

Date of issuance: 15 November 2016

# PRODUCT HIGHLIGHTS SHEET

## CIMB-PRINCIPAL DYNAMIC GROWTH FUND

### RESPONSIBILITY STATEMENT

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

### STATEMENTS OF DISCLAIMER

The relevant information and document in relation to the CIMB-Principal Dynamic Growth Fund, including a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia under the Lodge and Launch Framework.

The lodgement of the relevant information and document in relation to the CIMB-Principal Dynamic Growth Fund, including this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the CIMB-Principal Dynamic Growth Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

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

### THE MANAGER

CIMB-Principal Asset Management Berhad ("CIMB-Principal") holds a Capital Markets Services License for fund management and dealing in unit trust products under the Capital Markets and Services Act 2007 and specializes in managing and operating unit trusts for investor, both institutional and retail. CIMB-Principal's responsibilities include managing investment portfolios by providing fund management services to insurance companies, pension funds, unit trust companies, corporations and government institutions in Malaysia. In addition, CIMB-Principal is an approved private retirement scheme provider in Malaysia. CIMB-Principal originally commenced its operations as a unit trust company in November 1995.

**This Product Highlights Sheet only highlights the key features and risks of this unlisted capital market product. Investors are advised to request, read and understand the Information Memorandum before deciding to invest. Investors are advised to read this Product Highlights Sheet together with the Fund's Information Memorandum dated 22 July 2015 and its First Supplemental Information Memorandum dated 19 September 2016.**

## BRIEF INFORMATION ON CIMB-PRINCIPAL DYNAMIC GROWTH FUND

CIMB-Principal Dynamic Growth Fund is a Wholesale Fund issued by CIMB-Principal, which aims to achieve capital appreciation over the medium to long term.

This is neither a capital protected nor capital guaranteed fund.

### PRODUCT SUITABILITY

This fund is suitable for Sophisticated Investors who:

- have a medium to long term investment horizon;
- are seeking capital appreciation over medium to long term; and/or
- willing to take moderate risks for potentially moderate capital returns over the long term.

### KEY PRODUCT FEATURES

<b>Fund Category/Type</b>	Wholesale Fund (Equity) / Growth
<b>Base currency</b>	USD.
<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>
<b>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 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>
<b>Launch date</b>	22 July 2015.
<b>Financial year-end</b>	31 March.
<b>Distribution Policy</b>	<p>The Class is not expected to make any distribution. However, the Manager has the discretion to make any distribution payment subject to the income and performance of the Fund.</p> <p><b>Note:</b> <i>The Manager has the right to make provisions for reserves in respect of distribution of the Fund. If the income available is too small or insignificant, any distribution may not be of benefit to the Unit holders as the total cost to be incurred in any such distribution may be higher than the amount for distribution.</i></p>

	<i>The Manager has the discretion to decide on the amount to be distributed to unit holders. The Manager also has the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of its realized income and/or realized gains, as well as the performance of the Fund.</i>
<b>Deed</b>	The Fund is governed by Deed dated 10 July 2015.
<b>Manager</b>	CIMB-Principal Asset Management Berhad.
<b>Sub-Manager</b>	CIMB-Principal Asset Management (S) Pte. Ltd.
<b>Trustee</b>	HSBC (Malaysia) Trustee Berhad.
<b>Solicitors</b>	Soon Gan Dion & Partners.

## KEY RISKS

### General risks of investing in a unit trust fund

<b>Returns not guaranteed</b>	Investors should be aware that by investing in a unit trust fund, there is <b>NO GUARANTEE</b> of any income distribution or capital appreciation. However, the manager mitigates this risk by ensuring diligent management of the assets of the fund based on a structured investment process.
<b>General market environment risk</b>	A unit trust fund may be prone to changing market conditions, which may result in uncertainties and fluctuations in the price of the securities of the funds' investment portfolios and hence, the fund's NAV.
<b>Security specific risk</b>	There are many specific risks which apply to the individual security, which 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.
<b>Liquidity risk</b>	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 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.
<b>Inflation risk</b>	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. This risk can be mitigated by investing in securities that can provide a positive real rate of return.
<b>Risk of non-compliance</b>	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. 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. In order to mitigate this risk, the Manager has in place stringent internal controls and compliance monitoring processes.
<b>Manager's risk</b>	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 funds' performance thereby working to the detriment of unit holders. The Manager seeks to reduce this manager's risk by implementing a structured investment process, systematic operational procedures and processes along with stringent internal control.
<b>Loan financing risk</b>	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. Hence, the risk of using loan financing should be carefully assessed.

### Specific risks of the Fund

<b>Stock specific risk</b>	In general, the value of a particular stock fluctuates in response to activities of individual companies and in response to market conditions. These irregular fluctuations of the value of a particular stock may affect the unit price. The impact is however reduced as the Fund invests in a wide portfolio of investments; thus, spreading the element of risk through diversification.
<b>Country risk</b>	When the Fund invests into foreign markets, the foreign investments portion of the Fund may be affected by risks specific to the country in which it invests in, which in turn affects the Fund's NAV and its growth. Such risks include adverse changes in the country's economic fundamentals, social and political stability. 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.
<b>Liquidity risk</b>	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.
<b>Currency risk</b>	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. The Manager does not seek to mitigate the currency risk. Hence, investors should be prepared to assume the currency risk.
<b>Credit (default) and counterparty risk</b>	This risk refers to 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. 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.
<b>Interest rate risk</b>	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. 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.
<b>Risk of investing in emerging markets</b>	Investing in assets from the emerging markets generally entails a greater risk and these markets are exposed to rapid political change and economic declines. These instabilities can influence investor confidence, which in turn can have a negative effect on exchange rates and security prices in emerging markets. Consequently, the Fund's NAV is negatively affected. The Manager will attempt to mitigate this risk through its active asset allocation management and diversification, in addition to our continuous bottom up and top down research and analysis.

**Note:** If the investments are made through the Distributor (i.e. the IUTA via a nominee system of ownership), investors would not be deemed to be a Unit holder under the Deed and as a result, may not exercise all the rights ordinarily conferred to a Unit holder (e.g. the right to call for Unit holders' meetings and the right to vote at a Unit holders' meeting).

## FEES & CHARGES

	Class(es) of units	
	Class USD	Class SGD
<b>Application Fee</b>	Up to 2.00% of the NAV per Unit.	Up to 2.00% of the NAV per Unit.
<b>Withdrawal Fee</b>	Nil.	
<b>Switching Fee</b>	Not applicable, as switching facility is currently not available.	
<b>Transfer Fee</b>	Not applicable, as switching facility is currently not available.	
<b>Management Fee</b>	Up to 1.50% per annum of the NAV of the Class.	
<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).	
<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.	
<b>Expenses directly related to the Fund</b>	Only expenses that are directly related to the Fund can be charged to the Fund. Examples of relevant expenses are audit fee and tax agent's fee.	

**Note:**

- Despite the maximum Application Fee disclosed above, investors may negotiate with the Manager or Distributor for lower fee. However, investors should note that the Manager or Distributor may, for any reason at any time, where applicable, accept or reject the request and without having to assign any reason, either generally (for all investors) or specifically (for any particular investor or a group of investors) without prior notice to the investors.
- 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 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.

## TRANSACTION INFORMATION

	Class(es) of units	
	Class USD	Class SGD
<b>Minimum initial investment</b>	USD 25,000.00	SGD 25,000.00
	or such other amount as the Manager may from time to time decide.	
<b>Minimum additional</b>	USD 10,000.00	SGD 10,000.00

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

**Note:** Investors may request for a lower amount or number of units when purchasing units (or additional units), which will be at the Manager's sole and absolute discretion. However, investors should note that we may, for any reason at any time, where applicable, accept or reject the request and without having to assign any reason, either generally (for all investors) or specifically (for any particular investor or a group of investors) without prior notice to the investors. For changes on the minimum withdrawal and the minimum balance, any increase in the amount/units will required concurrence from the Trustee, and investors will be notified of such changes.

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

## VALUATIONS

We will carry out the valuation point for a Business Day on the next Business Day (T+1) by 4:00 p.m. This is to cater for the currency translation of the foreign securities or instruments to the Fund's base currency. The unit price (i.e. NAV per Unit) for a Business Day is available on our website at [www.cimb-principal.com.my](http://www.cimb-principal.com.my) by 5:30 p.m. on the following Business Day (T+1). Please refer to the "Unit Pricing" section of the Information Memorandum for more details.

## AVENUE TO EXIT THIS INVESTMENT

To exit from this investment, you may withdraw, switch out of the Fund or transfer your unit holdings to other Sophisticated Investors. Please refer to the "Fees & Charges" and "Transaction Information" sections in the Information Memorandum for more details.

Withdrawals can be made from the Class by completing a withdrawal request form and sending it to the relevant Distributors or our head office. There is no restriction on the frequency of withdrawals. The amount will be paid to you in the currency of the Class (e.g. Class USD will be paid in USD) within ten (10) days to your bank account and/or foreign currency bank account (as the case may be) in our records (e.g. Class USD 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 borne by you.

## CONTACT FOR FURTHER INFORMATION / COMPLAINT

- (i) You may contact our Customer Care Centre at 03-7718 3100. Our Customer Care Centre is available Mondays to Fridays (except on Selangor public holidays), from 8:30 a.m. to 5:30 p.m. (Malaysian time) or you can e-mail us at [service@cimb-principal.com.my](mailto:service@cimb-principal.com.my).
- (ii) Alternatively, you may also contact:
  - (a) Securities Industry Dispute Resolution Center (SIDREC):
    - via phone to : 03-2282 2280
    - via fax to : 03-2282 3855
    - via e-mail to : [info@sidrec.com.my](mailto:info@sidrec.com.my)
    - via letter to : Securities Industry Dispute Resolution Center  
Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar  
No.5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur
  - (b) SC's Investor Affairs & Complaints Department:
    - via phone to Aduan Hotline at : 03-6204 8999
    - via fax to : 03-6204 8991
    - via e-mail to : [aduan@seccom.com.my](mailto:aduan@seccom.com.my)
    - via online complaint form available at [www.sc.com.my](http://www.sc.com.my)
    - via letter to : Investor Affairs & Complaints Department  
Securities Commission Malaysia  
No 3, Persiaran Bukit Kiara, Bukit Kiara, 50490 Kuala Lumpur
  - (c) Federation of Investment Managers Malaysia's Complaints Bureau:
    - via phone to : 03-2092 3800
    - via fax to : 03-2092 2700
    - via e-mail to : [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
    - via online complaint form available at [www.fimm.com.my](http://www.fimm.com.my)
    - via letter to : Legal, Secretarial & Regulatory Affairs  
Federation of Investment Managers Malaysia  
19-06-1, 6<sup>th</sup> Floor, Wisma Tune  
No. 19, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur



## APPENDIX: GLOSSARY

Application Fee	- Preliminary charge on each investment.
Business Day	- Mondays to Fridays when Bursa Malaysia Securities Berhad is open for trading, and/or banks in Kuala Lumpur and/or Selangor are open for business. <b>Note:</b> <i>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">www.cimb-principal.com.my</a>. Alternatively, Unit holders can contact our Customer Care Centre at 03-7718 3100.</i>
Class(es)	- Any Class of units representing similar interest in the assets of the Fund differentiated by currency, fees and charges. 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.
Deed	- The principal deed and any supplemental deed in respect of the Fund made between the Manager, the Trustee and the Unit holders of the Fund, agreeing to be bound by the provisions of the Deed.
Distributors	- Any relevant persons and bodies appointed by CIMB-Principal from time to time, who are responsible for selling units of the Fund.
Fund	- CIMB-Principal Dynamic Growth Fund.
Management Fee	- A percentage of the NAV of the Fund that is paid to the Manager for managing the portfolio of the Fund.
Medium to long term	- Refers to a period of three (3) years or 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.
Product Highlights Sheet	- Refers to the disclosure document issued by the Manager that contains clear and concise information of the salient features of the Fund.
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.
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, Schedules 6 and 7 of the CMSA.</i>
Switching Fee	- A charge that may be levied when switching is done from one fund or class to another.
Transfer Fee	- A nominal fee levied for each transfer of units from one Unit holder to another.
Trustee Fee	- A percentage of the NAV of the Class that is paid to the Trustee for its services rendered as Trustee of the Fund.
Unit holder	- The registered holder for the time being of a unit of the Fund including persons jointly so registered.
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;*
- *time disclosed in this Product Highlights Sheet should be indicated as Malaysia time; and*
- *reference to "days" in this Product Highlights Sheet will be taken to mean calendar days.*