

Date of issuance: 29 January 2018

PRODUCT HIGHLIGHTS SHEET

CIMB-PRINCIPAL ASIA PACIFIC TARGET RETURN FUND 1

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed by the directors or authorised committee or persons approved by the board of CIMB-Principal Asset Management Berhad. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements or omissions of other facts which would make any statement in this Product Highlights Sheet false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has authorized/recognised the issuance of CIMB-Principal Asia Pacific Target Return Fund 1 and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of CIMB-Principal Asia Pacific Target Return Fund 1 and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends CIMB-Principal Asia Pacific Target Return Fund 1 or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of CIMB-Principal Asset Management Berhad responsible for CIMB-Principal Asia Pacific Target Return Fund 1 and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

THE MANAGER

CIMB-Principal Asset Management Berhad (“CIMB-Principal”) holds a Capital Markets Services License for fund management and dealing in securities restricted to unit trust products under the Capital Markets and Services Act 2007 and specializes 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. CIMB-Principal originally commenced its operations as a unit trust company in November 1995.

This Product Highlights Sheet only highlights the key features and risks of this unlisted capital market product. We recommend that you read this Product Highlights Sheet together with the Fund’s Prospectus dated 29 January 2018 and its supplementary (if any). You are advised to request, read and understand the Fund’s Prospectus before deciding to invest.

BRIEF INFORMATION ON CIMB-PRINCIPAL ASIA PACIFIC TARGET RETURN FUND 1

CIMB-Principal Asia Pacific Target Return Fund 1 is a mixed asset fund issued by CIMB-Principal. The Fund aims to provide moderate capital growth by investing primarily in equities, debt securities, money market instruments and/or deposits.

This is neither a capital protected nor capital guaranteed fund.

PRODUCT SUITABILITY

The recommended investment timeframe for this Fund is three (3) years. The Fund best suits you if you:

- have a medium term (i.e. three (3) years) investment horizon;
- have a moderate risk profile;
- want a diversified portfolio investment in equities, debt securities, money market instruments and/or deposits; and/or
- seek moderate capital appreciation over medium term through investments in the Asia Pacific ex Japan region.

KEY PRODUCT FEATURES

Fund Category/Type	Mixed asset/ Growth
Benchmark	<p>The performance of this Fund cannot be compared directly with any specific publicly available benchmark. However, the Fund has a target return of 17% over 3-year tenure or 5.66% 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 3-year tenure.</p> <p>Note: Investors are cautioned that the risk profile of the Fund is not the same as the risk profile of the benchmark and the target return of 17% over 3-year tenure will be subject to applicable fees, charges and expenses. As such, the net return received by the investors may be lower than the benchmark after taking into account the applicable fees, charges and expenses. Investors should also note that the rate of returns may differ subject to the NAV per unit upon investment into the Fund.</p>
Investment strategy	<p>The Fund seeks to achieve its investment objective through a diversified portfolio investment investing primarily in equities and/or debt securities in the Asia Pacific ex Japan region.</p> <p>The Fund will invest between 20%-80% (both inclusive) of its NAV in equities and equities related securities. The Fund will invest between 20%-80% (both inclusive) of its NAV in debt securities. Under general market conditions, the Fund will invest in equities of companies which the Sub-Manager believes will exhibit good growth potential when compared against its peers or the overall market. For investment in debt securities, the minimum credit rating for these debt securities must be at least "BBB" by Fitch or its equivalent by S&P and Moody's and/or at least "A3" by RAM or equivalent rating by MARC or by local rating agency(ies) of the country. Notwithstanding, the Fund may invest up to 20% of the Fund's NAV in Unrated Securities. The Fund may also invest up to 20% of its NAV in liquid assets, i.e. Deposits and money market instruments for liquidity purpose. The Sub-Manager has the flexibility to determine the asset allocation between different asset classes according to their views on the prevailing market condition and the asset allocation strategy of the Fund.</p> <p>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 equities portion, debt portion and asset allocation of the Fund in accordance with the investment objective and within the investment restrictions. For debt portion, we will work with the Sub-Manager in the overall due diligence and debt selection process. For further details on the Sub-Manager, please refer to the Prospectus.</p> <p>Asset Allocation</p> <ul style="list-style-type: none"> ▪ between 20% – 80% (both inclusive) of the Fund's NAV will be invested in equities and equities related securities; ▪ between 20% – 80% (both inclusive) of the Fund's NAV will be invested in debt securities; ▪ up to 20% of its NAV may be invested in Unrated Securities; and ▪ up to 20% of its NAV may be invested in liquid assets.
Launch date	29 January 2018
Initial Offer Period and Initial Offer Price	<p>Up to 21 calendar days from launch date at RM1.0000 per unit.</p> <p>Note: We reserve the right to shorten the Initial Offer Period if we deem appropriate to enter the market in order to capitalize on the prevailing yields or when a desired fund size as determined by us has been reached. Also, during the Initial Offer Period, we reserve the right, with the consent of Trustee, not to launch the Fund and return to the investors the Initial Offer Price per unit and the Application Fee paid if the sales proceeds or amount collected of the Fund at the expiry of the Initial Offer Period is below RM80 million. All monies will be returned to the investors free of interest should this occur.</p>

Cease Sale Event	We will cease the sale of units of the Fund when Cease Sale Event occurs, i.e. i) on the day after the valuation day where the Cease Sale NAV (i.e. NAV per unit of RM1.05) is determined to have been achieved; or ii) at the end of the third (3 rd) month from the Commencement Date; whichever is earlier. Note: No units will be issued or sold after the occurrence of Cease Sale Event.
Early Termination Event	The Fund may be terminated early should the Early Termination Event occur, i.e. i) upon achieving the Trigger NAV, i.e. RM1.17; or ii) on the Business Day immediately preceding the third (3 rd) anniversary of the Commencement Date; whichever is earlier.
Financial year-end	30 September
Distribution Policy	Given the Fund's investment objective, the Fund is not expected to pay any distribution. Distributions, if any, are at our discretion and will vary from period to period depending on the availability of realised income and/or realised gains for distribution and performance of the Fund.
Manager	CIMB-Principal Asset Management Berhad
Sub-Manager	CIMB-Principal Asset Management (S) Pte Ltd
Trustee	HSBC (Malaysia) Trustee Berhad
Solicitor	Soon Gan Dion & Partners

KEY RISKS

General risks of investing in a unit trust fund

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	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 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	This risk refers to the day-to-day management of the fund by the manager which will impact the performance of the fund. For example, investment decisions undertaken by the manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund.
Loan financing risk	This risk occurs when investors take loan/financing to finance their investment. The inherent risk of investing with borrowed money includes investors being unable to service the loan repayments.

Specific risks of the Fund

Country risk	Investments of the Fund in any country 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.
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.
The risk associated with investment in warrants	There are inherent risks associated with investment in warrants. The value of warrants are influenced by the current market price of the underlying security, the exercise price of the contract, the time to expiration of the contract and the estimate of the future volatility of the underlying security's price over the life of the contract. Investors should note that the value of warrants may experience time decay, and the erosion of value accelerates as the warrants advances to its expiry date.
Credit and default risk	Credit risk relates to the creditworthiness of the securities issuers or counterparties and their expected ability to make timely payment of interest and/or principal. Default risk relates to the risk a securities issuer or counterparties either defaulting on payments or failing to make payments in a timely manner. If the risk materializes, the value of the Fund could be adversely affected.
Interest rate risk	Interest rate risk refers to the impact of interest rate changes on the valuation of debt instruments. When interest rates rise, debt instruments prices generally decline and this may lower the market value of the Fund's investment in debt instruments.
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	As the investments of the Fund may be denominated in currencies other than MYR, any fluctuation in the exchange rate between MYR 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 MYR, this will have an adverse effect on the NAV of the Fund when it is expressed in MYR terms 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.
Mismatch risk	This risk refers to the non-matching of the duration of debt securities the Fund holds if the Early Termination Event occurs. For example, if the Fund is early terminated, the Fund will need to liquidate the debt instruments held at the prevailing market price, which may be unfavourable or lower than its purchase price. Consequently, it may adversely affect the Fund's NAV and ultimately affecting the total return generated by investors.
Redemption risk	In the event of large redemptions, the Fund may need to dispose some of its investments to fulfil redemption obligations. If the debt instruments are sold when interest rates rise or are expected to rise, the price of the debt instruments will fall. This in turn would depress the NAV of the Fund. The Fund discourages redemptions by imposing a Withdrawal Penalty which is ploughed back to the Fund. You are advised to be prepared to commit your investments up to three (3) years.

Note: Please take note that if your investments are made through an IUTA via a nominee system of ownership, you would not be deemed to be a Unit holder under the Deed and as a result, you 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).

FEES & CHARGES

Application Fee	Up to 2.50% of the NAV per unit.
Withdrawal Penalty	Up to 3.00% of the NAV per unit. The Withdrawal Penalty borne by you will be retained by the Fund.
Switching Fee	Currently, switching facility is not available for this Fund; hence, Switching Fee is not applicable.
Transfer Fee	A Transfer Fee of not more than RM50.00 may be charged for each transfer.
Management Fee	Up to 0.80% per annum of the NAV of the Fund.
Trustee Fee	Up to 0.05% per annum (including local custodian fee but excluding foreign sub-custodian fee and charges) of the Fund's NAV.
Other charges payable directly by you when purchasing or redeeming the units	Any applicable bank charges and other bank fees incurred as a result of an investment or redemption will be borne by the investor.
Expenses directly related to the Fund	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.

Note: All fees and charges 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 in the Product Highlights Sheet.

Despite the maximum Application Fee or Withdrawal Penalty 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.

TRANSACTION INFORMATION

Minimum initial investment	RM1,000 or such other amount as we may decide from time to time.
Minimum additional investment	RM100 or such other amount as we may decide from time to time.
Minimum withdrawal	1,000 units or such other units as we may decide from time to time.
Minimum balance	1,000 units or such other units as we may decide from time to time.
Switching	Switching facility is not available for this Fund.

Transfer	You are allowed to transfer your holdings but this is subject to conditions stipulated in the Deed. However, we may refuse to register any transfer of unit at our absolute discretion.
Cooling-off period	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 Distributors are not entitled to the cooling-off right.

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.

YOU SHOULD NOT MAKE PAYMENT IN CASH TO ANY INDIVIDUAL AGENT OR ISSUE A CHEQUE IN THE NAME OF AN INDIVIDUAL AGENT.

VALUATIONS

We will carry out the valuation 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 MYR based on the bid exchange rate quoted by Bloomberg or Reuters at United Kingdom 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). Please refer to the "Unit Pricing" section of the Prospectus for more information.

AVENUES TO EXIT THIS INVESTMENT

To exit from this investment, you may withdraw or transfer your unit holdings to another investor. You may withdraw your investment at the NAV per unit of the Business Day.

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 and Withdrawal Penalty will be charged. Hence, the amount that you will receive is calculated by the withdrawal value less the Withdrawal Penalty, if any. You will be paid in RM within ten (10) calendar days of receipt of the complete withdrawal request. You will have to bear the applicable bank fees and charges, if any.

Upon the occurrence of Early Termination Event, the Fund shall be compulsorily terminated and your units will be withdrawn based on the Final NAV per unit. The final payment of proceeds shall be paid to you within twenty (20) Business Days from the day the Early Termination Event occurs. However, in the event of adversity such as credit crunch, the debt instruments of the Fund may encounter liquidity issues. If such scenario occurs, please note that you may receive the final payment of proceeds within 180 days from the day the Early Termination Event occurs as we and the Trustee shall agree.

For more information on the withdrawals, transfer facility and cooling-off period, please refer to the "Transaction Information" chapter of the Prospectus. For more information on the fees and charges incur when you exit from this investment, please refer to "Fees, Charges and Expenses" chapter of the Prospectus.

CONTACT FOR FURTHER INFORMATION / COMPLAINT

- (i) You may contact our Customer Care Centre at (03) 7718 3100. Our Customer Care Centre is available between 8:45 a.m. and 5:45 p.m. (Malaysian time) on Mondays to Thursdays and between 8:45 a.m. and 4:45 p.m. (Malaysian time) on Fridays (except on Selangor public holidays) or you can e-mail us at service@cimb-principal.com.my.
- (ii) Alternatively, you may also contact:
 - (a) Securities Industries Dispute Resolution Corporation (SIDREC):
 - via phone to : 03-2282 2280
 - via fax to : 03-2282 3855
 - via e-mail to : info@sidrec.com.my
 - via letter to : Securities Industry Dispute Resolution Center
Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar
No.5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur
 - (b) SC's Investor Affairs & Complaints Department:
 - via phone to : 03-6204 8999
 - via fax to : 03-6204 8991
 - via e-mail to : aduan@seccom.com.my
 - via online complaint form available at www.sc.com.my
 - via letter to : Investor Affairs & Complaints Department
Securities Commission Malaysia
No 3, Persiaran Bukit Kiara, Bukit Kiara, 50490 Kuala Lumpur

- (c) FIMM's Complaints Bureau:
- via phone to : 03-2092 3800
 - via fax to : 03-2093 2700
 - via e-mail to : legalcomp@fimm.com.my
 - via online complaint form available at www.fimm.com.my
 - via letter to : Legal, Secretarial & Regulatory Affairs
Federation of Investment Managers Malaysia
19-06-1, 6th Floor, Wisma Tune
No. 19, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur

APPENDIX: GLOSSARY

Application Fee	- Preliminary charge on each investment.
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. <i>Note: 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 http://www.cimb-principal.com.my. Alternatively, you may contact our Customer Care Centre at (603) 7718 3100.</i>
Commencement Date	- The next Business Day immediately following the end of the Initial Offer Period.
Deed	- The principal deed and any supplemental deed thereto in respect of the Fund entered into between the Manager, the Trustee and the Unit holders, agreeing to be bound by the provisions of the Deed.
Deposit	- As per the definition of "deposit" in the Financial Services Act 2013 and "Islamic deposit" in the Islamic Financial Services Act 2013 (excluding structured deposits).
Distributor	- Any relevant persons and bodies appointed by CIMB-Principal from time to time, who are responsible for selling units of the Fund.
Early Termination Date	- Refers to the date the Early Termination Event occurs.
Early Termination Event	- Refers to the Fund being terminated early: i) upon achieving the Trigger NAV (i.e. RM1.17); or ii) on the Business Day immediately preceding the third (3 rd) anniversary of the Commencement Date; whichever is earlier.
Final NAV	- Proceeds to Unit holders will be calculated based on Final NAV after taking into account the applicable Termination Expenses.
Fund or APTR1	- CIMB-Principal Asia Pacific Target Return Fund 1.
GST	- Refers to the tax levied on goods and services pursuant to the Goods and Services Tax Act 2014.
IMS	- Investment Management Standards issued by the Federation of Investment Managers Malaysia.
Initial Offer Period	- Up to 21 calendar days from the launch date.
Initial Offer Price	- Issue price per unit during the Initial Offer Period, i.e. RM1.0000.
IUTA	- Institutional Unit Trust Adviser.
Management Fee	- A percentage of the NAV of the Fund that is paid to the Manager for managing the portfolio of the Fund.
MYR	- Malaysian Ringgit.
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.
NAV per unit	- The NAV of the Fund divided by the number of units in circulation, at the valuation point.
Prospectus	- Refers to the Prospectus in respect of the Fund and includes any supplemental Prospectus(s) or replacement Prospectus(s), as the case may be.
SC	- Securities Commission Malaysia.
SC Guidelines	- SC Guidelines on Unit Trust Funds.
Switching Fee	- A charge that may be levied when switching is done from one fund to another.
Transfer Fee	- A nominal fee levied for each transfer of units from one Unit holder to another.
Trustee Fee	- A percentage of the NAV of the Fund paid to the Trustee for its services rendered as trustee of the Fund.
Unit holder	- The registered holder for the time being of a unit of the Fund including persons jointly so registered.
Unrated Securities	- Refers to debt securities which are not rated by any rating agencies. <i>Note: In this context, unrated is not junk. The Fund will only invest in Unrated Securities that fulfill the selection criteria of our credit evaluation process.</i>

Withdrawal Penalty - A charge levied upon redemption under certain terms and conditions (if applicable).

Note: Unless the context otherwise requires,

- words importing the singular number should include the plural number and vice versa;
- reference to any rules, regulations, guidelines, standards, directives, notices, legislation or statutes in this Product Highlights Sheet 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;
- time disclosed in this Product Highlights Sheet should be indicated as Malaysia time; and
- reference to “days” in this Product Highlights Sheet will be taken to mean calendar days.

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