.

# **ANNEXURE - CLASS SGD**

This section is only a summary of the salient information about Class SGD. You should read and understand the entire Prospectus before investing and keep the Prospectus for your records. In determining which investment is right for you, we recommend you speak to professional advisers. CIMB-Principal Asset Management Berhad, member companies of the CIMB Group, the PFG and the Trustee do not guarantee the repayment of capital.

## CLASS INFORMATION

This Fund is a multi-class fund and is allowed to establish new Class(es) from time to time without your prior consent. As this Fund is a Qualifying CIS under the ASEAN CIS Framework, there are Classes of the Fund that may be offered to investors in other countries that participate in the ASEAN CIS Framework.

Class SGD	Page
<b>Currency denomination</b> SGD	
<b>Distribution policy</b> Depending on the level of income (if any) the respective Class generates, the Class aims to distribute part or all of its distributable income on a quarterly basis.	15

## FEES & CHARGES

This table describes the charges that you may **directly** incur when you buy or withdraw units of Class SGD.

Charges	Class SGD	Page
<b>Application Fee</b>	<b>CWA</b> : Up to 6.50% of the NAV per unit. <b>IUTAs</b> : Up to 5.50% of the NAV per unit.	6
<b>Withdrawal Fee</b>	Nil.	6
<b>Dilution fee</b>	Nil.	6
<b>Switching Fee</b>	You may be charged a Switching Fee of up to 1.00% of the NAV per unit. We have the discretion to waive the Switching Fee.	6
<b>Transfer Fee</b>	A maximum of SGD15.00 may be charged for each transfer.	6
<b>Other charges payable directly by you when purchasing or withdrawing the units</b>	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

All fees and charges payable by you are subject to any applicable taxes (including but not limited to GST) and/or duties as may be imposed by the government or other authorities (if any) from time to time. As a result of changes in any rule, regulation, directive, notice and/or law issued by the government or relevant authority, there may be additional cost to the fees, expenses, charges and/or taxes payable to and/or by the Fund or you as disclosed or illustrated in the Prospectus.

This table describes the fees that you may **indirectly** incur when you invest in Class SGD.

Fees	Class SGD	Page
<b>Management Fee</b>	Up to 1.50% per annum of the NAV of the Class in Malaysia.	7
<b>Trustee Fee</b>	Up to 0.05% per annum (including local custodian fee but excluding foreign sub-custodian fee and charges) on the NAV of the Fund. The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears.	7
<b>Expenses directly related to Fund</b>	Only expenses that are directly related to the Fund can be charged to the Fund. Examples of relevant expenses are audit fee and tax agent's fee.	7
<b>Other fees payable indirectly you when investing in the Fund</b>	Nil.	

**Note:** Despite the maximum Application Fee or Withdrawal Fee disclosed above, you may negotiate with us or our Distributors for lower fee or charges. However, you should note that we or our Distributors may, for any reason at any time, where applicable, accept or reject your request and without having to assign any reason, either generally (for all investors) or specifically (for any particular investor or a group of investors) without prior notice to you.

We may, for any reason at any time, where applicable, waive or reduce the amount of any fees (except the Trustee Fee) or other charges payable by you in respect of the Fund, either generally (for all investors) or specifically (for any particular investor or a group of investors) and for any period or periods of time at our absolute discretion.

All fees and charges payable by the Fund are subject to any applicable taxes (including but not limited to GST) and/or duties as may be imposed by the government or other authorities (if any) from time to time. As a result of changes in any rule, regulation, directive, notice and/or law issued by the government or relevant authority, there may be additional cost



to the fees, expenses, charges and/or taxes payable to and/or by the Fund or you as disclosed or illustrated in the Prospectus.

We have the discretion to amend the amount, rate and/or terms and conditions for the above-mentioned fees and charges from time to time, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you or seek your approval on the amendments to the fees and charges.

## TRANSACTION INFORMATION

	Class SGD	Page
<b>Minimum initial investment</b>	SGD1,000 or such other amount as we may decide from time to time.	13
<b>Minimum additional investment</b>	SGD100 or such other amount as we may decide from time to time.	13
<b>Minimum withdrawal</b>	100 units or such other amount as we may decide from time to time.	14
<b>Minimum balance</b>	1,000 units or such other amount as we may decide from time to time.	14
<b>Regular Savings Plan</b>	Currently not available.	13
<b>Cooling-off period</b>	Six (6) Business Days from the date the application form is received and accepted by us or our Distributors from the first time investor. However, CIMB-Principal's staff and person(s) registered to deal in unit trust of CIMB-Principal or any Distributor are not entitled to the cooling-off right.	14
<b>Switching</b>	Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to: <ul style="list-style-type: none"> <li>▪ for switching out of the Class: <ul style="list-style-type: none"> <li>○ the minimum withdrawal amount applicable to the Class that you intend to switch out;</li> <li>○ the minimum balance required (after the switch) for the Class that you intend to switch out, unless you are withdrawing from the Class in entirety; and</li> <li>○ the Withdrawal Fee of the Class that you intend to switch out (if any);</li> </ul> </li> <li>▪ for switching into the Class: <ul style="list-style-type: none"> <li>○ the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class that you intend to switch into; and</li> <li>○ the Switching Fee applicable for the proposed switch (if any).</li> </ul> </li> </ul> <p>You may negotiate to lower the amount for your switch with us or our Distributors.</p>	14
<b>Transfer</b>	We may, at our absolute discretion, allow/refuse transfer of units subject to such terms and conditions as may be stipulated by us from time to time.	15

**Note:** You may request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units, which will be at our sole and absolute discretion. However, you should note that we may, for any reason at any time, where applicable, accept or reject your request to lower the amount or number of units and without having to assign any reason, either generally (for all investors) or specifically (for any particular investor or a group of investors) without prior notice to you. We may also, for any reason at any time, where applicable, reduce the minimum balance, either generally (for all investors) or specifically (for any particular investor or a group of investors) without prior notice to you. For increase in the amount or units for minimum withdrawal and minimum balance, we will require concurrence from the Trustee and you will be notified of such changes.

There are fees and charges involved and you are advised to consider them before investing in the Fund.

We have the discretion to amend the amount, rate and/or terms and conditions of the transaction information herein, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you on the amendments to the transaction information.

# **ANNEXURE - CLASS USD**

This section is only a summary of the salient information about Class USD. You should read and understand the entire Prospectus before investing and keep the Prospectus for your records. In determining which investment is right for you, we recommend you speak to professional advisers. CIMB-Principal Asset Management Berhad, member companies of the CIMB Group, the PFG and the Trustee do not guarantee the repayment of capital.

## CLASS INFORMATION

This Fund is a multi-class fund and is allowed to establish new Class(es) from time to time without your prior consent. As this Fund is a Qualifying CIS under the ASEAN CIS Framework, there are Classes of the Fund that may be offered to investors in other countries that participate in the ASEAN CIS Framework.

Class USD	Page
<b>Currency denomination</b> USD	
<b>Distribution policy</b> Depending on the level of income (if any) the respective Class generates, the Class aims to distribute part or all of its distributable income on a quarterly basis.	15

## FEES & CHARGES

This table describes the charges that you may **directly** incur when you buy or withdraw units of Class USD.

Charges	Class USD	Page
<b>Application Fee</b>	<b>CWA</b> : Up to 6.50% of the NAV per unit. <b>IUTAs</b> : Up to 5.50% of the NAV per unit.	6
<b>Withdrawal Fee</b>	Nil.	6
<b>Dilution fee</b>	Nil.	6
<b>Switching Fee</b>	You may be charged a Switching Fee of up to 1.00% of the NAV per unit. We have the discretion to waive the Switching Fee.	6
<b>Transfer Fee</b>	A maximum of USD15.00 may be charged for each transfer.	6
<b>Other charges payable directly by you when purchasing or withdrawing the units</b>	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

All fees and charges payable by you are subject to any applicable taxes (including but not limited to GST) and/or duties as may be imposed by the government or other authorities (if any) from time to time. As a result of changes in any rule, regulation, directive, notice and/or law issued by the government or relevant authority, there may be additional cost to the fees, expenses, charges and/or taxes payable to and/or by the Fund or you as disclosed or illustrated in the Prospectus.

This table describes the fees that you may **indirectly** incur when you invest in the Class USD.

Fees	Class USD	Page
<b>Management Fee</b>	Up to 1.50% per annum of the NAV of the Class in Malaysia.	7
<b>Trustee Fee</b>	Up to 0.05% per annum (including local custodian fee but excluding foreign sub-custodian fee and charges) on the NAV of the Fund. The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears.	7
<b>Expenses directly related to Fund</b>	Only expenses that are directly related to the Fund can be charged to the Fund. Examples of relevant expenses are audit fee and tax agent's fee.	7
<b>Other fees payable indirectly by you when investing in the Fund</b>	Nil.	

**Note:** Despite the maximum Application Fee or Withdrawal Fee disclosed above, you may negotiate with us or our Distributors for lower fee or charges. However, you should note that we or our Distributors may, for any reason at any time, where applicable, accept or reject your request and without having to assign any reason, either generally (for all investors) or specifically (for any particular investor or a group of investors) without prior notice to you.

We may, for any reason at any time, where applicable, waive or reduce the amount of any fees (except the Trustee Fee) or other charges payable by you in respect of the Fund, either generally (for all investors) or specifically (for any particular investor or a group of investors) and for any period or periods of time at our absolute discretion.

All fees and charges payable by the Fund are subject to any applicable taxes (including but not limited to GST) and/or duties as may be imposed by the government or other authorities (if any) from time to time. As a result of changes in any

rule, regulation, directive, notice and/or law issued by the government or relevant authority, there may be additional cost to the fees, expenses, charges and/or taxes payable to and/or by the Fund or you as disclosed or illustrated in the Prospectus.

We have the discretion to amend the amount, rate and/or terms and conditions for the above-mentioned fees and charges from time to time, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you or seek your approval on the amendments to the fees and charges.

## TRANSACTION INFORMATION

	Class USD	Page
<b>Minimum initial investment</b>	USD1,000 or such other amount as we may decide from time to time.	13
<b>Minimum additional investment</b>	USD100 or such other amount as we may decide from time to time.	13
<b>Minimum withdrawal</b>	100 units or such other amount as we may decide from time to time.	14
<b>Minimum balance</b>	1,000 units or such other amount as we may decide from time to time.	14
<b>Regular Savings Plan</b>	Currently not available.	13
<b>Cooling-off period</b>	Six (6) Business Days from the date the application form is received and accepted by us or our Distributors from the first time investor. However, CIMB-Principal's staff and person(s) registered to deal in unit trust of CIMB-Principal or any Distributor are not entitled to the cooling-off right.	14
<b>Switching</b>	Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to: <ul style="list-style-type: none"> <li>▪ for switching out of the Class: <ul style="list-style-type: none"> <li>○ the minimum withdrawal amount applicable to the Class that you intend to switch out;</li> <li>○ the minimum balance required (after the switch) for the Class that you intend to switch out, unless you are withdrawing from the Class in entirety; and</li> <li>○ the Withdrawal Fee of the Class that you intend to switch out (if any);</li> </ul> </li> <li>▪ for switching into the Class: <ul style="list-style-type: none"> <li>○ the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class that you intend to switch into; and</li> <li>○ the Switching Fee applicable for the proposed switch (if any).</li> </ul> </li> </ul> You may negotiate to lower the amount for your switch with us or our Distributors.	14
<b>Transfer</b>	We may, at our absolute discretion, allow/refuse transfer of units subject to such terms and conditions as may be stipulated by us from time to time.	15

**Note:** You may request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units, which will be at our sole and absolute discretion. However, you should note that we may, for any reason at any time, where applicable, accept or reject your request to lower the amount or number of units and without having to assign any reason, either generally (for all investors) or specifically (for any particular investor or a group of investors) without prior notice to you. We may also, for any reason at any time, where applicable, reduce the minimum balance, either generally (for all investors) or specifically (for any particular investor or a group of investors) without prior notice to you. For increase in the amount or units for minimum withdrawal and minimum balance, we will require concurrence from the Trustee and you will be notified of such changes.

There are fees and charges involved and you are advised to consider them before investing in the Fund.

We have the discretion to amend the amount, rate and/or terms and conditions of the transaction information herein, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you on the amendments to the transaction information.

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**CIMB-Principal Asset Management Berhad** (304078-K)

**Enquiries:**

Customer Care Centre **(603) 7718 3100**

Email [service@cimb-principal.com.my](mailto:service@cimb-principal.com.my)

[www.cimb-principal.com](http://www.cimb-principal.com)