

# Investments that stand the test of time



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

Trustee : **PB Trustee Services Berhad (7968-T)**

This Prospectus issue No. M1 for the CIMB-Principal Deposit Fund 2 is dated 19 June 2017.

This Fund is constituted on 19 June 2017.

**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 6.**

**THIS FUND IS A MULTI-CLASS FUND WHICH HAS MORE THAN ONE (1) CLASS. THIS FUND IS ALLOWED TO ESTABLISHED NEW CLASS(ES) FROM TIME TO TIME.**

# ABOUT THIS DOCUMENT

This is a Prospectus which introduces you to CIMB-Principal Asset Management Berhad ("CIMB-Principal") and the CIMB-Principal Deposit Fund 2 ("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 (03) 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 legislation, statute or statutory provision is a reference to that legislation, statute or statutory provision for the time being, as amended or re-enacted, and to any repealed legislation, statute or statutory provision which is re-enacted (with or without modification).

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 Malaysian Ringgit unless otherwise indicated.

## PROSPECTUS DETAILS

<b>Issue No.</b>	<b>M1</b>
<b>Prospectus Date</b>	<b>19 June 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 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.

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# DEFINITIONS

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

Application Fee	- Preliminary charge on each investment.
Bursa Malaysia	- Bursa Malaysia Securities Berhad.
Business Day	- Mondays to Fridays when Bursa Malaysia is open for trading, and/or banks in Kuala Lumpur and/or Selangor are open for business.
CIMB	- CIMB Investment Bank Berhad.
CIMB Group	- CIMB Group Sdn. Bhd.
CIMB Group Holdings	- CIMB Group Holdings Berhad.
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.
Class(es)	- 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.
CMSA	- Capital Markets and Services Act 2007.
CWA	- Refers to the unit trust consultants of CIMB-Principal.
Deed	- The principal 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.
Deposit	- 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	- Employees Provident Fund.
Financial Institution	- (a) if the institution is in Malaysia– (i) licensed bank; (ii) licensed investment bank; or (iii) 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 DF2	- CIMB-Principal Deposit Fund 2.
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).
IMS	- Investment Management Standards issued by the Federation of Investment Managers Malaysia (as may be amended, updated or superseded from time to time).
IUTAs	- Institutional Unit Trust Advisers.
Latest Practicable Date or LPD	- 30 April 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.
MARC	- Malaysian Rating Corporation Berhad.
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 RM) 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 are related to the specific Class shall be allocated to that Class only. The apportionment is expressed as a ratio and calculated as a percentage.
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.
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.

PIA	- Principal International (Asia) Ltd.
PFG	- Principal Financial Group and its affiliates.
Prospectus	- Refers to the disclosure document issued by the Manager 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 and as may be amended and/or updated from time to time.
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, 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.
Trustee or PBTSB	- 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.
US	- United States of America.
Withdrawal Fee	- 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;
- 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.

# CORPORATE DIRECTORY

## **The Manager**

CIMB-Principal Asset Management Berhad

### **Business address**

10th Floor Bangunan CIMB  
Jalan Semantan  
Damansara Heights  
50490 Kuala Lumpur  
Tel: (03) 2084 8888

### **Registered address**

13th Floor, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur Malaysia  
Tel: (03) 2261 8888

### **Postal address**

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

### **Customer Care Centre**

50, 52 & 54 Jalan SS21/39  
Damansara Utama  
47400 Petaling Jaya Selangor MALAYSIA  
Tel: (03) 7718 3100  
Fax: (03) 7718 3003

### **Website**

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

### **E-mail**

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

## **The Trustee**

PB Trustee Services Berhad

### **Business / Registered address**

17th Floor, Menara Public Bank  
146, Jalan Ampang  
50450 Kuala Lumpur Malaysia  
Tel: (03) 2162 6760  
Fax: (03) 2164 3285

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

# FUND INFORMATION

## FUND NAME

CIMB-Principal Deposit Fund 2

## BASE CURRENCY & CLASSES

The base currency of the Fund is RM.

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 the same rights and obligations. Each Class may be different in terms of fees and charges and/or distribution policy and hence, will have its respective NAV per unit, taking into account the aforementioned features. Although the Fund has multiple Classes, you should note that the assets of the Fund are pooled for investment purpose.

Currently, the Fund has three (3) Classes offered for sale, i.e. Class A, Class B and Class C. 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 CIMB-Principal's website at <http://www.cimb-principal.com.my>. When in doubt, you should consult your professional advisers for better understanding of the multi-class structure before investing in the Fund.

## FUND CATEGORY/TYPE

Money Market / Income.

## LAUNCH DATE

Name of Class	Launch Date	Initial Offer Period	Initial offer price per unit
Class A	19 June 2017	21 days from the launch date	RM 1.0000
Class B	19 June 2017	21 days from the launch date	RM 1.0000
Class C	19 June 2017	21 days from the launch date	RM 1.0000

## INVESTMENT OBJECTIVE

The Fund aims to provide investors with liquidity and regular income, whilst maintaining a low risk investment portfolio by investing primarily in deposits.

*We will require your approval if there is any material change to the Fund's investment objective.*

## BENCHMARK

CIMB Bank Overnight Rate\* for performance comparison.

*The information of the benchmark can be obtained from [www.cimbbank.com.my](http://www.cimbbank.com.my)*

*\*Given that the Fund is an income fund, the Fund shall benchmark itself against the overnight rate for performance comparison purpose only. Therefore, you are cautioned that the risk profile of the Fund is higher than investing in fixed deposits.*

## INVESTMENT POLICY AND PRINCIPAL INVESTMENT STRATEGY

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.

**Note:** *\*The Fund is neither a capital guaranteed fund nor a capital protected fund within the definition in the SC Guidelines.*

### Asset Allocation

- At least 70% of the Fund's NAV in Deposits with Financial Institutions;
- Up to 30% of the Fund's NAV in Money Market Instruments, all of which have a remaining maturity period of not more than 365 days; and
- 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 investment strategy adheres to the SC Guidelines pertaining to investments for a money market fund. As such any changes to these guidelines would be tantamount to a change in this investment strategy.

We formulate an interest rate outlook by considering factors such as the Malaysian inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, we identify the weighting of the investment tenure and credit for the Fund.

In the unlikely event of a credit rating downgrade, we reserve the right to deal with the security in the best interest of the Unit holders. As an active fund manager, we have in place flexible tolerance limits to cater to such situations. For example, we can continue to hold the downgraded security if the immediate disposal of the security would not be in the best interest of the Unit holders.

Risk management is at the core of our investment process. Every proposed decision made by the investment team is considered in the context of the overall portfolio risk-return trade-off.

The Fund will only invest in Deposits and Money Market Instruments. Our investment committee reviews the counterparties on a regular basis to ensure that the Fund invests in accordance with the Fund's objective. Hence, the Fund is constructed to be managed within the internal guidelines such as risk-return trade-off, which will be monitored regularly by the investment team.

If the Fund is eligible to be invested via the EPF's Members Investment Scheme, 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's Members Investment Scheme 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.

**Investment in the Fund is not the same as placing funds in a deposit with a financial institution. There are risks involved and you should rely on your own evaluation to assess the merits and risks when investing in the Fund.**

## **DISTRIBUTION POLICY**

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.

## **PERMITTED INVESTMENTS**

Subject to the Deed, the investment policy of 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. The following types of investments permitted for the Fund, which are in line with the Fund's objective, include but are not limited to:

- Money Market Instruments traded in or under the rules of an Eligible Market;
- Deposits; 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 objectives.

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

## **INVESTMENT RESTRICTIONS AND LIMITS**

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

### **Exposure limits**

- The value of the Fund's investments in permitted investments must not be less than 90% of the Fund's NAV;
- The value of the Fund's investments in permitted investments which have a remaining maturity period of not more than 365 days must not be less than 90% of the Fund's NAV;
- The value of the Fund's investments in permitted investments which have a remaining maturity period of more than 365 days but fewer than 732 days must not exceed 10% of the Fund's NAV.

### **Investment spread limits**

- The value of the Fund's investments in debentures and money market instruments issued by any single issuer must not exceed 20% of the Fund's NAV. This single issuer limit may be increased to 30% if the debentures are rated by any domestic or global rating agency to be of the best quality and offer highest safety for timely payment of interest and principal;
- The value of the Fund's placement in Deposits with any single financial institution must not exceed 20% of the Fund's NAV;
- The value of the Fund's investments in debentures and money market instruments issued by any group of companies must not exceed 30% of the Fund's NAV;
- Where applicable, the core requirements for non-specialised funds shall apply for any other type of investments.

### **Investment concentration limits**

- A fund's investments in debentures must not exceed 20% of the securities issued by any single issuer;
- A fund's investments in money market instruments must not exceed 20% of the instruments issued by any single issuer;



In respect of any restrictions and limits stipulated by the SC Guidelines, there is an allowance of 5% where such restrictions and limits are breached through 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 ceases to comply with the above limitations on investments, we should not make any further acquisitions to which the relevant limit is breached and must remedy the non-compliance as soon as practicable (maximum three (3) months from the date of the breach).

## **APPROVALS AND CONDITIONS**

There is no exemption and/or variation to the SC Guidelines for this Fund.

## **BORROWINGS / FINANCING**

The Fund may not obtain cash financing or other assets in connection with its activities.

## **RISK FACTORS**

### **GENERAL RISKS OF INVESTING IN 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 investors' investment in the unit trust fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce investors' 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 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 a loan/financing to finance their 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, an investor may be required to top-up the investors' existing installment 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.

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

### **SPECIFIC RISKS ASSOCIATED WITH THE INVESTMENT PORTFOLIO OF THE FUND**

There are specific risks associated with the investment portfolio of the Fund. The key ones include but are not limited to the following:

#### **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**

Interest rate risk refers to the impact of the changes in the interest rate environment that would affect the performance of the Fund. When the interest rates decrease, financial institutions may offer deposits with lower interest rates. As such, this will reduce the potential returns of future deposits which in turn will reduce the potential returns of the Fund.

**You should note that investment in the Fund is not the same as placing funds in a deposit with a financial institution. There are risks involved and you should rely on your own evaluation to assess the merits and risks when investing in the Fund.**

**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.**

# FEES, CHARGES AND EXPENSES

## CHARGES

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

### Application Fee

Nil.

### Withdrawal Fee

Nil.

### Switching Fee

Switching is treated as a withdrawal from a Class and an investment into another Class or CIMB-Principal 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 the other Class or CIMB-Principal Fund (or its classes). Switching Fee will not be charged if the Class or CIMB-Principal Fund (or its classes) to be switched into has a lower Application Fee. In addition, you may be charged an administration fee for each switch. Please refer to the Annexure of the respective Class for further information.

### Transfer Fee

You may be charged a 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 (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 you as disclosed or illustrated above.**

## FEES AND EXPENSES

All fees and 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 your professional advisers for better understanding.

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

### 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 is 0.15% and 0.25% per annum for Class ABC and Class XYZ respectively:-*

	<b>Class ABC (Denominated in MYR) (MYR)</b>	<b>Class XYZ (Denominated in MYR) (MYR)</b>
1. Annual Management Fee	0.15% per annum	0.25% per annum
2. NAV of the class	MYR 150 million	MYR 150 million
3. Management Fee for the day  = NAV of the class x Management Fee rate for the class (%) / 365 days	  = MYR 150 million x 0.15% / 365 = MYR 616.44	  = MYR 150 million x 0.25% / 365 = MYR 1,027.40

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

### Trustee Fee

Please note that the Trustee Fee 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 0.01% per annum for the Fund.

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

Trustee Fee for the Fund	=	0.01% per annum
Trustee Fee for the day	=	NAV of the Fund x annual Trustee Fee rate for the Fund (%) / 365 days
	=	MYR 150 million x 0.01% per annum / 365 days
	=	MYR 41.10

**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.

## Other Expenses

The Deed also provides for payment of other expenses. Other expenses which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) the following:

- commissions or fees paid to brokers or dealers (if any) in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes or difference account;
- taxes (including but not limited to goods and services tax) and other duties charged on the Fund by the government and other authorities if any and bank fees;
- fees and other expenses properly incurred by the auditor and tax agent;
- 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 for your benefit;
- costs incurred for any meeting of the Unit holders other than those convened for our benefit or the Trustee;
- the sale, purchase, insurance and any other dealing of investment including commissions or fees paid to brokers;
- costs involved with external specialist approved by the Trustee in investigating or evaluating any proposed investment;
- the engagement of valuer, adviser or contractor 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, that Class or any asset, including proceedings against the Trustee or the Manager, or commenced by either of them for the benefit of the Fund or that Class (except to the extent that legal costs incurred for the defence of either of them are ordered by the court not to be reimbursed out of the Fund);
- remuneration and out of pocket expenses of the independent members of the investment committee and/or advisers (if any) of the Fund, unless we decide otherwise to bear the same;
- expenses incurred in the printing of, purchasing of stationery and postage of the annual and interim (if any) reports;
- (where the custodial function is delegated by the Trustee to a foreign sub-custodian), charges or fees paid to the foreign sub-custodian;
- all costs and/or expenses associated with the distributions 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; and
- cost of obtaining experts opinion by the Trustee and the Manager for the benefit of the Fund or Class.

We and the Trustee are required to ensure that any fees or charges payable are reasonable and in accordance with the Deed, which stipulate the maximum rate in percentage terms that can be charged. Should the Fund invest into units of other CIMB-Principal Funds, we will ensure that there is no double charging of management fees to be incurred by you when you invest in the Fund. All expenses of the Fund will generally be apportioned to each Class 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 your 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.

## REBATES AND SOFT COMMISSIONS

We 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 you or the Fund 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.

# TRANSACTION INFORMATION

## VALUATION OF INVESTMENTS PERMITTED BY THE FUND

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

- **Money Market Instruments**  
Valuation of Money Market Instruments 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.

## 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 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.cimb-principal.com.my> after 10:00 a.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 Business Day on 15 November 2017, your units will be calculated based on the NAV per unit on the same Business Days, that is, 15 November 2017. The NAV per unit will be available on our website on 16 November 2017.*

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

*At the end of Business Day on 15 November 2017, your units will be calculated based on the NAV per unit on the next Business Day, that is, 16 November 2017. The NAV per unit will be available on our website on 17 November 2017.*

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

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

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 including any provisions that we and the Trustee consider should be made. 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. MYR. The NAV per unit of each Class will be the NAV of the Fund attributable for 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 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 (MYR)	Class ABC (MYR) (Denominated in MYR)	Class XYZ (MYR) (Denominated in MYR)
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)
NAV of the Fund before management and trustee fee	185,962,897	173,361,541	12,601,356
Less: Management Fee	- (798)	0.15% p.a. (712)	0.25% p.a. (86)
Less: Trustee Fee	0.01% p.a. (51)	- (48)	- (3)
NAV of the Fund	185,962,048	173,360,781	12,601,267
Units in circulation	205,000,000 units	170,000,000 units	35,000,000 units
<b>NAV per unit</b>		<b>1.0197</b>	<b>0.3600</b>

Fund (MYR)	Class ABC (Denominated in MYR) (MYR)	Class XYZ (Denominated in MYR) (MYR)
NAV of the Fund before creation of units for the day	185,962,048	12,601,267
<sup>(3)</sup> Creation of units	2,000,000	1,000,000
Closing NAV	187,962,048	13,601,267
Units in circulation	208,758,458.36 units	37,777,777.77 units
NAV per unit	<b>1.0197</b>	<b>0.3600</b>

**Note :**

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

	Class ABC (Denominated in MYR) (MYR)	Class XYZ (Denominated in MYR) (MYR)
NAV of the Class x 100	<u>173,342,897 x 100</u> 185,942,897	<u>12,600,000 x 100</u> 185,942,897
NAV of the Fund before income and expenses	=93.22%	=6.78%

<sup>(2)</sup>Apportionment based on MCR is as follows:

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

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

	Class ABC (Denominated in MYR)	Class XYZ (Denominated in MYR)
Creation of units	MYR 1,000,000	MYR 1,000,000
NAV per unit	MYR 1.0197	MYR 0.3600
Number of units	980,680.59 units	2,777,777.77 units
Creation of units	MYR 1,000,000	MYR 1,000,000

**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.

#### Illustration:

#### **Calculation of number of units received, Application Fee<sup>#</sup> and total amount payable by you**

Assumptions:

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

#### Calculation of number of units that you will receive\*

= Investment amount / NAV per unit of Class ABC  
= RM10,000.00 / RM0.5000  
= 20,000 units

#### Calculation of Application Fee<sup>#</sup> that you will incur (payable in addition to the amount invested)

= NAV per unit of Class ABC x number of units received x Application Fee rate  
= RM0.5000 x 20,000 units x 0%  
= RM0

#### Calculation of total amount that you will have to pay

= Investment amount + Application Fee paid  
= RM10,000.00 + RM0.00  
= RM10,000.00

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

# There is no Application Fee charged for Class ABC.

#### **Calculation of investment value**

Assuming you have 40,000 units of Class ABC of the Fund and the NAV per unit of Class ABC for the day (which will be made known on the following Business Day) is RM0.5110 (truncated to 4 decimal places).

#### Calculation of investment value

= Number of units x NAV per unit of Class ABC  
= 40,000.00 units x RM0.5110  
= RM20,440.00

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

Assuming you have 50,000 units Class ABC 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 of Class ABC for that Business Day (which will be made known on the following Business Day) is RM0.5230 (truncated to 4 decimal places).

#### Calculation of number of units you withdraw

= Withdrawal value/ NAV per unit of Class ABC  
= RM10,000.00 / RM0.5230  
= 19,120.45 units

#### Calculation of number of your remaining units

= Units held before withdrawal - Units withdrawn  
= 50,000 – 19,120.45  
= 30,879.55 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 charged for Class ABC. Hence, the amount payable to you is the withdrawal value.

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

## **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;
- (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 withdraw 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 0.5% 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 withdrawal 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.

## **TRANSACTION DETAILS**

### **INVESTING**

#### ***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 not an undischarged bankrupt. 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.

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 US address (permanent or mailing) or contact number) 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 may 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.

#### ***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 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.

#### ***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 holders. All applicants must be at least eighteen (18) years of age.

In the event of the demise of a joint holder who is a non-Muslim, we will only recognize the surviving joint 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.

#### ***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 detail. 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, 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).

## MINIMUM INVESTMENTS

The minimum initial and additional investment in 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.

**Note:** You may request for a lower amount or number of units when purchasing units (or additional 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.

### Regular Saving Plan

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 to cancel your standing instruction.

### 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 (T+1). 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.

## MINIMUM WITHDRAWALS

The minimum withdrawal amount 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 withdrawal 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 in our records. Please note that for EPF’s Members Investment Scheme (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.

**Note:** You may request for a lower amount or number of units when 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.

### 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. on a Business Day, 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 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.

## MINIMUM BALANCE

The minimum balance that must be retained 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 less than the minimum number of units stipulated, you are required to make additional investment in order to meet the required minimum balance of investment. Otherwise, we have the discretion to switch your units to another Class with lower minimum balance which may subject to higher fees or 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.

## COOLING-OFF PERIOD

You have six (6) Business Days after your initial investment (i.e. the date the application form is received and accepted by us or any of our Distributors) to reconsider its appropriateness and suitability for your investment needs. Within this period, you may withdraw your investment at the NAV per unit on the day the units were first purchased. We will refund the investment amount

including Application Fee (if any) to you in RM within ten (10) calendar days from the date we receive the complete documentation. Please note that the cooling-off right is only given to first time investor investing with us or any of our Distributor. However, CIMB-Principal's staff and person(s) registered to deal in unit trust of CIMB-Principal or any of our Distributor are not entitled to the cooling-off right.

In addition, if you have invested via the EPF's Members Investment Scheme (where available), your cooling-off right is subject to EPF's terms and conditions.

## **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 information.

To switch, simply complete a switch request form and send to our Distributors 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 investors) or specifically (for any particular investor or a group of investors).

### ***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 of the fund or class for that Business Day. If we receive the request after 4:00 p.m., we will process the switch out using the NAV per unit of the fund or class for the next Business Day (T+1).

However, you should note that switch in may be processed at a later Business Day, generally within one (1) Business Day but within four (4) Business Days if switch into a money market fund.

## **TRANSFER FACILITY**

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

## **DISTRIBUTIONS 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 Classes 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 in turn calculated by multiplying the total number of units held by a Unit holder in the Class by the cent per unit distribution amount. On the distribution date, the NAV per unit will adjust accordingly. For 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, 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.

## **UNCLAIMED MONEYS**

Any moneys payable to you which remain unclaimed after twelve (12) months as prescribed by the 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 holds 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 holds units of the Class or Fund. No Application Fee is payable for the reinvestment. In the event that you no longer holds any unit in the Class or 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.**

# ADDITIONAL INFORMATION

## FINANCIAL YEAR-END

30 September

## 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 personal details (e.g. 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 your investments are made through the Distributor (i.e. the 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 the respective Distributor.

You may obtain up-to-date fund information from our monthly fund fact sheets and our website, <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 **(03) 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 SS21/39  
Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan MALAYSIA

## DEED

The Fund is governed by a Deed dated 8 March 2017 including any supplemental deed (s) as may be issued from time to time.

## DOCUMENTS AVAILABLE FOR INSPECTION

You may inspect the following documents or copies thereof in relation to the Fund (upon request) at our principal place of business and/or at 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 disclosed in the 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 reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in the Prospectus;
- Writ and relevant cause papers for all material litigation and arbitration disclosed in the Prospectus; and
- Consent given by an experts disclosed in the Prospectus, if any.

## CONSENT

PricewaterhouseCoopers Taxation Services Sdn Bhd and PB Trustee Services 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.

## POTENTIAL CONFLICTS OF INTERESTS AND RELATED PARTY TRANSACTIONS

We (including our directors) will at all times act in your best interests 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 principals 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 may have 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.

### Trustee

As the Trustee and service provider 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 moneys, 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 custodied 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 a 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 their 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 and similar capacity in relation to any other scheme.

## 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.

## 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.

# THE MANAGER

## ABOUT CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD

CIMB-Principal holds a Capital Markets Services License for fund management and dealing in securities restricted to unit trust 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. The shareholders of CIMB-Principal are CIMB Group and Principal International (Asia) Ltd.

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 proceedings which might materially affect the business/financial position of CIMB-Principal.

### 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 at least once every quarter.

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		

### The Investment Committee

As at LPD, the Investment Committee currently 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.

### 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 15 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 and/or updated information, please refer to our website at <http://www.cimb-principal.com.my>.

# THE TRUSTEE

## ABOUT PB TRUSTEE SERVICES BERHAD

**PBTSB** is the Trustee of the Fund. PBTSB was incorporated on 24 August 1968 and commenced its operations on 22 January 1969, with its registered and business office at 17th Floor, Menara Public Bank, 146 Jalan Ampang, 50450 Kuala Lumpur. PBTSB has an authorized share capital of RM1,050,000 and a paid-up share capital of RM525,000.

### Experience in the trustee business

PBTSB's experience in trustee business has expanded over the past 40 years since its incorporation in 1968. It currently manages various types of funds in its capacity as trustee. These include corporate bonds, writing of wills, management of estates, trusteeship for golf clubs, recreational clubs and time sharing schemes. PBTSB is also acting as a custodian in its capacity.

### What are the roles, duties and responsibilities of the trustee?

The Trustee's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of the Unit holders of the Fund. The general function, duties and responsibility of the Trustee include, but are not limited to, the following:

- act in accordance with the provisions of the Deed, the CMSA, the SC Guidelines and securities laws;
- take into its custody the investments of the Fund and hold the investments in trust for the Unit holders;
- ensure that the Manager operates and administers the Fund in accordance with the provisions of the Deed, the CMSA, the SC Guidelines and acceptable business practice within the unit trust industry;
- ensure that it is fully informed of the investment policies of the Fund and of any changes made thereto, and if it is of the opinion that the policies are not in the interests of the Unit holders, it shall instruct the Manager to take appropriate action as the Trustee deems fit and/or summons a Unit holders' meeting for the purpose of giving such instructions to the Manager as the meeting thinks proper;
- as soon as practicable notify the SC of any irregularity or an actual or anticipated material breach of the provisions of the Deed, the SC Guidelines and any other matters which in the Trustee's opinion may indicate that the interests of Unit holders are not being served;
- exercise due care, skill, diligence and vigilance in carrying out its functions and duties, in actively monitoring the administration of the Fund by the Manager and in safeguarding the interests of Unit holders;
- maintain, or cause the Manager to maintain, proper accounting and other records in relation to those rights and interests, and of all transactions effected by the Manager on account of the Fund; and
- Require that the accounts be audited at least annually

### Trustee's disclosure of material litigation

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 any proceedings which might materially affect the business/financial position of Trustee and any of the Trustees or any of its delegates.

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

# 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.

## RIGHTS, LIABILITIES AND LIMITATION OF UNIT HOLDERS

### Rights

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

- 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;
- 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 Fund's Deed;
- To call for Unit holders' meetings;
- To vote for the removal of the Trustee or the Manager through a Special Resolution;
- To receive annual reports, interim reports or any other reports of the Fund; and
- To exercise cooling-off right.

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

### 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 Class. The Unit holders of one Class will not be liable for any liabilities of the other Classes.
- (ii) The recourse of ours, the Trustee and any creditor is limited to the assets of the Fund.

### 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.

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

## 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	% / RM
Application Fee	Up to 7.0% is charged on the NAV per unit.
Withdrawal Fee	Up to 5.0% of the NAV per Unit.
Switching Fee	A fee not exceeding 7% 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 you.

Fees	% / RM
Management Fee	Up to 3.00% per annum, calculated daily on the NAV.
Trustee Fee	Up to 0.07% per annum, calculated daily on the NAV (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. Please refer to the "Fees, Charges and Expenses" chapter for further details.

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.

### **Expenses permitted by the deed**

The Deed allow 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), 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 and/or advisers (if any) of the 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 the benefit of the Manager or the Trustee;
- costs incurred for any meeting of Unit holders other than those convened by, or for the benefit of the Manager or the Trustee;
- 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 and the retirement or removal of the Trustee or the Manager and the appointment of a new trustee or manager; and
- any proceedings, arbitration or other dispute concerning the Fund, Class or any asset, including proceedings against the Trustee or the Manager 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 not ordered by the court to be reimbursed out of the Fund).
- costs of obtaining experts opinion by the Trustee and the Manager 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.

## **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 shorter notice 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 the Manager be removed; or
- if we cease to be approved by the SC to be the manager of the Fund.

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 in respect 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 and with the approval of the Unit holders.
- 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.

## **RETIREMENT, 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 accepts.

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
- if 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.

## **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 approval is revoked under Section 256E of the 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.

## **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 holders, to the Joint holder of the Fund or that Class, as the case may be, whose name stands first in our records at the joint 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 that Class, as the case may be, to which the Deed relate, summon a meeting of the Unit holders:

- (i) 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 records at the joint Unit holder's last known address;
- (ii) 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
- (iii) 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 the 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.

Voting is by a show of hands, unless a poll is duly demanded or the resolution proposed is required by this Deed or by law to be decided by a percentage of all Units. At any meeting of Unit holders of the Fund or of a particular Class, as the case may be, (save and except for a resolution for the winding-up of a Class to a Fund, as the case may be), one vote is granted to each Unit, regardless of its NAV per Unit. Each Unit holder of the Fund or of the Class present in person or by proxy has one (1) vote on a show of hands (irrespective of the Class). On a poll, each Unit holder of the Fund or of a particular Class, as the case may be, present in person or by proxy has one (1) vote for each whole fully paid Unit held, proportionate to the value of Unit held in the base currency. . In the case of a Class meeting, on a poll, each Unit holder of that Class present in person or by proxy has one vote for each whole fully paid unit held in that Class. In the case of joint Unit holders, any one of such joint Unit holder may vote either personally or by proxy as comprised in the joint holding but if more than one of such Joint Unit holder be present at any meeting either personally or by proxy, only the Joint Unit holder 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 or of that Class.

# 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

28 February 2017

Dear Sirs,

## **TAXATION OF THE TRUST OFFERED UNDER THE CIMB-PRINCIPAL DEPOSIT FUND 2 AND UNIT HOLDERS**

This letter has been prepared for inclusion in the Prospectus Issue No. M1 ("hereinafter referred to as "the Prospectus") in connection with the offer of units in the CIMB-Principal Deposit Fund 2 ("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) Securities Borrowing and Lending Transaction (“SBL”)**

The following is a summary of tax treatment of SBL transactions in Malaysia and the Malaysian securities listed on Bursa Malaysia Berhad (“Bursa”).

Pursuant to Income Tax (Exemption) (No. 30) Order 1995 - Revised 2008, the authorised borrower or lender in a SBL approved by SC will qualify for tax exemption on any income (other than dividends, manufactured payments, lending fees and interest earned on collateral) arising from loan of securities listed under Bursa. The same exemption also applies on the return of the same or equivalent securities and the corresponding exchange of collateral.

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

Lending fees are taxable when received by the lender. Withholding tax of 10 percent is also applicable if the borrower pays lending fees to a non-resident lender.

Interest earned on collateral is not exempted from income tax / withholding tax. Interest or profit paid by Bursa Malaysia Securities Clearing Sdn Bhd on cash collateral will be exempted from tax when received by non-resident borrowers and individual borrowers who are residents.

Pursuant to Stamp Duty (Exemption) (No.28) Order 1995 and Stamp Duty (Exemption) (No. 12) Order 2000, the instrument of transfer of securities listed on Bursa and Bursa Malaysia Securities Malaysia Berhad ACE Market executed in favour of a borrower or lender and an instrument of transfer of collateral are exempted from stamp duty.

### **(5) 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.

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1 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.

2 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.

## (6) 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.

## (7) 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%

## (8) 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 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

- 3 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.
- 4 Pursuant to GST Guide on Fund Management (as at 11 April 2016 issued by the Royal Malaysian Customs).
- 5 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.

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.

# DISTRIBUTORS OF THE FUND

Currently Class A and Class B of the Fund are available for sale. As at LPD, Class A, Class B and Class C are available from the following distributors and their branches:

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

**CWA**

50, 52 & 54, Jalan SS21/39

Damansara Utama

47400 Petaling Jaya

Selangor Darul Ehsan MALAYSIA

(03) 7718 3000

**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 1 – 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 borrow for every RM of your own money that 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.

This 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 the 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 A**

This section is only a summary of the salient information about Class A. 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.

		Page
<b>Name of Class</b>	<b>Class A</b>	
<b>Currency denomination</b>	RM	
<b>Launch date</b>	19 June 2017	
<b>Initial offer price per unit</b>	RM1.0000	
<b>Initial offer period</b>	21 days from the launch date.	
<b>Distribution policy</b>	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.	15

## FEES & CHARGES

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

Charges	Class A	Page
<b>Application Fee</b>	Nil.	7
<b>Withdrawal Fee</b>	Nil.	7
<b>Switching Fee</b>	Switching is treated as a withdrawal from Class A and an investment into another Class or CIMB-Principal Fund (or its class). As such, you will be charged a Switching Fee equal to the difference (if any) between the Application Fee of Class A 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 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.	7
<b>Transfer Fee</b>	A maximum of RM50.00 may be charged for each transfer.	7
<b>Other charges payable directly by an investor when purchasing or withdrawing the units</b>	Any applicable bank charges and other bank fees incurred as a result of an investment or redemption 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 you as disclosed or illustrated in the Prospectus.

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

Fees	Class A	Page
<b>Management Fee</b>	Up to 0.35% per annum of the NAV of the Class.	7
<b>Trustee Fee</b>	Up to 0.01% per annum of the NAV of the Fund.	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.	8
<b>Other fees payable indirectly by an investor when investing in the Fund</b>	Nil.	

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 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.

**Note:** 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 A	Page
<b>Minimum initial investment<sup>#</sup></b>	RM10,000 or such other amount as we may decide from time to time.	14
<b>Minimum additional investment</b>	RM1,000 or such other amount as we may decide from time to time.	14
<b>Minimum withdrawal</b>	1,000 units or such other amount as we may decide from time to time.	14
<b>Minimum balance</b>	5,000 units or such other amount as we may decide from time to time.	14
<b>Regular Savings Plan</b>	Regular Savings Plan is available for Class A. The Regular Savings Plan (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.	14
<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 Distributors are not entitled to the cooling-off right.	14
<b>Switching</b>	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"> <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 a 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>	15
<b>Transfer</b>	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.	15

<sup>#</sup> The minimum initial investment for EPF's Members Investment Scheme (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's Members Investment Scheme 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 B**

This section is only a summary of the salient information about Class B. 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.

		Page
<b>Name of Class</b>	<b>Class B</b>	
<b>Currency denomination</b>	RM	
<b>Launch date</b>	19 June 2017	
<b>Initial offer price per unit</b>	RM1.0000	
<b>Initial offer period</b>	21 days from the launch date.	
<b>Distribution policy</b>	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.	15

## FEES & CHARGES

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

Charges	Class B	Page
<b>Application Fee</b>	Nil.	7
<b>Withdrawal Fee</b>	Nil.	7
<b>Switching Fee</b>	Switching is treated as a withdrawal from Class B and an investment into another Class or CIMB-Principal Fund (or its class). As such, you will be charged a Switching Fee equal to the difference (if any) between the Application Fee of Class B 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 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.	7
<b>Transfer Fee</b>	A maximum of RM50.00 may be charged for each transfer.	7
<b>Other charges payable directly by an investor when purchasing or withdrawing the units</b>	Any applicable bank charges and other bank fees incurred as a result of an investment or redemption 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 you as disclosed or illustrated in the Prospectus.

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

Fees	Class B	Page
<b>Management Fee</b>	Up to 0.25% per annum of the NAV of the Class.	7
<b>Trustee Fee</b>	Up to 0.01% per annum of the NAV of the Fund.	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.	8
<b>Other fees payable indirectly by an investor when investing in the Fund</b>	Nil.	

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 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.

**Note:** 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 B	Page
<b>Minimum initial investment</b>	RM500,000 or such other amount as we may decide from time to time.	14
<b>Minimum additional investment</b>	RM25,000 or such other amount as we may decide from time to time.	14
<b>Minimum withdrawal</b>	10,000 units or such other amount as we may decide from time to time.	14
<b>Minimum balance</b>	10,000 units or such other amount as we may decide from time to time.	14
<b>Regular Savings Plan</b>	Currently, Regular Savings Plan is not available for Class B.	14
<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 Distributors are not entitled to the cooling-off right.	14
<b>Switching</b>	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"> <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 a 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>	15
<b>Transfer</b>	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.	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 C**

This section is only a summary of the salient information about Class C. 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.

		Page
<b>Name of Class</b>	<b>Class C</b>	
<b>Currency denomination</b>	RM	
<b>Launch date</b>	19 June 2017	
<b>Initial offer price per unit</b>	RM1.0000	
<b>Initial offer period</b>	21 days from the launch date.	
<b>Distribution policy</b>	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.	15

## FEES & CHARGES

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

Charges	Class C	Page
<b>Application Fee</b>	Nil.	7
<b>Withdrawal Fee</b>	Nil.	7
<b>Switching Fee</b>	Switching is treated as a withdrawal from Class C and an investment into another Class or CIMB-Principal Fund (or its class). As such, you will be charged a Switching Fee equal to the difference (if any) between the Application Fee of Class C 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 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.	7
<b>Transfer Fee</b>	A maximum of RM50.00 may be charged for each transfer.	7
<b>Other charges payable directly by an investor when purchasing or withdrawing the units</b>	Any applicable bank charges and other bank fees incurred as a result of an investment or redemption 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 you as disclosed or illustrated in the Prospectus.

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

Fees	Class C	Page
<b>Management Fee</b>	Up to 0.15% per annum of the NAV of the Class.	7
<b>Trustee Fee</b>	Up to 0.01% per annum of the NAV of the Fund.	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.	8
<b>Other fees payable indirectly by an investor when investing in the Fund</b>	Nil.	



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 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.

**Note:** 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 C	Page
<b>Minimum initial investment</b>	RM50 million or such other amount as we may decide from time to time.	14
<b>Minimum additional investment</b>	RM100,000 or such other amount as we may decide from time to time.	14
<b>Minimum withdrawal</b>	50,000 units or such other amount as we may decide from time to time.	14
<b>Minimum balance</b>	1 million units or such other amount as we may decide from time to time.	14
<b>Regular Savings Plan</b>	Currently, Regular Savings Plan is not available for Class C.	14
<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 Distributors are not entitled to the cooling-off right.	14
<b>Switching</b>	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"> <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 a 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>	15
<b>Transfer</b>	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.	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.

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

**Enquiries:**

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