

INFORMATION MEMORANDUM  
CIMB-PRINCIPAL DYNAMIC GROWTH FUND

Investments that stand  
the test of time



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

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

This Information Memorandum for the CIMB-Principal Dynamic Growth Fund is dated 22 July 2015.

**DISCLAIMER: INVESTORS ARE ADVISED TO READ THE INFORMATION MEMORANDUM AND OBTAIN PROFESSIONAL ADVICE BEFORE SUBSCRIBING TO THE WHOLESALE FUND.**

**THE CIMB-PRINCIPAL DYNAMIC GROWTH FUND IS A MULTI-CLASS FUND ESTABLISHED WITH TWO (2) CLASSES.**

# About this document

This is an Information Memorandum which introduces you to CIMB-Principal Asset Management Berhad (“CIMB-Principal”) and the CIMB-Principal Dynamic Growth Fund (“Fund”), which is a multi-class fund. This Information Memorandum outlines in general the information you need to know about the Fund and is intended for the exclusive use of the prospective Sophisticated Investor (as defined herein) who should ensure that all information contained herein remains confidential. The Fund is a multi-class fund established with two (2) Classes.

This Information Memorandum is strictly private and confidential and solely for your own use. It is not to be circulated to any third party. No offer or invitation to purchase the units of the Fund, the subject of this Information Memorandum, may be made to the public in Malaysia.

If you have any questions about the Fund, please contact our Customer Care Centre at 03-7718 3100 on any Business Day 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 Information Memorandum 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reference to that legislation, statute or statutory provision for the time being, as amended or re-enacted, and to any repealed legislation, statute or statutory provision which is re-enacted (with or without modification).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 Information Memorandum shall be a reference to that time or day in Malaysia, unless otherwise stated.

Please note all references to currency amounts and unit prices in the Information Memorandum are in United States Dollars unless otherwise indicated.

**INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN DOUBT ON THE ACTION TO BE TAKEN SHOULD CONSULT THEIR PROFESSIONAL ADVISERS IMMEDIATELY.**

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# Definitions

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

Application Fee	- Preliminary charge on each investment.
Auditor	- PricewaterhouseCoopers.
Bursa Malaysia	- Bursa Malaysia Securities Berhad (635998-W)
Business Day	- Mondays to Fridays when Bursa Malaysia is open for trading, and banks in Kuala Lumpur and/or Selangor are open for business. <b>Note:</b> The Manager may declare certain Business Days to be a non-Business Day although Bursa Malaysia and/or the banks is open for business if the Fund's investment in foreign markets which are closed for business is at least 50% of the Fund's NAV. This information will be communicated to the Unit holders via CIMB-Principal's website at <a href="http://www.cimb-principal.com.my">http://www.cimb-principal.com.my</a> . Alternatively, Unit holders can contact our Customer Care Centre at 603-7718 3100.
CIMB	- CIMB Investment Bank Berhad (18417-M).
CIMB Group	- CIMB Group Sdn. Bhd. (706803-D).
CIMB Group Holdings	- CIMB Group Holdings Berhad (50841-W).
CIMB-Principal or the Manager or the Management Company	- CIMB-Principal Asset Management Berhad (304078-K).
CIMB-Principal Funds	- Any unit trust funds that may be offered by CIMB-Principal.
Class(es)	- Any Class of units representing similar interests in the assets of the Fund i.e. Class USD - The Class of units issued by the Fund denominated in USD. Class SGD - The Class of units issued by the Fund denominated in SGD.  <b>Note:</b> <i>For more information, please see page 8 and Annexure 1.</i>
CMSA	- Capital Markets and Services Act 2007.
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	- Refers to placement of term deposit with financial institution with maturities ranging anywhere from one (1) day to one (1) year, being 365 days or 366 days in the event of a leap year.
Distributors	- Any relevant persons and bodies appointed by CIMB-Principal from time to time, who are responsible for selling the units of the Fund.
FIMM	- Federation of Investment Managers Malaysia.
Financial Institution	- (a) if the institution is in Malaysia– (i) a licensed bank; (ii) a licensed investment bank; or (iii) a licensed Islamic bank; (b) if the institution is outside Malaysia, any institution that is licensed/registered/ approved/ authorised by the relevant banking regulator to provide financial services.
Fund or CDG	- CIMB-Principal Dynamic Growth Fund.
GST	- Refers to the tax levied on goods and services, in the context of Malaysia it is pursuant to the Goods and Services Tax Act 2014.
Information Memorandum	- Refers to this Information Memorandum in respect of the CIMB-Principal Dynamic Growth Fund and includes any addendum to the Information Memorandum or replacement Information Memorandum, as the case may be.
IOSCO	- International Organization of Securities Commissions; for further details, please refer to <a href="http://www.iosco.org">http://www.iosco.org</a> .
Latest Practicable Date or LPD	- 31 May 2015, in which all information provided herein, shall remain current and relevant as at such a date.
Management Fee	- A percentage of the NAV of the Fund that is paid to the Manager for managing the portfolio of the Fund.
MCR	- Multi-class ratio, being the apportionment of the NAV of each Class over the Fund's NAV based on the size of each Class. The MCR is calculated by dividing the NAV (USD) of the respective Class by the NAV of the Fund before income and expenses for the day, save and except any benefits or costs of hedging (if any) and/or charges for a Class shall be allocated to that Class only. The apportionment is expressed as a ratio and calculated as a percentage.
Medium to long term	- Refers to a period of three (3) years and more.

Net Asset Value or NAV	- The NAV of the Fund is the value of all the Fund's assets less the value of all the Fund's liabilities, at the point of valuation. For the purpose of computing the annual Management Fee (if any) and annual Trustee Fee (if any), the NAV of the Fund should be inclusive of the Management Fee and Trustee Fee for the relevant day. The NAV of a Class is the NAV of the Fund attributable to a Class at the same valuation point
NAV per Unit	- The NAV attributable to a Class of units divided by the number of units in circulation for that Class, at the valuation point.
OTC	- Over-the-counter.
PIA	- Principal International (Asia) Ltd.
Principal Financial Group or PFG	- Principal Financial Group and its affiliates.
RM or MYR	- Ringgit Malaysia.
SC	- Securities Commission Malaysia.
SC Guidelines	- SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework as may be amended and/or updated from time to time.
SGD	- Singapore Dollar.
Sophisticated Investor	- Refers to investors as the Manager determines as qualified or eligible to invest in the Fund and that fulfil any laws, rules, regulation, restrictions or requirements imposed by the respective country's regulators where the Fund is open for sale. For investors in Malaysia, this refers to any person who falls within any of the categories of investors set out in Part 1, Schedule 6 and 7 of the CMSA (as may be amended, varied, modified, updated and/or superseded from time to time). <i>For more information, please see Annexure 2 for the current excerpts of Part 1, Schedule 6 and 7 of the CMSA.</i>
Special Resolution	- A resolution passed by a majority of not less than 3/4 of Unit holders voting at a meeting of Unit holders. For the purpose of terminating or winding up a fund or a class, a Special Resolution is passed by a majority in number representing at least 3/4 of the value of the units held by Unit holders voting at the meeting.
Switching Fee	- A charge that may be levied when switching is done from one fund or class to another.
Transfer Fee	- A nominal fee levied for each transfer of units from one Unit holder to another.
Transferable Securities	- Refer to: (a) equities and other securities equivalent to equities; and (b) bonds and other forms of securitised debt; but do not include money market instruments or any security the title to which can be transferred only with the consent of a third party.
Trustee or HSBCT	- HSBC (Malaysia) Trustee Berhad (1281-T)
Trustee Fee	- A percentage of the NAV of the Class that is paid to the Trustee for its services rendered as trustee for the Fund.
UK	- United Kingdom.
Unit holder	- The registered holder for the time being of a unit of any Class including persons jointly so registered.
USA	- United States of America.
USD	- United States Dollar.
Wholesale Fund	- A unit trust scheme established in Malaysia where the units are to be issued, offered for subscription or purchase, or for which invitations to subscribe for or purchase the units are to be made, exclusively to Sophisticated Investor.
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.

Reference to "days" in this Information Memorandum will be taken to mean calendar days unless otherwise stated.

# Key Data

## Fund information

	CIMB-Principal Dynamic Growth Fund	Page
<b>Fund Category/Type</b>	Wholesale Fund (Equity) / Growth	
<b>Base currency</b>	USD	
<b>Investment objectives</b>	The Fund aims to achieve capital appreciation over the medium to long term.	8
<b>Benchmark</b>	<p>The performance of this Fund cannot be compared directly with any specific publicly available benchmark. However, the Fund has a target return of ten percent (10 %) per annum.</p> <p>This is not a guaranteed return and is only a measurement of the Fund's performance. The Fund may not achieve the target return in any particular financial year but targets to achieve this growth over the medium to long term.</p>	8
<b>Investment policy and principal investment strategy</b>	<p>The Fund will be managed with the aim of achieving a stable and positive investment returns over the medium to long term regardless of market conditions.</p> <p>As this is an equity fund, under general market conditions, the Fund will invest in equities of companies which the Manager believes will exhibit good growth potential* when compared against its peers or the overall market. However, as the Fund adopts a dynamic strategy, the Fund may also be managed defensively by investing all or a substantial portion of its assets in debt instruments, money market instruments and/or deposits, when the Manager believes that the equity markets that the Fund invests in are experiencing excessive volatility, expected prolonged declines, or when there are other adverse conditions, such as political instability.</p> <p>The asset allocation strategy for this Fund is as follows:</p> <ul style="list-style-type: none"> <li>• Up to 100% of the Fund's NAV will be invested in equities; and</li> <li>• Up to 100% of the Fund's NAV may be invested in debt instruments, money market instruments and/or deposits.</li> </ul> <p>The investment universe of the Fund is unconstrained, but the Fund will generally focus its investment in the Asia Pacific ex Japan region, i.e. companies that are domiciled in, listed in, and/or have operations or businesses that focus in the Asia Pacific ex Japan region.</p> <p>The Manager will adopt an active investment strategy by using a bottom-up equity selection process in searching for companies taking into consideration its growth potential compared against its peers or the overall market. To complement this strategy, the Manager combines it with a top-down risk framework. Analysis and studies will be made on the trends in the marketplace and how we can capitalize the trends for the portfolio. We investigate the potential companies to be invested in, focusing on the sustainability and quality of earnings. We pay particular attention to the quality and adaptability of management in the dynamic environment they operate in. In addition we analyze the quality and sustainability of cash flow and income of the companies. For the debt instruments, money market instruments and/or deposits portion, the Manager formulates an interest rate outlook through examining factors such as inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, the Manager identifies the weighting of the tenure and credit for the investments of the Fund.</p> <p><i>* Companies that have a better growth than the gross domestic product (GDP) of the respective country and reasonably priced based on our estimate.</i></p>	8
<b>Investment timeframe</b>	Recommended three (3) years or more.	
<b>Principal risks</b>	Stock specific risk, country risk, liquidity risk, currency risk, credit (default) and counterparty risk, interest rate risk and risk of investing in emerging markets.	5
<b>Investor profile</b>	<p>This Fund is suitable for Sophisticated Investors who:</p> <ul style="list-style-type: none"> <li>• have a medium to long term investment horizon;</li> <li>• are seeking capital appreciation over medium to long term; and/or</li> <li>• willing to take moderate risks for potentially moderate capital returns over the long term.</li> </ul>	
<b>Manager</b>	CIMB-Principal Asset Management Berhad.	20
<b>Trustee</b>	HSBC (Malaysia) Trustee Berhad (1281-T).	23
<b>Launch Date</b>	Date of this Information Memorandum.	
<b>Financial year-end</b>	31 March.	

## Class Information

The Fund is established with a multi-class structure and has more than one (1) Class. Investors should note that the Fund is allowed to establish new Class(es) from time to time without prior consent from the Unit holders.

Classes may differ in terms of currency denomination, rate of fees and charges and income distribution policy. A separate NAV per Unit will be calculated for each Class. The NAV per Unit will be denominated in the currency of the respective Class and may differ between Classes as a consequence of the various features of each Class. Save for these differences, Unit Holders of each Class have the same rights and obligations under the Deed. Unit Holders should note that the assets of the Fund are pooled and invested as a single fund and are not segregated in respect of each Class.

*Note: Currently, the Fund is established with two (2) Classes i.e. Class USD and Class SGD. For more information, please see page 8 and Annexure 1.*

# Risk Factors

## General risks of investing in a unit trust fund

Any investment carries with it an element of risk. Therefore, prior to making an investment, prospective Sophisticated Investor should consider the following risk factors in addition to the other information set out in this Information Memorandum.

### Returns not guaranteed

Investors should be aware that by investing in a unit trust fund, there is **NO GUARANTEE** of any income distribution or capital appreciation. In addition, there is a possibility that the investment objective of the unit trust fund may not be achieved. However, the manager mitigates this risk by ensuring diligent management of the assets of the fund based on a structured investment process.

### General market environment risk

Any purchase of securities will involve some elements of market risk. Hence, a unit trust fund may be prone to changing market conditions as a result of:

- global, regional or national economic developments;
- governmental policies or political conditions;
- development in regulatory framework, law and legal issues;
- general movements in interest rate;
- broad investor sentiment; and
- external shocks (e.g. natural disasters, war and etc.)

All these may result in uncertainties and fluctuations in the price of the securities of the fund's investment portfolio. Such movements in the values of the securities will cause the net asset value or prices of units to fall or rise, and income produced by a unit trust fund may also fluctuate. The market risk can be managed by ensuring a rigorous review of macroeconomic trends by the fund management team to determine investments in markets that are not highly correlated and/or employing active asset allocation management.

### Security specific risk

There are many specific risks which apply to the individual security. Some examples include the possibility of a company defaulting on the repayment of the coupon and/or principal of its debentures, and the implications of a company's credit rating being downgraded. All these risks may be detrimental to the value of the security. To mitigate these security specific risks, the Manager will perform continuous fundamental research and analysis to assist in security selection and ensure diversification is provided in the portfolio in order to reduce the volatility, and hence the risk in the portfolio.

### Liquidity risk

Liquidity risk can be defined as the ease with which a security can be sold. If a security encounters a liquidity crunch, the security may need to be sold at unfavorable price. This in turn would depress the net asset value of the fund. The Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volumes and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the fund's growth potential.

### Inflation risk

Inflation is the risk that a unit trust fund's assets or income from a unit trust fund's investments may be worth less in the future as inflation decreases the real value of money. As inflation increases, the real value of a fund's portfolio could decline. Inflation causes the real rate of return to be lower than the nominal rate of return. This risk can be mitigated by investing in securities that can provide a positive real rate of return.

### Risk of non-compliance

This refers to the current and prospective risk to the unit trust fund and the investors' interest arising from non-conformance with applicable laws, rules, regulations and deed by the Manager or its fund management delegate. The possibility of a breakdown in the Manager's or its fund management delegate's prescribed practices and internal policies and procedures are factors that may lead to non-compliance. The breakdown may be the outcome from human error (for instance the oversight of a fund manager) or system failure (causing unnecessary downtime). The magnitude of such risk and its impact on the fund and/or unit holders are dependent on the nature and severity of the non-compliance. In order to mitigate this risk, CIMB-Principal has in place stringent internal controls and compliance monitoring processes for all funds under its management.

### Manager's risk

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

### Loan financing risk

If a loan is obtained to finance the purchases of units of a unit trust fund, investors will need to understand that:

- borrowing increases the magnitude for gains or losses;
- in the event where units are being used as collateral, if the value of the investment falls below a certain level, investors may be asked by the lender to top up the collateral or reduce the outstanding loan amount to the required level, failing which the lender may take the necessary action (as may be provided for in the lending agreement) including the possibility of force selling the investment;
- the borrowing cost may vary over time depending on the fluctuations in interest rates; and
- the risks of using loan financing in light of investors' investment objectives, attitude towards risk and financial circumstances should be carefully assessed.



## Specific risks associated with the investment portfolio of the Fund

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

### Stock specific risk

Any irregular fluctuation of the value of a particular stock may affect the unit price. In general, the value of a particular stock fluctuates in response to activities of individual companies and in response to market conditions. The impact is however reduced as the Fund invests in a wide portfolio of investments; thus, spreading the element of risk through diversification. Diversification can be achieved by investing in various companies across different industries, sectors or even countries that are uncorrelated. In addition, the Manager will undertake an active bottom-up investment approach to ensure that the fundamentals of the equities invested in are favourable.

### Country risk

When the Fund invests into foreign markets, the foreign investments portion of the Fund may be affected by risks specific to the country which it invests in. Such risks include adverse changes in the country's economic fundamentals, social and political stability, laws and regulations and foreign investments policies. These factors may have an adverse impact on the prices of the Fund's investment in that country and consequently may also affect the Fund's NAV and its growth. To mitigate these risks, the Manager will select securities and collective investment schemes that spread across countries within its portfolio in an attempt to avoid such events. The decision on diversification will be based on its constant fundamental research and analysis on the global markets.

We have obtained the necessary licenses/permits for investments in countries that require such licenses/permits. In the event that such licenses/permits to invest are revoked or not renewed, the fund manager would seek to invest in other accessible markets.

### Liquidity risk

Liquidity risk can be defined as the ease with which a security can be sold. If a security encounters a liquidity crunch, the security may need to be sold at unfavourable price. This in turn would depress the NAV of the Fund. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the fund with more apparent liquidity risk, the Manager will continuously conduct research and analysis work to actively manage the asset allocations.

### Currency risk

Assets of the Fund may be denominated in a currency other than the base currency, i.e. USD and changes in the exchange rate between the USD and the currency of the asset may lead to a depreciation of the value of the Fund's assets as expressed in the USD.

Classes may be denominated in currencies other than USD and changes in the exchange rate between the USD and the denominated currency of the Class may lead to a depreciation of the value of the investor's holding as expressed in the USD.

As such, investors should realise that currency risk is considered as one of the major risks due to the volatile nature of the foreign exchange market. The Manager does not seek to mitigate the currency risk. Hence, investors of the Fund should be prepared to assume the currency risk.

### Credit (default) and counterparty risk

When the Fund invests in bond and/or conducts OTC transactions, this may involve a certain degree of credit (default) and counterparty risk with regards to the issuers and counterparties. Generally, credit (default) and counterparty risk is the risk of loss due to the issuers' or counterparties' non payment or untimely payment of the investment amount as well as the returns on investment including accrued coupon payments. This may result in a credit downgrade that will cause a decline in value of the investment and subsequently depress the NAV of the Fund. In addition, each counterparty and issuer that the Fund dealt with may issue a number of securities or a security with different tranches. Each of these securities carries its own credit rating. Thus, the Fund may be expose to varying degree of credit (default) and counterparty risk given that each security or each tranche of the security has a different level of risk exposure. Usually this risk is more apparent for an investment with a longer tenure, i.e. the longer the duration, the higher the credit (default) and counterparty risk. Credit (default) and counterparty risk can be managed by performing continuous bottom up and top down credit research and analysis to ascertain the creditworthiness of its counterparties and/or issuers as well as the credit quality of their issues. In addition, the Manager imposes a minimum rating requirement as rated by foreign rating agencies and manages the duration of the investment in accordance with the objective of the Fund.

The Fund's placements of Deposits are also subject to credit (default) and counterparty risk. This is the risk of loss due to the counterparty's non payment or untimely payment of the investment amount as well as the returns on investment which may lead to a default in the payment of principal and/or interest income and ultimately a reduction in the value of the Fund. The Manager aims to mitigate this risk by performing bottom-up and top-down credit research and analysis to determine the creditworthiness of its counterparties, and impose investment limits on exposures for counterparties with different credit profiles as a precautionary step to limit any loss that may arise directly or indirectly as a result of a defaulted transaction.

### Interest rate risk

In general, when interest rates rise, bond prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund hold a bond until maturity, such price fluctuations would dissipate as it approaches maturity, and thus the NAV shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via short tenured and/or long tenured assets depending on the Manager's or its fund management delegate's view on the future interest rate trend, which is based on its continuous fundamental research and analysis.

**Risk of investing in emerging markets**

Investing in assets from the emerging markets generally entails a greater risk (potentially including considerable legal, economic and political risks) than investing in assets from the markets of industrialized countries. Emerging markets are markets that are, by definition, "in a state of transition" and are therefore exposed to rapid political change and economic declines. During the past few years, there have been significant political, economic and societal changes in many emerging market countries. In many cases, political considerations have led to substantial economic and societal tensions, and in some cases these countries have experienced both political and economic instability. Political or economic instability can influence investor confidence, which in turn can have a negative effect on exchange rates and security prices in emerging markets. The exchange rates and the prices of securities in the emerging markets are often extremely volatile. Changes to these security prices can be caused by interest rates, changes to the balance of demand and supply, external forces affecting the market (especially in connection with important trading partners), trade-related, tax-related or monetary policies, governmental policies as well as international political and economic events.

In most cases, the securities markets in the emerging markets are still in their primary stage of development. Markets in emerging market countries are frequently characterized by illiquidity in the form of lower trading volumes of the listed securities. In comparison with investments in the developed markets, securities in the emerging markets may face a higher risk of a price drop and increased volatility in the security prices which can lead to the potential for investors to reduce their exposure to investment in securities in the emerging markets securities as compared to investment in securities of the developed markets. As such, investors should bear in mind that investments in emerging markets are subject to higher price volatility and therefore will tend to have a higher investment risk that will affect the Fund's growth. The Manager will attempt to mitigate all these risks through its active asset allocation management and diversification, in addition to its continuous bottom up and top down research and analysis.

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

**This Fund is established with a multi-class structure which has more than one (1) Class. Investors should note that the Fund is allowed to establish new Class(es) from time to time without prior consent from the Unit holders subject to the concurrence of the Trustee.**

# Fund's Detailed Information

## Investment Objective

The Fund aims to achieve capital appreciation over the medium to long term.

*Any material change to the objective of the Fund would require Unit holders' approval.*

## Benchmark

The performance of this Fund cannot be compared directly with any specific publicly available benchmark. However, the Fund has a target return of ten percent (10%) per annum.

This is not a guaranteed return and is only a measurement of the Fund's performance. The Fund may not achieve the target return in any particular financial year but targets to achieve this growth over the medium to long term.

## Investment policy and principal investment strategy

The Fund will be managed with the aim of achieving a stable and positive investment returns over the medium to long term regardless of market conditions.

As this is an equity fund, under general market conditions, the Fund will invest in equities of companies which the Manager believes will exhibit good growth potential\* when compared against its peers or the overall market. However, as the Fund adopts a dynamic strategy, the Fund may also be managed defensively by investing all or a substantial portion of its assets in debt instruments, money market instruments and/or deposits, when the Manager believes that the equity markets that the Fund invests in are experiencing excessive volatility, expected prolonged declines, or when there are other adverse conditions, such as political instability.

The asset allocation strategy for this Fund is as follows:

- Up to 100% of the Fund's NAV will be invested in equities; and
- Up to 100% of the Fund's NAV may be invested in debt instruments, money market instruments and/or deposits.

The investment universe of the Fund is unconstrained, but the Fund will generally focus its investment in the Asia Pacific ex Japan region, i.e. companies that are domiciled in, listed in, and/or have operations or businesses that focus in the Asia Pacific ex Japan region.

The Manager will adopt an active investment strategy by using a bottom-up equity selection process in searching for companies taking into consideration its growth potential compared against its peers or the overall market. To complement this strategy, the Manager combines it with a top-down risk framework. Analysis and studies will be made on the trends in the marketplace and how we can capitalize the trends for the portfolio. We investigate the potential companies to be invested in, focusing on the sustainability and quality of earnings. We pay particular attention to the quality and adaptability of management in the dynamic environment they operate in. In addition we analyze the quality and sustainability of cash flow and income of the companies. For the debt instruments, money market instruments and/or deposits portion, the Manager formulates an interest rate outlook through examining factors such as inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, the Manager identifies the weighting of the tenure and credit for the investments of the Fund.

*\* Companies that have a better growth than the gross domestic product (GDP) of the respective country and reasonably priced based on our estimate.*

## Classes of the Fund

The Fund is established with a multi-class structure where the Deed dated on 10 June 2015 currently allows for 2 Classes with similar interests in the assets of the Fund, i.e. Class USD and Class SGD. Investors should note that the Fund is denominated in USD, i.e. the base currency is USD. Each Class may be different in terms of currency denomination, fees and charges, distribution policy and hence, will have its respective NAV per Unit, denominated in its respective currency taking into account the aforementioned features. Although the Fund has multiple Classes, Unit holders should note that the assets of the Fund are pooled for investment purpose.

Information on Class USD and Class SGD are available in this Information Memorandum and all references to Class or Fund in this Information Memorandum will be applicable and/or refers (as the case may be) to the relevant Classes offered for sale, unless otherwise stated. For detailed information of the Classes please refer to Annexure 1. Investors who are in doubt should consult their professional advisers for better understanding of the multi-class structure before investing in the Fund.

The Manager shall have the sole and absolute right to issue other classes of units to the Fund in the future with different and/or similar features including but not limited to fees, charges, currency and/or distribution policy with that of the units without the need to obtain or seek the Unit holders' approval provided that the issuance of other classes shall not in the opinion of the Manager prejudice the rights of the Unit holder of the current Classes of units to the Fund.

## Risk management strategy

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

In times of adversity in equity markets and as part of its risk management strategy, the Manager and its fund management delegate may from time to time reduce its proportion of equities and increase its asset allocation to debt instruments and/or liquid assets such as bank deposits to safeguard the investment portfolio of the Fund. When deemed necessary, the Manager may also utilize derivative instruments, subject to SC Guidelines, for the purpose of hedging.

The Manager will manage risks associated with debt instruments portfolio according to three (3) parameters: tenure, credit ratings and sector. The duration of the debt instruments portfolio is also monitored and modified according to the Manager's interest rate outlook (i.e. the sensitivity of the portfolio to interest rate changes).

## Foreign Market Admission Requirement

The Fund will obtain prior approval from the relevant regulatory authorities before investing into India, South Korea and Taiwan. Below are the foreign market admission requirements:

- India: Foreign Institutional Investors (FII) certificate issued by the Securities and Exchange Board of India (SEBI), annual renewal of the FII is not required;
- South Korea: Investment Registration Certificate (IRC) issued by the Financial Supervisory Service (FSS), annual renewal of the IRC is not necessary; and
- Taiwan: Foreign Institutional Investors (FINI) license issued by the Taiwan Stock Exchange, annual renewal of the FINI is not required.

In the event the Manager is unable to acquire the necessary licenses/permits, or the licenses/permits are revoked or not renewed (as the case may be), the Manager will seek to invest in other accessible markets.

## Authorised investments

Subject to the Deed, the investment policy for the Fund and the requirements of the SC and any other regulatory body, the Manager has 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:

- Equities and debt instruments;
- Unlisted equities including equities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Fund by the issuer;
- Warrants;
- Deposits and money market instruments;
- All types of collective investment schemes;
- Securities listed or traded on foreign markets where the regulatory authority is an ordinary or associate member of the IOSCO;
- Derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps; and
- Any other form of investments as may be permitted by the SC from time to time that is in line with the Fund's objective.

The formulation of the investment policies and strategies of the Fund is based on the objective of the Fund after taking into consideration the regulatory requirements, 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 and limits:

- 1) The aggregate value of the Fund's investment in Transferable Securities or money market instruments issued by a single issuer must not exceed 50% of the Fund's NAV;
- 2) The value of the Fund's placement in Deposits with any single investment grade Financial Institution must not exceed 50% of the Fund's NAV;
- 3) The value of a Fund's investments in unlisted equities must not exceed 40% of the Fund's NAV;
- 4) The Fund's investments in collective investment schemes must not exceed 25% of the units in any one collective investment scheme. Where the Fund invests in units in other collective investment schemes operated by the same Manager or its related corporation, the Manager must ensure that—
  - (a) there is no cross-holding between the Fund and the target fund;
  - (b) all initial charges on the target fund is waived; and
  - (c) the management fee must only be charged once, either at the Fund or the target fund;

**Note:**

*Pursuant to the requirements in Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, if the Fund's investments are made in collective investment schemes managed by the same Manager, the Manager must inform the investors of such investment.*

- 5) The aggregate value of the Fund's borrowing for the purpose of meeting repurchase request for units and for short-term bridging requirements should not exceed 10% of the Fund's NAV at the time the borrowing is incurred. For the purpose of this clause, the management company should ensure that—
- (a) the Fund's cash borrowing is only on a temporary basis and that borrowings are not persistent;
  - (b) the borrowing period should not exceed one month; and
  - (c) the Fund may only borrow from Financial Institutions;

In respect of the above-mentioned restrictions and limits, 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 restrictions and limits, the Manager 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).

## Valuation of authorised investments

Valuation of the Fund will be carried out by the Manager in a fair manner in accordance with applicable law and guidelines. The valuation bases for the authorised investments of the Fund are as below:

### ▪ **Listed securities**

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

### ▪ **Unlisted securities**

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

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

The value of any unlisted non RM-denominated debt securities shall be calculated at least weekly by reference to the average of bid and offer prices quoted by three (3) independent and reputable financial institutions or any alternative valuation basis as may be permitted by the SC from time to time.

### ▪ **Collective investment schemes**

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

### ▪ **Money market instruments**

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

As the value of the Fund's assets is denominated in a foreign currency, the assets are translated on a daily basis to USD based on the bid foreign exchange rate quoted by either Reuters or Bloomberg, at United Kingdom time 4:00 p.m. the same day as per the Investment Management Standard (FIMM/IMS (I&SP)-004 (2<sup>nd</sup> Edition)) issued by the Federation of Investment Managers Malaysia, which may be amended or updated from time to time.

## Borrowings/Financing

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

# Fees, Charges and Expenses

## Charges

The following describes the charges that you may **directly** incur when you buy or redeem units of the Class(es).

### Application Fee

Application Fee will be imposed based on the NAV per Unit and may differ between distribution channels or Classes. Please refer to the Annexure 1 for further information.

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

	<b>Class ABC (Denominated in USD)</b>	<b>Class XYZ (Denominated in SGD)</b>
1. Investment amount	USD 10,000	SGD 10,000
2. NAV per Unit	USD 1.0000	SGD 1.0000
3. Application Fee (NAV per Unit)	2.0%	2.0%
Units issued to Unit holder = $\frac{\text{Investment amount}}{\text{NAV per Unit}}$	= $\frac{\text{USD 10,000.00}}{\text{USD 1.0000}}$ = 10,000 units	= $\frac{\text{SGD 10,000.00}}{\text{SGD 1.0000}}$ = 10,000 units
Application Fee per unit = NAV per Unit x Application Fee (%)	= USD 1.0000 x 2.0% = USD 0.02	= SGD 1.0000 x 2.0% = SGD 0.02
Total Application Fee	= 10,000 units x USD 0.02 = <b>USD 200.00</b>	= 10,000 units x SGD 0.02 = <b>SGD 200.00</b>

Please note that the above example is for illustration purpose only and the illustration does not take into account the GST.

**Note:** The Application Fee imposed will be rounded using the normal rounding policy to two (2) decimal places.

### Withdrawal Fee

A Withdrawal Fee may be charged for each withdrawal. Please refer to the Annexure 1 for further information.

**Note:** The Withdrawal Fee (if any) imposed will be rounded using the normal rounding policy to two (2) decimal places.

### Switching Fee

Switching may be available between the Class and other CIMB-Principal Funds (or its classes) which must be denominated in the same currency. For information on the availability of switching, please refer to the Annexure 1 of the respective Class.

Since switching is treated as a withdrawal from one (1) class or fund and an investment into another class or fund (or its classes) by a Unit holder (Sophisticated Investor), a Switching Fee equal to the difference (if any) between the Application Fees of these two (2) classes or funds will be charged accordingly. Switching Fee will not be charged if the fund to be switched into has a lower Application Fee.

### Transfer Fee

A transfer fee may be charged for each transfer. Please refer to the Annexure 1 for further information.

**All fees and charges payable by investor are subject to any applicable taxes (including but not limited to GST) and/or duties as may be imposed by the government or other authorities from time to time.**

## Fees and Expenses

All fees and expenses of the Fund will generally be apportioned to each Class based on the MCR except for Management Fee, Trustee Fee and those that are related to the specific Class only, such as, the cost and/or benefits from currency hedging of the respective Classes and the cost of Unit holders meeting held in relation to the respective Class. If in doubt, investors should consult their professional advisers for better understanding.

The following describes the fees that you may **indirectly** incur when you invest in the 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. The Management Fee shall be accrued daily and paid monthly.

For illustration purposes, we assume the Management Fee is 1.50% per annum for Class ABC and Class XYZ.

#### Illustration on how the Management Fee is calculated

	<b>Class ABC (Denominated in USD) (USD)</b>	<b>Class XYZ (Denominated in SGD) (USD)</b>
1. Annual Management Fee	1.50% per annum	1.50% per annum
2. NAV of the class	USD 150 million	USD 150 million
3. Management Fee for the day  = NAV of the class x Management Fee rate for the class (%) / 365 days	= USD 150 million x 1.50% / 365 = USD 6,164.38	= USD 150 million x 1.50% / 365 = USD 6,164.38

**Note:** Management Fee shall be computed on the basis of 365 days (or 366 days in a leap year).

### Trustee Fee

Please note that the Trustee Fee is charged to the respective Class at the Class level, based on the NAV of the Class. The Trustee Fee shall be accrued daily and paid monthly.

For illustration purposes, we assume the Trustee Fee is 0.05% per annum for Class ABC and Class XYZ.

#### Illustration on how the Trustee Fee is calculated

	<b>Class ABC (Denominated in USD) (USD)</b>	<b>Class XYZ (Denominated in SGD) (USD)</b>
1. Annual Trustee Fee	0.05% per annum	0.05% per annum
2. NAV of the class	USD 150 million	USD 150 million
3. Trustee Fee for the day  = NAV of the class x Trustee rate for the class (%) / 365 days	= USD 150 million x 0.05% / 365 = USD 205.48	= USD 150 million x 0.05% / 365 = USD 205.48

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

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

## Expenses

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

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

The Manager and the Trustee are required to ensure that any fees or charges payable are reasonable and in accordance with the Deed which stipulates the maximum rate in percentage terms that can be charged. The Manager will ensure that there is no double charging of management fees to be incurred by an investor when investing in the Fund. All expenses of the Fund will generally be apportioned to each Class based on the MCR except for Management Fee, Trustee Fee and those that are related to the specific Class only, such as, the cost and/or benefits from currency hedging of the respective Classes and the cost of Unit holders meeting held in relation to the respective Class. If in doubt, investors should consult their professional advisers for better understanding.

The Manager 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.

The Manager 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 the investor in respect of the Fund, either generally (for all investors) or specifically (for any particular investor) and for any period or periods of time at its absolute discretion.

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

**There are fees and charges involved and investors are advised to consider them before investing in the Fund/Class. All fees and charges payable by investor 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 from time to time.**

**The Manager has 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 of the Fund. Where necessary, the amendments will be notified to the Trustee. Amendments to the fees and charges, if any, will be communicated to the Unit holders.**



# Transaction Information

## Unit pricing

The Manager adopts a single pricing method to price the units in relation to an application for and redemption of units. This means that the application for and redemption of units will be carried out at NAV per Unit. The Application Fee (if any) will be computed and charged based on your application amount. The Application Fee (if any) may differ between distribution channels. The single price for the application for or redemption of units shall be the daily NAV per Unit at the next valuation point after the Manager receives the relevant completed application or redemption form (i.e. forward prices are used).

The valuation point for a Business Day will be carried out on the next Business Day (T+1) by 4:00 p.m. This is to cater for the currency translation of the foreign securities/instruments to the Fund's base currency based on the bid exchange rate quoted by Bloomberg/Reuters at UK time 4:00 p.m. which is equivalent to 11:00 p.m. or 12:00 a.m. midnight (Malaysian time) on the same day, or such other time as stipulated in the Investment Management Standards issued by the Federation of Investment Managers Malaysia. The unit price (i.e. NAV per Unit of the Fund) for a Business Day is available on our website at <http://www.cimb-principal.com.my> by 5:30 p.m. on the following Business Day.

Should investors rely on the local dailies, the unit price is published in the local dailies two (2) days later (T+2).

For any transactions (i.e. purchases, redemptions, switches or transfers) request received by the Manager before 4:00 p.m. on a Business Day, the price for these transactions will be the unit pricing for that Business Day. Transactions requested received by the Manager at or after 4:00 p.m. will be processed using the unit pricing for the next Business Day.

The Fund must be valued at least once every Business Day except during the initial offer period. Unit prices (i.e. NAV per Unit) are calculated based upon the NAV of the Fund and the number of units in issue in the Fund.

The method of determining NAV per Unit is calculated as follows:

$$\text{NAV per Unit} = \frac{\text{Net Asset Value}}{\text{Number of units in issue}}$$

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 Unit holders, less all amounts owing or payable in respect of the Fund which also includes any provisions that the Trustee and CIMB-Principal 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. USD. As such, all the assets and liabilities of each Class will be converted into USD for valuation purposes. The foreign exchange rate used for this purpose shall be the bid exchange rate quoted by Bloomberg or Reuters at UK time 4:00 p.m. which is equivalent to 11:00 p.m. or 12:00 a.m. midnight (Malaysian time). The NAV per Unit of each Class will be the NAV of the Fund attributable to each Class divided by the number of units in circulation of that Class, at the same valuation point.

**Note:** The Manager will ensure the accuracy of the prices to the Federation of Investment Managers Malaysia - Funds Malaysia System for publication. The Manager, however, will not be held liable for any error or inaccuracies in prices published in the local dailies.

## 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.

## Illustration on computation of NAV of the Fund:

	Fund (USD)	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in SGD) (USD)
NAV of the Fund before income and expenses	185,942,897	173,342,897	12,600,000
% MCR	100%	<sup>(1)</sup> 93.22%	<sup>(1)</sup> 6.78%
Add: Income	30,000	<sup>(2)</sup> 27,966	<sup>(2)</sup> 2,034
Less: Expenses	(10,000)	<sup>(2)</sup> (9,322)	<sup>(2)</sup> (678)
Benefits or costs of hedging (if any)*		-	900
NAV of the Fund before management and trustee fee	185,963,797	173,361,541	12,602,256

		1.50% p.a.	1.50% p.a.
Less: Management fee*	(7,642)	(7,124)	(518)
		0.05% p.a.	0.05% p.a.
Less: Trustee fee*	(254)	(237)	(17)
NAV of the Fund	185,955,901	173,354,180	12,601,721
Units in circulation	200,000,000 units	170,000,000 units	30,000,000 units
<b>NAV per Unit</b>		<b>1.0197</b>	<b>0.4200</b>
Currency exchange rate		N/A	(USD/SGD) 0.7400
NAV per Unit		<b>USD 1.0197</b>	<b>SGD 0.5675</b>

**Note:**

\*Management Fee and Trustee Fee are charged to the class level, hence, apportionment based on MCR is not applicable.

	Fund (USD)	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in SGD) (USD)
NAV of the Fund before creation of units for the day	185,955,901	173,354,180	12,601,721
<sup>(3)</sup> Creation of units	1,740,000	1,000,000	740,000
Closing NAV	187,695,901	174,354,180	13,341,721
Units in circulation	202,746,682.97 units	170,980,680.59 units	31,762,114.53 units
NAV per Unit		<b>1.0197</b>	<b>0.4200</b>
Currency exchange rate		N/A	(USD/SGD) 0.7400
NAV per Unit		<b>USD 1.0197</b>	<b>SGD 0.5675</b>

**Note :**

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

	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in SGD) (USD)
$\frac{\text{NAV of the Class} \times 100}{\text{NAV of the Fund before income and expenses}}$	$\frac{173,342,897 \times 100}{185,942,897}$	$\frac{12,600,000 \times 100}{185,942,897}$
	= 93.22%	= 6.78%

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

	(USD)	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in SGD) (USD)
Add: Income	30,000	MCR x Income	MCR x Income
		= Income for Class ABC	= Income for Class XYZ
		= 93.22% x USD 30,000	= 6.78% x USD 30,000
		= USD 27,966	= USD 2,034

Less: Expenses	(10,000)	MCR x Expenses	MCR x Expenses
		= Expenses for Class ABC	= Expenses for Class XYZ
		= 93.22% x USD 10,000	= 6.78% x USD 10,000
		= USD 9,322	= USD 678

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

	Class ABC (Denominated in USD)	Class XYZ (Denominated in SGD)
Creation of units	USD 1,000,000	SGD 1,000,000
NAV per Unit	USD 1.0197	SGD 0.5675
Number of units	980,680.59 units	1,762,114.53 units
Currency exchange rate	N/A	(USD/SGD) 0.7400
Creation of units	USD 1,000,000	USD 740,000

NAV per Unit is truncated to four (4) decimal places.

*Please note the above is for illustration purpose only.*

### **Incorrect pricing**

The Manager 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, monies shall be reimbursed in the following manner:

- in the event of over valuation or pricing, by the Manager to the Fund (if there is a redemption of units) and/or to the Unit holders who purchased units at a higher price; or
- in the event of under valuation or pricing, by the Manager to the Fund (if there is a sale of units) and/or to the Unit holders or former Unit holders who redeemed at a lower price.

Notwithstanding the foregoing, unless the Trustee otherwise directs, no reimbursement shall be made save and except where an incorrect pricing:

- is equal or more than 0.50% of the NAV per Unit; and
- results in a sum total of USD10.00 or more to be reimbursed to a Unit holder for each sale or repurchase transaction.

Subject to any regulatory requirements, the Manager shall have the right to amend, vary or revise the aforesaid limits or threshold from time to time and disclose such amendment, variation or revision in the Information Memorandum.

## **Transaction details**

### **Investing**

#### **Who can invest?**

The Fund shall only be offered or marketed to the Sophisticated Investor with a bank account and/or foreign currency bank account (as the case may be) in the currency of the Class applied for (e.g. USD Class investors are required to have a USD foreign currency bank account). However, CIMB-Principal has the right to reject an application on reasonable grounds.

Further, where CIMB-Principal becomes aware of any citizen or resident of the USA (i.e. someone who has a USA address, permanent or mailing) holding units in the Fund, a notice may be issued to that person requiring him/her to, within thirty (30) days, either withdraw his/her units or transfer his/her units to a non-USA citizen or resident.

#### **Minimum investments**

The minimum initial investment in each Class offered for sale is:

- Please refer to Annexure 1.

The minimum additional investment in each Class offered for sale is:

- Please refer to Annexure 1.

Investments can be made:-

- by crossed cheque, banker's draft, money order or cashier's order (made payable as advised by the Distributor or the Manager as the case may be);
- directly from your bank account held with Distributors, where applicable; or

- such other mode of payment as may be approved by the Manager and/or the relevant authorities from time to time subject always to any charges, fees and expenses incurred or to be incurred in making or facilitating such other mode of payment being borne by that Unit holder. Such other mode of payment and/or the manner in which such payment is to be made may be subject further to such limit(s), restriction(s) and/or terms and conditions as may be imposed by the Manager and/or the relevant authorities from time to time.

Investors will have to bear the commission charges for outstation cheques and any foreign exchange charges, if any.

### ***Processing an application***

If CIMB-Principal receives a valid application before 4:00 p.m., CIMB-Principal will process it using the unit pricing for that Business Day. If CIMB-Principal receives the application at or after 4:00 p.m., it will be processed using the unit pricing for the next Business Day. Incomplete applications will not be processed until CIMB-Principal has received all the necessary information. The number of units an investor receives will be rounded down to the second decimal place.

## **Withdrawals**

The minimum withdrawal for each Class offered for sale is as referred to Annexure 1, unless you are withdrawing your entire investment. Withdrawals can be made from the Class by completing a withdrawal request form and sending it to the relevant Distributor or the head office of CIMB-Principal. There is no restriction on the frequency of withdrawals. All withdrawal proceeds will be transferred to the Unit holder's bank account and/or foreign currency bank account (as the case may be) in CIMB-Principal's records.

### ***Processing a withdrawal***

If CIMB-Principal receives a valid withdrawal request before 4:00 p.m., we will process it using the NAV per Unit for that Business Day, which will be known on the following Business Day. If CIMB-Principal receives the withdrawal request at or after 4:00 p.m., it will be processed using the NAV per Unit for the next Business Day.

If you request a specific amount of your investment in a Class (e.g. the amount in USD for Class USD), the number of units will be calculated by dividing the requested amount by the unit pricing of the Class, and the number of units will be rounded to the second decimal place. The amount that you will receive is calculated by the withdrawal value less the Withdrawal Fee, if any. That amount will be paid in the currency of the Class (e.g. USD Class will be paid in USD) within ten (10) days to the Unit holder's bank account and/or foreign currency bank account (as the case may be) in CIMB-Principal's records (e.g. USD Class Unit holders are required to have a USD foreign currency bank account).

Any applicable bank charges and other bank fees incurred as a result of a withdrawal by way of telegraphic transfer, bank cheque or other special payment method will be charged to you.

## **Minimum balance**

The minimum balance that must be retained in each Class offered for sale is as referred to Annexure 1. If the balance (i.e. number of units) of an investment drops below the minimum number of units specified for that Class, further investments will be required until the balance of the investment is restored to at least the stipulated minimum balance. Otherwise, CIMB-Principal can withdraw the entire investment and forward the proceeds to you.

## **Switching**

Switching may be available between the Class and other CIMB-Principal Funds (or its classes) which must be denominated in the same currency. For information on the availability of switching, please refer to the Annexure 1 of the respective Class.

Switching will be conducted based on the value of your investment in a class. The minimum amount for a switch must be equivalent to the minimum withdrawal amount applicable to that class or such amounts as the Manager may from time to time decide. Please note that the minimum amount for a switch must also meet the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the fund to be switched into. Further, Unit holders must at all times maintain at least the minimum balance required for that Class to stay invested in that Class. Currently, there is no restriction on the frequency of switches. The Manager may, at its absolute discretion, allow switching into (or out of) the Fund, either generally (for all Sophisticated Investor) or specifically (for any particular Sophisticated Investor).

## **Transfer facility**

The Manager may, at its absolute discretion, allow Unit holders to transfer their units to Sophisticated Investor subject to such terms and conditions as may be stipulated by the Manager from time to time. The Manager may refuse to register any transfer of a unit at its absolute discretion. A Transfer Fee may be charged for each transfer. Please refer to the Annexure 1 for further information.

# Other Information

## Distribution of the Fund

Distribution may be available for the respective Class of the Fund. For more information on the distribution policy of the respective Class of the Fund, please refer to the Annexure 1. Distributions, if any, are at the discretion of the Manager and will vary from period to period depending on the availability of realised income for distribution and performance of the Fund.

Investor should note that distribution payments, if any, will be made in the respective currency for that Class. As such for each Class, the distribution will be paid into the Unit holder's foreign currency bank account (which shall be in the currency of that specific Class) in CIMB-Principal's records (at the cost and expense of the Unit holders).

## Unclaimed monies

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

However, for income distribution payout to the Unit holders, if any, which remain unclaimed for six (6) months will be reinvested into the Class within 30 business days after the expiry of the cheque's validity period based on the prevailing NAV per Unit of the Class on the day of the reinvestment in circumstances where the Unit holder still holds units of the Class. No Application Fee is payable for the reinvestment. In the event that the Unit holder no longer holds any unit in the Class, the distribution money would be subject to the treatment mentioned in the above paragraph as prescribed by the UMA.

## Miscellaneous information

### Information on investment

Investor will be communicated via the following:

- monthly statement of account showing details of transactions and distributions (if any); and
- quarterly report and annual report showing snapshots of the Fund and details of the portfolio for the respective period reported. Both the quarterly report and the annual report will be sent to investors within two (2) months of the end of the period reported.

## Termination of Fund

The Fund and/or any of the Class may be terminated as proposed by the Management Company with the consent of the Trustee (which consent shall not be unreasonably withheld) by giving not less than three (3) months' notice in writing to the Unit holders as hereinafter provided:

- (i) if any law shall be passed which renders it illegal or in the opinion of the Management Company impracticable or inadvisable to continue the Trust; or
- (ii) if in the reasonable opinion of that Management Company it is impracticable or inadvisable to continue the Trust.

The Fund and/or any of the Classes shall be terminated by the Management Company if a Special Resolution is passed at a Unit holders' meeting to terminate or wind-up the Fund and/or any of the Classes.

## Anti-money laundering policies and procedures

In order to comply with the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ('AMLA') and the relevant policies, procedures, guidelines and/or regulations aimed at the prevention of money laundering, the Manager will be required to obtain satisfactory evidence of customer's identity and have effective procedures for verifying the bona fides of customers.

The Manager conducts ongoing due diligence and scrutiny of customers' identity and his/her investment objectives which may be undertaken throughout the course of the business relationship to ensure that the transactions being conducted are consistent with the Manager's knowledge of the customer, its business and its risk profile.

It may not have direct contact with such customers and depending on the circumstances of each application, a detailed verification of identity might not be required where:

- (i) the applicant makes the payment for his/her investment from an account held in the applicant's name at a recognised financial institution;
- (ii) the applicant is regulated by a recognised regulatory authority and is based or incorporated in, or formed under the law of, a recognised jurisdiction; or
- (iii) the application is made through an intermediary which is regulated or licensed by a recognised regulatory authority and is based in or incorporated in, or formed under the law of a recognised jurisdiction.

The Manager also reserves the right to request such information as is necessary to verify the source of payment. The Manager may refuse to accept the application and the subscription monies if an applicant of units delays in producing or fails to produce any information required for the purposes of verification of identity or source of funds, and in that event the Manager shall return the application monies (without interest and at the expense of the applicant) by telegraphic transfer to the account from which the monies were originally sent or by way of cheque to the applicant's last known address on the records of the Manager.

A transaction or a series of transaction shall be considered as 'suspicious' if the transaction in question is inconsistent with the customer's known transaction profile or does not make economic sense. Suspicious transactions shall be submitted directly to the Financial Intelligence Unit (FIU) of Bank Negara Malaysia.

## **Rights and Liabilities of a Unit holder**

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

A Unit holder will be recognised as a registered Unit holder in the Fund on the Business Day the details are entered onto the Register of Unit holders.

### **Rights of Unit holders**

A Unit holder has the right, among others, to the following:

- To inspect the Register, free of charge, at any time at the registered office of the Manager, and obtain such information pertaining to its units as permitted under the Deed and 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 under the following circumstances;
  - (i) to consider the most recent financial statements of the Fund;
  - (ii) to require the retirement or removal of the Manager or Trustee;
  - (iii) to give to the Trustee such directions as the meeting thinks proper; or
  - (iv) to consider any other matter in relation to the Deed.
- To vote for the removal of the Trustee or the Manager through a special resolution; and
- To receive annual reports or any other reports of the Fund.

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

### **Liabilities and limitations of Unit holders**

#### **Liabilities**

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

#### **Limitations**

A Unit holder cannot:

- (i) interfere with any rights or powers of the Manager and/or Trustee 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 the Unit holder.

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

### **Documents available for inspection**

For a period of at least 12 months from the date of this Information Memorandum, Unit holders may inspect copies of the following documents in relation to the Fund as may be required by the SC (upon request) at the registered office of the Manager without charge:

- The Deed of the Fund;
- Material contracts or documents referred to in this Information Memorandum; and
- The audited financial statements of the Fund.

# The Manager

## About CIMB-Principal Asset Management Berhad

CIMB-Principal holds a Capital Markets Services License for fund management and dealing in unit trust products 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.

As at LPD, CIMB-Principal is responsible for managing more than RM42.01 billion on behalf of individuals and corporations in Malaysia.

It originally commenced its operations as a unit trust company in November 1995. As at LPD, CIMB-Principal has more than 19 years of experience in the unit trust industry.

As at LPD, the shareholders of the company are CIMB Group (60%) and PIA (40%).

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

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

As at LPD, CIMB-Principal managed 42 conventional unit trust funds (including 2 Exchange-Traded Funds) and 19 Islamic unit trust funds.

In addition to being able to draw on the financial and human resources of its shareholders, CIMB-Principal has staff strength of 350, comprising of 303 Executives and 47 Non-Executives, as at LPD.

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.

## Summary of the financial position of the company

	31 December 2014 (RM)	31 December 2013 (RM)	31 December 2012 (RM)
Issued and paid-up share capital	123,474,795	123,474,795	123,474,795
Shareholders' funds	468,465,051	399,488,484	334,443,945
Revenue	360,630,072	277,489,369	242,243,020
Profit before taxation	77,942,217	101,924,364	46,158,785
Taxation	9,018,294	24,902,816	5,437,416
Profit after taxation	68,923,923	77,021,548	40,721,369

## Key personnel

<b>Name:</b>	Pedro Esteban Borda
<b>Designation:</b>	Chief Executive Officer, ASEAN Region / Executive Director.
<b>Experience:</b>	He is the Chief Executive Officer, ASEAN Region of CIMB-Principal. He joined CIMB-Principal on 18 March 2013. He has been a Director of CIMB-Principal since 20 June 2013. Previously, he was the Country Head of Principal Financial Group Mexico. He joined Principal in 1996 as the Managing Director of Ethika AFJP S.A., a pension company in Argentina. In 1999, he was relocated to Mexico to become the Managing Director of Principal Afore (wholly-owned affiliate of PFG). In 2004, he was promoted to Country Head of Principal Mexico.
<b>Qualifications:</b>	Bachelor Degree in Business Administration and a Master Degree in Finance, both from Universidad Argentina de la Empresa (U.A.D.E).

<b>Name:</b>	Alejandro Elias Echegarri Rodriguez
<b>Designation:</b>	Deputy Chief Executive Officer, ASEAN Region
<b>Experience:</b>	He is the Deputy Chief Executive Officer, ASEAN Region of CIMB-Principal. He joined CIMB-Principal on 1 March 2015. Previously he was the Chief Investment Officer for Principal International in Latin America, where he was responsible for the overall investment strategy and the investment process for the group and for overseeing the management of pension, mutual funds and general accounts in the region as well as for supporting the overall development of the asset management business in the region. He joined Principal in 2003 as Head of Institutional Asset Management and Chief Investment Officer for Principal Financial Group in Mexico. Prior to that, he was the Senior Investment Officer for Citibank's Pension Fund Business in Latin America. He had also held different positions in the investment area in countries such as Uruguay, Argentina, Chile, Mexico and the United Kingdom.
<b>Qualifications:</b>	Degree in Economics from the Universidad Mayor de la Republica, Uruguay and a Master in Economics degree from Universidad Centro de Estudios Macroeconomicos de Argentina

<b>Name:</b>	Munirah binti Khairuddin
<b>Designation:</b>	Chief Executive Officer / Executive Director.
<b>Experience:</b>	She is the Chief Executive Officer of CIMB-Principal in August 2013. She joined CIMB-Principal on 1 November 2006 and was appointed as Deputy Chief Executive Officer in November 2008. She has been an Executive Director of CIMB-Principal since 31 January 2012. Previously worked as a G7 Economist and strategist for a Fortune 500 multinational oil and gas company. Prior to that, she was a fixed income portfolio manager for emerging markets at Rothschild Asset Management in London. Apart from her Senior Management role, she has been instrumental in helping the company to grow its AUM, deepening its retail leadership with new focus in private retirement space, and maintaining consistent risk management and investment performance whilst elevating the overall customer experience. Munirah also oversees both the retail and corporate businesses for Singapore. During her tenure as Deputy CEO from November 2008 to July 2013, she was responsible for the development of institutional, corporate and international business opportunities and institutional sales. In Malaysia, she has overseen retail funds marketing, market development and fund operations. Under her ambit, the company has spearheaded an international client base, listed exchange traded funds ("ETF") in Malaysia and Singapore, and developed products for regional distribution. She also played an integral part in strategic business development initiatives of CWA.
<b>Qualifications:</b>	Bachelor of Arts (Honours) in Accounting & Financial Analysis, University of Newcastle Upon Tyne, UK; Chartered Financial Analyst Charterholder; Capital Markets Services Representative's License holder for fund management.

<b>Name:</b>	Raymond Tang
<b>Designation:</b>	Chief Investment Officer, ASEAN Region.
<b>Experience:</b>	He has been with CIMB-Principal since 1 October 2004. He has over 25 years of experience in the asset management business, managing both institutional and unit trust funds. Prior to joining CIMB-Principal, he was the Chief Investment Officer/Executive Director of CMS Dresdner Asset Management from 1996 to 2004 and was jointly responsible in making regional asset allocation decisions within the Asia-Pacific ex-Japan. He began his career as an investment officer in RHB Asset Management in 1987 for 4 years, before moving on to CIMB Securities as an investment executive for 1 year. In 1992, he joined SBB Asset Management as a fund manager until 1996.  Currently, he is the Chairman of Malaysian Association of Asset Managers (MAAM) and the Chairman of FTSE Bursa Malaysia Index Advisory Committee. He is also an invitee in the Executive Committee of Malaysia International Islamic Financial Centre (MIFC), as well as a Director of the Board of Securities Industry Dispute Resolution Centre (SIDREC).
<b>Qualifications:</b>	Fellow of the Chartered Institute of Management Accountants (CIMA) UK. Holds a Capital Markets Services Representative's License for fund management under CMSA.



<b>Name:</b>	Yap Ben Shiow
<b>Designation:</b>	Head of Compliance.
<b>Experience:</b>	Joined CIMB-Principal on 3 February 2009. He has over 15 years of experience in the capital market. He is a registered Compliance Officer for CIMB-Principal with the Securities Commission Malaysia. He is a designated person responsible for compliance matters. Prior to joining CIMB-Principal, he was attached to an asset management company that focused on private equity investments and held a Capital Markets Services Representative's License for fund management under CMSA from November 2005 to June 2008. Prior to that, he was attached to a reputable and established unit trust management company for approximately five years. During the period, he was the designated person for compliance matters. Before his involvement in unit trust industry, he has also gained valuable knowledge in capital market when he was with an investment company.
<b>Qualifications:</b>	Master of Business Administration from University of South Australia. Bachelor of Business Administration, majoring in Finance and Management and a Bachelor of Science, majoring in Economics from University of Kentucky, Lexington, the USA.

# The Trustee

## About HSBC (Malaysia) Trustee Berhad

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

### HSBCT’s financial information

The Trustee has a paid-up capital of RM500,000.00. As at 31 December 2014, its shareholders’ funds totalled RM57.33 million and it achieved a profit before tax of RM12.47 million.

The following is a summary of the past performance of the Trustee based on the audited accounts for the last 3 years:

	Year Ended 31 December		
	2014 (RM)	2013 (RM)	2012 (RM)
Paid-up Share Capital	500,000	500,000	500,000
Shareholders’ Funds	57,329,602	48,058,506	38,785,020
Turnover	25,328,744	24,287,694	23,539,663
Profit before Tax	12,466,627	12,381,200	11,289,951
Profit after Tax	9,271,171	9,273,605	8,570,502

### Board of Directors of HSBCT

Mr Piyush Kaul  
Ms On Bee Heong  
Mr Yee Yit Seeng

### Experience in Trustee Business

Since 1993, the Trustee has acquired experience in the administration of unit trusts and as at LPD, is the Trustee for 175 funds (including unit trust funds, exchange traded funds, wholesale funds and funds under private retirement scheme). As at LPD, the Trustee has a workforce of 52 employees consisting of 43 executives and 9 non-executives. A good number of staff has been with the Trustee for many years.

### Profile of Key Personnel

#### Mr Kaleon Leong Bin Rahan – Chief Executive Officer

He has been involved in the fund management industry since 1996, having served stints in a regulatory body, fund management company, trustee and audit firm. He is a Chartered Accountant and holds a Masters in Information Technology Management.

#### Mr Yee Yit Seeng – Chief Operating Officer

He joined HSBC Trustee in July 1984. He holds a Diploma in Banking and Finance and is a Senior Associate of Institut Bank-Bank Malaysia. He has more than 22 years of experience in trust operations including client service, systems/projects & office administration, compliance, internal control & audit, and business development. He was also seconded to the HSBC Back-end Processing Office in Cyberjaya, Malaysia to support the global securities operations.

### Trustee’s Delegate

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

The Trustee shall be responsible for the acts and omissions of its delegate as though they were its own acts and omissions.

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

### What are the 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 Unit holders of the Fund. In performing these functions, the Trustee has to exercise all due care, diligence and vigilance and is required

to act in accordance with the provisions of the Deed, Capital Markets and Services Act 2007 and the SC Guidelines. Apart from being the legal owner of the Fund's assets, the Trustee is also responsible for ensuring that the Manager performs its duties and obligations in accordance with the provisions of the Deed, Capital Markets and Services Act 2007 and the SC Guidelines. In respect of monies paid by an investor for the application of units, the Trustee's responsibility arises when the monies are received in the relevant account of the Trustee for the Fund and in respect of redemption, the Trustee's responsibility is discharged once it has paid the redemption amount to the Manager.

#### **Trustee's statement of responsibility**

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

#### **Anti-Money Laundering and Anti-Terrorism Financing Provisions**

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

#### **Statement of Disclaimer**

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

#### **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 rise to any proceedings which might materially affect the business/financial position of the Trustee and any of its delegates.

#### **Consent to Disclosure**

The Trustee shall be entitled to process, transfer, release and disclose from time to time any information relating to the Fund, Manager and Unit holders for purposes of performing its duties and obligations in accordance to the Deed, the Capital Markets and Services Act 2007, SC Guidelines and any other legal and/or regulatory obligations such as conducting financial crime risk management, to the Trustee's parent company, subsidiaries, associate companies, affiliates, delegates, service providers, agents and any governing or regulatory authority, whether within or outside Malaysia (who may also subsequently process, transfer, release and disclose such information for any of the above mentioned purposes) on the basis that the recipients shall continue to maintain the confidentiality of information disclosed, as required by law, regulation or directive, or in relation to any legal action, or to any court, regulatory agency, government body or authority.

# Related-Party Transactions/ Conflict of Interest

## Potential conflicts of interests and related-party transactions

The Manager and its directors will at all times act in the best interests of the Unit holders of the Fund and will not conduct itself 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 so that the Fund is not disadvantaged. In the unlikely event that CIMB-Principal faces conflicts in respect of its duties to the Fund and its duties to other CIMB-Principal Funds that it manages, CIMB-Principal is obliged to act in the best interests of all its investors and will seek to resolve any conflicts fairly and in accordance with the Deed.

The Manager shall not act as principals in the sale and purchase of any securities or investments to and from the Fund. The Manager shall not make any investment for the Fund in any securities, properties or assets in which the Manager or its officer has financial interest in or from which the Manager or its officer derives a benefit, unless with the prior approval of the Trustee.

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

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

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

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

## Interests in the Fund

Subject to any legal requirement, the Manager or any related corporation of the Manager, or any officers or directors of the Manager may invest in the Fund. The directors of CIMB-Principal 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 Information Memorandum 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 CIMB-Principal for any purpose.

## Employees' securities dealings

CIMB-Principal has in place a policy contained in its Rules of Business Conduct, which regulates its employees' securities dealings. An annual declaration of securities trading is required from all employees to ensure that there is no potential conflict of interest between the employees' securities trading and the execution of the employees' duties to the company and customers of the company.

# **ANNEXURE 1 – CLASS SGD**

# KEY DATA

## Class information

	Class SGD	Page
<b>Name of Class</b>	<b>Class SGD</b>	
<b>Currency denomination</b>	SGD	
<b>Launch date of the Class</b>	22 July 2015	
<b>Initial offer price per unit</b>	SGD 1.0000	
<b>Initial offer period</b>	21 days	
<b>Distribution policy</b>	The Class is not expected to make any distributions. However, the Manager has the discretion to make any distribution payment subject to the income and the performance of the Fund.	18

## Fees & charges

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

Charges	Class SGD	Page
<b>Application Fee</b>	Up to 2.0% of the NAV per Unit	11
<b>Withdrawal Fee</b>	Nil.	11
<b>Switching Fee</b>	Not applicable, as switching facility is currently not available.	11
<b>Transfer Fee</b>	Not applicable, as transfer facility is currently not available.	11
<b>Other charges payable directly by the investor when purchasing or redeeming the units</b>	Any applicable bank charges and other bank fees incurred as a result of an investment or redemption will be borne by the investor.	

*Note: Notwithstanding the maximum Application Fee disclosed above, investors may negotiate with the distributors for lower charges.*

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

Charges	Class SGD	Page
<b>Management Fee</b>	Up to 1.50% per annum of the NAV of the Class.	12
<b>Trustee Fee</b>	0.05% per annum of the NAV of the Class (including local custodian fees and charges but excluding foreign sub-custodian fees and charges).	12
<b>Fund Expenses</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.	12
<b>Other fees payable indirectly by an investor when investing in the Fund</b>	Nil.	

## Transaction information

	Class SGD	Page
<b>Minimum initial investment</b>	SGD 25,000.00 or such other amount as the Manager may from time to time decide.	16
<b>Minimum additional investment</b>	SGD 10,000.00 or such other amount as the Manager may from time to time decide.	16
<b>Minimum withdrawal</b>	SGD 10,000.00 or such other amount as the Manager may from time to time decide.	17
<b>Minimum balance</b>	25,000 units or such other number as the Manager may from time to time decide.	17
<b>Switching</b>	Not applicable, as switching facility is currently not available.	17
<b>Transfer facility</b>	Not applicable, as transfer facility is currently not available.	17

# **ANNEXURE 1 – CLASS USD**

# KEY DATA

## Class information

	Class USD	Page
<b>Name of Class</b>	<b>Class USD</b>	
<b>Currency denomination</b>	USD	
<b>Launch date of the Class</b>	22 July 2015	
<b>Initial offer price per unit</b>	USD 1.0000	
<b>Initial offer period</b>	21 days	
<b>Distribution policy</b>	The Class of the Fund is not expected to make any distributions. However, the Manager has the discretion to make any distribution payment subject to the income and the performance of the Fund.	18

## Fees & charges

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

Charges	Class USD	Page
<b>Application Fee</b>	Up to 2.0% of the NAV per Unit	11
<b>Withdrawal Fee</b>	Nil.	11
<b>Switching Fee</b>	Not applicable, as switching facility is currently not available.	11
<b>Transfer Fee</b>	Not applicable, as transfer facility is currently not available.	11
<b>Other charges payable directly by the investor when purchasing or redeeming the units</b>	Any applicable bank charges and other bank fees incurred as a result of an investment or redemption will be borne by the investor.	

*Note: Notwithstanding the maximum Application Fee disclosed above, investors may negotiate with the distributors for lower charges.*

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

Charges	Class USD	Page
Management Fee	Up to 1.50% per annum of the NAV of the Class.	12
Trustee Fee	0.05% per annum of the NAV of the Class (including local custodian fees and charges but excluding foreign sub-custodian fees and charges).	12
Fund Expenses	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.	12
Other fees payable indirectly by an investor when investing in the Fund	Nil.	

## Transaction information

	Class USD	Page
<b>Minimum initial investment</b>	USD 25,000.00 or such other amount as the Manager may from time to time decide.	16
<b>Minimum additional investment</b>	USD 10,000.00 or such other amount as the Manager may from time to time decide.	16
<b>Minimum withdrawal</b>	USD 10,000.00 or such other amount as the Manager may from time to time decide.	17
<b>Minimum balance</b>	25,000 units or such other number as the Manager may from time to time decide.	17
<b>Switching</b>	Not applicable, as switching facility is currently not available.	17
<b>Transfer facility</b>	Not applicable, as transfer facility is currently not available.	17



**ANNEXURE 2 – EXCERPTS OF  
PART 1, SCHEDULE 6 AND 7 OF  
THE CMSA**

## SCHEDULE 6

[Section 229]

*Excluded offers or excluded invitations*

### Part I

#### A. Excluded offers or excluded invitations made to accredited investors

1. An offer or invitation made to a unit trust scheme, prescribed investment scheme or private retirement scheme.
2. An offer or invitation made to—
  - a) a holder of a Capital Markets Services License; or
  - b) an executive director or a chief executive officer of a holder of a Capital Markets Services License.
3. An offer or invitation made to a closed end fund approved by the SC.
4. An offer or invitation made to a bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010.
5. An offer or invitation made to an Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010.
6. An offer or invitation made to a licensed institution as defined in the Financial Services Act 2013 or an Islamic bank as defined in the Islamic Financial Services Act 2013.
7. An offer or invitation made to an insurance company registered under the Financial Services Act 2013 or a takaful operator registered under the Islamic Financial Services Act 2013.

#### B. Excluded offers or excluded invitations made to high net worth entity

8. An offer or invitation made to—
  - a) a company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding ten million ringgit or its equivalent in foreign currencies; or
  - b) a corporation that is a public company under the Companies Act 1965 which is approved by the SC to be a trustee under the CMSA and has assets under management exceeding ten million ringgit or its equivalent in foreign currencies.
9. An offer or invitation made to—
  - a) a corporation with total net assets exceeding ten million ringgit or its equivalent in foreign currencies based on the last audited accounts; or
  - b) a partnership with total net assets exceeding ten million ringgit or its equivalent in foreign currencies.
10. An offer or invitation made to a statutory body established by an Act of Parliament or an enactment of any State.
11. An offer or invitation made to a pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967.

#### C. Excluded offers or excluded invitations made to high net worth individual

12. An offer or invitation made to an individual—
  - a) whose total net personal assets, or total net joint assets with his or her spouse, exceed three million ringgit or its equivalent in foreign currencies, excluding the value of the individual's primary residence;
  - b) who has a gross annual income exceeding three hundred thousand ringgit or its equivalent in foreign currencies per annum in the preceding twelve months; or
  - c) who, jointly with his or her spouse, has a gross annual income exceeding four hundred thousand ringgit or its equivalent in foreign currencies per annum in the preceding twelve months.

## SCHEDULE 7

[Section 230]

*Excluded issues*

### Part I

#### A. Excluded issues made to accredited investors

1. An issue made to a unit trust scheme, prescribed investment scheme or private retirement scheme.
2. An issue made to a holder of a Capital Markets Services License.
3. An issue made to an executive director or a chief executive officer of a holder of a Capital Markets Services License.
4. An issue made to a closed end fund approved by the SC.
5. An issue made to a bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010.
6. An issue made to an Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010.
7. An issue made to a licensed institution as defined in the Financial Services Act 2013 or an Islamic bank as defined in the Islamic Financial Services Act 2013.
8. An issue made to an insurance company registered under the Financial Services Act 2013 or a takaful operator registered under the Islamic Financial Services Act 2013.

#### B. Excluded Issues made to High-Net Worth Entities

9. An issue made to—
  - a) a company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding ten million ringgit or its equivalent in foreign currencies; or
  - b) a corporation that is a public company under the Companies Act 1965 which is approved by the SC to be a trustee under the CMSA and has assets under management exceeding ten million ringgit or its equivalent in foreign currencies.
10. An issue made to—

- a) a corporation with total net assets exceeding ten million ringgit or its equivalent in foreign currencies based on the last audited accounts; or
  - b) a partnership with total net assets exceeding ten million ringgit or its equivalent in foreign currencies.
11. An issue made to a statutory body established by an Act of Parliament or an enactment of any State.
12. An issue made to a pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967.

**C. Excluded Issues made to High-Net Worth Individuals**

13. An offer or invitation made to an individual—
- a) whose total net personal assets, or total net joint assets with his or her spouse, exceed three million ringgit or its equivalent in foreign currencies, excluding the value of the individual's primary residence;
  - b) who has a gross annual income exceeding three hundred thousand ringgit or its equivalent in foreign currencies per annum in the preceding twelve months; or
  - c) who, jointly with his or her spouse, has a gross annual income exceeding four hundred thousand ringgit or its equivalent in foreign currencies per annum in the preceding twelve months.

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