

Product Highlights Sheet

CIMB-Principal Australian Equity Fund

Responsibility Statement

This Product Highlights Sheet has been reviewed by the directors or authorised committee or persons approved by the directors of 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 omission 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 Australian Equity Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of CIMB-Principal Australian Equity Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends CIMB-Principal Australian Equity Fund 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 Principal Asset Management Berhad responsible for CIMB-Principal Australian Equity Fund 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

Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) ("Principal Malaysia") holds a Capital Markets Services License for fund management and dealing in securities restricted to unit trusts under the Capital Markets and Services Act 2007 and specializes in managing and operating unit trusts for investors, both institutional and retail. Principal Malaysia'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, Principal Malaysia is an approved private retirement scheme provider in Malaysia. Principal Malaysia 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 Master Prospectus dated 30 June 2017 and its supplementary (if any). You are advised to request, read and understand the Master Prospectus before deciding to invest.

Brief Information on CIMB-Principal Australian Equity Fund

CIMB-Principal Australian Equity Fund is a feeder fund that aims to achieve medium to long-term capital appreciation predominantly through investment in a portfolio of Australian securities.

This is neither a capital protected nor capital guaranteed fund.

Product Suitability

The recommended investment timeframe for this Fund is three (3) years or more. This fund is suitable for investors who want medium to long-term capital appreciation through investment in a portfolio of Australian securities.

Key Product Features

Fund Category/Type	Feeder Fund / Growth.
Benchmark	The Fund adheres to the benchmark of the Target Fund, i.e. S&P/ASX 200 Accumulation Index for performance comparison purpose only.
Investment Policy and Principal Investment Strategy	In order to achieve its objective, the Fund will invest at least 95% of its NAV in the Schroder Australian Equity Fund ('Target Fund'); an Australian-domiciled fund established on 3 March 1964 which invests in Australian equities, with an emphasis on investments in companies with sustainable competitive advantage in the long-term. The Fund will also maintain up to 5% of its NAV in liquid assets. <u>Information on the Target Fund:</u> Investment Manager/Management Company: Schroder Investment Management Australia Limited Regulatory Authority: Australian Securities and Investments Commission
Launch date	20 March 2010.
Financial year-end	30 September.
Distribution policy	We have the discretion to distribute part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the performance of the Fund.
Manager	Principal Asset Management Berhad (<i>formerly known as CIMB-Principal Asset Management Berhad</i>).
Trustee	HSBC (Malaysia) Trustee Berhad.
Solicitors	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 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	This risk refers to the day-to-day management of the fund by the manager which will impact the performance of the fund, e.g. Investment decisions undertaken by the manager as a result of an incorrect view of the market may adversely affect the performance of the fund.
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 you 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 NAV per unit as compared to the NAV per unit at the point of purchase towards settling the loan.
Specific risks of the Fund	
Fund manager's risk	Since the Fund invests into a collective investment scheme managed by another manager, the Target Fund's manager has absolute discretion over the Target Fund's investment technique and knowledge, operational controls and management. In the event of mismanagement of the Target Fund and/or the management company, the NAV of the Fund, which invests into the Target Fund, would be affected negatively.

Currency risk	As the base currency of the Target Fund (i.e. AUD) is different from the base currency of the Fund (i.e. MYR), any fluctuation in the exchange rate between MYR and AUD may have an impact on the value of these investments. You should be aware that if AUD depreciate against MYR, this will have an adverse effect on the NAV of the Fund in MYR 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.
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.
Specific risks of the Target Fund	
Target Fund risk	<p>The following risks are inherent in any managed fund:</p> <ul style="list-style-type: none"> ▪ The investment team may change, which may affect the Target Fund's future performance. ▪ Investing in the Target Fund may result in a different outcome to investing directly because of the application of tax laws to the Target Fund, income or capital gains accrued in the Target Fund, the calculation of any performance fees and the impact of investments into and withdrawals out of the Target Fund by other investors. ▪ The costs of investment may increase through an increase in fees and costs. If this occurs, Schroders Australia will provide at least thirty (30) days' prior written notice of any changes. ▪ The Target Fund may be terminated. ▪ Investing in the Target Fund with a smaller number of investments may lead to more volatile returns than investing in the Target Fund with a more diversified portfolio. <p>As stated above, as a result of these risks, the value of an investment in the Target Fund and the level of distributions may change.</p>
Market risk	Market risk is the possibility that the market has negative returns over short or even extended periods. Market risk also relates to the risk that the value of investments can be directly or indirectly affected by changes in legislation, economic policy, political events and infrastructure change. These factors can affect Australian market.
Equities risk	Over the long-term, equities have generally outperformed other asset classes, however returns can be volatile. Equity performance will generally be based on, amongst other things, the underlying strength of the cash flows, balance sheet and management of a company. Also affecting the performance of equity markets are changes in global economic conditions (i.e. growth and inflation), interest rates and bond yields.
Currency risk	The base currency of the Target Fund is AUD. As the investments of the Target Fund may be quoted and/or priced in currencies other than AUD, any unfavorable fluctuation in the exchange rate between the AUD and the currencies in which the investments is quoted and/or priced may have an adverse effect on the value of these investments when expressed in AUD.
Company risk	An investment such as a share or corporate bond in any company is exposed to changes within that company, or to its business environment. These events include changes to operations and/or management, changes to product distribution, legal action against the company or profit and loss announcements. These changes may affect the value of the shares or fixed interest securities (and thus the value of a fund's investments). In addition, there is a risk that if the company becomes insolvent, then shareholders' rights of recovery against the assets of the company may rank lower than the secured creditors of the company.
Derivatives risk	As the Target Fund may invest in financial derivative instruments to meet its specific investment objective, there is no guarantee that the performance of the financial derivatives instruments will generate positive return for the Target Fund and its shareholders, which include the Fund. Nevertheless, the investment restrictions and limits of the Target Fund limit the exposure of financial derivatives instruments to not exceed the total NAV of the Target Fund.

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	Principal Distributors	: Up to 6.50% of the NAV per unit
	IUTAs	: Up to 5.50% of the NAV per unit
Withdrawal Fee	Nil.	

Switching Fee	As switching is treated as a withdrawal from the Fund and an investment into another Principal Malaysia's fund, you may be charged a Switching Fee equal to the difference (if any) between the Application Fees of these two (2) funds. In addition, we may impose a RM100 administrative fee for every switch made out of the Fund. You may negotiate to lower the Switching Fee and/or administrative fee. We also have the discretion to waive the Switching Fee and/or administrative fee.
Transfer Fee	A maximum of RM50.00 may be charged for each transfer.
Management Fee	Up to 1.80% per annum of the NAV of the Fund.
Trustee Fee	Up to 0.08% per annum (including local custodian fees and charges) of the NAV of the Fund.
Other charges payable directly by you when purchasing or withdrawing the units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.
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 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 PHS.

Despite the maximum Application 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. 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.

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[#]	Non-RSP	: RM500 or such other amount as we may decide from time to time.
	RSP	: RM500 or such other amount as we may decide from time to time.
Minimum additional investment	Non-RSP	: RM200 or such other amount as we may decide from time to time.
	RSP	: RM200 or such other amount as we may decide from time to time.
Minimum withdrawal	800 units or such other number of units as we may decide from time to time.	
Minimum balance	2,000 units or such other number of units as we may decide from time to time.	
Switching	Switching will be conducted based on the value of your investment in the Fund. The minimum amount for a switch is subject to: <ul style="list-style-type: none"> ▪ for switching out of the Fund: <ul style="list-style-type: none"> ○ the minimum withdrawal applicable to the Fund; ○ the minimum balance required for the Fund, unless you are withdrawing from the Fund in entirety; and ○ the Withdrawal Fee of the Fund (if any). ▪ for switching into the Fund: <ul style="list-style-type: none"> ○ the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Fund; and ○ the Switching Fee applicable for the proposed switch (if any). 	
Transfer	Transfer of unit holdings is allowed 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 complete application is received and accepted by us or the Distributors from the first time investor. However, Principal Malaysia's staff and person(s) registered to deal in unit trust of Principal Malaysia or any 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.	

[#] The minimum initial investment for the EPF-MIS (where available) shall be RM1,000 (or such other amount as may be determined by EPF) or as per the amount stated under the minimum initial investment column, 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.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 before implementation.

YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST SCHEME CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST SCHEME CONSULTANT.

Valuations

We will value the Fund 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/instruments to the Funds' base currency. Currently, the currency translation is based on the bid exchange rate quoted by Bloomberg or Reuters at UK time 4:00 p.m. on the same day (Malaysian time 11:00 p.m. or 12:00 a.m.), 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.principal.com.my> after 5:30 p.m. on the following Business Day (T+1).

Please refer to the "Unit Pricing" section of the Master Prospectus for more information.

Avenues to Exit This Investment

To exit from this investment, you may withdraw from the Fund, switch out of the Fund or transfer your unit holdings to other investors. You may withdraw your investment at the NAV per unit of the Business Day.

Withdrawals can be made from the Fund by completing a withdrawal form and sending it to the relevant Distributor or our head office. There is no restriction on the frequency of withdrawals. The amount that you will receive is calculated by the withdrawal value less the Withdrawal Fee, if any. You will be paid in RM within ten (10) calendar days, upon receipt of the complete withdrawal request. You will have to bear the applicable bank fees and charges, if any.

Please note that there may also be a possibility of delay in the process of withdrawals and receiving withdrawal proceeds during the relevant period due to the Target Fund's post-financial year income distribution and audit. However, we will communicate to you the information relating to the delays at least a week prior to the relevant period.

For more information on the withdrawals, switching, transfer facility and cooling-off period, please refer to the "Transaction Information" chapter of the Master 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 Master Prospectus.

Fund Performance

Average total return of the Fund

FYE: 30 September 2019 in %	1-Year	3-Year	5-Year	10-Year	Since inception
Fund	2.80	6.11	5.82	-	5.39
Benchmark	6.06	7.71	9.14	-	7.16

Note: All performance figures have been extracted from Lipper.

Annual total return of the Fund

FYE: 30 September, in %	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Fund	2.80	0.10	16.12	12.11	(0.94)	(2.73)	16.27	19.49	(4.62)	-
Benchmark	6.06	3.00	14.38	16.02	6.80	(0.23)	19.18	17.63	(5.25)	-

Note: All performance figures have been extracted from Lipper.

For the financial year under review, the Fund increased by 2.80% underperforming the benchmark which increased by 6.06%.

Basis of calculation and assumptions made in calculating the returns

Percentage growth	=	$\frac{\text{NAV on that day} - \text{NAV of previous day}}{\text{NAV of previous day}}$	Average total return	=	$\frac{\text{Total returns of the years under review}}{\text{Number of years under review}}$
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Portfolio Turnover Ratio ("PTR")

FYE: 30 September	2019	2018	2017
Fund	0.47	0.75	0.53

The Fund's PTR stood at 0.47 times, lower than the previous reporting data of 0.75 times, mainly due to lesser trading activities during the financial year under review.

Distribution

FYE: 30 September		2019	2018	2017
Fund	Gross distribution per unit (Sen)	-	-	-
	Net distribution per unit (Sen)	-	-	-

There is no distribution made during the financial year.

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.

Contact for Further Information / Complaint

- (i) You may contact our Customer Care Centre at (03) 7718 3000. 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@principal.com.my.
- (ii) Alternatively, you may also contact:
- (a) Securities Industry Dispute Resolution Center (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 (SIDREC)
Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar
No.5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur
- (b) SC's Consumer & Investor Office:
- 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 : Consumer & Investor Office
Securities Commission Malaysia
No 3 Persiaran Bukit Kiara, Bukit Kiara, 50490 Kuala Lumpur
- (c) Federation of Investment Managers Malaysia's Complaints Bureau:
- via phone to : 03-2092 3800
 - via fax to : 03-2093 2700
 - via e-mail to : complaints@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.
- AUD - Australian Dollar.
- 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. In respect of the Target Fund, it means a week day on which banks are normally open for business in Sydney.

Note: We may declare certain Business Days to be a non-Business Day for the Fund, if the Fund's investments in foreign markets (if any) which are closed for business or suspended, is at least 50% of the Fund's NAV. This information will be communicated to you via our website at <http://www.principal.com.my>. Alternatively, you may contact our Customer Care Centre at (03) 7718 3000.

Deed	-	The principal deed and all supplemental deed in respect of the Fund made between us, the Trustee and the Unit holders of the Fund, agreeing to be bound by the provisions of the respective Deed.
Distributor	-	Any relevant persons and bodies appointed by Principal Malaysia from time to time who are responsible for selling units of the Fund, including Principal Distributors and IUTAs.
EPF	-	Employees' Provident Fund.
EPF-MIS	-	EPF's Members Investment Scheme.
Fund or CAEF	-	CIMB-Principal Australian Equity Fund.
IMS	-	Investment Management Standards issued by the Federation of Investment Managers Malaysia.
IUTAs	-	Institutional Unit Trust Scheme Advisers.
Management Fee	-	A percentage of the NAV of the Fund that is paid to the Manager for managing the portfolio of the Fund.
Master Prospectus	-	Refers to the disclosure document issued by us describing the details of the Fund.
NAV	-	Net Asset Value.
NAV of the Fund	-	The NAV of the Fund is the value of all 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.
Principal Distributors	-	Refers to the unit trust scheme consultants of Principal Malaysia (authorized Principal Malaysia distributors).
Principal Malaysia or the Manager	-	Principal Asset Management Berhad (<i>formerly known as CIMB-Principal Asset Management Berhad</i>).
PHS	-	Refers to product highlights sheet; the disclosure document issued by us that contains clear and concise information of the salient features of the Fund.
RM or MYR	-	Malaysian Ringgit.
RSP	-	Regular Savings Plan.
S&P	-	Standard & Poor's.
SC	-	Securities Commission Malaysia.
SC Guidelines	-	Guidelines on Unit Trust Funds.
Schroders Australia	-	Schroder Investment Management Australia Limited.
S&P/ASX Accumulation Index	200	Standard & Poor's Australian Securities Exchange 200 Accumulation Index.
Switching Fee	-	A charge that may be levied when switching is done from one (1) fund to another.
Target Fund	-	Schroder Australian Equity Fund.
Transfer Fee	-	A nominal fee levied for each transfer of units from one (1) Unit holder to another.
Trustee Fee	-	A percentage of the NAV of the Fund that is paid to the Trustee for its services rendered as trustee of 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.
Withdrawal Fee	-	A charge levied upon withdrawal 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 PHS 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, day or date disclosed in this PHS shall be a reference to that time, day or date in Malaysia; and
- reference to "days" in this PHS will be taken to mean calendar days.

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