

Date of issuance: 15 February 2019

## PRODUCT HIGHLIGHTS SHEET

# CIMB-PRINCIPAL TOTAL RETURN BOND\* FUND 9

### RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed by the directors or authorised committee or persons approved by the directors 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 omissions of other facts which would make any statement in the Product Highlights Sheet false or misleading.

### STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has authorised/recognised the issuance of CIMB-Principal Total Return Bond Fund 9 and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the CIMB-Principal Total Return Bond Fund 9 and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the CIMB-Principal Total Return Bond Fund 9 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 Total Return Bond Fund 9 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 securities restricted to unit trust under the Capital Markets Services Act 2007 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. 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. We recommend that you read this Product Highlights Sheet together with the Prospectus for CIMB-Principal Total Return Bond Fund 9 dated 15 February 2019 and its supplementary (if any). You are advised to request, read and understand the Prospectus before deciding to invest.**

*\*In the context of this Fund, refers to debt instruments which include bonds (such as investment grade bonds, Investment Grade Securities, Non-Investment Grade Securities and Unrated Securities), fixed rate debt instruments, floating rate debt instruments, certificates of deposit, commercial papers and notes*

## BRIEF INFORMATION ON CIMB-PRINCIPAL TOTAL RETURN BOND FUND 9

CIMB-Principal Total Return Bond Fund 9 is a three (3) years close-ended fund issued by CIMB-Principal. The Fund aims to provide investors with total return through investments in a portfolio of primarily debt instruments.

This is neither a capital protected nor capital guaranteed fund.

### PRODUCT SUITABILITY

The recommended investment timeframe for this Fund is medium term, which refers to a period of three (3) years. This Fund is suitable for investors who:

- have medium term investment goals;
- are not planning to have access to their money in the next three (3) years; and/or
- want exposure in a diversified portfolio of debt instruments.

### KEY PRODUCT FEATURES

<b>Fund Category/Type</b>	Debenture (close-ended) / Growth
<b>Benchmark</b>	3-year CIMB Bank fixed deposit rate at the Commencement Date for performance comparison purpose only. <i>Information on the benchmark is available in our monthly fund fact sheets and can be obtained from <a href="http://www.cimb-principal.com.my">http://www.cimb-principal.com.my</a>.</i>
<b>Investment policy and principal investment strategy</b>	<p>The Fund seeks to achieve its investment objective by investing up to 100% of its NAV in a diversified portfolio consisting of debt instruments, money market instruments and/or Deposits.</p> <p>The Fund will invest at least 70% of its NAV in debt instruments issued by governments, government agencies, supranational organizations and corporate issuers, which include but not limited to bonds and other fixed or floating rate debt instruments, certificates of deposit, commercial papers and notes. The Fund will also invest in liquid assets for liquidity purposes.</p> <p>In order to maximize the total return, the Fund may invest up to 99% of its NAV in Investment Grade Securities. Up to 40% of the Fund's NAV may be invested in Non-Investment Grade Securities and Unrated Securities for yield enhancement, of which only up to 20% of the Fund's NAV in Unrated Securities. The Fund may also invest up to 10% of its NAV in structured products which are linked or reference to debt instruments, including credit linked notes, subject to prevailing SC Guidelines. When deemed necessary, the Fund may utilize derivative instruments such as forward contracts, options, futures contracts and/or swap agreements for hedging purpose. In the event of a downgrade of a counter-party of an OTC derivative below the minimum long-term rating as per the SC Guidelines, we reserve the right to deal with the OTC derivative in the best interest of the Unit holders.</p> <p>Investment universe of the Fund will be in countries globally, where the regulatory authority is an ordinary or associate member of the IOSCO. Where necessary, we will apply for licenses/permits to invest in these countries, and if the licenses/permits are revoked or not renewed (as the case may be), we will seek to invest in other accessible markets. Also, we formulate an interest rate outlook through examining factors such as local and foreign interest rate, inflation rate, monetary policies and economic growth of the respective countries. Foreign exchange rate movements will also play an important part of our decision in allocating the Fund's asset.</p>
<b>Initial Offer Price per unit</b>	RM1.0000
<b>Launch date</b>	15 February 2019
<b>Offer Period</b>	Up to 45 calendar days from the launch date. No unit will be offered for sale after the Offer Period. The Offer Period may be shortened if the Manager deems appropriate to enter the market in order to capitalize on the prevailing yields as notified in writing to the Trustee and Unit holder or when a desired fund size as determined by the Manager has been reached. The offer is closed for subscription after the Offer Period.
<b>Commencement Date</b>	The next Business Day immediately following the end of the Offer Period.
<b>Maturity Date</b>	The maturity date is on the day immediately preceding the third (3 <sup>rd</sup> ) anniversary of the commencement date. If the maturity date falls on a weekend or a public holiday, it should be the following Business Day. If the Fund is terminated earlier in accordance with the provisions of the Deed, maturity date shall mean the date of such early termination.
<b>Financial year-end</b>	31 July
<b>Distribution policy</b>	We have the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of its realised income and/or realised gains, as well as the performance of the Fund. We also have the right to make provisions for reserves in respect of distribution of the Fund.

<b>Manager</b>	CIMB-Principal Asset Management Berhad.
<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>	The investment of the fund is subject to market fluctuations and its inherent risk. There is <b>NO GUARANTEE</b> on the investment returns, nor any assurance that the fund's investment objective will be achieved.
<b>General market environment risk</b>	Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the fund's NAV.
<b>Inflation risk</b>	This is the risk that investors' investment in the unit trust fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce investors' purchasing power even though the value of the investment in monetary terms has increased.
<b>Manager's risk</b>	This risk refers to the day-to-day management of the fund by us which will impact the performance of the fund, e.g. Investment decisions undertaken by us as a result of an incorrect view of the market may adversely affect the performance of the fund.
<b>Loan financing risk</b>	This risk occurs when investors finance their investment. The inherent risk of investing with borrowed money includes you being unable to service the loan repayments.
Specific risks of the Fund	
<b>Interest rate risk</b>	Interest rate risk refers to the impact of interest rate changes on the valuation of debt instruments. When interest rates rise, debt instruments prices generally decline and this may lower the market value of the fund's investment in debt instruments.
<b>Mismatch risk</b>	This risk refers to the non-matching of the maturity date of the Fund and that of the debt instruments it holds. The Fund may invest in some debt instruments with maturity exceeding or shorter than the maturity date of the Fund. The difference in debt instruments maturity relative to the maturity date of the Fund may result in a loss to the Fund.
<b>Liquidity risk</b>	Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.
<b>Credit and default risk</b>	Credit risk relates to the creditworthiness of the issuers of the debt instruments and their expected ability to make timely payment of interest and/or principal. Default risk relates to the risk that an issuer of a debt instrument either defaulting on payments or failing to make payments in a timely manner. If the risk materialize, the value of the fund could be adversely affected.
<b>Redemption risk</b>	In the event of large redemptions, the Fund may need to dispose some of the debt instruments to fulfil redemption obligations. If the debt instruments are sold when interest rates rise or are expected to rise, the price of the debt instruments will fall. This in turn would depress the NAV of the Fund. The Fund discourages redemptions by imposing a Withdrawal Penalty which is ploughed back to the Fund.
<b>Country risk</b>	Investments of the Fund in any countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the Fund's NAV.
<b>Currency risk</b>	As the investments of the Fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between the base currency and the currencies in which the investments are denominated may have an impact on the value of these investments. Any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.
<b>Risk associated with investment in structured products</b>	Investments in structured product are linked to the performance of specific underlying assets and are not equivalent to investment directly into those underlying assets. Generally, structured product has specified investment tenure. In the event the structure product unwinds before its maturity, the Fund may not be able to recoup the full principal amount. Investments in structured product are also subject to credit and default risk of the issuer of the structured product. Where the issuer of the structured product is unable to meet its financial obligations towards the Fund, the value of the Fund will be adversely affected.
<b>Early termination risk</b>	During the Offer Period, we reserve the right, with the consent of Trustee, to terminate the Fund earlier than the Maturity Date and return to Unit holders the Initial Offer Price per unit and the Application Fee paid in the event that the sales proceeds/amount collected of the Fund at the expiry of the Offer Period is below RM50 million or when the expected return of the Fund does not or may not match or exceed the Fund's benchmark. In accordance with the provisions of the Deed, early termination may also take place after the Offer Period if we are of the opinion that by doing so is in the best interest of the Unit holders.

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

## FEES & CHARGES

<b>Application Fee</b>	<b>CWA</b> : Up to 3.00% of the Initial Offer Price per unit. <b>IUTAs</b> : Up to 3.00% of the Initial Offer Price per unit.														
<b>Withdrawal Penalty</b>	A Withdrawal Penalty of up to 2.00% of the NAV per unit is chargeable on any withdrawal made prior to the Maturity Date. The Withdrawal Penalty borne by you will be retained by the Fund. <table border="1" style="margin-left: 20px;"> <thead> <tr> <th rowspan="2">Withdrawal during</th> <th colspan="2">Withdrawal Penalty chargeable (% of NAV per unit)</th> </tr> <tr> <th>CWA</th> <th>IUTAs</th> </tr> </thead> <tbody> <tr> <td>≤ 1 year after Commencement Date of the Fund</td> <td>2.00%</td> <td>2.00%</td> </tr> <tr> <td>&gt; 1 to &lt; 3 years after Commencement Date of the Fund</td> <td>1.00%</td> <td>1.00%</td> </tr> <tr> <td>At Maturity</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>	Withdrawal during	Withdrawal Penalty chargeable (% of NAV per unit)		CWA	IUTAs	≤ 1 year after Commencement Date of the Fund	2.00%	2.00%	> 1 to < 3 years after Commencement Date of the Fund	1.00%	1.00%	At Maturity	Nil	Nil
Withdrawal during	Withdrawal Penalty chargeable (% of NAV per unit)														
	CWA	IUTAs													
≤ 1 year after Commencement Date of the Fund	2.00%	2.00%													
> 1 to < 3 years after Commencement Date of the Fund	1.00%	1.00%													
At Maturity	Nil	Nil													
<b>Switching Fee</b>	No switching facility is available for this Fund. Hence, switching fee is not applicable.														
<b>Transfer Fee</b>	A maximum of RM50.00 may be charged for each transfer.														
<b>Management Fee</b>	Nil.														
<b>Trustee Fee</b>	Up to 0.04% per annum (including local custodian fee but excluding foreign sub-custodian fee and charges) of the Fund's NAV.														
<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:** All fees and charges are subject to any applicable taxes (including but not limited to GST) and/or duties as may be imposed by the government or other authorities (if any) from time to time. As a result of changes in any rule, regulation, directive, notice and/or law issued by the government or relevant authority, there may be additional cost to the fees, expenses, charges and/or taxes payable to and/or by the Fund or you as disclosed in the Product Highlights Sheet.

Despite the maximum Application Fee disclosed above, you may negotiate with us or Distributors for lower fee or charges. However, you should note that we or Distributors may, for any reason at any time, where applicable, accept or reject your request and without having to assign any reason, either generally (for all Investors) or specifically (for any particular Investor or a group of Investors) without prior notice to you.

We may, for any reason at any time, where applicable, waive or reduce the amount of any fees (except the Trustee Fee) or other charges payable by you in respect of the Fund, either generally (for all investors) or specifically (for any particular investor or a group of investors) and for any period or periods of time at our absolute discretion.

## TRANSACTION INFORMATION

<b>Minimum initial investment*</b>	RM1,000 or such other amount as we may decide from time to time.
<b>Minimum additional investment*</b>	RM500 or such other amount as we may decide from time to time.
<b>Minimum withdrawal</b>	500 units or such other amount as we may decide from time to time. Withdrawal is limited to every Monday of the week.
<b>Minimum balance</b>	1,000 units or such other amount as we may decide from time to time.
<b>Switching</b>	No switching facility is available for the Fund.
<b>Transfer facility</b>	Transfer of unit holdings is allowed but this is subject to conditions stipulated in the Deed.
<b>Cooling-off period</b>	Six (6) Business Days from the date the application form is received and accepted by us or our Distributors from the first time investor. However, CIMB-Principal's staff and person(s) registered to deal in unit trust of CIMB-Principal or any Distributor are not entitled to the cooling-off right.

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

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

## VALUATIONS

We will value the Fund on weekly basis; i.e. every Monday. The Fund's valuation point for Monday will be by 4:00 p.m. on the next Business Day as the Fund has exposure to investments outside Malaysia. This is to cater for the currency translation of the foreign securities or instruments to the Funds' base currency. Currently, the currency translation is based on the bid exchange rate quoted by Bloomberg or Reuters at UK time 4:00 p.m. (Malaysian time 11:00 p.m. or 12:00 a.m.) on the same day, or such other time as stipulated in the IMS. The NAV per unit for Monday is available on our website at <http://www.cimb-principal.com.my> after 5:30 p.m. on the following Business Day (T+1). If Monday is a non-Business Day, the Fund will be valued on the next Business Day. Please refer to the "Unit Pricing" section of the Prospectus for more information.

## AVENUE TO EXIT THIS INVESTMENT

To exit from this investment, you may withdraw from the Fund or transfer your unit holdings to other investors. With the exception of withdrawal during the offer period, you may withdraw your investment on weekly basis, i.e. every Monday at the NAV per unit of the Business Day. Please note that if you withdraw during the offer period, the Application Fee will not be refunded to you, except in the case of cooling-off period.

Withdrawals can be made by completing a redemption form and sending it to the relevant Distributors or our head office. With the exception of withdrawal during the Offer Period, you are only allowed to redeem your units in the Fund every Monday with a Withdrawal Penalty fee charged prior to the maturity date. Hence, the amount that you will receive is calculated by the withdrawal value less the Withdrawal Penalty, if any. You will have to bear the applicable bank fees and charges, if any.

For more information on the withdrawals, switching, transfer facility and cooling-off period, please refer to the "Transaction Information" chapter of the Prospectus. For more information on the fees and charges incur when you exit from this investment, please refer to "Fees, Charges and Expenses" chapter of the Prospectus.

## CONTACT FOR FURTHER INFORMATION / LODGEMENT OF COMPLAINT

- (i) You may contact our Customer Care Centre at (03) 7718 3100. Our Customer Care Centre is available between 8:45 a.m. and 5:45 p.m. (Malaysian time) on Mondays to Thursdays and between 8:45 a.m. and 4:45 p.m. (Malaysian time) on Fridays (except on Selangor public holidays) or you can e-mail us at [service@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 (SIDREC)  
Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar  
No.5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur
- (b) SC's Consumer & Investor Office 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 : Consumer & Investor Office  
Securities Commission Malaysia  
No 3, Persiaran Bukit Kiara, Bukit Kiara, 50490 Kuala Lumpur
- (c) Federation of Investment Managers Malaysia's Complaints Bureau:
- via phone to : 03-2092 3800
  - via fax to : 03-2093 2700
  - via e-mail to : [complaints@fimm.com.my](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, 6th Floor, Wisma Tune,  
No. 19, Lorong Dungun Damansara Heights, 50490 Kuala Lumpur

## APPENDIX: GLOSSARY

- Application Fee - Preliminary charge on each investment.
- Business Day - Mondays to Fridays when Bursa Malaysia is open for trading, and banks in Kuala Lumpur and/or Selangor are open for business.

**Note:** We may declare certain Business Days to be a non-Business Day 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 you via our website at <http://www.cimb-principal.com.my>. Alternatively, you may



CIMB-Principal or the Manager	- CIMB-Principal Asset Management Berhad.
CWA	- Refers to unit trust consultants of CIMB-Principal.
Deed	- The Deed dated 28 July 2017 and any supplemental thereto 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.
Deposits	- As per the definition of "deposit" in the Financial Services Act 2013 and "Islamic deposit" in the Islamic Financial Services Act 2013. <b>Note:</b> To exclude structured deposits.
Distributor	- Any relevant persons and bodies appointed by us from time to time, who are responsible for selling units of the Fund.
Fund	- CIMB-Principal Total Return Bond* Fund 9. <b>*In the context of this Fund, refers to debt instruments which include bonds (such as investment grade bonds, Investment Grade Securities, Non-Investment Grade Securities and Unrated Securities), fixed rate debt instruments, floating rate debt instruments, certificates of deposit, commercial papers and notes</b>
GST	- Refers to the tax levied on goods and services pursuant to the Goods and Services Tax Act 2014.
IMS	- Investment Management Standards issued by the Federation of Investment Managers Malaysia .
Investment Grade Securities	- Securities that are rated investment grade by local or international rating agencies. In this context, local rating agencies refer to the rating agencies in the countries where the securities are issued, such as Rating Agency Malaysia and Malaysian Rating Corporation in Malaysia, Thailand Rating and Information Services in Thailand and PT Pemeringkat Efek Indonesia in Indonesia. International rating agencies refer to Standard & Poor's, Fitch Ratings and Moody's Investors Service.
IOSCO	- International Organization of Securities Commissions. For further details, please refer to <a href="http://www.iosco.org">http://www.iosco.org</a> .
IUTAs	- Institutional Unit Trust Advisers.
Non-Investment Grade Securities	- Securities that are rated below investment grade by local or international rating agencies. As these bonds are riskier than investment grade bonds, these bonds pay higher coupon than investment grade bonds.
Management Fee	- A percentage of the NAV of the Fund that is paid to us for managing the portfolio of the Fund.
Medium term	- Refers to a period of three (3) years.
NAV	- Net Asset Value.
NAV of the Fund	- 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.
NAV per unit	- The Net Asset Value of the Fund divided by the number of units in circulation, at the valuation point.
OTC	- Over-the-counter.
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.
Switching Fee	- A charge that may be levied when switching is done from one fund to another.
Transfer Fee	- A nominal fee levied for each transfer of units from one Unit holder to another.
Trustee Fee	- A nominal fee levied for each transfer of units from one Unit holder to another.
Unit holder	- The registered holder for the time being of a unit of the Fund including persons jointly so registered.
Unrated Securities	- Unrated Securities refers to debt instruments which are not rated by any rating agencies, including but not limited to treasury bills, bonds issued by government, government agency, statutory board or corporate. <b>Note:</b> In this context, Unrated Securities are not junk bonds. The Fund will only invest in Unrated Securities that fulfil the selection criteria of the credit evaluation process, as pre-determined in its investment policy and strategy of the Manager.
Withdrawal Penalty	- 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;
- any reference to a time or day in this Product Highlights Sheet shall be a reference to that time or day in Malaysia;
- reference to "days" in this Product Highlights Sheet will be taken to mean calendar days; and
- any reference in this Product Highlights Sheet to any rules, regulations, guidelines, standards, directives, notices, legislations or statutes or statutory provision is a reference to those rules, regulations, guidelines, standards, directives, notices, legislations or statutes for the time being in force, as may be amended, varied, modified, updated, superseded and/or re-enacted from time to time.

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