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Product Highlights Sheet

CIMB-Principal Deposit Fund 2

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.

Statement of Disclaimer

The Securities Commission Malaysia has authorized/recognised the issuance of CIMB-Principal Deposit Fund 2 and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of CIMB-Principal Deposit Fund 2 and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends CIMB-Principal Deposit Fund 2 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 Deposit Fund 2 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 trust 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 Fund's Prospectus dated 19 June 2017 and its supplementary (if any). You are advised to request, read and understand the Prospectus before deciding to invest.

Brief Information on CIMB-Principal Deposit Fund 2

CIMB-Principal Deposit Fund 2 is a money market fund issued by Principal Malaysia. The Fund aims to provide investors with liquidity and regular income, whilst maintaining a low risk investment portfolio by investing primarily in deposits. The Fund is established with a multi-class structure and is allowed to establish new Class(es) from time to time.

This is neither a capital protected nor a capital guaranteed fund.

Product Suitability

The recommended investment timeframe for this Fund is one (1) year. The Fund can be used as a place to:

- invest the cash portion of an investment portfolio; and/or
- “park” money aside while waiting to make another investment.

It is also best suits you if you:

- seek liquid and low risk investment;
- have an investment horizon of one (1) year or less;
- seek preservation of capital* and flexibility in investment; and/or
- desire a stream of income.

Note:

**The Fund is neither a capital guaranteed fund nor a capital protected fund.*

Key Product Features

Fund Category/Type	Money Market / Income.		
Base currency	RM.		
Benchmark	CIMB Bank Overnight Rate for performance comparison.		
Investment strategy	<p>The Fund will invest at least 70% of the Fund’s NAV in Deposits with Financial Institutions. Up to 30% of the Fund’s NAV may be invested in Money Market Instruments, all of which have a remaining maturity period of not more than 365 days. The Fund may also invest up to 10% of the Fund’s NAV in Deposits and money market instruments with a remaining maturity period of more than 365 days but less than 732 days. The minimum credit rating for the Money Market Instruments must be at least “BBB3” or “P2” by RAM or equivalent rating by MARC or by local rating agency(ies) of the country or “BBB” by S&P or equivalent rating by Moody’s or Fitch. We will manage the portfolio actively with trading frequency that will depend on the view of the interest rate outlook. The investment policy and strategy is to invest in liquid and low risk short-term investments for capital preservation* and to accommodate the short-term cash flow requirements of its unit holders.</p> <p><i>* The Fund is neither a capital guaranteed fund nor a capital protected fund within the definition in the SC Guidelines.</i></p>		
Launch date	Class A	:	19 June 2017
	Class B	:	19 June 2017
	Class C	:	19 June 2017
Financial year-end	30 September.		
Distribution policy	<p>Class A, Class B and Class C:</p> <p>Monthly, depending on the availability of realised income and/or realised gains and at our discretion. We have the right to make provisions for reserves in respect of distribution of the Fund. 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.</p>		
Manager	Principal Asset Management Berhad.		
Trustee	PB Trustee Services 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	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 risk	This risk refers to the day-to-day management of the fund by us which will impact the performance of the fund. For example, investment decisions undertaken by us, 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	
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.
Interest rate risk	When interest rates decrease, financial institutions may offer deposits with lower interest rates. This will reduce the potential returns of future deposits which in turn will reduce the potential returns of the 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

	Class(es) of units		
	Class A	Class B	Class C
Currency denomination	RM		
Application Fee	Nil.		
Withdrawal Fee	Nil.		
Switching Fee	Switching is treated as a withdrawal from a Class and an investment into another Class or Principal Malaysia's fund (or its classes). As such, you will be charged a Switching Fee equal to the difference (if any) between the Application Fee of the Class and the Application Fee of other Class or Principal Malaysia's fund (or its classes). Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its classes) to be switched into has a lower Application Fee. In addition, we impose a RM100 administrative fee for each 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.		
Transfer Fee	A maximum of RM50.00 may be charged for each transfer.		
Management Fee	Up to 0.35% per annum of the NAV of the Class.	Up to 0.25% per annum of the NAV of the Class.	Up to 0.15% per annum of the NAV of the Class.
Trustee Fee	Up to 0.01% per annum 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.
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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 by you or the Fund as disclosed in the PHS.

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

	Class(es) of units		
	Class A	Class B	Class C
Minimum initial investment	RM10,000 [#]	RM500,000	RM50 million
	or such other amount as we may decide from time to time.		
Minimum additional investment	RM1,000	RM25,000	RM100,000
	or such other amount as we may decide from time to time.		
Minimum withdrawal	1,000 units	10,000 units	50,000 units
	or such other number of units as we may decide from time to time.		
Minimum balance	5,000 units	10,000 units	1 million units
	or such other number of units as we may decide from time to time.		
Regular Savings Plan ("RSP")	RSP is available for Class A. The RSP allows you to make regular monthly investments of RM1,000 or more, direct from your account held with a bank approved by us or our Distributors. The minimum initial investment for the RSP is RM10,000 or such other amount as we may decide from time to time.	Currently, RSP is not available.	
Switching	Switching will be conducted based on the value of your investments in the Class. The minimum amount for a switch is subject to: <ul style="list-style-type: none"> ▪ for switching out of the Class: <ul style="list-style-type: none"> ○ the minimum withdrawal applicable to the Class; ○ the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and ○ the Withdrawal Fee of the Class (if any). ▪ for switching into a Class <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 Class; and ○ the Switching Fee applicable for the proposed switch (if any). <p>You may negotiate to lower the amount for your switch with us or our Distributors.</p>		
Transfer	We may, at our absolute discretion, allow/refuse Unit holders to transfer their units subject to such terms and conditions as may be stipulated by us from time to time.		
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, 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.		

[#] 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.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.

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 carry out the valuation point for the Classes for a Business Day at the end of that Business Day (T). The unit price for a Business Day is available on our website at <http://www.principal.com.my> after 10:00 a.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 from the Class, switch out of the Class or transfer your unit holdings to other investors. You may withdraw your investment at the unit price of the Business Day.

Withdrawals can be made from a Class by completing a withdrawal form and sending it to the relevant Distributors 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 three (3) Business Days. For a withdrawal amount greater than RM30 million, you are required to provide us with a written notice (electronically or otherwise) of minimum seven (7) Business Days of such intention to withdraw to enable us to process the withdrawal. You will have to bear the applicable bank fees and charges, if any.

For more information on the withdrawals, switching and transfer facility, 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.

Fund Performance

Average total return of the Fund

FYE: 30 September 2019 in %	1-Year	3-Year	5-Year	10-Year	Since inception
Class A	3.40	-	-	-	3.25
Class B	3.48	-	-	-	3.32
Class C	3.58	-	-	-	3.60
Benchmark	1.64	-	-	-	1.58

Note: All performance figures have been extracted from Lipper.

Annual total return of the Fund

FYE: 30 September, in %	2019	2018
Class A	3.40	3.62
Class B	3.48	3.68
Class C	3.58	3.76
Benchmark	1.64	1.55

Note: All performance figures have been extracted from Lipper.

As at 30 September 2019, the Fund gave a 1-year return of 3.40% on Class A, 3.48% on Class B and 3.58% on Class C, beating the benchmark returns of 1.64%. Since inception, the Fund achieved a total return of 7.57% on Class A, 7.74% on Class B and 8.41% on Class C, beating the benchmark returns of 3.66%.

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
Fund	7.48	15.16

The Fund’s PTR for the financial period under review was lower at 7.48 times from 15.16 times a year ago, mainly due to increase in the Fund’s average NAV from RM77.44 million as at 30 September 2018 to RM242.12 million as at 30 September 2019.

Distribution

FYE: 31 September		2019
Class A	Net distribution per unit (Sen)	3.34
	Gross distribution per unit (Sen)	3.34
Class B	Net distribution per unit (Sen)	3.42
	Gross distribution per unit (Sen)	3.42
Class C	Net distribution per unit (Sen)	3.52
	Gross distribution per unit (Sen)	3.52

Distribution was in the form of cash or reinvested into additional units in the Fund at the NAV per unit on the distribution date. Class A & B are reinvested; while Class C are paid in cash.

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 Industries 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.
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.
Class	- Any class of units representing similar interest in the assets of the Fund.
Class A, Class B, and Class C	- The Classes of units issued by the Fund denominated in Malaysian Ringgit and differentiated mainly by its Management Fee.
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.
Distributors	- Any relevant persons and bodies appointed by Principal Malaysia from time to time, who are responsible for selling units of the Funds, including Principal Distributors and IUTAs.
EPF	- Employees Provident Fund.
EPF-MIS	- Employees' Provident Fund Members Investment Scheme.

Fund or DF2	- CIMB-Principal Deposit Fund 2.
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). Note: <i>To exclude structured deposits.</i>
Money Market Instruments	Refers to investments in money market which are highly liquid, including but not limited to Negotiable Instruments of Deposits, commercial papers and notes.
IUTAs	- Institutional Unit Trust Scheme Advisers.
Management Fee	- A percentage of the NAV of the Class that is paid to us for managing the portfolio of the Fund.
MARC	- Malaysian Rating Corporation Berhad.
Moody’s	- Moody’s Investors Service.
NAV	- Net Asset Value.
NAV of the Fund	- 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.
PHS	- Refers product highlights sheet; the disclosure document issued by us that contains clear and concise information of the salient features of the Fund.
Principal Distributors	- Refers to the unit trust scheme consultants of Principal Malaysia (authorized Principal Malaysia distributors).
Principal Malaysia Fund	- Any unit trust funds that may be offered by Principal Malaysia.
Principal Malaysia or the Manager	- Principal Asset Management Berhad (<i>formerly known as CIMB-Principal Asset Management Berhad</i>).
Prospectus	- Refers to the disclosure document issued by us describing the details of the Fund.
RAM	- RAM Rating Services Berhad.
RM or MYR	- Malaysian Ringgit.
S&P	- Standard & Poor’s.
SC	- Securities Commission Malaysia.
SC Guidelines	- Guidelines on Unit Trust Funds issued by the SC.
Switching Fee	- A charge that may be levied when switching is done from one fund (1) or class to another.
Transfer Fee	- A nominal fee levied for each transfer of units from one (1) Unit holder to another.
Trustee	- PB Trustee Services 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.
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, legislations 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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