

Replacement Prospectus

PRINCIPAL FTSE ASEAN 40 MALAYSIA ETF

(a unit trust constituted on 19 April 2010 in Malaysia)

REPLACEMENT PROSPECTUS ON THE PRINCIPAL FTSE ASEAN 40 MALAYSIA ETF
AN EXCHANGE-TRADED FUND, PURSUANT TO THE LISTING OF ITS UNITS ON THE MAIN
MARKET OF BURSA MALAYSIA SECURITIES BERHAD

THIS IS A REPLACEMENT PROSPECTUS. THIS PROSPECTUS REPLACES AND SUPERSEDES
THE PROSPECTUS IN RESPECT OF THE CIMB FTSE ASEAN 40 MALAYSIA DATED 9 JUNE 2010
(AS AMENDED BY THE FIRST SUPPLEMENTAL PROSPECTUS THERETO DATED 1 APRIL 2015)

Manager



Principal Asset Management Berhad (304078-K)
(formerly known as CIMB-Principal Asset Management Berhad)

Trustee



Deutsche Trustees Malaysia Berhad (763590-H)

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS. IF IN DOUBT,
PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE
INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 10.

IMPORTANT: PRINCIPAL FTSE ASEAN 40 MALAYSIA ETF IS AN EXCHANGE-TRADED FUND LISTED ON THE
MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD AND IS ALSO A FEEDER FUND WHICH INVESTS
SUBSTANTIALLY ALL OF ITS ASSETS IN PRINCIPAL FTSE ASEAN 40, AN EXCHANGE-TRADED FUND LISTED ON
THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SINGAPORE FUND"). INVESTOR'S ATTENTION
IS DRAWN TO THE FACT THAT UNITHOLDERS OF THE FUND DO NOT HAVE ANY DIRECT INTEREST IN THE
SINGAPORE FUND AND ACCORDINGLY ARE NOT ENTITLED TO VOTE AS UNITHOLDERS OF THE SINGAPORE
FUND. THE FUND WILL BE A UNITHOLDER IN THE SINGAPORE FUND AND WILL VOTE ITS UNITS THEREIN
WITHOUT REFERENCE TO THE UNITHOLDERS OF THE FUND.

This Prospectus issue No. 2 is dated 30 September 2019.

RESPONSIBILITY STATEMENTS

The directors of Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement, or other facts which if omitted, would make any statement in this Prospectus false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has approved the issue of, offer for subscription or purchase, or issue an invitation to subscribe for or purchase Units in respect of the offering and a copy of this Prospectus has been registered with the Securities Commission Malaysia.

The approval, and registration of this Prospectus, should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made opinion expressed or report contained in this Prospectus. The Securities Commission Malaysia has not, in any way, considered the merits of the securities being offered for investment.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the Manager responsible for the Fund and takes no responsibility for the contents of this Prospectus. The Securities Commission Malaysia makes no representation as to its accuracy or completeness of this Prospectus, and expressly disclaims any liability for any loss you may suffer arising from, or in reliance upon, the whole or any part of this Prospectus.

Admission to the Official List of Bursa Malaysia Securities Berhad is not to be taken as an indication of the merits of the offering, the Fund or of its Units.

ADDITIONAL STATEMENTS

You should note that you may seek recourse under the Capital Markets and Services Act 2007 for breaches of securities laws and regulations including any statement in the Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to the Fund.

Securities listed on Bursa Malaysia Securities Berhad are offered to the public premised on full and accurate disclosure of all material information concerning the issue for which any person set out in Section 236 of the *Capital Markets and Services Act 2007*, e.g. directors and advisers, are responsible.

LICENSING CONDITIONS OF THE UNDERLYING INDEX

The following is a statement required to be disclosed in this Prospectus under the Index Licence Agreement entered into between FTSE International Limited, the index licensor and CIMB-GK Securities Pte Ltd on 20 September 2006, which was novated to Principal Asset Management (S) Pte Ltd on 15 June 2007. Principal Asset Management (S) Pte Ltd subsequently entered into an addendum with FTSE International Limited, the index licensor on 19 April 2010.

The Principal FTSE ASEAN 40 Malaysia ETF are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE") or by the London Stock Exchange Group companies ("LSEG") and neither FTSE nor LSEG makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE/ASEAN 40 Index ("the Index") and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE in conjunction with Indonesia Stock Exchange, Bursa Malaysia Berhad, The Philippine Stock Exchange, Inc., Singapore Exchange Securities Trading Limited and the Stock Exchange of Thailand (The "Exchanges"). However, neither FTSE nor LSEG nor the Exchanges shall be liable (whether in negligence or otherwise) to any person for any error in the Index and neither FTSE nor the LSEG nor the Exchanges shall be under any obligation to advise any person of any error therein.

"FTSE®", "FT-SE®", and "Footsie®", are trade marks of LSEG and are used by FTSE International Limited under licence.

Please refer to Section 2.3 on "RISK FACTORS" and Section 3.9 of this Prospectus for further information on the licensing conditions in relation to the Underlying Index contained in the Index Licence Agreement.

The rest of this page has been intentionally left blank

TABLE OF CONTENTS

	PAGE
DEFINITIONS	vii
CORPORATE DIRECTORY	xiii
1. INFORMATION SUMMARY	1
1.1 Summary of the Fund	1
1.2 Fees, charges and expenses in relation to the Fund	4
1.3 Use of proceeds	6
1.4 Summary of the Singapore Fund	7
1.5 Fees, charges and expenses in relation to the Singapore Fund	8
1.6 Other Information	9
2. RISK FACTORS	10
2.1 General risks of investing in ETFs	10
2.2 Risk factors specific to the Fund	11
2.3 Risk factors related to the Underlying Index	17
3. INFORMATION ON THE FUND	19
3.1 An introduction to the Fund	19
3.2 Listing of the Fund on Bursa Securities	19
3.3 Investment objective	20
3.4 Investment policy and strategy	20
3.5 Investment scope and restrictions	20
3.6 Income distribution policy	21
3.7 Performance of the Fund may deviate from the performance of the Singapore Fund	22
3.8 Correlation	22
3.9 The Underlying Index	22
3.10 Risk management strategies and techniques	27
3.11 Valuation of the Fund Assets	28
3.12 Valuation Point for the Fund	28
4. INFORMATION ON THE SINGAPORE FUND	29
4.1 An introduction to the Singapore Fund	29
4.2 Investment objective	29
4.3 Investment approach	29
4.4 Investment strategy	30
4.5 Investment restrictions and borrowing policy of Singapore Fund	30
4.6 Income distribution policy	30
4.7 Index rebalancing	31
4.8 Determination of the SF NAV	31
4.9 Operation of the Singapore Fund	32

TABLE OF CONTENTS

	PAGE
4.10 Singapore Fund performance	33
5. FEES, CHARGES AND EXPENSES OF THE FUND	34
5.1 Direct fees and charges to you	34
5.2 Indirect fees and expenses to you	34
5.3 Other fees, charges and expenses	34
5.4 Impact of fees and charges imposed by the Singapore Fund on the cost of investing in the Fund	38
5.5 Additional remuneration	38
5.6 Rebates and soft commissions	38
6. FEES, CHARGES AND EXPENSES OF THE SINGAPORE FUND	39
6.1 Fees and charges payable by the Singapore Fund	39
6.2 Other costs of investing in the Singapore Fund	39
7. UNITS OF THE FUND	40
7.1 Offering of the Units	40
7.2 Creation and redemption of Units	40
7.3 Procedures for creation of Units	40
7.4 Procedures for redemption	42
7.5 Calculation of Issue Price, Redemption Price and IOPV per Unit	45
7.6 Transaction Costs	45
7.7 Trading of the Units	46
8. THE MANAGER	47
8.1 About the Manager	47
8.2 Roles, duties and responsibilities	47
8.3 Key personnel of the Manager	48
8.4 The Board of the Manager	50
8.5 The Investment Committee	54
8.6 The Designated Person Responsible for the Management of the Fund	58
8.7 Material litigation and arbitration	58
8.8 Fund Administration and Fund Accounting Service Provider	58
8.9 Direct and indirect unit holding in the Fund	58
9. THE TRUSTEE	59
9.1 About the Trustee	59
9.2 Roles, duties and responsibilities	59
9.3 Experience in trustee business	59
9.4 Material litigation and arbitration	59
9.5 Trustee's Delegate	59
9.6 Trustee's statement of responsibility	59

TABLE OF CONTENTS

	PAGE
10. THE SF MANAGER	60
10.1 About the SF Manager	60
10.2 Functions, duties and responsibilities	60
11. SALIENT TERMS OF THE DEED	61
11.1 Rights of Unitholders	61
11.2 Liabilities and limitations of Unitholders	61
11.3 Maximum fees and charges permitted by the Deed	62
11.4 Expenses permitted by the Deed	62
11.5 Retirement, removal or replacement of the Manager	64
11.6 Retirement, removal or replacement of the Trustee	64
11.7 Termination of the Fund	65
11.8 Unitholders meeting	66
12. APPROVALS AND CONDITIONS	68
12.1 Approvals obtained from SC and conditions imposed	68
12.2 Waiver/Variation approved by SC	68
13. RELATED PARTY TRANSACTIONS/CONFLICTS OF INTEREST	69
13.1 Existing and proposed related party transactions	69
13.2 Interests of directors and substantial shareholders of the Manager	70
13.3 Declaration of expert's existing and potential interests/conflicts of interests	70
14. TAXATION OF THE FUND	71
15. ADDITIONAL INFORMATION	76
15.1 Keeping abreast with developments of the Fund	76
15.2 Investor services	76
15.3 Anti-money laundering policies and procedures	77
15.4 Unclaimed monies	77
15.5 Material agreements	77
16. CONSENTS	78
17. DOCUMENTS FOR INSPECTION	79
18. DIRECTORY OF PARTICIPATING DEALER'S OFFICES	80

DEFINITIONS

In this Prospectus, the following words and expressions shall have the following meanings except where the context otherwise requires:

Application	:	A Creation Application and/or Redemption Application, as the case may be.
Application Cancellation Fee	:	The fee which may, at the discretion of the Manager be charged to each Participating Dealer, upon the cancellation of each Application as set out in Sections 5 of this Prospectus.
Board	:	Board of Directors of the Manager.
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd.
Bursa Securities	:	Bursa Malaysia Securities Berhad.
Business Day	:	A day (other than Saturday, Sunday or public holidays in the Federal Territory of Kuala Lumpur) on which Financial Institutions are open for business and money market transactions are carried on in the Federal Territory of Kuala Lumpur.
CDS Account	:	An account established at Bursa Depository for the recording of deposit of securities and dealing in such securities by the depositor.
Central Depositories Act	:	Securities Industry (Central Depositories) Act, 1991.
CIMB Bank	:	CIMB Bank Berhad.
CIMB Group	:	CIMB Group Sdn Bhd.
Clearing House	:	Bursa Malaysia Securities Clearing Sdn Bhd.
CMSA	:	Capital Markets and Services Act, 2007.
Code	:	The Code on Collective Investment Schemes issued by the MAS.
Creation Application	:	An application to create new Units.
Creation Unit Block	:	The quantity of Units which will be issued upon a successful Creation Application in exchange for cash, as from time to time determined by the Manager, upon consultation with the Trustee and notified to the Participating Dealer.
DBMB	:	Deutsche Bank (Malaysia) Berhad.
DBS Trustee or the SF Trustee	:	DBS Trustee Limited or its successors.
Dealing Deadline	:	For the purposes of Creation Application(s) and/or Redemption Application(s), 10.30a.m. on any particular Dealing Day or such other time as the Manager (with approval of the Trustee) may from time to time determine and notify to the Participating Dealer(s).
Dealing Day	:	In relation to the Fund, each Market Day during the continuance of the Fund, which is also a SF Dealing Day and/or such other day as the Manager may, in consultation with the Trustee, from time to time determine but shall not include a Market Day on which a force majeure event occurs or is continuing.
Deed	:	The principal and all supplemental deeds in respect of the Fund made between the Manager and the Trustee, in which the Unitholders agree to be bound by the provisions of the Deed.
Distribution Account	:	An account to which the amount of any income or gain of the Fund calculated in respect of a Unit on a Market Day and allocated to the Unitholder is credited to.
DTMB or the Trustee	:	Deutsche Trustees Malaysia Berhad.

DEFINITIONS

ETF	:	Exchange-Traded Fund.
ETF Guidelines	:	Guidelines on Exchange-traded Funds issued by the SC.
Financial Institution	:	Shall have the same meaning as the term “financial institution” as defined in the Financial Services Act 2013.
Fund	:	The ETF as established by the Deed (as may be modified from time to time) known as the “Principal FTSE ASEAN 40 Malaysia ETF” or other name as the Manager may determine, subject to the approval of the relevant authority(ies).
Fund Assets	:	All the assets (including cash) held or deemed to be held upon trust by the Trustee pursuant to the Deed including income (which comprises all profits, dividends and other distributions or income which accrue in respect of the Fund Assets including all or any part of the capital gains and losses realised on the sale or disposal of the Fund Assets as the Manager may from time to time determine to be treated as income of the Fund) but excluding any amount standing to the credit of the Distribution Account.
Index Licensor or FTSE	:	FTSE International Limited.
Index Licence Agreement	:	The agreement dated 20 September 2006 entered into between the Index Licensor and CIMB-GK Securities Pte Ltd, which was novated to Principal Singapore on 15 June 2007 and supplemented via an addendum dated 19 April 2010.
Indicative Optimum Portfolio Value per Unit or IOPV per Unit	:	The estimated NAV per Unit of the Fund, calculated in the manner set forth in Section 7.5 of this Prospectus.
Issue Price	:	The price at which Units are issued or to be issued from time to time and which shall be ascertained in accordance with the provisions set out in Section 7.5 of this Prospectus.
LPD	:	31 July 2019, being the latest practicable date prior to the registration of this Prospectus whereby the information disclosed shall remain relevant and current as at such date.
Liabilities	:	The outstanding liabilities, costs and expenses of the Fund including without limitation: <ul style="list-style-type: none">(i) unpaid administrative fees and expenses including the Management Fee (if any) and the Trustee Fee;(ii) all fees and expenses and all duties, taxes, governmental charges, brokerage, transfer fees, or other charges or expenses incurred by the Manager and/or the Trustee in relation to or in connection with any transaction, dealing or instrument or as a consequence of such transaction, dealing or instrument;(iii) accrued charges in respect of or owing in relation to any SF Units;(iv) amounts required to meet all present liabilities and an appropriate allowance for any contingent liabilities;(v) any provision for tax which in the opinion of the Manager should be taken into account and such sum (if any) as estimated by the Manager to be paid or reclaimed in respect of taxation related to income and transactions prior to the relevant date;

DEFINITIONS

- (vi) the amount outstanding in respect of any borrowing permitted by applicable laws and the amount of any unpaid interest and expenses in respect thereof;
- (vii) any other cost or expenses payable but not paid which are expressly authorised by any of the provisions of the Deed to be payable out of the Fund Assets;
- (viii) any other amounts required to meet liabilities or other expenditure which in the opinion of the Manager, with the approval of the Trustee, should be taken into account and which have not otherwise been taken into account in determining the amount of the liabilities in any of the preceding paragraphs of this definition; and
- liabilities shall (where appropriate) be treated as accruing from day to day.
- Listing : Admission to the Official List and the listing of and quotation for the Units on the Main Market.
- Listing Requirements : The Main Market Listing Requirements issued by Bursa Securities.
- Main Market : Main Market of Bursa Securities.
- Management Fee : A percentage of the NAV of the Fund that is paid to the Manager for managing the portfolio of the Fund as set out in Section 5 of this Prospectus.
- Market : In relation to any Underlying Index Security, a Relevant Exchange, and in relation to any futures or derivative instrument, the international stock exchanges or over-the-counter market, approved by the SF Manager and the SF Trustee.
- Market Day : A Business Day on which Bursa Securities is open for trading of securities.
- MAS : The Monetary Authority of Singapore or its successors.
- MER : Management expense ratio which is the ratio of the sum of fees and recovered expenses of the Fund to the average NAV of the Fund calculated on a daily basis using the formula as set out in Section 5.3.2 of this Prospectus.
- NAV of the Fund : The value of all Fund Assets less the value of all the Liabilities, at the Valuation Point. For the purpose of computing the annual Management Fee (if any) and annual Trustee Fee, the NAV of the Fund should be inclusive of the Management Fee (if any) and Trustee Fee for the relevant day.
- Non-Specialised Fund : A collective investment scheme that invests in equities and/or fixed income instruments and does not fall within the categories of specialized schemes of property funds, money market funds, hedge funds, futures and options funds or currency funds as set out in Appendices 2, 3, 4, 7 and 8 of the Code.
- Non-Specialised Funds Investment Guidelines : The investment guidelines for Non-Specialised Funds issued by the MAS as Appendix 1 of the Code for the time being in force, and as the same may be amended from time to time by the MAS.
- Participating Dealer : CGS-CIMB Securities Sdn Bhd and any other person who has entered into a Participating Dealer Agreement in form and substance acceptable to the Manager and Trustee.

DEFINITIONS

Participating Agreement	Dealer	: The agreement entered into between the Participating Dealer, the Manager and Trustee setting out, amongst others: <ul style="list-style-type: none">(i) the arrangements in respect of the creation and issue of Units and the redemption and cancellation of Units; and(ii) the obligations of the Participating Dealer as a liquidity provider.
PIA		: Principal International (Asia) Ltd.
PFG		: Principal Financial Group and its affiliates.
Principal Malaysia or the Manager		: Principal Asset Management Berhad (<i>formerly known as CIMB-Principal Asset Management Berhad</i>)
Principal Singapore		: Principal Asset Management (S) Pte Ltd.
Prospectus		- This disclosure document issued by us describing the details of the Fund.
Redemption Amount		: The sum payable for Units redeemed pursuant to a Redemption Application which shall be the Redemption Price multiplied by the number of Units redeemed.
Redemption Application		: An application to redeem existing Units.
Redemption Date		: In relation to Units applied for, means three Dealing Days after the Trade Date on which an Application for such Units is received/deemed received or such other day as may be agreed between the Manager and Trustee (on either a general or case by case basis) and notified to the Participating Dealer on which Units are to be redeemed/cancelled.
Redemption Price		: The price per Unit at which Units are redeemed from time to time and which shall be ascertained in accordance with the provisions set out in Section 7.5 of this Prospectus.
Redemption Unit Block		: The quantity of Units which are required to be delivered to the Trustee in exchange for cash, as from time to time determined by the Manager, upon consultation with the Trustee and notified to the Participating Dealer.
Register		: The register of Unitholders kept and maintained by the Manager or its appointed agent on the following basis: <ul style="list-style-type: none">(i) Units issued to the Unitholders;(ii) Units redeemed by the Unitholders; and(iii) records obtained from Bursa Depository annually, or on such other dates as may be determined by the Manager.
Relevant Exchanges		: The stock exchanges of the ASEAN region on which the Underlying Index Securities are traded and a “Relevant Exchange” means any one of them. The initial Relevant Exchanges are PT Bursa Efek Jakarta (Jakarta Stock Exchange), Bursa Malaysia Berhad, The Philippine Stock Exchange, Inc., The Stock Exchange of Thailand and SGX-ST.
Ringgit Malaysia or RM		: The lawful currency of Malaysia.
SC		: Securities Commission of Malaysia.
SF Business Day		: A day (other than a Saturday or a Sunday) on which all the Relevant Exchanges are open for normal trading and on which the Underlying Index is compiled and published, and on which banks in Singapore are open for general business (or such other day or days as may from time to time be determined by the SF Manager and SF Trustee) and where a day on which any of the Relevant Exchanges or banks in Singapore is

DEFINITIONS

	open for only half a day such day shall not be considered a SF Business Day.
SF Dealing Day	: In relation to the Singapore Fund, each SF Business Day during the continuance of the Singapore Fund, and/or such other day or days as the SF Manager may from time to time determine with the approval of the SF Trustee.
SF Deed	: Trust Deed constituting the Singapore Fund dated 6 September 2006 between the SF Manager and the SF Trustee, as amended, supplemented or restated from time to time.
SF Manager	: Principal Singapore, in its capacity as the manager of the Singapore Fund.
SF NAV	: The net asset value of the Singapore Fund or, as the context may require, of a SF Unit calculated pursuant to the SF Deed.
SF Participating Dealer	: Citigroup Global Markets Singapore Securities Pte Ltd, Flow Traders Asia Pte Lte, DBS Vickers Securities (Singapore) Pte Ltd, Société Générale, Singapore Branch, Goldman Sachs Futures Pte Ltd, Commerzbank AG and CIMB Securities Limited or any other dealer which has entered into an SF Participation Agreement in form and substance acceptable to the SF Manager and the SF Trustee.
SF Securities	: Underlying Index Securities and any securities, futures or derivative instrument held by the Singapore Fund.
SF Unit	: An undivided interest in the Singapore Fund.
SF Unitholder	: The person for the time being entered in the register as the holder of a SF Unit and (where the context so permits) persons jointly so entered.
SGX-ST	: Singapore Exchange Securities Trading Limited or its successors.
Singapore Fund or SF	: Principal FTSE ASEAN 40, a unit trust constituted under Singapore law.
Special Resolution	: A resolution that is passed by a majority of not less than 75% of the total voting rights of the Unitholders who are entitled to vote on the resolution at the meeting of Unitholders, provided that for the purposes of terminating or winding up of the Fund a special resolution is passed by a majority in number representing at least 75% of the voting rights of the Unitholders voting at the Unitholders meeting;
Subscription Amount	: The price payable for Units applied for pursuant to a Creation Application which shall be the Issue Price multiplied by the number of Units applied.
Target Funds	: Other collective investment schemes as defined in the ETF Guidelines.
Trade Date	: The Dealing Day on which the Manager receives a valid Application in accordance with the Deed and the Participating Dealer Agreement provided that if such Application is received after the Dealing Deadline, the next Dealing Day shall be deemed the Trade Date.
Transaction Costs	: In relation to any particular transaction or dealing, means all stamp and other duties, taxes, government charges, brokerage, bank charges, transfer fees, registration fees, transaction levies and other duties and charges whether in connection with the constitution of the Fund Assets or the increase or decrease of the Fund Assets or the creation, issue, transfer, cancellation or redemption of Units or the acquisition or disposal of Fund Assets or otherwise which may have become or may be payable in respect of (whether prior to, upon or after the occasion of) any transaction or dealing.

DEFINITIONS

Trustee Fee	:	A percentage of the NAV of the Fund that is paid to the Trustee, as set out in Section 5 of this Prospectus.
Underlying Index or FTSE/ASEAN 40 Index	:	The FTSE/ASEAN 40 Index (or such other name by which the index may be known) provided by the Index Licensor or such replacement index as may be determined by the SF Manager.
Underlying Index Securities	:	The shares or interests issued by the companies that are included in the Underlying Index from time to time or depository receipts that may be issued against such shares or securities.
Unit	:	An undivided interest in the Fund.
Unitholder	:	Any person(s) registered as holding a Unit in accordance with the provisions of the Deed.
Valuation Point	:	In relation to the Fund, at the official close of trading on the Bursa Securities on each Dealing Day.

Words denoting the singular shall, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include companies and corporations.

Unless otherwise indicated, any reference in this Prospectus to any rules, regulations, guidelines, standards, directives, notices, legislations or statutes shall be reference to those rules, regulations, guidelines, standards, directives, notices, legislations or statutes for the time being in force, as may be amended, varied, modified, updated, superseded and/or re-enacted from time to time.

Any reference to a time, day or date in this Prospectus shall be a reference to that time, day or date in Malaysia, unless otherwise stated. Reference to “days” in this Prospectus will be taken to mean calendar days unless otherwise stated.

Please note that all references to currency amounts and NAV per Unit in this Prospectus are in Ringgit Malaysia unless otherwise indicated.

The rest of this page has been intentionally left blank

CORPORATE DIRECTORY

MANAGER : Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*)

Registered address : 8th Floor, Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur Malaysia

Tel No.: (+603) 2084 8888

Business address : 10th Floor, Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur Malaysia

Tel No.: (+603) 2084 8888
E-mail: service@principal.com.my
Website: <https://www.principal.com.my>

**FUND ADMINISTRATION AND
FUND ACCOUNTING SERVICE
PROVIDER** : Deutsche Trustees Malaysia Berhad
(Manager's Delegate)

Registered address and Business address : Level 20, Menara IMC
8, Jalan Sultan Ismail
50250 Kuala Lumpur Malaysia

Tel no.: (+603) 2053 7522
Email: dbkl.dfs@db.com
Website: <https://www.db.com>

TRUSTEE : Deutsche Trustees Malaysia Berhad

Registered and Business address : Level 20, Menara IMC
8, Jalan Sultan Ismail
50250 Kuala Lumpur Malaysia

Tel No.: (+603) 2053 7522
Email: dtmb.cis@list.db.com

CUSTODIAN : Deutsche Bank (Malaysia) Berhad
(Trustee's Delegate)

Registered address : Level 18, Menara IMC
8, Jalan Sultan Ismail
50250 Kuala Lumpur Malaysia

Tel no.: (+603) 2053 6788

Business address : Level 18-20, Menara IMC
8, Jalan Sultan Ismail
50250 Kuala Lumpur Malaysia

Tel no.: (+603) 2053 6788
Email: dbmb-dcs.cs@db.com

Website: <https://www.db.com>

AUDITORS OF THE MANAGER AND OF THE FUND : PricewaterhouseCoopers
Chartered Accountants
Level 10, 1 Sentral
Jalan Rakyat
Kuala Lumpur Sentral
PO Box 10192
50706 Kuala Lumpur Malaysia

TAX ADVISER : PricewaterhouseCoopers
Taxation Services Sdn Bhd
Level 10, 1 Sentral
Jalan Rakyat
Kuala Lumpur Sentral
PO Box 10192
50706 Kuala Lumpur Malaysia

LEGAL ADVISER : Shook Lin & Bok
20th Floor, Ambank Group Building
55 Jalan Raja Chulan
50200 Kuala Lumpur Malaysia

PARTICIPATING DEALER & MARKET MAKER : CGS-CIMB Securities Sdn Bhd

Registered address : 13th Floor, Menara CIMB
No.1, Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur, Malaysia

Business address : 17th Floor Menara CIMB
No 1. Jalan Stesen Sentral 2
Kuala Lumpur Central
50470 Kuala Lumpur Malaysia

INDEX LICENSOR : FTSE INTERNATIONAL LIMITED
10 Paternoster Square
London
EC4M 7LS
United Kingdom

LISTING : Main Market of Bursa Securities

1. INFORMATION SUMMARY

This section is only a summary of salient information about the Fund. You should read and understand the whole Prospectus prior to making investment decisions.

1.1 Summary of the Fund

Item	Brief Description	Sections in Prospectus
Name of Fund	: Principal FTSE ASEAN 40 Malaysia ETF	3 and Definitions
Category of Fund	: Feeder ETF / Equity	3.1
Type of Fund	: Index tracking	
Investment objective	: The Fund aims to provide investment results that, before expenses, closely correspond to the performance of the Underlying Index, regardless of its performance.	3.3
Underlying Index	: The FTSE/ASEAN 40 Index or such replacement index as may be determined by the SF Manager and/or the Manager.	3.9
Investment policy and strategy	: A passive strategy whereby the Manager invests substantially all the assets of the Fund into the Singapore Fund.	3.4
Risk factors	: The following is a list of risk factors (which may not be exhaustive) which you should carefully consider before investing in the Fund:	2
	(I) General risk of investing in ETFs	2.1
	(i) Returns not guaranteed	
	(ii) General market risk	
	(iii) Inflation risk	
	(iv) Loan financing risk	
	(v) Risk of non-compliance	
	(vi) Manager's risk	
	(II) Risk factors specific to the Fund	2.2
	(i) Market risk	
	(ii) Passive investment	
	(iii) Tracking error risk	
	(iv) Creation and redemption through Participating Dealer only	
	(v) Liquidity risk	

1. INFORMATION SUMMARY

Item	Brief Description	Sections in Prospectus
	(vi) Minimum creation and redemption size	
	(vii) Units may trade at price other than at NAV of the Fund	
	(viii) No assurance of performance of Fund	
	(ix) Income distributions are contingent on dividends paid by the Singapore Fund	
	(x) Concentration on the Singapore Fund	
	(xi) Concentration on a particular group of stocks, industry or group of industries	
	(xii) Dependence on trading market for the Underlying Index Securities	
	(xiii) Lack of discretion by Manager to adapt to market changes	
	(xiv) Trading in Units on Bursa Securities may be suspended	
	(xv) Trading in SF Units on the SGX-ST may be suspended	
	(xvi) Units may be de-listed from Bursa Securities	
	(xvii) Suspension of creations and redemptions	
	(xviii) Right of the MAS to withdraw authorization of the Singapore Fund	
	(xix) Emerging market risks	
	(xx) Foreign exchange risk	
	(xxi) Foreign security risk	
	(xxii) Market disruption events and settlement disruption events	
	(III) Risk factors related to the Underlying Index	2.3
	(i) Errors or inaccuracies to the Underlying Index	
	(ii) Underlying Index is subject to fluctuations	
	(iii) Composition and weightings in the Underlying Index may change	
	(iv) Licence to use the Underlying Index may be terminated	
	(v) Compilation of the Underlying Index	

1. INFORMATION SUMMARY

Item	Brief Description	Sections in Prospectus
Investor profile	: The Fund is designed for investors who seek an “index-based” approach to investing in a liquid, low cost financial instrument with performance generally similar to the Underlying Index. Due to its dual attribute of being a unit trust and being listed and traded on the stock exchange, the Units can be used by both medium to long-term investors and short-term traders.	
Initial approved Fund size	: 500 million Units	
Offering of the Units	: You may choose to purchase and sell Units in the secondary market on Bursa Securities or apply for creation/redemption in a Creation/Redemption Unit Block or a multiple or multiples thereof, through the Participating Dealer.	7.1
Creation/redemption of Units	: (I) Creation of Units Participating Dealer (either for their own accounts or for the accounts of their clients) can only apply for creation of new Units via the delivery of cash in exchange for Units. (II) Redemption of Units Participating Dealer (either for their own accounts or for the accounts of their clients) can only redeem Units via the delivery of existing Units in exchange for cash.	7.2 and 7.3 7.2 and 7.4
Creation/Redemption Unit Block	: Currently, 1.35 million Units. This quantity may change from time to time as determined by the Manager, upon consultation with the Trustee and notified to the Participating Dealer. Creation/redemption of Units must be in a Creation/Redemption Unit Block or a multiple or multiples thereof.	7.1, 7.2, 7.3 and 7.4
Trading of Units	: You may trade (buy and sell) Units on the Main Market	7.1 and 7.7
Trading board lot size	: 100 Units	7.1 and 7.7

1. INFORMATION SUMMARY

Item	Brief Description	Sections in Prospectus
Trading currency	: Ringgit Malaysia	
Income distribution policy	: Annually, subject to the discretion of the Manager.	3.6
Manager	: Principal Asset Management Berhad (formerly known as CIMB-Principal Asset Management Berhad)	8
Trustee	: Deutsche Trustees Malaysia Berhad	9

Please refer to Section 3 of this Prospectus for additional information on the Fund.

Latest information on the Underlying Index and the Fund will be published on the following websites:

- (i) the FTSE Russell website at <https://www.ftserussell.com>; and
- (ii) our website at <https://www.principal.com.my>.

1.2 Fees, charges and expenses in relation to the Fund

(i) Direct fees and charges payable by you

This table describes the charges that you may incur (based on the charges imposed by Bursa Securities as at the LPD, which may be varied from time to time) when you buy or sell Units on Bursa Securities:

Fees and charges	%/RM
Brokerage fee	Maximum of 0.70% of the contract value (subject to minimum of RM40).
Clearing fee	On market transactions: 0.03% of transaction value (subject to maximum of RM1,000 per contract).
	Direct business transactions: 0.03% of transaction value (subject to minimum of RM10 and maximum of RM1,000 per contract).
Stamp duty	RM1.00 for every RM1,000 (or fractional part) of the transaction value of securities, subject to a maximum of RM200.

Further information on the charges that you may incur from trading the Units on Bursa Securities can be found at <http://www.bursamalaysia.com>.

(ii) Indirect fees and charges payable by you

1. INFORMATION SUMMARY

This table describes the fees and expenses that you may indirectly incur when you invest in the Fund:

Fees and expenses	%
Management Fee	Nil
Trustee Fee	Up to 0.08% ⁽¹⁾ , subject to a minimum of RM12,000 per annum.

Note:

⁽¹⁾ Calculated based on the NAV of the Fund, accrued daily.

In addition, there will be other fees or expenses incurred by the Fund as described in Section 5.3.3 of this Prospectus.

All of the abovementioned fees and expenses shall be deducted from the Fund Assets.

(iii) Fees and charges to a Participating Dealer

All Creation/Redemption Applications must be submitted to the Manager through a Participating Dealer and the creation/redemption of Units must be implemented in accordance with the terms and conditions set out in the Participating Dealer Agreement.

The fees and charges (excluding out-of-pocket expenses) that the Participating Dealer will be paying to the Manager and/or Trustee (which may be charged to you by the Participating Dealer) as set out in the Participating Dealer Agreement are as follows:

Fees and charges		Description
(a)	Creation Application fee	Currently RM4,550 (subject to a maximum of RM5,000 to allow for foreign exchange fluctuations) payable to the Manager or such amount as may be determined by the Manager from time to time, in consultation with the Trustee.
(b)	Creation Application Cancellation Fee	Currently RM7,350 (subject to a maximum of RM8,000 to allow for foreign exchange fluctuations) payable to the Manager or such amount as may be determined by the Manager from time to time, in consultation with the Trustee.
(c)	Redemption Application fee	Currently RM7,350 (subject to a maximum of RM8,000 to allow for foreign exchange fluctuations) payable to the Manager or such amount as may be determined by the Manager from time to time, in consultation with the Trustee.
(d)	Redemption Application Cancellation Fee	Currently RM7,350 (subject to a maximum of RM8,000 to allow for foreign exchange fluctuations) payable to the Manager or such amount as may be determined by the

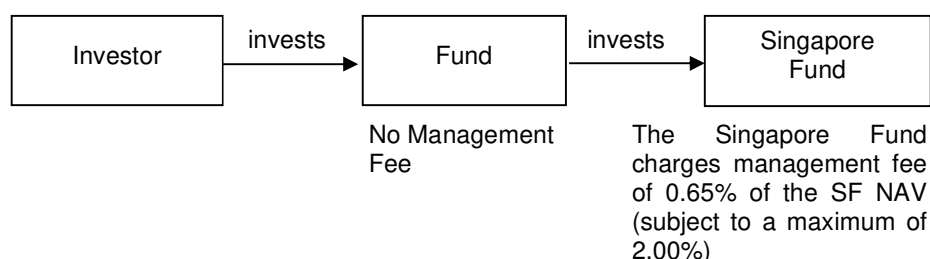
1. INFORMATION SUMMARY

Fees and charges		Description
		Manager from time to time, in consultation with the Trustee.
(e)	Transaction Costs	The Manager may charge Transaction Costs (incurred by the Fund). This is to prevent the NAV of the Fund from being diluted by the high Transaction Costs.
(f)	Other fees	The amount (other than Transaction Costs described above) that may be incurred by the Manager and/or the Trustee from time to time in relation to the Applications submitted by the Participating Dealer, which is charged by Bursa Depository.

These fees and charges are relatively higher due to charges imposed by the Singapore Fund.

(iv) Impact of fees and charges imposed by the Singapore Fund on the cost of investing in the Fund

There will be no Management Fee charged at the Fund level as illustrated below. A management fee will only be charged once at the Singapore Fund level. The fees of the SF Trustee, custodian, registrar, Index Licensor and auditors of the SF will be borne by the SF Manager and will not be charged to the Singapore Fund.



Other than the management fee above, there are other expenses incurred by the Singapore Fund. These fees and charges are imputed into the calculation of the SF NAV. As such, Unitholders of the Fund are indirectly bearing the above fees and expenses charged at the Fund level. Please refer to Section 6.2 for details of the fees, charges and expenses of investing in the Singapore Fund.

1.3 Use of proceeds

The proceeds received by the Fund pursuant to the subscription of Units shall be used for the purposes of investment in the SF Units, other investments described in Section 3 of this Prospectus and for payment of fees, charges and expenses chargeable to the Fund described in Section 5 of this Prospectus.

1. INFORMATION SUMMARY

1.4 Summary of the Singapore Fund

Your attention is drawn to the fact that the Singapore Fund is not available for direct investment by Malaysian investors in Malaysia. The SC's approval of the Fund does not imply recommendation of either the Fund or the Singapore Fund and the SC accepts no responsibility as to the accuracy of the statements made or opinions expressed in this Prospectus.

The following information is extracted from or based on information contained in the prospectus issued by the Singapore Fund on 22 April 2019 and such information has not been independently verified.

Item	Brief Description	Sections in Prospectus
Name of Fund	: Principal FTSE ASEAN 40	4.1
Investment objective	: The Singapore Fund aims to provide investment results that, before expenses, closely correspond to the performance of the FTSE/ASEAN 40 Index.	4.2
Underlying Index	: The FTSE/ASEAN 40 Index or such replacement index as may be determined by the SF Manager.	3.9
Investment policy and strategy	: In managing the Singapore Fund, the SF Manager may adopt either a Replication Strategy or a Representative Sampling Strategy. The SF Manager may swap between the two strategies, without prior notice to investors, in its absolute discretion as often as it believes appropriate in order to achieve the investment objective of the Singapore Fund. Using a Replication Strategy, the Singapore Fund will invest in substantially all the Underlying Index Securities in substantially the same weightings (i.e. proportions) as the FTSE/ASEAN 40 Index. However, if the SF Manager believes that a Replication Strategy is not the most efficient means to track the FTSE/ASEAN 40 Index, the SF Manager may decide to adopt a Representative Sampling Strategy instead. Using a Representative Sampling Strategy, the Singapore Fund will hold a representative sample of a portfolio of SF Securities selected by the SF Manager using quantitative analytical models in a technique known as "portfolio sampling". The SF Manager will seek to construct the portfolio of the Singapore Fund so that, in the aggregate, its	4.3

1. INFORMATION SUMMARY

Item	Brief Description	Sections in Prospectus
	capitalisation, industry and fundamental investment characteristics perform like those of the FTSE/ASEAN 40 Index.	
Trading currency	: US\$ (primary/base currency) or Singapore dollars (S\$) (secondary currency).	
Financial year end of the Singapore Fund	: 31 December	
Income Distribution policy	: Annually (if any)	4.6
SF Manager	: Principal Asset Management (S) Pte Ltd	10
SF Trustee	: DBS Trustee Limited	

Please refer to Section 4 of this Prospectus for additional information on the Singapore Fund.

Latest information on the FTSE/ASEAN 40 Index and the Singapore Fund will be published on the Underlying Index website at <https://www.ftserussell.com/> and the Singapore Fund's website at <https://www.principal.com.sg> respectively.

1.5 Fees, charges and expenses in relation to the Singapore Fund

(i) Fees and charges payable by the Singapore Fund

The fees and charges payable by the Singapore Fund are summarised as follows:

Fees and expenses	%/US\$
Management Fee	Currently 0.65% per annum of the SF NAV Maximum 2.00% per annum of the SF NAV

Note:

The fees of the SF Trustee, custodian, registrar, Index Licensor and auditors will be borne by the SF Manager and will not be charged to the Singapore Fund.

(ii) Other costs of investing in the Singapore Fund

All the expenses incurred in connection with the convening of meetings of SF Unitholders and all other transactional costs and operating costs (relating to the administration of the Singapore Fund) shall be paid out of the assets of the Singapore Fund.

The Singapore Fund will bear the cost and expenses for the preparation of all prospectuses issued by the Singapore Fund, any supplementary, replacement or updated prospectuses thereto, product highlights sheets, reports and/or other statements to SF Unitholders.

1. INFORMATION SUMMARY

1.6 Other Information

In respect of the Fund, the Manager and the Trustee have entered into the Deed dated 19 April 2010 as modified by one (1) supplemental deed thereto dated 2 August 2019. The provisions therein are and shall be binding on each Unitholder so long as the Unitholder is registered as a person holding a Unit in accordance with the Deed.

There are fees and charges involved and you are advised to consider them before investing in the Fund.

Please refer to Section 5 for further details on the fees, charges and expenses related to investing in the Units. You should read and understand the contents of the Prospectus and if necessary consult your professional adviser(s).

Unit prices and distributions payable, if any, may go down as well as up.

For information concerning certain risk factors which should be considered by prospective investors, see "RISK FACTORS" commencing on page 10.

You should read and understand the contents of the Prospectus and if necessary consult your professional adviser(s).

You may contact our Customer Care Centre at (03) 7718 3000 or email us at service@principal.com.my. 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).

If you wish to write in, please address your letter to:

**Principal Asset Management Berhad
Customer Care Centre
50, 52 & 54 Jalan SS 21/39
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan Malaysia**

<p>The rest of this page has been intentionally left blank</p>
--

2. RISK FACTORS

2.1 General risks of investing in ETFs

Any investment carries with it an element of risk. Therefore, prior to making an investment, you should consider the following risk factors in addition to the other information set out in this Prospectus.

(i) Returns not guaranteed

You should be aware that by investing in an ETF, there is no guarantee of any income distribution, returns or capital appreciation.

(ii) General market risk

Any purchase of securities will involve some element of market risk. Hence an ETF 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 rates;
- 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 underlying securities of an ETF's investment portfolio. Such movements in the underlying values of the securities will cause the NAV or prices of units to fall as well as rise, and income produced by an ETF may also fluctuate.

(iii) Inflation risk

Inflation rate risk is the risk of potential loss in the purchasing power of your investment due to a general increase of consumer prices. Inflation erodes the real rate of your return, that is, the return after you take away the inflation rate. The inflation rate is commonly reported using the Consumer Price Index. Inflation is thus one of the major risks to you over a long-term period and results in uncertainty over the future value of investments. Thus, fixed rate securities are exposed to higher inflation risk than equities in a rising inflationary environment. This risk can be minimised by investing in securities that can provide positive real rate of return.

(iv) Loan financing risk

If a loan is obtained to finance the purchases of Units of the Fund, you will need to understand that:

- borrowing increases the possibility for gains as well as losses;
- if the value of the investment falls below a certain level, you may be asked by the Financial Institution to top up the collateral or reduce the outstanding loan amount to the required level;
- the borrowing cost may vary over time depending on the fluctuations in interest rates; and
- the risks of using loan financing in light of your investment objectives, attitude towards risk and financial circumstances should be carefully assessed.

2. RISK FACTORS

(v) Risk of non-compliance

This refers to an ETF not complying to applicable laws, rules, regulations, prescribed practices and internal policies and procedures by the Manager. This risk may also occur indirectly due to legal risk, which is risk of circumstances from the imposition and/or amendment on the relevant regulatory frameworks, laws, rules, and other legal practices affecting an ETF. Non-compliance may cause investments in the ETF to be sold at a loss and hence affecting the value of the ETF and also may lead to suspension or de-listing of Units on Bursa Securities. In order to mitigate this risk, the Manager imposes stringent internal controls and ensures that compliance monitoring processes are undertaken.

(vi) Manager's risk

The performance of any ETF is dependent amongst others on the experience, knowledge, expertise and investment techniques/process adopted by the Manager and/or the SF Manager, as the case may be, and any lack of the above would have an adverse impact on the Fund's performance thereby working to the detriment of Unitholders. You should also note that the quality of the Fund's management and/or the Singapore Fund's management, as the case may be, is also affected by internal circumstances within the management company such as operational and system matters. Some of these are due to human error and some are due to other factors that may be beyond control. Although the occurrence of such events is very unlikely, the Manager and/or the SF Manager, as the case may be, seeks to reduce this risk by implementing a consistent and structured investment process, systematic operational procedures and processes along with stringent internal controls.

2.2 Risk factors specific to the Fund

(i) Market risk

The NAV of the Fund will change with changes in the market value of the SF Securities the Singapore Fund holds. The price of SF Units and correspondingly the price of the Units and the income from them may fluctuate. You may not get back your original investment. Whilst the Manager currently intends to pay out income distributions of the Fund annually, there is no guarantee that the Manager would make such distributions to you. Investment in the Fund involves risks similar to those of inherent in any fund of equity securities traded on an exchange, such as market fluctuations caused by factors like economic and political developments, changes in interest rates and foreign exchange. A significant decline in the value of the Underlying Index can therefore be expected to result in a similar decline in the SF NAV (and consequently the NAV of the Fund).

(ii) Passive investment

The Fund is not actively managed. Accordingly, the Fund may be affected by a decline in the Underlying Index. The Fund invests substantially all its assets in the Singapore Fund, which in turn invests in the securities included in or reflecting its Underlying Index. The SF Manager does not attempt to select stocks individually or to take defensive positions in declining markets.

(iii) Tracking error risk

Changes in the SF NAV are unlikely to replicate the exact changes in the Underlying Index. This is due to, among other things, the fees and expenses payable by the Singapore Fund and transaction fees and stamp duty incurred in adjusting the composition of the Singapore Fund's portfolio because of changes in the Underlying Index and dividends received, but not distributed, by the Singapore Fund. In addition, as a result of the unavailability of Underlying Index Securities, the transaction costs in making an adjustment outweighing the anticipated benefits of such adjustment or for certain other reasons, there may be timing differences between changes in the Underlying Index and the corresponding adjustment to the shares which comprise the Singapore Fund's portfolio.

During times when Underlying Index Securities are unavailable, illiquid or when the SF Manager determines it is in the best interests of the Singapore Fund to do so, the Singapore Fund may maintain a small cash position or invest in other securities until the Underlying Index Securities become available or liquid. Such costs, expenses, cash balances, timing differences or holdings could cause the SF NAV (and as a result the NAV of the Fund) to be lower or higher than the relative level of the Underlying Index. SF Manager's ability to achieve close correlation with the performance of the Underlying Index may also be affected by regulatory policies. The Singapore Fund's returns may therefore deviate from the Underlying Index and thus affecting the return of the Fund.

(iv) Creation and redemption through Participating Dealer only

You may generally not create or redeem Units and in any event can only create or redeem Units through Participating Dealer who are under no obligation to agree to do so on your behalf. The Participating Dealer may, in its absolute discretion, refuse to accept a creation or redemption order from you and can charge such fees as it may determine. The Participating Dealer will not be able to create or redeem Units during any period when, amongst other things, dealings on Bursa Securities are restricted or suspended, settlement or clearing of Units through the Bursa Depository is disrupted or the Underlying Index is not compiled or published. In addition, the Participating Dealer will not be able to create or redeem Units if some other events occurs which impedes the calculation of the NAV of the Fund or disposal of the Fund's portfolio SF Units cannot be effected.

As the Fund invests substantially in the Singapore Fund, the SF Participating Dealer may refuse to accept a creation or redemption order. Further, the willingness of a SF Participating Dealer to redeem Units may depend upon, but is not limited to, that SF Participating Dealer's ability to sell the relevant SF Units as well as any agreement which may be reached between the Manager and the SF Participating Dealer.

(v) Liquidity risk

Although the Units will be listed on Bursa Securities, you should be aware that there may not be a liquid trading market for the Units. There can be no assurance that active trading markets will develop, nor is there a certain basis for predicting the actual price levels at, or sizes in which the Units may trade. Further, there can be no assurance that the Units will experience trading or pricing patterns similar to those of market-traded shares which are issued by investment companies in other jurisdictions or which are based upon indices other than the Underlying Index. However, the Participating Dealer which also act as market makers are expected to create liquidity for the Units.

2. RISK FACTORS

(vi) Minimum creation and redemption size

Units will normally only be issued/redeemed in a Creation/Redemption Unit Block (currently 1.35 million Units) or a multiple or multiples thereof. If you do not hold Creation/Redemption Unit Blocks may only be able to subscribe for Units/realise the value of their Units on Bursa Securities.

(vii) Units may trade at prices other than at NAV of the Fund

The NAV of the Fund represents the fair price for buying or selling Units. As with any listed fund, the secondary market price of Units may sometimes trade above or below this NAV of the Fund. There is a risk, therefore, that Unitholders may not be able to buy or sell at a price close to this NAV of the Fund. The deviation from NAV of the Fund is dependent on a number of factors, but will be accentuated when there is a large imbalance between market supply and demand for Units on Main Market. However, given that the Units can be created and redeemed in Creation and Redemption Unit Blocks by Participating Dealer, as applicable, it is not anticipated that there will be large deviations from the NAV of the Fund.

(viii) No assurance of performance of Fund

There can be no assurance that the investment objective of the Fund will be met. The absolute amount of fees and expenses payable by the Fund will fluctuate in relation to the NAV of the Fund. Although the amounts of certain ordinary expenses of the Fund can be estimated, the growth rate of the Fund, and hence the NAV of the Fund, cannot be anticipated. Accordingly, no assurances can be given as to the performance of the Fund or the actual level of its expenses.

(ix) Income distributions are contingent on dividends paid by the Singapore Fund

The ability of the Fund to distribute income to the Unitholders depends principally on the dividends declared and paid to the Fund by the Singapore Fund, which in turn is dependent on dividends declared and paid by the companies whose shares are held by the Singapore Fund. It also depends on the level of fees and expenses payable by the Singapore Fund and the Fund. Dividend payment rates of the Singapore Fund and such companies are based on numerous factors, including their current financial condition, their dividend policies and the general economic condition. There can be no assurance that the Singapore Fund and such companies will declare dividends or make other distributions. In addition, changes to the composition of the Underlying Index (for example, the substitution of one constituent stock in the Underlying Index with another paying higher or lower dividend) will affect the level of dividends received by the Singapore Fund (which will affect the Fund).

To the extent possible, the Fund may distribute all, or substantially all, of the dividends (after deduction of relevant fees, expenses and taxes) received by the Fund amongst the Unitholders, pro-rated based on the number of Units held by each Unitholder as at the entitlement date of the income distribution. The exact amount to be distributed will be at the discretion of the Manager.

(x) Concentration on the Singapore Fund

2. RISK FACTORS

The Fund invests substantially its assets in the Singapore Fund. Any adverse impact experienced by the Singapore Fund will accordingly affect the performance of the Fund.

(xi) Concentration on a particular group of stocks, industry or group of industries

If the Underlying Index comprises Underlying Index Securities that are concentrated in a particular group of stocks, industry or group of industries, the Singapore Fund may be adversely affected by the performance of those stocks and be subject to price volatility. The Singapore Fund may be more susceptible to any single economic, market, political or regulatory occurrence. Any adverse impact experienced by the Singapore Fund as a result of this will affect the performance of the Fund.

(xii) Dependence upon trading market for the Underlying Index Securities

All of the Underlying Index Securities are listed on the Relevant Exchanges. The existence of a liquid trading market for the Underlying Index Securities may depend on whether there is a supply of, and demand for, such Underlying Index Securities. There can be no assurance that there will be active trading in any of the Underlying Index Securities. The price at which the Underlying Index Securities may be purchased or sold by the Singapore Fund upon any rebalancing activities or otherwise and the SF NAV or the Fund may be adversely affected if trading markets for the Underlying Index Securities are limited or absent. Nevertheless, the constituent companies of the Underlying Index generally have liquidity on the Relevant Exchanges.

(xiii) Lack of discretion by Manager to adapt to market changes

The Underlying Index Securities held by the Singapore Fund will reflect the distribution of companies whose shares comprise the Underlying Index. Therefore, adverse changes in the financial condition or share price of any company included in the Underlying Index will be likely to adversely affect the SF NAV or the NAV of the Fund and the trading price of the SF Units or Units, as the case may be. The SF Manager will have no discretion to remove the shares of such company from the Singapore Fund.

(xiv) Trading in Units on Bursa Securities may be suspended

You will not be able to purchase or sell Units on Bursa Securities during any period that Bursa Securities suspends trading in the Units. Bursa Securities may suspend the trading of Units whenever it determines as appropriate in the interests of a fair and orderly market to protect you. The creation and redemption of Units will also be suspended in the event that the trading of Units on Bursa Securities is suspended.

(xv) Trading in SF Units on the SGX-ST may be suspended

The SF Participating Dealer will not be able to purchase or sell SF Units on the SGX-ST during any period that the SGX-ST suspends trading in the SF Units. The SGX-ST may suspend the trading of SF Units whenever the SGX-ST determines that it is appropriate in the interests of a fair and orderly market to protect you. The creation and redemption of SF Units will also be suspended in the event that the trading of SF Units on the SGX-ST is suspended. The SGX-ST imposes certain requirements for the continued listing of securities, including the SF Units, on the SGX-ST. It cannot be assured that the Singapore Fund will continue to meet the requirements necessary to maintain the listing of SF Units

2. RISK FACTORS

on the SGX-ST or that the SGX-ST will not change the listing requirements. The Singapore Fund may be terminated if Units are delisted from the SGX-ST.

Dealings of SF Units on the SGX-ST may not necessarily be suspended in the event that the creation and redemption of SF Units is temporarily suspended by the SF Manager in accordance with the terms of the SF Deed. If the creation and redemption of SF Units is temporarily suspended, the trading price of the SF Units may be adversely affected and differ from the SF NAV.

(xvi) Units may be de-listed from Bursa Securities

Bursa Securities imposes certain requirements for the continued listing of securities, including the Units, on Bursa Securities. You cannot be assured that the Fund will continue to meet the requirements necessary to maintain the listing of the Units on the Main Market or that Bursa Securities will not change the Main Market Listing Requirements. The Fund may be terminated if its Units are de-listed from Bursa Securities.

(xvii) Suspension of creations and/or redemptions

Dealings of Units on Bursa Securities may not necessarily be suspended in the event that the creation and/or redemption of Units are temporarily suspended by the Manager in accordance with the terms of the Deed. If the creation and redemption of Units is temporarily suspended, the trading price of the Units may be adversely affected and differ from the market value of the Fund's underlying assets.

(xviii) Right of the MAS to withdraw authorization of the Singapore Fund

The Singapore Fund (and consequently the Fund) seeks to provide investment results that, before expenses, closely correspond with the performance of the Underlying Index. The Singapore Fund has been authorised as a collective investment scheme by the MAS pursuant to Section 286 of the Securities and Futures Act. The MAS however reserves the right to withdraw the authorisation of the Singapore Fund or impose such conditions as it considers appropriate if an Underlying Index is no longer considered acceptable to the MAS. If as a result of such withdrawal it becomes illegal, impractical or inadvisable for the Fund to continue to invest in the Singapore Fund, the Fund may be terminated.

(xix) Emerging market risk

The Singapore Fund will invest in securities listed on stocks exchanges of ASEAN countries, a few of which are considered to be emerging markets. These markets may be subject to special risks associated with foreign investment in emerging markets including, but not limited to:

- generally less liquid and less efficient securities markets;
- generally greater price volatility;
- exchange rate fluctuations and exchange controls;
- imposition of restrictions on the expatriation of funds or other assets;
- less publicly available information about issuers;
- the imposition of taxes;
- higher transaction and custody costs;
- settlement delays and risk of loss;
- difficulties in enforcing contracts;
- lesser regulation of securities markets;
- smaller market capitalisation;

2. RISK FACTORS

- different accounting and disclosure standards;
- governmental interference;
- greater risk of market shutdown;
- the risk of expropriation of assets;
- higher inflation;
- social, economic and political uncertainties; and
- the risk of war.

(xx) Foreign exchange risk

As the Fund's or Singapore Fund's assets and securities are not denominated in Ringgit Malaysia, a substantial portion of the revenue and income of the Fund and the Singapore Fund may be received in currencies other than Ringgit Malaysia. Accordingly, any fluctuation in the relevant exchange rates will affect the value of the securities, the SF NAV as well as the NAV of the Fund. As the NAV of the Fund is determined on the basis of RM, you may lose money if the currency of the assets held by the Singapore Fund depreciates against RM. The Manager does not intend to hedge against such foreign currency exposure.

(xxi) Foreign security risk

The Singapore Fund invests entirely within or relates to the equity markets of a region. These markets are subject to special risks associated with foreign investment including market fluctuations caused by factors affected by political and economic development. The principal risk factors, which could decrease the value of your investment, are listed and described below:

- less liquid and less efficient securities markets;
- greater price volatility;
- exchange rate fluctuations and exchange controls;
- less publicly available information about issuers;
- the imposition of restrictions on the expatriation of funds or other assets of the Singapore Fund;
- higher transaction and custody costs and delays and risks of loss attendant in settlement procedures;
- difficulties in enforcing contractual obligations;
- lesser levels of regulation of the securities markets;
- different accounting, disclosure and reporting requirements;
- more substantial government involvement in the economy;
- higher rates of inflation; and
- greater social, economic, and political uncertainty and the risk of nationalisation or expropriation of assets and risk of war or terrorism.

(xxii) Market disruption events and settlement disruption events

There may be a suspension of the determination of the NAV of the Fund, suspension of trading in Units on Bursa Securities and/or suspension in Creation Application and/or Redemption Application if there is a market disruption event or a settlement disruption event.

Market disruption events may include without limitation, any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise) in the constituents of the Underlying Index, the closure on any Market Day of the Relevant Exchanges prior to its scheduled closing time and any general moratorium declared in

2. RISK FACTORS

respect of banking activities in the jurisdiction of the Relevant Exchanges or the Federal Territory of Kuala Lumpur.

Settlement disruption events may include without limitation, any technical difficulties experienced by the Manager, which are out of the control of the Manager, in processing a valid Creation Application and/or Redemption Application and any controls restricting or prohibiting conversion or transfer, as the case may be, of the relevant foreign exchange currency to RM or from RM to the relevant foreign exchange currency.

2.3 Risk factors related to the Underlying Index

(i) Errors or inaccuracies in the Underlying Index

There may be inaccuracies, errors, omissions or mistakes in the compilation or calculation of the Underlying Index, which may result in significant deviations between the SF NAV and the Underlying Index and therefore the NAV of the Fund and the Underlying Index. The Manager and Trustee are not responsible or involved in the compilation or calculation of the Underlying Index, and thus cannot be held responsible or liable for any inaccuracies, errors, omissions or mistakes in such compilation or calculation.

(ii) The Underlying Index is subject to fluctuations

The performance of the NAV of the Fund should correspond closely with the performance of the Underlying Index. The Underlying Index may experience periods of volatility in the future. If the Underlying Index experiences volatility or declines, the NAV of the Fund may vary or decline accordingly. Consequently, the price of the Units may vary accordingly.

(iii) Composition of and weightings in the Underlying Index may change

The securities which comprise the Underlying Index are changed by the Index Licensor from time to time. The price of the SF Unit and therefore the Units may rise or fall as a result of such changes. The composition of the Underlying Index may also change if one of the constituent companies were to delist its securities or if a new eligible company were to list its securities and be added to the Underlying Index. If this happens, the weighting or composition of the Underlying Index Securities invested by the Singapore Fund would be changed as considered appropriate by the SF Manager in order to achieve the investment objective. Thus, an investment in Units will generally reflect the Underlying Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units.

(iv) Licence to use the Underlying Index may be terminated

The Manager and the SF Manager have been granted a licence by the FTSE to use the Underlying Index in connection with the operation, marketing and promotion of the Fund and Singapore Fund (as the case may be). The Singapore Fund (and as a result, the Fund) may be terminated if its Index Licence Agreement with FTSE is terminated and the SF Manager is unable to identify or agree with the FTSE or any other index provider terms for the use of a suitable replacement index that uses, in the opinion of the SF Manager, the same or substantially similar formula for the method of calculation as the Underlying Index.

2. RISK FACTORS

Accordingly you should note that the ability of the Singapore Fund (and thereby, the Fund) to track the Underlying Index depends on the continuation in force of the index licence agreements with FTSE in respect of the Index or a suitable replacement.

Any such replacement index of the Fund will be notified to Unitholders, and is subject to the approval of the Trustee and the SC.

(v) Compilation of the Underlying Index

No warranty, representation or guarantee is given as to the accuracy or completeness of the Underlying Index and its computation or any information related thereto. The process and the basis of computing and compiling the Underlying Index and any of its related formulae, constituent companies and factors may at any time be changed or altered by the Index Licensor without notice.

The rest of this page has been intentionally left blank

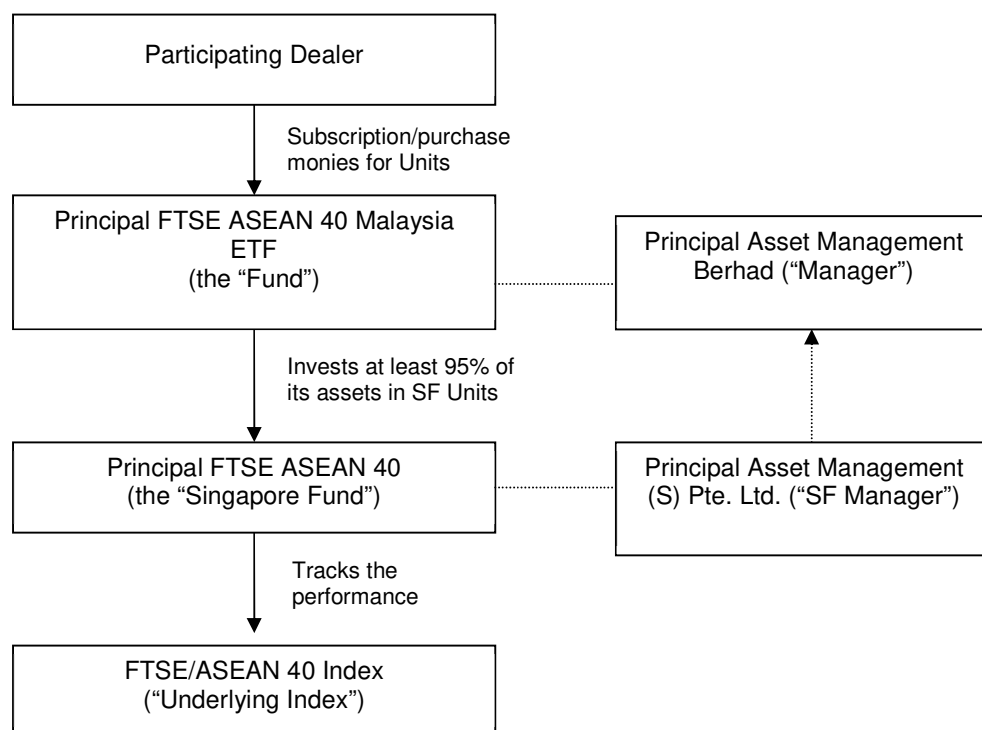
3. INFORMATION ON THE FUND

3.1 An introduction to the Fund

The Fund is a collective investment scheme structured as a unit trust scheme under the ETF Guidelines and established under the Deed. The Units of the Fund are listed on Bursa Securities. The Deed is entered into between the Manager and the Trustee, in which the Unitholders agree to be bound by the provisions of the Deed.

The Fund will aim at investing at least 95% of its assets in the Singapore Fund, whose investment objective is to provide investment results that, before expenses, closely correspond to the performance of the Underlying Index, the FTSE/ASEAN 40 Index.

Please see below a diagram illustrating the relationship between the Fund and the Singapore Fund:



3.2 Listing of the Fund on Bursa Securities

An application for admission to the Official List and the listing of and quotation for up to 500 million Units on the Main Market was made to Bursa Securities, and approval for the listing of and quotation for up to 500 million Units on the Main Market of Bursa Securities was obtained from Bursa Securities on 18 March 2010.

The Fund has been admitted to the Official List. The Units will trade in board lots of 100.

Pursuant to Section 14(1) of the Central Depositories Act, Bursa Securities has prescribed the Units as prescribed securities. In consequence thereof, the Units will be deposited directly with Bursa Depository and any dealings in the Units will be carried out in accordance with the Central Depositories Act and the rules of Bursa Depository.

3. INFORMATION ON THE FUND

3.3 Investment objective

The investment objective of the Fund is to provide investment results that, before expenses, closely correspond to the performance of the Underlying Index, regardless of its performance.

Any material amendments to be made to the investment objective of the Fund would require prior approval of the Unitholders.

There is no guarantee or assurance of exact or identical replication at any time of the performance of the Underlying Index. The Underlying Index composition may change and the units/securities may be delisted. The investment of the scheme may be concentrated in securities of a single issuer or several issuers.

There is a lack of discretion for the Fund to adapt to market changes due to the inherent investment nature of the Fund and falls in the Underlying Index are expected to result in corresponding falls in the value of the Fund.

3.4 Investment policy and strategy

To achieve its investment objective, the Fund will aim to invest at least 95% of its assets in the Singapore Fund.

The Singapore Fund is an ETF listed on the SGX-ST which aims at providing the SF Unitholders investment results that, before expenses, closely corresponds to the performance of the FTSE/ASEAN 40 Index. Please refer to Section 4 of this Prospectus on the Singapore Fund.

Unlike the majority of investment funds where their investment portfolio management includes considerable discretion and an active, ongoing selection of investments (based on economic, financial and market analysis), the role of the Manager of the Fund is essentially passive.

3.5 Investment scope and restrictions

3.5.1 Permitted investments

The Manager is authorised to invest in the following types of assets or instruments subject to the investment restrictions set out in Section 3.5.2 below:

- (i) SF Units;
- (ii) liquid assets; and
- (iii) any other investments permitted by the SC from time to time.

As a general rule, the Fund will adhere to the following asset allocation:

- (i) at least 95% in permitted investments, excluding liquid assets; and
- (ii) not more than 5% in liquid assets.

3.5.2 Investment restrictions

The investment restrictions imposed upon the Manager are as follows:

- (i) The Fund's property may consist of units/shares in other collective investment schemes ("Target Fund") and such Target Fund must:
 - (a) be regulated by a regulatory authority;
 - (b) where the Target Fund is constituted in Malaysia, be approved by the SC;

3. INFORMATION ON THE FUND

- (c) where the Target Fund is constituted outside of Malaysia, be registered/authorised/ approved by the relevant regulatory authority in its home jurisdiction; and
- (d) operate on the principle of prudent spread of risk and its investments to not diverge from the general investment principles of the ETF Guidelines.

Where the Fund invests in Target Funds operated by the Manager or its related corporation, the Manager must ensure that:

- there is no cross-holding between the Fund and the Target Fund;
 - all initial charges on the Target Fund are waived; and
 - the management fee must only be charged once, either at the Fund or the Target Fund.
- (ii) The Fund may make investments in a foreign market where the regulatory authority is an ordinary or associate member of the International Organisation of Securities Commission (“IOSCO”).
 - (iii) The Fund may not borrow cash or other assets (including the borrowing of securities within the meaning of the Guidelines on Securities Borrowing and Lending issued by the SC) in connection with its activities.
 - (iv) The Fund may participate in the lending of securities within the meaning of the SC’s Guidelines on Securities Borrowing and Lending. However, as at LPD, the Fund does not participate in lending of securities.
 - (v) The Fund may enter into any other form of investments as may be permitted by the SC from time to time that is in line with the Fund’s objectives.

3.5.3 Breach of investment restrictions

In respect of any restrictions and limits on investments stipulated under Section 3.5.2 of this Prospectus above, 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 Assets, or as a result of redemption of units or payment made out of the Fund).

The Manager may not make any further acquisition to which the relevant limit is breached, and the Manager should, within a reasonable period of not more than three (3) months from the date of the breach, take all necessary steps and actions to rectify the breach.

3.6 Income distribution policy

The Fund may periodically be entitled to and receive dividends or other such income on the SF Units and such other securities held in its portfolio. The Fund may distribute amongst the Unitholders all or substantially all of the net income (after the deduction of relevant fees, expenses and taxes) received by the Fund, pro-rated based on the number of Units held by each Unitholder as at the entitlement date of the income distribution. The exact amount to be distributed will be at the absolute discretion of the Manager.

3. INFORMATION ON THE FUND

Since the Fund Assets will be substantially invested in the Singapore Fund, which the portfolio will be similar but not a perfect replication of the compositions and weightings of the Underlying Index, the yield of the Fund would not be the same as the yield of the Underlying Index.

Income distributions (if any) are expected to be made annually subject to the discretion of the Manager. Details of the entitlement dates, distribution amounts, ex-entitlement dates and payment dates for the distributions will be published on Bursa Securities' website at <http://www.bursamalaysia.com> and our website at <https://www.principal.com.my>.

3.7 Performance of the Fund may deviate from the performance of the Singapore Fund

Performance of the Fund may potentially deviate from the performance of the Singapore Fund due to factors such as fees and expenses of the Fund and, creation and redemption of the Fund.

3.8 Correlation

Correlation, in this context, is the measure of how the NAV of the Fund's portfolio move in relation to the Underlying Index. If the NAV of the Fund's portfolio moves exactly like the Underlying Index, there is a perfectly positive correlation or 100% correlation. If the NAV of the Fund's portfolio does not move exactly like the Underlying Index, the correlation is less than 100%.

The Underlying Index is a theoretical calculation while the Fund's portfolio is an actual holding of SF Units. The performance of the two may vary due to transaction costs, fees, expenses and taxes.

As the Fund is essentially a feeder ETF that invests substantially in the Singapore Fund, it will not itself hold a portfolio of securities in the Underlying Index. Accordingly, the Manager will not undertake any rebalancing activities to achieve positive correlation or to minimise tracking errors. In relation to the index rebalancing carried out by the SF Manager in relation to the Singapore Fund, please refer to Section 4.7 of this Prospectus.

3.9 The Underlying Index

(i) An introduction to the Underlying Index

The Underlying Index is designed to represent the performance of the largest companies in the ASEAN region's markets by measuring the eligible securities listed on the stock exchanges of Indonesia, Malaysia, Philippines, Singapore and Thailand.

The Underlying Index is a tradable index that is suitable for the creation of Exchange Tradable Funds (ETFs), derivatives and other structured products.

The Underlying Index is based on the FTSE All-World Index, part of the internationally recognized FTSE Global Equity Index Series (GEIS). The FTSE Global Equity Index Series is the index used by major plan sponsors as benchmarks for their assets, and so is recognised widely by investors as a global standard. This is an excellent starting point from which to derive the Underlying Index in order to make it compliant with the rest of the international community.

3. INFORMATION ON THE FUND

The Underlying Index is calculated in real-time and published on an intra-second streaming basis during the hours of calculation. The base currency for the Underlying Index is US dollars.

(ii) Eligible securities

FTSE/ASEAN 40 Index

The FTSE/ASEAN 40 Index consists of the largest 40 companies by full market capitalisation from the eligible markets that qualify as eligible for inclusion in the Underlying Index.

Securities that are members of the FTSE All-World Index for Indonesia, Malaysia, Philippines, Singapore and Thailand are potentially eligible for the FTSE/ASEAN 40 Index. At review, all constituents of the FTSE/ASEAN 40 Index must be existing or pending constituents to the FTSE All-World ASEAN Index, i.e. the review will take into consideration any constituent changes to the FTSE All-World Index as announced by FTSE Russell and will therefore be conducted before the implementation date of these changes.

Securities are subject to a liquidity screen. Each security must turn over at least 20% of its shares in issue, after adjusting for free float, in the twelve months prior to the review.

(iii) Review of constituents

Review dates

The FTSE/ASEAN 40 Index is reviewed annually in March. The data on which the annual review is undertaken will be from the close of business on the Monday 4 weeks prior to the review effective date. Where all eligible markets are not open on that day, the previous business day on which all eligible markets were open will be used.

Changes arising from the annual review will be implemented after the close of business on the third Friday in March (i.e. effective Monday).

Rules for insertion and deletion at the annual review

The constituents of the FTSE/ASEAN 40 Index are determined by using the following methodology:

- Take a database comprising all eligible securities;
- Remove non-equity investment instruments from the database;
- Rank all remaining securities by full market capitalisation i.e. before the application of any investability weightings;
- Existing constituents which have fallen to 51st position or below will qualify to be removed from the Index at the annual review; and
- Non-constituents which have risen to 30th position or above will qualify to be included in the FTSE/ASEAN 40 Index at the annual review.

Where a greater number of constituents qualify to be included in the Index than those qualifying to be removed, the lowest ranking constituents presently included in the Index will be removed to ensure that the number of constituents remains constant. Likewise, where a greater number of constituents qualify to be removed from the Index than those qualifying for inclusion, the highest ranking constituents which are presently not in the Index will be included to match the number of constituents being removed at the periodic review.

(iv) Changes to constituent companies

3. INFORMATION ON THE FUND

Removal

If a constituent ceases to be a constituent of the FTSE Global Equity Index Series it will be removed from the FTSE/ASEAN 40 Index. The removal will be concurrent with its removal from the FTSE Global Equity Index Series. The highest-ranking non-constituent from the FTSE/ASEAN Index will become eligible for inclusion into the Index and will be added to the Index at the same time.

Additions & new issues

If a constituent is added to the relevant FTSE Global Equity Index Series Country Index it will be considered for eligibility to the FTSE/ASEAN 40 Index at the next annual review.

Mergers, restructuring and complex takeovers

If the effect of a merger or takeover is that one constituent is absorbed by another, the resulting company will remain a constituent of the FTSE/ASEAN 40 Index and a vacancy will be created. This vacancy will be filled by selecting the largest eligible non-constituent security by full market capitalisation from the FTSE/ASEAN 40 Index at the time of the event. The removal and replacement of these stocks will be simultaneous.

If a constituent is taken over by an eligible non-constituent, the original constituent will be removed and replaced by the merged entity. In the event that the merged entity is ineligible for the index, it will be replaced by the largest eligible non-constituent from the FTSE/ASEAN 40 Index at the time of the event. The removal and replacement of these stocks will be simultaneous.

If a constituent company is split so as to form two or more companies, the two or more companies arising from the split will be eligible for inclusion in the Index if they qualify in all respects. If two or more of the new companies are ineligible then a vacancy(ies) will be created. If two or more companies are eligible, the smallest constituent(s) at the market close on the day of the event will be deleted. The removal and replacement of these stocks will be simultaneous.

If FTSE decides to include a new issue as a constituent security other than as part of the normal annual review procedure, this decision must be publicly announced at the earliest practicable time.

If a constituent is suspended from the FTSE Global Equity Index Series, the same treatment will be applied in the FTSE/ASEAN 40 Index.

- (v) **Accuracy and completeness in the calculation of the index**
There may be circumstances where the completeness in the calculation of the index may not be accurate. Please refer to Section 2.3 of this Prospectus for further information.
- (vi) **Tracking errors**
There may be circumstances where there is a tracking error on the Underlying Index. Please refer to Section 2.3 of this Prospectus for further information.
- (vii) **Contingency plan in the event of cessation of the availability of the Underlying Index**

3. INFORMATION ON THE FUND

The Underlying Index may be replaced in the event of cessation of the availability of the Underlying Index. Please refer to Section 2.3(iv) of this Prospectus for further information.

(viii) Constituents of the Underlying Index

As at the LPD, the top 10 constituents of the Underlying Index and their respective weightings are as follows:

No.	Company Name	Weightings (%)
1.	DBS Group Holdings	8.49%
2.	Oversea-Chinese Banking	6.85%
3.	United Overseas Bank	6.06%
4.	PTT	5.37%
5.	Bank Central Asia	5.21%
6.	Singapore Telecommunications	4.42%
7.	Bank Rakyat Indonesia	4.13%
8.	Public Bank BHD	4.02%
9.	CP ALL	3.60%
10.	Telekomunikasi Indonesia	3.48%

Source: FTSE Russell

The table below illustrates the general composition of the Underlying Index and the weightings of each sector as at the LPD:

Industry Classification Benchmark (ICB) - Supersector	Percentage of index, % (Market Capitalisation)
Technology	18.00%
Banks	15.96%
Retail	7.63%
Industrial Goods & Services	7.10%
Real Estate	6.56%
Insurance	5.80%
Oil & Gas	4.63%
Basic Resources	4.55%
Financial Services	4.34%
Health Care	4.12%
Personal & Household Goods	3.18%
Telecommunications	3.18%
Utilities	3.04%
Food & Beverage	2.66%
Travel & Leisure	2.62%
Construction & Materials	2.54%
Automobiles & Parts	2.06%
Chemicals	1.73%
Media	0.32%

Source: FTSE Russell

ICB: Industry Classification Benchmark

3. INFORMATION ON THE FUND

(ix) Foreign exchange rates

The foreign exchange rates used in the calculation of the Underlying Index are Reuter's real-time spot rates.

The US dollar is the base currency for all index calculations. Non US dollar denominated constituents prices are converted into US dollars in order to calculate the Index.

The foreign exchange rates received from Reuters at 17:00 (Hong Kong time) are the bid rates and are used to calculate the final Index levels. These are termed the "closing foreign exchange rates".

(x) Replacement of the Underlying Index

In the event that the Underlying Index is no longer available for benchmarking or if the licence agreement(s) entered into with FTSE in relation to the licence by FTSE to the Fund and the Singapore Fund to use the Underlying Index is terminated, the Manager or the SF Manager (as the case may be) will seek to agree with the FTSE of any other index provider terms for the use of a suitable replacement index that uses, in the opinion of the Manager or SF Manager (as the case may be), the same or substantially similar formula for the method of calculation as the Underlying Index.

Any such replacement index of the Fund will be notified to Unitholders, and is subject to the approval of the Trustee and the SC.

(xi) Licensing conditions of the Index Licence Agreement

(a) The Index Licensor permits the Manager on a non-exclusive basis, to use the Underlying Index and the Underlying Index trademarks in connection with the issue, operation, marketing, promotion, distribution and management of the Fund;

(b) Each of Principal Singapore or the Index Licensor may without prejudice to any other rights and remedies terminate the Index Licence Agreement forthwith by notice in writing to the other party if the Index Licensor ceases to calculate and publish the Underlying Index and either:

- (i) does not make available a replacement or substitute index; or
- (ii) does make such an index available but Principal Singapore does not elect to use such index within sixty (60) days of the notice given by the Index Licensor to Principal Singapore to cease calculation and publication of the Underlying Index.

(c) The Index Licence Agreement commenced on 20 September 2006 ("Effective Date") and continued for a period of five (5) years from the Effective Date. Thereafter, the Index Licence Agreement was automatically renewed for further one (1) year periods unless terminated by Principal Singapore or the Index Licensor by providing the other party with no less than three (3) months' prior written notice.

(xii) Further Information on the Underlying Index

For the latest Underlying Index information and other important news of the Underlying Index, please refer to the FTSE website at <https://www.ftserussell.com>.

3. INFORMATION ON THE FUND

3.10 Risk management strategies and techniques

The risk management strategies and techniques employed will be at the Singapore Fund level whereby the SF Manager employs a risk management process which combines financial techniques and instruments to manage the risk of various positions at any time.

There may be circumstances to be considered by you, see "RISK FACTORS" on page 10.

3.11 Valuation of the Fund Assets

The Manager will carry out valuation of the Fund Assets in a fair manner in accordance to applicable law and guidelines. The valuation bases for the permitted investments of the Fund are as follow:

- **Listed securities**

The value of any permitted investments, which are quoted on an approved exchange, shall be calculated by reference to the last transacted price on that approved exchange. If there is no such transacted price, the value shall be determined by reference to 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, 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.

- **Collective investment schemes**

The value of any investment in collective investment schemes which are quoted on an approved exchange shall be calculated 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 price per unit for that collective investment scheme.

- **Deposits**

The value of any deposits placed with Financial Institutions and bank bills shall be determined each day by reference to the nominal value of such authorized investments and the accrued income thereon for the relevant period.

If the quotations referred to above are not available or if the value of the permitted investments determined in the manner described above, in the opinion of the Manager, does not represent a fair value of the permitted investments, then the value shall be any fair value as may be determined in good faith by the Manager. This valuation method shall be verified by the auditors of the Fund and approved by the Trustee.

As the value of the Fund Assets is denominated in a foreign currency the assets are translated on each Dealing Day to Ringgit Malaysia using the bid foreign exchange rate quoted by a reputable information service provider determined by the Manager at 6.30p.m. Malaysian time or such other time agreed between the Manager and the Trustee on the same Dealing Day.

As the Fund is denominated in RM, the performance of the Fund shall be measured against the Underlying Index in RM terms based on bid foreign exchange rate quoted by a reputable information service provider determined by the Manager at 6.30p.m. Malaysian time or such other time agreed between the Manager and the Trustee on the same Dealing Day.

3. INFORMATION ON THE FUND

3.12 Valuation Point for the Fund

The valuation of the Fund will be carried out on each Dealing Day at the Valuation Point.

The rest of this page has been intentionally left blank

4. INFORMATION ON THE SINGAPORE FUND

Your attention is drawn to the fact that the Singapore Fund is not available for direct investment by Malaysian investors in Malaysia. The SC's approval of the Fund does not imply recommendation of either the Fund or the Singapore Fund and the SC accepts no responsibility as to the accuracy of the statements made or opinions expressed in this Prospectus.

The information set out in Sections 4.1 to 4.10 is extracted from or based on information contained in the prospectus issued by the Singapore Fund on 22 April 2019 and such information has not been independently verified.

4.1 An introduction to the Singapore Fund

Principal FTSE ASEAN 40 Singapore is a Singapore standalone unit trust constituted under Singapore law and established by way of a trust deed dated 6 September 2006 between the SF Manager and the SF Trustee, which has been amended by a supplemental deed dated 15 June 2007 and amending and restating deeds dated 30 September 2011, 13 March 2012 and 22 April 2019.

The Singapore Fund differs from a typical unit trust offered in Singapore. The units of the Singapore Fund are listed on the SGX-ST and trade like any other equity security listed on the SGX-ST. Only SF Participating Dealers may purchase or redeem units directly from the Singapore Fund at the net asset value. All other investors may only purchase and sell units in the Fund on the SGX-ST or through a SF Participating Dealer, subject to such terms and conditions as may be imposed by the SF Participating Dealer.

4.2 Investment objective

The Singapore Fund is designed to provide investment results that, before expenses, closely correspond to the performance of the FTSE/ASEAN 40 Index.

4.3 Investment Approach

The Singapore Fund is not managed according to traditional methods of "active" investment management, which involve the buying and selling of securities based on the fund manager's economic, financial and market analysis and investment judgment. Unlike an actively managed investment fund, the Singapore Fund does not attempt to "beat" the market or the Index. Instead, the SF Manager, using a "passive" or indexing investment approach, attempts to deliver an investment performance which closely corresponds, before expenses, to the performance of the FTSE/ASEAN 40 Index.

The use of an indexing investment approach may eliminate some of the risks of active management such as poor stock selection. An indexing investment approach may also help increase after-cost performance by keeping portfolio turnover low in comparison to actively managed investment funds.

The SF Manager will generally invest the Singapore Fund's assets in all of the Underlying Index Securities in the same approximate proportion as their weightings within the FTSE/ASEAN 40 Index. However, various circumstances may make it impossible or impracticable to purchase each component Index Security in such weightings. In those circumstances, the SF Manager may employ, alone or in combination with, other investment techniques in seeking to closely track the performance of the FTSE/ASEAN 40 Index.

The SF Manager does not invest the Singapore Fund's assets in commodities, unlisted securities, precious metals and derivative instruments, including options, warrants and futures contracts.

4. INFORMATION ON THE SINGAPORE FUND

4.4 Investment strategy

In managing the Singapore Fund, the SF Manager may adopt either a Replication Strategy or a Representative Sampling Strategy. The SF Manager may swap between the two strategies, without prior notice to you, in its absolute discretion as often as it believes appropriate in order to achieve the investment objective of the Singapore Fund.

4.4.1 Replication Strategy

Using a Replication Strategy, the Singapore Fund will invest in substantially all the Underlying Index Securities in substantially the same weightings (i.e. proportions) as the FTSE/ASEAN 40 Index.

However, if the SF Manager believes that a Replication Strategy is not the most efficient means to track the FTSE/ASEAN 40 Index, the SF Manager may decide to adopt a Representative Sampling Strategy instead.

4.4.2 Representative Sampling Strategy

Using a Representative Sampling Strategy, the Singapore Fund will hold a representative sample of a portfolio of SF Securities selected by the SF Manager using quantitative analytical models in a technique known as “portfolio sampling”. The SF Manager will seek to construct the portfolio of the Singapore Fund so that, in the aggregate, its capitalisation, industry and fundamental investment characteristics perform like those of the FTSE/ASEAN 40 Index.

4.5 Investment restrictions and borrowing policy of Singapore Fund

The Singapore Fund is subject to the investment guidelines, restrictions and borrowing limits set out in the Code issued by the MAS, which guidelines, restrictions and limits may be amended from time to time by the MAS.

The Singapore Fund may borrow, on a temporary basis, for the purposes of meeting redemptions and bridging requirements. Aggregate borrowings for such purposes should not exceed 10% of the SF NAV at the time the borrowing is incurred and the borrowing period should not exceed one month.

The SF Manager may from time to time formulate such other investment and borrowing restrictions as it may, in its sole discretion, think fit, to apply to the Singapore Fund, subject to the investment guidelines, restrictions and borrowing limits set out in the Code.

The SF Manager does not engage in securities lending and repurchase transactions for the Singapore Fund.

4.6 Income distribution policy

The SF Manager may in its absolute discretion decide to distribute income to SF Unitholders at such times as it may determine in each financial year. The amount to be distributed to Unitholders will be derived from the net income of the Singapore Fund. The SF Manager currently intends to pay out income distribution of the Singapore Fund to SF Unitholders annually and there is currently no income reinvestment service for the Singapore Fund. Distributions will only be paid to the extent that they are available for distribution pursuant to the SF Deed.

On a distribution, the SF Trustee, in accordance with the instructions of the SF Manager, will allocate the amounts available for distribution between SF Unitholders and will pay

4. INFORMATION ON THE SINGAPORE FUND

such amounts to SF Unitholders based on the number of SF Units held by each SF Unitholders.

Amounts to be distributed in respect of each SF Unit shall be rounded to the nearest US\$0.01 per SF Unit. Subject to the SF Deed, the SF Trustee shall cause distributions payable to a SF Unitholder which remains unclaimed by the SF Unitholder for more than six (6) years and interest, if any, earned thereon to be paid into court after deducting all fees, costs and expenses incurred in relation to such payment from the sum thereof provided that if the said sum is insufficient to meet all such fees, costs and expenses, the SF Trustee shall be entitled to have recourse to the deposited property.

Income received by the Singapore Fund pending distributions may be invested by the SF Manager in a manner consistent with achieving the investment objective of the Singapore Fund.

4.7 Index rebalancing

The constituent Underlying Index Securities and their respective weightings within the Index will change from time to time. In order for the Singapore Fund to achieve its investment objective of tracking the Index, it will accordingly be necessary for the SF Manager to rebalance the Singapore Fund's holdings of Underlying Index Securities comprised in the FTSE/ASEAN 40 Index. The SF Manager will derive public information announced by FTSE, the index provider and rebalance the holdings of Underlying Index Securities accordingly.

A major rebalancing will be performed once a year in March so as to coincide with the annual review of the Index. Minor rebalancings will be carried out as and when necessary. As the Singapore Fund will principally adopt a Replication Strategy as far as possible, it is expected that during the annual rebalancing, the Singapore Fund's holding of the Underlying Index Securities will be realigned to reflect substantially the FTSE/ASEAN 40 Index constituents. Minor rebalancings will only be carried out after cost considerations have been taken into account.

Nevertheless, should the SF Manager determine in their absolute discretion that a Replication Strategy is not the most efficient means to track the FTSE/ASEAN 40 Index, the SF Manager may adopt a Representative Sampling Strategy instead.

4.8 Determination of the SF NAV

The SF NAV will be determined as at the official close of trading on the last relevant Market to close on each SF Dealing Day (or at such other time as the SF Manager and the SF Trustee may determine) by valuing the assets of the Singapore Fund and deducting the liabilities of the Singapore Fund, in accordance with the terms of the SF Deed.

The SF Deed provides amongst other things that:

- (i) except in the case of any interest in a mutual fund corporation or a unit trust to which paragraph (ii) applies, all calculations based on the value of investments quoted, listed, traded or dealt in on any securities market shall be made by reference to the price appearing to the SF Manager to be the official closing price or last known transacted price on the Market for such investments unless such prices are not representative or not available, in which case the SF Manager and the SF Trustee shall be entitled to use and rely on electronic price feeds from such source or sources as they may from time to time determine, notwithstanding that the prices so used are not the last transacted prices;

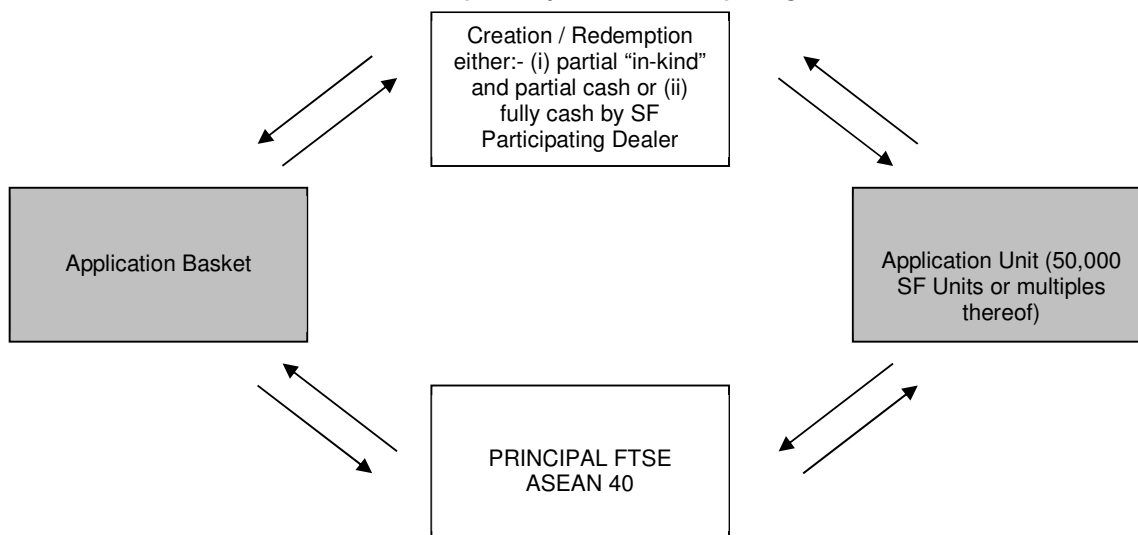
4. INFORMATION ON THE SINGAPORE FUND

- (ii) the value of each interest in any mutual fund corporation or unit trust shall be the last available net asset value per share or unit in such mutual fund corporation or unit trust;
- (iii) if no net asset value, bid and offer prices or price quotations are available as provided in paragraph (ii) above, the value of the relevant investment shall be certified by such firm or institution making a market in such investment as may be appointed for such purpose by the SF Manager with the approval of the SF Trustee;
- (iv) the value of any investment which is not listed or ordinarily dealt in on a Market shall be based on its fair value (being the price that the Singapore Fund would reasonably expect to receive upon the current sale of the investment) made by a person approved by the SF Trustee as qualified to value such investments;
- (v) cash, deposits and similar investments shall be valued at their face value (together with accrued interest) unless, in the opinion of the SF Manager, any adjustment should be made to reflect the fair value thereof; and
- (vi) notwithstanding the foregoing, the SF Manager may adjust the value of any investment if, having regard to relevant circumstances, the SF Manager considers that such adjustment is required to reflect the fair value of the investment.

4.9 Operation of the Singapore Fund

There are two types of investors in the Singapore Fund. The first type of investor is the SF Participating Dealer (and not a retail investor) can create and redeem SF Units directly with the Singapore Fund. The second type of investor is any person, other than the SF Participating Dealer, who buys and sells the SF Units on the SGX-ST or through a SF Participating Dealer (subject to such terms and conditions as may be imposed by the SF Participating Dealer). The diagrams below illustrate the methods of acquiring and disposing SF Units in the Singapore Fund after listing:

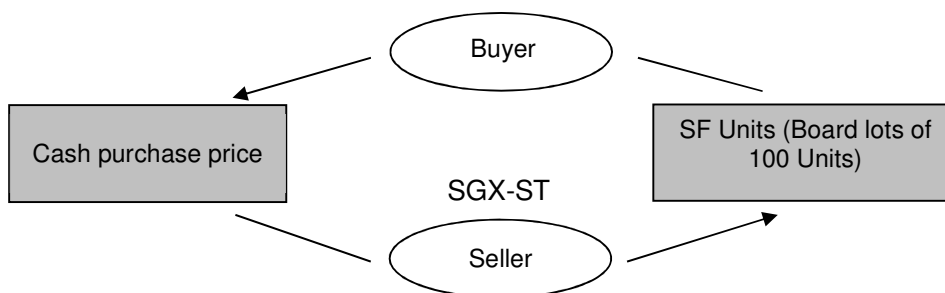
Direct creation and redemption by the SF Participating Dealer:



Investors other than SF Participating Dealers:-

Trading SF Units in the secondary market on the SGX-ST:

4. INFORMATION ON THE SINGAPORE FUND



4.10 Singapore Fund performance

The performance of the Singapore Fund and the Underlying Index as at 31 July 2018 are as follows:

Cumulative return					
Fund/ Benchmark	1 Year	3 Years	5 Years	10 Years	Since inception
Principal FTSE ASEAN 40	6.58%	19.97%	8.13%	56.67%	119.33%
FTSE/ASEAN 40 Index	7.19%	23.25%	13.40%	53.63%	108.03%

Average annual compounded return					
Fund/ Benchmark	1 Year	3 Years	5 Years	10 Years	Since inception
Principal FTSE ASEAN 40	6.58%	6.25%	1.57%	4.59%	6.84%
FTSE/ASEAN 40 Index	7.19%	7.21%	2.55%	4.38%	6.37%

Notes:

The performance of the Singapore Fund is calculated in USD terms on a single pricing basis (NAV-NAV), taking into account any subscription fee and realisation fee, and on the assumption that all dividends and distributions are reinvested, taking into account all charges which would have been payable upon such reinvestment.

You should note that the past performance of the Singapore Fund and of the SF Manager is not indicative of future performance.

The rest of this page has been intentionally left blank

5. FEES, CHARGES AND EXPENSES OF THE FUND

5.1 Direct fees and charges to you

This table describes the charges that you may incur (based on the charges imposed by Bursa Securities as at the LPD which may be varied from time to time) when you buy or sell Units on Bursa Securities.

Fees and charges	%/RM
Brokerage fee	Maximum of 0.70% of the contract value (subject to minimum of RM40).
Clearing fee	On market transactions: 0.03% of the transaction value (subject to maximum of RM1,000 per contract). Direct business transactions: 0.03% of the transaction value (subject to minimum of RM10 and maximum of RM1,000 per contract).
Stamp duty	RM1.00 for every RM1,000 (or fractional part) of the transactional value of the securities, subject to a maximum of RM200.

Further information on the charges that you may incur from trading the Units on Bursa Securities can be found at <http://www.bursamalaysia.com>.

5.2 Indirect fees and expenses to you

This table describes the fees and expenses that you may indirectly incur when you invest in the Fund:

Fees and expenses	%
Management Fee	Nil
Trustee Fee	Up to 0.08% ⁽¹⁾ , subject to a minimum of RM12,000 per annum

Note:

⁽¹⁾ Calculated based on the NAV of the Fund, accrued daily.

In addition, there will be other fees or expenses incurred by the Fund as described in Section 5.3.3 of this Prospectus.

All of the abovementioned fees and expenses shall be deducted from the Fund Assets.

5.3 Other fees, charges and expenses

5.3.1 Fees and charges for creation and/or redemption of Units by or through a Participating Dealer

All Creation/Redemption Applications must be submitted to the Manager through a Participating Dealer and the creation/redemption of Units must be implemented in accordance with the terms and conditions set out in the Participating Dealer Agreement.

The fees and charges (excluding out-of-pocket expenses) to be paid by the Participating Dealer to the Manager and/or Trustee (which may be charged to you by the Participating Dealer) as set out in the Participating Dealer Agreement are as follows:

5. FEES, CHARGES AND EXPENSES OF THE FUND

Fees and charges		Description
(a)	Creation Application fee	Currently RM4,550 (subject to a maximum of RM5,000 to allow for foreign exchange fluctuations) payable to the Manager or such amount as may be determined by the Manager from time to time, in consultation with the Trustee.
(b)	Creation Application Cancellation Fee	Currently RM7,350 (subject to a maximum of RM8,000 to allow for foreign exchange fluctuations) payable to the Manager or such amount as may be determined by the Manager from time to time, in consultation with the Trustee.
(c)	Redemption Application fee	Currently RM7,350 (subject to a maximum of RM8,000 to allow for foreign exchange fluctuations) payable to the Manager or such amount as may be determined by the Manager from time to time, in consultation with the Trustee.
(d)	Redemption Application Cancellation Fee	Currently RM7,350 (subject to a maximum of RM8,000 to allow for foreign exchange fluctuations) payable to the Manager or such amount as may be determined by the Manager from time to time, in consultation with the Trustee.
(e)	Transaction Costs	The Manager may charge Transaction Costs (incurred by the Fund). This is used to prevent the NAV of the Fund from being diluted by the high Transaction Costs.
(f)	Other fees	The amount (other than Transaction Costs described above) that may be incurred by the Manager and/or the Trustee from time to time in relation to the Applications submitted by the Participating Dealer, which is charged by Bursa Depository.

These fees and charges are relatively higher due to charges imposed by the Singapore Fund.

5.3.2 The aforementioned fees may be expressed in the form of a ratio i.e. the MER.

The MER is the ratio of all incidental costs incurred in operating the Fund to the average NAV of the Fund calculated on a daily basis. These incidental costs are paid directly from the Fund and include the following:

- (i) Management Fee (if any);
- (ii) Trustee Fee; and
- (iii) Other Fund expenses.

Management expense ratio which is the ratio of the sum of fees and the recovered expenses of the Fund to the average value of the Fund calculated on a daily basis using the following formula:

5. FEES, CHARGES AND EXPENSES OF THE FUND

$$\frac{\text{Fees of the Fund + Recovered expenses of the Fund}}{\text{Average Value of the Fund calculated on a daily basis}} \times 100$$

where:

- Fees = All ongoing fees deducted/deductible directly from the Fund in respect of the period covered by the management expense ratio, expressed as a fixed amount, calculated on a daily basis. This would include the annual Management Fee (if any), the annual Trustee Fee and any other fees deducted/deductible directly from the Fund;
- Recovered expense = All expenses recovered from/charged to the Fund, as a result of the expenses incurred by the operation of the Fund, expressed as a fixed amount. This should not include expenses that would otherwise be incurred by an individual investor (e.g. brokerage, tax and levies); and
- Average value of the Unit = The NAV of the Fund, including the income value of the Fund, less expenses on an accrued basis, in respect of the period covered by the management expense ratio, calculated on a daily basis.

- 5.3.3 The Trustee and/or the Manager shall be entitled to pay the following fees, costs and expenses out of the Fund Assets to the extent they have been incurred in relation to the Fund:
- (i) any costs, fees and expenses to be paid under any licence and data supply contracts in relation to the Index Licensor entered into by the Trustee and/or the Manager in respect of the Fund;
 - (ii) the processing or handling fees levied by any person for rendering services to effect any acquisition, disposal or any other dealings whatsoever in the Fund Assets and any expenses in relation thereto including commissions or fees paid to brokers and/or dealers in effecting dealings in the SF Units of the Fund;
 - (iii) all fees, charges, expenses and disbursements of any legal adviser or counsel, accountant, auditor, valuer, broker, banker, tax adviser or other professional advisers employed or engaged by the Trustee or the Manager in the establishment of the Fund, in maintaining, preserving and protecting the Fund Assets and in the ongoing performance of their respective duties and obligations under the Deed or otherwise in connection with the Fund;
 - (iv) all fees, charges, expenses and disbursements incurred in relation to the safe-custody, acquisition, holding, registration, realisation of or other dealing with any Fund Assets or the holding of any Fund Assets or the custody of the documents of title thereto (including insurance of documents of title against loss in shipment, transit or otherwise and charges made by agents of the Trustee for retaining documents in safe custody), any applicable fees and expenses of the custodian, joint-custodian and/or sub-custodian appointed pursuant to the provisions of the Deed and all transactional fees as may be agreed from time to time between the Manager and Trustee in relation to all transactions involving the whole or any part of the Fund Assets;
 - (v) all charges and expenses incurred for any meeting of Unitholders other than convened by and for the benefit of the Manager and the Trustee;
 - (vi) the fees and expenses incurred by the Manager and the Trustee in obtaining and/or maintaining the listing of and quotation for the Units on Bursa Securities, and/or the authorisation or other official approval

5. FEES, CHARGES AND EXPENSES OF THE FUND

- or sanction of the Fund under the CMSA or any other applicable law or regulation;
- (vii) the fees and expenses incurred in connection with depositing and holding of Units with Bursa Depository and the Clearing House (and in any other securities depository or clearing system);
 - (viii) cost of establishment of the Fund;
 - (ix) all charges, costs and expenses incurred by the Manager and the Trustee in respect of and/or in connection with the maintenance of a website or webpages (as the case may be) dedicated entirely to the Fund and communications with and/or notification to the Unitholders, the registrar and/or any relevant authorities including notifications made in relation to the Fund in Bursa Securities, newspaper(s) in Malaysia and such other forms of communication permitted or acceptable under the ETF Guidelines and as the Manager may from time to time determine;
 - (x) all fees, costs and expenses incurred in respect of preparing any deeds supplemental to the Deed and in respect of preparing any agreement in connection with the Fund other than those for the benefit of the Manager or the Trustee;
 - (xi) all costs incurred in respect of the preparation, publication and distribution of the annual report and interim reports (if any) and of all cheques, statements, notices and other documents relating to the Fund;
 - (xii) all fees and expenses incurred in connection with the removal of the Manager, the Trustee or the auditor or the appointment of a new manager, a new trustee or new auditor;
 - (xiii) all expenses incurred in the collection of income (including expenses incurred in obtaining tax repayments or relief and agreement of tax liabilities) or the determination of taxation;
 - (xiv) all expenses associated with the distributions declared pursuant to the Deed including without limitation, fees for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer;
 - (xv) all fees and expenses incurred by the Manager and the Trustee in winding-up and terminating the Fund;
 - (xvi) fees for the valuation of the Fund by independent valuers for the benefit of the Fund;
 - (xvii) all fees and expenses of the independent members of the Investment Committee;
 - (xviii) any costs, fees and expenses to be paid under any licence and data supply contracts in relation to the maintenance of calculation of IOPV per Unit; and
 - (xix) such other charges, costs, expenses and disbursements (including but not limited to any tax and other duties imposed by any government and other authorities, e.g., sales and services tax payable by the Manager or the Trustee for the Fund pursuant to the Deed) as permitted or required (as the case may be) under the applicable laws which the Trustee is entitled to charge to the Fund.

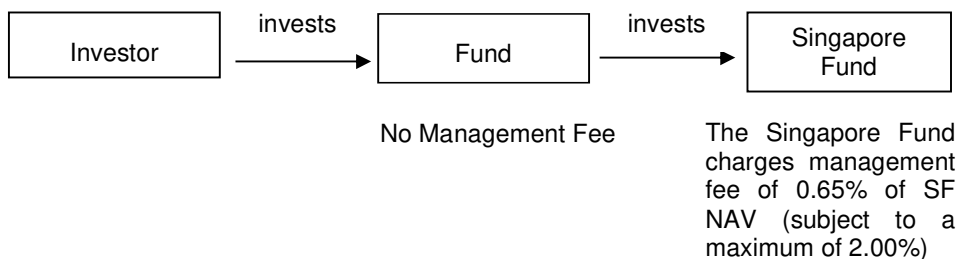
There are fees and charges involved and you are advised to consider them before investing in the Fund.

5.4 Impact of fees and charges imposed by the Singapore Fund on the cost of investing in the Fund

There will be no Management Fee charged at the Fund level as illustrated below. The management fee will only be charged once at the Singapore Fund level. The fees of the

5. FEES, CHARGES AND EXPENSES OF THE FUND

SF Trustee, custodian, registrar, Index Licensor and auditors of the SF will be borne by the SF Manager and will not be charged to the Singapore Fund.



Other than the Management Fee above, there are other expenses incurred by the Singapore Fund. These fees and charges are imputed into the calculation of the SF NAV. As such, Unitholders of the Fund are indirectly bearing the above fees and expenses charged at the Fund level. Please refer to Section 6.2 for details of the fees, charges and expenses of the investing in the Singapore Fund.

5.5 Additional remuneration

Save as disclosed in Sections 5.1, 5.2, 5.3 and 5.4, there are no other additional form of remuneration which the Manager and/or any related party/corporation or person may derive from the Fund.

5.6 Rebates and soft commissions

The Manager and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Fund unless the soft commission received is retained in the form of goods and services such as research and advisory services that assist in the decision making process relating to the Fund's investment.

All dealings with brokers are executed on most favourable terms available for the Fund.

The rest of this page has been intentionally left blank

6. FEES, CHARGES AND EXPENSES OF THE SINGAPORE FUND

The following information is extracted from or based on information contained in the prospectus issued by the Singapore Fund on 22 April 2019 and such information has not been independently verified.

6.1 Fees and charges payable by the Singapore Fund

The fees and charges payable by the Singapore Fund are summarised as follows:

Fees and expenses	%/US\$
Management Fee	Currently 0.65% per annum of the SF NAV Maximum 2.00% per annum of the SF NAV

Note:

SF Manager will pay all fees and expenses chargeable by Singapore Fund's trustee, custodian, registrar, Index Licensor and auditors out of its own management fee and shall not be charged to the Singapore Fund.

6.2 Other costs of investing in the Singapore Fund

All the expenses incurred in connection with the convening of meetings of SF Unitholders and all other transactional costs and operating costs (relating to the administration of the Singapore Fund) shall be paid out of the assets of the Singapore Fund.

The Singapore Fund will bear the cost and expenses for the preparation of all Prospectuses issued by the Singapore Fund and any supplementary, replacement or updated prospectuses thereto, reports and/or other statements to SF Unitholders.

The rest of this page has been intentionally left blank

7. UNITS OF THE FUND

7.1 Offering of Units

You may obtain the Units by choosing one of the two available options below:

- (a) purchase and sell Units of the Fund in the secondary market on Bursa Securities; or
- (b) apply for creation and redemption through the Participating Dealer. The procedures are set out in this section.

If you wish to acquire and sell Units in sizes smaller than a Creation/Redemption Unit Block, you may do so on the secondary market in board lots of 100 Units (or multiples thereof) like ordinary listed shares through a licensed intermediary such as a stockbroker or any of the share dealing services offered by banks or other financial advisers at any time Bursa Securities is open for trading.

However, you should note that transactions in the secondary market on Bursa Securities will occur at quoted market prices which may differ from the NAV per Unit due to market demand and supply, liquidity and scale of trading spread for the Units in the secondary market.

7.2 Creation and redemption of Units

Creation/Redemption Applications from the Participating Dealer for the creation/redemption of Units in accordance with the Participating Dealer Agreement are expected under the following circumstances:

- (a) to facilitate Participating Dealer's clients' requests for creation/redemption; and
- (b) to create liquidity in the market as part of the Participating Dealer or market maker's market making function.

You should note that the Fund is not like a typical unit trust offered to the public. Investors whether retail or otherwise, should acquire or dispose Units by trading Units on Bursa Securities. New Units are only issued to the Participating Dealer. Hence, you may only create/redeem Units via applications for Creation/Redemption Units through a Participating Dealer, subject to the terms and conditions of the Deed and based on the procedures set out in the Participating Dealer Agreement.

The prices at which creations and redemptions occur are based on the NAV of Fund Assets at the Valuation Point on the Trade Date.

7.3 Procedures for creation of Units

7.3.1 Creation of new Units can only be made on a Dealing Day through a Participating Dealer in exchange for the Subscription Amount in a Creation Unit Block or a multiple or multiples thereof.

7.3.2 A completed Creation Application must:

- (i) be submitted by a Participating Dealer in accordance with the Participating Dealer Agreement;
- (ii) include the certifications required under the Participating Dealer Agreement, and such other certificates and opinion of counsel as the Trustee and Manager may consider necessary to ensure compliance with applicable laws;
- (iii) specify the number of Creation Unit Blocks (the current size of 1 Creation Unit Block is 1.35 million Units); and
- (iv) specify the person making the Creation Application.

7. UNITS OF THE FUND

- 7.3.3 If a Creation Application is valid, the new Units will be created and issued on the third Dealing Day after Trade Date, and the Register will be updated on that Dealing Day or the following Dealing Day if the settlement period is extended. The Issue Price will be based on the NAV of the Fund as at the Valuation Point on the Trade Date. Details on the computation of the Issue Price are set out in Section 7.5 of this Prospectus.
- 7.3.4 Creation Applications received from the Participating Dealer on a day which is not a Dealing Day or is received after the Dealing Deadline of a Dealing Day shall be treated as having been received on the following Dealing Day.
- 7.3.5 Once a Creation Application is submitted, it cannot be revoked or withdrawn without the consent of the Manager, unless a suspension period has been declared by the Manager in accordance with the Deed.
- 7.3.6 Upon receipt of a completed Creation Application, the Manager will instruct the Trustee to effect the creation, which will be settled by way of cash.
- 7.3.7 The Manager will instruct the Trustee to issue the Units if the Application is made in Creation Unit Blocks and have been approved by the Manager.
- 7.3.8 The Manager and/or the Trustee reserves the right in its/their sole discretion, provided that it is reasonable, to reject or suspend a Creation Application if:
- (i) the Creation Application is unclear, erroneous or ambiguous (in the reasonable opinion of the Manager and/or Trustee);
 - (ii) the aggregate of the Creation Unit Block(s) in respect of a Creation Application and the number of Units then in issue exceeds the authorised size of the Fund as approved from time to time by the SC;
 - (iii) the Manager reasonably believes that the acceptance of the SF Units would be unlawful; or
 - (iv) the Manager has suspended the rights of the Participating Dealer to make Creation Applications pursuant to the Deed.
- 7.3.9 In addition, the Trustee may (by notice to the Manager) refuse to:
- (i) create Units; or
 - (ii) create Units in the number instructed by the Manager;
- if the Trustee considers that such creation is not in the interest of the Unitholders or that it would result in a breach of the provisions of the Deed and other applicable laws.
- 7.3.10 Any commission, remuneration or other sum payable by the Manager in respect of the issue or sale of any Unit shall not be added to the Issue Price of such Unit and shall not be paid from the Fund Assets.
- 7.3.11 Cancellation of Units created pursuant to a Creation Application
- (i) The Manager may instruct the Trustee to cancel the Units created (but not yet issued) pursuant to a Creation Application if:
 - (a) the full Subscription Amount has not been received by the Trustee; or
 - (b) the Creation Application fee has not been received by the Manager;by such time and date as determined by the Manager (in consultation with the Trustee) in accordance with the Participating Dealer Agreement.

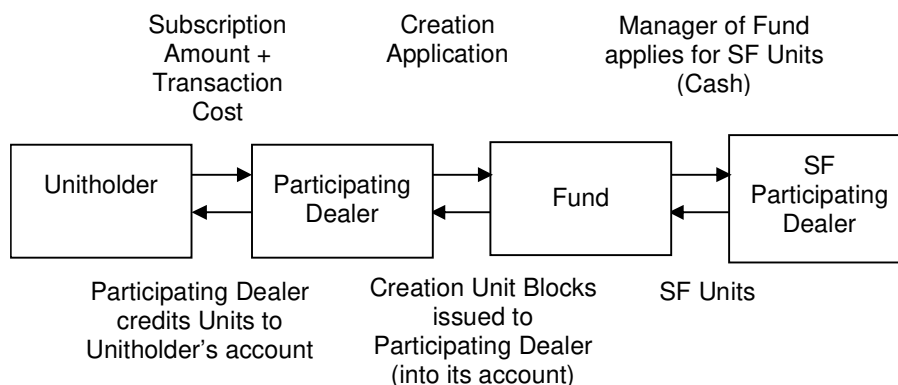
7. UNITS OF THE FUND

- (ii) If any Units are cancelled as described in Section 7.3.11(i) above, the Subscription Amount (if already received by the Trustee) shall be redelivered to the Participating Dealer.

The relevant cancelled Units shall be deemed to never have been created and the relevant Participating Dealer shall have no right or claim against the Manager or the Trustee in respect of such cancellation. Further, the Manager may:

- (a) charge the relevant Participating Dealer the Creation Application Cancellation Fee; and
- (b) require the relevant Participating Dealer to pay to the Trustee (for the account of the Fund) in respect of each Unit so cancelled, the amount (if any) by which the Issue Price (as at the Trade Date of the Creation Application) exceeds the Redemption Price (which would have been applicable if the Manager had received a Redemption Application on the date on which such Units are cancelled).

7.3.12 Please see below a diagram illustrating the operational workflow of creation of Units:



7.4 Procedures for redemption

- 7.4.1 Redemption of Units can only be made on a Dealing Day through a Participating Dealer in a Redemption Unit Block or a multiple or multiples thereof. Only cash Redemption Application is allowed. The Fund does not accept in-kind Redemption Applications. The Redemption Price will be based on the NAV of the Fund as at the Valuation Point on the Trade Date. Details of the Redemption Price are set out in Section 7.5 of this Prospectus.
- 7.4.2 Upon receipt of a Redemption Application, the Manager has the exclusive right to instruct the Trustee (by notice in writing) to effect reductions in the Units of the Fund by cancelling the number of Units specified in such notice.
- 7.4.3 A completed Redemption Application must:
- (i) be submitted by a Participating Dealer in accordance with the Participating Dealer Agreement;
- (ii) include the certifications required under the Participating Dealer Agreement and such other certificates and opinion of counsel as the Trustee and Manager may consider necessary to ensure compliance with applicable laws;
- (iii) specify the number of Redemption Unit Blocks (the current size of 1 Redemption Unit Block is 1.35 million Units); and
- (iv) specify the person making the Redemption Application.

7. UNITS OF THE FUND

- 7.4.4 If a Redemption Application is valid, the Units will be redeemed and cancelled on the third Dealing Day after the Trade Date, and the Register will be updated on that Dealing Day or the following Dealing Day if the settlement period is extended. The Redemption Price will be based on the NAV of the Fund as at the Valuation Point on the Trade Date. Details on the computation of the Redemption Price are set out in Section 7.5 of this Prospectus.
- 7.4.5 Redemption Applications received from the Participating Dealer on a day which is not a Dealing Day or is received after the Dealing Deadline on a Dealing Day shall be treated as having been received on the following Dealing Day.
- 7.4.6 Once a Redemption Application is submitted, it cannot be revoked or withdrawn without the consent of the Manager, unless a suspension period has been declared by the Manager in accordance with the Deed.
- 7.4.7 Upon receipt of an completed Redemption Application, the Manager will instruct the Trustee to effect the redemption, which will be settled by way of payment of cash.
- 7.4.8 We may deduct and set-off the Redemption Application fee against any cash payable to the Participating Dealer.
- 7.4.9 The Redemption Amount payable to the Participating Dealer on the Redemption Date may be transferred or paid within two (2) Dealing Days after the Redemption Date if:
- (i) the Redemption Application has been received by the Manager in accordance with the Deed;
 - (ii) the Units to be redeemed have been delivered to the Trustee; and
 - (iii) the Redemption Application fee has been paid in full.
- 7.4.10 The Redemption Amount in respect of the Units redeemed shall be paid in RM and, if paid by telegraphic transfer, shall be paid to a RM account of a Malaysian bank, unless otherwise agreed by the Manager.
- 7.4.11 In order to raise the cash required to pay for the Units being redeemed, the Manager can proceed to effect the sale of the Fund Assets.
- 7.4.12 On the Dealing Day after the Trade Date, the Fund shall be reduced by the cancellation of the Units redeemed. The Trustee shall pay in cash the Redemption Amount out of the Fund Assets to the Participating Dealer with such deductions as permitted under the Deed.
- 7.4.13 If the Units to be redeemed are not delivered to the Trustee in accordance with the provisions of the Deed:
- (i) the Redemption Application shall be deemed never to have been made (except that the Redemption Application Fee shall remain due and payable); and
 - (ii) the Manager may charge the Participating Dealer:
 - (a) the Redemption Application Cancellation Fee;
 - (b) any losses arising from the sale of the Fund Assets and any costs incurred by the Fund in connection with such failed redemption; and
 - (c) the amount (if any) by which the Redemption Price exceeds the Issue Price (which would have been applicable if the Manager had received a Creation Application on the date on which such Units were to be redeemed).

7. UNITS OF THE FUND

7.4.14 The Manager and/or the Trustee reserves the right in its/their discretion, provided that it is reasonable, to reject or suspend a Redemption Application if:

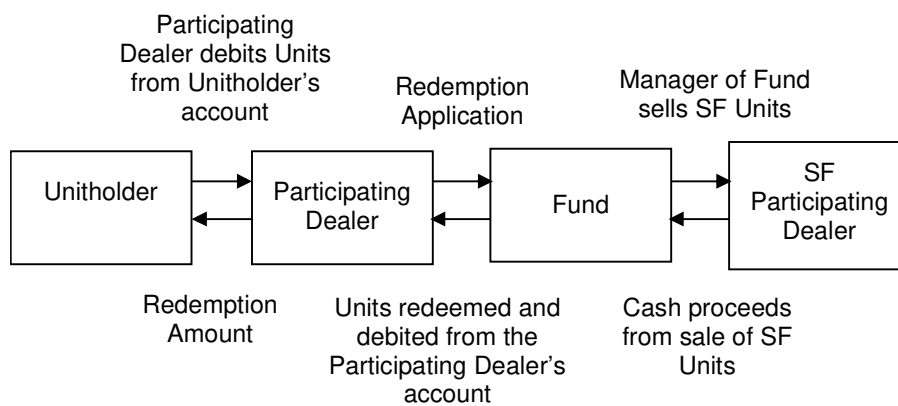
- (i) the Redemption Application is unclear, erroneous or ambiguous (in the reasonable opinion of the Manager and/or Trustee);
- (ii) the number of Units in respect of which Redemption Applications are received by the Manager exceeds the limit set out in Section 7.4.17 of this Prospectus;
- (iii) the Manager has suspended the rights of the Participating Dealer to make Redemption Applications pursuant to the Deed; or
- (iv) in the reasonable opinion of the Manager, the Redemption Application may breach any of the terms or conditions of the Participating Dealer Agreement and/or the Deed.

7.4.15 In addition, the Trustee may (by notice to the Manager) refuse to:

- (i) redeem Units; or
- (ii) redeem Units in the number instructed by the Manager;

if the Trustee considers that such redemption is not in the interest of the Unitholders or that it would result in a breach of the provisions of the Deed and other applicable laws.

7.4.16 Please see below a diagram illustrating the operational workflow of redemption of Units:



7.4.17 Limit on redemption per Trade Date

- (i) If the total number of Units (for which Redemption Applications have been received by the Manager) on a Trade Date exceeds 10% (or such higher percentage as the Manager may determine) of the NAV of the Fund on that day, the Manager can choose to limit the total number of Units to be redeemed.
- (ii) Any Units which are not redeemed in respect of a particular Trade Date ("First Relevant Dealing Day") as a result of the limit imposed by the Manager (as set out in Section 7.4.17(i) above) shall be carried forward for redemption on the Dealing Day following the First Relevant Dealing Day (such Dealing Day being hereinafter referred to as "Second Relevant Dealing Day").
- (iii) The Manager will inform the Participating Dealer of the higher percentage (if any) and of the number of Units the redemption of which have been deferred, within one (1) Dealing Day after the First Relevant Dealing Day and these Units shall be redeemed on the Redemption Date in respect of the Second Relevant Dealing Day.

7. UNITS OF THE FUND

- (iv) If Redemption Applications are carried forward, any other Redemption Application received after the First Relevant Dealing Day and before the Second Relevant Dealing Day shall also be carried forward, and be deemed to be a Redemption Application submitted on the Second Relevant Dealing Day. Redemption Applications carried forward from the First Relevant Dealing Day shall be redeemed in priority to Redemption Applications received after such First Relevant Dealing Day.

7.5 Calculation of Issue Price, Redemption Price and IOPV per Unit

The Deed provides that the Issue Price or Redemption Price of each Unit for any relevant Dealing Day will, subject to the qualification below, be calculated by the Manager and shall be based on the NAV of the Fund as at the Valuation Point on the Trade Date divided by the number of Units then in issue and deemed to be in issue, truncated to four decimal places or in such manner as may be determined by the Manager from time to time with the approval of the Trustee. The benefit of any such adjustment shall accrue to the Fund.

The Manager may, in consultation with the Trustee, add to the Issue Price (but not include within it) such sum (if any) as the Manager may consider representative of the appropriate provision for Transaction Costs which shall be for the account of the Fund.

As the NAV of the Fund is only calculated at the Valuation Point, the IOPV per Unit is calculated by the Manager after the close of the morning trading session of SGX-ST (between 12.30pm to 2.00pm) and/or upon obtaining IOPV per SF Unit of the Singapore Fund on each Dealing Day to serve as an approximation to the NAV of the Fund. The IOPV per Unit, which is the estimated NAV per Unit, is calculated as follows:

- (i) by calculating the price of the Fund Assets after the close of the morning trading session of SGX-ST and/or upon obtaining IOPV per unit of the Singapore Fund on every Dealing Day, including liquid assets (in Ringgit Malaysia);
- (ii) by deducting the liabilities (in Ringgit Malaysia); and
- (iii) by dividing the figures obtained from the calculation under sub-paragraph (i) and (ii) above by the number of Units in the Fund.

Note: *The figures for sub-paragraph (i) and (ii) above are translated by using the prevailing foreign exchange rate quoted by a reputable information service provider determined by the Manager.*

Further information on the IOPV per Unit can be obtained from Bursa website at <http://www.bursamalaysia.com>.

7.6 Transaction Costs

The Fund Assets may be decreased as a result of costs incurred in respect of transactions or dealings pursuant to a Creation/Redemption Application. In order to prevent any potential adverse effect on your investment in the Fund, the Manager has the discretion to charge the Participating Dealer, amongst others, all stamp and other duties, taxes, government charges, brokerage, bank charges, transfer fees, registration fees, transaction levies and other duties and charges in relation to the Creation/Redemption Application. These Transaction Costs may be charged to you by the Participating Dealer.

7.7 Trading of the Units

7. UNITS OF THE FUND

The Units are listed for trading on Bursa Securities. The Units can be bought and sold throughout the trading day like other publicly-traded shares. There is no minimum investment. Although, Units are generally purchased and sold in “board lots” of 100 Units, brokerage firms may permit you to purchase or sell Units in smaller “odd lots”. However, prices of Units traded in “odd-lots” may differ from Units purchased and sold in “board lots”. When buying or selling Units through a broker, you will incur customary brokerage fee, stamp duty and clearing fees.

Pursuant to Section 14(1) of the Central Depositories Act, Bursa Securities has prescribed the Units as a prescribed security. In consequence thereof, the Units will be deposited directly with Bursa Depository and any dealings in the Units will be carried out in accordance with the Central Depositories Act and the rules of Bursa Depository.

You are the beneficial owner of the Units as shown in the records of Bursa Depository. Bursa Depository serves as the securities depository for all Units of the Fund. As a beneficial owner of the Units, you are not entitled to receive physical delivery of Unit certificates or to have the Units registered in your name, and you are not considered a registered owner of the Units. Therefore, to exercise any right as an owner of the Units, you must rely upon the procedures of Bursa Depository. These procedures are the same as those that apply to securities listed on Bursa Securities.

A list of the authorised depository agents will be available on the Bursa Securities’ website at <http://www.bursamalaysia.com>.

7.7.1 Unit trading price

The trading prices of Units on Bursa Securities may differ from their daily NAV per Unit and IOPV per Unit and can be affected by market forces such as supply and demand, economic conditions and other factors. You may keep track of the current market price of the Units via Bursa Securities’ website at <http://www.bursamalaysia.com> on a daily basis.

The Units will be traded on the Main Market as determined by Bursa Securities in accordance with the relevant tick-size rules as set by Bursa Securities. This may be different from the bid/ask spread of the underlying securities.

7.7.2 Liquidity provision

It is the intention of the Manager to facilitate the provision of liquidity for you through the appointment of the Participating Dealer and/or market makers who are required to maintain a market for the Units. In maintaining a market for the Units, the Participating Dealer and/or market makers may realise profits or sustain losses. Any profit made by the Participating Dealer and/or market makers may be retained by them for their absolute benefit and they shall not be liable to account to the Trustee in respect of such profits.

Although the Participating Dealer and/or market makers may buy and sell Units just like investors via Bursa Securities, there is no guarantee or assurance as to the price at which the market for the Units will be made. A list of Participating Dealers and/or market makers may be obtained from our website at <https://www.principal.com.my>. The list of market makers may be obtained via Bursa Securities’ website at <http://www.bursamalaysia.com>.

8. THE MANAGER

8.1 About the Manager

The Manager, Principal Malaysia (Company Registration No. 304078-K) was incorporated in Malaysia on 13 June 1994 under laws of Malaysia and presently holds a Capital Markets Services Licence for fund management in relation to portfolio, financial planning and dealing in securities restricted to unit trust and dealing in private retirement scheme under the CMSA and specialises in managing and operating unit trusts for investors, both institutional and retail. Principal Malaysia's responsibilities include managing investment portfolios by providing fund management services to insurance companies, pension funds, unit trust companies, corporations and government institutions in Malaysia.

It originally commenced its operations as a unit trust company in November 1995. As at LPD, Principal has more than 23 years of experience in the unit trust industry. The shareholders of Principal Malaysia are PIA and CIMB Group.

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

CIMB Group is one of ASEAN's leading universal banking groups and is Malaysia's second largest financial services provider, by assets. It offers consumer banking, commercial banking, investment banking, Islamic banking and asset management products and services. Headquartered in Kuala Lumpur, CIMB Group is present in all 10 ASEAN nations and has market presence in Mainland China, Hong Kong SAR, India, Sri Lanka, Korea, US and UK. CIMB Group is listed on Bursa Malaysia and has a market capitalisation of approximately RM54.6 billion, around 36,000 employees and around 800 branches, as at 31 December 2018.

As at the LPD, Principal Malaysia managed 62 conventional unit trust funds and 22 Islamic unit trust funds. As at the LPD, Principal Malaysia's assets under management comprising in-house unit trust funds as well as corporate and individual portfolios stood at approximately RM 56.58 billion.

You are advised to visit our website at <http://www.principal.com.my> for further information on the Manager.

8.2 Roles, duties and responsibilities

The primary responsibilities of Principal Malaysia as the Manager of the Fund include:

- ensuring a Register is maintained;
- deciding on appropriate investment strategies to be adopted 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 Unitholders; and
- maintaining proper records of the Fund.

8. THE MANAGER

8.3 Key personnel of the Manager

The following table sets out information on the key personnel of Principal Malaysia as at the LPD. The information in the following table is subject to changes following the LPD. You are advised to visit our website at <https://www.principal.com.my> for updates in relation to the information contained below:

Name:	Munirah Khairuddin
Age:	44
Designation:	Chief Executive Officer
Qualifications:	<p>Munirah is a Chartered Financial Analyst (“CFA”) charterholder and holds the Capital Markets Services Representative’s License (“CMSRL”) for fund management. She graduated with a Bachelor of Arts (Honours) in Accounting & Financial Analysis, University of Newcastle Upon Tyne UK. She was recently named as the CEO of the Year, Malaysia in the Asia Asset Management’s 2014 Best of the Best Awards.</p> <p>Munirah was also selected as one of the recipients for the “Top 25 Women of Asset Management” awards by AsianInvestor in 2014.</p>
Experience, functions and areas of experience or responsibilities in Principal Malaysia:	<p>Munirah joined Principal Asset Management Berhad (formerly known as CIMB-Principal Asset Management Berhad) in November 2006 and was later appointed as Deputy CEO in November 2008. Then, Munirah was responsible for the development of institutional, corporate and international business opportunities and institutional sales.</p> <p>She also served as the Director of CIMB-Principal and Commissioner of PT CIMB-Principal Asset Management in Indonesia. She 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.</p> <p>Munirah was appointed as CEO in August 2013. She has been instrumental in helping the company to grow its Assets Under Management (AUM), deepening its retail leadership with new focus in private retirement space, and maintaining consistent risk management and investment performance. Munirah also played an integral part in the strategic business development initiatives of CWA, an agency force of more than 8,000 unit trust consultants nationwide. Munirah also oversees both the retail and corporate businesses for Singapore.</p> <p>She was also named as the CEO of the Year, Malaysia in the Asia Asset Management’s 2015 Best of the Best Awards for the second year in a row. Munirah was also selected as one of the</p>

8. THE MANAGER

	recipients for the "Top 25 Women of Asset Management" award by AsianInvestor in 2014.
--	---

Name:	Patrick Chang Chian Ping
Age:	48
Designation:	Chief Investment Officer, Malaysia & Chief Investment Officer, Equities, ASEAN Region
Qualifications:	MSc Finance from City University Business School and BSc Accounting and Financial Analysis from University of Warwick, UK.
Experience, functions and areas of experience or responsibilities in Principal Malaysia:	<p>Patrick Chang joined Principal Malaysia on 22 February 2016 and currently holds the positions of CIO, Malaysia and CIO Equities, ASEAN Region effective 1 October 2018. He comes with more than 18 years of experience in asset management. He was previously the Head of ASEAN equities at BNP Paribas Investment Partners, Malaysia where he oversees ASEAN equities for both Malaysian and offshore clients from 2012.</p> <p>Prior to that, he served as Senior Vice President for Principal Malaysia where he specialized in Malaysia, ASEAN and Asia specialist funds. He also worked as a portfolio manager at Riggs and Co International Private Banking in London specializing in managing global ETF portfolios and holds the Capital Markets Services Representative License.</p>

Name:	Jacqueline Lai
Age:	49
Designation:	Head, Compliance
Qualifications:	Bachelor of Business from RMIT majoring in Accountancy, Chartered Accountant in Malaysia, CIAFIN, SC Compliance Certification
Experience, functions and areas of experience or responsibilities in Principal Malaysia:	<p>Jacqueline had been with CIMB Group for more than 19 years and joined Principal Malaysia -Compliance in April 2014. Prior to joining Principal Malaysia -Compliance, Jacqueline was with the Group Internal Audit Division and brings with her a wealth of experience in matters relating to compliance and audit.</p> <p>Jacqueline had been registered with the Securities Commission as the Compliance Officer for Principal Malaysia and Principal Islamic.</p>

8. THE MANAGER

8.4 The Board of the Manager

As at the LPD, the Board consists of eight (8) members including three (3) Independent Directors. The Board meets at least four (4) times a year.

The Board oversees the management and operations of Principal Malaysia and enforces standards of accountability including the process of financial reporting and risk management of Principal Malaysia. It also ensure the Principal Malaysia's compliance to all applicable laws, regulations and guidelines.

The following table sets out information on the other members of the Board of Principal Malaysia as at the LPD. The information in the following table is subject to changes following the LPD. You are advised to visit our website at <https://www.principal.com.my> for updates in relation to the information contained below:

Name:	Wong Joon Hian
Age:	70
Designation:	Independent Director
Qualifications:	Member of the Malaysian Institute of Certified Public Accountants, the Malaysian Institute of Accountants and a fellow member of the Institute of Chartered Accountants in England and Wales.
Experience:	Has been an independent non-executive director of Principal Malaysia since 22 August 2007 He has accumulated over 30 years of working experience in the areas of audit, accountancy, financial services and corporate management. He commenced his career when he joined Price Waterhouse & Co. in England after qualifying as a Chartered Accountant in 1973. He returned to Malaysia in 1975 to work for Price Waterhouse (now known as PricewaterhouseCoopers PLT), Malaysia until 1985. He then served as the Technical Manager of The Malaysian Association of Certified Public Accountants from 1986 until he was appointed as the General Manager-Operations of Supreme Finance (Malaysia) Berhad in December 1987. After Mayban Finance Berhad had completed the acquisition of Supreme Finance (Malaysia) Berhad in 1991, he joined BDO Binder as an Audit Principal until 1994 when he joined Advance Synergy Berhad. He was appointed the managing director of United Merchant Group Berhad (now known as Advance Synergy Capital Sdn Bhd) in 1995. During the period from 1995 till 2007 he was a director of Ban Hin Lee Bank Berhad, Southern Investment Bank Berhad and United Merchant Finance Berhad. Currently, he is a director in several companies under the Advance Synergy Berhad Group and CIMB Group Holdings Berhad Group. He is also an independent non-executive director of Principal Islamic Asset Management Sdn Bhd (formerly known as CIMB-Principal Islamic Asset Management Sdn Bhd).

Name:	Munirah binti Khairuddin
Age:	44
Designation:	Non-independent Director

8. THE MANAGER

Qualifications:	Please refer to the section on “Qualifications” in respect of Munirah binti Khairuddin in section 8.4 above.
Experience:	Please refer to the section on “Experience, functions and areas of experience or responsibilities in Principal Malaysia” in respect of Munirah binti Khairuddin in section 8.4 above.

Name:	A.Huzaim bin Abdul Hamid
Age:	54
Designation:	Independent Director
Qualifications:	Master of Science, Financial Economics, School of Oriental and African Studies (SOAS), University of London, United Kingdom, 2010; Advanced Diploma in Russian Language, from the Pushkin Institute of Moscow and the Russian Center of Science and Culture, Kuala Lumpur, 2009; Bachelor of Science, Economics, Louisiana State University, Baton Rouge Louisiana, United States of America, 1988.
Experience:	<p>Has been a Director of Principal Asset Management Berhad (<i>formerly known as CIMB-Principal Asset Management Berhad</i>) since 2 May 2013.</p> <p>Huzaim has spent 30 years in various aspects of finance, economics, and public policy advisory. 12 of those years was spent as a fund manager, where he was, among others, a Chief Investment Officer with Alliance Capital Asset Management and as a member of the Pacific Region Team and a Global Commodities Specialist with Hong Kong's Jardine Fleming Investment Management which is now part of JP Morgan, Chase and Co. He has been an independent Investment Committee member for more than 14 years for Principal Malaysia as well as being the same for Principal Islamic Asset Management Sdn Bhd (<i>formerly known as CIMB-Principal Islamic Asset Management Sdn Bhd</i>) and CIMB Wealth Advisors Berhad for several years. He also served as an independent Investment Committee member for CIMB Aviva Assurance and CIMB Aviva Takaful for two years.</p> <p>Huzaim is the Chairman & CEO of Ingenium Advisors, a financial economics advisory established in 2013. He was, prior to that, the Head of Strategic Operations at Malaysia's Employees Provident Fund, where he was deeply engaged in the reform of the Malaysian pension and social security system, which resulted in the private pension system, minimum wages, and minimum retirement age acts.</p> <p>He is also the Chairman of Kulak Sdn Bhd, a Defense services advisory company.</p> <p>Huzaim also spent several years serving as a Senior Fellow at the then renowned Institute of Strategic and International Studies (ISIS) Malaysia, reporting directly to its late Chairman, Tan Sri Noordin Sopiee. He was most active in economic, finance, and geostrategic issues. He was engaged heavily in OIC and East Asian matters, and was appointed the Deputy Secretary General for the Malaysian chapter of the Network of East Asian Think-tanks (NEAT).</p> <p>Huzaim speaks and writes in 5 languages.</p>

8. THE MANAGER

Name:	Pedro Esteban Borda
Age:	58
Designation:	Non-independent Director
Qualifications:	Borda holds a Bachelor's Degree in Business Administration and a Master's Degree in Finance, both from Universidad Argentina de la Empresa (U.A.D.E).
Experience:	He is the Vice President South Asia and India of Principal International based in Malaysia. He is also a Director of Principal Asset Management Berhad (formerly known as CIMB-Principal Asset Management Berhad) since 20 June 2013. Prior joining Principal International, he was Chief Executive Officer, ASEAN Region of CIMB-Principal Asset Management Berhad. In addition, he was the Country Head – Mexico from 2004 to February 2013, Vice President of Principal Financial Group and previously a member of the Board of Directors of Principal Financial Group, Chile.

Name:	Hisham bin Zainal Mokhtar
Age:	57
Designation:	Independent Director
Qualifications:	He graduated with a Bachelor of Science and Master of Science in Mathematics from Illinois State University, US in 1984 and 1986 respectively. He obtained his Master of Business Administration from Massachusetts Institute of Technology ("MIT"), under the Sloan Fellows Program at the MIT Sloan School of Management in 2010. He is also a Chartered Financial Analyst charterholder.
Experience:	<p>Hisham presently is an Independent Board Member of Telekom Malaysia Berhad, Media Prima Berhad, Principal Islamic Asset Management Sdn Bhd (formerly known as CIMB-Principal Islamic Asset Management Sdn Bhd), Chairman of Sistem Televisyen Malaysia Berhad and a Business Coach at the Asia School of Business since August 2018.</p> <p>He began his career in the insurance industry at Universal Life and General Insurance in 1987. He joined William M Mercer Sdn Bhd in 1988 before becoming an investment analyst with Crosby Research (M) Sdn Bhd in 1991. He joined Barings Research (Malaysia) Sdn Bhd in 1994 and UBS Research (Malaysia) Sdn Bhd in 1996. He became a financial consultant at Sithe Pacific LLC in 1998, a regional independent power producer, and later ventured out to setup a boutique investment advisory firm, KE Malaysia Capital Partners Sdn Bhd.</p> <p>He served Tricubes Berhad as an Executive Director and Vice President of Corporate and Financing Planning from April 2001 to April 2005. He then joined Khazanah Nasional Berhad in May 2005 and later served as a Director in the Investment Division from April 2009 to June 2014. He was Chief Operating Officer with Astro Overseas Limited from July 2014 until June 2018 and after that a Director in the Group Managing Director's</p>

8. THE MANAGER

	Office at Malaysian Industrial Development Finance Berhad from July 2018 until March 2019.
--	--

Name:	Effendy bin Shahul Hamid
Age:	47
Designation:	Non-independent Director
Qualifications:	Honours in Electronic Engineering with Optoelectronics, University College London; Alumni of CIMB-INSEAD Leadership Programme.
Experience:	<ul style="list-style-type: none">▪ Responsible for the development of the Group's new and disruptive revenue and value creation streams through a focus on creating and cultivating new-age partnerships at scale, venturing through selective strategic investments in platform based businesses, steering CIMB's FinTech practise and managing the Group's operations in Vietnam and the Philippines.▪ Also responsible for the Group's asset management and investments business across both public and private markets, including the Group's regional asset management business, its private equity fund management business and the Group's equity investments portfolio in companies such as CIMB-Principal and Touch 'n Go.▪ Most recently, was CEO of Group Commercial Banking, managing the Group's regional banking businesses for the small and medium enterprise and mid sized corporate segment, with a key lean on creating differentiated propositions and executing long term growth strategies.▪ Prior to that, was Group Chief Marketing and Communications Officer, managing the Group's entire marketing and communications initiatives and lead franchise-wide efforts to ensure a consistent and differentiated CIMB brand for all of the Group's Businesses across the region.▪ Before that, served as a Director in the Group's Investment Banking Division, primarily focusing on corporate advisory and origination.▪ Prior to joining the Group, career stints in several international companies in a corporate development capacity, mostly involved in private equity, merger and acquisition activities across Asia Pacific and general business expansion initiatives.▪ Regional business experience having worked and lived in Malaysia, Hong Kong SAR and Singapore.

Name:	Juan Ignacio Eyzaguirre Baraona
Age:	62
Designation:	Non-independent Director
Qualifications:	He earned a civil engineering degree from the Universidad de Chile and a degree in philosophy from the Universidad de Los Andes

8. THE MANAGER

Experience:	Juan has 30 years of experience in various senior positions in asset management, banking, insurance and fund management. In 2008, Juan founded Vistage Chile, a business coaching and management development consultancy headquartered in San Diego, California. Prior to this, Juan served as an executive of Principal Latin America where he drove regional business growth and strategy and led teams in Argentina, Chile and within Principal's joint venture in Brazil.
--------------------	---

Name:	Paul Wong Chee Kin
Age:	50
Designation:	Non-independent Director
Qualifications:	Monash University, Melbourne, Australia (Bachelor of Business - Major in Banking & Finance)
Experience:	<p>Paul Wong was appointed as Group Chief Operations Officer on 1 October 2018 with key focus in strategizing and overseeing the Operations function of CIMB Group. He previously held the position as Head of Consumer Business Strategic Support since May 2016 with key focus in driving sales and operational productivity, improving customer experience and strengthening compliance at branches. Other previous appointments include Head of Regional Projects in driving sales and operational efficiency in Group Consumer Banking, and Head of ASEAN Business Solutions to oversee cross-border acquisition for retail products from July 2013 to April 2016.</p> <p>Paul was also Head of Sales Management under Consumer Sales & Distribution from 2007 to 2013 where he led the team drive and manage initiatives on marketing, compliance and employee engagement to optimize productivity from sales channels. During the period, Paul was also appointed as the designated Head of Retail Banking for Bank of Commerce ("BOC") in Philippines to lead the re-engineering of overall retail banking strategies as CIMB was exploring the acquisition of BOC.</p> <p>Prior to joining CIMB Bank, Paul served in various capacities in several financial institution including Alliance Bank, Prudential Assurance, OCBC, UOB, and DBS in Malaysia and Singapore.</p>

8.5 The Investment Committee

As required by the ETF Guidelines, the Manager is required to establish an Investment Committee for the Fund whose role is to ensure that the investment management of the Fund is consistent with:

- (a) the Fund's investment objective;
- (b) the Deed;
- (c) the Prospectus;
- (d) the ETF Guidelines and other applicable laws;
- (e) internal investment restrictions and policies; and

8. THE MANAGER

- (f) acceptable and efficacious investment management practices within the industry.

The powers and duties of the Investment Committee include formulating and monitoring the implementation by the Manager of appropriate investment management strategies for the Fund and the measurement and evaluation of the performance of the Manager. The Investment Committee generally meets every month.

As at the LPD, the Investment Committee consists of five (5) members including three (3) independent members. The following table sets out information on the members of the Investment Committee as at the LPD. The information in the following table is subject to changes following the LPD. You are advised to visit our website at <https://www.principal.com.my> for updates in relation to the information contained below:

Name:	Kim Teo Poh Jin	
Designation:	Independent member	
Qualifications:	Year	Qualifications
	1980	Bachelor of Arts (Hons) in Economics, Heriot-Watt University of Edinburgh
Experience:	Period	Experience
	May-15 to Present	Investment Committee, Principal Islamic Asset Management Sdn Bhd
	Aug-09 to Present	Group CEO/Executive Director, Boardroom Limited
	Mar-07 to Present	Investment Committee, Principal Asset Management Berhad
	Mar-07 to Sept 2013	Investment Committee, CIMB Wealth Advisors Berhad
	Jan-04 to Mar-07	Executive Director, Regional Head, Retail Equities, CIMB-GK Securities Pte Ltd

Name:	Wong Fook Wah	
Designation:	Independent member	
Qualifications:	Year	Qualifications
	1991	Investment Appraisal and Management, Harvard University, U.S.A.
	1987	Master's degree in Policy Science, Saitama University, Japan
	1977	Bachelor of Arts (Economics), Universiti Malaya
Experience:	Period	Experience
	1991 to Mar-11	Deputy Group Chief Executive Officer, RAM Holdings Bhd
	1987 – 1991	Analyst, Special task unit handling rehabilitational and restructuring work
	1977 to 1987	Economist (Economics Planning Division), Ministry of Finance

8. THE MANAGER

Name:	A. Huzaim Bin Abdul Hamid	
Designation:	Independent member	
Qualifications:	Year	Qualifications
	2010	Master of Science Financial Economics, School of Oriental and African Studies (SOAS), University of London, United Kingdom.
	2009	Advanced Certificate Russian Language, Pushkin State Institute of Russian Language, Moscow, Russia with the Russian Center for Science and Culture, Kuala Lumpur
	1988	Bachelors of Science, Economics, Louisiana State University, Baton Rouge Louisiana, United State of America
Experience:	Period	Experience
	Nov 2012 to Present	Ingenium Advisors Sdn Bhd Chairman & Chief Executive Officer
	Sep 2010 to Oct 2012	Employees Provident Fund Head of Strategic Operations
	Jan 2008 to Aug 2010	Self-employed Independent Researcher

Name:	Mohamad Safri bin Shahul Hamid	
Designation:	Non-independent member	
Qualifications:	Year	Qualifications
	2002	Master of Business Administration (Globalisation), Maastricht School Of Management, The Netherlands
	1998	Chartered Accountant (CA) with the Malaysian Institute of Accountants (MIA).
	1995	Bachelor of Accounting (Honours), International Islamic University Malaysia
Experience:	Period	Experience
	Feb-11 to Present	Deputy Chief Executive Officer / Senior Managing Director,(since April 2014) CIMB Islamic (CIMB Investment Bank)
	Mar-09 to Jan-11	Deputy Chief Executive Officer- MIDF Amanah Investment Bank Berhad (Kuala Lumpur)
	Feb-08 to Dec-08	Director, Global Markets & Regional Head, Islamic Structuring (Asia), Deutsche Bank Dubai International Financial Centre (Dubai)

Name:	Alejandro Elias Echegorri Rodriguez	
Designation:	Non-independent member	

8. THE MANAGER

Qualifications:	Year	Qualifications
	1997 – 1998	Master En Economia, Ucema (Centro De Estudios Macroeconomicos De Argentina) - Buenos Aires, Argentina
	1979 – 1985	Economista, Universidad De La Republica - Montevideo, Uruguay
Experience:	Period	Experience
	Mar 2019 - Present	Chief Investment Officer of Principal Global Asset Management Asia.
	Mar 2015 – Mar 2019	Chief Executive Officer, ASEAN Region, Executive Director of Principal Asset Management Berhad and Director of Principal Islamic Asset Management Sdn Bhd, Principal Asset Management (S) Pte, Principal Asset Management Company Limited (Thailand), PT Principal Asset Management (Indonesia).
	Jul 2011 – Mar 2015	Principal Financial Group (Mexico) Chief Investment Officer – Latin America
	Sep 2003 – Jul 2011	Principal Financial Group (Mexico) Chief Investment Officer and Asset Management Head - Mexico
	Sep 1999 – Sep 2003	Citibank N.A. (Chile) Senior Investment Officer - Emerging Markets (Pension Fund Group)

8.6 The Designated Person Responsible for the Management of the Fund

As required by the ETF Guidelines, the Manager is required to appoint a designated person responsible for the management of the Fund whose role is to ensure that the investment management of the Fund is consistent with the investment objective, investment strategy, investment scope, restrictions as set out in Section 3 of this Prospectus and the Guidelines.

The following table sets out information on the designated person responsible for the management of the Fund as at the LPD. The information in the following table is subject to changes following the LPD. You are advised to visit our website at <https://www.principal.com.my> for updates in relation to the information contained below:

Name:	Patrick Chang Chian Ping
Designation:	Chief Investment Officer (CIO), Malaysia & Chief Investment Officer, Equities, ASEAN Region
Qualifications:	Please refer to the section on “Qualifications” in respect of Patrick Chang Chian Ping in section 8.4 above.
Experience:	Please refer to the section on “Experience, functions and areas of experience or responsibilities in Principal Malaysia:” in respect of Patrick Chang Chian Ping in section 8.4 above.

8.7 Material litigation and arbitration

As at the LPD, there is no litigation or arbitration proceeding current, pending or threatened against or initiated by the Manager nor is there any fact likely to give rise to any proceeding which might materially affect the business/financial position of the Manager or any of its delegates.

8.8 Fund Administration and Fund Accounting Service Provider

The Manager has appointed Deutsche Trustees Malaysia Berhad (“**DTMB**”) to provide fund administration and fund accounting services.

DTMB has been appointed to carry out the fund accounting and valuation services for the Fund. DTMB is a wholly-owned subsidiary of the parent organisation, Deutsche Bank Aktiengesellschaft. DTMB was incorporated in Malaysia on 22 February 2007 and commenced business in May 2007.

DTMB is part of Deutsche Bank’s Securities Services, which provides trustee and fund accounting and valuation services. DTMB expanded its product offering to include fund accounting and valuation services in 2018.

Its duties include, amongst others, performing valuation of the investments and the Fund and maintaining financial accounting records of portfolios including all transactions data, records and investment ledgers.

In providing the above services, DTMB will be supported by Deutsche Investor Services Private Limited (“**DISPL**”) in India, a 100% Deutsche Bank owned legal subsidiary in the processing of daily fund administration transactions.”

8.9 Direct and indirect unitholding in the Fund

As at the LPD, none of the promoters, substantial shareholders, directors and key personnel of the Manager have any direct or indirect unitholding in the Fund.

The rest of this page has been intentionally left blank

9. THE TRUSTEE

9.1 About the Trustee

Deutsche Trustees Malaysia Berhad (Company No. 763590-H) was incorporated in Malaysia on 22 February 2007 and commenced business in May 2007. DTMB is registered as a trust company under the Trust Companies Act 1949, with its business address at Level 20, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur.

DTMB is a member of Deutsche Bank Group (“Deutsche Bank”). Deutsche Bank provides commercial and investment banking, retail banking, transaction banking and asset and wealth management products and services to corporations, governments, institutional investors, small and medium-sized businesses, and private individuals.

9.2 Roles, duties and responsibilities

DTMB’s main functions are to act as trustee and custodian of the Fund Assets and to safeguard the interests of Unitholders of the Fund. In performing these functions, the Trustee has to exercise due care and vigilance and is required to act in accordance with the relevant provisions of the Deed, the CMSA and all relevant laws.

9.3 Experience in trustee business

DTMB is part of Deutsche Bank’s Securities Services, which provides trust, custody and related services on a range of securities and financial structures. As at the LPD, DTMB is the trustee for 181 collective investment schemes including unit trust funds, wholesale funds, ETFs and private retirement schemes.

DTMB’s trustee services are supported by Deutsche Bank (Malaysia) Berhad (“DBMB”), a subsidiary of Deutsche Bank, financially and for various functions, including but not limited to financial control and internal audit.

9.4 Material litigation and arbitration

As at the LPD, neither the Trustee nor its delegate is (a) engaged in any material litigation and arbitration, including those pending or threatened, or (b) is aware of any facts likely to give rise to any proceedings which might materially affect the business or financial position of the Trustee and any of its delegate.

9.5 Trustee’s Delegate

The Trustee has appointed DBMB as the custodian of the Fund Assets. DBMB is a wholly-owned subsidiary of Deutsche Bank AG. DBMB offers its clients access to a growing domestic custody network that covers over 30 markets globally and a unique combination of local expertise backed by the resources of a global bank. In its capacity as the appointed custodian, DBMB’s roles encompass safekeeping of Fund Assets; trade settlement management; corporate actions notification and processing; securities holding and cash flow reporting; and income collection and processing.

All investments of the Fund are registered in the name of the Trustee for the Fund, or where the custodial function is delegated, in the name of the custodian, to the order of the Trustee for the Fund. As custodian, DBMB shall act only in accordance with instructions from the Trustee.

9.6 Trustee’s statement of responsibility

The Trustee has given its willingness to assume the position as trustee of the Fund and is willing to assume all its obligations in accordance with the Deed, the CMSA, the ETF Guidelines and all relevant laws.

10. THE SF MANAGER

The following information is extracted from or based on information contained in the prospectus issued by the Singapore Fund on 22 April 2019 and such information has not been independently verified.

10.1 About the SF Manager

The SF Manager of the Singapore Fund is Principal Singapore. The SF Manager obtained its capital markets services licence on 24 April 2007 and is wholly-owned by Principal Asset Management Berhad, which has been managing discretionary and mutual funds in Malaysia for more than 23 years. As at the LPD, the funds under management of the SF Manager stands at S\$4.07 billion.

10.2 Functions, duties and responsibilities

The SF Manager has general powers of management over the assets of the Singapore Fund. The Manager has covenanted in the SF Deed to use its best endeavours to carry on and conduct its business in a proper and efficient manner and to ensure that the Singapore Fund is carried on and conducted in a proper and efficient manner. The SF Manager has also covenanted that it will conduct all transactions with or for the Singapore Fund at arm's length.

The SF Manager will also be responsible for ensuring compliance with the applicable provisions of the Securities and Futures Act and all other relevant legislation, the Listing Manual, the Code, the SF Deed and all relevant contracts. The SF Manager will be responsible for all regular communications with SF Unitholders.

In the absence of fraud or negligence by the SF Manager, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith under the provisions of the SF Deed. In addition, the SF Manager shall be entitled, for the purpose of indemnity against any action, costs, claims, damages, expenses or demands (other than those arising out of any liability or obligation to the SF Unitholders imposed on the SF Manager pursuant to applicable laws) to which it may be put as SF Manager, to have recourse to the assets of the Singapore Fund in respect of which such action, costs, claims, damages, expenses or demands have been made or arose out of.

The SF Manager may, in managing the Singapore Fund and in carrying out and performing its duties and obligations under the SF Deed, appoint such person to exercise all or any of the powers, rights, privileges, duties and discretions vested in it under the SF Deed and such delegation may be made upon such terms and conditions and subject to such regulations (including powers to sub-delegate) as it may think fit, provided always that the SF Manager shall be liable for all acts and omissions of such person as if such acts and omissions were its own.

The rest of this page has been intentionally left blank

11. SALIENT TERMS OF DEED

This Section is meant to disclose the salient terms of the Deed and is not meant to be exhaustive. For full details of the Deed, please refer to the Deed which is available for inspection at the principal places of business of the Manager and Trustee.

Money invested by you in the Fund will purchase a number of units, which represents the Unitholder's interest in the Fund. Each unit held in the Fund represents an equal undivided beneficial interest in the Fund Assets. However, the unit does not give a Unitholder 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 Unitholders' meetings).

A Unitholder will be recognised as a registered Unitholder in the Fund on the Dealing Day his/her details are entered onto the Register.

11.1 Rights of Unitholders

A Unitholder has the right, among others, to the following:

- (i) 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 the ETF Guidelines;
- (ii) 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 Deed;
- (iii) To call for Unitholders' meetings;
- (iv) To vote for the removal of the Trustee or the Manager through a Special Resolution;
- (v) To receive annual reports, interim reports or any other reports of the Fund;
- (vi) To exercise cooling-off for qualified investors; and
- (vii) To take any action against the Manager and/or the Trustee for any breach of its duties under the CMSA and the applicable guidelines as set out in the Deed.

Unitholders' rights may be varied by changes to the Deed, the ETF Guidelines or judicial decisions or interpretation.

11.2 Liabilities and limitations of Unitholders

11.2.1 Liabilities

- (i) The liability of a Unitholder is limited to the purchase price per unit and the Application Fee paid or agreed to be paid for a Unit. A Unitholder need not indemnify the Trustee or the Manager if there is a deficiency in the Fund Assets 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 Fund Assets.

11.2.2 Limitations

A Unitholder cannot:

- (i) interfere with any rights or powers of the Manager and/or Trustee under the Deed;
- (ii) exercise a right in respect of any of the Fund Assets or lodge a caveat or other notice affecting any particular part of the Fund Assets or otherwise claim any interest in any particular part of the Fund Assets; or
- (iii) require any particular part of the Fund Assets to be transferred to the Unitholder.

11. SALIENT TERMS OF DEED

11.3 Maximum fees and charges permitted by the Deed

This table describes the maximum fees permitted by the Deed and payable indirectly by you.

Fees	% / RM
Management Fee	Nil
Trustee Fee	Up to 0.20% per annum, calculated daily on the NAV of the Fund, but subject to a minimum fee of RM18,000 per annum (excluding foreign sub-custodian fees and charges)

A lower fee and/or charges than what is stated in the Deed may be charged, all current fees and/or charges will be disclosed in the Prospectus.

Any increase of the fees and/or charges above that stated in the current Prospectus may be made provided that a supplemental prospectus is issued and the maximum stated in the Deed shall not be breached.

Any increase of the fees and/or charges above the maximum stated in the Deed shall require Unitholders' approval.

11.4 Expenses permitted by the Deed

The Deed allows for payment of other expenses, which include (without limitation) expenses connected with:

- any costs, fees and expenses to be paid under any licence and data supply contracts in relation to the Index Licensor entered into by the Trustee and/or the Manager in respect of the Fund;
- the processing or handling fees levied by any person for rendering services to effect any acquisition, disposal or any other dealings whatsoever in the Fund Assets and any expenses in relation thereto including commissions or fees paid to brokers and/or dealers in effecting dealings in the SF Units of the Fund;
- all fees, charges, expenses and disbursements of any legal adviser or counsel, accountant, auditor, valuer, broker, banker, tax adviser or other professional advisers employed or engaged by the Trustee or the Manager in the establishment of the Fund, in maintaining, preserving and protecting the Fund Assets and in the ongoing performance of their respective duties and obligations under the Deed, or otherwise in connection with the Fund;
- all fees, charges, expenses and disbursements incurred in relation to. the safe-custody, acquisition, holding, registration, realisation of or other dealing with any Fund Assets or the holding of any Fund Assets or the custody of the documents of title thereto (including insurance of documents of title against loss in shipment, transit or otherwise and charges made by agents of the Trustee for retaining documents in safe custody), any applicable fees and expenses of the custodian, joint-custodian and/or sub-custodian appointed pursuant to the provisions of the Deed and all transactional fees as may be agreed from time to time between the Manager and the Trustee in relation to all transactions involving the whole or any part of the Fund Assets;
- all charges and expenses incurred for any meeting of Unitholders other than convened by and for the benefit of the Manager and the Trustee;

11. SALIENT TERMS OF DEED

- the fees and expenses incurred by the Manager and the Trustee in obtaining and/or maintaining the listing of and quotation for the Units on the Main Market, and/or the authorisation or other official approval or sanction of the Fund under the CMSA or any other applicable law or regulation;
- the fees and expenses incurred in connection with depositing and holding Units with the Bursa Depository and the Clearing House (and in any other securities depository or clearing system);
- cost of establishment of the Fund;
- all charges, costs and expenses incurred by the Manager and/or the Trustee in respect of and/or in connection with the maintenance of a website or webpages (as the case may be) dedicated entirely to the Fund and communications with and/or notification to the Unitholders, the registrar and/or any relevant authorities including notifications made in relation to the Fund in Bursa Securities, newspaper(s) in Malaysia and such other forms of communication permitted or acceptable under the ETF Guidelines and as the Manager may from time to time determine;
- all fees, costs and expenses incurred in respect of preparing any deeds supplemental to the Deed and in respect of preparing any agreement in connection with the Fund other than those for the benefit of the Manager or the Trustee;
- all costs incurred in respect of the preparation, publication and distribution of the annual reports and interim reports (if any) and of all cheques, statements, notices and other documents relating to the Fund;
- all fees and expenses incurred in connection with the removal of the Manager, the Trustee or the auditor or the appointment of a new manager, a new trustee or new auditor;
- all expenses incurred in the collection of Income (including expenses incurred in obtaining tax repayments or relief and agreement of tax liabilities) or the determination of taxation;
- all expenses associated with the distributions declared pursuant to the Deed including without limitation fees for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer;
- all fees and expenses incurred by the Manager and the Trustee in winding-up and terminating the Fund;
- fees for the valuation of the Fund by independent valuers for the benefit of the Fund;
- all fees and expenses of the independent members of the Investment Committee;
- any costs, fees and expenses to be paid under any licence and data supply contracts in relation to the maintenance of calculation of IOPV per Unit; and
- such other charges, costs, expenses and disbursements (including but not limited to any tax and other duties imposed by any government and other authorities, e.g., goods and services tax payable by the Manager or the Trustee for the Fund pursuant to the Deed) as permitted or required (as the case may

11. SALIENT TERMS OF DEED

be) under the applicable laws which the Trustee is entitled to charge to the Fund.

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. Further, any increase in the maximum rate of the Trustee Fees stated in the Deed shall only be made and effected once a supplemental deed stating the higher rate of the Trustee Fee is entered into and registered with the SC.

11.5 Retirement, removal or replacement of the Manager

The Manager may retire upon giving twelve (12) months' notice to the Trustee of its desire to do so, or such lesser time as the Manager and Trustee may agree, in favour of another corporation.

The Manager shall retire under the following circumstances:

- if an Special Resolution is duly passed by the Unitholders that the Manager be removed; or
- if the Manager ceases to be approved by the SC to be the management company of the Fund.

The Manager may be removed by the Trustee under certain circumstances outlined in the Deed. These include:

- if the Manager shall have gone into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or cease to carry on business or if a receiver shall be appointed of the undertaking or assets of the Manager or if any encumbrances shall take possession of any of its assets;
- if the Manager ceases to carry on business;
- if the Trustee is of the opinion that the Manager has, to the prejudice of the Unitholders, failed to comply with any provision or covenant under the Deed or contravened any of the provisions of the CMSA; or
- if the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of the Unitholders for it to do so, after the Trustee has given notice to it of that opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion, and after consultation with the SC and a Special Resolution is duly passed by the Unitholders.

In any of above said grounds, the Manager for the time being shall upon receipt of such notice by the Trustee cease to be the Manager and the Trustee shall by writing under its seal appoint another corporation to be the manager of the Fund subject to such corporation entering into a deed(s) with the Trustee and thereafter act as Manager during the remaining period of the Fund.

The Manager may be replaced by another corporation appointed as manager by Special Resolution of the Unitholders at a Unitholder's meeting convened in accordance with the Deed either by the Trustee or the Unitholders.

11.6 Retirement, removal or replacement of the Trustee

The Trustee may retire upon giving twelve (12) months' notice to the Manager of its desire to do so, or such lesser time as the Manager and Trustee may agree.

11. SALIENT TERMS OF DEED

The Manager and the Trustee may agree, and may by Deed appoint in its stead a new trustee approved by the SC.

The Trustee may be removed and another trustee may be appointed by Special Resolution of the Unitholders at a Unitholders' meeting convened in accordance with the Deed or as stipulated in the CMSA.

The Trustee may be removed by the Manager under certain circumstances as specified in the Deed which include the following events:

- the Trustee goes into liquidation;
- the Trustee is placed under receivership, or ceases to exist or carry on business,
- the Trustee is no longer validly appointed or eligible to act as a Trustee pursuant to CMSA;
- the Trustee ceases to be approved by the SC to be a trustee for unit trust schemes;
- if a Special Resolution is duly passed by the Unitholders that the Trustee be removed
- the Trustee fails or refuses to act as a Trustee in accordance to the Deed or the CMSA; or
- the Trustee is under investigation for conducts that contravene the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 2016 and the relevant applicable securities laws.

The Manager shall take reasonable steps to remove and replace the Trustee as soon as practicable after becoming aware of any such events as mentioned above.

Additionally, the Manager is legislatively empowered under Section 299 of the CMSA to remove a Trustee under specific circumstances set out therein.

The Trustee may be replaced by another corporation appointed as trustee by Special Resolution of the Unitholders at a Unitholder's meeting convened in accordance with the Deed either by the Manager or the Unitholders.

11.7 Termination of the Fund

11.7.1 The Fund may be terminated by the Trustee, with the approval of the Manager (except in the case of Section 11.7.1(vi) hereof) by notice in writing as hereinafter provided in any of the following event, namely:

- (i) if it becomes illegal or in the opinion of the Trustee impossible or impracticable to continue the Fund;
- (ii) if the Fund shall become liable to taxation (whether in Malaysia) or elsewhere in respect of income or capital gains at a rate considered by the Manager to be excessive in relation to the rate which would be borne by the Unitholder if they owned directly the relevant Fund Asset in question;
- (iii) if the Units cease to be listed on the Main Market;
- (iv) if the Fund ceases to be authorised under the CMSA;
- (v) if the Index Licence Agreement is terminated and a new Index Licence Agreement relating to the Underlying Index is not entered into by the Trustee and/or the Manager;
- (vi) if the Manager goes into liquidation (other than voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee); or in the opinion of the Trustee, the Manager (aa) has ceased to carry on business,, or (bb) has to the prejudice of Unitholders failed to comply with the provisions of the Deed or contravened any of the provisions of any relevant law. The Trustee shall, in these instances, call for a meeting of Unitholders for a Special Resolution to terminate the Fund in the manner provided in the Deed; or

11. SALIENT TERMS OF DEED

- (vii) if on the expiration of three (3) months after notifying the Manager that in the Trustee's opinion a change of Manager is desirable in the interests of the Unitholders and the Trustee has not found another company ready to accept the office of Manager of the Fund of which the Trustee and the SC shall approve.

11.7.2 Without prejudice to Section 11.7.1 above, the Fund may be terminated at any time by Special Resolution of the Unitholders and such termination shall take effect from the date on which such Special Resolution is passed or such later date (if any) as the Special Resolution may provide.

11.8 Unitholders meeting

11.8.1 The Trustee or the Manager may respectively at any time convene a meeting of Unitholders at such time or place in Malaysia (subject as hereinafter provided) as the party convening the meeting may think fit.

11.8.2 The Manager shall call for a meeting of Unitholders if not less than fifty (50) Unitholders or ten percent (10%) of all Unitholders direct the Manager to do so in writing delivered to the registered office of the Manager for the purpose of:

- (i) considering the most recent financial statement of the Fund;
- (ii) giving the Trustee such directions as the meeting thinks proper; or
- (iii) considering any other matter related to this Deed.

11.8.3 Where the meeting is convened to pass:

- (i) an Ordinary Resolution, at least fourteen (14) days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of such meeting shall be given to the Unitholders in the manner in this Deed; or
- (ii) a Special Resolution, at least twenty one (21) days notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of such meeting shall be given to the Unitholders in the manner provided in this Deed,

such notices shall be given to the Unitholders in the following manner as contemplated under the Deed:

- (i) by sending by post a notice of the proposed meeting to each Unitholder at the Unitholder's last known address appearing in the Register;
- (ii) by publishing an advertisement giving notice of the meeting in a national language newspaper published daily and circulating generally throughout Malaysia, and in one other newspaper as may be approved by the SC; or

such other forms of communication permitted or acceptable under the ETF Guidelines and as the Manager may from time to time determine.

11.8.4 The notice shall be in the form of a circular and shall specify the place, day and hour of meeting, the general nature of the business to be transacted and the terms of any resolution to be proposed thereat. A copy of the notice shall be sent to the Trustee unless the meeting is convened by the Trustee. The accidental omission to give notice to or the non-receipt of notice by any of the Unitholders shall not invalidate the proceedings at any meeting.

11.8.5 At any meeting, at least five (5) Unitholders present in person or by proxy shall form a quorum for the transaction of business except for the purpose of passing a Special Resolution. The quorum for passing a Special Resolution shall be at least five (5) Unitholders present in person or by

11. SALIENT TERMS OF DEED

proxy registered as holding not less than twenty five percent (25%) of the Units in issue provided that if there are only five (5) or less than five (5) Unitholders, the quorum shall be by all the Unitholders for the time being. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.

- 11.8.6 Every Unitholder (being an individual) who is present in person or by proxy or (being a corporation) is represented by one of its representatives or by proxy shall, on a poll, have one vote for every Unit of which he or it is the Unitholder and need not cast all the votes to which he or it is entitled in the same way.
- 11.8.7 Any Unitholder being a corporation may by resolution of its directors or other governing body authorise any person to act its representative at any meeting of Unitholders, and a person so authorized shall at such meeting be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Unitholder.
- 11.8.8 Every question arising at a general meeting of Unitholders shall be decided in the first instance by a show of hands, provided that a poll shall be taken in any case where:
- (a) it is required by this Deed or by applicable laws that the question be decided, by a majority which is to be measured by a percentage of the votes of those present; or
 - (b) it is demanded either before or immediately after any question is put to a show of hands by:
 - (i) the Chairman;
 - (ii) the Trustee;
 - (iii) the Manager; or
 - (iv) any Unitholder or Unitholders present holding (any representing by proxy) or holding between them not less than ten percent (10%) of the Units issued.
- 11.8.9 Upon any question decided by a show of hands each Unitholder present and each proxy shall have one vote and upon any question decided by a poll each Unitholder present in person or by proxy shall have one vote for each fully paid Unit.

The rest of this page has been intentionally left blank

12. APPROVALS AND CONDITIONS

12.1 Approvals obtained from SC and conditions imposed

The SC had on 18 March 2010 approved the following proposals:

- (a) establishment of the Fund with an initial fund size of 500 million Units;
- (b) the listing and quotation for up to 500 million Units on the Main Market of Bursa Securities;
- (c) the appointment of Principal Malaysia as the Manager; and
- (d) the appointment of Deutsche Trustees Malaysia Berhad as the Trustee.

subject to the following conditions:

No.	Conditions imposed	Status of compliance
(i)	The Manager must inform the SC the listing date of the Fund prior to the listing of the Fund;	Complied.
(ii)	The listing of the Fund must be completed within 6 months from the date of the approval letter from SC. SC's approval would be deemed to have lapsed if the Manager fails to do so within the stipulated timeframe; and	Complied.
(iii)	The Manager is to provide real-time or near real-time IOPV per Unit when the Fund's fund size reaches RM300 million or any other smaller viable fund size.	Duly noted and to be met when the Fund's fund size reaches RM300 million or any other smaller viable fund size.

The SC had on 8 March 2010 stated that it has no objection to the outsourcing of Principal Malaysia's fund accounting function to Deutsche Bank (Malaysia) Berhad.

The SC had on 18 March 2010 stated that it has no objection on the proposal of the Manager to calculate the IOPV per Unit once per day after the close of the morning trading session of SGX-ST.

12.2 Waiver/Variation approved by SC

The SC had on 18 March 2010 granted exemptions in relation to Section 11.13 of the ETF Guidelines whereby the SC has exempted the requirement that the Trustee must create or redeem units in return for in-kind considerations only to permit the Trustee to create or redeem units in cash.

The rest of this page has been intentionally left blank

13. RELATED PARTY TRANSACTIONS/CONFLICTS OF INTEREST

13.1 Existing and proposed related party transactions

13.1.1 The Manager

We (including our directors) will at all times act in your best interests and will not conduct ourselves in any manner that will result in a conflict of interest or potential conflict of interest. In the unlikely event that any conflict of interest arises, such conflict shall be resolved so that the Fund is not disadvantaged. In the unlikely event that we face conflicts in respect of our duties as the Manager to the Fund and to other Principal Malaysia's funds that we manage, we are obliged to act in the best interests of you and will seek to resolve any conflicts fairly and in accordance with the Deed.

We shall not act as principals in the sale and purchase of any securities or investments to and from the Fund. We shall not make any investment for the Fund in any securities, properties or assets in which we or any of our officers have a financial interest in or from which we or any of our officers derive a benefit without the prior approval of the Trustee. We (including our directors) who hold substantial shareholdings or directorships in public companies shall refrain from any decision making relating to that particular investment of the Fund.

We may also act as SF Participating Dealer provided that the activities carried by us are to facilitate the dealings with the SF Manager in relation to the creation and redemption of the SF Units solely in respect of the Fund.

The Fund may have dealings with parties related to us, such as CIMB Bank.

The Index Licensor is not a related corporation of the Manager.

The Fund may also maintain deposits with CIMB Bank and CIMB Investment Bank Berhad. We may enter into transactions with other companies within the CIMB Group and the PFG provided that the transactions are effected at market prices and are conducted at arm's lengths.

13.1.2 The Trustee

As the Trustee for the Fund and the Manager's delegate for the fund accounting and valuation services, there may be related party transactions involving or in connection with the Fund in the following events:

- (1) Where the Fund invests in the products offered by Deutsche Bank AG and any of its group companies (e.g. money market placement, etc.);
- (2) Where the Fund has obtained financing from Deutsche Bank AG and any of its group companies, as permitted under the SC's guidelines and other applicable laws;
- (3) Where the Manager appoints DTMB to perform its back office functions (e.g. fund accounting and valuation); and
- (4) Where DTMB has delegated its custodian functions for the Fund to DBMB.

DTMB will rely on the Manager to ensure that any related party transactions, dealings, investments and appointments are on terms which are the best that are reasonably available for or to the Fund and are on an arm's length basis as if between independent parties.

While DTMB has internal policies intended to prevent or manage conflicts of interests, no assurance is given that their application will necessarily prevent or

13. RELATED PARTY TRANSACTIONS/CONFLICTS OF INTEREST (cont'd)

mitigate conflicts of interests. DTMB's commitment to act in the best interests of the Unitholders does not preclude the possibility of related party transactions or conflicts.

13.1.3 Interests in the Fund

Subject to any legal requirement, the Manager, the Trustee, or any related corporation of the Trustee or the Manager, or any officers or directors of any of them, may invest in the Fund. The directors of the Manager and of the Trustee 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 those set out in this Prospectus have been paid to any promoter of the Fund, or the Trustee (either to become a Trustee or for other services in connection with the Fund), or the Manager for any purpose.

13.1.4 Employees' securities dealings

The Manager 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.

13.2 Interests of directors and substantial shareholders of the Manager

As at the LPD, none of our directors and substantial shareholders have either direct or indirect interests in other corporations carrying on a business similar to the business of Principal Malaysia, except for the following:

Director / Shareholder	Position	Shareholding (Direct / Indirect)	Name of corporation
CIMB Group Sdn Bhd	Shareholder	Direct	Principal Islamic Asset Management Sdn Bhd (<i>formerly known as CIMB-Principal Islamic Asset Management Sdn Bhd</i>)
		Indirect	CIMB-Mapletree Management Sdn Bhd

13.3 Declaration of expert's existing and potential interests/conflicts of interests

CGS-CIMB Securities Sdn Bhd confirms that there is no existing or potential interests or conflict of interests in its capacity as the Participating Dealer and Market Maker with respect to the Fund or the Manager.

Each of the Legal Adviser, Messrs Shook Lin & Bok, and the Tax Adviser, PricewaterhouseCoopers Taxation Services Sdn Bhd appointed in their respective advisory capacity to the Fund confirm no existing interest or potential conflict of interest with respect to the Fund or the Manager.

**TAXATION ADVISER'S LETTER
ON TAXATION OF THE TRUST AND UNIT HOLDERS**

PricewaterhouseCoopers Taxation Services Sdn Bhd

Level 10, 1 Sentral
Jalan Rakyat
Kuala Lumpur Sentral
P.O.Box 10192
50706 Kuala Lumpur

The Board of Directors

Principal Asset Management Berhad
(f.k.a CIMB-Principal Asset Management Berhad)
10th Floor Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur

31 July 2019

Dear Sirs,

TAXATION OF THE TRUST OFFERED UNDER THE PRINCIPAL FTSE ASEAN 40 MALAYSIA ETF

This letter has been prepared for inclusion in the Replacement Prospectus ("hereinafter referred to as "the Prospectus") in connection with the offer of units in the Principal FTSE ASEAN 40 Malaysia ETF ("the Trust").

The taxation of income for both the Trust and the unit holders are subject to the provisions of the Malaysian Income Tax Act, 1967 ("the Act"). The applicable provisions are contained in Section 61 of the Act, which deals specifically with the taxation of trust bodies in Malaysia.

TAXATION OF THE FUND

The Trust will be regarded as resident for Malaysian tax purposes since the trustee of the Trust is resident in Malaysia.

(1) Foreign Investments

Income of the Trust in respect of overseas investment is exempt from Malaysian tax by virtue of Paragraph 28 of Schedule 6 of the Act and distributions from such income will be tax exempt in the hands of the unit holders. Such income from foreign investments may be subject to taxes or withholding taxes in the specific foreign country. However, any foreign tax suffered on the income in respect of overseas investment is not tax refundable to the Trust in Malaysia.

The foreign income exempted from Malaysian tax at the Trust level will also be exempted from tax upon distribution to the unit holders.

(2) Domestic Investments

(i) General taxation

14. TAXATION OF THE FUND

The income of the Trust consisting of dividends, interest (other than interest which is exempt from tax) and other investment income derived from or accruing in Malaysia, after deducting tax allowable expenses, is liable to Malaysian income tax at the rate of 24 per cent.

Gains on disposal of investments by the Trust will not be subject to income tax.

(ii) Dividend and other exempt income

All companies would adopt the single-tier system. Hence, dividends received would be exempted from tax and the deductibility of expenses incurred against such dividend income would be disregarded. There will no longer be any tax refunds available for single-tier dividends received. Dividends received from companies under the single-tier system would be exempted.

The Trust may receive Malaysian dividends which are tax exempt. The exempt dividends may be received from investments in companies which had previously enjoyed or are currently enjoying the various tax incentives provided under the law. The Trust will not be taxable on such exempt income.

Interest income or discount income derived from the following investments are exempt from tax:

- a) Securities or bonds issued or guaranteed by the Government of Malaysia;
- b) Debentures or sukuk, other than convertible loan stocks, approved or authorized by, or lodged with, the Securities Commission Malaysia; or
- c) Bon Simpanan Malaysia issued by Bank Negara Malaysia.

Income from Investment in structured products which are seen to be “debentures” under Capital Markets and Services Act 2007 will be exempted. Otherwise, tax implications could arise.

Interest income derived from the following investments are exempt from tax:

- a) Interest paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 or Islamic Financial Services Act 2013;
- b) Interest paid or credited by any development financial institution regulated under the Development Financial Institutions Act 2002;
- c) Bonds, other than convertible loan stocks, paid or credited by any company listed in Bursa Malaysia Securities Berhad ACE Market; or
- d) Interest income paid or credited by Malaysia Building Society Berhad¹.

With effect from 1 January 2019, the exemption shall not apply to interest income paid or credited to a unit trust that is a wholesale fund which is a money market fund.

The interest or discount income exempted from tax at the Trust level will also be exempted from tax upon distribution to the unit holders.

(3) Hedging Instruments

The tax treatment of hedging instruments would depend on the particular hedging instruments entered into.

Generally, any gain / loss relating to the principal portion will be treated as capital gain / loss. Gains / losses relating to the income portion would normally be treated as revenue gains / losses. The gain / loss on revaluation will only be taxed or claimed upon realisation. Any gain / loss on foreign exchange is treated as capital gain / loss if it arises from the revaluation of the principal portion of the investment.

¹ Pursuant to the letters from Ministry of Finance Malaysia dated 11 June 2015 and 16 June 2015 with effect from year of assessment (“YA”) 2015.

14. TAXATION OF THE FUND

(4) Other Income

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

(5) Securities Borrowing and Lending Transaction (“SBL”)

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

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

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

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

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

(6) Tax Deductible Expenses

Expenses wholly and exclusively incurred in the production of gross income are allowable as deductions under Section 33(1) of the Act. In addition, Section 63B of the Act provides for tax deduction in respect of managers’ remuneration, expenses on maintenance of the register of unit holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postages. The deduction is based on a formula subject to a minimum of 10 per cent and a maximum of 25 per cent of the expenses.

(7) Real Property Gains Tax (“RPGT”)

With effect from 1 January 2019, any gains on disposal of real properties or shares in real property companies² would be subject to RPGT at the following rates:-

Disposal time frame	RPGT rates
Within 3 years	30%
In the 4 th year	20%
In the 5 th year	15%
In the 6 th year and subsequent years	10%

² A real property company is a controlled company which owns or acquires real property or shares in real property companies with a market value of not less than 75 per cent of its total tangible assets. A controlled company is a company which does not have more than 50 members and is controlled by not more than 5 persons.

14. TAXATION OF THE FUND

(8) Sales and Service Tax (“SST”)

Effective from 1 September 2018, SST has been reintroduced to replace the Goods and Services Tax (“GST”). Both the Sales Tax Act 2018 and Services Tax Act 2018 have been gazetted on 28 August 2018. The rates for sales tax are nil, 5 per cent, 10 per cent or a specific rate whereas the rate for service tax is at 6 per cent.

Sales tax will be chargeable on taxable goods manufactured in or imported into Malaysia, unless specifically exempted by the Minister. Whereas, only specific taxable services provided by specific taxable persons will be subject to service tax. Sales tax and service tax are single stage taxes. As such, SST incurred would generally form an irrecoverable costs to the business.

Generally, the Trust, being a collective investment vehicle, should not be caught under the service tax regime. Certain brokerage, professional, consultancy or management services paid by the Trust may be subject to service tax at 6 per cent including services acquired from a foreign service provider.

TAXATION OF UNIT HOLDERS

Unit holders will be taxed on an amount equivalent to their share of the total taxable income of the Trust to the extent of the distributions received from the Trust. The income distribution from the Trust will carry a tax credit in respect of the Malaysian tax paid by the Trust. Unit holders will be entitled to utilise the tax credit against the tax payable on the income distribution received by them. No additional withholding tax will be imposed on the income distribution from the Trust.

Non-resident unit holders may also be subject to tax in their respective jurisdictions. Depending on the provisions of the relevant country’s tax legislation and any double tax treaty with Malaysia, the Malaysian tax suffered may be creditable against the relevant foreign tax.

Corporate unit holders, resident³ and non-resident, will generally be liable to income tax at 24 per cent on distribution of income received from the Trust. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these unit holders.

Individuals and other non-corporate unit holders who are tax resident in Malaysia will be subject to income tax at graduated rates ranging from 1 per cent to 28 per cent. Individuals and other non-corporate unit holders who are not resident in Malaysia will be subject to income tax at 28 per cent. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these unit holders.

The distribution of exempt income and gains arising from the disposal of investments by the Trust will be exempted from tax in the hands of the unit holders.

³ Resident companies with paid up capital in respect of ordinary shares of RM2.5 million and below will pay tax at 17 per cent for the first RM500,000 of chargeable income with the balance taxed at 24 per cent with effect from 1 January 2019.

With effect from YA 2009, the above shall not apply if more than –

- (a) 50 per cent of the paid up capital in respect of ordinary shares of the company is directly or indirectly owned by a related company;
- (b) 50 per cent of the paid up capital in respect of ordinary shares of the related company is directly or indirectly owned by the first mentioned company;
- (c) 50 per cent of the paid up capital in respect of ordinary shares of the first mentioned company and the related company is directly or indirectly owned by another company.

“Related company” means a company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of the basis period for a YA.

14. TAXATION OF THE FUND

Any gains realised by unit holders (other than dealers in securities, insurance companies or financial institutions) on the sale or redemption of the units are treated as capital gains and will not be subject to income tax. This tax treatment will include gains in the form of cash or residual distribution in the event of the winding up of the Trust.

Unit holders electing to receive their income distribution by way of investment in the form of new units will be regarded as having purchased the new units out of their income distribution after tax.

Unit splits issued by the Trust are not taxable in the hands of unit holders.

We hereby confirm that the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation. Our comments above are general in nature and cover taxation in the context of Malaysian tax legislation only and do not cover foreign tax legislation. The comments do not represent specific tax advice to any investors and we recommend that investors obtain independent advice on the tax issues associated with their investments in the Trust.

Yours faithfully,

for and on behalf of

PRICEWATERHOUSECOOPERS TAXATION SERVICES SDN BHD

Jennifer Chang
Partner

PricewaterhouseCoopers Taxation Services Sdn Bhd have given their written consent to the inclusion of their report as tax adviser in the form and context in which it appears in the Prospectus and have not, before the date of issue of the Prospectus, withdrawn such consent.

15. ADDITIONAL INFORMATION

15.1 Keeping abreast with developments of the Fund

Copies of the annual reports and interim reports (if any) of the Fund will be available on our website at <https://www.principal.com.my> and Bursa Securities' website at <http://www.bursamalaysia.com>. We will deliver a copy of the annual report to you without charge within two (2) months from the end of the period or financial year (as the case may be) of the Fund. You may also obtain the annual reports and the interim reports (if any) from our office during normal business hours. Additional copies of the annual reports shall only be sent to you upon request and payment of a reasonable sum as may be determined by us and the Trustee.

Updated information on the Fund can be obtained from our website at <https://www.principal.com.my> and as announced on Bursa Securities' website at <http://www.bursamalaysia.com> from time to time.

Some of the information which are made available on our website and/or Bursa Securities' website include:

- (i) the annual reports and interim reports (if any);
- (ii) NAV per Unit;
- (iii) IOPV per Unit;
- (iv) Fees and charges in relation to the Fund;
- (v) Prospectus; and
- (vi) Underlying Index.

15.2 Investor services

You should read and understand the contents of the Prospectus and if necessary consult your professional adviser(s).

You may contact our Customer Care Centre by telephone at (03) 7718 3000 or email us at service@principal.com.my. 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).

If you wish to write in, please address your letter to:

Principal Asset Management Berhad
Customer Care Centre
50, 52 & 54 Jalan SS 21/39
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan Malaysia

15.3 Anti-money laundering policies and procedures

In order to comply with the Anti-Money Laundering and Counter Financing of Terrorism Act 2001 (AMLA) and the relevant policies, procedures, guidelines and/or regulations aimed at the prevention of money laundering, we will be required to obtain satisfactory evidence of your identities and have effective procedures for verifying the bona fides of our investors.

We conduct ongoing due diligence and scrutiny of our Investors' identities and their investment objectives which may be undertaken throughout the course of the business relationship to ensure that the transactions being conducted are consistent with our knowledge of our Investors, our business and risk profile.

15. ADDITIONAL INFORMATION

We may not have direct contact with such investors 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 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/licensed by a recognised regulatory authority and is based in or incorporated in, or formed under the law of a recognised jurisdiction.

We also reserve the right to request such information as is necessary to verify the source of the payment. We 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 we 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 a cheque to the applicant's last known address on our records.

We will consider a transaction or a series of transactions as 'suspicious' if the transaction in question is inconsistent with the investor's known transaction profile or does not make economic sense. Suspicious transactions shall be submitted directly to the Financial Intelligence Unit of Bank Negara Malaysia.

15.4 Unclaimed monies

Any cheque payable to you which remains unclaimed after such period (currently being 12 months) will be paid to the Registrar of Unclaimed Monies in accordance with the requirements of the Unclaimed Monies Act, 1965.

15.5 Material agreements

Save as disclosed below, there are no other material agreements which have been entered into in relation to the Fund as at the LPD:

- (i) The Deed (comprising the principal trust deed dated 19 April 2010 entered into between the Manager and Trustee and the first supplemental deed dated 2 August 2019 entered into between the Manager and Trustee). The fees payable to the Trustee and the Manager are set out in Sections 1.2(ii) and 5.2 of this Prospectus;
- (ii) The Participating Dealer Agreement dated 19 April 2010 entered into between CIMB Bank Berhad, the Manager and the Trustee;
- (iii) The Addendum to the Index Licence Agreement dated 19 April 2010 entered into between the Index Licensor and the SF Manager; and
- (iv) The Fund Administration and Fund Accounting Services Agreement dated 22 March 2018 entered into between the Manager and DTMB.

16. CONSENTS

The written consent of PricewaterhouseCoopers Taxation Services Sdn Bhd, as the Tax Adviser, to the inclusion in this Prospectus of their name and statements/reports (where relevant) and Tax Adviser's Letter in the form and context in which they appear in this Prospectus has been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consents of the Custodian, Participating Dealer, Auditors of the Fund, Index Licensor, Fund administration and Fund accounting service provider, Trustee and Legal Advisers to the inclusion in this Prospectus of their names and statements/reports (where relevant) in the form and context in which they appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The rest of this page has been intentionally left blank

17. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at our principal place of business and/or the business address of the Trustee (where applicable, without charge) during normal business hours from the date of this Prospectus:

- (i) The Deed;
- (ii) The material agreements referred to in Section 15.5 of this Prospectus;
- (iii) The latest annual and interim reports of the Fund;
- (iv) The audited financial statements of the Manager and the Fund for the last three financial years ended 31 December 2018;
- (v) The Tax Adviser's Letter referred to in Section 14 of this Prospectus;
- (vi) The letters of consent referred to in Section 16 of this Prospectus; and
- (vii) This Prospectus and supplemental or replacement prospectuses hereto, if any.

The rest of this page has been intentionally left blank

18. DIRECTORY OF PARTICIPATING DEALER'S OFFICES

As at LPD, the Participating Dealer's offices are as follows:

Participating Dealer

CGS-CIMB Securities Sdn Bhd

Registered address:

13th Floor, Menara CIMB
No 1. Jalan Stesen Sentral 2
Kuala Lumpur Central
50470 Kuala Lumpur Malaysia
Tel No.: (+603) 2261 8888

Business address:

17th Floor Menara CIMB
No 1. Jalan Stesen Sentral 2
Kuala Lumpur Central
50470 Kuala Lumpur Malaysia
Tel No.: (+603) 2261 8888

The rest of this page has been intentionally left blank

This page has been left blank intentionally

This page has been left blank intentionally

This page has been left blank intentionally

Principal Asset Management Berhad (304078-K)
(formerly known as CIMB-Principal Asset Management Berhad)

Enquiries:

Customer Care Centre **(603) 7718 3000**

Email **service@principal.com.my**

Website **www.principal.com.my**